

東江集團(控股)有限公司

TK GROUP (HOLDINGS) LIMITED

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 2283



匠心築夢 智造未來

年報 ANNUAL REPORT 2018



CONTENTS

目錄

- | | |
|------------|---|
| 2 | Corporate Information
公司資料 |
| 4 | Financial Highlights
財務摘要 |
| 6 | Chairman's Statement
主席報告書 |
| 11 | Management Discussion and Analysis
管理層討論及分析 |
| 27 | Directors and Senior Management
董事及高級管理層 |
| 35 | Corporate Governance Report
企業管治報告 |
| 56 | Environmental, Social and Governance Report
環境、社會及管治報告 |
| 90 | Directors' Report
董事會報告書 |
| 112 | Financial Section
財務部份 |
| 216 | Five Year Financial Summary
五年財務概要 |



CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Li Pui Leung (*Chairman*)
Mr. Yung Kin Cheung Michael (*Chief Executive Officer*)
Mr. Lee Leung Yiu
Mr. Cheung Fong Wa

Independent Non-executive Directors

Dr. Chung Chi Ping Roy
Mr. Ho Kenneth Kai Chung
Mr. Tsang Wah Kwong

COMMITTEES OF THE BOARD

Audit Committee

Mr. Tsang Wah Kwong (*Chairman*)
Dr. Chung Chi Ping Roy
Mr. Ho Kenneth Kai Chung

Remuneration Committee

Dr. Chung Chi Ping Roy (*Chairman*)
Mr. Yung Kin Cheung Michael
Mr. Ho Kenneth Kai Chung
Mr. Tsang Wah Kwong

Nomination Committee

Mr. Li Pui Leung (*Chairman*)
Dr. Chung Chi Ping Roy
Mr. Ho Kenneth Kai Chung
Mr. Tsang Wah Kwong

AUTHORISED REPRESENTATIVES

Mr. Yung Kin Cheung Michael
Mr. Cheung Fong Wa

COMPANY SECRETARY

Mr. Cheung Fong Wa

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
The Bank of East Asia, Limited
Bank of China (Hong Kong) Limited
Dah Sing Bank, Limited
China CITIC Bank Corporation Limited
Hua Xia Bank Co., Limited
China Construction Bank Corporation

董事會

執行董事

李沛良先生(*主席*)
翁建翔先生(*行政總裁*)
李良耀先生
張芳華先生

獨立非執行董事

鍾志平博士
何啟忠先生
曾華光先生

董事會委員會

審核委員會

曾華光先生(*主席*)
鍾志平博士
何啟忠先生

薪酬委員會

鍾志平博士(*主席*)
翁建翔先生
何啟忠先生
曾華光先生

提名委員會

李沛良先生(*主席*)
鍾志平博士
何啟忠先生
曾華光先生

授權代表

翁建翔先生
張芳華先生

公司秘書

張芳華先生

核數師

羅兵咸永道會計師事務所
執業會計師
香港

主要往來銀行

星展銀行(香港)有限公司
東亞銀行有限公司
中國銀行(香港)有限公司
大新銀行有限公司
中信銀行股份有限公司
華夏銀行股份有限公司
中國建設銀行股份有限公司

Corporate Information (continued) 公司資料(續)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS IN PRC

TK Technology Park
Tangjia Community
Fenghuang Sub-district Office
Guangming District
Shenzhen, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Workshop No.19, 9th Floor, Block B
Hi-Tech Industrial Centre
No. 491-501 Castle Peak Road
Tsuen Wan, New Territories, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG SHARE REGISTRAR AND TRANSFER OFFICE

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

SHARE LISTING

The Stock Exchange of Hong Kong Limited
(Stock code: 2283)

COMPANY WEBSITE

<http://www.tkmold.com>

註冊辦事處

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

中國總部

中國深圳
光明區
鳳凰辦事處
塘家社區
東江科技工業園

香港主要營業地點

香港新界荃灣
青山道491-501號
嘉力工業中心
B座9樓19號

股份過戶登記總處

Conyers Trust Company (Cayman) Limited
Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

香港股份過戶登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

股份上市

香港聯合交易所有限公司
(股份代號：2283)

公司網址

<http://www.tkmold.com>

FINANCIAL HIGHLIGHTS

財務摘要

Results and Financial performances	業績及財務表現	2018	2017
Results	業績		
Revenue (HK dollar '000)	收入(千港元)	2,298,609	1,860,900
Profit attributable to owners of the Company (HK dollar '000)	本公司擁有人應佔溢利(千港元)	350,185	301,833
Basic earnings per share (HK dollar)	每股基本盈利(港元)	0.42	0.36
Proposed final dividend per share (HK dollar)	建議每股末期股息(港元)	0.14	0.12
Gross profit margin	毛利率	31.5%	33.7%
Net profit margin	淨利率	15.2%	16.2%
Return on equity (Note 1)	股本回報率(附註1)	32.6%	33.1%
Return on assets (Note 2)	資產回報率(附註2)	16.2%	18.4%
Inventory turnover days (Note 3)	存貨周轉天數(附註3)	76	86
Trade receivable turnover days (Note 4)	貿易應收款項周轉天數(附註4)	48	50
Trade payable turnover days (Note 5)	貿易應付款項周轉天數(附註5)	66	70
Financial position	財務狀況		
Net current assets (HK dollar '000)	流動資產淨值(千港元)	766,529	560,251
Current ratio (Note 6)	流動比率(附註6)	195.0%	187.2%
Quick ratio (Note 7)	速動比率(附註7)	152.4%	139.6%
Gearing ratio* (Note 8)	資產負債比率*(附註8)	31.8%	10.7%
Net gearing ratio (Note 9)	淨資產負債比率(附註9)	0%	0%

Notes:

- (1) Return on equity ratio is calculated by dividing profit after tax by total equity and multiplying the resulting value by 100%.
- (2) Return on assets ratio is calculated by dividing profit after tax by total assets and multiplying the resulting value by 100%.
- (3) Inventory turnover days are calculated based on the average balance of inventories divided by the cost of sales for the relevant year multiplied by 365 days.
- (4) Trade receivable turnover days are calculated based on the average trade receivables divided by the revenue for the relevant year multiplied by 365 days.
- (5) Trade payable turnover days are calculated based on the average trade payables divided by the cost of sales for the relevant year multiplied by 365 days.
- (6) Current ratio is calculated by dividing current assets by current liabilities and multiplying the resulting value by 100%.
- (7) Quick ratio is calculated by dividing current assets less inventory by current liabilities and multiplying the resulting value by 100%.
- (8) Gearing ratio is calculated by dividing total borrowings by total equity and multiplying the resulting value by 100%.
- (9) Net gearing ratio is calculated by dividing net borrowings (total borrowings net-off cash and pledged bank deposits) by total equity and multiplying the resulting value by 100%. Net gearing ratio was zero as net cash of the Company as at 31 December 2018 and 31 December 2017 was HK\$533,107,000 and HK\$452,312,000 respectively.

* The increase in gearing ratio was mainly attributable to a bank loan of EUR8.6 million to hedge the exchange risks related to the sales proceeds denominated in Euro from the European customers during the year.

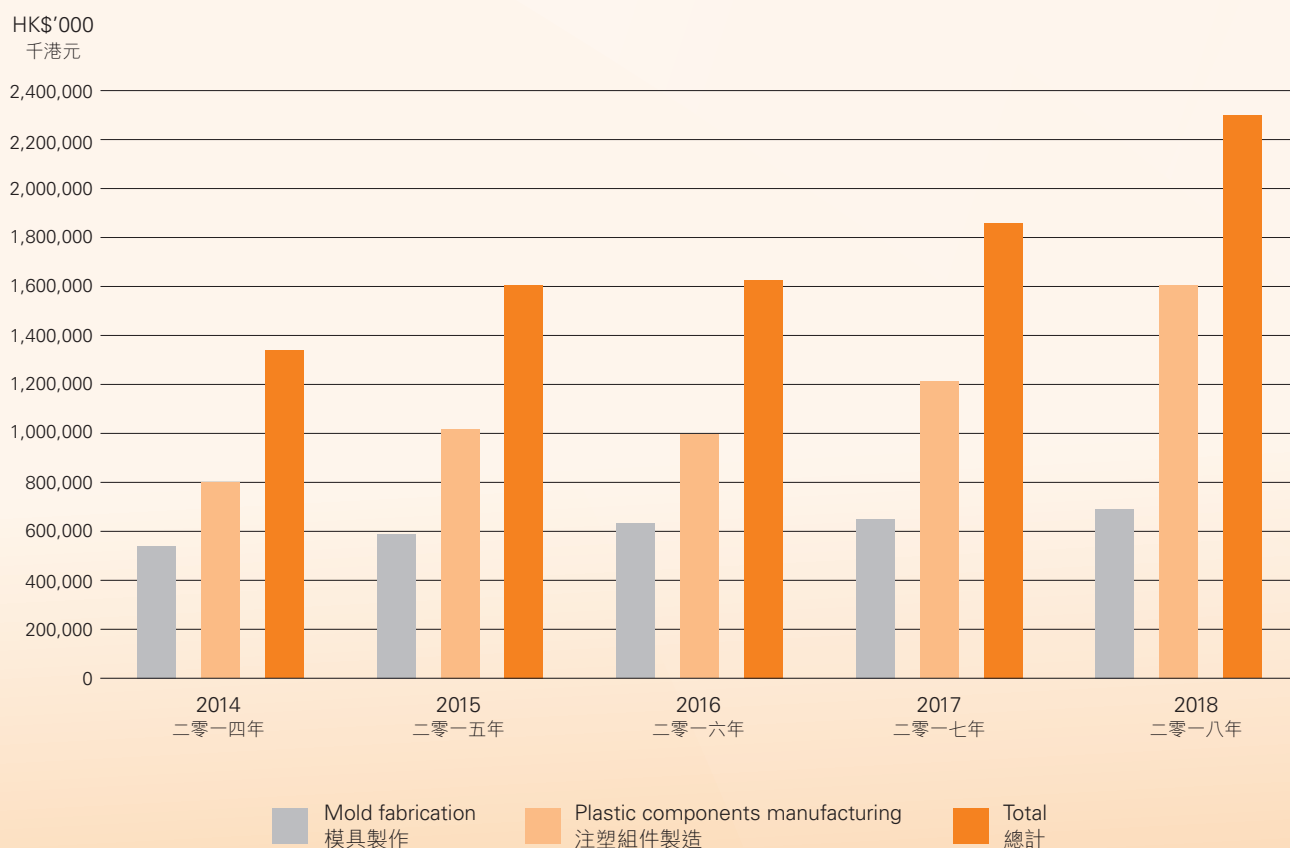
附註:

- (1) 股本回報比率按除稅後溢利除以權益總額再將所得值乘以100%計算。
- (2) 資產回報比率按除稅後溢利除以資產總額再將所得值乘以100%計算。
- (3) 存貨周轉天數乃按存貨平均結餘除以有關年度的銷售成本再乘以365天計算。
- (4) 貿易應收款項周轉天數乃按平均貿易應收款項除以有關年度的收入再乘以365天計算。
- (5) 貿易應付款項周轉天數乃按平均貿易應付款項除以有關年度的銷售成本再乘以365天計算。
- (6) 流動比率按流動資產除以流動負債再將所得值乘以100%計算。
- (7) 速動比率按流動資產減去存貨除以流動負債再將所得值乘以100%計算。
- (8) 資產負債比率按借貸總額除以權益總額再將所得值乘以100%計算。
- (9) 淨資產負債比率按借貸淨額(借貸總額減現金及抵押銀行存款)再除以權益總額再將所得值乘以100%計算。於2018年12月31日及2017年12月31日公司的現金淨額分別為533,107,000港元及452,312,000港元，所以淨資產負債比率為0。

* 資產負債比率上升主要是因為本集團在本年內為對沖本集團自歐洲客戶取得的以歐元計價的銷售所得款項的匯率風險而向銀行借款8.6百萬歐元。

Financial Highlights (continued) 財務摘要(續)

Five Year Revenue — by business segments
五年收入—按業務分部



		2014 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2017 HK\$'000 千港元	2018 HK\$'000 千港元
Mold fabrication	模具製作	540,259	588,800	631,396	649,756	692,412
Plastic components manufacturing	注塑組件製造	798,661	1,017,405	995,215	1,211,144	1,606,197
Total	總計	1,338,920	1,606,205	1,626,611	1,860,900	2,298,609

CHAIRMAN'S STATEMENT

主席報告書

For enterprises all around the world, there is no doubt that 2019 will be a year full of difficulties and challenges, yet challenges pose opportunities from the perspective of TK Group. In face of a time where only the fittest survives, I believe TK Group has strong resistance to market difficulties. We will continue to move ahead in the directions of being professional and focused, as well as consolidating our position and strengthening our capability. Albeit the ever-changing global condition, TK Group has been well prepared to face future challenges.

2019年對全球企業而言，無疑是充滿危機與挑戰，但對東江集團來說既是挑戰也是機會，面對市場汰弱留強的時刻，我相信東江集團必能經得起市場考驗。我們會繼續向做專、做精、做穩、做強、做大的目標前進。雖然全球局勢變化萬千，但東江集團已經作好應變的準備，迎接未來的挑戰。



Li Pui Leung 李沛良
Chairman 主席

Chairman's Statement (continued) 主席報告書(續)

To All Shareholders,

On behalf of the board of directors (the "Board"), I am pleased to present the annual report of TK Group (Holdings) Limited (the "Company" and its subsidiaries together, the "TK Group" or the "Group") for the year ended 31 December 2018 (the "Year under Review").

REVIEW

Building on the success in 2017, the Group had reached another breakthrough in its results in the Year under Review. For the year ended 31 December 2018, the Group's revenue amounted to HK\$2,298.6 million (2017: HK\$1,860.9 million), representing a year-on-year increase of 23.5%, while profit for the year attributable to owners of the Company rose by 16.0% to approximately HK\$350.2 million (2017: HK\$301.8 million). Albeit the uncertainties in the overall economic environment, the Group was able to maintain a sound performance. In addition, 2018 was a year of great significance to the Group as it was the 35th anniversary of the TK Group and the fifth anniversary of listing. During the Year under Review, TK Group had, for several times, hit record high in terms of its market capitalization and won wide recognition from the investment sector, enabling it to officially become one of the stocks in the MSCI Hong Kong Small Cap Index, and to be awarded "Listed Company Award of Excellence" by Hong Kong Economic Journal and once again obtained "Hong Kong Awards for Industry: Upgrading and Transformation". All these awards and recognitions boost the morale of all staff of the Group.

The Group has long been committed to creating value for shareholders and has distributed dividends of no less than 30% of the profit. As usual, the Board, in light of the abundant cash flow, has proposed an increment in dividend payout ratio for the current year to 47.6% and a payment of final dividend of HK\$0.14 per share, totaling HK\$0.20 per share when summing up with the interim dividend, to share the results and joy with the shareholders.

致各位股東

本人謹代表董事會(「董事會」)欣然提呈東江集團(控股)有限公司(「本公司」,及其附屬公司統稱,「東江集團」或「本集團」)截至2018年12月31日止年度(「回顧年內」)之年度報告。

回顧

承襲2017年的成功,本集團於回顧年內再創佳績。截至2018年12月31日止年度,本集團總收入達到2,298.6百萬港元(2017年:1,860.9百萬港元),同比增加23.5%;本公司擁有人應佔年內溢利較去年增加16.0%至約350.2百萬港元(2017年:301.8百萬港元)。即使總體經濟環境存在許多不明朗因素,本集團依然保持亮眼成績。此外,2018年是東江集團成立三十五周年,也是上市五周年,對本集團來說是意義重大的一年。回顧年內,東江集團市值屢創新高,並獲得投資界認可,正式成為MSCI香港小型股成份指數的一份子,又獲信報頒發「上市公司卓越大獎」及再度榮獲「香港工商業獎:升級轉型」,這些榮譽與肯定,令本集團全體上下倍感鼓舞。

本集團一直承諾為股東創造價值,並分派不少於溢利30%之股息,一如既往,本年度董事會決定建議在現金流量充裕的情況下增加本年度的派息比率至47.6%,末期股息派發每股0.14港元,連同中期派息,全年共派息每股0.20港元,與股東分享成果和喜悅。

Chairman's Statement (continued)

主席報告書(續)

For the past 35 years, TK Group has been focusing on the field of high-precision plastic molds, striving to advance in technological research and renovation and enhance the level of precision for the molds, thereby building up a century-old professional brand of molds. The precision level of the molds of TK Group has achieved international standards and met MT1 requirements of China, it was mainly because of our professional technical team which had enhanced the quality of our brand in satisfying the requirements of excellent quality of numerous internationally renowned brands. We have been accredited with several awards from our customers in 2018, including the "Supplier Excellence Award 2018 – Supplier Quality" by Royal Philips, "Supplier of the Year 2018" by Inventec Appliances Corp and "High Quality and Excellent Service Awards 2018" by Pegatron, which further demonstrated our enormous capability in the industry.

The increasing demand for new electronic consumer goods by the consumer market, as well as several new customers and projects secured by us, have resulted in abundant orders on hand of the Group. During the Year under Review, the Group has acquired a large number of new equipment for the mold and plastic components manufacturing workshops in order to cope with the rising orders. Furthermore, the newly leased factory in Huizhou with a site area of approximately 15,000 square meters will commence operation in the first quarter of 2019. The Group is still seeking for appropriate site in the neighboring area for expansion of scale.

With the effect of Sino-US trade war lingering around the world, some brands had to postpone new product launch and suffered from cost pressure in the second half of 2018. Nevertheless, TK Group has been cooperating with international brand customers with a focus on high precision products, which provides sufficient room for a certain level of gross profit. The substantial number of orders also allows the Group to alleviate any pressure brought by the trade war in a flexible manner. Besides, the Group adheres to its principle of customer diversification, which enables effective divergence of risks and facilitates healthy business growth. The Group is actively seeking for appropriate resources for building up plants in Southeast Asia or it may carry out acquisitions with complementary and synergy effects in order to expedite our business scale expansion, reduce geopolitical risks, thus driving business growth as a whole.

三十五年以來，東江集團一直專注於高精密注塑模具領域，精進技術的研發改良，提升模具的精準度，以打造專家級別的模具百年品牌。東江集團的模具精密度已達到國際水準，符合中國MT1之要求，背後最重要的原因是我們擁有一支專業的技術團隊，令東江集團的品牌滿足眾多國際知名品牌對卓越品質之要求，其中，2018年便榮獲了多家客戶授予獎項，包括荷蘭皇家飛利浦「2018年優秀供應商引領質量獎」、英華達公司「2018年度供應商」及和碩公司「2018高質量獎及2018優質服務獎」，再次證明我們在業界的實力。

消費市場對新興電子消費產品需求持續增加及年內新增數個客戶和新項目，持續帶動本集團的在手訂單飽滿。回顧年內，本集團為模具及注塑車間購置大量新設備以滿足不斷增加的訂單需求。此外，本集團新租用之惠州廠房(佔地約1.5萬平方米)將於2019年第一季度啟用，本集團仍不斷物色鄰近適用地作規模擴充。

中美貿易戰影響遍及全球，部分品牌在2018下半年出現延遲新品發佈及成本壓力。而東江集團與國際性知名品牌客戶的合作，一直主攻高精度產品，為本集團提供充裕的毛利空間，而且訂購量大，令本集團更具彈性地調控貿易戰所帶來的壓力。加上，本集團堅持客戶多元化的宗旨，有效分散了風險，使業務保持穩健。本集團也積極在東南亞地區尋找合適廠房資源，或不排除具互補性及協同效益的收購項目，以幫助我們加快拓展業務規模，降低地緣政治風險，帶動整體業務增長。

Meanwhile, with further strengthening of intelligent manufacturing and devotion of a large amount of resources in intellectualization and automation being the directions for us to make unremitting effort, the Group has invested approximately HK\$50 million in the Year under Review to set up three flexible production lines and to further improve the overall intellectualized operating procedures. Despite the higher initial investment of automation and intellectualization than manual production, our operation in the last decade shows that the cost of automation has been relatively flat. In contrast, the cost of manual production is rising, particularly amid the difficult economic environment. TK Group eyes on long-term development, therefore, I still consider that "there is no sunset industry but sunset procedures, there is neither high nor low tech products, but high or low tech production processes". Innovation is the key to TK Group's success, for which we must have keeping our products and procedures abreast of the trend in order to create sustainable value to our customers.

For enterprises all around the world, there is no doubt that 2019 will be a year full of difficulties and challenges, yet challenges pose opportunities from the perspective of TK Group. In face of a time where only the fittest survives, I believe TK Group has strong resistance to market difficulties. We will continue to move ahead in the directions of being professional and focused, as well as consolidating our position and strengthening our capability. Albeit the ever-changing global condition, TK Group has been well prepared to face future challenges.

CORPORATE CULTURE

Having a corporate culture unanimously recognized and supported by the public and all staff, every decision and every order of TK Group are determined upon thorough consideration in terms of customers, suppliers, staff, natural environment, the society and TK Group itself to ensure all parties are treated in a fair and equal manner, as well as profit maximization. Such culture is consistent with TK Group's operating concept of "concerted development, concerted growth". In addition, the Group places high emphasis on integrity, and believes that the "Three Principles", namely, "Fairness, Equality and Transparency", will facilitate our health development and growth. Under the corporate culture of mutual trust, all of our staff are able to concentrate their attention on the creation of corporate value and provision of better services to our customers, thus protecting interests of the Group and the customers as a whole.

同時，不斷深化智能製造，對智能化、自動化投入大量資源是我們一貫持續努力的方向，回顧年內，本集團投資約5千萬港元打造3條智能柔性生產線，並繼續深化整體智能化營運流程。雖然自動化、智能化的初期投資比用人工生產高，但從我們過去十年的營運看來，自動化的成本相對平穩，相反，使用人工的成本不斷上漲，特別是在經濟環境艱難的時刻最能顯現差異。東江集團眼光著重於企業的長遠發展，我仍然認為「沒有夕陽的工業，只有夕陽的工序；而產品沒有高、低科技之分，但生產工序卻有高科技和低科技之分」。東江集團要成就工業，關鍵在於創新，產品與工序必須隨着社會與時並進，才能不斷為客戶創造價值。

2019年對全球企業而言，無疑是充滿危機與挑戰，但對東江集團來說既是挑戰也是機會，面對市場汰弱留強的時刻，我相信東江集團必能經得起市場考驗。我們會繼續向做專、做精、做穩、做強、做大的目標前進。雖然全球局勢變化萬千，但東江集團已經作好應變的準備，迎接未來的挑戰。

企業文化

東江集團擁有一套大眾及全體員工一致認同及擁護的企業文化，本集團的每個決定，每張訂單，皆是衡量客戶、供應商、員工、自然環境、社會及東江集團本身，各方權益均是公平，平等，且兼顧利潤最大化的結果。一如東江集團一直秉持「共同發展、共同提升」的經營理念。同時，本集團非常重視廉潔的文化，我們堅信「公平、公正、公開」，此「三公原則」，確保本集團的健康發展及茁壯。基於共同信賴的企業文化，本集團員工可以集中所有精力於創造企業的價值、為客戶提供更佳服務，進而維護本集團上下及客戶的整體利益。

Chairman's Statement (continued) 主席報告書(續)

APPRECIATION

I would like to express my sincere gratitude to the members of the Board, the management team and all staff for their dedication to work, as well as the partners from the government and business sectors, our customers and shareholders for their long-term support and trust. We will devote unremitting effort to promote business growth and achieve excellent results so as to make contributions to our shareholders and the society.

Li Pui Leung

Chairman

Hong Kong, 11 March 2019

致謝

本人謹此感謝各董事會成員、管理層及全體員工辛勤投入工作，同時感謝政府和業務夥伴、客戶及股東長期鼎力支持及信任，我們將不遺餘力持續推進企業增長，創造更亮麗的業績回報股東及社會。

李沛良

主席

香港，2019年3月11日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

In retrospect to the worldwide economy in 2018, the global trade disputes were becoming increasingly fierce and the international political and economic conditions were clouded with uncertainties, resulting in a difficult and struggling business environment. In spite of that, the Group still achieved a stable business growth. During the Year under Review, the three major segments, namely the mobile phones and wearable devices segment, the commercial telecommunications equipment segment and the smart home segment in the downstream industries maintained upward trend. In 2018, The Group's revenue for the year was HK\$2,298.6 million (2017: HK\$1,860.9 million), representing an increase of 23.5% as compared to that of last year.

業務回顧

回顧2018年環球經濟，全球貿易爭拗持續升溫，國際政經情勢紛擾不明，經營環境備受挑戰。儘管如此，本集團業績仍穩步增長。回顧年內，下游客戶行業手機及可穿戴設備、商業通訊設備和智能家居三大板塊保持增長態勢，2018年本集團全年收益為2,298.6百萬港元（2017年：1,860.9百萬港元），較去年增長23.5%。

Industry 行業	2018		2017		Change 變動	
	HK\$ million 百萬港元	% %	HK\$ million 百萬港元	% %	HK\$ million 百萬港元	% %
Mobile phones and wearable devices 手機及可穿戴設備	561.7	24.4	369.1	19.8	192.6	52.2
Commercial telecommunications equipment 商業通訊設備	496.9	21.6	359.3	19.3	137.6	38.3
Automobiles 汽車	398.2	17.3	387.9	20.8	10.3	2.7
Medical and health care 醫療及個人護理	306.2	13.3	296.7	15.9	9.5	3.2
Smart home 智能家居	256.3	11.2	210.3	11.3	46.0	21.9
Household electrical appliances 家電	115.6	5.0	73.8	4.0	41.8	56.6
Digital devices 數字設備	46.3	2.0	69.9	3.8	-23.6	-33.8
Others 其他	117.4	5.2	93.9	5.1	23.5	25.0
	2,298.6	100.0	1,860.9	100.0	437.7	23.5

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Regarding gross profit, the gross profit of the Group increased to HK\$724.4 million (2017: HK\$627.0 million), representing a growth of 15.5% over last year, while the gross profit margin dropped 2.2 percentage points to 31.5% (2017: 33.7%). During the year, the pricings, average production efficiency and costs of the products of the Group were affected to a certain extent by various factors, including dampened consumption of high-end electronics consumer by the poor market sentiment, enhanced price sensitivity and postponed launch of new products. In addition, to cope with the increasing orders, the Group purchased new equipment for expansion of production capacity during the year. However, the gross profit margin was temporarily dragged down as the production process remained at trial stage. The Group believed that, with the temporary effects gradually alleviating, a full release of the production capacity is expected in 2019, leading to effective improvement in gross profit.

With all of the above mentioned, the Group hit a record high in its profit attributable to owners of the Company of HK\$350.2 million during the year (2017: HK\$301.8 million), representing a significant year-on-year increase of 16.0%. Net profit margin was 15.2% (2017: 16.2%), and slightly decreased by 1.0 percentage point over last year. Basic earnings per share was HK\$0.42 (2017: HK\$0.36), representing an increase of 16.7% as compared to that of last year.

Furthermore, the Group's trade receivable turnover days remained stable at around 48 days, which was attributable to our effective credit control policies. Meanwhile, such policies also enabled the Group to maintain net cash of HK\$533.1 million (2017: HK\$452.3 million). The sound financial position enables the Group to engage in merger and acquisition activities in a more active manner and to adopt other necessary measures so as to stimulate business growth. The Group has a considerable amount of orders on hand, as at 31 December 2018, amounting to HK\$788.0 million, which remained at a stable level as compared with HK\$789.7 million as at 31 December 2017.

毛利部分，年內本集團毛利增至724.4百萬港元(2017年：627.0百萬港元)，較去年增長15.5%。毛利率下降2.2個百分點至31.5%(2017年：33.7%)。年內由於高端電子消費品品牌客戶受整體疲弱消費市場氣氛影響，對價格敏感度提升以及新品發佈計劃推遲等因素，對本集團的產品定價、平均生產效益及成本造成部分影響，此外，因應不斷增長的訂單需求，年內本集團購置新設備進行產能擴充，惟部份生產程序仍處於調試階段，令毛利率受到短暫拖累。本集團相信短期影響因素已逐漸減退，2019年生產效率將充分釋放，毛利空間能有效改善。

綜合以上，年內本集團錄得本公司擁有人應佔溢利再創上市以來新高，達350.2百萬港元(2017年：301.8百萬港元)，較去年同期增長16.0%。純利率為15.2%(2017年：16.2%)，較去年同期微降1.0個百分點，每股基本盈利為0.42港元(2017年：0.36港元)，較去年增長16.7%。

此外，有效的信貸控制政策令本集團貿易應收款項周轉天數維持穩定於48天左右水平。同時，有關政策也令本集團保持現金淨額達533.1百萬港元(2017年：452.3百萬港元)。穩健的財務狀況令本集團可採取更積極的併購活動及其他所需的措施推動本集團增長。本集團在手訂單充裕，於2018年12月31日，在手訂單達788.0百萬港元，相較2017年12月31日的789.7百萬港元，保持平穩。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

BUSINESS SEGMENT ANALYSIS

Mold Fabrication Business

During the Year under Review, the revenue of the mold fabrication segment from external customers amounted to approximately HK\$692.4 million, representing a stable and healthy growth of approximately 6.6% as compared with approximately HK\$649.8 million in last year, and accounting for approximately 30.1% of the Group's total revenue.

The Group has production lines for ultra-large standard molds and high-precision molds. The major products of the Group's ultra-large standard molds are automobiles components. The clients mainly include first-tier component suppliers who manufacture automobile components for renowned automobile brands in Europe, such as Mercedes-Benz, BMW and Volkswagen. High-precision molds cover a number of high-end electronics consumer product businesses, such as commercial telecommunications equipment, mobile phones and wearable devices, medical and health care. Coupled with the downstream plastic components manufacturing business, the Group provides convenient one-stop services with high economic efficiency to our customers.

During the year, the sales in mold fabrication segment increased with the help of the stable utilization rate of the production lines and the improvement in internal management, and the gross profit margin maintained at a stable level of 37.4% (2017: 37.4%). Besides, upon the upgrade of mold workshop, three intelligently flexible production lines were added in 2018, summing up to a total of four production lines. By continuously improving production capacity and efficiency through intellectualization, and striving to deliver molds and design solutions with high quality, the Group enjoyed a dominant advantage in terms of its plastic mold fabrication technique.

業務分部分析

模具製作業務

回顧年內，模具製作業務部來自外界客戶的收入約為692.4百萬港元，較去年約649.8百萬港元平穩上升約6.6%，保持健康增長水平，佔本集團總收入約30.1%。

本集團設有超大型標準模具生產線及精密模具生產線，超大型標準模具產品以汽車零部件為主，客戶主要為替歐洲汽車品牌如奔馳、寶馬、大眾生產汽車零部件的一級部件供應商。精密模具生產線涵蓋商業通訊設備、手機及可穿戴設備、醫療及個人護理等多個高端電子消費產品業務，配合下游注塑組件製造業務，為提供客戶一站式服務帶來更多便利及經濟效益。

年內，模具業務銷售增長，生產線利用率持續平穩及內部管理提升，毛利率維持平穩至37.4% (2017年：37.4%)。此外，本集團已進行模具車間升級，2018年共新增智能柔性生產線3條(現共有4條)，藉不斷投入智能自動化提升產能及生產效率，致力於提供高質量之模具和設計解決方案，令本集團的注塑模具製造技術保持絕對優勢。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Plastic Components Manufacturing Business

Revenue from the plastic components manufacturing segment amounted to approximately HK\$1,606.2 million (2017: HK\$1,211.1 million), representing a significant increase of 32.6% over last year, and accounting for approximately 69.9% of the Group's total revenue.

The revenue of mobile phones and wearable devices segment maintained upward trend and recorded a year-on-year increase in revenue of 52.2%, which was mainly attributable to the significant increase in orders for smartphone protective cases from a brand customer. Leveraging on its leading capabilities in mold fabrication and automation technologies, the Group received high recognition from customers as well as a greater proportion of orders among suppliers. In addition, orders from the smartphone brand customer grew steadily during the year, yet the proposed launch of new products was postponed. A popular audio brand customer introduced several new wireless wearable device products, driving orders to soar. The Group has long been immersed in the field of high-tech wearable devices and has dominated a leading position in the industry, which helps to facilitate the expansion of new client base and capitalize on the increasing market demand for high-tech wearable devices, thereby enabling mutual growth with customers.

Commercial telecommunications equipment segment achieved a year-on-year growth of 38.3%, which was mainly driven by the consistent rise in the business of the international brand customers of the commercial telecommunications equipment.

Demand in the smart home segment showed ascending trend, up 21.9% over last year. Being the key supplier of some products for two leading smart home brands in North America, the Group has maintained good cooperative relationships with the brand customers, and has successively obtained orders for the parts of new products during the year. The Group will continue to strengthen the cooperation with the leading brand customers so as to expand its exposure in the smart home market.

注塑組件製造業務

注塑組件製造業務部的收入約為1,606.2百萬港元(2017年：1,211.1百萬港元)，較去年大幅增長32.6%，佔本集團總收入約69.9%。

其中手機及可穿戴設備板塊持續保持增長態勢，較去年同比增長52.2%，主要由於為智能手機提供保護殼之品牌客戶訂單強勁增長，本集團憑藉領先的精密模具能力及自動化技術，獲得客戶肯定而取得更大供貨佔比。此外，智能手機品牌客戶年內訂單維持平穩，但原預期年內向市場推出新產品計劃則有所推遲。另一流行音響品牌客戶推出多個無線穿戴設備新產品，令年內訂單顯著增長。本集團深耕高科技穿戴設備領域多年，已建立行業領頭羊地位，將有助於拓展新客戶及捕捉市場對高科技穿戴產品需求之增長，並與客戶一同成長。

商業通訊設備板塊較去年同比增長38.3%，主要為本集團商業及通訊設備國際品牌客戶業務取得持續增長，帶動該板塊業績成長。

智能家居板塊市場需求增長持續顯現，較去年增長21.9%。本集團現為北美兩家智能家居龍頭品牌若干產品的核心供應商，與品牌客戶維持良好的合作關係，更於年內陸續取得多項新產品部件之訂單，本集團將不斷加強與龍頭品牌客戶合作，開發智能家居市場。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

During the Year under Review, being hit by the trade war and the overall weak consumer market sentiment, the Group was, indirectly, suffered from price-cutting pressure from customers. And, some on-going pre-launch tests of samples of new products remained in the adjustment stage, which affected gross profit margin. Nevertheless, while the gross profit margin from this segment decreased to 29.0% (2017: 31.7%), the segment was still considered by the Group as a healthy level in view of its high production efficiency. Having 30% expansion in production capacity completed during the year, the Group believes that, with the launch of new products gradually getting on track, the efficiency will be fully released, thus driving gross profit margin to rise. The Group officially set up a technical service center in Silicon Valley in the US in 2018, delivering instant technical services to local customers. Positive feedback from customers for the provision of instant services in Silicon Valley by the Group has been received and one of the renowned smart home brands has even started cooperation with the Group during the year.

OUR CLIENTS

As at 31 December 2018, sales of the Group are mainly export sales and our customers are mainly prestigious corporations and brands in Europe and America. Clients of the Group cover a wide range of industries, from automobile to household electrical appliances to mobile phones and wearable devices as well as medical and health care. As a key supplier of molds and plastics of high-end electronic products, the Group's orders are widely impacted by the launch time, popularity and life cycle of products of its downstream industry clients. However, being engaged in the molds and plastic injection industry for more than 30 years, the Group always sticks to the strategy of client diversity in order to manage and minimize risks efficiently. Currently, the Group has been widely recognized as a trustworthy business partner of various internationally known brands of consumer goods, including numbers of leading brands in many fast-growing industries such as smartphones, health care and wearable devices.

回顧年內，受貿易戰及整體疲弱消費市場氛圍影響，令本集團間接受到來自客戶的降價壓力，加上部分進行中新產品前期投入測試樣本之磨合階段令成本費用上升，對毛利率有所影響。然而，憑藉本集團在注塑板塊的高生產效益，年內該分部毛利率雖有所下降至29.0% (2017年：31.7%)，本集團認為毛利率仍處於健康水平。本集團年內完成擴充30%產能，本集團相信待新產品陸續步入軌道，效益將能充分釋放令毛利率提升。2018年，本集團於美國矽谷正式成立技術服務中心，為當地客戶提供即時技術服務，客戶對本集團於矽谷能提供即時服務反應非常正面，其中一家智能家居龍頭品牌更因此與本集團於年內開展業務。

我們的客戶

截至2018年12月31日止，本集團的銷售主要為出口銷售，客戶主要為歐美知名企業及品牌。本集團的客戶行業跨度大，涵蓋大型汽車、中型家電、以至體積細小的手機及可穿戴設備和醫療及個人護理用品等多種行業。作為高端電子產品的主要模具及注塑供應商，本集團的訂單量受下游行業客戶的產品推出時間、受歡迎程度及產品周期等因素影響。然而，本集團立足於模具及注塑行業逾30年，一直堅守多元化客戶策略，有效管理及分散風險。本集團現已成為國際知名消費品品牌的業務翹楚最信賴的合作夥伴，這些國際知名消費品品牌包括多個高速增長的各行業領先品牌，如智能手機品牌、個人護理品牌和可穿戴設備品牌等。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

FINANCIAL REVIEW

Revenue

Revenue for the year ended 31 December 2018 was approximately HK\$2,298.6 million, representing an increase of HK\$437.7 million or 23.5% when compared with the revenue of approximately HK\$1,860.9 million in 2017.

In 2018, the revenue from external customers of the mold fabrication segment was approximately HK\$692.4 million, representing an increase of approximately HK\$42.6 million or 6.6% when compared with revenue of approximately HK\$649.8 million in 2017. The Group's major products of ultra-large standard molds are automobiles components. The Group's clients mainly include first-tier component suppliers which produce automobile components to European automobiles brands such as Mercedes-Benz, BMW and Volkswagen.

In 2018, the revenue from external customers of the plastic components manufacturing segment was approximately HK\$1,606.2 million, representing an increase of approximately HK\$395.1 million or 32.6% when compared with the revenue of approximately HK\$1,211.1 million in 2017, which was mainly attributable to the continuous upward trend in the three segments, being mobile phones and wearable devices, commercial communication equipment segment and smart home segment, in the downstream industries.

Gross Profit

Gross profit for the year ended 31 December 2018 was approximately HK\$724.4 million, representing an increase of approximately HK\$97.4 million or 15.5% as compared with the gross profit of approximately HK\$627.0 million in 2017. Gross profit margin dropped 2.2 percentage points to 31.5% (2017: 33.7%). Being dampened by the overall poor consumer market sentiment, brand customers of high-end electronic consumer goods enhanced their sensitivity to price and postponed the launch of new products, which, to a certain extent, affected the Group's product pricings, average production efficiency and costs. Besides, to cope with the rising orders, the Group purchased new equipment for capacity expansion, but, some of the production processes remained at trial stage which temporarily dragged down the gross profit margin. The Group believes that the temporary effect has been gradually alleviated and that the production efficiency will be fully released in 2019 to effectively improve gross profit.

財務分析

收入

截至2018年12月31日止年度收入約為2,298.6百萬港元，較2017年的收入約1,860.9百萬港元增加437.7百萬港元或23.5%。

模具製作分部2018年外界客戶收入約為692.4百萬港元，較2017年的收入約649.8百萬港元增加約42.6百萬港元或6.6%。本集團的超大型標準模具的產品以汽車零部件為主，客戶主要為替歐洲汽車品牌如奔馳、寶馬、大眾生產汽車零部件的一級部件供應商。

注塑組件製造分部2018年外界客戶收入約為1,606.2百萬港元，較2017年的收入約1,211.1百萬港元增加約395.1百萬港元或32.6%。該增長主要是由於本集團下游客戶行業手機及可穿戴設備、商業通訊設備、智能家居三大板塊持續保持增長態勢。

毛利

截至2018年12月31日止年度毛利約為724.4百萬港元，較2017年毛利約627.0百萬港元增加約97.4百萬港元或15.5%。毛利率下降2.2個百分點至31.5%（2017年：33.7%）。年內由於高端電子消費品品牌客戶受整體疲弱的消費市場氣氛影響，對價格敏感度提升以及新品發佈計劃推遲，因而對本集團的產品定價、平均生產效益及成本造成部分影響。此外，因應不斷增長的訂單需求，年內本集團購置新設備進行產能擴充，惟部份生產程序仍處於調試階段，令毛利率受到短暫拖累。本集團相信短期影響因素已逐漸減退，2019年生產效率將充分釋放，毛利空間將有效改善。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

The gross profit margin for the mold fabrication segment maintained at a healthy level of 37.4%, which was consistent with last year. Upon the upgrade of mold workshop, three intelligently flexible production lines were added in 2018, summing up to a total of four production lines. By continuously improving production capacity and efficiency through intellectualization, and striving to deliver molds and design solutions with high quality, the Group enjoyed a dominant advantage in terms of its plastic mold fabrication technique.

The gross profit margin for the plastic components manufacturing segment diminished from 31.7% in 2017 to 29.0% for the year. The diminished gross profit margin was mainly because the Group indirectly suffered from price-cutting pressure from the customer due to the trade war and the overall poor consumer market sentiment. And, some on-going pre-launch tests of samples of new products remained in the adjustment stage, which dampened gross profit margin. Nevertheless, with high production efficiency in the plastic component manufacturing segment, the Group believes that, with the launch of new products gradually getting on track, the resulting efficiency will be fully released and thus driving gross profit margin to rise.

Other Income

Other income for the year ended 31 December 2018 was approximately HK\$24.7 million, representing a decrease of approximately HK\$4.0 million or 14.0% when compared with HK\$28.7 million in 2017. The decrease was mainly attributable to the decrease of approximately HK\$4.0 million in government grants income of the Group.

Other Losses – Net

Other losses, net for the year ended 31 December 2018 was approximately HK\$2.7 million, representing a decrease of approximately HK\$8.4 million when compared to the other losses, net of approximately HK\$11.1 million in 2017. In order to minimise the effect of fluctuation of the Euro to the Group, the Group borrowed a Euro-denominated bank loan equivalent to the amount of the Group's existing orders from Europe to effectively hedge the effects of fluctuations of the exchange rates of Euro on the Group.

模具製作分部的毛利率保持平穩於37.4%，與去年一致。本集團已進行模具車間升級，2018年共新增智能柔性生產線3條(現共有4條)，藉不斷投入智能自動化提升產能及生產效率，致力於提供高質量之模具和設計解決方案，令本集團的注塑模具製造技術保持絕對優勢。

注塑組件製造分部毛利率從2017年的31.7%下降至本年度的29.0%。毛利率下降主要是由於本年內受貿易戰及整體疲弱的消費市場氛圍影響，令本集團間接受到來自客戶的降價壓力，加上部分進行中新產品前期投入測試樣本之磨合階段令成本費用上升，對毛利率有所影響。然而，本集團憑藉在注塑板塊的高生產效益，本集團相信待新產品陸續步入軌道，效益將能充分釋放令毛利率提升。

其他收入

截至2018年12月31日止年度其他收入約為24.7百萬港元，較2017年的28.7百萬港元減少約4.0百萬港元，或14.0%。主要因為本年度本集團政府補貼收入減少約4.0百萬港元。

其他虧損－淨額

截至2018年12月31日止年度其他虧損淨額約為2.7百萬港元，較2017年的其他虧損淨額約11.1百萬港元減少約8.4百萬港元。為了有效防範歐元匯率波動對本集團的影響，本集團從銀行借入了等額於本集團在手歐元訂單額的歐元貸款，以有效對沖歐元匯率波動對本集團的影響。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Selling Expenses

For the year ended 31 December 2018, the selling expenses were approximately HK\$88.3 million (2017: HK\$84.6 million) and the percentage to sales amounted to 3.8% (2017: 4.5%), representing an increase of approximately HK\$3.7 million or 4.4% when compared to 2017, and the percentage to sales decreased by 0.7 percentage point. The increase in selling expenses was mainly due to the increase in transportation expenses brought by the growth in sales.

Administrative Expenses

For the year ended 31 December 2018, the administrative expenses were approximately HK\$257.7 million (2017: HK\$215.2 million) and the percentage to sales amounted to 11.2% (2017: 11.6%), representing an increase of approximately HK\$42.5 million or 19.8% when compared to 2017, and the percentage to sales declined by 0.4 percentage point. The increase in the administrative expenses was mainly attributable to: (1) the significant growth of the operation for the year and the increase in employee salaries and bonuses due to the recruitment of more senior management talents in response to new project development needs of the customers; (2) the increase in lease expense over last year as the Group confirmed several workshop expansion and upgrade projects in 2018 in order to fulfill the abundant orders on hand and to secure new customers and projects under negotiation; and (3) the increase in expenses for consultation and legal services over last year as the Group devoted more investment in the consultation of corporate mergers and acquisitions.

Finance Income – Net

Net finance income for the year ended 31 December 2018 was approximately HK\$6.8 million, representing an increase of approximately HK\$2.2 million or 46.7% as compared to the net finance income of approximately HK\$4.6 million in 2017, which was primarily due to the increased income earned by purchasing financial assets.

銷售開支

截至2018年12月31日止年度銷售開支約為88.3百萬港元(2017年：84.6百萬港元)，佔銷售的百分比為3.8%(2017年：4.5%)。較2017年增加約3.7百萬港元或4.4%，佔銷售的百分比下降0.7個百分點。銷售開支增加主要是因為銷售增長使得運輸費用相應增加。

行政開支

截至2018年12月31日止年度行政開支約為257.7百萬港元(2017年：215.2百萬港元)，佔銷售的百分比為11.2%(2017年：11.6%)。較2017年增加約42.5百萬港元或19.8%，佔銷售的百分比下降0.4個百分點。行政開支增加的主要原因是：(1)本年度業務的增長及應客戶新項目開發需求而增聘更多高級管理人才所帶來僱員工資及花紅的增加；(2)為滿足飽滿的在手訂單及洽談中的新客戶和新項目，本集團在2018年落實多項廠房車間擴充及升級項目，使得租賃開支較去年同期有所增加；及(3)年內，本集團加大企業併購諮詢方面的投入，使得諮詢及法律服務開支較去年有所增長。

融資收入－淨額

截至2018年12月31日止年度融資收入淨額約為6.8百萬港元，較2017年的融資收入淨額約4.6百萬港元增加約2.2百萬港元，或46.7%。主要是由於本年內購買金融資產所產生的收益有所增加。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Income Tax Expense

Income tax expense for the year ended 31 December 2018 was approximately HK\$56.9 million (2017: HK\$47.7 million) and the effective tax rate was 14.0% (2017: 13.6%). Income tax expense increased by approximately HK\$9.2 million or 19.5% as compared to 2017, which was mainly attributable to the growth in profit before tax. Furthermore, all of the Group's principal mold fabrication and plastic components manufacturing companies are National New and High Technology Enterprises which enjoy a preferential enterprise income tax rate of 15%, and our research and development expenses benefited from the preferential policy of extra pre-tax deduction, and as such, the effective tax rate was 14.0%.

Profit for the Year Attributable to Owners of the Company

Profit attributable to owners of the Company for the year ended 31 December 2018 was approximately HK\$350.2 million, representing an increase of approximately HK\$48.4 million or 16.0% from approximately HK\$301.8 million in 2017.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group maintained a sound financial position during the year. As at 31 December 2018, the Group had net current assets of approximately HK\$766.5 million (31 December 2017: HK\$560.3 million). The Group had total cash and bank balances of approximately HK\$875.3 million (31 December 2017: HK\$550.2 million), including cash and cash equivalents of approximately HK\$753.8 million (31 December 2017: HK\$540.8 million), deposits for bank borrowings of approximately HK\$85.0 million (31 December 2017: Nil) and restricted cash of approximately HK\$36.5 million (31 December 2017: HK\$9.4 million). The current ratio of the Group as at 31 December 2018 was approximately 195.0% (31 December 2017: 187.2%).

Total equity of the Group as at 31 December 2018 was approximately HK\$1,075.5 million (31 December 2017: HK\$911.5 million). The gearing ratio as at 31 December 2018 was approximately 31.8% (31 December 2017: 10.7%). Such increase was mainly attributed to a bank loan of EUR8.6 million to hedge the exchange risks related to the sales proceeds denominated in Euro from the European customers during the year.

所得稅開支

截至2018年12月31日止年度所得稅開支約為56.9百萬港元(2017年: 47.7百萬港元), 實際稅率14.0%(2017年: 13.6%)。所得稅開支較2017年增加約9.2百萬港元, 或19.5%, 主要是由於稅前溢利增加所致。另外, 本集團模具製作及注塑組件製造主要公司均為國家高新技術企業, 享有15%企業所得稅優惠稅率, 以及研發費用享有稅前加計扣除的優惠政策, 使得實際稅率為14.0%。

本公司擁有人應佔年內溢利

截至2018年12月31日止年度本公司擁有人應佔年內溢利約為350.2百萬港元, 較2017年約301.8百萬港元增加約48.4百萬港元, 或16.0%。

流動資金、財務資源及資本架構

本集團在年內維持良好的財政狀況。於2018年12月31日, 本集團的流動資產淨額約為766.5百萬港元(2017年12月31日: 560.3百萬港元)。本集團的現金及及銀行結餘總額約為875.3百萬港元(2017年12月31日: 550.2百萬港元), 包括現金及現金等價物約753.8百萬港元(2017年12月31日: 540.8百萬港元), 銀行借貸的按金約85.0百萬港元(2017年12月31日: 無), 以及受限制現金約36.5百萬港元(2017年12月31日: 9.4百萬港元)。於2018年12月31日, 本集團的流動比率約為195.0%(2017年12月31日: 187.2%)。

於2018年12月31日, 本集團的權益總額約為1,075.5百萬港元(2017年12月31日: 911.5百萬港元)。於2018年12月31日, 資產負債比率約為31.8%(2017年12月31日: 10.7%), 該增加主要是因為本集團在本年內為對沖本集團自歐洲客戶取得的以歐元計價的銷售所得款項的匯率風險而向銀行借款8.6百萬歐元。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

DEBT MATURITY PROFILE

The maturity profile of the Group's borrowings is set out below:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Within 1 year	1年以內	107,218	32,705
Between 1 and 2 years	1至2年內	99,103	30,430
Between 2 and 5 years	2至5年內	135,911	34,780
		342,232	97,915

借貸到期狀況

本集團借貸到期狀況如下：

An analysis of the Group's key liquidity ratios as at 31 December 2018 is as follows:

於2018年12月31日，本集團的主要流動資金比率分析如下：

		2018	2017
Inventory turnover days (Note 1)	存貨周轉天數(附註1)	76	86
Trade receivable turnover days (Note 2)	貿易應收款項周轉天數(附註2)	48	50
Trade payable turnover days (Note 3)	貿易應付款項周轉天數(附註3)	66	70
Current ratio (Note 4)	流動比率(附註4)	195.0%	187.2%

Notes:

- Inventory turnover days are calculated based on the average balance of inventories divided by the cost of sales for the relevant year multiplied by 365 days.
- Trade receivable turnover days are calculated based on the average trade receivables divided by the revenue for the relevant year multiplied by 365 days.
- Trade payable turnover days are calculated based on the average trade payables divided by cost of sales for the relevant year multiplied by 365 days.
- Current ratio is calculated by dividing current assets by current liabilities and multiplying the resulting value by 100%.

附註：

- 存貨周轉天數乃按存貨平均結餘除以有關年度的銷售成本再乘以365天計算。
- 貿易應收款項周轉天數乃按平均貿易應收款項除以有關年度的收入再乘以365天計算。
- 貿易應付款項周轉天數乃按平均貿易應付款項除以有關年度的銷售成本再乘以365天計算。
- 流動比率按流動資產除以流動負債再將所得值乘以100%計算。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

INVENTORY TURNOVER DAYS

During the year, the Group's inventory turnover days were 76 days, representing a decrease of 10 days when compared with that of 2017, which was primarily attributable to the change in product mix and strengthening of inventory management.

TRADE RECEIVABLE TURNOVER DAYS

During the year, the Group's trade receivable turnover days were 48 days, which was approximate to that of 2017.

TRADE PAYABLE TURNOVER DAYS

During the year, the Group's trade payable turnover days were 66 days, which was approximate to that of 2017.

CURRENT RATIO

As at 31 December 2018, the Group's current ratio was 195.0%, which was approximate to that of 2017.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group mainly operated in the PRC and is exposed to foreign currency risks arising from various currency exposures, mainly with respect to HK dollar, US dollar, Euro and RMB. Exchange rate fluctuations and market trends have always been a main concern of the Group. Foreign currency hedging of the Group has been managed by the Group's chief financial officer, and overseen by the Group's chief executive officer. In accordance with the Group's hedging needs and the then foreign exchange situation, the Group's chief financial officer would collect and analyze information regarding various hedging instruments and determine stop-loss thresholds. The Group's chief financial officer would then collect quotations from various banks as to the financial instrument and present such quotations to the Group's chief executive officer, who would then evaluate and make a decision as to whether to enter into the relevant hedging agreement. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

The Group's cash and bank balances were primarily denominated in US dollar, RMB and HK dollar. Its operating cash inflows and outflows were primarily denominated in RMB, US dollar, Euro and HK dollar. The Group will closely monitor the exchange rate movements and regularly review its gearing structure so as to mitigate the expected exchange rate risk.

存貨周轉天數

年內，本集團的存貨周轉天數為76天，較2017年減少10天，主要是由於本集團產品結構變化及加強存貨管理所致。

貿易應收款項周轉天數

年內，本集團的貿易應收款項周轉天數為48天，與2017年周轉天數相若。

貿易應付款項周轉天數

年內，本集團的貿易應付款項周轉天數66天，與2017年周轉天數相若。

流動比率

於2018年12月31日，本集團的流動比率為195.0%，與2017年流動比率相若。

外匯風險管理

本集團主要在中國經營業務，因而面對多種外幣產生的外匯風險，主要為港元、美元、歐元及人民幣。本集團一直以來都很關注匯率波動和市場趨勢。本集團的首席財務官管理本集團的外匯對沖，而本集團的首席執行官則監控本集團的外匯對沖。根據本集團的對沖需要及當時的外匯情況，本集團的首席財務官將收集有關各種對沖工具的資料進行分析，並釐定止損點。隨後本集團的首席財務官將收集各銀行有關財務工具的報價，並向本集團的首席執行官呈報該報價，而本集團的首席執行官將評估及就是否訂立相關對沖協議作出決定。人民幣兌換成外幣須遵守中國政府頒佈的外匯管理條例及規定。

本集團的現金及銀行結餘主要以美元、人民幣及港元計值。其經營現金流入及流出主要以人民幣、美元、歐元及港元計值。本集團將密切監察匯率波動，並定期檢討其資產負債結構，以降低預期匯率風險。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

RMB EXCHANGE RATE RISK

The Group's major revenue is principally denominated in US dollar, Euro, HK dollar and RMB, and the Group's major expenses are denominated in RMB. The Group has not entered into any agreement for RMB hedging purpose.

CAPITAL STRUCTURE

There was no change in the capital structure of the Company during the year, and the Company's capital included ordinary shares and other reserves.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The Company was listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 20 December 2013. Net proceeds from the initial public offering totaled approximately HK\$268.0 million (including the net proceeds from the exercise of the over-allotment option which took place on 15 January 2014).

The table below sets out the use of net proceeds from the initial public offering and the unutilised amounts as at 31 December 2018. All unutilised amounts are deposited in licensed banks in Hong Kong.

人民幣匯率風險

本集團主要收入主要以美元、歐元、港元及人民幣計值，而本集團主要支出主要以人民幣計值，本集團沒有訂立任何為人民幣對沖的協議。

資本結構

本公司之資本結構於年內並無變動，本公司之資本包括普通股及其他儲備。

來自本公司首次公開發售的所得款項的用途

本公司於2013年12月20日在香港聯合交易所有限公司(「聯交所」)上市。來自首次公開發售的所得款項淨額合計約268.0百萬港元(包括2014年1月15日行使超額配股權的所得款項淨額)。

下表載列了首次公開發售所得款項淨額的用途以及於2018年12月31日的未動用款額。所有未動用款額乃存放於香港的持牌銀行。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Use of proceeds

所得款項用途

		Till 31 December 2018 直至2018年12月31日			
		% of total amount 佔總額的 百分比	Net proceeds 所得款項 淨額 (HK\$ million) (百萬港元)	Utilised amounts 已動用 款額 (HK\$ million) (百萬港元)	Unutilised amounts 未動用 款額 (HK\$ million) (百萬港元)
Establishing a new business unit specialising in ultra-large standard molds	設立超大型標準模具新事業 單位	19%	51.9*	51.9	-
Upgrading mold fabrication capabilities	升級模具製作能力	14%	37.1*	37.1	-
Expanding Shenzhen plastic components manufacturing capacity	擴充深圳注塑組件製造產能	22%	59.4*	59.4	-
Expanding Suzhou plastic components manufacturing capacity	擴充蘇州注塑組件製造產能	17%	44.5*	44.5	-
Strategic acquisitions of other mold fabricators	策略收購其他模具製造商	11%	29.5*	16.4	13.1
Research and development	研發投入	8%	21.5*	21.5	-
General working capital	一般營運資金	9%	24.1*	24.1	-
		100%	268.0*	254.9	13.1

* On 15 January 2014, China Merchants Securities (HK) Co., Limited, the sole global coordinator (on behalf of the international underwriters) of the global offering, partially exercised the over-allotment option, pursuant to which the Company issued 26,600,000 ordinary shares of HK\$0.1 each at the subscription price of HK\$1.25 per share. The allocation of the net proceeds of HK\$32.4 million was adjusted on a pro rata basis as set out in the section headed "Use of Proceeds" in the Company's prospectus dated 11 December 2013 (the "Prospectus"). As a result, the net aggregate proceeds were increased from HK\$235.6 million to HK\$268.0 million.

* 於2014年1月15日，全球發售之獨家全球協調人（代表國際包銷商）招商證券（香港）有限公司部分行使超額配股權。據此，本公司以認購價每股1.25港元發行26,600,000股每股面值0.1港元之普通股。所得款項淨額32.4百萬港元按本公司日期為2013年12月11日的招股章程（「招股章程」）「所得款項用途」一節所載的比例基準調整分配。因此，所得款項淨額總額從235.6百萬港元增加至268.0百萬港元。

The use of proceeds shown above is in line with the intended use as set out in the Prospectus.

所得款項用途與招股章程所載的擬定用途一致。

PLANS FOR MATERIAL CAPITAL INVESTMENTS

The Group plans to invest in capacity expansion and pursue suitable investment projects to capitalize the potential growth of the Group's business in the coming years in the manner set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus. Such source of funding would be primarily from the internal resources.

重大資本投資計劃

本集團將按招股章程「未來計劃及所得款項用途」一節所載的方式投資於產能擴充並尋找適合的投資項目，以把握我們未來業務的潛在增長。資金來源主要為內部資源。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

STAFF POLICY

As at 31 December 2018, the Group had 3,564 full-time employees (31 December 2017: 3,726) and 665 workers dispatched to us from third party staffing companies (31 December 2017: 520).

The Group's remuneration policy aims to offer competitive remuneration packages to recruit, retain and motivate competent directors and employees. The Group believes the remuneration packages are reasonable and competitive and in line with market trends. The Group has put in place a share option scheme for its directors and employees in a bid to provide a competitive package for the Group's long-term growth and development. The Group also provides appropriate training and development programmes to its employees to enhance the staff's work ability and personal performance.

The Group has implemented training programmes for the employees to meet different job requirements. The Group believes that these initiatives have contributed to increasing employee productivity.

As required by PRC regulations, the Group makes contributions to mandatory social security funds for the benefits of its PRC employees which provide pension insurance, medical insurance, unemployment insurance, work-related injury insurance, maternity insurance and housing funds.

MATERIAL ACQUISITIONS AND DISPOSALS

During the year ended 31 December 2018, the Group has made no material acquisitions or disposals of subsidiaries.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group did not have any significant contingent liabilities.

員工政策

於2018年12月31日，本集團擁有3,564名全職僱員(2017年12月31日：3,726名)及665名由第三方勞務公司派遣的工人(2017年12月31日：520名)。

本集團的薪酬政策旨在為招募、挽留及鼓勵有能力的董事及僱員提供具競爭力的薪酬待遇。本集團認為，有關薪酬待遇屬合理及具競爭力，並與市場趨勢相吻合。本集團已為其董事及僱員設立購股權計劃，力爭為本集團的長期增長及發展提供具競爭力的薪酬待遇。本集團亦向其僱員提供適當的培訓及發展計劃，旨在提升員工的工作能力及個人績效。

本集團已實施僱員培訓計劃，以應對不同職位的要求。本集團相信，該等舉措有助於提高僱員的生產力。

如中國法規規定，本集團已為其中國僱員繳交強制性社保基金，包括養老保險、醫療保險、失業保險、工傷保險、生育保險及住房公積金。

重大收購及出售

截至2018年12月31日止年度，本集團並未有重大收購或出售附屬公司。

或然負債

於2018年12月31日，本集團並無任何重大或然負債。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

PROSPECTS

Looking forward to 2019, given the uncertainties exerted by the Sino-US trade war, volatile financial market and unstable international political situation, the Group considers the coming year will be more challenging. Albeit the minimal direct effect to the Group by the trade war, the Group has indirectly suffered from cost pressure from customers in the year. The Group will adhere to its mission of facilitating success of its customers by unremittingly introducing smart automation for the upgrade and optimization of production efficiency. The Group is full of confidence to its own capability that it will become a solid support for customers in such challenging business environment and will differentiate itself from industry peers.

In order to fulfill the abundant orders on hand and to secure new customers and projects under negotiation, the Group has confirmed several workshop expansion and upgrade projects in 2018 and its newly leased plant in Huizhou with a site area of approximately 15,000 square meters will commence operation in the first quarter of 2019. The Group will pursue appropriate site in the neighboring areas for further expansion of production capacity for plastic components manufacturing. Furthermore, to reduce geopolitical and policy risks, the Group is actively seeking for appropriate resources for building up plants in Southeast Asia. In addition to construction of its own plant, it may acquire enterprises with similar corporate culture and prominent techniques and management to accelerate business expansion and minimize any possible effect caused by continuous trade disputes.

With high-end consumer goods becoming the mainstream of the consumer market, the Group's professional research and development team will keep abreast of the new products and industry trend, explore quality customers and projects and exploit potential of existing customers for higher supply proportion. The Group has long been upholding its operating visions of customer diversification. We cooperate with leading enterprises from various segments, and have become the most preferred supplier of plastic component manufacturing solutions of high technology and innovation enterprises from Silicon Valley, as well as the most trustworthy business partner of internationally renowned consumer brands. We are highly confident to our future and will cautiously face the volatile and challenging economic environment in the coming year, in order to cement the Group's position as the world's leading supplier of one-stop integrated plastic component manufacturing solutions.

展望

展望2019年，中美貿易戰、金融市場波動及國際政治情勢不穩等變數仍存在，本集團認為來年將是考驗更為嚴峻的一年。儘管貿易戰爭對本集團直接影響甚微，年內，本集團已間接感受到來自客戶的成本壓力。本集團將繼續堅守讓客戶成功的使命，藉由不斷投入智能自動化升級優化生產效率，本集團對自身實力充滿信心，可以在嚴峻的經營環境下成為客戶堅實的後盾以及在同行中脫穎而出。

為滿足飽滿的在手訂單及洽談中的新客戶和新項目，本集團在2018年落實多項廠房車間擴充及升級項目，新租之惠州廠房(佔地約1.5萬平方米)將於2019年第一季度啟用，本集團將繼續物色鄰近適合用地進一步擴充注塑的產能。此外，為降低地緣政治及政策風險，本集團正積極在東南亞地區尋找適合的廠房資源，除自建廠房外亦不排除收購與本集團具有相近企業文化及精於工藝技術、管理之企業，加快拓展業務規模，分散持續貿易糾紛帶來之可能影響。

高端電子消費品繼續成為消費市場主流，本集團專業研發團隊將密切追蹤新興產品及行業趨勢，開發優質的客戶及項目，深挖現有客戶的潛力以爭取更大供貨佔比。本集團一直持守客戶多元化經營理念，與多樣化板塊產業龍頭客戶密切合作，成為矽谷高科技創新企業首選注塑方案解決供應商，及國際知名消費品品牌業務翹楚最信賴的合作夥伴。對於未來我們仍充滿信心，並將以審慎的態度面對新一年度經濟環境的波動與挑戰，以鞏固本集團全球領先的一站式綜合注塑解決方案供應商龍頭地位。

Management Discussion and Analysis (continued) 管理層討論及分析(續)

Developments as to Defects to Land Title with Respect to the Shenzhen Tangjia Plants

Reference is made to the Prospectus and the announcement of the Company dated 20 March 2014. Unless otherwise defined herein, capitalized terms used in this sub-section shall have the same meanings as those defined in the Prospectus. As the Bureau of Urban Planning and Land Commission of the Shenzhen Municipality (深圳市規劃國土委) is examining policy proposals regarding the conversion of land use from high-technology project to commercial use by payment of land premium for submission for the approval of the municipal government, pursuant to the instructions of the Land Bureau, TK Technology (Shenzhen) Ltd. (“TK Technology (Shenzhen)”) will submit the written application to convert the green-type property ownership certificate into the red-type property ownership certificate after the promulgation of the relevant policy.

As disclosed in the section headed “Business — Properties — Plans to Resolve Risks Related to Certain of Our Leased Properties” of the Prospectus, the Company has contingency arrangements in place and will adopt such measures when it is necessary. Such contingency arrangements include relocating to the Backup Plants by exercising the Company’s right to request the Backup Plants Landlord to enter into the formal lease agreement with the Company within 15 days from the Company’s notice to the Backup Plants Landlord for one or more of the Backup Plants pursuant to the Pre-lease Agreements. Towards the expiry of the Pre-lease Agreements, in the event that TK Technology (Shenzhen) has yet to convert the green-type property ownership certificate into red-type property ownership certificate, the Company shall seek to either renew the Pre-lease Agreements or engage another party for a similar arrangement. For details of the contingency arrangements, please refer to the section headed “Business — Properties — Plans to Resolve Risks Related to Certain of Our Leased Properties” of the Prospectus. The Company has renewed the Pre-lease Agreements until 31 December 2019.

有關深圳塘家廠房房產證缺陷的進展情況

茲提述招股章程及本公司日期為2014年3月20日的公佈。除本文另有界定外，本小節所用詞與招股章程所界定者具有相同涵義。由於深圳市規劃國土委正在檢查關於借支地地價款將土地用途由高科技項目用地轉為商用地的政策建議以供提交市政府審批，根據國土局的指示，東江科技(深圳)有限公司(「東江科技(深圳)」)將於相關政策頒佈後提交書面申請，以將綠本房產證轉換為紅本房產證。

誠如招股章程「業務－物業－化解有關我們若干租賃物業風險的計劃」一節所披露，本公司設有應急安排，並將於需要時採取有關措施。有關應急安排包括根據租賃前協議行使本公司權利，要求後備廠房業主在本公司向其發出通知後15天內與本公司就一個或多個後備廠房訂立正式的租賃協議，以搬遷至後備廠房。當租賃前協議將近屆滿時，倘東江科技(深圳)仍未將綠本房產證轉換為紅本房產證，則本公司應尋求續訂租賃前協議或與另一方洽談訂立類似的安排。有關應急安排的詳情，請參閱招股章程「業務－物業－化解有關我們若干租賃物業風險的計劃」一節。本公司已續訂租賃前協議，有效期至2019年12月31日。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Li Pui Leung, aged 59, is the chairman of the Group. Mr. Li is one of the founders of the Group and was appointed as an executive director on 28 March 2013. He is also the chairman of the Board and the chairman of the Nomination Committee of the Company. Mr. Li is responsible for the overall management and strategic planning of the Group. He has accumulated more than 35 years of professional experience in plastic mold fabrication and plastic injection molding and also experience in business management in the manufacturing industry. Mr. Li together with Mr. Lee Leung Yiu, a substantial shareholder and an executive director of the Company, established Tung Kong Machinery Moulding FTY in Hong Kong in 1983, and have since expanded the Group's mold fabrication business into the PRC in 1992 and moved the operations to Shenzhen, the PRC. Mr. Li was elected the "Winner of Young Industrialist Awards of Hong Kong" in 2003 and "Outstanding Person of Shenzhen Machinery Industry" in 2004, and awarded "Shenzhen Person of the Year" by Southern Metropolitan Daily in 2013. Mr. Li holds several social titles, including serving as a committee member and the convenor of Hong Kong of Shenzhen Chinese People's Political Consultative Conference, the President of Guang Ming General Chamber of Commerce (Industry and Commerce), a committee member and honorary president of Hong Kong Young Industrialists Council Foundation, the Chairman of Kowloon City District Road Safety Campaign Committee, the vice chairman of Federation of Hong Kong Shenzhen Association Limited, the vice president of Shenzhen Overseas Chinese International Association, the executive director of Shenzhen General Chamber of Commerce, the vice chairman of charity committee of Shenzhen Guangming District and the president of Rotary Club, Tsuen Wan, Hong Kong in 2000. In July 1974, Mr. Li graduated from Yuanzhou Gongshe Lulan Primary School in Boluo, Guangdong in China, and obtained a middle school graduation certificate. Mr. Li is also the controlling shareholder and director of both Eastern Mix Company Limited (a controlling shareholder of the Company) and Lead Smart Development Limited (a substantial shareholder of the Company), and the elder brother of Mr. Lee Leung Yiu.

執行董事

李沛良先生，59歲，為本集團主席。李先生為本集團創辦人之一，於2013年3月28日獲委任為執行董事。彼亦為本公司董事會主席及提名委員會主席。李先生負責本集團之整體管理及策略規劃。彼於注塑模具製作及注塑方面積累了逾35年的專業經驗及亦於製造業的業務管理方面擁有經驗。李沛良先生與本公司的主要股東兼執行董事李良耀先生於1983年在香港成立東江機械製模廠，1992年將本集團模具製作業務擴展至中國，並將我們的營運遷移至中國深圳。李先生先後於2003年及2004年獲得「香港青年工業家獎」及「深圳機械行業傑出人物」之獎項，並於2013年榮獲南方都市報封為「深圳2013年度人物」。李先生擔任多項社會公職，包括中國人民政治協商會議深圳市委員會委員及香港區召集人、深圳市光明區總商會（工商聯）會長、香港青年工業家協會榮譽會長及基金會常務委員、香港九龍城區道路安全運動委員會會長、香港深圳社團總會副會長、深圳市僑商國際聯合會常務副會長、深圳市總商會常務理事、深圳市光明區慈善會常務副會長及香港荃灣扶輪社社長（2000年度）。於1974年7月，李先生畢業於中國廣東博羅的園洲公社綠蘭小學，並取得初中畢業證。李先生亦為集東有限公司（本公司之控股股東）及安領發展有限公司（本公司之主要股東）之控股股東及董事，和李良耀先生的胞兄。

Directors and Senior Management (continued)

董事及高級管理層(續)

Mr. Yung Kin Cheung, Michael, aged 57, is an executive director and the chief executive officer of the Group. He is also a member of the Remuneration Committee of the Company. Mr. Yung has approximately 30 years of experience in plastic mold fabrication and plastic injection molding. He was appointed as an executive director of the Group on 28 March 2013. Mr. Yung is responsible for formulation and implementation of the business plans of the Group. Prior to joining the Group, Mr. Yung acted as a buyer in National Semiconductor Hong Kong Ltd. from May 1985 to August 1987. He was promoted to Component Engineer in May 1987. From August 1987 to February 1989, Mr. Yung served at AST Research (Far East) Ltd. as a procurement engineer. Mr. Yung joined the Group in 1989 as the general manager and was primarily responsible for operation management for the molding business. He has been serving as the managing director of the Group since 2000, and is mainly responsible for business development and the daily operations of the Group's business. Mr. Yung graduated from the Department of Industrial Engineering of the University of Hong Kong with a bachelor's degree of Science in Engineering in November 1983. He also graduated from the Centre of Buddhist Studies of the Faculty of Social Sciences of the University of Hong Kong with a Master's Degree in Buddhist Studies in November 2008. Mr. Yung is also the shareholder and director of Eastern Mix Company Limited (a controlling shareholder of the Company), and the controlling shareholder and director of Cheer Union Development Ltd. (a substantial shareholder of the Company).

Mr. Lee Leung Yiu, aged 58, is an executive director of the Group. He is one of the founders of the Group and was appointed as an executive director of the Group on 28 March 2013. Mr. Lee has approximately 35 years of experience in plastic mold fabrication and plastic injection molding. Mr. Lee together with Mr. Li Pui Leung (a controlling shareholder, the Chairman and an executive director of the Company) established Tung Kong Machinery Moulding FTY, in 1983. He has been holding the position of manager, mainly responsible for procurement for the Group. From August 2009 to October 2010, Mr. Lee completed the EMBA training classes of Graduate School of Tsinghua University, China, and obtained a certificate of completion. In June 2013, Mr. Lee obtained a degree of master of business administration from the University of Wales, the United Kingdom. Mr. Lee is also the shareholder and director of Eastern Mix Company Limited (a controlling shareholder of the Company), the controlling shareholder and director of Normal Times International Limited (a substantial shareholder of the Company), and the younger brother of Mr. Li Pui Leung.

翁建翔先生，57歲，為本集團執行董事兼行政總裁。彼亦為本公司薪酬委員會成員。翁先生於注塑模具製作及注塑方面擁有約30年的經驗。彼於2013年3月28日獲委任為本集團執行董事。翁先生負責制訂及執行本集團的業務計劃。於加入本集團之前，翁先生自1985年5月至1987年8月擔任香港美國國家半導體有限公司的採購員。其於1987年5月獲提升為組件工程師，自1987年8月至1989年2月，翁先生擔任虹志電腦(遠東)有限公司的採購工程師。翁先生於1989年加入本集團擔任總經理，主要負責注塑業務的營運管理。彼自2000年起擔任本集團的董事總經理，主要負責業務發展及本集團業務的日常營運。翁先生於1983年11月畢業於香港大學工業工程系，取得工程學學士學位。彼亦於2008年11月畢業於香港大學社會科學院佛學研究中心，取得佛學研究碩士學位。翁先生亦為集東有限公司(本公司之控股股東)之股東及董事，及興邦發展有限公司(本公司之主要股東)之控股股東及董事。

李良耀先生，58歲，為本集團執行董事。彼為本集團創辦人之一，並於2013年3月28日獲委任為本集團執行董事。李先生於注塑模具製作及注塑方面擁有約35年的經驗。李先生於1983年與本公司的控股股東、主席兼執行董事李沛良先生創辦東江機械製模廠。彼一直擔任經理職務，主要負責本集團的採購。自2009年8月至2010年10月，李先生在中國清華大學研究院修畢EMBA研修班，取得結業證書。於2013年6月，李先生取得英國威爾士大學工商管理碩士學位。李良耀先生亦為集東有限公司(本公司之控股股東)之股東及董事、適時國際有限公司(本公司之主要股東)之控股股東及董事，和李沛良先生的胞弟。

Directors and Senior Management (continued) 董事及高級管理層(續)

Mr. Cheung Fong Wa, aged 56, was appointed as an executive director and the chief financial officer of the Group on 27 November 2013. Mr. Cheung joined the Group in July 2002, as a corporate financial controller and was mainly responsible for the finance, taxation, audit and investment of the Group. Prior to joining the Group, Mr. Cheung had served at Deloitte Ross Tohmatsu (currently known as “Deloitte Touche Tohmatsu”) and served as a financial controller for a FORTUNE 500 manufacture company, and manufacturing companies listed in Hong Kong and the U.S.. He has accumulated 31 years of experience in the field of auditing, accounting and corporate finance. Mr. Cheung graduated from Hong Kong Polytechnic (the predecessor of Hong Kong Polytechnic University) in November 1987 with a major in accounting, and is a fellow member of the Association of Chartered Certified Accountants since January 1996 and a fellow member of the Hong Kong Institute of Certified Public Accountants since September 1990.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Chung Chi Ping Roy, *GBS BBS JP*, aged 66, was appointed as an independent non-executive director of the Company on 27 November 2013. He is also the chairman of the Remuneration Committee, and a member of each of the Audit Committee and the Nomination Committee of the Company.

Dr. Chung obtained a doctoral degree in engineering from the University of Warwick, the United Kingdom in May 2010 and a Doctor of Business Administration Degree from City University of Macau in September 2012. He was re-appointed as an Industrial Professor by the University of Warwick, the United Kingdom in December 2015. He was awarded an honorary doctorate of business administration by the Lingnan University in November 2015, an honorary doctorate of business administration by the Hong Kong Polytechnic University in December 2007 and an honorary degree, Doctor of the University, by the University of Newcastle, Australia in July 2006 respectively. He was awarded by the Hong Kong Special Administrative Region Government (“HKSAR Government”) the Gold Bauhinia Star (GBS) Medal on 30 June 2017, the Bronze Bauhinia Star (BBS) Medal on 1 July 2011, and was appointed as Justice of Peace on 1 July 2005. Dr. Chung won the Hong Kong Young Industrialists Award in 1997, and was further awarded the Industrialist of the Year in November 2014.

張芳華先生，56歲，於2013年11月27日獲委任為本集團執行董事兼首席財務官。張先生於2002年7月加入本集團，出任公司財務總監，主要負責本集團的財務、稅務、審計及投資。加入本集團前，張先生曾任職Deloitte Ross Tohmatsu（現稱為「德勤關黃陳方會計師行」）。張先生曾歷任《FORTUNE》500強製造公司及香港和美國的上市製造公司的財務總監。彼累積約31年的審計、會計及企業財務經驗。張先生於1987年11月畢業於香港理工學院（香港理工大學前身）會計學系，自1996年1月起為英國特許公認會計師公會資深會員及自1990年9月起為香港會計師公會資深會員。

獨立非執行董事

鍾志平博士，*金紫荊星章、銅紫荊星章、太平紳士*，66歲，於2013年11月27日獲委任為本公司獨立非執行董事。彼亦為本公司薪酬委員會主席、審核委員會成員及提名委員會成員。

鍾博士於2010年5月獲英國華威大學工程學博士學位及於2012年9月獲澳門城市大學工商管理博士學位，彼於2015年12月獲英國華威大學再次委任為工程教授。彼分別於2015年11月獲嶺南大學頒授榮譽工商管理學博士學位，2007年12月獲香港理工大學頒授榮譽工商管理博士及2006年7月獲澳洲紐卡斯爾大學頒發榮譽博士學位。彼獲香港特別行政區政府（「香港特區政府」）於2017年6月30日頒授金紫荊星章、2011年7月1日頒授銅紫荊星章、2005年7月1日委任為太平紳士。鍾博士於1997年榮獲香港青年工業家獎，並於2014年11月榮獲傑出工業家獎。

Directors and Senior Management (continued)

董事及高級管理層(續)

Dr. Chung is highly dedicated to the advancement of Hong Kong industry. He was the Chairman of the Federation of Hong Kong Industries from July 2011 to July 2013 and has been serving as the Honorary President of the Federation since 5 July 2013. In addition, Dr. Chung holds positions in a number of HKSAR Government advisory committees and is an active member of many social committees and associations. Dr. Chung has been appointed as the Chairman of the Vocational Training Council since January 2018. He is also the Founder and Chairman of Bright Future Charitable Foundation.

Dr. Chung is a co-founder and currently a non-executive director of Techtronic Industries Company Limited (stock code: 669), a company listed on the Stock Exchange. He has also been an independent non-executive director of Fujikon Industrial Holdings Limited (stock code: 927), a company listed on the Stock Exchange, since 1 April 2014; and an independent non-executive director of Vitasoy International Holdings Limited (stock code: 345), a company listed on the Stock Exchange, since 24 June 2017. Dr. Chung was an independent non-executive director of KFM Kingdom Holdings Limited (stock code: 3816), a company listed on the Stock Exchange, from 22 September 2012 to 27 August 2015.

Mr. Ho Kenneth Kai Chung, aged 53, was appointed as an independent non-executive director of the Company on 27 November 2013. He is also a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. Mr. Ho obtained a bachelor's degree in economics from the University of Sydney, Australia in May 1988 and a master of commerce specialised in finance from the University of New South Wales, Australia in April 1991. Mr. Ho was awarded as Chartered Financial Analyst by the Institute of Chartered Financial Analysts in September 1998 and is a CFA charterholder. Mr. Ho has previously served as Head of China Research, Senior Research Analyst and Vice President in Institutional Equities in international financial institutions, including Credit Lyonnais, JP Morgan and HSBC. Mr. Ho joined HSBC Group since November 2004. In June 2008, he was appointed as Head of Research, China, serving and acting as the representative in the Beijing Representative office of HSBC. As at January 2013, Mr. Ho worked as a Hong Kong China Equity sales director for HSBC.

鍾博士對推動香港工業發展不遺餘力。彼於2011年7月至2013年7月曾出任香港工業總會主席，亦自2013年7月5日起為該會名譽會長。此外，鍾博士分別出任香港特區政府多個諮詢委員會成員，並熱心參與眾多社福機構，服務社群。鍾博士自2018年1月獲委任為職業訓練局主席。彼亦為鵬程慈善基金創辦人及主席。

鍾博士為聯交所上市公司創科實業有限公司(股份代號:669)的聯合創辦人之一，現為該公司之非執行董事。彼亦自2014年4月1日起擔任聯交所上市公司富士高實業控股有限公司(股份代號:927)的獨立非執行董事；亦自2017年6月24日起擔任聯交所上市公司維他奶國際集團有限公司(股份代號:345)的獨立非執行董事。鍾博士曾於2012年9月22日至2015年8月27日期間擔任聯交所上市公司KFM金德控股有限公司(股份代號:3816)的獨立非執行董事。

何啟忠先生，53歲，於2013年11月27日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會、薪酬委員會及提名委員會成員。何先生於1988年5月取得澳大利亞悉尼大學經濟學學士學位，並於1991年4月取得澳大利亞新南威爾士大學商學院金融碩士學位。何先生於1998年9月獲特許財務分析師協會授為特許財務分析員及為特許財務分析師特許資格持有人。何先生曾任多家國際金融機構，包括Credit Lyonnais、JP Morgan及HSBC的中國研究部主管、高級研究分析師及副總裁。何先生自2004年11月加入匯豐集團。於2008年6月彼獲委任為中國研究部主管並擔任HSBC北京辦事處代表。何先生於2013年1月擔任HSBC的香港中國股票銷售總監。

Directors and Senior Management (continued) 董事及高級管理層(續)

Since 10 October 2014, Mr. Ho has been an independent non-executive director of BBI Life Sciences Corporation (stock code: 1035), a company listed on the Main Board of the Stock Exchange. Since 5 March 2015, Mr. Ho has been an independent non-executive director of Tsaker Chemical Group Limited (stock code: 1986), a company listed on the Main Board of the Stock Exchange. Mr. Ho has been the chief financial officer of Greentown Service Group Co., Ltd (stock code: 2869), a company listed on the Main Board of the Stock Exchange since 4 August 2015 and one of the joint company secretaries since 27 November 2015. On 4 August 2018, due to internal job rotation, Mr. Ho tendered his resignation as the joint company secretary and chief financial officer of the company.

Mr. Tsang Wah Kwong, aged 66, was appointed as an independent non-executive director of the Company on 27 November 2013. He is also the chairman of the Audit Committee and a member of both the Nomination Committee and the Remuneration Committee of the Company. Mr. Tsang is a former partner of PricewaterhouseCoopers in Hong Kong and China and has over 30 years of experience in auditing and providing support for initial public offerings and acquisition transactions. Mr. Tsang received a bachelor's degree in business administration from Chinese University of Hong Kong. He is a fellow member of the Hong Kong Institute of Certified Public Accountants, a member of the Chinese Institute of Certified Public Accountants and a fellow member of the Chartered Association of Certified Accountants.

Currently, Mr. Tsang is an independent non-executive director of the following companies listed on the Main Board of the Stock Exchange: China Merchants China Direct Investments Limited (stock code: 133), Sihuan Pharmaceutical Holdings Group Ltd. (stock code: 460), China Animation Characters Company Limited (stock code: 1566) and Ping An Securities Group (Holdings) Limited (stock code: 231). Mr. Tsang was an independent director of Agria Corporation (formerly listed on the New York Stock Exchange and delisted in January 2017) from August 2011 to October 2017, a director of PGG Wrightson Limited (a company listed on the New Zealand Stock Exchange; stock code: PGW) from November 2014 to October 2017 and an independent non-executive director of PanAsialum Holdings Company Limited (stock code: 2078) from January 2013 to January 2016.

自2014年10月10日起，何先生擔任聯交所主板上市公司BBI生命科學有限公司(股份代號：1035)的獨立非執行董事。自2015年3月5日起，何先生擔任聯交所主板上市公司彩客化學集團有限公司(股份代號：1986)的獨立非執行董事。何先生自2015年8月4日起擔任聯交所主板上市公司綠城服務集團有限公司(股份代號：2869)之財務總監，並於2015年11月27日起擔任該公司的聯席公司秘書之一。何先生於2018年8月4日起因公司內部崗位調動已辭任該公司的財務總監及聯席公司秘書。

曾華光先生，66歲，於2013年11月27日獲委任為本公司獨立非執行董事。彼亦為本公司審核委員會主席、提名委員會及薪酬委員會成員。曾先生為香港和中國羅兵咸永道會計師事務所的前合夥人，於審計及為首次公開發售與收購交易提供支援方面具備逾30年的經驗。曾先生取得香港中文大學的工商管理學士學位。彼為香港會計師公會資深會員、中國註冊會計師協會會員及英國特許公認會計師公會資深會員。

曾先生現為下列於聯交所主板上市的公司的獨立非執行董事：招商局中國基金有限公司(股份代號：133)、四環醫藥控股集團有限公司(股份代號：460)、華夏動漫形象有限公司(股份代號：1566)及平安證券集團(控股)有限公司(股份代號：231)。曾先生於2011年8月至2017年10月擔任Agria Corporation(曾於紐約證券交易所上市，於2017年1月摘牌)的獨立董事，於2014年11月至2017年10月擔任PGG Wrightson Limited(一間於紐西蘭證券交易所上市的公司；股份代號：PGW)的董事及於2013年1月至2016年1月擔任榮陽實業集團有限公司(股份代號：2078)的獨立非執行董事。

Directors and Senior Management (continued) 董事及高級管理層(續)

SENIOR MANAGEMENT

Mr. Yue Yiu Chung, aged 52, joined the Group in July 2014 as corporate financial controller, and is responsible for the Group and plants finance operation. Prior to joining the Group, he worked for a company listed in the U.S. and was responsible for the entire Asia Pacific region finance affair. He has approximately 27 years of experience in auditing and finance. He obtained a bachelor's degree in accountancy from City University of Hong Kong. He has also been a fellow member of the Association of Chartered Certified Accountants since August 2000.

Mr. Lui Shit Chun, aged 54, joined the Group and was appointed as the general manager of the plastic components manufacturing division of the Group in March 2011, responsible for the overall management of the plastic components manufacturing division. Prior to joining the Group, Mr. Lui had worked in the plastics industry for approximately ten years and has worked as the operation manager of Nypro Hong Kong Ltd. Mr. Lui graduated from The Hong Kong Polytechnic University in November 1994 with a higher certificate in manufacturing engineering (plastics). He obtained a master's degree in procurement management from the University of Strathclyde (distant learning) in the U.K. in October 2007. Mr. Lui retired on 31 December 2018.

Mr. Lu Gong Shan, aged 39, is the general manager of the standard mold business units of the Group. Mr. Lu joined the Group in May 2002, and was appointed as the deputy general manager of the Group in January 2009, responsible for the development of the mold fabrication business, project management and the management of affairs in respect of technology, quality and sourcing management. In October 2013, Mr. Lu was appointed as the general manager of the standard mold business units of the Group, he is responsible for the overall management of the standard mold business units. Mr. Lu graduated from Zhengzhou University of Light Industry in July 2000 with a diploma of high molecular material machining specialised in mold design and manufacturing. In May 2013, Mr. Lu obtained a degree of master of Business Administration in Executive Management from the Royal Roads University.

高級管理層

余耀宗先生，52歲，於2014年7月加入本集團，擔任公司財務總監，負責本集團及工廠的財務營運。加入本集團前，彼曾任職於某美國上市公司，負責整個亞太地區的財務工作。彼擁有近27年審計及財務經驗。彼取得了香港城市大學的會計學學士學位。彼自2000年8月份起為英國特許公認會計師公會資深會員。

呂術真先生，54歲，於2011年3月加入本集團並獲委任為本集團之注塑組件業務總經理，負責整體管理注塑組件業務部。在加入本集團前，呂先生於塑膠行業先後有近十年之工作經驗。呂先生曾任耐普羅(香港)有限公司(Nypro Hong Kong Ltd.)的營運經理職務。呂先生於1994年11月畢業於香港理工大學，取得製造工程學(塑膠)高級證書並於2007年10月取得英國University of Strathclyde(遠程學習)採購管理碩士學位。呂先生於2018年12月31日退休。

盧功善先生，39歲，為本集團標準模具事業單位總經理。盧先生自2002年5月加入本集團，2009年1月獲委任為本集團之副總經理，負責模具製作業務開發、專案管理及技術、品質及資源管理事務的管理工作。2013年10月盧先生獲委任為本集團之標準模具業務部總經理，負責整體管理標準模具製作業務。盧先生於2000年7月畢業於鄭州輕工業學院，取得高分子材料加工模具設計與製造文憑。2013年5月，盧先生於加拿大皇家大學取得行政管理MBA碩士學位。

Directors and Senior Management (continued) 董事及高級管理層(續)

Mr. Lok See Yuen Samuel, aged 42, is the chief marketing director of the plastic components manufacturing division of the Group. Mr. Lok joined the Group in August 2009 and was appointed as the chief marketing director of the plastic components manufacturing division of the Group. He was mainly responsible for sales and marketing affairs of the plastics components manufacturing division. Prior to joining the Group, Mr. Lok had approximately eight years of experience in Plastics industry. Mr. Lok previously served as the application development manager of GE Plastics Hong Kong Limited. Mr. Lok graduated from The Hong Kong University of Science and Technology with a bachelor's degree in mechanical engineering in November 1998.

Mr. Joerg Wehling, aged 52, Mr. Joerg Wehling onboard on 4 May 2017 as the general manager of precision mold business unit of the Group, and will take charge of all the management work for precision mold business unit. Mr. Joerg Wehling graduated from Fachhochschule Wiener Neustadt of a College degree in 1985, and has more than 30 years of work experience in the tooling and molding industry. Mr. Joerg Wehling has previously worked for famous companies, such as Jabil, Molex Automotive, KTW, Husky IMS, etc.

Mr. Xing Fu Zhi, aged 43, is the internal audit manager of the Group. Mr. Xing joined the Group in November 2011, and was appointed as the internal audit manager of the Group, responsible for the internal audit of the Group. Prior to joining the Group, Mr. Xing had approximately 13 years of experience in finance and audit. Mr. Xing has held positions such as assistant accountant in a Wal-Mart China company, senior internal control consultant in an IBM joint venture in China, finance manager and internal audit manager in Hitachi GST China. During his service in IBM and Hitachi, he was involved in a number of projects including ERP implementation and SOX compliance. Mr. Xing became a member of the Association of Chartered Certified Accountants and a certified internal auditor of The Institute of Internal Auditors in November 2009. Mr. Xing graduated in June 1998 from Sun Yat-sen University in the PRC with a bachelor's degree in economics, majoring in auditing. He also obtained the Degree of Master of Business Administration (MBA) from The University of Manchester in November 2013.

駱思源先生，42歲，為本集團注塑組件製造業務部市場總監。駱先生自2009年8月起加入本集團，獲委任為本集團注塑組件製造業務部市場總監。彼主要負責注塑組件製造業務部的銷售及市場推廣事務。在加入本集團前，駱思源先生於塑膠行業有近八年經驗。駱先生曾任GE Plastics Hong Kong Limited的應用開發經理。駱先生於1998年11月畢業於香港科技大學，取得機械工程學士學位。

Joerg Wehling先生，52歲，Joerg Wehling先生於2017年5月4日加入本集團，擔任精密模具事業部總經理，統籌安排精密模具事業部所有工作。Joerg Wehling先生1985年畢業於奧地利維也納新城高等專業學院，彼在模具行業擁有30年以上之工作經驗。彼曾服務於捷普集團、莫仕、KTW、赫斯基等知名企業。

邢福智先生，43歲，為本集團內部審計經理。邢先生自2011年11月加入本集團，獲委任為本集團之內部審計經理，負責本集團的內部審計工作。在加入本集團前，邢先生於財務及審計方面有約13年的經驗。邢先生曾任Wal-Mart中國公司助理會計師、IBM中國合資企業高級內控顧問、日立中國公司財務經理兼內部審計經理等多個職務。於任職IBM及日立期間，他曾參與多項涉及ERP系統上線及SOX合規等項目。邢先生自2009年11月起為英國特許會計師公會會員和國際註冊內部審計師。邢先生於1998年6月畢業於中國中山大學審計專業，取得經濟學學士學位，並於2013年11月取得英國曼徹斯特大學的工商管理碩士(MBA)學位。

Directors and Senior Management (continued) 董事及高級管理層(續)

Ms. Zeng Xie Qin, aged 44, joined the Group on 1 March 2016 as Human Resources Director and is responsible for the Group's and plant's Human Resources management work. Prior to joining the Group, she worked for several enterprises of the FORTUNE Top 500, such as Jabil, Philips and Mars. She graduated in Jiangxi Nanchang university and obtained human resource management division intermediate certificate. During "2017 Shenzhen influential HR" competition activity, she won the Chief Talent Officer award in Shenzhen, which issued by Shenzhen human resources services association.

Mr. Yim Cham Sum, aged 53, joined the Group and was appointed as the Operations Director of the plastic components manufacturing division of the Group in December 2017, responsible for the operation management of the plastic components manufacturing division. He was appointed as the general manager of the plastic components manufacturing division of the Group in January 2019, responsible for the overall management of the plastic components manufacturing division. Mr. Yim obtained the Degree of Master of Business Administration (MBA) from the University of Strathclyde in the U.K. in July 2002. He had worked in the manufacturing operation management for over ten years and has worked of Nypro Plastics & Metal Products (Shenzhen) Co., Ltd.

COMPANY SECRETARY

Mr. Cheung Fong Wa, aged 56, is the company secretary of the Company. Please refer to "Directors and Senior Management — Executive Directors — Mr. Cheung Fong Wa" for further information.

曾謝琴女士，44歲，於2016年3月1日加入本集團，擔任人力資源總監，負責本集團及工廠的人力資源管理工作，加入本集團前，彼曾前後任職於《FORTUNE》世界五百強企業如捷普、飛利浦、瑪氏等跨國公司。彼畢業於江西南昌大學，取得人力資源管理師中級證書。彼於「2017風雲HR評選」活動中獲得深圳市人力資源服務協會頒發的「首席人才官」獎項。

嚴湛深先生，53歲，於2017年12月加入本集團並獲委任為注塑組件製造業務部營運總監，負責注塑組件製造業務部日常營運管理。彼於2019年1月獲委任為本集團之注塑組件業務總經理，負責整體管理注塑組件業務部。嚴先生於2002年7月畢業於英國 University of Strathclyde，取得工商管理碩士學位。彼具備10年以上製造業營運管理相關經驗，曾服務於耐普羅塑膠五金製品(深圳)有限公司。

公司秘書

張芳華先生，56歲，為本公司秘書。有關張先生的其他資料請參考「董事及高級管理層—執行董事—張芳華先生」。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company believes that good corporate governance practices are very important for maintaining and promoting investors' confidence and for the sustainable growth of the Group. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business. The Board is committed to strengthening the Group's corporate governance practices and ensuring transparency and accountability of the Company's operations.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The Company regularly reviews its corporate governance practices to ensure compliance with the CG Code.

In the opinion of the directors, the Company has complied with all the code provisions as set out in the CG Code during the year ended 31 December 2018. Key corporate governance principles and practices of the Company are summarized below.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its code of conduct regarding directors' dealing in the Company's securities.

Having made specific enquiry of the directors, all the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2018.

遵守企業管治守則

本公司相信良好的企業管治常規對於維持及增進投資者信心以及本集團可持續發展非常重要。董事會制定適當政策及實施適當的企業管治常規，以切合本集團業務及實現業務增長。董事會致力於加強本集團的企業管治常規並確保本公司經營的透明度及問責性。

本公司已應用聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）內之原則。本公司會定期檢討其企業管治常規，以確保遵守企業管治守則。

董事認為，本公司於截至2018年12月31日止年度期間已遵守企業管治守則所載之所有守則條文。本公司主要企業管治守則及常規概述如下。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10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行為守則。

經向董事作出具體查詢後，全體董事確認彼等於截至2018年12月31日止年度一直遵守標準守則。

Corporate Governance Report (continued) 企業管治報告(續)

COMPLIANCE WITH THE WRITTEN GUIDELINES FOR SECURITIES TRANSACTIONS BY THE RELEVANT EMPLOYEES OF THE COMPANY

The Company has also established written guidelines on no less exacting terms than the Model Code (the “Employees Written Guidelines”), governing securities transactions by employees (including directors or employees of a subsidiary or holding company of the Company) who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

In case when the Company is aware of any restricted period for dealings in the Company’s securities, the Company will notify its directors and relevant employees in advance.

THE BOARD

Board Composition

The Board currently comprises 7 members, consisting of 4 executive directors and 3 independent non-executive directors.

Executive directors

Mr. Li Pui Leung (*Chairman*)
Mr. Yung Kin Cheung Michael (*Chief Executive Officer*)
Mr. Lee Leung Yiu
Mr. Cheung Fong Wa

Independent non-executive directors

Dr. Chung Chi Ping Roy
Mr. Ho Kenneth Kai Chung
Mr. Tsang Wah Kwong

The list of directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules. The independent non-executive directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The biographical details of the directors of the Company are set out under “Directors and Senior Management” section in this annual report. Save as Mr. Li Pui Leung and Mr. Lee Leung Yiu are brothers, none of the members of the Board is related to one another.

本公司相關僱員遵守進行證券交易之書面指引

本公司亦訂有條款不比標準守則寬鬆之書面指引(「僱員書面指引」)，監管可能掌握本公司及／或其證券內幕消息之僱員(包括本公司附屬公司或控股公司的董事或僱員)進行之證券交易。本公司並無發現僱員違反僱員書面指引的情況。

本公司如獲悉有任何期間限制本公司證券交易，則本公司將預先通知其董事及相關僱員。

董事會

董事會組成

董事會目前共有七位成員，包括四位執行董事和三位獨立非執行董事。

執行董事

李沛良先生(*主席*)
翁建翔先生(*行政總裁*)
李良耀先生
張芳華先生

獨立非執行董事

鍾志平博士
何啟忠先生
曾華光先生

本公司亦根據上市規則於本公司不時刊發的所有公司通訊內披露董事列表(按類別劃分)，另根據上市規則在本公司所有公司通訊中列明獨立非執行董事的身份。

本公司董事的履歷詳情載於本年報「董事及高級管理層」一節。除李沛良先生及李良耀先生為兄弟外，董事會成員彼此之間概無任何關係。

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority. The positions of Chairman and Chief Executive Officer are currently held by Mr. Li Pui Leung and Mr. Yung Kin Cheung Michael respectively. Their respective responsibilities are clearly defined and set out in writing.

The Chairman provides leadership and is responsible for the overall management and strategic planning of the Group and the effective functioning of the Board in accordance with good corporate governance practices, whereas the Chief Executive Officer focuses on the day-to-day management of the Group's business and implementing objectives, policies, strategies and business plan of the Group approved and delegated by the Board.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Throughout the year ended 31 December 2018, the Board has at all times met the requirements of the Listing Rules 3.10 and 3.10A of having three independent non-executive directors (representing at least one-third of the Board) with at least one of them possessing appropriate professional qualifications, or accounting or related financial management expertise.

The independent non-executive directors bring a wide spectrum of business and financial expertise, experience and independent judgment to the Board for its efficient and effective functioning. They are invited to serve on the Board Committees of the Company. Through active participation at Board and Board Committees meetings, taking the lead in managing issues involving potential conflict of interests, all independent non-executive directors have made various contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the shareholders.

The Company has received written annual confirmation from each of the independent non-executive directors of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive directors to be independent in light of the independence guidelines set out in the said Listing Rules.

主席及行政總裁

本公司完全支持將董事會主席與行政總裁的職能分開，以達到權力和權限的平衡。主席及行政總裁職務目前分別由李沛良先生及翁建翔先生擔任，他們的職責已清晰界定並明文載列。

主席擔當領導角色，並負責本集團的整體管理及戰略規劃，以及確保董事會依照良好企業管治常規有效地運作，而行政總裁則專注於本集團業務之日常管理以及執行董事會批准和下達的目標、政策、策略和業務計劃。

獨立非執行董事

截至2018年12月31日止年度，董事會一直符合上市規則第3.10和3.10A條的規定，委任三名獨立非執行董事(佔董事會成員人數至少三分之一)及其中至少一名獨立非執行董事擁有適當的專業資格或會計或相關財務管理專業知識。

獨立非執行董事為董事會的高效及有效運作帶來廣泛業務及財務專業知識、經驗及獨立判斷。彼等獲邀加入本公司董事會委員會。透過積極參與董事會及董事會委員會會議，於管理涉及潛在利益衝突之事宜方面起主導作用，所有獨立非執行董事於有效指導本公司方面付出不同貢獻，以及為保障本集團及股東之利益提供充分制約和平衡。

本公司已接獲各獨立非執行董事根據上市規則第3.13條就其獨立性作出的書面年度確認函。本公司認為，根據上述上市規則所載之獨立性指引，全體獨立非執行董事均為獨立人士。

Corporate Governance Report (continued) 企業管治報告(續)

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All directors of the Company are appointed for a specific term, subject to renewal upon expiry of the existing term. Each executive director is engaged on a service agreement for a term of 3 years, which may be terminated by either party by not less than 3 months' written notice. Each of the independent non-executive directors of the Company is appointed for a term of 3 years.

The procedure and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association (the "Articles"). The Nomination Committee is responsible for reviewing Board composition, monitoring the appointment of directors and assessing the independent non-executive directors.

According to the Articles, one-third of the directors for the time being (if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each annual general meeting provided that every director shall be subject to retirement at an annual general meeting at least once every three years. In addition, any new director appointed by the Board to fill a casual vacancy in the Board shall hold office only until the first general meeting after appointment, and any new director appointed by the Board as an addition to the Board shall hold office until the next following annual general meeting of the Company. The retiring directors are eligible for re-election by the shareholders at the respective general meetings.

董事委任和重選

本公司所有董事均有固定任期，可於現有任期屆滿後重續。各執行董事訂有為期三年之服務協議，任何一方均可發出不少於三個月之書面通知終止委任。本公司各獨立非執行董事的任期為三年。

董事之委任、重選及罷免程序及步驟載列於本公司之組織章程細則(「細則」)內。提名委員會負責檢討董事會的組成、監督董事之委任以及對獨立非執行董事進行評估。

根據細則，在每屆股東週年大會上，當時三分之一董事(或若其人數並非三之倍數，則須為最接近但不少於三分之一人數)將輪流告退，惟各董事須至少每三年於股東週年大會上告退一次。此外，任何獲董事會委任填補董事會臨時空缺之新董事任期僅至其獲委任後首次股東大會為止，及任何獲董事會委任為董事會新增成員之新董事任期至本公司下屆股東週年大會為止。退任董事符合資格於各股東大會上由股東重選連任。

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board is also responsible for implementing policies in relation to financial matters, which include risk management and internal controls and compliance, if applicable. In addition, the Board reviews the financial performance of the Group, approves investment proposals, nomination of directors to the Board and appointment of key management personnel. These functions are carried out either directly by the Board or through Board committees such as Audit Committee, Nomination Committee and Remuneration Committee.

All directors are aware of their collective and individual responsibilities to the shareholders of the Company, the duties to act honestly and in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times and to avoid conflicts of interests.

All directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any director may request for independent professional advice in appropriate circumstances at the Company's expenses, upon reasonable request made to the Board.

Delegation of corporate governance duties

The Board has delegated to the Audit Committee the responsibility for performing corporate governance functions set out in the code provision D.3.1 of the CG Code.

During the Year under Review, the Audit Committee has reviewed and monitored the Company's corporate governance policies and practices, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance with the Model Code and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

董事會及管理層的職能、責任及貢獻

董事會負責領導及監控本公司，並監察本集團之業務、策略方針及表現。董事會亦負責執行財務策略，包括風險管理及內部監控和合規事宜(如適用)。此外，董事會檢討本集團財務表現、審批投資建議、董事會的董事提名及主要管理人員委任。上述職能由董事會直接執行或透過審核委員會、提名委員會及薪酬委員會等董事會委員會執行。

全體董事均瞭解彼等對本公司股東的共同及個別責任，以及真誠地按照適用法律及規例並以一直符合本公司及其股東利益的方式行事與避免利益衝突的責任。

全體董事可及時取得所有相關資料以及獲得公司秘書及高級管理層的意見及服務，以確保遵守董事會程序及所有適用法律及法規。任何董事均可於適當情況下，經向董事會作出合理要求後，徵詢獨立專業意見，費用概由本公司承擔。

企業管治職責授權

董事會授予審核委員會履行企業管治守則之守則條文第D.3.1條所載之企業管治職能之責任。

回顧年內，審核委員會已審閱及監督本公司之企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司有關遵守法例及監管規定的政策及常規、標準守則及僱員書面指引之合規情況、本公司遵守企業管治守則之情況以及本企業管治報告內的披露事項。

Corporate Governance Report (continued) 企業管治報告(續)

Delegation of management functions

The Board gives clear directions as to the powers delegated to the management for the management and administration functions of the Group, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Group. Matters which are specifically reserved to the full Board for decision are those involving a conflict of interest of a substantial shareholder or a director, material acquisitions and disposal of assets, corporate or financial restructuring, share issuance and distribution of dividend, and approval of financial results and corporate strategies. The Board will review those issues on a periodic basis to ensure that they remain appropriate to the needs of the Group.

CONTINUING PROFESSIONAL DEVELOPMENT OF DIRECTORS

Each newly appointed director shall receive induction on the first occasion of his/her appointment to ensure he/she has appropriate understanding of the business and operations of the Company and he/she is fully aware of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Pursuant to code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. The existing directors are continually updated on changes and developments to the Group's business and on the latest developments in the laws, rules and regulations relating to directors' duties and responsibilities. Directors' training is an ongoing process. All directors are encouraged to attend relevant training courses at the Company's expenses. Directors are requested to provide their training records to the Company for records.

管理職能授權

董事會就管理層有關本集團管理及行政職能的授權制訂清晰指引，特別是界定管理層必須作出匯報及代表本集團作出決定或任何承諾前須事先獲得董事會批准的情況。必須經董事會全體成員審批的事項包括主要股東或董事的利益衝突、資產的重大收購和出售、企業或融資重組、發行股份及派發股息，以及批准財務業績及企業策略。董事會將定期檢討此等事項以確保有關事項符合本集團的需要。

董事的持續專業發展

每名新任董事均會於其首次獲委任時接受入職介紹，以確保其適當瞭解本公司的業務及營運以及完全知悉上市規則及相關法定規定項下的董事責任及義務。

根據企業管治守則之守則條文第A.6.5條，全體董事均須參與持續專業發展，以發展和更新其知識和技能。現任董事會不斷獲知有關本集團業務的變動和發展及有關董事職責及責任的法律、法規及規例的最新發展的資料。董事培訓是一個持續進程。本公司鼓勵全體董事出席相關培訓課程，有關費用由本公司承擔。董事須將其培訓記錄提供予本公司保存。

Corporate Governance Report (continued) 企業管治報告(續)

During the year ended 31 December 2018, the directors have complied with the code provision A.6.5 of the CG Code on participation in continuous professional training as follows:

截至2018年12月31日止年度，董事一直遵守企業管治守則之守則條文第A.6.5條，參與以下持續專業培訓：

Name of director 董事姓名	Mode of participation 參與模式			
	a	b	c	d
<i>Executive directors:</i> 執行董事：				
Mr. Li Pui Leung 李沛良先生	✓	✓	✓	✓
Mr. Yung Kin Cheung Michael 翁建翔先生	✓	✓	✓	✓
Mr. Lee Leung Yiu 李良耀先生	✓	✓	✓	✓
Mr. Cheung Fong Wa 張芳華先生	✓	✓	✓	✓
<i>Independent non-executive directors:</i> 獨立非執行董事：				
Dr. Chung Chi Ping Roy 鍾志平博士	✓	✓	✓	✓
Mr. Ho Kenneth Kai Chung 何啟忠先生	✓	✓	✓	✓
Mr. Tsang Wah Kwong 曾華光先生	✓	✓	✓	✓

a: Directors attended a training session conducted by the Company relating to directors' duties and responsibilities under Hong Kong Companies Ordinance, the Listing Rules and other applicable laws and regulations.

a: 董事參加了由本公司組織的培訓課程，內容有關董事於香港公司條例、上市規則及其他適用法律及法規下的職責及責任。

b: Directors received regular briefings and updates from the Company Secretary/ the Company's management on the Group's business, operations and corporate governance matters.

b: 董事接受了公司秘書／本公司管理層有關本集團業務、營運及企業管治事宜的定期簡報及更新資料。

c: Directors attended seminars/forums, which are relevant to their duties and responsibilities, organised by professional firms/institutions.

c: 董事出席了由專業公司／機構所舉辦且與彼等之職責及責任相關的研討會／論壇。

d: Directors read technical bulletins, periodicals and other publications on subjects relevant to the Group and on their responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

d: 董事閱讀了主題關於本集團及彼等於上市規則及相關法規項下責任和義務的技術公報、期刊和其他出版物。

Corporate Governance Report (continued) 企業管治報告(續)

DIRECTORS' ATTENDANCE RECORDS

The attendance records of each director at the Board and Board committees meetings and the general meeting of the Company held during the year ended 31 December 2018 are set out below:

董事出席記錄

各董事於截至2018年12月31日止年度內舉行的本公司董事會及董事會委員會會議以及股東大會之出席記錄載列如下：

Name of director 董事姓名	Attendance/Number of Meetings 出席/會議次數					
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會	
<i>Executive directors:</i> Mr. Li Pui Leung	執行董事： 李沛良先生	6/6	N/A不適用	N/A不適用	1/1	1/1
Mr. Yung Kin Cheung Michael	翁建翔先生	6/6	N/A不適用	1/1	N/A不適用	1/1
Mr. Lee Leung Yiu	李良耀先生	6/6	N/A不適用	N/A不適用	N/A不適用	1/1
Mr. Cheung Fong Wa	張芳華先生	6/6	N/A不適用	N/A不適用	N/A不適用	1/1
<i>Independent non-executive directors:</i> Dr. Chung Chi Ping Roy	獨立非執行董事： 鍾志平博士	6/6	3/3	1/1	1/1	1/1
Mr. Ho Kenneth Kai Chung	何啟忠先生	6/6	3/3	1/1	1/1	1/1
Mr. Tsang Wah Kwong	曾華光先生	6/6	3/3	1/1	1/1	1/1

In addition, the Chairman of the Board held a meeting with the independent non-executive directors without the presence of the other executive directors during the Year under Review.

此外，在回顧年內董事會主席與獨立非執行董事舉行了一次在沒有其他執行董事在場情況下的會議。

BOARD COMMITTEES

The Board established three committees, namely, the Nomination Committee, Remuneration Committee and Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference in compliance with the CG Code. The terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and are available to shareholders upon request. All the Board committees should report to the Board on their decisions or recommendations made.

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

Nomination Committee

The Nomination Committee comprises 4 members, namely, Mr. Li Pui Leung (Chairman), Dr. Chung Chi Ping Roy, Mr. Ho Kenneth Kai Chung and Mr. Tsang Wah Kwong, the majority of which are independent non-executive directors.

The Nomination Committee is responsible to review the structure, size and composition (including skills, knowledge and experience) of the Board at least once in any financial year and to make recommendation on any proposed changes to the Board to complement the Company's corporate strategy.

To ensure changes to the Board composition can be managed without undue disruption, the Company has adopted a Director Nomination Policy. The Policy includes a formal, considered and transparent procedure for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if necessary), including periodical review of such plans.

董事會委員會

董事會已成立三個委員會，即提名委員會、薪酬委員會及審核委員會，以監督本公司特定範疇事務。本公司所有董事會委員會均已根據企業管治守則制定書面職權範圍。董事會委員會的職權範圍已於本公司網站及聯交所網站刊登及可供股東於提出要求後查閱。所有董事會委員會須向董事會匯報其所作決策或建議。

所有董事會委員會配備有充分資源以履行其職責，並可於適當情況下，經作出合理要求後，徵詢獨立專業意見，費用概由本公司承擔。

提名委員會

提名委員會包括四位成員，即李沛良先生(主席)、鍾志平博士、何啟忠先生及曾華光先生，其中大部分為獨立非執行董事。

提名委員會負責於任何財政年度至少檢討一次董事會的架構、規模及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的企業策略而對董事會作出的變動提出建議。

為確保董事會組成人員的變動不會帶來不適當的干擾，本公司已採納的董事提名政策設有正式、經審慎考慮並具透明度的董事甄選、委任及重新委任程序及有秩序的董事繼任計劃(如有需要)，並定期檢討此類計劃。

Corporate Governance Report (continued) 企業管治報告(續)

During the identification of suitable individuals, to ensure the effective carrying out of the responsibilities by the Board, the Nomination Committee will consider criteria set out as below, including but not limited to:

- the integrity, experience, skills and professional knowledge;
- a balance of skills, experience and diversity appropriate to the requirements of the Company's business;
- adequate amount of time and effort devoted to the Company;
- contribution to the diversity of the Board;
- participating in Board meetings to bring an independent judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts;
- taking the lead where potential conflicts of interests arise;
- bringing a range of business and financial experience to the Board, giving the Board and any Committees on which he or she serves the benefit of his or her skills, expertise, varied backgrounds and qualifications and diversity through attendance and participation in the Board/Committee meetings; and
- scrutinising the Company's performance in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

The Committee identifies suitable individual qualified to become Board members and makes recommendation to the Board on relevant matters relating to the appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors. External recruitment professionals might be engaged to carry out selection process when necessary.

於物色本公司董事候選人士時，為使董事會能有效履行其職責，提名委員會會參考以下若干標準，包括但不限於：

- 誠信、經驗、技能及專業知識；
- 合適本公司業務要求之技巧、經驗及多樣的平衡；
- 可投入足夠時間及精神以處理本公司事務；
- 促進董事會成員多元化；
- 參與董事會會議，對策略、政策、表現、職責、資源、主要委任及操守準則等事項作出獨立判斷；
- 於發生潛在利益衝突時發揮領導作用；
- 為董事會引入一系列營商及財務經驗，透過出席及參與董事會／委員會會議，而使他或她所服務的董事會及任何委員會受惠於其技能、專長、各種背景及資格以及成員多元化；及
- 監察本公司在達致議定之企業宗旨及目標方面的表現及監督相關表現的申報情況。

委任新董事(作為新增董事或填補所出現的臨時空缺)或重新委任任何董事時，委員會會物色合資格出任董事會成員的適當人選，並就有關委任或重新委任董事的相關事項向董事會提出建議，必要時本公司會聘請外部招聘專家物色人才。

Corporate Governance Report (continued) 企業管治報告(續)

The Company believes that diversity underpins the successful operation on an effective Board and embraces diversity as a means of attaining its strategic objectives. According to the diversity policy of the Board adopted by the Company, the Nomination Committee is also responsible for reviewing the policy, developing and reviewing measurable objectives (including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service) for implementing the policy, and monitoring the progress on achieving the measurable objectives set to ensure the continued effectiveness of the Board. To ensure the effectiveness of this Policy, the Nomination Committee will, as appropriate, review the Nomination Policy, discuss any revisions that may be required and recommend any such revisions to the Board for consideration and approval. The Company believes that greater diversity of directors is good for corporate governance and is committed to attract and retain candidate(s) for Board with a combination of competencies from the widest possible pool of available talents; and to increase diversity at the Board level as an essential element in maintaining the Company's competitive advantage.

During the year ended 31 December 2018, the Nomination Committee has been focused on increasing the number of female members, but no suitable candidate was identified.

During the year ended 31 December 2018, the Nomination Committee has held 1 meeting (the attendance records of each Committee member are set out in above section headed "Directors' Attendance Records") and performed the following major works:

- Review of the policy for the nomination of directors;
- Review of the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group;
- Recommendation of the re-election of the retiring directors standing for re-election at the 2018 annual general meeting; and
- Assessment of the independence of all the Company's independent non-executive directors.

本公司相信，多元化對董事會成功有效運作起支持作用，並接納多元化為達致戰略目標的手段。根據本公司採納之董事會成員多元化政策，提名委員會亦負責檢討政策、制訂及檢討執行政策的可計量目標(包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期)，及監督達致該等為確保董事會的持續有效性而設定之可計量目標的進展。為確保董事會成員多元化政策的有效性，提名委員會將在適當時候檢討和討論任何可能需作出的修訂，並向董事會提出修訂建議以供董事會審批。本公司認為，董事會越多元化，更有利於企業管治，故致力在最廣泛的人才庫內為董事會吸引及留聘具備各種專業才能的人選，同時提高董事會多元化的水平，以作為維持本公司競爭優勢不可或缺的元素。

於截至2018年12月31日止年度，提名委員會一直專注提高女性成員的數目，惟並未覓得任何合適人選。

於截至2018年12月31日止年度內，提名委員會召開了一次會議(各委員會成員的出席記錄載於上文「董事出席記錄」一節)，並進行了下列主要工作：

- 檢討董事提名政策；
- 檢討董事會架構、規模及組成情況，確保其達致符合本集團業務要求之專業知識、技能及經驗的平衡；
- 建議重選於2018年股東週年大會上重選連任之退任董事；及
- 評估本公司所有獨立非執行董事之獨立性。

Corporate Governance Report (continued) 企業管治報告(續)

Remuneration Committee

The Remuneration Committee comprises 4 members, namely, Dr. Chung Chi Ping Roy (Chairman), Mr. Yung Kin Cheung Michael, Mr. Ho Kenneth Kai Chung and Mr. Tsang Wah Kwong, the majority of which are independent non-executive directors.

The Remuneration Committee shall meet at least once a year. The primary objectives of the Remuneration Committee include making recommendations to the Board on the Company's remuneration policy and structure and reviewing and approving remuneration proposals of all directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his associates will participate in deciding his own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

During the year ended 31 December 2018, the Remuneration Committee has held 1 meeting (the attendance records of each Committee member are set out in above section headed "Directors' Attendance Records") and performed the following major works:

- Review of the remuneration policy and structure of the Group;
- Assessment of the performance of executive directors;
- Review of the remuneration package of directors and senior management; and
- Consideration of the bonus payable to directors and senior management for the year 2017.

薪酬委員會

薪酬委員會包括四位成員，即鍾志平博士(主席)、翁建翔先生、何啟忠先生及曾華光先生，其中大部分為獨立非執行董事。

薪酬委員會需每年至少舉行一次會議。薪酬委員會的主要目的包括就本公司的薪酬政策及架構向董事會提出建議，並審閱及批准所有董事及高級管理人員之薪酬建議。薪酬委員會亦負責設立具透明度的程序，發展有關薪酬政策和架構，確保董事或其任何聯繫人士將不會參與決定其本身之薪酬，該薪酬會參照個人及本公司之表現，以及市場慣例及情況而釐定。

於截至2018年12月31日止年度內，薪酬委員會召開了一次會議(各委員會成員的出席記錄載於上文「董事出席記錄」一節)，並進行了下列主要工作：

- 檢討本集團的薪酬政策及架構；
- 評估執行董事表現；
- 檢討董事及高級管理層之薪酬待遇；及
- 審議應付董事及高級管理層2017年度之花紅。

Corporate Governance Report (continued) 企業管治報告(續)

Pursuant to code provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management, including those members of senior management who are also executive directors, by band for the year ended 31 December 2018 is set out below:

根據企業管治守則之守則條文第B.1.5條，高級管理層成員(包括同時擔任執行董事的高級管理層成員)於截至2018年12月31日止年度之年度薪酬按組別分類如下：

Remuneration band (HK\$) 薪酬組別(港元)	Number of individual 人數
1,000,001–1,500,000	1
1,500,001–2,000,000	2
2,000,001–2,500,000	–
2,500,001–3,000,000	2
3,000,001–3,500,000	1
3,500,001–4,000,000	–
4,000,001–4,500,000	1
4,500,001–5,000,000	1
5,000,001–5,500,000	1
5,500,001–6,000,000	–
6,000,001–6,500,000	–
6,500,001–7,000,000	1
7,000,001–7,500,000	1
7,500,001–8,000,000	–
8,000,001–8,500,000	–
8,500,001–9,000,000	–
9,000,001–9,500,000	1

Details of the remuneration of each director of the Company for the year ended 31 December 2018 are set out in Note 33 to the financial statements.

本公司各董事於截至2018年12月31日止年度之薪酬詳情載於財務報表附註33。

Corporate Governance Report (continued) 企業管治報告(續)

AUDIT COMMITTEE

The Audit Committee comprises 3 members, namely, Mr. Tsang Wah Kwong (Chairman), Dr. Chung Chi Ping Roy and Mr. Ho Kenneth Kai Chung, all are independent non-executive directors.

The responsibilities of the Audit Committee are:

- To review the financial statements and reports and consider any significant or unusual terms raised by the external auditor before submission to the Board.
- To review the relationship with external auditor by reference to the work performed by the auditor, their fees and terms of engagement and make recommendations to the Board on the appointment, re-appointment and removal of external auditor.
- To review and supervise the adequacy and effectiveness of the Company's financial reporting system, risk management and internal control systems and internal audit plan.

During the year ended 31 December 2018, the Audit Committee has held 3 meetings (the attendance records of each Committee member are set out in above section headed "Directors' Attendance Records") and performed the following major works:

- Review and discussion of the annual audited financial statements, results announcement and report for the year ended 31 December 2017, the related accounting principles and practices adopted by the Group and the relevant audit findings, the report from the management on the Company's review of the risk management and internal control systems, and recommendation of the re-appointment of the external auditor;
- Review of the Group's continuing connected transactions and the compliance of the non-competition undertaking provided by the Company's controlling shareholders;

審核委員會

審核委員會包括三位成員，即曾華光先生(主席)、鍾志平博士及何啟忠先生，全部為獨立非執行董事。

審核委員會的責任包括：

- 於提交董事會前，審閱財務報表及報告，並考慮外聘核數師提呈之任何重大或非經常項目。
- 參考核數師履行的工作、委聘費用及條款，審閱與外聘核數師之關係，並就委聘、重新委任及罷免外聘核數師向董事會提出建議。
- 審閱及監督本公司的財務申報系統、風險管理及內部監控制度以及內部審計計劃的充足性及有效性。

於截至2018年12月31日止年度內，審核委員會召開了三次會議(各委員會成員的出席記錄載於上文「董事出席記錄」一節)，並進行了下列主要工作：

- 檢討及討論截至2017年12月31日止年度之經審核年度財務報表、業績公佈及報告、本集團採納之有關會計原則及常規以及相關審核結果、管理層就本公司對風險管理及內部監控制度的檢討發出之報告，及建議續聘外聘核數師；
- 檢討本集團的持續關連交易及本公司控股股東所提供的不競爭承諾的遵守情況；

Corporate Governance Report (continued) 企業管治報告(續)

- Review of and monitoring the Company's corporate governance policies and practices, the training and continuous professional development of directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report;
 - Review and discussion of the interim financial statements, results announcement and report for the six months ended 30 June 2018, and the related accounting principles and practices adopted by the Group;
 - Review of the annual audit plan of PricewaterhouseCoopers, including the nature and scope of the audit, the fee payable to them, their reporting obligations and their work plan; and
 - Review of the effectiveness and performance of the Company's financial reporting system, risk management and internal control systems and internal audit plan.
- 檢討及監督本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司有關遵守法例及法規規定的政策及常規、遵守標準守則及僱員書面指引、本公司遵守企業管治守則之情況以及本企業管治報告內的披露事項；
 - 檢討及討論截至2018年6月30日止六個月之中期財務報表、業績公佈及報告以及本集團採納之有關會計原則及常規；
 - 檢討羅兵咸永道會計師事務所之年度審核計劃，包含審核性質及範圍、應付彼等之費用、其報告責任及工作計劃；及
 - 檢討本公司財務申報系統、風險管理及內部監控制度以及內部審計計劃的成績及效果。

The external auditor attended all the above meetings to discuss with the Audit Committee members on issues arising from the audit and financial reporting matters.

外聘核數師出席了上述所有會議，與審核委員會成員討論審核及財務報告事宜中出現的問題。

There is no disagreement between the Board and the Audit Committee regarding the appointment of external auditor.

董事會與審核委員會於委任外聘核數師方面意見並無分歧。

COMPANY SECRETARY

公司秘書

The Company Secretary is Mr. Cheung Fong Wa, who fulfils the qualification requirements laid down in the Listing Rules. Biographical details of Mr. Cheung are set out under "Directors and Senior Management" section in this annual report. During the year ended 31 December 2018, Mr. Cheung has taken not less than 15 hours of relevant professional training.

公司秘書為張芳華先生，彼符合上市規則所載之資歷規定。張先生之履歷詳情載於本年報「董事及高級管理層」一節。截至2018年12月31日止年度，張先生接受了不少於15小時的相關專業培訓。

Corporate Governance Report (continued) 企業管治報告(續)

EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities for the Company's financial statements for the year ended 31 December 2018 is set out in the Independent Auditor's Report on pages 112 to 118.

The fees paid/payable to PricewaterhouseCoopers, the Company's auditor, in respect of audit and non-audit services for the year ended 31 December 2018 are analysed below:

Type of services provided by the external auditor	外聘核數師提供的服務種類	Fees paid/payable 已付／應付費用 HK\$'000 千港元
Audit services — audit fee for the year ended 31 December 2018	核數服務—截至2018年12月31日止年度的核數費用	4,255
Non-audit services — interim review fee for the six months ended 30 June 2018	非核數服務—截至2018年6月30日止六個月的中期審閱費用	575
Total:	總計：	4,830

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The directors acknowledge their responsibilities for the preparation of the financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group and of the results and cash flows of the Group for that year and in compliance with relevant law and disclosure provisions of the Listing Rules. In preparing the financial statements for the year ended 31 December 2018, the directors have selected appropriate accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable, and have prepared disclosure of the financial position of the Group with reasonable accuracy at any time.

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

外聘核數師及核數師酬金

本公司的外聘核數師就彼等對本公司截至2018年12月31日止年度財務報表的呈報責任發出的聲明載於第112至118頁的獨立核數師報告內。

截至2018年12月31日止年度，已付／應付本公司核數師羅兵咸永道會計師事務所的核數及非核數服務費用分析如下：

董事就財務報表須承擔的責任

董事知悉彼等有責任編製每個財政年度真實而公平地反映本公司及本集團事務狀況及本集團於該年度的業績及現金流量的財務報表，以及遵守相關法例及上市規則披露規定。於編製截至2018年12月31日止年度的財務報表時，董事已選取適當的會計政策並加以貫徹應用、作出審慎及合理的判斷及估計以及編製時刻合理準確的本集團財務狀況披露資料。

董事並不知悉有關任何可能導致本公司的持續經營能力存在重大疑問的事件或狀況的任何重大不明朗因素。

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board believes that sound risk management and internal control systems are essential to the achievement of the strategic goals of the Group, and confirmed that the Board is responsible to set up, maintain and review the effectiveness of such systems. Management is responsible for the design and implementation of the Group’s risk management and internal control systems to manage the risk. Good risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance.

The Group’s risk management framework

In order to improve the risk management and internal control systems, as well as enhance the level of management and risk prevention capabilities, the Group established its risk management framework in 2016. The risk management framework includes the Board and its Audit Committee, senior management and subsidiary managements, in three levels (details refer to the below framework).

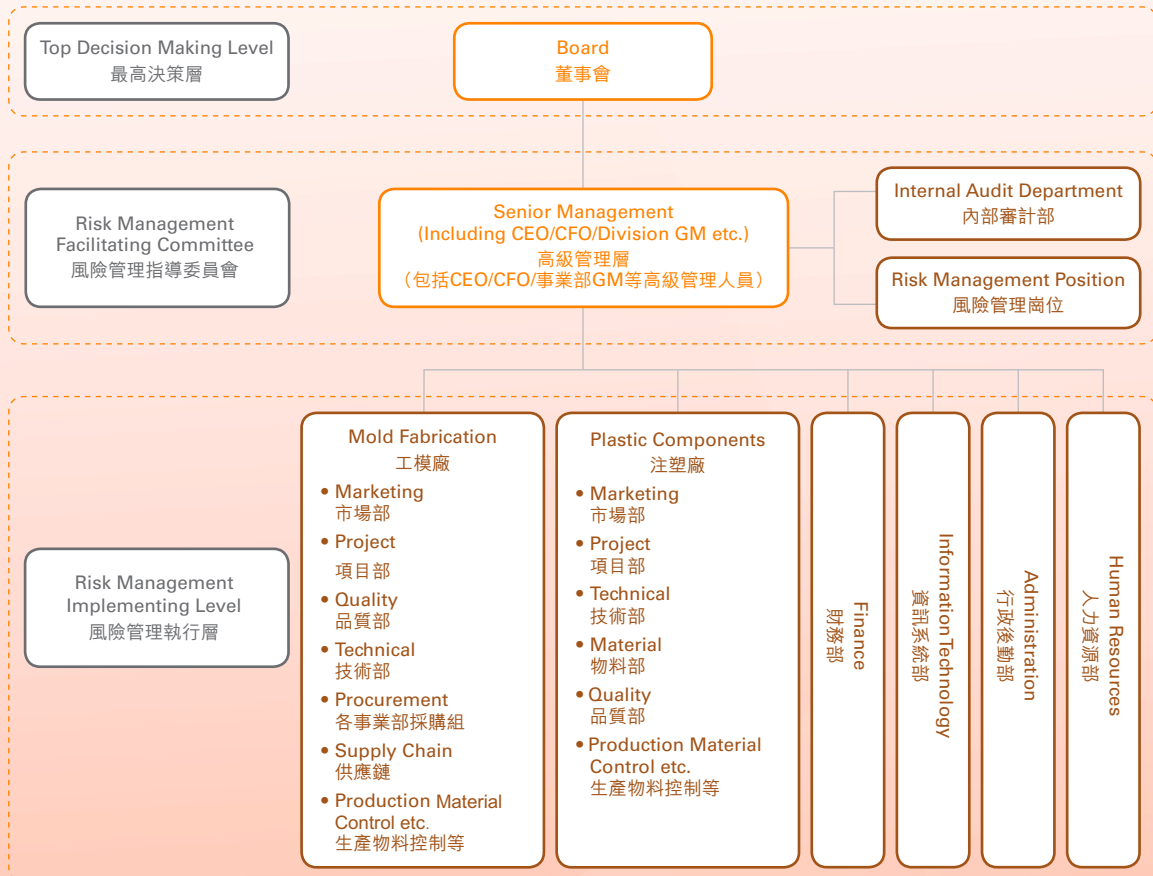
風險管理及內部監控

董事會認為，健全的風險管理和內部監控系統對實現本集團的戰略目標至關重要，並確認董事會須負責的設置、維護及檢討該等系統的有效性。管理層則負責設計及執行本集團風險管理和內部監控系統以管理風險。良好的風險管理和內部監控系統旨在管理而非消除未能實現業務目標的風險，且只能提供合理而非絕對的保證。

本集團的風險管理架構

為完善風險管理及內部監控系統，提升管理水準及風險防範能力，本集團於2016年建立了風險管理架構。風險管理架構由董事會及其審核委員會、高級管理層、附屬公司管理層三個層面組成(具體詳情參照以下架構圖)。

Risk management framework
風險管理架構圖



Corporate Governance Report (continued) 企業管治報告(續)

The Group has commissioned a professional risk advisory body to help build risk management framework, develop the Risk Assessment Manual, and conduct risk assessments to determine the nature and extent of the risk. In the risk assessment process, the management and the Internal Audit Department, have identified the major risks faced by the Group and ranked these risks according to the likelihood and the severity of the impact on the Group, as well as further development of risk management measures to maintain the risks at an acceptable level.

The Company also has an Internal Audit Department, which is responsible for performing independent review of the adequacy and effectiveness of the risk management and internal control systems.

The management and the Internal Audit Department would report to the Audit Committee and the Board on all findings and the effectiveness of the risk management and internal control systems. The Audit Committee assists the Board in leading the management and overseeing the design, implementation and monitoring of the risk management and internal control systems, and makes recommendations. The Audit Committee also ensures that an overall review of the effectiveness of such systems is conducted at least annually and put forward to the Board for consideration.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives; and acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness.

The Company has also developed its disclosure policy which provides a general guide to the Company's directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

本集團亦已聘請專業風險諮詢機構協助搭建風險管理架構，制定《風險評估手冊》，並進行風險評估以確定其所面對風險的性質及程度。在風險評估過程中，管理層及內部審計部鑒定了本集團面對的主要風險，並根據這些風險出現的機會及其對本集團業務的影響的嚴重性進行排序，進而制定風險管理措施以維持風險在可接受的程度內。

本公司亦設有內部審計部，負責獨立檢討風險管理及內部監控系統的充分性及有效性。

管理層和內部審計部會向審核委員會和董事會報告所有發現及風險管理和內部監控系統的有效性。審核委員會協助董事會領導管理層及監督風險管理及內部監控系統的設計、實施及監控，並提出建議。審核委員會亦確保至少每年對該等系統的有效性進行全面檢討，予董事會考慮。

董事會須承擔總體責任，以評估和確定實現公司的戰略目標所承擔的風險的性質和程度；且確認負責風險管理和內部監控系統及檢討其有效性。

本公司亦已制定其披露政策，為本公司董事、高級職員、高級管理層及相關僱員於處理保密資料、監察資料披露及應對查詢方面提供一般指引。

Review of risk management and internal control system

The Board and its Audit Committee reviewed the effectiveness of the Company's risk management and internal control systems for the year 2018, as well as taking into account the resource, adequacy of staff qualifications, training and experience of the Company's accounting and financial reporting and internal audit functions. Based on the reports submitted by the Internal Audit Department and the management, the Board considered that the Company's risk management and internal control systems are effective and adequate.

The Group has its risk management and internal control policies and procedures reviewed, to ensure compliance with the new requirements, and explore opportunities for improvement.

SHAREHOLDER RIGHTS

Procedures for shareholders to convene an extraordinary general meeting

Pursuant to Article 58 of the Articles, any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meeting of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary at the principal place of business of the Company in Hong Kong, 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 months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) 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. The objects of the meeting must be stated in the written requisition.

風險管理及內部監控系統的檢討

董事會連同審核委員會檢討了2018年度本公司風險管理及內部監控系統的有效性，以及考慮本公司在會計及財務匯報與內部審計職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓是否充足。根據內部審計部及管理層提交的報告，董事會認為本公司的風險管理及內部監控系統是有效和充足的。

本集團已對其風險管理和內部監控的政策及程序作出了檢討，以確保符合新要求，並同時探索改進的機會。

股東權利

由股東召開股東特別大會的程序

根據細則第58條，於遞呈要求日期持有不少於本公司實繳股本(附有於本公司股東大會表決的權利)十分之一的任何一位或多位股東，於任何時候均有權透過向本公司香港主要營業地點發出致董事會或公司秘書的書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可以同樣方式召開大會，而遞呈要求人士因董事會未有召開大會而招致的所有合理開支須由本公司向遞呈要求人士償付。大會目的須於書面要求內說明。

Corporate Governance Report (continued) 企業管治報告(續)

Procedures for shareholders to put forward proposals at shareholders' meeting

If a shareholder wishes to put forward proposals at a shareholders' meeting, the shareholder, who has satisfied the shareholding requirements set out in the above paragraph headed "Procedures for shareholders to convene an extraordinary general meeting", may follow the same procedures by sending a written requisition to the Board or the Company Secretary at the principal place of business of the Company in Hong Kong. The shareholder should state his/her proposals in the written requisition and submit the written requisition as early as practicable to enable the Company Secretary to make necessary arrangement.

Procedures for shareholders to propose a person for election as a director

If a shareholder wishes to propose a person other than a retiring director for election as a director of the Company at a general meeting, pursuant to Article 85 of the Articles, the shareholder (other than the person to be proposed) should prepare a written notice duly signed by him/her of his/her intention to propose a person for the election and a notice duly signed by the person to be proposed of his/her willingness to be elected. These notices should be lodged at the Company's principal place of business in Hong Kong or its share registrar at least 7 days prior to the date of the general meeting. Where the notices are submitted after the dispatch of the notice of the general meeting, the period for the lodgment of the notices should commence on the day after the dispatch of the notice of the general meeting and end not later than 7 days prior to the date of the general meeting.

Procedure for sending enquiries to the Board

Shareholders are welcome to send enquiries to the Board to the Company's principal place of business in Hong Kong at Workshop No.19, 9th Floor, Block B, Hi-Tech Industrial Centre, No. 491-501 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong.

股東於股東大會上提出議案的程序

倘股東擬於股東大會上提出議案，在符合上段「由股東召開股東特別大會的程序」所載持股條件的情況下，該股東可以依照相同程序向於本公司香港主要營業地點發出致董事會或公司秘書的書面要求。該股東須在書面要求中列明其議案及盡早呈交該書面要求以便公司秘書作出必要安排。

股東提名董事候選人士的程序

倘股東擬於股東大會上提名退任董事以外的人士競選本公司董事，依據細則第85條，該股東(非被提名人)須準備一份由其本人簽署的書面通知，說明其擬提名該候選人士的意向，及一份由被提名人簽署的書面通知，說明被提名人願意參選。上述通知書須至少在股東大會召開前7日寄送到本公司的香港主要營業地點或其股份登記處。倘通知書在股東大會通告派發後提交，則提交該等通知書的期限為寄發股東大會通告後起至不遲於股東大會召開日期前7日止。

向董事會作出查詢的程序

歡迎股東將對董事會的詢問送至本公司的香港主要營業地點，地址為香港新界荃灣青山道491-501號嘉力工業中心B座9樓19號。

INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

The annual general meetings and twice-yearly business performance conference of the Company provide a platform for communication between the Board and the shareholders. The Chairman of the Board as well as the chairmen of the Nomination Committee, Remuneration Committee and Audit Committee or, in their absence, other members of the respective committees, and, where applicable, the chairman of the independent Board committee are available to answer questions at shareholders' meeting.

To promote effective communication, the Company maintains a website at www.tkmold.com where up-to-date information and updates on the Company's business operations and development, financial information and other information are available for public access.

CONSTITUTIONAL DOCUMENTS

During the Year under Review, the Company has not made any changes to its Articles. An up-to-date version of the Articles is available on the websites of the Stock Exchange and the Company.

投資者關係

本公司認為與股東有效的溝通對增進投資者關係，及投資者對本集團之業務表現及策略的瞭解至關重要。本公司亦明白保持公司資料透明度及適時披露公司資料之重要性，以讓股東和投資者作出最佳投資決定。

本公司的股東週年大會以及每年兩次的業績發佈會提供一個讓董事會和股東進行溝通的平台。董事會主席及提名委員會、薪酬委員會及審核委員會之主席(或缺席時則為各委員會的其他成員)以及(如適用)獨立董事會委員會主席會於股東大會上回應問題。

為促進有效溝通，本公司設有網站 www.tkmold.com，提供本公司的最新資料以及有關業務營運及發展資料的更新資料、財務資料和其他資料供公眾人士查閱。

章程文件

在回顧年內，本公司未變更其任何細則。最新細則可於聯交所網站及本公司網站上查閱。



ABOUT THE REPORT

This is the third Environmental, Social and Governance Report (the “Report”) issued by the Group. It better acquaints each stakeholder with the progress and development direction of the sustainability of the Group by reporting the Group’s policies, measures and performance in terms of the environment, society and governance.

REPORTING SCOPE

The Report covers the Group’s environmental, social and governance performance for the financial year from 1 January 2018 to 31 December 2018 (“this year”). As the report for the previous year, this Report covers the manufacture of plastic injection components and mould making of the Group, and focuses on the Group’s manufacturing base in Shenzhen headquarters and the manufacturing base in Suzhou. The operation of the Group’s offices in Germany and Hong Kong are excluded due to their small scale. In future, the Group will consider the gradual expansion of the disclosure scope.

REPORTING STANDARDS

The Report is prepared in accordance with the “ESG Reporting Guide” set out in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“the Guide”) and on the basis of the four principles of Materiality, Quantitative, Balance and Consistency.

To help stakeholders have a comprehensive understanding of the Group’s environmental, social and governance performance, the Report not only discloses the key performance indicators according to “comply or explain” provisions, but also reports on some social key performance indicators recommended to be disclosed by the Guide.

關於本報告

本報告為本集團發表的第三份《環境、社會及管治報告》(「本報告」)。本報告透過匯報本集團在環境、社會及管治方面的政策、措施和績效，讓各持份者更了解本集團於可持續發展議題的進程和發展方向。

報告範圍

本報告匯報本集團在二零一八年一月一日至二零一八年十二月三十一日之財政年度內(「本年度」)之環境、社會及管治表現。與去年報告相同，本報告範圍包括本集團注塑組件製造和模具製作的業務，並聚焦本集團位於深圳總部的生產基地，以及位於蘇州的生產基地。本報告目前暫未把香港辦事處和德國公司的營運納入報告範圍，因其規模較小。未來，本集團將考慮逐步擴大披露範圍。

報告準則

本報告按《香港聯合交易所有限公司證券上市規則》附錄二十七《環境、社會及管治報告指引》(「《指引》」)編寫，並以四項匯報原則—重要性、量化、平衡及一致性，作為編寫報告的基礎。

為了讓持份者全面了解本集團的環境、社會及管治績效，本報告不僅按「不遵守就解釋」的規定披露環境關鍵績效指標，亦匯報部份《指引》中「建議披露」的社會關鍵績效指標。



RECOGNITION AND APPROVAL

The Group has established the internal monitoring and formal review procedures, in order to guarantee the accuracy and reliability of all the materials presented. The Report was recognized and approved by the Board on 11 March 2019.

COMMENTS AND FEEDBACK

Comments of stakeholders are greatly valued by the Group. Please feel free to contact us if you have any questions or suggestions on the contents or forms of the report:

確認及批准

本集團已成立內部監控及正式審查程序，竭力確保本報告所有呈現的資料均準確可靠。本報告已於二零一九年三月十一日獲董事會確認及批准。

意見反饋

本集團重視持份者的意見。如閣下對本報告的內容或匯報形式有任何疑問或建議，歡迎透過以下方式聯絡本集團：

Headquarters in PRC 中國總部

地址：中國深圳市光明區鳳凰辦事處塘家社區東江科技工業園

Add: TK Technology Park, Tangjia Community, Fenghuang Sub-district office, Guangming District, Shenzhen City, the PRC

Tel: 電話：+86-755-2369 0328

Hong Kong Office 香港辦事處

地址：香港新界荃灣青山道491-501號嘉力工業中心B座9樓19號

Add: No.19, 9/F, Tower B, Hi-Tech Industrial Centre, 491-501 Castle Peak Road, Tsuen Wan, N. T., Hong Kong

Tel: 電話：+86-852-2411 3628



MESSAGE OF DIRECTORS

In response to the worldwide tendency of sustainable development, TK Group has been continuously satisfying the stakeholders' demands under the constantly changing environment. We not only strive for economic advantages, but also give consideration to the environmental impacts of the plastic production. The Group urges each business unit to enhance the environmental and social performance, and integrate the value of sustainable development into the Group's overall development principle and daily work.

Containing different principles, the Group's sustainable development strategy can comprehensively enhance the sustainable business development. The visions include integrating environmental considerations into business, strengthening the staff capacity building, caring the community, continuously improving the Group's performance, creating values for stakeholders, enhancing the transparency, and consolidating their trust in the Group. We have obtained the substantive topic related to sustainable development as the key point of the Report through discussion with the management and focus groups.

Waste gas emitted during the manufacture and production of the Group will cause certain impacts on the environment. In alignment with the objective of balancing economic growth with environmental preservation, and preventing negative impacts on the environment, the Group formulates internal environmental policies, and strengthens communication, in order to guarantee each department can fully implement the environmental policies and measures. Meanwhile, the Group expects that our partners to recognize our principle and comply with policies and protect the environment together with us.

Employees' safety is one of the key factors of the success of the Group. The Group has formulated a set of environment, health and safety management system to maintain the production safety. The stable growth of the enterprise depends on the sound employee development and training. The continuous enhancement of the team quality can enable the Group to adapt to the market changes and maintain competitiveness. The Group enables each employee to make explorations and display their potentials through systematic training programs.

董事寄語

面對可持續發展的世界大潮，東江集團與時並進，在恆常變化的環境下持續滿足各界持份者的需要。我們不單追求經濟上的優勢，更顧及塑膠生產對環境的影響。本集團盡力鞭策各個業務單位提升環境和社會績效，把可持續發展的價值融入本集團整體的發展方針及日常工作之中。

本集團的可持續發展策略包含不同範疇的方針，讓我們可以全面地推進業務可持續發展。這些願景包括把環境考慮融入業務、加強員工能力建設、關懷社區、持續改善本集團表現、為持份者創造價值並增強透明度以鞏固他們對本集團的信任。透過進行管理層商談與焦點小組討論，我們得出了與可持續發展相關的實質性議題，並作為本報告的重點。

本集團在製造和生產過程中會產生廢氣排放，對環境造成一定影響。為平衡經濟增長與環境保護為目標，避免對環境構成負面影響，本集團制定內部環境政策，加強溝通，確保各個部門肯定並切實執行環境政策和措施。本集團同時期望合作夥伴認同我們的方針，並與我們一同遵守政策，守護環境。

對本集團而言，員工安全是企業成功的關鍵之一。本集團制定一套環境、健康與安全管理系統，以維持生產過程的安全。企業的穩健成長需依靠完善的員工發展與培訓。持續提升團隊的質素，能讓本集團適應市場轉變並保持競爭力。本集團透過有系統的培訓方案，讓每個職級員工探索並發揮潛能。



In addition to the business, the Group also focuses on the sound development of the community. Corruption can cause burdens to the social development, obstruct the industrial progress and growth, and impair the community interests in the long run. Adhering to the integrity concept, the Group establishes the internal integrity culture, formulates anti-corruption system, and crack down upon and prevent the corruption and improper behaviour internally and in the whole supply chain.

Topics related to sustainable development will bring forth risks and opportunities to the Group. For this end, we have implemented the environment, health and safety management system, quality management system and project management, in order to reduce risks to the largest extent. In future, we will continue to improve the risk management system of the Group, intensify the sustainable development in depth and width, and maintain close communication with stakeholders under the leadership of the Board.

Li Pui Leung

Chairman

TK Group (Holdings) Limited

在業務以外，本集團亦重視社區的健康發展。貪污對社會發展造成負擔，窒礙產業的進步和成長，長遠更會損害社區利益。本集團堅守廉潔營商的理念，透過建立企業內部的廉潔文化，並制訂反貪污制度，積極在內部及整個供應鏈上打擊及防範貪污和不當行為。

與可持續發展相關的議題將為本集團帶來風險與機遇。對此，我們已通過執行環境、健康與安全管理系統、質量管理系統及項目管理等，盡可能降低風險。未來，我們會繼續改善本集團的風險管理制度，期望在董事會的帶領下，持續深化可持續發展的覆蓋深度和廣度，並與持份者保持密切溝通。

李沛良

主席

東江集團(控股)有限公司



ENVIRONMENT, SOCIETY AND GOVERNANCE

The Board shall comprehensively supervise the relevant policies, measures and performance of the Group in terms of the sustainable development topic, especially the environmental protection, employment, product liability and community investment. The Audit Committee formulates the Group's sustainable development strategy, determines the purpose, approves the objective, and makes regular reports to the Board.



Risk Management

The Group regards the risk management as an essential part of the daily management procedures and good enterprise governance. Systematic risk management practices can guarantee the Group's achievement of its strategies and purposes, and maintain operation in the constantly changing business environment.

The Board bears full liabilities for the Group's risk management and internal control system. In order to strengthen the effectiveness of risk management, the Group has established its risk management framework with the Board as the top decision-making level, responsible for monitoring the effects of the risk management system and measures. Meanwhile, during the risk management process, the management shall identify major risks confronted by the Group and make the importance ranking, and formulate relevant measures to maintain risks within the controllable scope.

Looking into the future, the Group will plan to establish an environmental, social and governance work group under the leadership of the senior management. Such work group will be authorized by the Board to review and supervise the relevant policies and practices related to the sustainable development of the Group, regularly report to the Board, and raise suggestions, in order to enhance efficiency.

環境、社會及管治

董事會負責全面監管本集團在可持續發展議題上，特別是與環境保護、僱傭、產品責任及社區投資等方面的相關政策、舉措及績效。審核委員會制定本集團的可持續發展策略，設定目的及批准目標，並定期向董事會匯報。



風險管理

本集團視風險管理為日常管理程序及良好企業管治的必要部分。有系統的風險管理慣例確保本集團能達到其策略目的，在不斷變化的商業環境中維持營運。

董事會對本集團的風險管理及內部監控系統承擔全部責任。為加強風險管理的有效性，本集團已建立由董事會擔任最高決策層的風險管理架構，負責監控風險管理系統和措施的成效。同時，在風險管理的過程中，管理層須鑒定本集團面對的主要風險並進行重要性排序，從而制定相關措施將風險維持在可控範圍內。

展望未來，本集團將考慮成立一個由高級管理人員帶領的環境、社會及管治工作小組。此工作小組將獲得董事會的授權，以審查和監督本集團可持續發展相關的政策和實踐，定期匯報董事會並提出建議，以提高績效。



COMMUNICATION WITH STAKEHOLDERS

TK Group focuses on the participation by stakeholders¹, and communicates with stakeholders through daily operation and via different channels, in order to establish the mutual trust. Through various communication activities, stakeholders can understand the Group's development and operation principle, and the Group can listen to the opinions from stakeholders, and review the potential risks and business opportunities in the sustainable development, so as to further identify the priority of different topics and formulate relevant policies and measures.

持份者溝通

東江集團重視持份者¹參與，透過日常營運和不同溝通渠道與持份者進行溝通，建立互信關係。各溝通活動讓持份者了解本集團的發展和營運方針，亦提供機會讓本集團聽取持份者的意見，審視本集團在可持續發展方面的潛在風險與商機，以便進一步識別不同議題的優先順序，制訂相應的政策和措施。

Mode of Communication with Main Stakeholders for the Year

本年度內的主要持份者溝通方式

持份者 Stakeholders	參與方式 Engagement Methods
Customers 顧客	Site visits and meetings, satisfaction surveys and online media 實地考察及會議、滿意度調查及網絡通訊平台等
Suppliers 供應商	Site visits and meetings, seminars and annual meetings of suppliers 實地考察及會議、研討會及供應商年會等
Employees 員工	Quarterly general meetings, performance appraisals, questionnaires and Intranet 季度會議、績效評估、問卷調查及內聯網等
Government and Other Public Bodies 政府部門及其他公眾團體	Site visits and online media 實地考察及網絡通訊平台
General Public and Community 公眾及社區	Public consultations, social events and online media 公眾諮詢、社區活動及網絡通訊平台
Education and Research Partners 教育及研究夥伴	Internship, collaborative forums and technical seminars 實習生計劃、合作論壇及技術研討會等
Investors and Shareholders 投資者及股東	Online media, email, business performance conference and annual general meetings 網絡通訊平台、電子郵件、業績發佈會及年度股東會議等
Professional Associations 專業協會	Industrial seminars and online media 產業研討會及網絡通訊平台

¹ "Stakeholders", otherwise known as "interested parties" or "right owner", refer to groups and individuals that have significant impacts on the enterprise business, or affected by the business, including the Board, management, administrative and general employees, as well as external shareholders, business partners, customers, governments, regulatory authorities, banks, investors and communities.

¹ 「持份者」，又稱「利益相關方」或「權益人」，指對企業業務有重大影響，或會受業務影響的群體和個人，包括內部的董事會、管理層、行政員工和一般員工，以及外部的股東、業務夥伴、客戶、政府及監管機構、銀行及投資者和社區團體等。



Importance Evaluation

The Group entrusted the professional consulting company Carbon Care Asia to interview the management, in order to determine the Group's sustainable development strategies and directions, and identify environmental and social topics which were of vital importance to the Group and its stakeholders. In combination with interview results and opinions of consultants, the Group chose three out of eleven items of the environmental and social category in the Guide as the key topic under discussion.

The Group strives to strengthen employees' participation in the sustainable development. The first discussion among the focus group for the year was carried out. It was organized by the third party consulting company, and attended by employees from different departments. All the discussions were carried out anonymously to guarantee the confidentiality of communication. The key suggestions raised by the focus group were specified in the relevant part of the Report.



重要性評估

為訂立本集團的可持續發展策略和方向，以及識別對本集團和持份者至關重要的環境和社會議題，本集團委託專業顧問公司低碳亞洲進行管理層訪談。結合訪談所得及顧問的意見，本集團從《指引》的十一個環境及社會範疇中選出三項，作為是次匯報重點探討的議題。

本集團致力加強員工對於可持續發展的參與，亦於本年度首次進行焦點小組討論。活動由第三方顧問公司組織，邀請不同部門員工參與。所有討論均以不記名方式進行，確保溝通工作的保密性。在焦點小組中提出的重點建議，亦會涵蓋在本報告的相關部分。



Continuous Improvement

Bearing in mind the importance of communication with stakeholders, the Group has established effective and accurate communication channels and made prompt replies. In future, the Group will strengthen the interaction with stakeholders, expand diversified channels, increase contact opportunities, and create the mutually beneficial relationship.



持續完善

本集團明白與持份者溝通的重要性，為此建立有效、準確的溝通渠道，並提供適時回覆。未來，本集團會加強與持份者互動，開拓更加多元化的渠道，增加與他們接觸的機會，創造互惠共贏的關係。



CHERISHING EMPLOYEES

Health And Safety

The Group strives to protect employees' health and safety, and reduce dangerous accidents. Therefore, the Group has formulated management systems including the Safe Production Control Procedures, Treatment Procedures for Employees with Work-related Injuries and Occupational Diseases, Safe Production Responsibility System and Emergency Preparation and Response Procedures.

Safety Training

It is stipulated in the Safe Production Control Procedures that, the Environmental, Health and Safety Management Committee (EHS Management Committee) shall organize the safety training on different employees on an annual basis, in order to acquaint employees with the safe production requirements. Relevant training records and assessment results will be kept by the EHS Management Committee for file.

珍視員工

健康與安全

本集團致力維護員工的健康與安全，減少危險事故。為此，本集團已按照國家安全生產相關規定制訂內部《安全生產控制程序》、《工傷及職業病傷員救治處理程序》、《安全生產責任制度》及《應急準備和響應程序》等制度管理文件。

安全培訓

本集團《安全生產控制程序》規定，為保證員工了解安全生產要求，環境健康安全委員會（「EHS管理委員會」）每年須組織針對不同類型員工的安全培訓工作。相關培訓記錄和考核結果會交由EHS管理委員會進行存檔。

The Group has established the EHS Management Committee for the work safety of employees, the CEO of the Group assumes the chairman.
為保證員工工作安全，本集團已設立EHS管理委員會，由本集團行政總裁擔任委員長。



Type of work 工作類型	Specific contents of training 具體培訓內容
<p>Management 管理類</p>	<p>Get acquainted with the national laws and regulations on the production safety, internal safe production rules and regulations, and the safe production responsibility system of the relevant posts.</p> <p>學習國家層面安全生產法律法規、集團內部安全生產規章制度及本崗位安全生產責任制度。</p>
<p>Technology 技術類</p>	<p>In addition to the management training, technical employees shall also be aware of the relevant liabilities during the application of new technology, new process and new equipment.</p> <p>除管理類培訓內容外，技術類員工還應學習應用新技術、新工藝、新設備時，所應承擔的責任。</p>
<p>Operation 操作類</p>	<ol style="list-style-type: none"> 1. New employees: They are allowed to work after they have received the safe production education and training respectively organized by plants, manufacturing departments and production workshops and passed the assessment. 新員工：需經過由工廠、生產部門及生產車間分別組織的安全生產教育培訓，且考核合格後方可上崗。 2. Employees of special operation: In addition to the orientation training for new employees, employees of special operation shall obtain the State-certified work qualifications for the work involving cranes or electricity. 特種作業人員：除接受新員工的培訓外，特種作業人員還需持有國家認可的上崗資質，如：從事起重機、電工等方面的工作。 3. Employees transferred from other posts: They are allowed to work after they have received the safe production education and training organized by the manufacturing departments and production workshops, and passed the assessment. 轉崗員工：需經過生產部門以及生產車間組織的安全生產教育培訓，且考核合格後方可上崗。 4. Employees returning to work: They shall be subject to requirements as new employees. 返崗員工：返崗員工培訓內容按新員工要求執行。



Emergency Management

The Group has equipped the plants and office buildings with fire-fighting facilities with fire safety signs as per national standards. Meanwhile, the EHS management department carries out the safety inspection on fire-fighting facilities at least once a year to guarantee it is on normal condition. In addition to fire-fighting facilities, each plant shall carry out the fire safety inspection once every quarter to understand the usage of safe escape, arrangement of flammable and explosive hazardous articles and placement of fire extinguishers.

The Group has established the Emergency Preparation and Response Procedures. In case of emergent safety accidents, EHS Management Committee will immediately carry out rescue and evacuation according to the disaster emergency plan and emergency response flow chart. After the occurrence of an accident, relevant departments shall investigate reasons for the accident and propose the improvement measures.

Treatment of Work-related Injuries and Occupational Diseases

The Group has formulated the Treatment Procedures for Employees with Work-related Injuries and Occupational Diseases, in order to guarantee injured employee can be promptly treated.

In case of work-related injuries, the injured shall be sent to the hospital immediately with a prompt notice to the HR Department and EHS Management Committee. In case of any need for hospitalization, the Group shall designate relevant staff to take care of the injured employee. During the hospitalization, the Trade Union shall purchase the necessary nourishment and reimburse the actual expense for nursing workers.

應急管理

本集團已按國家標準，在廠區及辦公樓內配備消防設施並設置消防安全標誌。同時，EHS管理部門對各類消防設施每年至少進行一次安全檢測，確保其正常工作。除消防設施外，各工廠每季度須進行一次消防安全檢查，了解安全疏散通道使用情況、易燃易爆危險物品放置情況以及滅火器配置等信息。

本集團亦已建立《應急準備和響應程序》。若發生突發安全事故，EHS管理委員會將立即按照災難應急計劃和應急流程圖進行搶救和疏散。事故發生後，相關責任部門須按照《事件報告、調查與處理程序》進行事故原因調查，並提出改進措施。

工傷及職業病救治

本集團已制訂《工傷及職業病傷員救治處理程序》，保證受傷員工及時得到救治。

若發生工傷，應立即將傷員送到醫院就診，並及時通知人力資源部和EHS管理委員會。若需要住院，則本集團應指派相關人員進行留守陪同。員工住院期間所需營養品由工會統一購買，護工服務也由本集團實時報銷。



Employees suspected occupational diseases shall immediately notify the EHS Management Committee of the damage of relevant posts. If relevant posts have occupational hazards, the Administrative Management Department will organize the occupational health examination, which shall be recognized and followed up by the EHS Management Committee. The Group will arrange employees diagnosed with occupational diseases for treatment, and apply for the compensation for work-related injuries and disabled identification on behalf of employees.

The Group complies with relevant laws and regulations such as the Safe Production Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Occupational Disease and the Fire Protection Law of the People's Republic of China. No violations against laws or regulations on the health and safety occurred for the year to the Group.

Development and Training

The cultivation of employees' occupational skills is one of the top priorities of the Group. The Group has formulated the Training and Development System, the Management Regulations on Promotion and Cultivation, etc., in order to improve the professional skills of employees. Relevant training results may also be the basis for the post determination and promotion.

Training

The Group's training contents can be divided into five parts in response to the needs of employees at different posts. The training is carried out in the form of internal training and external training. We strive to improve the training system. The key training contents are as follows:

若員工懷疑患有職業病，應立即通知EHS管理委員會，讓委員會了解相關崗位的危害。若相關崗位存在職業危害，本集團行政管理部將組織職業健康檢查，並由EHS管理委員會確認和跟進。本集團會安排確診職業病的員工進行治療，並為其中報工傷及進行傷殘鑒定。

本集團遵守相關法律及規例，如《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》及《中華人民共和國消防法》等法律法規。本集團於本年度並無發生與健康及安全相關的違法違規個案。

發展與培訓

員工職業技能的培養是本集團關注的重點之一。本集團已制訂《培訓與開發制度》、《晉升與培養管理規定》等政策，以增強員工的專業技能。相關的培訓結果也作為員工定崗及升職的依據。

培訓

本集團的培訓內容主要分為五部分，旨在保證不同崗位員工的需要，並同時通過內部培訓和外部培訓兩種形式，致力完善培訓制度。培訓內容重點如下：



Training name 培訓名稱	Training contents 培訓內容	Remark 備註
<p>New employee training 新員工培訓</p>	<p>EHS, prevention of child labour, supply chain safety, information security, etc. EHS、童工預防、供應鏈安全及信息安全等。</p>	<p>The Training Development Team and EHS management department shall review the contents and setting of new employee training at least once a year. 本集團培訓發展組和EHS管理部門每年須至少回顧一次新員工培訓的內容和設置。</p>
<p>Mentoring 傳幫帶</p>	<p>Post-related rules and regulations, safe operation procedures, laws and regulations, fire escape skills and usage of safe production equipment. 與崗位相關的規章制度、安全操作程序及法律法規要求；火災逃生技能及安全生產設備的使用方法。</p>	<p>“Mentoring” refers to the training for new employees or transferred employees provided by experienced employees designated by the Training Development Team of the Group. The mentored employees are allowed to work after they pass the assessment. 「傳幫帶」指由本集團培訓發展組指定有經驗員工培訓新員工或轉崗員工的安排。傳幫帶培訓結果須進行考核，合格者方可上崗。</p>
<p>On-the-job training 在職培訓</p>	<p>Post-related basic capability and industrial laws and regulations. 與崗位有關的基本能力以及行業內法律法規要求。</p>	<p>The Group will provide training for on-job employees according to their demands and market requirements. 本集團將根據員工需求及市場要求，對在職員工進行培訓。</p>
<p>Skill certification training 技能認證培訓</p>	<p>Internal lecturer certification, scientific plastic injection training, etc. 內部講師認證及科學注塑培訓等。</p>	<p>Each plant of the Group establishes the Skill Certification Committee, responsible for the certification of certain technical posts. Certified employees will obtain the certificate as the basis for the promotion and remuneration adjustment. 本集團各工廠成立技能認證委員會，負責特定技術崗位的認證工作。經過認證的員工將會獲取認證證書，作為晉升和薪酬調整的依據。</p>
<p>Special post training 特殊崗位培訓</p>	<p>Internal and external training shall be provided for posts that require corresponding certificates, such as the electricity operation, welding operation, fire fighting and first-aid training. 對於需要持證上崗崗位，提供相應的內外部培訓，如：電工操作、焊工操作、消防、急救培訓等。</p>	<p>Special post operators shall obtain the qualification certificate awarded and recognized by the competent national authority or qualified department. Special posts include electricians, high-altitude operators, sewage treatment personnel, hazardous chemical keepers, etc. 特殊崗位操作人員須獲得國家相關部門或具資質部門授予並認可的上崗資格證。特殊崗位包括：電工、高空作業員、污水處理員及危險化學品管理員等。</p>



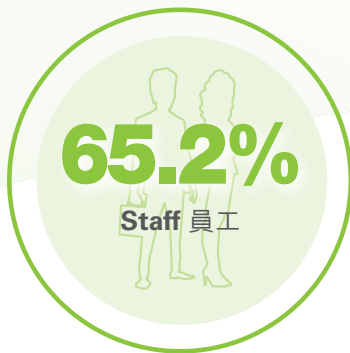
Promotion

In order to improve its talent structure, the Group has formulated the Promotion and Cultivation Management Regulations, taking the employees' performance, working experience, educational background and training evaluation as the main standards for employees' promotion. In addition, the Group will consider internal promotion in case of job vacancies, and create more promotion opportunities for employees.

晉升

為完善本集團的人才結構，本集團已制訂《晉升與培養管理規定》，以員工的績效、工作經驗、學歷及培訓評價等作為員工晉升的主要標準。除此之外，當出現職位空缺時，本集團亦首先考慮從內部晉升，為員工創造更多晉升機會。

Receive training 接受培訓



Receive training 員工平均培訓時數



Employment

The Group is well aware of the importance of improvement in employment system. It has formulated the relevant policies and measures such as the Recruitment Management System, the Enrolment and Appointment System, the Social Responsibility Management System and the Complaint Management System, in order to continuously enhance the management of remuneration, dismissal, recruitment, promotion, working hours, vacations, equal opportunities and anti-discrimination.

The Group has set up the Chairman Complaint Email to guarantee each employee can raise opinions or complaints on emerging problems at work to the superior. All the information will be received by the chairman in person and handled confidentially. Upon completion of complaint handling, relevant department will notify the informer of the handling result of the event. The Group also establishes the complaint reward mechanism to encourage employees to offer active feedback.



僱傭

本集團明白建立完善僱傭制度的重要性。本集團設有《招聘管理制度》、《入職與任用制度》、《社會責任管理制度》以及《投訴管理制度》等政策及相應措施，持續提升有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會及反歧視等範疇的管理。

本集團已建立「主席投訴郵箱」，以確保每位員工可就工作中出現的問題向上級提出意見或投訴。所有信息將由主席親自接收及以保密形式處理。完成處理投訴後，相關部門會將事件的處理結果通知舉報人。本集團亦設立投訴獎勵機制，鼓勵員工積極反映意見。



The Group respects employees and opposes any discrimination due to races, religions, sexual orientation, political views and strata. In terms of the promotion and remuneration adjustment, the Group also regards employees' working competence as the exclusive standard for judgment following the principle of equal opportunities without considering other factors such as races, religions, physical disabilities, pregnancy and marital status.

The Group's employees are entitled to form an association freely. For instance, they can select or dismiss the chairman or vice chairman of the trade union at their own discretion. In terms of salaries, welfares and social insurance, the trade union chairman selected by the employees will negotiate with the management to protect the immediate interests of employees.

During the year, in order to reduce the employee turnover rate, the Group took various measures such as analyzing the employee turnover rate, understanding reasons for resignation, adjusting employee management measures, installing air-conditioners in the workshop, improving working environment, and enhancing employees' remuneration and welfares.

The Group complies with relevant laws and regulations such as the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China, the Law of the People's Republic of China on the Protection of Women's Rights and Interests, and the Social Insurance Law of the People's Republic of China. The Group didn't have any violations related to employment for the year. Looking into the future, the Group will formulate diversified policies to establish a rich and diversified working environment.

本集團尊重員工，反對任何涉及員工種族、宗教、性取向、政見及階層等因素的歧視。在晉升及調整薪酬等議題上，本集團也按照平等機會的原則，將員工工作能力作為評判的唯一標準，而不考慮如民族、宗教、身體殘疾、懷孕及婚姻狀況等其他因素。

本集團員工擁有自由結社的權利，如可以自由選舉、罷免工會主席、副主席等領導崗位。在涉及如工資、福利及社保等議題時，由員工選舉出的工會主席將與管理層協商，維護員工切身利益。

本年度，本集團進行員工流失率分析及實行各種措施以減低員工流失率，如了解員工離職原因，調整員工管理辦法；於車間加裝空調，改善工作環境，以及提升員工薪酬福利競爭力。

本集團遵守相關法律及規例，如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《中華人民共和國婦女權益保護法》及《中華人民共和國社會保險法》等。本集團於本年度並無發生與僱傭相關的違法違規個案。展望未來，本集團將展開多元化政策的制訂，以建立豐富多元的工作環境。



Labour Standards

TK Group prohibits the use of forced and child labour, and specify relevant regulations in the Social Responsibility Management System and Child Labour Remedial Management Regulations.

The HR Department will inspect the identity certificates of candidates during recruitment according to relevant system and regulations. Meanwhile, the Group has established the child labour reporting channel to encourage employees to report the suspicious circumstances. The Group will take following measures in case of any child labour:

Firstly, immediately stop the work and designate special persons to send the child to the hospital for physical examination. If the child suffers from any disease, the Group shall bear the total medical expenses. Secondly, send the child to the guardian. Thirdly, the Group will continuously follow the education received by the child, and offer proper economic assistance to guarantee that the child can finish the voluntary education.

In addition, the Group prohibits any form of forced labour such as the debt-paying labour, contractual labour and imprisoned labour. Employees are entitled to choose whether to work overtime. Meanwhile, the Group will not force employees to work by deducting their salaries or detaining their identity certificates.



勞工準則

東江集團禁止使用童工或強制勞工，並透過《社會責任管理制度》和《童工補救管理規定》明確相關規定。

根據相關制度及規定，人力資源部在招聘時會檢查應聘者的身份證明文件。同時，本集團已建立童工舉報渠道，鼓勵員工舉報可疑情況。如發現童工，本集團將採取以下措施：

第一，將立即停止其工作並指定專人送往醫院進行體檢。若童工因工作患上疾病，本集團則負擔全部醫療費用。第二，將童工交由其監護人。第三，本集團將持續追蹤童工受教育的情況及提供適當的經濟援助，確保其完成義務教育。

此外，本集團禁止任何形式的強制性勞動，如抵債勞工、契約勞工及監獄勞工。員工有權選擇是否加班。同時，本集團亦不會採取扣除員工工資或扣留身份證明等文件，以強迫員工工作。



The Group abides by relevant laws and regulations such as the Labour Law of the People's Republic of China and the Law of the People's Republic of China on the Protection of Juveniles. The Group didn't have any violations of laws and regulations related to child or forced labour for the year.

During the year, stakeholders raised following suggestions on employment and labour in the focus group. The Group will consider these suggestions when optimizing management in future, and continuously have communication with stakeholders.

本集團遵守相關法律及規例，如《中華人民共和國勞動法》和《中華人民共和國未成年人保護法》等。本集團本年度並無發生任何有關童工或強制勞工的違法違規個案。

本年度，持份者在焦點小組提出了以下有關僱傭及勞工常規方面的建議，本集團會在未來優化其管理時考慮這些建議，並持續與持份者進行溝通。

Topics concerned by stakeholders 持份者關注的議題	Suggestions of stakeholders 持份者建議
Training and development 培訓與發展	<ul style="list-style-type: none"> Employees suggest that the training forms should be expanded, and more videos and pictures should be adopted in the training. 員工建議擴展培訓的形式，在培訓中加入更多視頻和圖片。
Employment system 僱傭制度	<ul style="list-style-type: none"> Employees suggest that the Group should strengthen communication about the issuance of salaries during the sick leave and maternal leave. 員工建議集團就病假、產假等假期工資發放的安排加強溝通。

ENVIRONMENTAL PROTECTION

Emission

TK Group strives to reduce the environmental impacts during the operation. In terms of emission management, the Group has formulated the Hazardous Waste Disposal Regulations. Meanwhile, the Group formulated the Waste Gas Control Procedures, the Wastewater and Liquid Waste Control Procedures and the Noise Control Procedures, in order to carry out effective management of different emissions.

保護環境

排放物

東江集團致力減少營運過程對環境帶來的影響。針對排放物的管理，本集團已制訂《危險廢棄物處理規定》。同時，本集團制訂的《廢氣控制程序》、《廢水廢液控制程序》及《噪音控制程序》亦會對不同排放物進行有效管理。



Air Emissions

A certain amount of air pollutants will be produced during the operation of plastic injection plants such as the waste gas and dust produced in spraying, printing and plastic injection. The Group inspects the usage of waste gas treatment equipment and tackles with any problems on a regular basis.

空氣排放物

注塑廠房的運營過程會產生一定量的空氣污染物，如噴塗廢氣、印刷廢氣、注塑廢氣及粉塵等。本集團定期檢查廢氣處理設備的使用情況，以及時處理任何問題。

Type of waste gas 廢氣種類	Handling methods 處理辦法	Department in charge 負責部門
Spraying waste gas 噴塗廢氣	<ol style="list-style-type: none"> 1. Install the air extractor and spraying device and absorb the waste gas with activated carbon; 安裝抽氣裝置並設置噴淋及活性炭進行吸附； 2. Offer training for spraying operators on correct operation methods; 對負責噴塗的操作人員進行培訓，使其掌握正確的操作方法；及 3. Maintain the waste gas disposal equipment on a regular basis such as replacing the activated carbon. 定期維護廢氣處理設備，如更換活性炭等。 	Processing Department, Equipment Group 加工部、設備組
Printing waste gas 印刷廢氣	<ol style="list-style-type: none"> 1. Add air extractor onto the printing equipment and activated carbon purifier or UV photolysis device onto the air outlet to dispose of the waste gas; 對印刷設備加裝抽氣裝置並在排氣處設置活性炭淨化裝置或UV光解裝置以處理廢氣； 2. Maintain the air extracting and exhaust equipment regularly. 定期維護抽氣和排氣設備。 	Processing Department, Equipment Group 加工部、設備組
Plastic injection waste gas 注塑廢氣	<ol style="list-style-type: none"> 1. Reduce glue emission and waste gas during plastic injection; 在注塑過程中，減少空膠排放，防止廢氣的產生； 2. Strictly set the temperature, and prevent the waste gas caused by changes in the physical and chemical properties of materials under the high temperature; 嚴格設置溫度，防止因溫度過高而導致材料的物理、化學特性改變而產生廢氣； 3. Set air exhausts in the plastic injection plants, and add the UV photolysis device onto the air outlet to dispose of waste gas. 注塑車間設置抽風口，同時在排氣口處加裝UV光解裝置進行廢氣處理。 	Plastic injection technician, Equipment Group Leader 注塑技術員、設備組長
Dust 粉塵	Humidifying, dust-removing and sealing measures shall be taken during operation in the plant to prevent dust. 在工廠作業時須進行加濕、除塵、密閉等措施，防止粉塵的擴散。	Equipment Group 設備組



In case of malfunction in the waste gas exhaust system, employees will immediately stop the operation of the manufacturing equipment that produces waste gas. The waste gas without treatment will cause impacts on the surrounding environment. Meanwhile, the Emergency Plan for Emergent Environmental Accidents will be initiated to tackle with relevant accidents.

In addition, vehicles will produce air pollutants during the operation. During the year, the air pollutants are mainly produced during the diesel burning of forklifts in the manufacturing base.

若廢氣排放控制系統出現故障，員工將立即停止產生廢氣的生產設備，防止未經處理的廢氣對周圍環境造成影響。同時啟動《突發環境事件應急預案》處理事件。

除此之外，車輛運行亦會排放空氣污染物。本年度，空氣污染物的主要來源為生產基地內叉車設備的柴油燃燒。

Emission 排放物	Emission quantity (kg) 排放量(千克)
Nitrogen oxide ² 氮氧化物 ²	127.5
Sulfur oxide ³ 硫氧化物 ³	3.6
Suspended particles 懸浮顆粒	8.3

Greenhouse gas

The Group entrusted the independent consulting company Carbon Care Asia with the carbon evaluation during the year to quantify the greenhouse gas emissions (or "carbon emission") in the operation in accordance with the Guide⁴ promulgated by the National Development and Reform Commission of the People's Republic of China and international standards such as ISO14064-1 and Greenhouse Gas Protocol.

溫室氣體

本集團在本年度委託獨立顧問公司低碳亞洲進行碳評估，以量化其營運產生的溫室氣體排放(或稱「碳排放」)；量化的過程根據中華人民共和國國家發展和改革委員會發佈的指南⁴以及參考ISO14064-1和溫室氣體核算體系等國際標準而進行。

² Only including emissions from vehicle usage.

³ Only including emissions from vehicle usage.

⁴ Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Machinery Manufacturing Enterprises (Trial)

² 只包括來自車輛使用的排放。

³ 只包括來自車輛使用的排放。

⁴ 《機械設備製造企業溫室氣體排放核算方法與報告指南(試行)》



Greenhouse gas emission 溫室氣體排放	Emission quantity (tonnes of CO ₂ equivalent) 排放量(噸二氧化碳當量)
Scope I – Direct emission 範圍一—直接溫室氣體排放	
Greenhouse gas emissions from stationary combustion sources 化石燃料燃燒—固定源	0.3
Greenhouse gas emissions from mobile combustion sources 化石燃料燃燒—移動源	40.3
Scope II – Energy indirect emission 範圍二—能源間接溫室氣體排放	
Purchased electricity 購入的電力	31,072.1
Total greenhouse gas emission 溫室氣體排放總量	31,112.7
Greenhouse gas emission density/million HKD revenue 溫室氣體排放密度(依每百萬港元收入額計)	13.5

The total carbon emissions of the Group reached 31,113 tonnes of CO₂ equivalent during the year. The carbon emission was mainly from the outsourced electricity beyond the Scope II, accounting for over 99% of the total emissions. The air-conditioners also had fugitive emissions of 315 tonnes of CO₂ equivalent in Scope I, but such emissions were not included in the total emissions of Scope I, since the refrigerant didn't fall into the greenhouse gas⁵ category stipulated in the Kyoto Protocol.

As for main sources of carbon emission, the Group will continue to evaluate, record and disclose on an annual basis the greenhouse gas emission and other environmental data, compare the data of the current year with the previous data, and review the effects of existing measures, in a bid to further formulate the emission reduction objective.

Waste

The Group has formulated the Hazardous Waste Disposal Processes for proper disposal of hazardous waste.

⁵ Guideline of the Greenhouse Gas Emissions Accounting and Reporting for Machinery Manufacturing Enterprises (Trial)

本集團本年度的總碳排放為31,113噸二氧化碳當量。碳排放主要來自範圍二之外購電力，佔總排放量的99%以上。空調設備亦涉及約315噸二氧化碳當量範圍一的逃逸性排放，但基於製冷劑的成份並非《京都議定書》規定的溫室氣體⁵，本報告沒有將此排放涵蓋在範圍一的總排放量內。

針對碳排放的主要來源，本集團將繼續評估、紀錄及每年披露其溫室氣體排放及其他環境數據，並以本年度的數據作基準，與往後數據作比較，從而檢討現行措施成效，有助日後進一步制定減排目標。

廢棄物

本集團已制訂危險廢物處理流程以妥善處理危險廢物。

⁵ 《京都議定書》(全稱《聯合國氣候變化綱要公約的京都議定書》)的主要目標是「將大氣中的溫室氣體含量穩定在一個適當的水平」，其中規定的溫室氣體包括二氧化碳(CO₂)、甲烷(CH₄)、氧化亞氮(N₂O)、氫氟碳化物(HFCs)、全氟化碳(PFCs)和六氟化硫(SF₆)。



Disposal processes 處理流程	Explanations 說明
Formulation of list 清單制定	Formulate the List of Hazardous Waste and submit to the EHS Management Committee for confirmation. 編制《危廢品清單》並提交EHS管理委員會確認。
Classification of hazardous waste 危廢分類	Paste labels on different garbage cans and educate employees on the correct disposal of various waste. 標識不同垃圾箱並教育員工正確棄置各類廢棄物。
Marks for hazardous waste 危廢標識	All the hazardous waste shall be marked as per the national standard GB15562.1-1995. 所有危廢標識應按照國標GB15562.1-1995的要求。
Hand-over of hazardous waste 危廢轉交	The collected hazardous waste shall be handed over to the designated waste warehouse and registered. Unqualified marks shall be altered. 收集的危廢應轉交至指定廢棄物倉庫並進行登記。同時更改不符合要求的標識。
Storage of hazardous waste 危廢儲存	Establish different places for storage and provide protective measures according to the properties of different hazardous waste. 針對不同危廢的種類特性，設置不同放置區域，及配備相應防護措施。
Disposal of hazardous waste 危廢處置	Designate qualified units to dispose of hazardous waste on a regular basis according to the storage volume of waste. Meanwhile, prevent the impacts on the surrounding environment caused by the leakage of hazardous waste such as waste oil during the transfer of hazardous waste. 根據廢棄物的儲存量，定期安排合資格單位處理危廢。同時，在危廢轉移的過程中，注意防止廢油等危險廢物的洩露對周圍環境造成影響。
Reporting of hazardous waste 危廢申報	Entrust hazardous waste disposal units to report the type and quantity of hazardous waste to be transferred to the environmental authority. 委託危廢處理單位向環保機構申報轉移的危廢種類及數量。

Other general wastes shall be collected and disposed of by the environmental health stations, or sold by the logistics department according to actual situations.

其他一般廢棄物交由環境衛生站點進行收集處理，或由後勤部門根據實際情況進行變賣。



Wastewater and liquid waste

The Group have independent pipelines, which can respectively discharge industrial wastewater, domestic wastewater and rain into the collection tank for further disposal. In case of problems of different pipelines, the Group shall immediately arrange the maintenance to guarantee the normal usage of pipelines. The Group has built the digestion tank to dispose of all the domestic wastewater, which is then allowed to be discharged into the municipal pipelines when the water quality reaches the standards in the Discharge Limits of Water Pollutants (DB44/26-2001). The Group strictly prohibits the direct dumping of liquid waste such as waste paint or hydraulic oil into the domestic wastewater or rainwater pipelines. The liquid waste shall be stored in the designated storage tank, and handed over to the logistics department for unified disposal as per the hazardous waste disposal processes.

The Group complies with relevant laws and regulations such as the Environmental Protection Law of the People's Republic of China, the Water Pollution Prevention and Control Law of the People's Republic of China and the Atmospheric Pollution Prevention Law of the People's Republic of China. The Group didn't have any violations related to emissions during the year.

廢水及廢液

本集團設有獨立管道，分開排放工業廢水、生活廢水及雨水至收集處進行進一步處理。若不同管道出現問題，本集團會立即安排維修，確保管道的正常使用。本集團已建立化糞池，所有生活廢水須經化糞池處理，且水質必須達到《水污染物排放限值》(DB44/26-2001)標準後，方可排放至市政管網。本集團嚴禁任何人把廢液如廢油漆、廢液壓油等直接倒入生活廢水或雨水管道。廢液應存放至指定的廢液存放處，並交給後勤部按照危險廢物處理流程統一處理。

本集團遵守相關法律及規例，如《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》及《中華人民共和國大氣污染防治法》等。本集團在本年度並無發生與排放物相關的違法違規個案。



Use Of Resources

The Group strives to reduce waste and make good use of resources during daily production and work. For this end, the Group has formulated systems such as the Resource and Energy Saving System and the Management Standards of Recycled Packing Materials to standardize the resource use methods.

In order to enhance the resource utilization efficiency, the Group has formulated several measures to prevent the waste of resources as follows:



資源使用

本集團重視在日常生產及工作過程中減少浪費，善用資源。為此，本集團已制訂《節約資源能源制度》及《回收包材管理規範》等制度，規範資源使用方法。

為提升資源利用效益，本集團已制訂多種辦法以防止資源浪費，如：



Category 類別	Actions and requirements 行動和要求
Electricity control 用電控制	1. The idle lighting, power supply and other manufacturing equipment shall be turned off according to specific production schedule. 生產設施根據具體生產安排關閉閒置照明、電源及其他生產設備。 2. Employees at office shall turn off office equipment including computers, air-conditioners and copying machines when they are off work. 在辦公室，員工下班時應關閉電腦、空調及複印機等辦公設備。
Water control 用水控制	1. Water-saving facilities shall be used in the toilet. If water leakage is found, the person in charge of relevant department shall promptly report for repair. 洗手間採用節水型設備。若發現漏水問題，相關部門負責人應及時報修處理。 2. Recycled water shall be used in production to enhance water utilization efficiency. 在生產過程中應使用循環水，增加水的利用率。
Paper control 紙張控制	1. Try to adopt electronic documents for internal communication, in order to reduce the paper consumption. 盡量使用電子文檔作內部溝通，減少使用紙張。 2. Double-side printing shall be preferred. 如需打印，應盡量採用雙面打印。
Production materials control 生產物料控制	1. Establish the production material control objectives to enhance the material usage efficiency. 設立生產物料監控目標，以提高物料的使用效率。 2. Recyclable product package shall be preferred in the design of product package. Meanwhile, active communication shall be made with customers about the recycling of packing materials for the convenience of reuse. 設計產品包裝時，應以可回收為設計原則。同時，與客戶積極溝通回收包裝材料以便重複使用。

The total energy consumption of the Group amounted to 57,075Mwh during the year (approximately an increase of 18% compared with last year), while the energy intensity was 24.8Mwh/million HKD revenue (approximately a decrease of 4% compared with last year); other energy used includes liquefied petroleum gas, gasoline and diesel.

本集團本年度的能源總耗量為57,075兆瓦時(約比去年增加18%)，而能源密度為每百萬港元營業額24.8兆瓦時(約比去年減少4%)；其他能源使用包括液化石油氣、汽油及柴油。

Energy use 能源使用	Consumption 耗用量
Gasoline (GJ) 汽油(吉焦耳)	420.9
Diesel (GJ) 柴油(吉焦耳)	161.4
Liquefied petroleum gas (GJ) 液化石油氣(吉焦耳)	4.8
Electricity (Mwh) 電力(兆瓦時)	56,911.6
Total energy consumption (Mwh equivalent) 能源總耗量(兆瓦時等值)	57,074.7
Energy intensify/million HKD revenue Mwh equivalent) 能源密度(每百萬港元營業額兆瓦時等值)	24.8

In future, the Group will continuously enhance the resource utilization efficiency during production, and gradually set up the quantitative objectives based on the resource consumption for the year.

未來，本集團將持續提升生產過程的資源使用效率，並以本年度的資源耗量為基準，逐步訂立量化目標。



The Environment and Natural Resources



環境及天然資源

The Group has established the Emergency Preparation and Response Procedures to standardize the emergency response procedures for environmental emergency, and reduce the impacts caused by the business operation on the environment and natural resources.

The Group has set up the emergency management structure in the charge of the management representatives, EHS Management Committee and each department in charge, responsible for the unified command and coordination of the emergency preparation, emergency response and post-appraisal for environmental emergencies. During the daily operation, each department shall organize employees to have regular emergency education and drilling such as chemical leakage drills and emergency evacuation drills, in order to enhance employees' emergency response capability and reduce the impacts of major accidents on the environment. Meanwhile, each department shall conduct daily maintenance and inspection on various emergency equipment.

Various emergency work has been included into the quarterly assessment of EHS. In case of major accidents, the Group's safety officer shall report the relevant reason and improvement measures to the Board and the government authority, in order to prevent the reoccurrence of accidents.

During the year, the Group understood stakeholders' suggestions of on the environmental management through the focus group. In future, the Group will consider these suggestions in the optimization of management measures, and continuously maintain communication with stakeholders.

本集團已建立《應急準備和響應程序》，以規範環境突發事件應急處理程序，減少業務營運對環境及天然資源帶來的影響。

本集團已設立應急管理架構，由管理者代表、EHS管理委員會和各責任部門為主要負責主體，以統一指揮及協調突發環境事件的應急準備、應急響應和事後評審。在日常營運中，各部門應組織員工定期進行應急教育和演練，如化學品洩漏演習及緊急疏散逃生演習等，增強員工的應急處理能力及減少重大事故對環境的影響。同時，各部門應對各種應急設備進行日常維護和檢查。

各項應急工作已納入EHS季度考核中。對於重大事故，本集團的安全主任應將事故調查原因以及改進措施上報董事會和政府部門，避免該類事故再次發生。

本年度，本集團通過焦點小組了解到持份者對於環境管理方面的建議，本集團會在未來優化管理措施時考慮這些建議，並持續與持份者進行溝通。

Topics concerned by stakeholders 持份者關注的議題	Suggestions of stakeholders 持份者建議
Disposal of general waste 一般廢棄物處理	<ul style="list-style-type: none"> Waste articles such as cartons may be collected and recycled by the Group. 對諸如紙皮紙箱等廢舊物品，集團可以統一收集之後再次回收利用。
Resource saving 資源節約	<ul style="list-style-type: none"> Continue to optimize working processes, reduce paper consumption, and increase the electronic (paperless) office work. 繼續優化工作流程，減少紙張的使用和增加電子化(無紙化)辦公。



DILIGENT OPERATION

Supply Chain Management

Being aware of the importance of supply chain management to its business, TK Group selects suppliers qualified for supply chain requirements in accordance with the Social Responsibility Management System and Supplier Management Processes. In addition to the quality of products provided by suppliers, the environmental and social performance of suppliers are also taken into consideration during the selection and appraisal of suppliers.

All the suppliers shall enter into the social responsibility letter and integrity agreement before signing the contract, covenanting that they will comply with local labour regulations and SA8000 social responsibility standards. In case suppliers use child labour, forced labour or imprisoned labour, the Group will immediately terminate the cooperative relationship. In terms of environment, the Group asks suppliers to sign the Non-Usage of Environment-related Substance Guarantee when raw materials are purchased, in order to guarantee that the materials provided comply with the Environmental Substance Control Standards or other environmental substance management requirements.

In order to guarantee that the environmental and social performance of suppliers complies with requirements, the procurement department of the Group conducts the on-site audit of the main suppliers and subcontractors once a year, and raises improvement measures for problems identified.

Product Liability

Quality management

In order to guarantee the product quality and strengthen the production process management, the Group has formulated the Finished Product Quality Control Procedures, Processing Quality Control Procedures, and Non-conforming Product Control Procedures, etc.

盡責營運

供應鏈管理

東江集團明白供應鏈管理對於自身業務的重要性，透過《社會責任管理制度》、《供應商管理流程》等制度，篩選符合本集團供應鏈要求的供應商。本集團在選擇及評價供應商時，除考慮供應商提供產品的質量之外，亦注重其環境和社會表現。

所有供應商在簽訂合同之前須簽署社會責任承諾書與廉潔協議，承諾遵守當地勞工法規和SA8000社會責任標準。對於使用童工、強制勞工或監獄工的供應商，本集團將立即與其終止合作關係。環境方面，本集團在採購原材料時要求供應商簽署《不使用環境關聯物質保證書》，保證所供物料符合本集團《環境物質控制標準》或其他環境物質管理要求。

為確保供應商的環境和社會表現符合要求，本集團採購部對主要供應商和分包商每年進行一次現場審核，針對問題提出改善措施。

產品責任

質量管理

為確保產品質量及加強生產流程管理，本集團已制訂《成品品質控制程序》、《制程品質控制程序》及《不合格品控制流程》等文件。



It is stipulated in the Finished Product Quality Control Procedures that, the production and quality department shall inspect the products by following the processes of initial product sampling, initial product recognition, patrol inspection and inspection before warehousing. Any non-conforming products, once found, shall be labeled and placed in the designated area for non-conforming products in accordance with the Non-conforming Product Control Procedures. Meanwhile, quality engineers will study the modes to tackle with non-conforming products such as scrapping or returning them to suppliers. The Group received seven complaints from customers during the year, all of which were handled according to the Customer Complaints and Goods Returning Processes and customers' opinions. The Group will strengthen the employee training to reduce the product quality problems due to improper operation.

Customer data maintenance

The protection of customer privacy is an important part of the good corporate governance. The Group has established the Confidentiality Management System to protect the confidential information of customers and other partners from being divulged. In case of any violation, the Group will give a warning to faulty employees or dismiss them. In case of severe circumstances, the faulty employees shall be held legally liable.

Intellectual property

The Group's Intellectual Property Management System protects its intellectual property rights from being infringed upon. Meanwhile, it is also stipulated in the aforesaid system that, the Group's employees should not infringe upon others' intellectual property rights.

The Group also promises its business doesn't infringe upon others' intellectual property rights, and strives to protect the intellectual property rights of its partners. Since its business doesn't involve product advertisements and labels currently, the Group hasn't formulated relevant policies. The Group abides by relevant laws and regulations such as the Product Quality Law of the People's Republic of China and the Patent Law of the People's Republic of China. During the year, the Group didn't have any violations of laws and regulations related to product liability.

《制成品品質控制程序》中規定，生產部和品質部須按照首件取樣、首件確認、巡檢以及入庫前檢驗的流程對產品進行檢查；若有不合格品，則按照《不合格品控制程序》貼上標籤且放置於不合格品區等待處理。同時，品質工程師將研究不合格品的處理方式，如報廢處理或退回供應商等。本集團於本年度接獲七次客戶投訴，均已按照《客戶投訴與退貨處理流程》和客戶意見處理。本集團將加強員工培訓，減少因員工操作不當而導致的產品質量問題。

客戶資料維護

維護客戶私隱是良好企業管治的重要一環。本集團已建立《保密管理制度》，致力保護客戶及其他合作夥伴的私隱信息不受侵犯。若出現違規情況，本集團會對當事人提出警告或予以辭退。情況嚴重者則按照法律規定追究當事人的法律責任。

知識產權

本集團的《知識產權管理制度》明確保護本集團知識產權免受侵犯。同時，該制度亦要求本集團員工不得侵犯他人知識產權。本集團亦承諾其業務不存在侵犯知識產權的行為，致力維護合作夥伴的知識產權。

由於本集團的業務目前不涉及產品廣告及標籤，因此並無制訂相關政策。本集團遵守相關法律及規例，如《中華人民共和國產品質量法》及《中華人民共和國專利法》等。本年度，本集團並無發生與產品責任相關的違法違規個案。

Anti-Corruption

TK Group prohibits any corruption such as briber, blackmailing, fraud and money laundering. The Group has formulated internal management principles such as the Ethics and Commercial Behavior Management System, Internal Investigation Guide and Complaint Management System, and covenanted that it will conduct operation in a moral and honest manner, and establish the integrity culture within the Group.

The Group's employees shall not offer bribes to units or individuals including suppliers, government officials and customers in the name of individuals or the Group. Bribery includes but not limited to offering cash and valuable articles. Any gifts given by other units or individuals shall be handled in accordance with the Gift Management System of the Group. Moreover, it is stipulated in the Complaint Management System that, employees may make complaints or feed back opinions via the President Complaint Email. In case of any violations, the management will directly transfer employees suspected of criminal crimes to judicial organs.

The Group complies with relevant laws and regulations such as the Law of the People's Republic of China Against Unfair Competition, Anti-Money Laundering Law of the People's Republic of China and other applicable laws and regulations. During the year, the Group didn't have any violations of laws and regulations related to anti-corruption.

反貪污

東江集團嚴禁賄賂、勒索、欺詐及洗黑錢等貪污行為。本集團已制訂《道德規範和商業行為管理制度》、《內部調查指引》及《投訴管理制度》等內部管理方針，承諾以合乎道德及恪守誠信的態度經營業務，在本集團建立廉潔文化。

本集團員工不得以個人或本集團名義對包括供應商、政府官員及客戶在內的單位或個人進行賄賂。賄賂包括但不限於提供現金及貴重物品等形式。若收到其他單位或個人贈送的禮品，則應按照本集團《贈品管理制度》處理。此外，本集團《投訴管理制度》規定，員工可通過「主席投訴郵箱」作出投訴及反映意見。若發現違規行為，管理層將把涉嫌違法犯罪的員工直接移送司法機關。

本集團遵守相關法律及規例，如《中華人民共和國反不正當競爭法》、《中華人民共和國反洗錢法》及其他適用的法律及規例。本年度，本集團並無發生與反貪污相關的違法違規個案。



JOINT DEVELOPMENT OF COMMUNITY

The Group focuses on undertaking social responsibilities, and satisfying demands of local communities. During the year, the Group organized various community investment activities including sponsoring TK Cup Basketball Match, Aiding Tibet Project and the 2nd Shenzhen Entrepreneurship Competition Germany Sub-competition. The sponsorship amounted to HK\$2,728,000.

共建社區

本集團重視對於社會責任的承擔，關注營運所在地社區的需要。本年度，本集團已開展多項社區投資活動，如贊助東江杯籃球賽、援藏項目及深圳市第二屆創業大賽德國分站比賽等，合計贊助金額約達港幣2,728,000元。

Education

- The Group has been focusing on the education for young students, and striving to establish platforms for Hong Kong young students to understand the mainland China. During the year, the Group organized several activities and invited young Hong Kong students to visit enterprises and plants in mainland China, and understand the industrial development in the Pearl River Delta, mainly including new energy, entrepreneurship exchange and mould technology.

教育

- 本集團一直重視青年學生的教育工作，努力搭建香港青年學生了解內地的平台。本年度，本集團已組織多項活動，邀請香港青年學生來內地參觀企業、工廠，使其了解珠三角地區的工業發展狀況，主要包括新能源、創業交流、模具科技等。

Environmental protection

- During the year, TK Volunteer Association organized more than 30 volunteers to participate in the Public Welfare Environmental Protection Activity held by Guangming District.

環保

- 本年度，東江義工協會組織義工參與由光明區舉辦的「淨山環保公益活動」，共有三十餘人參與本次活動。

Looking into the future, the Group will formulate relevant policies on community investment, and standardize and improve the community investment of the Group.

展望未來，本集團將進行有關社區投資政策的制訂，致力規範和完善本集團的社區投資行為。

In terms of the community investment, stakeholders have raised following opinions and suggestions in the focus group. The Group will consider improving the management principle and continuously maintain communication with stakeholders in future.

關於社區投資，持份者在焦點小組中提出以下意見和建議，本集團會在未來考慮改善管理方針，並持續與持份者進行溝通。

Topics concerned by stakeholders 持份者關注的議題	Suggestions of stakeholders 持份者建議
Community investment 社區投資	<ul style="list-style-type: none"> • Form systematic management of the community investment such as the clear planning and communication of annual community investment and volunteer activities, in order to realize systematic, pertinent and continued community investment of the Group. 對社區投資行為形成體系化管理，如清楚規劃及溝通年度的社區投資和義工活動，使本集團的社區投資更加有系統性、針對性和延續性。 • Enhance the image of volunteers, for instance, volunteers shall wear uniforms and name tags during the volunteer activities. 提升義工形象，如在義工活動中統一著裝、佩戴名牌等。



OVERVIEW OF KEY PERFORMANCE INDICATORS

關鍵績效指標總覽

Environmental performance

環境表現

Key performance indicators of the environment 環境關鍵績效指標	Quantity 數量	Unit 單位
Type of emissions and relevant data 排放物種類及相關排放數據		
Nitrogen oxide 氮氧化物	127.5	kg 千克
Sulfur oxide 硫氧化物	3.6	kg 千克
Suspended particles 懸浮顆粒	8.3	kg 千克
Greenhouse gas emissions in total 溫室氣體總排放量		
Scope I – Direct emission 範圍1 – 直接排放	40.6	tonnes of CO ₂ equivalent 噸二氧化碳當量
Scope II – Indirect emission 範圍2 – 間接排放	31,072.1	tonnes of CO ₂ equivalent 噸二氧化碳當量
Greenhouse gas emissions in total 溫室氣體總排放量	31,112.7	tonnes of CO ₂ equivalent 噸二氧化碳當量
Greenhouse gas intensity (as per revenue) 溫室氣體密度(以收入計算)	13.5	tonnes of CO ₂ equivalent/million HKD 噸二氧化碳當量/百萬港幣
Hazardous waste in total 有害廢棄物總量		
Hazardous waste produced in total 有害廢棄物總產生量	415.9	tonnes 噸
Hazardous waste intensity (as per revenue) 有害廢棄物密度(以收入計算)	0.18	tonnes/million HKD 噸/百萬港幣
Non-hazardous waste in total 無害廢棄物總量		
Non-hazardous waste produced in total 無害廢棄物總產生量	1,183.3	tonnes 噸
Non-hazardous waste intensity (as per revenue) 無害廢棄物密度(以收入計算)	0.51	tonnes/million HKD 噸/百萬港幣
Energy consumption in total 能源總耗量		
Direct energy 直接能源	587.1	GJ 吉焦耳
Indirect energy 間接能源	56,911.6	Mwah 兆瓦時
Energy intensity (as per revenue) 能源密度(以收入計算)	24.8	Mwah/million HKD 兆瓦時/百萬港幣
Water consumption in total 總耗水量	231,118	m ³ 立方米
Water consumption intensity (as per revenue) 耗水密度(以收入計算)	101	m ³ /million HKD 立方米/百萬港幣
Packing materials used by finished products in total 製成品所用包裝材料的總量		
Packing materials in total 包裝材料總量	2,269.7	tonnes 噸
Packing materials intensity (as per revenue) 包裝物料密度(以收入計算)	1.0	tonnes/million HKD 噸/百萬港幣



Social performance



社會表現

Number of employees distribution 員工人數分佈			Total number of employees 員工總人數	Ratio of male employees to female employees 男女員工人數比例
Gender 性別	Male 男性	2,188	4,219	1.1:1
	Female 女性	2,031		
Age 年齡	18-30 years old 18-30歲	1,804		
	31-45 years old 31-45歲	2,278		
	Above 45 years old 45歲以上	137		

Occupational safety and health performance 職業安全健康績效	Total 總計
Number and percentage of work-related deaths 因工關係而死亡的人數及比率	0;0%
Number of work-related injuries 因工受傷人數	19
Number of working days lost due to work-related injuries 因工傷損失工作日數	928.5



Trained employee distribution 培訓人數分佈			Total training (hours) 培訓總時數 (小時)	Percentage of employees receiving training 接受培訓員工 百分比	Average training hours 平均培訓時數
Gender 性別	Male 男性	1,727	53,920	65.2%	12.8
	Female 女性	1,023			
Age 年齡	18-30 years old 18-30歲	992			
	31-45 years old 31-45歲	1,659			
	Above 45 years old 45歲以上	99			

Region where suppliers are located 供應商所在地區	Number of suppliers 供應商數量
Mainland China 中國大陸	1,453
Hong Kong 香港地區	181
Other 其他地區	70

Product quality 產品質量	Total 總計
Percentage of products that shall be reclaimed due to safety and health reasons 因安全與健康理由須回收的百分比	0%
Number of complaints related to products or service 關於產品或服務的投訴數目	7



CONTENT INDEX TO THE ESG REPORTING GUIDE

《環境、社會及管治報告指引》報告內容索引

Subject Areas 主要範疇	Content 內容	Page 頁碼索引
A1 Emissions 排放物		
General Disclosure 一般披露	Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. 遵守對發行人有重大影響的相關法律及規例的資料。	71, 76
A1.1	The types of emissions and respective emissions data 排放物種類及相關排放數據	73, 83
A1.2	Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity 溫室氣體總排放量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)	74, 83
A1.3	Total hazardous waste produced (in tonnes) 所產生有害廢棄物總量(以噸計算)	83
A1.4	Total non-hazardous waste produced (in tonnes) 所產生無害廢棄物總量(以噸計算)	83
A1.5	Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果	71–76
A1.6	Description of how hazardous and nonhazardous wastes are handled, reduction initiatives, and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果	74–75
A2 Use of Resources 資源使用		
General Disclosure 一般披露	Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。	76
A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility) 按類型劃分的直接及/或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)	77, 83
A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility) 總耗水量及密度(如以每產量單位、每項設施計算)	83
A2.3	Description of energy use efficiency initiatives and results achieved 描述能源使用效益計劃及所得成果	76–77
A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果	The Group has no issue in sourcing water 本集團在求取水源上無問題
A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量	83



Subject Areas 主要範疇	Content 內容	Page 頁碼索引
A1 Emissions 排放物		
A3 The Environment and Natural Resources 環境及天然資源		
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources 減低發行人對環境及天然資源造成重大影響的政策	78
A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動	78
B1 Employment 僱傭		
General Disclosure 一般披露	Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare. 遵守對發行人有重大影響的相關法律及規例的資料。	68–69
B1.1	Total workforce by gender, employment type, age group, and geographical region 按性別、僱傭類型、年齡組別及地區劃分的僱員總數	84
B2 Health and Safety 健康與安全		
General Disclosure 一般披露	Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards. 遵守對發行人有重大影響的相關法律及規例的資料。	63, 66
B2.1	Number and rate of work-related fatalities 因工作關係而死亡的人數及比率	84
B2.2	Lost days due to work injury 因工傷損失工作日數	84
B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	63–66
B3 Development and Training 發展及培訓		
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	66–68
B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management) 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比	68, 85
B3.2	The average training hours completed per employee by gender and employee category 按性別及僱員類別劃分，每名僱員完成受訓的平均時數	68, 85



Subject Areas 主要範疇	Content 內容	Page 頁碼索引
A1 Emissions 排放物		
B4 Labour Standards 勞工準則		
General Disclosure 一般披露	Information on: 有關防止童工或強制勞工的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 遵守對發行人有重大影響的相關法律及規例的資料。	70–71
B4.1	Description of measures to review employment practices to avoid child and forced labour 描述檢討招聘慣例的措施以避免童工及強制勞工	70
B4.2	Description of steps taken to eliminate such practices when discovered 描述在發現違規情況時消除有關情況所採取的步驟	70
B5 Supply Chain Management 供應鏈管理		
General Disclosure 一般披露	Policies on managing environmental and social risks of the supply chain 管理供應鏈的環境及社會風險政策	79
B5.1	Number of suppliers by geographical region 按地區劃分的供應商數目	85
B6 Product Responsibility 產品責任		
General Disclosure 一般披露	Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 遵守對發行人有重大影響的相關法律及規例的資料。	79–80
B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	85
B6.2	Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	80, 85
B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	80
B6.4	Description of quality assurance process 描述質量檢定過程	80
B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored 描述消費者資料保障及私隱政策，以及相關執行及監察方法	80



Subject Areas 主要範疇	Content 內容	Page 頁碼索引
A1 Emissions 排放物		
B7 Anti-corruption 反貪污		
General Disclosure 一般披露	Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 遵守對發行人有重大影響的相關法律及規例的資料。	81
B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果	81
B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored 描述防範措施及舉報程序，以及相關執行及監察方法	81
B8 Community Investment 社區投資		
General Disclosure 一般披露	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	82
B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport) 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)	82
B8.2	Resources contributed (e.g. money or time) to the focus area 在專注範疇所動用資源(如金錢或時間)	82

DIRECTORS' REPORT

董事會報告書

The Board has pleasure in presenting the annual report and the audited accounts of the Group for the year ended 31 December 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Company is investment holding. Principal activities of its subsidiaries are set out in Note 12 to the financial statements.

SEGMENT INFORMATION

An analysis on revenue and operation of the Group for the year ended 31 December 2018 by principal activities and places of operation is set out in Note 5 to the financial statements.

BUSINESS REVIEW

The Group's business review for the year ended 31 December 2018, which includes a discussion on principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business is set out in the sections headed "Financial Highlights" and "Management Discussion and Analysis" in this annual report. In addition, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are also set out in the sections headed "Management Discussion and Analysis", "Corporate Governance Report" and "Environmental, Social and Governance Report".

RESULTS AND DIVIDEND

The Group's results for the year ended 31 December 2018 are set out in the consolidated statement of comprehensive income on page 119.

董事會欣然提呈本集團截至2018年12月31日止年度的年報及經審計賬目。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務載於財務報表附註12。

分部資料

本集團截至2018年12月31日止年度按主要業務及營業地區劃分之收益及經營分析載於財務報表附註5。

業務回顧

本集團截至2018年12月31日止年度的業務回顧，包括年內有關本集團所面對主要風險及不明朗因素的討論、運用重要財務績效指標對本集團表現的分析、影響本集團的重要事件詳情及對本集團業務未來發展的預測，載於本年報「財務摘要」及「管理層討論及分析」內。此外，有關本集團環保政策、與主要持份者的關係及遵守相關法律法規的討論亦載於「管理層討論及分析」、「企業管治報告」及「環境、社會及管治報告」內。

業績及股息

本集團截至2018年12月31日止年度的業績載於第119頁的合併綜合收益表。

Directors' Report (continued) 董事會報告書(續)

It is the policy of the Board, in considering the payment of dividends, to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth. The Board shall consider the following factors before declaring or recommending dividends:

- the Group's actual and expected financial performance;
- retained earnings and distributable reserves of the Company and each of the members of the Group;
- the Group's working capital requirements, capital expenditure requirements and future expansion plans;
- the Group's liquidity position;
- general economic conditions, business cycle of the Group's business and other internal or external factors that may have an impact on the business or financial performance and position of the Company; and
- other factors that the Board deems relevant.

The payment of dividend is also subject to compliance with applicable laws and regulations including the laws of the Cayman Islands and the Company's Articles of Association. The Board will continually review the said dividend policy from time to time and there can be no assurance that dividends will be paid in any particular amount for any given period.

After considering the above-mentioned factors, the Board has recommended the payment of a final dividend of HK\$0.14 per share for the year ended 31 December 2018 to the shareholders whose names appear on the register of members of the Company at the close of business on 22 May 2018, amounting to a total of approximately HK\$116,656,000. The proposed final dividend is subject to the approval of the shareholders at the forthcoming annual general meeting (the "AGM"). The final dividend, if approved, is expected to be paid on 6 June 2019.

董事會當釐訂股息分派時，採納的政策是一方面讓本公司股東分享本公司溢利，同時預留足夠儲備以供本集團日後發展之用。董事會在宣佈派發或建議派發股息前，須考慮下列因素：

- 本集團的實際和預期財務業績；
- 本公司及本集團各成員公司的留存收益和可分配儲備金；
- 本集團預期營運資本要求、資本開支要求及未來擴展計劃；
- 本集團的流動資金狀況；
- 本集團的整體經濟狀況、業務的商業週期，以及對本集團業務、財務業績和定位可能有影響的內在或外在因素；及
- 董事會認為相關的其他因素。

本公司派付股息亦須遵守適用的法例及規例，包括開曼群島法例及本公司章程細則。董事會將不時檢討上述股息政策，並不保證會在任何指定期間派付任何特定金額的股息。

經考慮上述因素，董事會建議向截至2019年5月22日營業時間結束時名列本公司股東名冊的股東派付截至2018年12月31日止年度的末期股息每股0.14港元，合共約116,656,000港元。建議末期股息須於應屆股東週年大會（「股東周年大會」）上獲得股東批准。如獲批准，預期末期股息將於2019年6月6日派付。

Directors' Report (continued) 董事會報告書(續)

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM to be held on 14 May 2019, the register of members of the Company will be closed from 8 May 2019 to 14 May 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company must ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on 7 May 2019.

For determining the entitlement to the aforesaid proposed final dividend, the register of members of the Company will be closed from 20 May 2019 to 22 May 2019, both dates inclusive, during which period no transfer of shares will be registered. In order to be qualified for the proposed final dividend, unregistered holders of shares of the Company must ensure that all share transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar in Hong Kong at the above address for registration not later than 4:30 p.m. on 17 May 2019.

FIVE YEAR FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the past five financial years is set out on page 216. The summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in the Group's property, plant and equipment during the year are set out in Note 13 to the financial statements.

BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2018 are set out in Note 23 to the financial statements.

暫停辦理股份過戶登記手續

為釐定出席將於2019年5月14日舉行的股東週年大會並於會上投票的資格，本公司將自2019年5月8日至2019年5月14日(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間概不會受理任何股份過戶登記。為符合資格出席股東週年大會並於會上投票，本公司股份的未登記持有人須確保所有股份過戶文件連同相關股票不遲於2019年5月7日下午4時30分送達本公司香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)辦理登記手續。

為釐定收取上述建議末期股息的資格，本公司將自2019年5月20日至2019年5月22日(首尾兩日包括在內)暫停辦理股份過戶登記手續，期間概不會受理任何股份過戶登記。為符合資格收取建議末期股息，本公司股份的未登記持有人須確保所有股份過戶文件連同相關股票不遲於2019年5月17日下午4時30分送達如上所示地址的本公司香港股份過戶登記分處辦理登記手續。

五年財務概要

本集團過往五個財務年度的業績、資產及負債的概要載於第216頁。該概要並不構成經審計財務報表的一部分。

物業、廠房及設備

本集團物業、廠房及設備於年內變動的詳情載於財務報表附註13。

銀行借貸

本集團於2018年12月31日的銀行借貸詳情載於財務報表附註23。

SHARE CAPITAL

Details of the movement in the Company's share capital during the year are set out in Note 20 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles or the laws of the 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 LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

RESERVES

Details of the movement in reserves of the Company and the Group during the year are set out in Notes 20, 21, 22 and Note 32(a) to the financial statements and the consolidated statement of changes in equity on pages 195 to 197, page 212, and pages 122 to 123 respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the Companies Law of the Cayman Islands amounted to approximately HK\$542,710,000 (2017: HK\$528,159,000), of which approximately HK\$116,656,000 has been proposed as a final dividend for the year.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year ended 31 December 2018 were around HK\$2,728,000 (2017: HK\$2,046,000).

股本

本公司股本於年內變動的詳情載於財務報表附註20。

優先權

細則或開曼群島法例並無有關優先權之規定，要求本公司須按比例向本公司的現有股東發售新股份。

購買、出售或贖回本公司的上市證券

本公司及其任何附屬公司概無於截至2018年12月31日止年度購買、出售或贖回本公司任何上市證券。

儲備

本公司及本集團儲備於年內變動的詳情分別載於第195至197頁、第212頁的財務報表附註20、21、22和附註32(a)以及第122至123頁的合併權益變動表。

可供分配儲備

於2018年12月31日，本公司根據《開曼群島公司法》計算的可供分派儲備約為542,710,000港元(2017年：528,159,000港元)，當中約116,656,000港元已建議派付為年內的末期股息。

慈善捐款

本集團於截至2018年12月31日止年度作出的慈善捐款約2,728,000港元(2017年：2,046,000港元)。

Directors' Report (continued) 董事會報告書(續)

DIRECTORS

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

Executive Directors

Mr. Li Pui Leung
Mr. Yung Kin Cheung Michael
Mr. Lee Leung Yiu
Mr. Cheung Fong Wa

Independent Non-executive Directors

Dr. Chung Chi Ping Roy
Mr. Ho Kenneth Kai Chung
Mr. Tsang Wah Kwong

Pursuant to Article 84 of the Articles, Mr. Yung Kin Cheung Michael, Mr. Cheung Fong Wa and Dr. Chung Chi Ping Roy will retire at the AGM and, being eligible, will offer themselves for re-election at the AGM.

PARTICULARS OF BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of biographies of directors and senior management of the Group are set out on pages 27 to 34 of this annual report.

DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID INDIVIDUALS

Details of directors' remuneration and those of the five highest paid individuals in the Group are set out in Notes 8 and 33 to the financial statements.

DIRECTORS' SERVICE AGREEMENTS

Each of the executive directors entered into a service agreement with the Company for a term of three years commencing from 20 December 2016, which may be terminated by either party giving not less than three months' notice in writing.

董事

於年內及至本報告日期的董事為：

執行董事

李沛良先生
翁建翔先生
李良耀先生
張芳華先生

獨立非執行董事

鍾志平博士
何啟忠先生
曾華光先生

根據細則第84條，翁建翔先生、張芳華先生及鍾志平博士將於股東週年大會上退任，且符合資格並願意於股東週年大會上膺選連任。

董事及高級管理層履歷詳情

本集團董事及高級管理層之履歷詳情載於本年報第27頁至34頁。

董事薪酬及五名最高薪酬人士

董事薪酬及本集團五名最高薪酬人士的詳情載於財務報表附註8和33。

董事的服務協議

各執行董事與本公司訂立一項服務協議，自2016年12月20日起計為期三年，該服務協議可由任何一方發出不少於三個月的書面通知予以終止。

Directors' Report (continued) 董事會報告書(續)

The Company has issued a letter of appointment to each of the independent non-executive directors for a term of three years commencing from 20 December 2016, unless terminated by either party giving not less than one month's notice in writing.

No director proposed for re-election at the AGM has a service agreement which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Connected Transactions" in this report and Note 31 (Related Party Transactions) to the financial statements, no director nor a connected entity of a director had a material interest, either directly or indirectly, in any transactions, arrangements or contract of significance in relation to the business of the Group to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisted at the end of the year or at any time during the Year under Review.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" below, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangements and the objects of or one of the objects of such arrangements is/are to enable the directors of the Company to acquire benefits by means of acquisition of shares in, or debt securities, including debentures, of the Company or any other body corporate.

MANAGEMENT CONTRACTS

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

本公司已向各獨立非執行董事發出委任函，自2016年12月20日起計為期三年，除非任何一方發出不少於一個月的書面通知予以終止則另當別論。

概無擬於股東週年大會上重選的董事訂立不可由本集團於一年內免付賠償(法定賠償除外)而予以終止的服務協議。

董事於交易、安排或合約中擁有的權益

除本報告「關連交易」一節及財務報表附註31(關連方交易)所披露者外，於年末或回顧年內的任何時間，概無董事或董事的關連實體直接或間接於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立的對本集團業務而言屬重大的任何交易、安排或合約中擁有重大權益。

董事收購股份或債券的權利

除下文「購股權計劃」一節所披露者外，於年內任何時間，本公司、其控股公司或任何其附屬公司或同系附屬公司概無訂立任何安排，而其目的(或目的之一為)致使本公司董事可藉收購本公司或任何其他法人團體的股份或債務證券(包括債券)而獲益。

管理合約

本年度並無訂立或存在有關本公司全部或任何主要業務分部之管理及行政之合約。

Directors' Report (continued) 董事會報告書(續)

DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2018, the interests of the directors of the Company in the shares of the Company which were recorded in the register required to be kept pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Long position in the shares of the Company

董事於股份、相關股份及債券中的權益

於2018年12月31日，本公司董事於本公司的股份中擁有須根據證券及期貨條例(「證券及期貨條例」)第352條記錄於該條所指的登記冊內的權益，或須根據標準守則知會本公司及聯交所的權益如下：

於本公司股份的好倉

Name of director 董事姓名	Capacity/Nature of interests 身份／權益性質	Number of shares 股份數目	Approximate percentage of shareholding in the Company* 於本公司的概約股權百分比*
Mr. Li Pui Leung ("Mr. Li") 李沛良先生(「李沛良先生」)	Interests in controlled corporations (Note 1) 受控制法團權益(附註1)	422,056,000	50.65%
Mr. Yung Kin Cheung Michael ("Mr. Yung") 翁建翔先生(「翁先生」)	Interests in controlled corporation (Note 2) 受控制法團權益(附註2)	55,620,000	6.67%
Mr. Lee Leung Yiu ("Mr. Lee") 李良耀先生(「李良耀先生」)	Interests in controlled corporation (Note 3) 受控制法團權益(附註3)	53,640,000	6.44%

Directors' Report (continued) 董事會報告書(續)

Notes:

1. These shares were held by Eastern Mix Company Limited ("Eastern Mix") (for 332,656,000 shares) and Lead Smart Development Limited ("Lead Smart") (for 89,400,000 shares) respectively. The issued share capital of Eastern Mix is owned as to 45%, 28% and 27% by Mr. Li, Mr. Yung and Mr. Lee, respectively; and Lead Smart is wholly-owned and controlled by Mr. Li. As Eastern Mix and Lead Smart are controlled corporations of Mr. Li, he is deemed to be interested in these shares held by these two corporations pursuant to Part XV of the SFO.
 2. These shares were held by Cheer Union Development Ltd. ("Cheer Union"), a corporation wholly-owned and controlled by Mr. Yung.
 3. These shares were held by Normal Times International Limited ("Normal Times"), a corporation wholly-owned and controlled by Mr. Lee.
- * The percentage represents the number of ordinary shares involved divided by the number of the Company's issued shares as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, none of the directors nor chief executive of the Company had any interests or short positions in shares or underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which has been recorded in the register required to be kept pursuant to Section 352 of the SFO, or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

附註：

1. 該等股份分別由集東有限公司(「集東」)(佔332,656,000股股份)及安領發展有限公司(「安領」)(佔89,400,000股股份)持有。集東的已發行股本分別由李沛良先生、翁先生及李良耀先生持有45%、28%及27%；另外，李沛良先生全資擁有及控制安領。由於集東及安領為李沛良先生的受控制法團，故根據證券及期貨條例第XV部，彼被視為於該兩間公司持有的股份中擁有權益。
 2. 該等股份由興邦發展有限公司(「興邦」)持有，該公司由翁先生全資擁有及控制。
 3. 該等股份由適時國際有限公司(「適時」)持有，該公司由李良耀先生全資擁有及控制。
- * 百分比指所涉及的普通股數目除以本公司於2018年12月31日已發行的股份數目。

除上文所披露者外，於2018年12月31日，概無本公司董事或主要行政人員於本公司或其任何相關法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有根據證券及期貨條例第352條須予存置的登記冊內所記錄的權益或淡倉，或須根據標準守則知會本公司及聯交所的權益或淡倉。

Directors' Report (continued) 董事會報告書(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2018, the following corporations had interests in 5% or more of the issued share capital of the Company as recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or as known by the Company:

Long position in the shares of the Company

主要股東於股份及相關股份的權益

於2018年12月31日，本公司根據證券及期貨條例第336條規定須由本公司存置的權益登記冊所記錄或就本公司所知，以下法團擁有本公司5%或以上的已發行股本的權益：

於本公司股份的好倉

Name of shareholder 股東姓名	Capacity/Nature of interests 身份／權益性質	Number of shares 股份數目	Approximate percentage of shareholding in the Company* 於本公司的概約股權百分比*
Eastern Mix (Note 1) 集東(附註1)	Beneficial owner 實益擁有人	332,656,000	39.92%
Lead Smart (Note 1) 安領(附註1)	Beneficial owner 實益擁有人	89,400,000	10.73%
Cheer Union (Note 2) 興邦(附註2)	Beneficial owner 實益擁有人	55,620,000	6.67%
Normal Times (Note 3) 適時(附註3)	Beneficial owner 實益擁有人	53,640,000	6.44%
Value Partners Group Limited (Note 4) 惠理集團有限公司(附註4)	Interest in controlled corporations 受控制法團權益	65,302,000	7.84%
Value Partners High-Dividend Stocks Fund Value Partners High-Dividend Stocks Fund	Beneficial owner 實益擁有人	64,410,000	7.73%
FIL Limited (Note 5) FIL Limited(附註5)	Interest in controlled corporations 受控制法團權益	44,234,000	5.31%
Pandanus Partners L.P. (Note 5) Pandanus Partners L.P.(附註5)	Interest in controlled corporations 受控制法團權益	44,234,000	5.31%
Pandanus Associates Inc. (Note 5) Pandanus Associates Inc.(附註5)	Interest in controlled corporations 受控制法團權益	44,234,000	5.31%
FMR LLC (Note 6) FMR LLC(附註6)	Interest in controlled corporations 受控制法團權益	41,668,270	5.0%

Directors' Report (continued) 董事會報告書(續)

Notes:

1. The above interests of Eastern Mix and Lead Smart were also disclosed as the interests of Mr. Li in the above section headed "Directors' Interests in Shares, Underlying Shares and Debentures".
 2. The above interests of Cheer Union were also disclosed as the interests of Mr. Yung in the above section headed "Directors' Interests in Shares, Underlying Shares and Debentures".
 3. The above interests of Normal Times were also disclosed as the interests of Mr. Lee in the above section headed "Directors' Interests in Shares, Underlying Shares and Debentures".
 4. These 65,302,000 shares were held by Value Partners Limited, a wholly-owned subsidiary of Value Partners Hong Kong Limited, which in turn was a wholly-owned subsidiary of Value Partners Group Limited. Accordingly, Value Partners Hong Kong Limited and Value Partners Group Limited were deemed to be interested in these shares pursuant to Part XV of the SFO.
 5. Pandanus Associates Inc. is a general partner of Pandanus Partners L.P., which in turn owns as to 37.51% in FIL Limited. FIL Limited is deemed to be interested in these 44,234,000 shares of the Company through a series of subsidiaries. Accordingly, Pandanus Associates Inc., Pandanus Partners L.P. and FIL Limited were deemed to be interested in these shares pursuant to Part XV of the SFO.
 6. FMR LLC is deemed to be interested in these 41,668,270 shares through a series of subsidiaries pursuant to Part XV of the SFO.
- * The percentage represents the number of ordinary shares involved divided by the number of the Company's issued shares as at 31 December 2018.

Save as disclosed above, as at 31 December 2018, no person, other than the directors of the Company whose interests and short position are set out in the section headed "Directors' Interests in Shares, Underlying Shares and Debentures" above, had any interests or short position in the shares or underlying shares of the Company as recorded in the register of interests required to be kept pursuant to Section 336 of the SFO.

附註：

1. 以上集東及安領之權益於上文「董事於股份、相關股份及債券中的權益」一節中亦已披露為李沛良先生的權益。
 2. 以上興邦之權益於上文「董事於股份、相關股份及債券中的權益」一節中亦已披露為翁先生的權益。
 3. 以上適時之權益於上文「董事於股份、相關股份及債券中的權益」一節中亦已披露為李良耀先生的權益。
 4. 該等65,302,000股股份由惠理基金管理香港有限公司的全資附屬公司惠理基金管理公司持有，而惠理基金管理香港有限公司為惠理集團有限公司的全資附屬公司。因此，根據證券及期貨條例第XV部，惠理基金管理香港有限公司及惠理集團有限公司被視為於該等股份中擁有權益。
 5. Pandanus Associates Inc. 是 Pandanus Partners L.P. 的普通合夥人，而Pandanus Partners L.P. 持有 FIL Limited 37.51% 的股份。而FIL Limited 透過一系列附屬公司間接持有本公司44,234,000股股份。因此，根據證券及期貨條例第XV部，Pandanus Associates Inc.、Pandanus Partners L.P. 以及FIL Limited 被視為於該等股份中擁有權益。
 6. 根據證券及期貨條例第XV部，FMR LLC 被視為透過一系列附屬公司間接擁有該等41,668,270股股份的權益。
- * 百分比指所涉及的普通股數目除以本公司於2018年12月31日已發行的股份數目。

除上文所披露者外，於2018年12月31日，概無人士（權益及淡倉載於上文「董事於股份、相關股份及債券中的權益」一節的本公司董事除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須存置的權益登記冊所記錄的權益或淡倉。

Directors' Report (continued) 董事會報告書(續)

SHARE OPTION SCHEME

The Company adopted a share option scheme on 29 November 2013 (the "Share Option Scheme") for the purpose of providing incentives or rewards to eligible participants (including employees, executives or officers, directors including non-executive directors and independent non-executive directors, advisers, consultants, suppliers, customers and agents of the Company or any of its subsidiaries) for their contribution to the long term growth of the Group and to enable the Company to attract and retain high caliber employees.

The Share Option Scheme became effective on the date of the Company's listing (20 December 2013) and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The total number of securities of the Company available for issue under the Share Option Scheme was 73,340,000 shares, representing approximately 8.80% of the shares of the Company in issue as at the date of this annual report. The maximum number of shares issuable under share options granted to each eligible participant in the Share Option Scheme (including both exercised and outstanding options) within any 12-month period is limited to 1% of the shares of the Company in issue. Any grant or further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting. A grant of share options under the Share Option Scheme to a director, chief executive or substantial shareholder of the Company, or to any of their associates, is subject to approval in advance by the independent non-executive directors (excluding any independent non-executive director who is the grantee of the Options). 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, which would result in the shares issued and to be issued, upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding), to such person in the 12-month period up to and including the date of the grant in excess of 0.1% of the shares of the Company in issue and with an aggregate value (based on the closing price of the Company's shares at the date of grant) in excess of HK\$5 million, are subject to shareholders' approval in advance in a general meeting.

購股權計劃

本公司已於2013年11月29日採納一項購股權計劃(「購股權計劃」)，以就合資格參與者(包括本公司或其任何附屬公司的僱員、行政人員或高級職員、董事(包括非執行董事及獨立非執行董事)、顧問、諮詢人士、供應商、客戶及代理)為本集團的長期增長作出的貢獻向他們提供獎勵或回報，並有助本公司吸引及挽留有才能的僱員。

購股權計劃於本公司上市日期(2013年12月20日)開始生效及將自該日起計十年內持續有效(除非另行註銷或修訂)。

購股權計劃下可予發行之本公司證券總數為73,340,000股，佔本年報日期本公司已發行股份的約8.80%。於任何12個月期間根據購股權計劃向每位合資格參與者授出的購股權(包括已行使及尚未行使的購股權)可予以發行的股份數目上限以本公司已發行股份之1%為限。授出或進一步授出超過此限額的任何購股權均須經股東在股東大會上批准。根據購股權計劃向本公司董事、主要行政人員或主要股東，或任何彼等的聯繫人士授出購股權須經獨立非執行董事(不包括身為購股權承授人的任何獨立非執行董事)提前批准。此外，若於截至授出日期(包括該日)的12個月期間內，向本公司主要股東或獨立非執行董事或任何彼等的聯繫人士授出的任何購股權，將導致於行使所有已授出及將授出的購股權(包括已行使、已註銷及尚未行使購股權)時向該等人士發行及將予發行的股份超過本公司已發行股份0.1%及總價值(根據本公司股份於授出日期的收市價計算)超過5百萬港元，則須經股東在股東大會上提前批准。

The offer of a grant of share options may be accepted within 30 days from the date of offer upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determined by the directors, save that such a period shall not be more than 10 years from the date of offer of the share options and subject to the provisions for early termination as set out in the Share Option Scheme. There is no requirement of a minimum period for which an option must be held before it can be exercised.

The exercise price of the share options shall be not less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options, which must be a date on which the Stock Exchange is open for business of dealing in securities; (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer; and (iii) the nominal value of a share of the Company on the date of offer.

For the year ended 31 December 2018, there was no outstanding share option for the subscription of new shares held by any parties.

DEED OF NON-COMPETITION

Each of Mr. Li, Lead Smart and Eastern Mix (collectively the "Covenantors") have entered into a Deed of Non-Competition in favour of the Company (on behalf of itself and the Group) dated 29 November 2013 (the "Deed"). Pursuant to the Deed, each of the Covenantors shall procure their respective associates not to directly or indirectly engage in any business in competition with the existing businesses of the Group. Relevant information on the Deed was disclosed in the Prospectus in the section headed "Relationship with Controlling Shareholders". The Company has received confirmations from the Covenantors of their compliance with the terms of the Deed. The Covenantors declared that they have fully complied with the Deed for the year ended 31 December 2018. The independent non-executive directors have reviewed the confirmations from the Covenantors and concluded that the Deed has been complied with and enforced in an effective manner.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the directors of the Company is currently in force and was in force throughout the year.

授出購股權的要約可於承授人支付總額為1港元的名義代價後，自要約日期起計的30日內獲接納。已授出購股權的行使期由董事釐定，惟倘有關行使期自購股權要約日期起計不超過十年，及須受購股權計劃所載的提前終止條文規限。購股權獲行使前並無須持有購股權的最短期間的規定。

購股權之行使價不得低於(以最高者為準)：(i)本公司股份於購股權要約日期(須為聯交所開市進行證券買賣的日子)在聯交所的收市價；(ii)本公司股份於緊接要約日期前五個交易日在聯交所的平均收市價；及(iii)本公司股份於要約日期的面值。

於截至2018年12月31日止年度，概無任何人士持有可認購新股份且尚未行使之購股權。

不競爭契據

李沛良先生、安領及集東(統稱「契約方」)已代表本身及本集團以本公司為受益人訂立一份日期為2013年11月29日的不競爭契據(「契據」)。根據契據，各契約方須促使他們各自的聯繫人士不會直接或間接從事與本集團現有業務構成競爭的任何業務。契據相關資料披露於招股章程「與控股股東的關係」一節。本公司已接獲契約方有關他們遵守契據條款的確認函。契約方宣佈，他們於截至2018年12月31日止年度已全面遵守契據。獨立非執行董事已審閱契約方的確認函，並推定契據已獲遵守並有效實施。

獲准許彌償條文

有關惠及本公司董事的獲准許彌償條文(定義見香港公司條例)於現在及年內均為有效。

Directors' Report (continued) 董事會報告書(續)

CONNECTED TRANSACTIONS

The Group entered into the following continuing connected transactions during the year. The directors confirmed that those transactions have been entered into in the ordinary and usual course of business of the Group, on normal commercial terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole. All applicable percentage ratios (other than the profits ratio) as defined in Rule 14.07 of the Listing Rules in respect of the proposed annual caps for those transactions are expected to be less than 5%. Those transactions are exempt from shareholders' approval under Rule 14A.76(2) of the Listing Rules and in the interests of the shareholders of the Company as a whole.

The table below sets out the annual caps and the actual transaction amounts of those continuing connected transactions in 2018:

關連交易

年內本集團訂立以下持續關連交易。董事確認該等交易乃於本集團日常及一般業務過程中按公平合理之正常商業條款訂立，並符合本公司股東之整體利益。根據上市規則第14.07條的定義，該等交易之建議年度上限所有適用百分比率(盈利比率除外)預期低於5%。根據上市規則第14A.76(2)條，該等交易獲豁免遵守股東批准的規定，並符合本公司股東之整體利益。

下表載列該等持續關連交易於2018年之年度上限及實際交易額：

No. 編號	Connected Transaction 關連交易	Connected Person 關連人士	Annual Cap 年度上限		Actual Transaction Amount 實際交易額	
			RMB'000	HK\$'000	RMB'000	HK\$'000
			人民幣千元	千港元	人民幣千元	千港元
1	Hong Kong Tenancy Agreement 香港租賃協議	TK Technology Holdings Limited ("TK Technology Holdings") 東江科技集團有限公司 (「東江科技集團」)	131	156	131	156
2	Shenzhen Tangjia Plant Workshop A Lease Agreement 深圳塘家廠房A棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	2,577	3,068	2,577	3,032
3	Shenzhen Tangjia Plant Workshop B Lease Agreement 深圳塘家廠房B棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	2,503	2,979	2,503	2,944
4	Shenzhen Tangjia Plant Workshop C Lease Agreement 深圳塘家廠房C棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	2,567	3,055	2,567	3,019
5	Shenzhen Tangjia Plant Workshop D Lease Agreement 深圳塘家廠房D棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	1,509	1,796	1,509	1,775
6	Shenzhen Tangjia Plant Workshop E Lease Agreement 深圳塘家廠房E棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	1,963	2,336	1,655	1,947

Directors' Report (continued)
董事會報告書(續)

No. 編號	Connected Transaction 關連交易	Connected Person 關連人士	Annual Cap 年度上限		Actual Transaction Amount 實際交易額	
			RMB'000 人民幣千元	HK\$'000 千港元	RMB'000 人民幣千元	HK\$'000 千港元
7	Shenzhen Tangjia Plant Workshop F Lease Agreement 深圳塘家廠房F棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	2,137	2,544	2,137	2,514
8	Shenzhen Tangjia Plant Workshop G Lease Agreement 深圳塘家廠房G棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	4,310	5,131	4,310	5,070
9	Shenzhen Tangjia Plant Workshop H Lease Agreement 深圳塘家廠房H棟租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	3,676	4,377	3,447	4,056
10	Shenzhen Tangjia Plant Zone A Workshop J Lease Agreement 深圳塘家廠房J棟A區租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	12,078	14,378	12,072	14,201
11	Shenzhen Tangjia Plant Zone B Workshop J Lease Agreement 深圳塘家廠房J棟B區租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	7,526	8,962	7,387	8,690
12	Shenzhen Tangjia Plant Dormitory Block A Lease Agreement 深圳塘家廠房A棟宿舍租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	587	698	475	559
13	Shenzhen Tangjia Plant Parking Space Lease Agreement 深圳塘家廠房車位租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	914	1,089	914	1,076
14	Shenzhen Tangjia Plant Farm Land Lease Agreement 深圳塘家廠房農莊租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	557	663	557	655
15	Shenzhen Tangjia Plant Football Field Lease Agreement 深圳塘家廠房足球場租賃協議	TK Technology (Shenzhen) 東江科技(深圳)	264	314	264	310
		Subtotal of lease agreements 租賃協議小計	43,299	51,546	42,505	50,004

Directors' Report (continued) 董事會報告書(續)

(1) Hong Kong Tenancy Agreement

A tenancy agreement dated 22 December 2017 (the "Hong Kong Tenancy Agreement") was entered into between TK Technology Holdings as landlord and the Company and TK Group International (Hong Kong) Limited ("TK Group International (Hong Kong)") as tenant in respect of the premises located at Workshop No. 19 on 9th Floor, Block B, Hi-Tech Industrial Centre, No. 491-501 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong (the "Hong Kong Premises") with an area of approximately 77.67 square metres for a term of one year commencing on 1 January 2018 and expiring on 31 December 2018 at a monthly rent of HK\$13,000. The property is used as the principal place of business for the Group in Hong Kong. At any time during the term of the Hong Kong Tenancy Agreement, the Company may terminate the Hong Kong Tenancy Agreement by giving not less than one month's prior written notice to the landlord or by paying one month's rent to the landlord.

TK Technology Holdings is a property holding company and indirectly held as to 45.0% by Mr. Li, 28.0% by Mr. Yung and 27.0% by Mr. Lee. According to the Listing Rules, TK Technology Holdings is an associate of Mr. Li, Mr. Yung and Mr. Lee, and is thus a connected person of the Company.

Pursuant to the Hong Kong Tenancy Agreement, the annual rent of the Hong Kong Premises in 2018 amounted to HK\$156,000, payable by the Company and TK Group International (Hong Kong) in advance on the first day of each calendar month. The annual rent payable to TK Technology Holdings was determined at after arm's length negotiation between the parties to the Hong Kong Tenancy Agreement. The independent property valuer of the Company has also confirmed that the terms of the Hong Kong Tenancy Agreement are fair and reasonable and the rental payment under the Hong Kong Tenancy Agreement reflects the prevailing market rate.

(1) 香港租賃協議

東江科技集團(作為業主)與本公司及東江集團國際(香港)有限公司(「東江集團國際(香港)」)(作為承租人)於2017年12月22日訂立租賃協議(「香港租賃協議」)，內容有關香港新界荃灣青山道491-501號嘉力工業中心B座9樓第19號車間的物業(「香港物業」)，面積約77.67平方米，租期一年，自2018年1月1日起至2018年12月31日屆滿，月租為13,000港元。該物業被用作本集團在香港的主要營業地點。於香港租賃協議期限內，本公司可隨時向業主發出不少於一個月事先書面通知，或向業主支付一個月的租金終止香港租賃協議。

東江科技集團為物業控股公司，由李沛良先生、翁先生及李良耀先生分別間接持有45.0%、28.0%及27.0%。根據上市規則，東江科技集團為李沛良先生、翁先生及李良耀先生的聯繫人士，故為本公司的關連人士。

根據香港租賃協議，2018年香港物業的年租為156,000港元，由本公司及東江集團國際(香港)於各曆月首日預先支付。應付予東江科技集團的年租乃經香港租賃協議訂約方公平磋商後釐定。本公司的獨立物業估值師亦已確認香港租賃協議的條款屬公平合理，及香港租賃協議項下的租金反映了現行市價。

(2) Shenzhen Tangjia Plants Lease Agreements

The following lease agreements were entered into between TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) Limited ("TK Mold (Shenzhen)"), TK Precision Plastics (Shenzhen) Limited ("TK Precision Plastics") and YD Mold (Shenzhen) Limited ("YD Mold") as tenants respectively:

(2) 深圳塘家廠房租賃協議

東江科技(深圳)(作為業主)與東江模具(深圳)有限公司(「東江模具(深圳)」)、東江精創注塑(深圳)有限公司(「東江精創注塑」)及佑東模具(深圳)有限公司(「佑東模具」)(作為承租人)分別訂立下列租賃協議：

Agreement 協議	Parties to the Agreement 協議訂約方	Date of Agreement 協議日期	Leased Property 租賃物業	Term 年期	Monthly Rent 月租 (RMB) (人民幣)
Shenzhen Tangjia Plant Workshop A Lease Agreement	TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) and YD Mold as tenants	1 January 2018	Workshop A, Phase 1 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	214,763
深圳塘家廠房A棟租賃協議	東江科技(深圳)(作為業主)與東江模具 (深圳)及佑東模具(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(一期)廠房A棟	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Workshop B Lease Agreement	TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) as tenant	1 January 2018	Workshop B, Phase 1 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	208,560
深圳塘家廠房B棟租賃協議	東江科技(深圳)(作為業主)與東江模具 (深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(一期)廠房B棟	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Workshop C Lease Agreement	TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) as tenant	1 January 2018	Workshop C, Phase 1 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	213,878
深圳塘家廠房C棟租賃協議	東江科技(深圳)(作為業主)與東江模具 (深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(一期)廠房C棟	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Workshop D Lease Agreement	TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) as tenant	1 January 2018	Workshop D, Phase 1 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	125,718
深圳塘家廠房D棟租賃協議	東江科技(深圳)(作為業主)與東江模具 (深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(一期)廠房D棟	2018年1月1日至 2018年12月31日	

Directors' Report (continued)

董事會報告書(續)

Agreement 協議	Parties to the Agreement 協議訂約方	Date of Agreement 協議日期	Leased Property 租賃物業	Term 年期	Monthly Rent 月租 (RMB) (人民幣)
Shenzhen Tangjia Plant Workshop E Lease Agreement	TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) as tenant	1 January 2018	Area Nos.1 and 2, Workshop E, Phase 1 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	137,916
深圳塘家廠房E棟租賃協議	東江科技(深圳)(作為業主)與東江模具 (深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(一期)廠房E棟1號、2號	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Workshop F Lease Agreement	TK Technology (Shenzhen) as landlord and TK Mold (Shenzhen) as tenant	1 January 2018	Workshop F, Phase 1 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	178,088
深圳塘家廠房F棟租賃協議	東江科技(深圳)(作為業主)與東江模具 (深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(一期)廠房F棟	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Workshop G Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics (Shenzhen) as tenant	1 January 2018	Workshop G and Mezzanine Level of Workshop G, Phase 2 of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	359,165
深圳塘家廠房G棟租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑(深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(二期)廠房G棟、G棟夾層	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Workshop H Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics and TK Mold (Shenzhen) as tenants	1 January 2018 and 1 May 2018	Area Nos. 2,5,8 and 9, Workshop H and Mezzanine Level of Workshop H, Phase 2 of TK Technology Park, Tangjia Community, Fenghuang Sub- District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	319,048
深圳塘家廠房H棟租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑及東江模具(深圳)(作為承租人)	2018年1月1日及 2018年5月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技工業 園(二期)廠房H棟2號、5號、8號、9號、H棟夾層	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Zone A Workshop J Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics as tenant	1 January 2018 and 1 February 2018	Zone A Workshop J, Phase 3 of TK Technology Park, Tangjia Community, Fenghuang Sub- District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	1,051,047
深圳塘家廠房J棟A區租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑(作為承租人)	2018年1月1日及 2018年2月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(三期)廠房J棟A區	2018年1月1日至 2018年12月31日	

Directors' Report (continued)
董事會報告書(續)

Agreement 協議	Parties to the Agreement 協議訂約方	Date of Agreement 協議日期	Leased Property 租賃物業	Term 年期	Monthly Rent 月租 (RMB) (人民幣)
Shenzhen Tangjia Plant Zone B Workshop J Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics as tenant	1 January 2018	Zone B Workshop J, Phase 3 of TK Technology Park, Tangjia Community, Fenghuang Sub- District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	615,570
深圳塘家廠房J棟B區租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園(三期)廠房J棟B區	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Dormitory Block A Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics and TK Mold (Shenzhen) as tenants	1 January 2018	Dormitory Block A of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	39,570
深圳塘家廠房A棟宿舍租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑及東江模具(深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園A棟宿舍	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Parking Space Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics and TK Mold (Shenzhen) as tenants	1 January 2018	Parking Space of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	76,200
深圳塘家廠房車位租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑及東江模具(深圳)(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園車位	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Farm Land Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics as tenant	1 January 2018	Farm Land of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	46,400
深圳塘家廠房農莊租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園農莊	2018年1月1日至 2018年12月31日	
Shenzhen Tangjia Plant Football Field Lease Agreement	TK Technology (Shenzhen) as landlord and TK Precision Plastics as tenant	1 January 2018	Football Field of TK Technology Park, Tangjia Community, Fenghuang Sub-District Office, Guangming District, Shenzhen City, the PRC	1 January 2018 to 31 December 2018	22,000
深圳塘家廠房足球場租賃協議	東江科技(深圳)(作為業主)與東江精創 注塑(作為承租人)	2018年1月1日	中國深圳市光明區鳳凰辦事處塘家社區東江科技 工業園足球場	2018年1月1日至 2018年12月31日	

Directors' Report (continued)

董事會報告書(續)

TK Mold (Shenzhen), TK Precision Plastics and YD Mold are entitled to renew the Shenzhen Tangjia Plants Lease Agreements by notifying the landlord one month before the expiration of the Shenzhen Tangjia Plants Lease Agreements, and TK Mold (Shenzhen), TK Precision Plastics and YD Mold are entitled to a right of first refusal in the renewal. Moreover, in the event that the landlord intends to sell the subject properties during the term of the Shenzhen Tangjia Plants Lease Agreements, including any renewal thereof, the landlord shall inform TK Mold (Shenzhen), TK Precision Plastics and YD Mold of the intended sale in writing and TK Mold (Shenzhen), TK Precision Plastics and YD Mold are entitled to a right of first refusal to purchase, which is deemed to be waived if TK Mold (Shenzhen), TK Precision Plastics and YD Mold do not accept the offer within 30 days after receiving such notice. TK Mold (Shenzhen), TK Precision Plastics and YD Mold are further entitled to terminate the Shenzhen Tangjia Plants Lease Agreements by giving one month's notice to the landlord without cause. Mr. Li, Mr. Yung and Mr. Lee, being the ultimate shareholders of TK Technology (Shenzhen), undertake to use their best endeavour to procure TK Technology (Shenzhen) to fulfil its obligations under the Shenzhen Tangjia Plants Lease Agreements.

TK Technology (Shenzhen) is a company indirectly held as to 45.0% by Mr. Li, 28.0% by Mr. Yung and 27.0% by Mr. Lee. According to the Listing Rules, TK Technology (Shenzhen) is an associate of Mr. Li, Mr. Yung and Mr. Lee, and is thus a connected person of the Company.

The annual rent payable to TK Technology (Shenzhen) was determined at after arm's length negotiation between the parties to the Shenzhen Tangjia Plants Lease Agreements. The independent property valuer of the Company has also confirmed that, having taken into account of, among other things, the title defects of the Shenzhen Tangjia Plants, the terms of the Shenzhen Tangjia Plants Lease Agreements (including the rental payable thereunder) are fair and reasonable and the rental payable under the Shenzhen Tangjia Plants Lease Agreements reflects the prevailing market rate. Our directors consider that the Shenzhen Tangjia Plants Lease Agreements have been entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

東江模具(深圳)、東江精創注塑及佑東模具有權於深圳塘家廠房租賃協議屆滿前一個月通知業主續簽深圳塘家廠房租賃協議，且東江模具(深圳)、東江精創注塑及佑東模具擁有續期的優先權。此外，倘業主擬於深圳塘家廠房租賃協議期限(包括該協議的任何續期)內出售物業，業主須以書面形式告知東江模具(深圳)、東江精創注塑及佑東模具該擬定出售，且東江模具(深圳)、東江精創注塑及佑東模具擁有優先購買權。倘東江模具(深圳)、東江精創注塑及佑東模具於接獲該通知後30日內並無接受要約，則視作放棄該優先購買權。東江模具(深圳)、東江精創注塑及佑東模具有權給予業主一個月通知予以終止深圳塘家廠房租賃協議，而毋須任何理由。東江科技(深圳)最終股東李沛良先生、翁先生及李良耀先生承諾，盡他們最大努力促使東江科技(深圳)根據深圳塘家廠房租賃協議履行其責任。

東江科技(深圳)為由李沛良先生、翁先生及李良耀先生分別間接持有45.0%、28.0%及27.0%的公司。根據上市規則，東江科技(深圳)為李沛良先生、翁先生及李良耀先生的聯繫人士，故為本公司的關連人士。

應付東江科技(深圳)的年租乃經深圳塘家廠房租賃協議的各方公平磋商後釐定。本公司的獨立物業估值師經考慮(其中包括)深圳塘家廠房產權瑕疵後，亦已確認深圳塘家廠房租賃協議的條款(包括其項下的應付租金)屬公平合理，且深圳塘家廠房租賃協議項下的應付租金反映了現行市價。我們的董事認為，深圳塘家廠房租賃協議於本集團日常及一般業務過程中按正常商業條款訂立。

Pursuant to Rules 14A.81, 14A.82 and 14A.83 of the Listing Rules, the transactions under the Hong Kong Tenancy Agreement and Shenzhen Tangjia Plants Lease Agreements (collectively the "Connected Lease Agreements") have been aggregated for the purposes of determining the category of continuing connected transaction that the Connected Lease Agreements shall fall into under the Listing Rules.

The independent non-executive directors of the Company have, for the purpose of Rule 14A.55 of the Listing Rules, reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions have been entered into by the Group (i) in the ordinary and usual course of its business; (ii) on normal commercial terms or better; and (iii) according to the agreements governing such transactions on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Pursuant 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" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter in respect of the continuing connected transactions disclosed above by the Group. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

RELATED PARTY TRANSACTIONS

The details of the related party transactions are set out in Note 31 to the financial statements.

The Company confirms that in relation to the related party transactions for the year ended 31 December 2018, it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

根據上市規則第14A.81、14A.82及14A.83條，香港租賃協議及深圳塘家廠房租賃協議(統稱「關連租賃協議」)項下的交易乃合併計算，以釐定關連租賃協議根據上市規則所屬的持續關連交易類別。

就上市規則第14A.55條而言，本公司獨立非執行董事已檢討上述持續關連交易並確認，該等持續關連交易乃由本集團(i)於其日常及一般業務過程中訂立；(ii)按正常商業條款或更佳之條款；及(iii)根據規管該等交易之協議之公平合理條款進行，並符合本公司股東的整體利益。

根據上市規則第14A.56條，本公司核數師獲委聘根據《香港核證聘用準則3000》「歷史財務資料審計或審閱以外的核證工作」及參照香港會計師公會頒佈的《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」匯報本集團之持續關連交易。核數師已就本集團於上文披露之持續關連交易作出無保留意見的報告。本公司已向聯交所提交該核數師函件副本。

關連方交易

關連方交易的詳情載於財務報表附註31。

本公司確認，截至2018年12月31日止年度的關連方交易已根據上市規則第14A章遵守披露規定。

Directors' Report (continued) 董事會報告書(續)

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the aggregate sales attributable to the Group's five largest customers accounted for 44.9% of the Group's total sales and the sales attributable to the Group's largest customer was approximately 13.2% of the Group's total sales. The aggregate purchases attributable to the Group's five largest suppliers were approximately 11.2% of the Group's total purchases and the purchase attributable to the Group's largest supplier was approximately 3.3% of the Group's total purchases.

None of the directors or any of their close associates or any shareholder of the Company (which to the knowledge of the directors own more than 5% of the Company's issued share capital) had beneficial interests in the Group's top five suppliers or customers referred to above.

RECTIFICATION OF NON-COMPLIANCE ASSOCIATED WITH THE PROCEDURES FOR THE PREVENTION AND CONTROL OF OCCUPATIONAL DISEASES AND HAZARDS

At the time of listing, the Company had non-compliance in relation to procedures for the prevention and control of occupational diseases and hazards. Up to the date of this annual report, the Company had rectified the non-compliance in accordance with the relevant laws and regulations.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Option Scheme" in this annual report, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares entered into by the Company during the Year under Review or subsisted at the end of the year.

CONTRACTS OF SIGNIFICANCE

No contracts of significance were entered into between the Company or any of its subsidiaries and a controlling shareholder or any of its subsidiaries during the year.

主要客戶及供應商

年內，本集團五大客戶應佔的銷售總額佔本集團銷售總額的44.9%，而本集團最大客戶應佔的銷售額約為本集團銷售總額的13.2%。本集團五名最大供應商應佔的採購總額約為本集團採購總額的11.2%，而本集團最大供應商應佔的採購額約為本集團採購總額的3.3%。

本公司董事、他們的任何緊密聯繫人士或任何股東(據董事所知擁有本公司5%以上已發行股本的股東)概無於上文所述的本集團五大供應商或客戶中擁有實益權益。

糾正與預防及控制職業病及危害程序有關的不合規

於上市時，本公司在預防及控制職業病及危害程序有關的方面存在不合規現象。截至本年報日期，本公司已根據相關法律及法規糾正不合規現象。

股票掛鈎協議

除本年報「購股權計劃」一節所披露者外，本公司於回顧年內概無訂立或於年末概無存續任何股票掛鈎協議將會或可能導致本公司發行股份，或規定本公司訂立任何協議將會或可能導致本公司發行股份。

重大合約

於本年度，本公司或其任何附屬公司並無與任何控股股東或其附屬公司訂立任何重大合約。

Directors' Report (continued) 董事會報告書(續)

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the directors as at the date of this annual report, there was a sufficient prescribed public float of the issued shares of the Company under the Listing Rules.

PROFESSIONAL TAX ADVICE

If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

AUDITOR

PricewaterhouseCoopers will retire and a resolution for their re-appointment as auditor of the Company will be proposed at the AGM.

By the order of the Board
Li Pui Leung
Chairman

Hong Kong, 11 March 2019

公眾持股量

根據本公司所得公開資料及據董事所知，於本年報日期，本公司已發行股份維持上市規則規定的充足公眾持股量。

諮詢專業稅務意見

倘本公司股東不確定購買、持有、出售、買賣本公司股份或行使當中任何權利的稅務影響，務請諮詢專家意見。

核數師

羅兵咸永道會計師事務所將退任，本公司將於股東週年大會上提呈一項續聘其為本公司核數師的決議案。

承董事會命
李沛良
主席

香港，2019年3月11日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



羅兵咸永道

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

致東江集團(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

意見

What we have audited

本所已審計的內容

The consolidated financial statements of TK Group (Holdings) Limited (the "Company") and its subsidiaries (the "Group") set out on pages 119 to 215, which comprise:

東江集團(控股)有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第119至第215頁的合併財務報表，當中包括：

- the consolidated balance sheet as at 31 December 2018;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2018年12月31日的合併資產負債表；
 - 截至該日止年度的合併綜合收益表；
 - 截至該日止年度的合併權益變動表；
 - 截至該日止年度的合併現金流量表；及
 - 合併財務報表附註，其包括主要會計政策概要。

Our opinion

本所的意見

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, 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.

本所認為，該等合併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」)真實而中肯地反映 貴集團於2018年12月31日的合併財務狀況以及截至該日止年度的合併財務表現及合併現金流量，並已遵照香港公司條例的披露規定妥為編製。

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

Independent Auditor's Report (continued) 獨立核數師報告(續)

BASIS FOR OPINION

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

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

Independence

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

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 identified in our audit is related to impairment of trade receivables.

意見的基礎

本所已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。本所就該等準則承擔的責任在本報告的核數師就審計合併財務報表承擔的責任一節中進一步闡述。

本所相信，本所獲得的審計憑證能充足及適當地為本所的意見提供基礎。

獨立性

根據香港會計師公會的職業會計師道德守則(「守則」)，本所獨立於貴集團，並已履行守則中的其他道德責任。

關鍵審計事項

關鍵審計事項乃根據本所的職業判斷，對本期間合併財務報表的審計最為重要的事項。該等事項在本所審計整體合併財務報表及出具意見時進行處理。本所不會對該等事項提供個別意見。

在本所的審計中識別的關鍵審計事項與貿易應收款項減值有關。

Independent Auditor's Report (continued)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Impairment of trade receivables

Refer to Note 4.1(b) — Critical accounting estimates and assumptions and Note 17(c) — Trade and other receivables to the consolidated financial statements.

We focused on this area because the allowance for impairment of trade receivables is mainly related to specific customers (HK\$6.2 million as at 31 December 2018) and has increased by approximately HK\$0.3 million or 5% comparing with that of last year.

In addition, the assessment for impairment of trade receivables involves critical accounting estimates and judgments relating to the extent and duration that amount will be recovered.

貿易應收款項減值

請參閱合併財務報表附註4.1(b) — 關鍵會計估計及假設以及附註17(c) — 貿易及其他應收款項。

本所關注此事項乃由於貿易應收款項減值撥備主要與特定客戶有關(於2018年12月31日為6.2百萬港元)，較去年增加約0.3百萬港元或5%。

此外，評估貿易應收款項減值涉及與將予收回的金額及時間有關的關鍵會計估計及判斷。

How our audit addressed the Key Audit Matter

本所的審計如何處理關鍵審計事項

In responding to this key audit matter, we performed the following procedures:

- (i) We understood, evaluated and tested credit control procedures of the trade receivables including the monthly management review of ageing, repayment and impairment assessment of trade receivables;
- (ii) For those items with impairment provision being made, we reviewed the impairment calculations, focusing on the estimated amount to be recovered and timing of the recovery with reference to the supporting documents, e.g. repayment schedules of trade receivables;
- (iii) We requested confirmations for major year end balances. Where confirmations had not been received or received with difference, we sought explanation from management and checked to their original sales contracts, delivery documents and their subsequent settlement after year end date.

Based on the procedures performed and evidence obtained, we found accounting estimates and judgments in relation to the provision for impairment of trade receivables as at 31 December 2018 was supported by the evidence we obtained.

為配合此關鍵審計事項，本所已執行以下程序：

- (i) 了解、評估並測試貿易應收款項的信貸控制程序，包括管理層每月對貿易應收款項的賬齡、償還及減值評估情況進行的檢討；
- (ii) 就作出減值撥備的項目而言，本所已檢討其減值計算，並經參考相關證明文件(如貿易應收款項的償還時間表)，重點關注將予收回的估計金額及收回的時間；
- (iii) 本所已就主要年末結餘獲得確認。倘本所未獲任何確認或所獲確認存在差異，本所將向管理層尋求解釋，並查看原銷售合約、交付文件及其後於年結日後的結算情況。

基於所執行的程序及所取得的證據，本所認為與於2018年12月31日的貿易應收款項減值撥備有關的會計估計及判斷合理有據。

Independent Auditor's Report (continued) 獨立核數師報告(續)

OTHER INFORMATION

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

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

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

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

RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE 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.

Audit Committee is 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。其他資料包括載於年報的所有資料(惟不包括合併財務報表及本所就此發出的核數師報告)。

本所對合併財務報表的意見並不涵蓋其他資料，本所亦不對其他資料發表任何形式的鑒證結論。

在本所審計合併財務報表時，本所的責任為閱讀其他資料，在此過程中，考慮其他資料是否與合併財務報表或本所在審計過程中所了解的情況有重大不一致，或者似乎有重大錯誤陳述。

基於本所已執行的工作，如果本所認為其他資料有重大錯誤陳述，本所需要報告該事實。就此，本所沒有任何報告。

董事及審核委員會就合併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中肯的合併財務報表，並對其認為使合併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必需的內部控制負責。

在編製合併財務報表時，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。

審核委員會負責監督貴集團之財務報告程序。

Independent Auditor's Report (continued) 獨立核數師報告(續)

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

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

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

核數師就審計合併財務報表承擔的責任

本所的目標乃對整體合併財務報表是否不存在由於欺詐或錯誤而導致的任何重大錯誤陳述取得合理保證，並出具包括本所意見的核數師報告。本所的報告僅向閣下(作為整體)編製，並不可作其他目的。本所不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證為高水平的保證，惟不能保證根據香港審計準則進行的審計總能發現可能存在的重大錯誤陳述。錯誤陳述可由欺詐或錯誤引起，倘合理預期其單獨或匯總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，則有關錯誤陳述被視作重大錯誤陳述。

在根據香港審計準則進行審計的過程中，本所運用職業判斷，保持職業懷疑態度。本所亦：

- 識別及評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及取得充足及適當的審計憑證，作為本所意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險比較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露資料的合理性。

Independent Auditor's Report (continued) 獨立核數師報告(續)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所得的審計憑證，決定是否存在與事件或情況有關的重大不確定性，而可能對貴集團持續經營的能力構成重大疑慮。如果本所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合併財務報表中的相關披露。假若有關的披露資料不足，則修訂本所的意見。本所的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評估合併財務報表的整體列報方式、結構及內容，包括披露資料，以及合併財務報表是否公允反映交易及事項。
- 就貴集團中實體或業務活動的財務資料獲取充分、適當的審計憑證，以對合併財務報表發表意見。本所負責指導、監督及執行集團審計。本所對審計意見承擔全部責任。

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

We also provide the Audit Committee 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.

本所與審核委員會溝通計劃的審計範圍、時間安排、重大審計發現等事項，包括本所在審計期間識別出內部控制的任何重大缺陷。

本所還向審核委員會提交聲明，說明本所已符合有關獨立性的相關職業道德要求，並與彼等溝通所有合理地被認為會影響本所獨立性的關係及其他事項，以及在適用的情況下，相關的防範措施。

Independent Auditor's Report (continued) 獨立核數師報告(續)

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

The engagement partner on the audit resulting in this independent auditor's report is Cheung Chin Hoo, Albert.

從與審核委員會溝通的事項中，本所決定哪些事項對本期間合併財務報表的審計最為重要，因而構成關鍵審計事項。本所會在核數師報告中描述該等事項，除非法律法規不允許對該事項作出公開披露，或在極端罕見的情況下，若有合理預期在本所報告中溝通某事項而造成的負面後果將會超過其產生的公眾利益，本所將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審計項目合夥人為張展豪。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 11 March 2019

羅兵咸永道會計師事務所
執業會計師

香港，2019年3月11日

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

		Year ended 31 December		
		截至12月31日止年度		
		2018	2017	
		HK\$'000	HK\$'000	
		千港元	千港元	
		Note		
		附註		
Revenue	收入	5	2,298,609	1,860,900
Cost of sales	銷售成本	7	(1,574,191)	(1,233,897)
Gross profit	毛利		724,418	627,003
Other income	其他收入	6	24,730	28,743
Other losses — net	其他虧損 — 淨額	6	(2,739)	(11,118)
Selling expenses	銷售開支	7	(88,341)	(84,602)
Administrative expenses	行政開支	7	(257,733)	(215,153)
Operating profit	經營溢利		400,335	344,873
Interest income	利息收入	9	9,965	6,615
Interest expenses	利息開支	9	(3,166)	(1,981)
Finance income — net	融資收入 — 淨額		6,799	4,634
Profit before income tax	除所得稅前溢利		407,134	349,507
Income tax expense	所得稅開支	10	(56,949)	(47,674)
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利		350,185	301,833
Other comprehensive income	其他綜合收益			
<i>Item that may be reclassified to profit and loss:</i>	<i>或可能重新分類至損益之項目：</i>			
Currency translation differences	匯兌差額		(36,258)	38,275
Total comprehensive income for the year	年內綜合收益總額		313,927	340,108
Earnings per share for the year	年內每股盈利			
— basic and diluted (HK\$ per share)	— 基本及攤薄(每股港元)	11	0.42	0.36

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上合併綜合收益表應連同隨附附註一併閱讀。

CONSOLIDATED BALANCE SHEET

合併資產負債表

		As at 31 December		
		於12月31日		
		2018	2017	
		HK\$'000	HK\$'000	
		千港元	千港元	
	Note 附註			
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	516,190	415,697
Intangible assets	無形資產	14	11,693	12,124
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	18	23,621	—
Prepayments for property, plant and equipment	物業、廠房及設備的預付款		38,160	7,793
			589,664	435,614
Current assets	流動資產			
Inventories	存貨	16	343,168	305,468
Trade and other receivables	貿易及其他應收款項	17	355,318	347,298
Deposits for bank borrowings	銀行借貸的按金	23	84,975	—
Restricted cash	受限制現金	19	36,553	9,412
Cash and cash equivalents	現金及現金等價物	19	753,811	540,815
			1,573,825	1,202,993
Total assets	總資產		2,163,489	1,638,607
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Share capital	股本	20	83,326	83,326
Share premium	股份溢價	20	251,293	251,293
Other reserves	其他儲備	22	25,224	38,466
Retained earnings	保留溢利	21	715,615	538,433
Total equity	權益總額		1,075,458	911,518

Consolidated Balance Sheet (continued) 合併資產負債表(續)

		As at 31 December	
		於12月31日	
		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Bank borrowings	銀行借貸	23	235,014
Deferred income on government grants	政府補助遞延收入	24	23,793
Deferred income tax liabilities	遞延所得稅負債	26	21,928
			280,735
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付款項	25	456,501
Contract liabilities	合約負債		198,911
Income tax liabilities	所得稅負債		44,666
Bank borrowings	銀行借貸	23	107,218
			807,296
Total liabilities	總負債		1,088,031
Total equity and liabilities	權益及負債總額		2,163,489

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

The financial statements on pages 119 to 215 were approved by the Board of Directors on 11 March 2019 and were signed on its behalf.

以上合併資產負債表應連同隨附附註一併閱讀。

第119至215頁的財務報表於2019年3月11日經董事會批准，並由其代表簽署。

Li Pui Leung

李沛良
Director
董事

Yung Kin Cheung Michael

翁建翔
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

合併權益變動表

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Statutory reserves 法定儲備 HK\$'000 千港元	Other reserves 其他儲備		Retained earnings 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
					Share option reserve 購股權儲備 HK\$'000 千港元	Currency translation reserve 匯兌儲備 HK\$'000 千港元		
Balance at 1 January 2017	於2017年1月1日的結餘	82,660	237,902	47,357	3,334	(56,458)	370,215	685,010
Comprehensive income	綜合收益							
Profit for the year	年內溢利	—	—	—	—	—	301,833	301,833
Currency translation differences	匯兌差額	—	—	—	—	38,275	—	38,275
Total comprehensive income	綜合收益總額	—	—	—	—	38,275	301,833	340,108
Contributions by and distributions to owners of the Company	本公司擁有人出資及應佔分派							
Proceed from shares issued upon exercise of share options	於行使購股權後發行股份之所得款項	666	10,057	—	—	—	—	10,723
Transfer to share premium upon exercise of share options	於行使購股權後轉撥至股份溢價	—	3,334	—	(3,334)	—	—	—
Dividends	股息	—	—	—	—	—	(124,323)	(124,323)
Total contributions by and distributions to owners of the Company for the year	年內本公司擁有人出資及應佔分配總額	666	13,391	—	(3,334)	38,275	177,510	226,508
Transfer to statutory reserves	轉撥至法定儲備	—	—	9,292	—	—	(9,292)	—
Total transactions with owners of the Company	與本公司擁有人的交易總額	666	13,391	9,292	(3,334)	38,275	168,218	226,508
Balance at 31 December 2017	於2017年12月31日的結餘	83,326	251,293	56,649	—	(18,183)	538,433	911,518

Consolidated Statement of Changes In Equity (continued) 合併權益變動表(續)

		Note 附註	Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Other reserves 其他儲備		Retained earnings 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
					Statutory reserves 法定儲備 HK\$'000 千港元	Currency translation reserve 匯兌儲備 HK\$'000 千港元		
Balance at 1 January 2018	於2018年1月1日的結餘		83,326	251,293	56,649	(18,183)	538,433	911,518
Comprehensive income	綜合收益							
Profit for the year	年內溢利		—	—	—	—	350,185	350,185
Currency translation differences	匯兌差額	22	—	—	—	(36,258)	—	(36,258)
Total comprehensive income	綜合收益總額		—	—	—	(36,258)	350,185	313,927
Contributions by and distributions to owners of the Company	本公司擁有人出資及應佔分派							
Dividends	股息	27	—	—	—	—	(149,987)	(149,987)
Total contributions by and distributions to owners of the Company for the year	年內本公司擁有人出資及應佔分配總額		—	—	—	(36,258)	200,198	163,940
Transfer to statutory reserves	轉撥至法定儲備	22	—	—	23,016	—	(23,016)	—
Total transactions with owners of the Company	與本公司擁有人的交易總額		—	—	23,016	(36,258)	177,182	163,940
Balance at 31 December 2018	於2018年12月31日的結餘		83,326	251,293	79,665	(54,441)	715,615	1,075,458

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上合併權益變動表應連同隨附附註一併閱讀。

CONSOLIDATED STATEMENT OF CASH FLOWS

合併現金流量表

		Year ended 31 December 截至12月31日止年度	
		2018 HK\$'000 千港元	2017 HK\$'000 千港元
	Note 附註		
Cash flows from operating activities	來自經營活動的現金流量		
Cash generated from operations	經營產生的現金	512,174	425,483
Interest received	已收利息	4,673	3,210
Income tax paid	已付所得稅	(25,401)	(28,636)
Net cash generated from operating activities	經營活動所產生的現金淨額	491,446	400,057
Cash flows from investing activities	來自投資活動的現金流量		
Purchase of property, plant and equipment and construction in progress	購買物業、廠房及設備以及 在建工程	(262,732)	(119,979)
Purchase of intangible assets	購買無形資產	(4,359)	(4,465)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	1,812	5,820
Purchase of financial assets at fair value through profit or loss (2017: available-for-sale financial assets)	購買以公允價值計量且其變動計入 損益的金融資產(2017年:可供 出售的金融資產)	(553,644)	(333,706)
Proceeds from financial assets at fair value through profit or loss (2017: available-for-sale financial assets)	以公允價值計量且其變動計入損益 的金融資產所得款項(2017年: 可供出售的金融資產)	535,349	337,296
Net cash used in investing activities	投資活動所用現金淨額	(283,574)	(115,034)
Cash flows from financing activities	來自融資活動的現金流量		
Proceeds from employee share option exercised	行使僱員購股權之所得款項	—	10,723
Proceeds from bank borrowings	銀行借貸所得款項	370,966	100,000
Repayments of bank borrowings	償還銀行借貸	(126,649)	(201,379)
(Increase)/decrease in deposits for bank borrowings	銀行借貸按金(增加)/減少	(84,975)	90,766
Interest paid	已付利息	(3,166)	(2,086)
Dividends paid	已付股息	(149,987)	(124,323)
Net cash generated from/(used in) financing activities	融資活動所產生/(所用)現金淨額	6,189	(126,299)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	214,061	158,724
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	540,815	381,310
Currency translation (losses)/gains on cash and cash equivalents	現金及現金等價物匯兌 (虧損)/收益	(1,065)	781
Cash and cash equivalents at end of the year	年末現金及現金等價物	753,811	540,815
Analysis of balances of cash and cash equivalents:	現金及現金等價物結餘分析:		
Cash and cash on hand	現金及手頭現金	790,364	550,227
Restricted cash	受限制現金	(36,553)	(9,412)
		753,811	540,815

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

以上合併現金流量表應連同隨附附註一併閱讀。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 28 March 2013 as an exempted company with limited liability. The address of the Company's registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The Company, an investment holding company, and its subsidiaries (collectively the "Group") are principally engaged in the manufacturing, sales, subcontracting, fabrication and modification of molds and plastic components in the People's Republic of China (the "PRC"). As at 31 December 2018, the ultimate shareholders of the Group are Mr. Li Pui Leung, Mr. Yung Kin Cheung Michael and Mr. Lee Leung Yiu (collectively the "Ultimate Shareholders"), each holding an effective equity interest of 28.69%, 17.85% and 17.22% in the Company, respectively.

On 20 December 2013, shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

These consolidated financial statements are presented in Hong Kong dollar ("HK\$"), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors of the Company on 11 March 2019.

1 一般資料

本公司於2013年3月28日於開曼群島註冊成立為獲豁免有限公司。本公司註冊辦事處的地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。本公司為投資控股公司，連同其附屬公司(統稱為「本集團」)主要在中華人民共和國(「中國」)從事模具及注塑組件的製造、銷售、代工、製作及修改。於2018年12月31日，本集團的最終股東為李沛良先生、翁建翔先生及李良耀先生(統稱為「最終股東」)，彼等各自於本公司分別持有28.69%、17.85%及17.22%的有效股本權益。

於2013年12月20日，本公司的股份在香港聯合交易所有限公司(「聯交所」)上市。

除另有所述者外，該等合併財務報表乃以港元(「港元」)呈列。該等合併財務報表經本公司董事會於2019年3月11日授權批准刊發。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”) and requirements of the Hong Kong Companies ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss which are carried at fair value.

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

2 主要會計政策概要

編製該等合併財務報表時應用的主要會計政策載列如下。除另有說明者外，該等政策已於所呈報年度得到貫徹採納。

2.1 編製基準

本公司的合併財務報表已按所有適用的香港財務報告準則(「香港財務報告準則」)及第622章香港公司條例的規定編製。合併財務報表已根據歷史成本法(經重估以公允價值計量且其變動計入損益的金融資產予以修訂)編製。

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

(a) New and amended standards adopted by the Group

The following standards have been adopted by the Group for the first time for their annual reporting period commencing 1 January 2018:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers

The Group's assessment of the impact of these new or amended standards is set out below.

Adoption of HKFRS 9

(i) Classification and measurement

On 1 January 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

Reclassification from available-for-sale to financial assets at fair value through profit or loss.

Investments in wealth management products were reclassified from available-for-sale to financial assets at fair value through profit or loss (FVPL) during the year (nil as at 31 December 2018 and 1 January 2018).

(ii) Impact on the financial statements

HKFRS 9 replaces the provisions of HKAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

2 主要會計政策概要(續)

2.2 會計政策變動

(a) 本集團採納的新訂及經修訂準則

本集團已於2018年1月1日開始之年度報告期間首次採納下列準則：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入

本集團對該等新訂準則及經修訂準則的影響的評估載於下文。

採納香港財務報告準則第9號

(i) 分類和計量

於2018年1月1日(首次應用香港財務報告準則第9號之日期)，本集團管理層已評估何種業務模式適用於本集團持有之金融資產，並已將其金融工具分類為香港財務報告準則第9號的適當類別。

將金融資產由可供出售重新分類為以公允價值計量且其變動計入損益的金融資產。

於財富管理產品的投資於年內(於2018年12月31日及2018年1月1日：無)由可供出售重新分類為以公允價值計量且其變動計入損益的金融資產。

(ii) 對財務報表之影響

香港財務報告準則第9號取代香港會計準則第39號有關金融資產及金融負債之確認、分類及計量、終止確認金融工具、金融資產減值及對沖會計處理之條文。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) New and amended standards adopted by the Group (Continued)

Adoption of HKFRS 9 (Continued)

(ii) Impact on the financial statements (Continued)

The adoption of HKFRS 9 Financial Instruments from 1 January 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in Note 2.11 below. HKFRS 9 was generally adopted by the Group without restating comparative information.

(iii) Impairment of financial assets

The Group has one type of financial assets that is subject to HKFRS 9's new expected credit loss model:

- trade and other receivables

The Group is required to revise its impairment methodology under HKFRS 9 for each of these classes of assets. The Group had assessed and considered the impact arising from the change in impairment methodology was immaterial.

2 主要會計政策概要(續)

2.2 會計政策變動(續)

(a) 本集團採納的新訂及經修訂準則(續)

採納香港財務報告準則第9號(續)

(ii) 對財務報表之影響(續)

自2018年1月1日起採納香港財務報告準則第9號金融工具導致會計政策變動及對財務報表所確認之金額有所調整。新會計政策載列於下文附註2.11。本集團整體採納香港財務報告準則第9號，當中並無重列比較資料。

(iii) 金融資產的減值

本集團擁有一項金融資產須遵守香港財務報告準則第9號的新預期信貸虧損模式。

- 貿易及其他應收款項

本集團須就各該等類別資產根據香港財務報告準則第9號修訂其減值方法。本集團已評估減值方法變動所產生的影響並不重大。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(a) New and amended standards adopted by the Group (Continued)

Adoption of HKFRS 15

The Group has also adopted HKFRS 15 “Revenue from contracts with customers” on 1 January 2018 using the simplified transition method. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a five-step approach: (i) identify the contract(s) with a customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when performance obligation is satisfied. HKFRS 15 also provides specific guidance on contract costs and license arrangements. It also includes a cohesive set of disclosure requirements about revenue and cash flows arising from the contracts with customers. In accordance with the transitional provision in HKFRS 15, the Directors consider that the changes in accounting policy of revenue recognition pursuant to HKFRS 15 do not have material impact on the revenue recognised in the consolidated statement of comprehensive income.

Reclassification of deposits received from customers to contract liabilities was made as at 1 January 2018 to be consistent with the terminology used under HKFRS 15:

		Carrying amount 賬面值	Reclassification 重新分類	Carrying amount 賬面值
		31 December 2017 2017年 12月31日 HK\$'000 千港元		1 January 2018 2018年 1月1日 HK\$'000 千港元
Deposits received from customers	已收客戶按金	179,702	(179,702)	—
Contract liabilities	合約負債	—	179,702	179,702

2 主要會計政策概要(續)

2.2 會計政策變動(續)

(a) 本集團採納的新訂及經修訂準則(續)

採納香港財務報告準則第15號

本集團已於2018年1月1日利用簡易過渡法採納香港財務報告準則第15號「客戶合約收入」。香港財務報告準則第15號確立全面框架，通過五步法釐定確認收益的時間及確認收益的金額：(i) 識別與客戶訂立的合約；(ii) 識別合約中的個別履約責任；(iii) 釐定交易價格；(iv) 將交易價格分配至履約責任；及(v) 於達成履約責任時確認收益。香港財務報告準則第15號亦就合約成本及許可安排提供具體的指引。其亦包括一整套有關客戶合約產生的收入及現金流量的披露要求。根據香港財務報告準則第15號的過渡性條文，董事認為，香港財務報告準則第15號的收入確認會計政策變動不會對於合併綜合收益表確認的收入產生重大影響。

於2018年1月1日，已收客戶按金已重新分類為合約負債，與香港財務報告準則第15號所用的術語一致：

Notes to the Financial Statements (continued)

財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(b) New standards and interpretations not yet adopted

		Effective for annual periods beginning on or after 於以下日期或之後開始之年度期間生效
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號的修訂	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營企業之間的資產出售或注入	The effective date has now been deferred 生效日期現時已延遲
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019 2019年1月1日
HK (IFRIC)-Int 23 香港(國際財務報告詮釋委員會) – 詮釋第23號	Uncertainty over Income Tax Treatments 所得稅不確定性的處理	1 January 2019 2019年1月1日
Amendments to HKFRS 9 香港財務報告準則第9號的修訂	Prepayment Features with Negative Compensation 具有負補償的提前還款特性	1 January 2019 2019年1月1日
Amendments to HKAS 28 香港會計準則第28號的修訂	Long-term Interests in Associates and Joint Ventures 於聯營公司及合營企業的長期權益	1 January 2019 2019年1月1日
Amendments to HKAS 19 香港會計準則第19號的修訂	Plan Amendment, Curtailment or Settlement 計劃修訂、縮減或結算	1 January 2019 2019年1月1日
Annual Improvements projects 年度改進項目	Annual Improvements to HKFRSs 2015-2017 Cycle 香港財務報告準則2015-2017週期的年度改進	1 January 2019 2019年1月1日
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號的修訂	Definition of Material 重大的定義	1 January 2020 2020年1月1日
Amendments to HKFRS 3 香港財務報告準則第3號的修訂	Definition of a business 業務的定義	1 January 2020 2020年1月1日
Conceptual Framework for Financial Reporting 2018 2018年財務報告的概念框架		1 January 2020 2020年1月1日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1 January 2021 2021年1月1日

The Group is in the process of making an assessment of the impact of these new and revised HKFRS upon initial application. So far the Group has identified no aspects of the new and revised standards and interpretations that are expected to have significant financial impact on the Group's performance and position.

本集團正著手評估於首次應用後此等新訂及經修訂香港財務報告準則的影響。本集團迄今發現，在新訂及經修訂準則及詮釋當中，概無任何方面預期會對本集團的業績及狀況造成重大財務影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries

2.3.1 Consolidation

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

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

2 主要會計政策概要(續)

2.3 附屬公司

2.3.1 合併賬目

附屬公司為本集團擁有控制權的實體(包括結構性實體)。當本集團承受或享有參與實體所得之可變回報，且有能力透過其對實體之權力影響該等回報時，則本集團控制該實體。自控制權轉移至本集團的日期起，附屬公司獲合併入賬。附屬公司於控制權終止之日不再獲合併入賬。

(a) 業務合併

本集團就業務合併以收購法入賬。收購附屬公司之轉讓代價為所轉讓資產、對被收購方之前擁有人所產生負債及本集團所發行股權之公允價值。所轉讓代價包括或然代價安排產生之任何資產或負債之公允價值。於業務合併時所收購之可識別資產及所承擔之負債及或然負債，初步按收購日之公允價值計量。本集團按個別收購基準，確認在被收購方的任何非控股權益。被收購方的非控股權益為現時的擁有權權益，並賦予其持有人權利可於清盤時按比例分佔實體的資產淨值，可按公允價值或按現時擁有權權益應佔被收購方可識別資產淨值的確認金額比例而計量。非控股權益的所有其他組成部分按收購日期的公允價值計量，除非香港財務報告準則規定須以其他計量基準計算。

收購相關成本在產生時支銷。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations (Continued)

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

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income (Note 2.8(c)).

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

(b) Merger accounting

In preparing for the Company's listing on the Main Board of the Stock Exchange in December 2013, the Group underwent a reorganisation involving entities under the same ownership of the ultimate shareholders.

2 主要會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併賬目(續)

(a) 業務合併(續)

本集團將轉讓之任何或然代價於收購日期按公允價值確認。被視為資產或負債之或然代價公允價值之其後變動將根據香港會計準則第39號在損益中或作為其他綜合收益的變動確認。分類為股權之或然代價不會重新計量，其後續結算於股權內入賬。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的權益於收購日期的公允價值高於所收購可識別資產淨值的公允價值時，其差額以商譽列賬。就議價購買而言，如轉讓代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司資產淨值的公允價值，其差額將直接在合併綜合收益表確認(附註2.8(c))。

集團內公司之間的交易、交易結餘及未變現收益乃予撇銷。未變現虧損亦予撇銷。附屬公司所報告之金額已按需要作出調整，以與本集團之會計政策貫徹一致。

(b) 合併會計法

為籌備本公司於2013年12月於聯交所主板上市，本集團已進行涉及最終股東相同所有權下之實體之重組。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(b) Merger accounting (Continued)

The consolidated financial statements incorporate the financial statements of the combining entities or businesses as if they had been combined from the date when the combining entities or businesses first came under the common control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing carrying amounts from the controlling parties' perspective. No amount is recognised for 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 combination, to the extent of the continuation of the controlling party's interest.

The consolidated statement of comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, whichever is shorter, regardless of the date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet date or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

2 主要會計政策概要(續)

2.3 附屬公司(續)

2.3.1 合併賬目(續)

(b) 合併會計法(續)

合併財務報表包括合併實體或業務之財務報表，猶如合併於合併實體或業務首次受控股方共同控制當日進行。

合併實體或業務的資產淨值自控股方之角度以現有賬面值合併。概無就商譽或收購方於被收購方的可識別資產、負債及或然負債公允價值淨值的權益在共同控制合併時超出成本的部分確認任何金額，惟前提是控制方的權益存續。

合併綜合收益表包括各合併實體或業務自最早呈列日期或自合併實體或業務首次受共同控制起期間(以較短者為準)之業績，而不論共同控制合併日期。

合併財務報表的比較金額按猶如實體或業務已於先前資產負債表日期或首次受共同控制起期間(以較短者為準)合併般呈列。

該等實體採用統一的會計政策。所有集團內公司間的交易、結餘及合併實體或業務之間交易的未變現收益於合併時被對銷。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Separate financial statements

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

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

2.5 Segment reporting

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

2.6 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Renminbi ("RMB") is the functional currency of principal operating subsidiaries of the Group. These consolidated financial statements are presented in Hong Kong dollar, which is the presentation and functional currency of the Company.

2 主要會計政策概要(續)

2.4 獨立財務報表

於附屬公司的投資以成本扣除減值列賬。成本包括投資直接應佔費用。附屬公司業績由本公司按已收及應收股息基準列賬。

當收到於附屬公司之投資之股息時，且股息超過附屬公司在宣派股息期間之綜合收益總額，或在獨立財務報表之投資賬面值超過被投資方資產淨值(包括商譽)在合併財務報表之賬面值時，則必須對有關投資進行減值測試。

2.5 分部報告

經營分部乃以與提交予主要經營決策者的內部報告一致的方式呈報。主要經營決策者被認為作出策略性決定的執行董事，負責分配資源及評估經營分部表現。

2.6 外幣折算

(a) 功能及呈列貨幣

本集團各實體財務報表所列的項目，均以該實體經營所在主要經濟環境所使用的貨幣(「功能貨幣」)計量。人民幣(「人民幣」)乃本集團的主要營運附屬公司的功能貨幣。該等合併財務報表乃以港元呈列，港元乃本公司的呈列及功能貨幣。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(b) Transactions and balances

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within "finance income — net". All other foreign exchange gains and losses are presented in statement of comprehensive income within "Other losses — net".

(c) Group companies

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

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

2 主要會計政策概要(續)

2.6 外幣折算(續)

(b) 交易及結餘

外幣交易採用交易當日或於項目重新計量時估值當日的現行匯率換算為功能貨幣。因上述交易結算及按年末匯率兌換以外幣計值的貨幣資產及負債而產生的匯兌盈虧，均於合併綜合收益表內的「其他虧損 — 淨額」確認。

與借貸以及現金及現金等價物有關的匯兌盈虧於綜合收益表中呈列為「融資收入 — 淨額」。所有其他匯兌盈虧於綜合收益表中呈列為「其他虧損 — 淨額」。

(c) 集團公司

倘本集團的所有實體(全部均非採用嚴重通脹經濟體系的貨幣)的功能貨幣有別於呈列貨幣，則其業績及財務狀況會按下列方法兌換為呈列貨幣：

- (i) 每份列報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份綜合收益表內的收入和開支按平均匯率換算(除非此平均匯率並非交易日期匯率的累計影響的合理約數，在此情況下，收入和開支按該交易日期的匯率換算)；及
- (iii) 所有由此產生的匯兌差額均於其他綜合收益確認。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies (Continued)

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

2.7 Property, plant and equipment

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

Construction in progress is property, plant and equipment on which construction work has not been completed and stated at cost. Cost includes acquisition and construction expenditure incurred, interest and other direct costs attributable to the development. Depreciation is not provided on construction in progress until the related asset is completed for intended use.

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

2 主要會計政策概要(續)

2.6 外幣折算(續)

(c) 集團公司(續)

收購海外實體所產生之商譽及公允價值調整被視為該海外實體的資產及負債處理，並按收市匯率換算。所產生的匯兌差額均於其他綜合收益確認為權益單獨組成部分。

2.7 物業、廠房及設備

所有物業、廠房及設備均按歷史成本減折舊及減值虧損列賬。歷史成本包括收購該等項目直接應佔之開支。

在建工程指建造工程仍未完成的物業、廠房及設備，按成本列賬。成本包括所產生的購置及建造開支、利息及與項目發展有關的其他直接成本。在建工程不計提折舊，直至相關資產按既定用途完成為止。

只有在與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本才會計入資產賬面值或確認為一項獨立資產(如適當)。已更換部分之賬面值則取消確認。所有其他維修及維護則於產生之財政期間內於損益表內扣除。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

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

Buildings	20 years
樓宇	20年
Leasehold improvements	Over 5 years or the remaining term of the relevant lease, whichever is shorter
租賃物業裝修	超過5年或按有關租約剩餘年期(以較短者為準)
Plant and machinery	5–10 years
廠房及機器	5至10年
Furniture, fixtures and computer equipment	3 years
傢具、裝置及電腦設備	3年
Motor vehicles	5 years
汽車	5年

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

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

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within "Other losses — net" in the consolidated statement of comprehensive income.

2 主要會計政策概要(續)

2.7 物業、廠房及設備(續)

物業、廠房及設備折舊按其估計可使用年期以直線法將其成本分配至其剩餘價值計算如下：

資產的剩餘價值及可使用年期於各報告期間末進行審閱，並於適當時作出調整。

若資產賬面值高於其估計可收回金額，其賬面值即時撇減至可收回金額。

出售盈虧透過比較所得款項與賬面值釐定，並於合併綜合收益表的「其他虧損 — 淨額」內確認。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Intangible assets

(a) Computer software

Acquired software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised on a straight-line basis over their estimated useful lives of 3 to 10 years.

(b) Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method at 3 years over the expected life of the customer relationship.

(c) Goodwill

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

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

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

2 主要會計政策概要(續)

2.8 無形資產

(a) 電腦軟件

購入軟件特許權按購入及將特定軟件達致使用所產生的成本基準而撥充資本。該等成本乃按直線法於其估計可使用年期(3年至10年)攤銷。

(b) 合約客戶關係

在業務合併中獲得的合約客戶關係按收購當日的公允價值確認。合約客戶關係具有有限使用年期，乃按成本減累計攤銷列賬，並採用直線法於合約客戶關係的估計可使用三年年期攤銷。

(c) 商譽

收購附屬公司產生之商譽指轉讓代價部分超出被收購方任何非控股權益以及被收購方任何先前股權於收購日期公允價值超出已收購識別資產淨值公允價值之金額之差額。

就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併產生的協同效應之各現金產生單位(「現金產生單位」)或現金產生單位組別。商譽所分配的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層次。商譽乃於經營分部層次進行監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。含有商譽之現金產生單位賬面值與可收回金額作比較，可收回金額為使用價值與公允價值減出售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Research and development expenditure

Research expenditures is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new and improved products) are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development cost previously recognised as an expense is not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over their estimated useful lives.

2 主要會計政策概要(續)

2.9 研發開支

研究開支於發生時確認為開支。發展項目(與設計及測試新型及經改良產品有關)所產生的成本於符合下列條件時確認為無形資產：

- 完成該無形資產並將其付諸使用在技術上可行；
- 管理層有意完成該無形資產並使用或出售；
- 有能力使用或出售該無形資產；
- 能夠證明該無形資產將如何產生可能的未來經濟利益；
- 擁有足夠的技術、財務及其他資源，以完成開發及使用或出售該無形資產；及
- 在無形資產的發展過程中與其有關的支出能夠可靠地計量。

不符合以上標準的其他發展開支將於其發生時確認為開支。過往確認為開支的發展成本於往後期間並不確認為資產。資本化發展成本列為無形資產，並從該資產可供使用之時起於其估計可使用年期以直線法攤銷。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

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

2.11 Investments and other financial assets

(i) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in profit or loss.

2 主要會計政策概要(續)

2.10 非金融資產減值

無限使用年期的無形資產及尚未可供使用的無形資產均毋須進行攤銷，惟每年須進行減值測試。須予以攤銷的資產於出現事件或情況改變顯示可能無法收回賬面值時就減值進行檢討。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額以資產公允價值減銷售成本及使用價值兩者之較高者為準。就評估減值而言，資產按可獨立識別現金流量之最低水準(現金產生單位)分類。出現減值的非金融資產(除商譽外)於各報告日期檢討是否可能撥回減值。

2.11 投資及其他金融資產

(i) 分類

自2018年1月1日起，本集團按下列計量類別分類其金融資產：

- 其後按公允價值計量且其變動計入損益，及
- 按攤銷成本計量。

該分類取決於實體管理金融資產之業務模式及現金流量之合約條款。

就按公允價值計量的資產而言，其收益及虧損將於損益入賬。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(i) Classification (Continued)

The Group reclassifies equity investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

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

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

(i) 分類(續)

僅當管理該等資產之業務模式發生變動時，本集團方會對股權投資重新分類。

(ii) 確認及取消確認

金融資產的一般買賣於交易日(即本集團承諾購入或出售該資產當日)確認。當從金融資產收取現金流量的權利已逾期或已轉讓，而本集團已將擁有權之絕大部分風險和回報轉讓時，有關金融資產將取消入賬。

(iii) 計量

於初始確認時，本集團按公允價值另加(倘金融資產並非按公允價值計量且其變動計入損益(「按公允價值計量且其變動計入損益」))收購金融資產直接應佔的交易成本計量金融資產。按公允價值計量且其變動計入損益的金融資產之交易成本於損益中列作開支。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(iii) Measurement (Continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.
- FVPL: Assets that do not meet the criteria for amortised cost are measured at FVPL. A gain or loss on a equity investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

2 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

(iii) 計量(續)

債務工具

債務工具的后續計量取決於本集團管理資產之業務模式及該等資產的現金流量特徵。本集團將其債務工具分類為兩種計量類別：

- 攤銷成本：倘持有資產旨在收取合約現金流量，而該等資產的現金流量僅為本金及利息付款，該等資產按攤銷成本計量。該等金融資產的利息收入以實際利率法計入財務收入。終止確認產生任何收益或虧損直接於損益中確認並連同匯兌收益及虧損於其他收益／(虧損)中呈列。減值虧損於合併綜合收益表中呈列為獨立項目。
- 按公允價值計量且其變動計入損益：不符合攤銷成本標準的資產乃以按公允價值計量且其變動計入損益計量。隨後按公允價值計量且其變動計入損益的股權投資的損益於其產生期間在損益中確認並在其他收益／(虧損)中呈列為淨值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(iv) Impairment

From 1 January 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 17 for further details.

(v) Accounting policies applied until 31 December 2017

The Group has applied HKFRS 9, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

Classification

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

2 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

(iv) 減值

自2018年1月1日起，本集團以前瞻性基準評估其按攤銷成本列賬的債務工具的預期信貸虧損。所應用的減值方法取決於信貸風險是否大幅增加。

就貿易應收款項而言，本集團應用香港財務報告準則第9號所允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認，請參閱附註17以瞭解進一步詳情。

(v) 直至2017年12月31日所採用的會計政策

本集團已採用香港財務報告準則第9號，惟選擇不會重列比較資料。因此，所提供之比較資料繼續根據本集團此前採納之會計政策入賬。

分類

本集團將其金融資產劃分為以下類別：貸款及應收款項以及可供出售的金融資產。分類視乎收購金融資產之目的而定。管理層於首次確認金融資產時決定其分類。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(v) Accounting policies applied until 31 December 2017 (Continued)

Classification (Continued)

(a) Loans and receivables

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

(b) Available-for-sale financial assets

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

Recognition and measurement

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

2 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

(v) 直至2017年12月31日所採用的會計政策(續)

分類(續)

(a) 貸款及應收款項

貸款及應收款項為有固定或可釐定付款而並無活躍市場報價的非衍生金融資產。貸款及應收款項計入流動資產，惟報告期末起計超過12個月償付或預期將予償付的款項除外，該等款項被分類為非流動資產。本集團的貸款及應收款項包括於資產負債表的銀行借貸的按金、貿易及其他應收款項、受限制現金以及現金及銀行結餘。

(b) 可供出售的金融資產

可供出售的金融資產為非衍生工具，只列入該類別或不列入任何其他類別。除非投資期限已到或管理層擬於報告期末12個月內出售該投資，否則可供出售的金融資產將列入非流動資產。

確認及計量

金融資產的一般買賣於交易日(即本集團承諾購入或出售該資產之日期)確認。對於未透過損益按公允價值列賬之所有金融資產，投資初步按公允價值加交易成本確認。當從投資收取現金流量之權利到期或已被轉讓，且本集團已轉讓擁有權之絕大部分風險及回報時，該金融資產即被終止確認。可供出售的金融資產及透過損益按公允價值列賬之金融資產其後按公允價值列賬。貸款及應收款項其後則利用實際利息法按攤銷成本列賬。可供出售的金融資產之利息收入於合併綜合收益表中確認為利息收入之一部分。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(v) Accounting policies applied until 31 December 2017 (Continued)

Recognition and measurement (Continued)

(a) Impairment of financial assets

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

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

2 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

(v) 直至2017年12月31日所採用的會計政策(續)

確認及計量(續)

(a) 金融資產減值

本集團於各報告期末評估是否存在客觀證據顯示一項金融資產或一組金融資產出現減值。僅當存在客觀證據顯示於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事件」)，而該宗或該等虧損事件對該項金融資產或該組金融資產的估計未來現金流量構成的影響可合理估計，則該項金融資產或該組金融資產會出現減值及產生減值虧損。

減值的證據可能包括債務人或一組債務人正在經歷重大財務困難，拖欠或逾期未支付利息或本金，其有可能陷入破產或進行其他財務重組，以及可觀察數據顯示，估計未來現金流量出現可計量的減少，如與違約有關的欠款或經濟狀況的變化等。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Investments and other financial assets (Continued)

(v) Accounting policies applied until 31 December 2017 (Continued)

Recognition and measurement (Continued)

(a) Impairment of financial assets (Continued)

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

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

2 主要會計政策概要(續)

2.11 投資及其他金融資產(續)

(v) 直至2017年12月31日所採用的會計政策(續)

確認及計量(續)

(a) 金融資產減值(續)

就貸款及應收款項類別而言，虧損金額乃根據資產賬面值與按金融資產原實際利率折現的估計未來現金流量(不包括尚未產生的未來信貸虧損)的現值兩者的差額計量。資產賬面值將予削減，而虧損金額則在合併綜合收益表確認。倘若貸款利率為浮動利率，則用於計量減值虧損的折現率將為根據合約釐定的當前實際利率。在實際應用中，本集團可利用可觀察市場價格按工具的公允價值計量減值。

倘減值虧損數額於往後期間減少，而此項減少可客觀地與確認減值後發生的事件(如債務人的信貸評級有所改善)有關連，則先前已確認的減值虧損可在合併綜合收益表確認撥回。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Offsetting financial instruments

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

2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excluded borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.14 Trade and other receivables

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

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 17 for further information about the Group's accounting for trade receivables and Note 3.1(c) for a description of the Group's impairment policies.

2 主要會計政策概要(續)

2.12 對銷金融工具

當存在合法可執行權利對銷已確認金額及當有意按淨額基準償付責任或同時變現資產與償付負債，金融資產及負債於資產負債表對銷及呈報淨金額。可依法強制執行的權利不得取決於未來事件，且必須在日常業務過程中及倘本公司或對手方違約、無力償還或破產時均可強制執行。

2.13 存貨

存貨按成本與可變現淨值兩者之較低者列賬。成本以加權平均法釐定。製成品及半成品之成本包括原材料、直接勞工、其他直接成本及相關生產開支(根據正常運作能力)，惟不包括借貸成本。可變現淨值乃按正常業務過程中之估計售價減去適用變動銷售開支計算。

2.14 貿易及其他應收款項

貿易應收款項乃就日常業務過程中提供已售商品及服務而應收客戶的款項。倘預期於一年或少於一年(或倘時間較長，則於正常營運週期內)追收貿易及其他應收款項，則該等款項會分類為流動資產，否則呈列為非流動資產。

除非貿易應收款項含有重大融資成分，否則其於初始確認時之代價金額須為無條件且按公允價值確認。本集團持有貿易應收款項旨在收取合約現金流量，因此，其後乃採用實際利率法按攤銷成本計量。請分別參閱附註17及3.1(c)以瞭解有關本集團貿易應收款項的會計處理及本集團減值政策的進一步資料。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short-term highly liquid investment with original maturities of three months or less and bank overdrafts. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities.

2.16 Share capital

Ordinary shares are classified as equity.

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

2.17 Trade payables

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

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

2.18 Borrowings

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

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

2 主要會計政策概要(續)

2.15 現金及現金等價物

在合併現金流量表內，現金及現金等價物包括手頭現金、銀行活期存款、原到期日為三個月或以下且高流通性的其他短期投資以及銀行透支。銀行透支在合併資產負債表中列作流動負債項下之借貸。

2.16 股本

普通股被列為權益。

直接歸屬於發行新股份的新增成本在權益中列為所得款項的減少(扣除稅項)。

2.17 貿易應付款項

貿易應付款項為在日常業務過程中從供應商購買產品或服務而應支付的款項。倘應付款項的支付日期為一年或以內(或倘時間較長，則在正常業務經營週期內)，則貿易應付款項被列為流動負債；否則呈列為非流動負債。

貿易應付款項初始以公允價值確認，其後使用實際利率法按攤銷成本計量。

2.18 借貸

借貸初始按公允價值扣除所產生的交易成本予以確認。借貸其後按攤銷成本列賬；所得款項(扣除交易成本)與贖回價值間的任何差額使用實際利率法於借貸期間在合併綜合收益表中確認。

除非本集團有權無條件將債務結算日期遞延至報告期末後至少12個月，否則借貸將被列為流動負債。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Borrowing costs

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

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

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

2.20 Current and deferred income tax

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

(a) Current income tax

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

2 主要會計政策概要(續)

2.19 借貸成本

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

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

所有其他借貸成本在產生期間於損益中確認。

2.20 即期及遞延所得稅

期內的稅項開支包括即期及遞延稅項。稅項於合併綜合收益表中確認,惟與於其他綜合收益或直接於權益中確認的項目有關的稅項除外。在此情況下,稅項亦分別於其他綜合收益或直接於權益內確認。

(a) 即期所得稅

即期所得稅支出根據本公司及其附屬公司經營及產生應課稅收入的國家於資產負債表日期已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例解釋所規限的情況定期評估報稅表的狀況,並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax

Inside basis differences

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

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

2 主要會計政策概要(續)

2.20 即期及遞延所得稅(續)

(b) 遞延所得稅

內在差異

遞延所得稅使用負債法確認資產及負債的稅基與資產及負債在合併財務報表的賬面值產生的暫時性差異。然而，若遞延稅項負債來自對商譽的初步確認，則毋需確認，若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初步確認，而在交易時不影響會計損益或應課稅盈虧，則不作記賬。遞延所得稅採用在資產負債表日期前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產僅於很可能有未來應課稅溢利可抵銷可用暫時性差異而確認。

外在差異

遞延所得稅負債乃就於附屬公司、聯營公司及合營安排的投資產生之應課稅暫時性差異計提撥備，惟倘本集團控制暫時性差異撥回時間，以及暫時性差異在可見將來很可能不會撥回的遞延所得稅負債除外。一般而言，本集團無法控制聯營公司的暫時性差異的撥回。僅當存在協議賦予本集團能力於可見未來控制暫時性差異的撥回時，因聯營公司未分配溢利產生的有關應課稅暫時性差異之遞延稅項負債不予確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences (Continued)

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

(c) Offsetting

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

2.21 Employee benefits

Pension obligations

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

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

2 主要會計政策概要(續)

2.20 即期及遞延所得稅(續)

(b) 遞延所得稅(續)

外在差異(續)

遞延所得稅資產乃就附屬公司、聯營公司及合營安排投資產生的可扣減暫時性差異確認，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅溢利抵銷可用的暫時性差異。

(c) 抵銷

當有法定可執行權力將即期稅項資產與即期稅項負債抵銷，且遞延所得稅資產及負債涉及由同一稅務機關對應課稅實體或不同應課稅實體徵收所得稅但有意以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

2.21 僱員福利

退休金責任

界定供款計劃為本集團向獨立實體支付固定供款的退休金計劃。倘有關基金並無足夠資產向所有僱員支付即期及過往期間的僱員服務福利，本集團亦無法定或推定責任支付任何進一步供款。

就界定供款計劃而言，本集團以向由公共或私人機構管理的退休金保險計劃支付強制、合約或自願性供款。本集團在支付供款後即無進一步付款責任。供款於到期時確認為僱員福利開支。倘若有現金退款或未來供款額出現下調，預付供款可確認為資產。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Share-based payments

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

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

2.23 Revenue recognition

Accounting policies applied from 1 January 2018

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

The Group recognises revenue when control of the products has transferred, and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue is recognised as follows:

2 主要會計政策概要(續)

2.22 以股份為基礎之付款

本集團設有以權益結算的股份基礎酬金計劃，據此，實體視僱員所提供服務為本集團權益工具(購股權)的代價。僱員就獲授購股權所提供服務的公允價值確認為開支。將予支銷總金額參照所授出購股權的公允價值而釐定。

於行使購股權時，本公司發行新股份。收取的所得款項(扣除任何直接應佔交易成本)計入股本(及股份溢價)。

2.23 收入確認

自2018年1月1日起所採用的會計政策收入包括本集團在日常業務過程中出售產品及服務之已收或應收代價之公允價值。收入在扣除增值稅、退貨、回扣及折扣及經撇銷本集團的銷售額後予以呈列。

本集團於產品的控制權已轉讓，且已符合下述本集團各業務的特定條件時確認收益。與銷售相關的所有或有項目解決後，收入金額方視為能可靠計量。本集團按過往業績作出估計，並考慮客戶種類、交易種類及各項安排的具體細節。收入確認如下：

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition (Continued)

Accounting policies applied from 1 January 2018 (Continued)

(a) Sales of goods

Revenue from the sale of good directly to the customers is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the products by the customers. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The Group collects cash or bank acceptance notes from the customers before or upon deliveries of products through banks. Cash or bank acceptance notes collected from the customers before product delivery is recognised as contract liabilities.

(b) Modification services income

Revenue from mold modification services is recognised in the accounting period in which the services are rendered.

(c) Interest income

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

Accounting policies applied until 31 December 2017

The Group has applied HKFRS 15, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy.

2 主要會計政策概要(續)

2.23 收入確認(續)

自2018年1月1日起所採用的會計政策(續)

(a) 銷售商品

直接向客戶銷售商品所得收入於存貨的控制權已轉移予客戶時(主要於客戶接受產品後)確認。客戶對產品有充分酌情權且並無未履行責任可影響客戶對該等產品的接納。本集團在產品交付之前或之後透過銀行向客戶收取現金或銀行承兌票據。在產品交付前自客戶收取的現金或銀行承兌票據確認為合約負債。

(b) 製作服務收入

來自模具製作服務的收入在提供該服務的會計期間確認。

(c) 利息收入

利息收入使用實際利率法按時間比例確認。

直至2017年12月31日所採用的會計政策

本集團已應用香港財務報告準則第15號，但已決定比較資料不予重列。因此，所提供的比較資料繼續根據本集團之前的會計政策入賬。

Notes to the Financial Statements (continued) 財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Revenue recognition (Continued)

Accounting policies applied until 31 December 2017 (Continued)

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

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

(a) *Sales of goods*

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted the products and collectability of the related receivables is reasonably assured.

(b) *Modification services income*

Revenue from mold modification services is recognised in the accounting period in which the services are rendered.

(c) *Interest income*

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

2 主要會計政策概要(續)

2.23 收入確認(續)

直至2017年12月31日所採用的會計政策(續)

收入包括本集團在日常業務過程中出售產品及服務之已收或應收代價之公允價值。收入在扣除增值稅、退貨、回扣及折扣及經撇銷本集團的銷售額後予以呈列。

本集團於收入金額能可靠計量，日後很可能有經濟利益流入實體；且已符合下述本集團各業務的特定條件時確認收入。與銷售相關的所有或有項目解決後，收入金額方視為能可靠計量。本集團按過往業績作出估計，並考慮客戶種類、交易種類及各項安排的具體細節。收入確認如下：

(a) *銷售商品*

當集團實體向客戶交付產品、客戶接收該等產品並能合理確保可收取相關應收款項時，將確認商品銷售。

(b) *製作服務收入*

來自模具製作服務的收入在提供該服務的會計期間確認。

(c) *利息收入*

利息收入使用實際利率法按時間比例確認。

Notes to the Financial Statements (continued)

財務報表附註(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.25 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of comprehensive income on a straight-line basis over the expected lives of the related assets.

2.26 Leases

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

2.27 Dividend distribution

Dividend distribution to the shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved.

2 主要會計政策概要(續)

2.24 股息收入

股息收入於收取股息之權利確立時確認。

2.25 政府補助

當能合理確定將收到政府的補助，而本集團將遵守所有附帶條件時，補助按其公允價值確認。

有關成本的政府補助將被遞延，並於將有關補助與其擬定補償的成本配對所需的期間內於損益中確認。

有關物業、廠房及設備的政府補助被納入非流動負債列為遞延政府補助，並於有關資產的預期年限內按直線法計入合併綜合收益表。

2.26 租賃

倘租賃所有權的絕大部分風險及回報由出租人保留，租賃分類為經營租賃。根據經營租賃支付的款項(扣除自出租人收取的任何激勵措施後)於租賃期內以直線法在合併綜合收益表支銷。

2.27 股息分派

分派予股東的股息於股息獲批准期間的財務報表內確認為負債。

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk, price risk, cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the senior management of the Group and approved by the Board of Directors.

(a) Foreign exchange risk

The Group mainly operates in the PRC, and is exposed to foreign currency risks, mainly with respect to HK dollar ("HK\$"), US dollar ("USD") and Euro dollar ("EUR"). Exchange rate fluctuations and market trends have always been the concern of the Group. Foreign currency hedging of the Group has been managed by our chief financial officer, and overseen by the Group's chief executive officer. In accordance with our hedging needs and the then foreign exchange situation, the Group's chief financial officer would gather and analyse information regarding various hedging instruments and determine stop-loss thresholds. The Group's chief financial officer would then obtain quotations from various banks as to the financial instrument and present such quotations to the Group's chief executive officer, who would then evaluate and make a decision as to whether to enter into the relevant hedging agreement. No hedging contract has been entered into during the year. The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

3 財務風險管理

3.1 財務風險因素

本集團因其業務活動面臨各種財務風險：市場風險（外匯風險、價格風險、現金流量及公允價值利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃著重於金融市場之變數及致力減低對本集團財務表現產生之潛在負面影響。風險管理由本集團高級管理層進行，並經董事會批准。

(a) 外匯風險

本集團主要在中國經營業務，因而面對外匯風險，主要為港元（「港元」）、美元（「美元」）及歐元（「歐元」）。匯率波幅及市場動向一向深受本集團關注。我們的首席財務官管理本集團的外匯對沖，而本集團首席執行官則監控我們的外匯對沖。根據我們的對沖需要及當時的外匯情況，本集團首席財務官將搜集有關各對沖工具的資料進行分析，並釐定止損點。隨後本集團首席財務官將搜集各銀行有關財務工具的報價，並向本集團首席執行官呈報該等報價，而本集團首席執行官將評估及就是否訂立相關對沖協議作出決定。本年度並無訂立任何對沖合約。人民幣兌換成外幣須遵守中國政府頒佈的外匯管制條例及規定。

Notes to the Financial Statements (continued)
財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(a) Foreign exchange risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the respective balance sheet dates are as follows:

(a) 外匯風險(續)

於各資產負債表日期，本集團以外幣計值的貨幣資產及貨幣負債之賬面值載列如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Assets	資產		
HK\$	港元	98,786	17,682
USD	美元	823,191	550,010
EUR	歐元	25,480	39,767
Total	總計	947,457	607,459
Liabilities	負債		
HK\$	港元	271,787	105,305
USD	美元	50,960	36,703
EUR	歐元	77,823	1,560
Total	總計	400,570	143,568

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Foreign exchange risk (Continued)

If RMB had strengthened/weakened by 5% against the relevant foreign currencies, with all other variable held constant, the profit before income tax would have been higher/(lower) as follows:

		2018		2017	
		higher/(lower) on profit before income tax if exchanges rates change by		higher/(lower) on profit before income tax if exchanges rates change by	
		溢利增加/(減少)		溢利增加/(減少)	
		+5%	-5%	+5%	-5%
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
HK\$	港元	8,650	(8,650)	4,381	(4,381)
USD	美元	(38,612)	38,612	(25,665)	25,665
EUR	歐元	2,617	(2,617)	(1,910)	1,910

(b) Price risk

The Group is not exposed to equity securities price risk or commodity price risk and the Group has not entered into any long term contracts with the suppliers. Fluctuations in the price of raw materials are usually passed on to customers.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 外匯風險(續)

倘人民幣兌有關外幣升值/貶值5%，而所有其他變量保持不變，則除所得稅前溢利增加/(減少)情況如下：

(b) 價格風險

本集團並未面對股本證券價格風險或商品價格風險，本集團亦尚未與供應商簽訂任何長期合約。原材料價格的波動通常轉嫁予客戶。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivable and equity investments that are measured at fair value through profit or loss.

(i) Risk management and Security

For cash and cash equivalents and deposits for bank borrowings, the Group manages the credit risk by placing all the bank deposits in state-owned financial institutions or reputable banks which are all high-credit-quality financial institutions.

To manage the credit risk in respect of trade and other receivables, the Group performs ongoing credit evaluations of its debtors' financial condition and does not require collateral from the debtors on the outstanding balances. Based on the expected recoverability and timing for collection of the outstanding balances, the Group maintains an allowance for doubtful accounts and actual losses incurred have been within management's expectations.

As at 31 December 2018, the Group faced some concentration of credit risk as the Group's five largest customers accounted for approximately 52% (2017: 53%) of the total trade receivables.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 信貸風險

信貸風險源自現金及現金等價物、貿易及其他應收款項以及按公允價值計量且其變動計入損益的股權投資。

(i) 風險管理及安全

就現金及現金等價物以及銀行借貸的按金而言，本集團通過將所有銀行存款置於國有金融機構或聲譽良好銀行（均為擁有高信貸質素的金融機構），以管理信貸風險。

為管理有關貿易及其他應收款項的信貸風險，本集團會對其債務人的財務狀況持續進行信貸評估，並不要求債務人就未償還結餘作出抵押。根據未收回結餘的預期可收回性及收集時間，本集團對呆賬進行撥備，而產生的實際虧損一直在管理層的預期內。

於2018年12月31日，由於本集團五大客戶佔貿易應收款項總額約52%（2017年：53%），故本集團面對一定程度的信貸集中風險。

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has one type of financial assets that is subject to the expected credit loss model:

- trade and other receivables

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

Trade and other receivables

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

As at 31 December 2018, the Group has assessed that the expected loss rate for other receivables was immaterial. Thus, no loss allowance for other receivables was recognised.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2018. The forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the loss rates based on expected changes in these factors.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 信貸風險(續)

(ii) 金融資產之減值

本集團有一類金融資產須遵守預期信貸虧損模式規定：

- 貿易及其他應收款項

儘管現金及現金等價物須遵守香港財務報告準則第9號的減值規定，惟已識別減值虧損並不重大。

貿易及其他應收款項

本集團使用香港財務報告準則第9號簡易法計量預期信貸虧損，即就所有貿易應收款項則採用全期的預期虧損計提撥備。

於2018年12月31日，本集團已評定其他應收款項的預期虧損率屬輕微。因此，並無就其他應收款項確認虧損撥備。

預期虧損率乃基於2018年12月31日前36個月期間銷售的付款情況而得出。宏觀經濟因素的前瞻性資料影響客戶結算應收款項的能力。本集團已識別其產品銷往國家的國內生產總值及失業率為最相關因素，並據此基於該等因素的預期變動而調整虧損率。

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

Trade and other receivables (Continued)

On that basis, the loss allowance as at 31 December 2018 was determined as follows for trade receivables:

		Current 即期	More than 90 days past due 逾期超過 90日	More than 360 days past due 逾期超過 360日	Total 總計
31 December 2018	2018年12月31日				
Expected loss rate	預期虧損率	1.38%	4.54%	100.00%	2.03%
Gross carrying amount	賬面總值				
— trade receivables	— 貿易應收款項	284,170	23,289	1,260	308,719
Loss allowance	虧損撥備	3,933	1,057	1,260	6,250

In prior year, for trade receivables, the Group performs ongoing credit evaluations of its debtors' financial condition and does not require collateral from the debtors on the outstanding balances. Based on the expected recoverability and timing for collection of the outstanding balances, the Group maintains a provision for doubtful accounts and actual losses incurred have been within management's expectations. For other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience.

Trade receivables is written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 1 years.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 信貸風險(續)

(ii) 金融資產之減值(續)

貿易及其他應收款項(續)

按此基準，就貿易應收款項釐定於2018年12月31日的虧損撥備如下：

於過往年度，本集團就貿易應收款項進行有關其債務人財務狀況的持續信貸評估，亦不會要求債務人就未償還結餘提供抵押品。基於未償還結餘的預計可收回程度及收回時間，本集團維持對呆賬及實際已產生虧損計提撥備，實屬管理層預期之內。至於其他應收款項，管理層依據過往結算記錄及過往經驗，對其他應收款項的可收回程度定期作出共同評估以及個別評估。

貿易應收款項於並無合理預期可收回時予以撇銷。無合理預期可收回的指標包括(其中包括)債務人無法與本集團達成還款計劃，且無法就逾期超過1年的款項作出合約付款。

貿易應收款項的減值虧損於經營溢利內呈列為減值虧損淨額。其後收回先前已撇銷的金額則計入同一項目內。

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Credit risk (Continued)

(iii) *Financial assets at fair value through profit or loss*

The Group is also exposed to credit risk in relation to equity investments that are measured at fair value through profit or loss. The maximum exposure at the end of the year is the carrying amount of these investments (HK\$23,621,000; 2017: nil).

(d) Liquidity risk

The Group exercises prudent liquidity risk management by maintaining sufficient cash and bank balances. The Group's liquidity risk is further mitigated through the availability of financing through its own cash resources and the availability of banking facilities to meet its financial commitments. In the opinion of the directors, the Group does not have any significant liquidity risk.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows including interest elements computed using contractual rates, or if floating based on rates at the year-end date.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 信貸風險(續)

(iii) *以公允價值計量且其變動計入損益的金融資產*

本集團亦面臨以公允價值計量且其變動計入損益的股權投資所產生的信貸風險。於本年末所面臨的最大風險為該等投資的賬面值(23,621,000港元；2017年：無)

(d) 流動資金風險

本集團透過備有充足現金及銀行結餘審慎地管理流動資金風險。本集團的流動資金風險進一步透過其自有現金資源維持備用資金以及備有銀行融資以滿足財政承擔而得以緩解。董事認為，本集團並無任何重大流動資金風險。

下表乃根據資產負債表日期至合同到期日的剩餘期間，按相關到期組別分析本集團的金融負債。表內披露的金額為合約未貼現現金流量，包括使用合約比率計算的利息部分，或倘屬浮動，則按年結日的比率計算。

Notes to the Financial Statements (continued)
財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(d) Liquidity risk (Continued)

(d) 流動資金風險(續)

		On demand	3 months or less	3 months to 1 year	Over 1 year	Total
		按要求	三個月或以下	三個月至一年	一年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 31 December 2018	於2018年12月31日					
Bank borrowings	銀行借貸	—	12,993	102,913	246,028	361,934
Trade and other payables (excluding non-financial liabilities)	貿易及其他應付款項 (非金融負債除外)	16,428	310,591	—	—	327,019
Total	總計	16,428	323,584	102,913	246,028	688,953
		On demand	3 months or less	3 months to 1 year	Over 1 year	Total
		按要求	三個月或以下	三個月至一年	一年以上	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 31 December 2017	於2017年12月31日					
Bank borrowings	銀行借貸	—	12,268	22,307	66,867	101,442
Trade and other payables (excluding non-financial liabilities)	貿易及其他應付款項 (非金融負債除外)	10,555	281,505	—	—	292,060
Total	總計	10,555	293,773	22,307	66,867	393,502

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(e) Cash flow and fair value interest rate risk

The Group's interest-rate risk arises from bank borrowings. Bank borrowings at variable rates expose the Group to cash flow interest-rate risk. Bank borrowings at fixed rates expose the Group to fair value interest-rate risk. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the needs arise. If interest rate for variable rate borrowings had been 1% higher/lower for the year ended 31 December 2018 with all other variables held at constant, the Group's profit before tax would have been lower/higher by HK\$3,422,000(2017: HK\$979,000).

As at 31 December 2018 and 2017, changes in interest rates within an expected range had no material impact on the interest income of cash and cash equivalents.

3.2 Capital management

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

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

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total equity.

3 財務風險管理(續)

3.1 財務風險因素(續)

(e) 現金流量及公允價值利率風險

本集團的利率風險來自銀行借貸。浮息銀行借貸使本集團承受現金流量利率風險。定息銀行借貸使本集團承受公允價值利率風險。本集團目前並無使用任何利率掉期安排，惟會考慮是否需要對沖面臨的利率風險。倘於截至2018年12月31日止年度的浮息借貸利率增加／減少1%，而其他所有變量保持不變，則本集團的除稅前溢利可能減少／增加3,422,000港元(2017年：979,000港元)。

於2018年及2017年12月31日，預期範圍內的利率變動不會對現金及現金等價物的利息收入造成重大影響。

3.2 資本管理

本集團管理資本的目標為保障本集團持續營運的能力，從而為股東提供回報並為其他持份者提供利益，以及維持最佳的資本架構以減低資本成本。

為維持或調整資本架構，本集團或會更改支付予股東的股息金額、發行新股或出售資產以減低債務。

本集團按資產負債比率的基準監察資本。比率乃按借貸總額除以權益總額計算。

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3 財務風險管理(續)

3.2 Capital management (Continued)

3.2 資本管理(續)

The gearing ratio is as follows:

資產負債比率如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Total borrowings	借貸總額	342,232	97,915
Total equity	權益總額	1,075,458	911,518
Gearing ratio (%)	資產負債比率(%)	32%	11%

Gearing ratio has increased to 32% as at 31 December 2018, which is due to increase in equity and total borrowings.

於2018年12月31日，資產負債比率已增至32%，此乃由於權益及借貸總額增加所致。

3.3 Fair value estimation

3.3 公允價值估計

The fair values of current financial assets, including cash and cash equivalents, restricted cash, deposits for bank borrowings and trade and other receivables, as well as current financial liabilities including trade and other payables and current bank borrowings approximate their carrying amounts due to their short maturities as at 31 December 2018.

由於到期日較短，於2018年12月31日，流動金融資產(包括現金及現金等價物、受限制現金、銀行借貸的按金以及貿易及其他應收款項)及流動金融負債(包括貿易及其他應付款項以及即期銀行借貸)的公允價值均與其賬面值相若。

The table below analyses financial instruments carried at fair value, by the levels of inputs to valuation techniques. The inputs to valuation techniques are categorized into three levels within a fair value hierarchy, as follows:

下表透過估值技術的輸入數據層級分析按公允價值列賬的金融工具。估值技術輸入數據在公允價值層級範圍內被分類為以下三個層級：

- Level 1 – Quoted prices unadjusted in active markets for identical assets or liabilities.
 - Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly that is, as prices or indirectly that is, derived from prices.
 - Level 3 – Inputs for the asset or liability that are not based on observable market data that is, unobservable inputs.
- 第一層 – 相同資產或負債在活躍市場的報價(未經調整)。
 - 第二層 – 除了第一層所包括的報價外，該資產或負債可觀察的輸入數據，可為直接(即價格)或間接(即源自價格)。
 - 第三層 – 資產或負債並非依據可觀察市場數據的輸入數據(即非可觀察輸入數據)。

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

3 財務風險管理(續)

3.3 公允價值估計(續)

(i) 公允價值層級

本節闡述釐定於財務報表中確認及按公允價值計量的金融工具公允價值所作出的判斷及估計。為得出有關釐定公允價值所用輸入數據之可靠性指標，本集團已按會計準則規定將其金融工具分為三個等級。各等級於下表闡述。

	Note 附註	Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Recurring fair value measurements at 31 December 2018	於2018年12月31日				
Financial assets	經常性公允價值計量				
Financial assets at fair value through profit or loss — non current	金融資產 以公允價值計量且其變動計入損益的金融資產 — 非流動				
Unlisted equity investments	非上市股權投資			23,621	23,621
	18	—	—	23,621	23,621
Total financial assets	金融資產總值	—	—	23,621	23,621
		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Recurring fair value measurements at 31 December 2017	於2017年12月31日				
Financial assets	經常性公允價值計量				
Financial assets at fair value through profit or loss — non current	金融資產 以公允價值計量且其變動計入損益的金融資產 — 非流動				
Unlisted equity investments	非上市股權投資				
		—	—	—	—
Total financial assets	金融資產總值	—	—	—	—

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(i) Fair value hierarchy (Continued)

Note that all the resulting fair value estimates are included in level 3 during the year. For transfers in and out of level 3 measurements see (iii) below. The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity investments.

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- for unlisted equity investments — discounted cash flow analysis.

All of the resulting fair value estimates are included in level 3 where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

3 財務風險管理(續)

3.3 公允價值估計(續)

(i) 公允價值層級(續)

據此發現，於年內因而產生的公允價值估計均納入第三層。有關第三層計量的轉入及轉出，請參閱下文(iii)。本集團按其政策於報告期末確認公允價值層級的轉入及轉出。

第三層：倘一項或多項重大輸入數據並非根據可觀察市場數據釐定，則該項工具會納入第三層。非上市股權投資屬此情況。

(ii) 用於釐定公允價值的估值技術 用於評估金融工具價值的特定估值技術包括：

- 就非上市股權投資－貼現現金流量分析。

倘公允價值已按現值釐定及所用貼現率就對手方或自身信貸風險而調整，則所有所產生的公允價值估計乃納入第三層。

Notes to the Financial Statements (continued)
 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the year:

		Unlisted equity investments 非上市股權投資 HK\$'000 千港元
Balance as at 1 January 2017 and 31 December 2017	於2017年1月1日及 2017年12月31日的結餘	—
Acquisitions in 2018	2018年收購	23,621
Closing balance as at 31 December 2018	於2018年12月31日 的期終結餘	23,621

(iv) Valuation inputs and relationships to fair value (FV)

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (ii) above for the valuation techniques adopted.

3 財務風險管理(續)

3.3 公允價值估計(續)

(iii) 使用重大不可觀察輸入數據的公允價值計量(第三層)

下表列示第三層項目於本年的變動：

(iv) 估值輸入數據與公允價值的關係
 下表概述第三層公允價值計量所用重大不可觀察輸入數據的量化資料。有關所採納的估值技術，請參閱上文(ii)。

Notes to the Financial Statements (continued)

財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3 財務風險管理(續)

3.3 Fair value estimation (Continued)

3.3 公允價值估計(續)

(iv) Valuation inputs and relationships to fair value (FV) (Continued)

(iv) 估值輸入數據與公允價值的關係 (續)

Description 概述	Fair value at 於下列日期 的公允價值		Un-observable inputs* 不可觀察 輸入資料*	Range of inputs (probability- weighted average) 輸入資料範圍 (可能性加權平均)		Relationship of unobservable inputs to fair value 不可觀察輸入數據與 公允價值的關係
	31 Dec 2018 2018年 12月31日 HK\$'000 千港元	31 Dec 2017 2017年 12月31日 HK\$'000 千港元		2018	2017	
Unlisted equity investments 非上市股權投資	23,621	—	Discount rate for discounting estimated cash flows 貼現估計現金流量 之貼現率 Net profit rate 淨利率	19%–21% 20%–22%	—	Lower discount rate for discounting estimated cash flows (-1%) and higher net profit rate (+1%) would increase FV by HK\$8,604,000; Higher discount rate for discounting estimated cash flows (+1%) and lower net profit rate (-1%) would decrease FV by HK\$6,546,000. 貼現估計現金流量之貼現率下降(-1%) 及淨利率上升(+1%)將令公允價值增加 8,604,000港元；貼現估計現金流量之 貼現率上升(+1%)及淨利率下降(-1%) 將令公允價值減少6,546,000港元。

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

* 不可觀察輸入數據之間並無任何嚴重影響公允價值的重大內部關係。

(v) Valuation processes

The finance department of the Group includes a team that performs the valuations of non-property items required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and the valuation team at least once every six months, in line with the Group's half-yearly reporting periods.

(v) 估值程序

本集團財務部設有一個小組，專責就財務報告目的對非財產項目進行估值，包括第三層公允價值。此小組直接向首席財務官和審核委員會匯報。為配合本集團每半年度報告的日期，首席財務官、審核委員會與估值小組最少每六個月開會一次，討論估值流程和相關結果。

Notes to the Financial Statements (continued) 財務報表附註(續)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(v) Valuation processes (Continued)

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discount rates for financial assets are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Net profit rate for unlisted equity investments are estimated based on market information for similar types of companies.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(a) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment and consequently the related depreciation charges. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

3 財務風險管理(續)

3.3 公允價值估計(續)

(v) 估值程序(續)

本集團使用的主要第三層輸入數據乃從下列各項取得和評估：

- 金融資產貼現率乃使用資本資產定價模式釐定，藉此計算反映當前對時間金錢值的市場評估和資產特定風險的稅前貼現率。
- 基於同類公司的市場信息估計非上市股權投資的淨利率。

4 關鍵會計估計及判斷

本公司按過往經驗及其他因素繼續檢討估計及判斷，包括於有關情況下對日後事件作出合理估計。

4.1 關鍵會計估計及假設

本集團對未來作出估計及假設。顧名思義，會計估計結果很少等同相關實際情況。下文論述可能會導致於下個財政年度內對資產及負債賬面值作出重大調整的重大風險之估計及假設。

(a) 物業、廠房及設備的可使用年期
本集團管理層釐定物業、廠房及設備的估計可使用年期以及隨後的相關折舊開支。該估計乃根據類似性質和功能的物業、廠房及設備的實際使用年期的歷史經驗而作出。可能因技術革新及應對嚴峻的行業週期競爭行為而產生顯著變化。倘使用年期少於以往估計的年期，或將撇銷或撇減技術上過時或已棄用或出售的非戰略性資產，管理層將增加折舊開支。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Impairment of trade receivables

The Group makes allowance for impairment of trade receivables based on an assessment about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(c).

(c) Allowance for inventories

In determining the amount of allowance required for obsolete and slow-moving inventories, the Group would evaluate customers' orders, ageing analysis of inventories and compare the carrying amount of inventories to their respective net realisable value. A considerable amount of judgments is required in determining such allowances. If conditions which have impact on the net realisable value of inventories deteriorate, additional allowances may be required.

(d) Income taxes and deferred taxation

Significant judgments is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be recognised. The outcome of their actual recognition may be different.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(b) 貿易應收款項減值

本集團乃根據違約風險及預期虧損率的評估就貿易應收款項減值計提撥備。本集團於各報告期末根據本集團過往歷史、現時市況及前瞻性估計使用判斷，以作出該等假設及選擇減值計算之輸入數據。所用的主要假設及輸入數據詳情於附註3.1(c)的列表中披露。

(c) 存貨撥備

於釐定過時及滯銷存貨所需的撥備金額時，本集團將評估客戶訂單、存貨的賬齡分析並對比存貨的賬面值與其各自的可變現淨值。釐定該撥備需要進行大量判斷。倘影響存貨可變現淨值的狀況惡化，則須作出額外撥備。

(d) 所得稅及遞延稅項

在釐定所得稅的撥備時須作出重大判斷。在日常業務過程中，多項交易及計算方式均會導致未能確定最終所定稅項。倘這些事宜最終所得稅務與最初錄得的款額有所差異，有關差額將會影響釐定稅項期間的即期及遞延所得稅資產及負債。

倘管理層認為有可能動用日後應課稅溢利以抵銷可予以確認的暫時差異或稅項虧損，則確認有關若干暫時差異及稅項虧損的遞延稅項資產。實際確認結果或會有所不同。

Notes to the Financial Statements (continued) 財務報表附註(續)

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(e) Estimation of the fair value of certain financial assets

The fair value of FVPL that is not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. For details of the key assumptions used and the impact of changes to these assumptions see Note 3.3.

4.2 Critical judgments in applying accounting policies

With effect from 1 January 2008, companies within the PRC are required to withhold income tax at 10% of the amount of dividend declared to their immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding income tax rate is applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil certain requirements under the tax treaty arrangements between the PRC and Hong Kong. During the year, the directors reassessed the cash requirement of the Group and the dividend policy of its major subsidiaries established in the PRC, namely TK Mold (Shenzhen) Limited, YD Mold (Shenzhen) Limited, TK Precision Plastics (Shenzhen) Limited and TK Plastic Products (Suzhou) Limited, based on the Group's current business plan and financial position. The profit generated by these subsidiaries for the period from 1 January 2018 to 31 December 2018 amounting to HK\$295,897,000 would not be distributed and no deferred tax liability was accrued accordingly. The Group plans to reinvest these profits in the business operation. This involves critical judgments by the directors.

4 關鍵會計估計及判斷(續)

4.1 關鍵會計估計及假設(續)

(e) 估計若干金融資產的公允價值

以公允價值計量且其變動計入損益，且並非於活躍市場買賣之金融工具乃使用估值技術釐定其公允價值。本集團憑藉其判斷選擇不同方法並主要根據各報告期末出現的市況而作出假設。所用的主要假設及變動對該等假設之影響的詳情見附註3.3。

4.2 應用會計政策的關鍵判斷

自2008年1月1日起，當中國境外直接控股公司的中國附屬公司於2008年1月1日後就所賺取的溢利中宣派股息，則中國境內公司須對向該等直接控股公司宣派的股息金額繳付10%的預扣所得稅。若中國附屬公司的直接控股公司於香港成立並符合中國與香港所訂立的稅務條約安排的若干規定，則按5%的較低稅率繳納預扣所得稅。年內，董事根據本集團現有業務計劃及財務狀況，對本集團的現金需求以及其於中國成立的主要附屬公司(即東江模具(深圳)有限公司、佑東模具(深圳)有限公司、東江精創注塑(深圳)有限公司及東江塑膠製品(蘇州)有限公司)的股息政策予以重新評估，該等附屬公司於2018年1月1日至2018年12月31日期間所產生的溢利295,897,000港元將不會進行分派，亦不會產生任何相應遞延稅項負債。本集團計劃將該等溢利再投資至其業務營運。此包含董事的關鍵判斷。

5 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Group. The executive directors review the Group's internal reporting in order to assess performance and allocate resources and have determined the operating segments based on the internal reports that are used to make strategic decisions. During the year, the Group has 20 operating segments, out of which 11 operating segments relating to the mold business are aggregated into 'mold fabrication' operating segment as they have similar economic characteristics and satisfy all conditions and meet all the aggregation criteria in HKFRS 8; the remaining 9 operating segments relating to the plastic business are aggregated into 'plastic components manufacturing' operating segment as they have similar economic characteristics and satisfy all conditions and meet all the aggregation criteria in HKFRS 8. Accordingly, the executive directors considered the nature of the Group's business and determined that the Group has two reportable segments as follows: (i) mold fabrication and (ii) plastic components manufacturing.

The executive directors assess the performance of the operating segments based on their revenue and gross profit and do not assess the assets and liabilities of the operating segments.

5 分部資料

主要經營決策者已被認定為本集團執行董事。執行董事審閱本集團的內部報告以評估表現及分配資源，並根據用於作出戰略決策的內部報告釐定經營分部。本年度內，本集團擁有20個經營分部。其中，11個與模具業務有關的經營分部因具備相似的經濟特徵、達成香港財務報告準則第8號的所有條件並符合當中所有加總披露準則而被合併為「模具製作」經營分部；而餘下9個與注塑業務有關的經營分部則因具備相似的經濟特徵、達成香港財務報告準則第8號的所有條件並符合當中所有整合準則而被合併為「注塑組件製造」經營分部。因此，執行董事考慮本集團業務的性質並釐定本集團兩個可報告分部如下：(i) 模具製作及(ii) 注塑組件製造。

執行董事根據經營分部的收入及毛利評估分部表現，但並無評估經營分部的資產及負債。

Notes to the Financial Statements (continued) 財務報表附註(續)

5 SEGMENT INFORMATION (Continued)

Segment information for consolidated statement of comprehensive income

(a) The following table presents information on revenue of the Group by geographical segments for the year.

Revenue from external customers

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
PRC	中國	889,601	770,136
South East Asia and Hong Kong	東南亞及香港	600,010	433,689
Europe	歐洲	398,137	378,267
USA	美國	364,785	243,868
Mexico	墨西哥	19,306	4,633
Others	其他	26,770	30,307
		2,298,609	1,860,900

The revenue information above is based on delivery location of the customers.

Non-current assets, other than financial instruments and deferred income tax assets, by country:

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
PRC	中國	557,426	425,902
Germany	德國	8,617	9,712
		566,043	435,614

5 分部資料(續)

合併綜合收益表的分部資料

(a) 下表呈列本集團於年內按地區分部劃分的收入資料。

外界客戶收入

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
PRC	中國	889,601	770,136
South East Asia and Hong Kong	東南亞及香港	600,010	433,689
Europe	歐洲	398,137	378,267
USA	美國	364,785	243,868
Mexico	墨西哥	19,306	4,633
Others	其他	26,770	30,307
		2,298,609	1,860,900

上述收入資料乃基於客戶的交付地點。

按國家劃分的非流動資產(金融工具及遞延所得稅資產除外)：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
PRC	中國	557,426	425,902
Germany	德國	8,617	9,712
		566,043	435,614

Notes to the Financial Statements (continued)
財務報表附註(續)

5 SEGMENT INFORMATION (Continued)

Segment information for consolidated statement of comprehensive income (Continued)

(b) The segment information for the reportable segments is set out as below:

5 分部資料(續)

合併綜合收益表的分部資料(續)

(b) 可報告分部的分部資料載列如下：

		Mold fabrication		Plastic components manufacturing		Total	
		模具製作		注塑組件製造		總計	
		2018	2017	2018	2017	2018	2017
		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
Revenue	收入						
Segment revenue	分部收入	783,399	738,211	1,606,197	1,211,144	2,389,596	1,949,355
Inter-segment revenue elimination	分部間收入抵銷	(90,987)	(88,455)	—	—	(90,987)	(88,455)
Revenue from external customers	外界客戶收入	692,412	649,756	1,606,197	1,211,144	2,298,609	1,860,900
Timing of revenue recognition	收入確認時間						
At a point in time	於某時間點	692,412	649,756	1,606,197	1,211,144	2,298,609	1,860,900
Segment results	分部業績	258,748	242,978	465,670	384,025	724,418	627,003
Other income and other losses — net	其他收入及其他虧損 — 淨額					21,991	17,625
Selling expenses	銷售開支					(88,341)	(84,602)
Administrative expenses	行政開支					(257,733)	(215,153)
Finance income — net	融資收入 — 淨額					6,799	4,634
Profit before income tax	除所得稅前溢利					407,134	349,507

Notes to the Financial Statements (continued)
財務報表附註(續)

5 SEGMENT INFORMATION (Continued)

Segment information for consolidated statement of comprehensive income (Continued)

(c) Information regarding the Group's revenue by nature:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Sales of goods	銷售商品	2,239,258	1,793,394
Modification service income	修改服務收益	59,351	67,506
		2,298,609	1,860,900

(d) Revenues of approximately HK\$302,719,000 (2017: HK\$213,596,000) were derived from a single external customer. These revenues are attributable to the plastic components manufacturing segment.

5 分部資料(續)

合併綜合收益表的分部資料(續)

(c) 有關本集團按性質劃分的收入資料：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Sales of goods	銷售商品	2,239,258	1,793,394
Modification service income	修改服務收益	59,351	67,506
		2,298,609	1,860,900

(d) 約 302,719,000 港元 (2017 年：213,596,000 港元) 的收入乃來自單一外界客戶。該等收入來自注塑組件製造分部。

6 OTHER INCOME AND OTHER LOSSES — NET

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Other income	其他收入		
Sales of scrap and surplus materials	銷售廢料及剩餘材料	13,921	13,588
Government subsidies	政府補貼	10,121	14,398
Others	其他	688	757
		24,730	28,743
Other losses — net	其他虧損 — 淨額		
Net foreign exchange loss	匯兌虧損淨額	(3,142)	(11,908)
Gain on disposal of property, plant and equipment (Note 28(b))	出售物業、廠房及設備的收益 (附註28(b))	403	790
		(2,739)	(11,118)

6 其他收入及其他虧損—淨額

Notes to the Financial Statements (continued)
財務報表附註(續)

7 EXPENSES BY NATURE

7 按性質劃分的開支

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Changes in inventories of finished goods and work in progress	製成品及半成品存貨變動	(32,461)	(30,951)
Raw materials and consumables used	原材料及耗材	820,698	641,970
Employee benefit expenses (Note 8)	僱員福利開支(附註8)	585,866	492,380
Subcontracting expenses	代工費用	191,257	144,717
Depreciation and amortisation	折舊及攤銷	103,322	87,565
Operating lease payments	經營租賃付款	58,075	42,427
Transportation and travelling expenses	運輸及差旅開支	56,605	46,838
Water and electricity expenditures	水電費用	41,716	35,798
Other taxes and levies	其他稅費	18,478	15,530
Maintenance expenses	維修費用	13,641	9,897
Advisory and legal service expenses	諮詢及法律服務開支	13,771	6,884
Commission expenses	佣金費用	8,491	13,076
Security and estate management expenses	保安及物業管理費	6,601	2,084
Advertising and promotion fees	廣告及推廣費用	4,938	3,616
Utilities and postage fees	雜費及郵費	4,228	4,715
Recruitment expenses	招聘費用	3,285	1,239
Donations	捐款	2,728	2,046
Custom declaration charges	報關費	2,584	2,357
Bank charges and handling fees	銀行收費及手續費	1,221	1,015
Auditors' remuneration	核數師薪酬		
— Audit services	— 核數服務	4,581	3,980
— Non audit services	— 非核數服務	575	553
Allowance for trade receivables	貿易應收款項撥備	408	1,220
Reversal of allowance for impairment of inventories	存貨減值撥備撥回	(917)	(3,498)
Other expenses	其他開支	10,574	8,194
Total cost of sales, selling expenses and administrative expenses	銷售成本、銷售開支及行政開支總額	1,920,265	1,533,652

Notes to the Financial Statements (continued)
財務報表附註(續)

7 EXPENSES BY NATURE (Continued)

Research and development expenses represented:

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Raw materials and consumables used	原材料及耗材	27,437	21,287
Employee benefit expenses	僱員福利開支	27,162	35,339
		54,599	56,626

7 按性質劃分的開支(續)

研發費用代表：

8 EMPLOYEE BENEFIT EXPENSES

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Wages and bonuses	工資及花紅	530,298	441,112
Pension costs — defined contribution plans (a)	退休成本 — 定額供款計劃(a)	18,320	16,644
Other social security costs	其他社保成本	22,850	19,767
Other allowances and benefits	其他津貼及福利	14,398	14,857
		585,866	492,380

8 僱員福利開支

(a) Employees in the Group's PRC subsidiaries are required to participate in a defined contribution retirement scheme administrated and operated by the local municipal government. The Group's PRC subsidiaries contributes funds which are calculated as 10%-20% (2017: 10%-20%) of the average employee salary for the year as agreed by local municipal government to the scheme to fund the retirement benefits of the employees.

(a) 本集團中國附屬公司的僱員須參與由地方市政府管理及運作的定額供款退休計劃。本集團的中國附屬公司按地方市政府協定的僱員年內平均薪金的10%至20%(2017年:10%至20%)計算的數額向該計劃供款，以向僱員退休福利提供資金。

Notes to the Financial Statements (continued)
財務報表附註(續)

8 EMPLOYEE BENEFIT EXPENSES (Continued)

8 僱員福利開支(續)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2018 include three (2017: four) directors whose emoluments are reflected in the analysis shown in Note 33. The emoluments paid to the remaining two (2017: one) individual during year are as follows:

(b) 五名最高薪酬人士

截至2018年12月31日止年度，本集團五名最高薪酬人士包括三名(2017年：四名)董事，其酬金已載於附註33所列示的分析。年內，其餘兩名(2017年：一名)最高薪酬人士的薪酬如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Wages, salaries, allowance and other benefits	工資、薪金、津貼及其他福利	2,536	1,440
Bonus	花紅	8,702	3,707
Contributions to pension plans	退休金計劃供款	36	18
		11,274	5,165

The emoluments paid to this individual fell within the following bands:

向該人士支付的酬金介乎下列組別：

		2018	2017
Emolument bands	酬金組別		
HK\$4,500,001 – HK\$5,000,000	4,500,001港元至5,000,000港元	1	—
HK\$5,000,001 – HK\$5,500,000	5,000,001港元至5,500,000港元	—	1
HK\$6,500,001 – HK\$7,000,000	6,500,001港元至7,000,000港元	1	—

Notes to the Financial Statements (continued)
財務報表附註(續)

9 FINANCE INCOME — NET

9 融資收入—淨額

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interest income:	利息收入：		
— Interest income on bank deposits	— 銀行存款的利息收入	4,639	3,025
— Interest income from financial assets at fair value through profit or loss (2017: available-for-sale financial assets)	— 以公允價值計量且其變動計入損益的金融資產的利息收入(2017年：可供出售金融資產)	5,326	3,590
		9,965	6,615
Interest expense:	利息開支：		
— Bank borrowings	— 銀行借貸	(3,166)	(1,981)
Finance income - net	融資收入—淨額	6,799	4,634

10 INCOME TAX EXPENSE

10 所得稅開支

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Current income tax	即期所得稅		
— Hong Kong profits tax	— 香港利得稅	10,579	18,869
— PRC corporate income tax	— 中國企業所得稅	32,535	28,263
— Income tax over-provided in previous years	— 過往年度超額撥備的所得稅	(495)	(116)
Total current tax expense	即期稅項開支總額	42,619	47,016
Deferred income tax	遞延所得稅		
(Increase)/decrease in deferred tax assets (Note 26)	遞延稅項資產(增加)/減少(附註26)	(2,650)	918
Increase/(decrease) in deferred tax liabilities (Note 26)	遞延稅項負債增加/(減少)(附註26)	16,980	(260)
Total deferred tax expense	遞延稅項開支總額	14,330	658
Income tax expense	所得稅開支	56,949	47,674

Notes to the Financial Statements (continued)

財務報表附註(續)

10 INCOME TAX EXPENSES (Continued)

(a) Cayman Islands income tax

The Company is incorporated in the Cayman Islands as an exempted company with limited liability and accordingly, is exempted from Cayman Islands income tax.

(b) Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2017: 16.5%) on the estimated assessable profits for the year ended 31 December 2018.

(c) PRC corporate income tax ("CIT")

CIT is provided on the assessable income of entities within the Group incorporated in the PRC, calculated in accordance with the relevant regulations of the PRC after considering the available tax benefits. The applicable CIT rate is 25% (2017: 25%). TK Mold (Shenzhen) Limited, TK Precision Plastics (Shenzhen) Limited and TK Plastic Products (Suzhou) Limited, subsidiaries of the Group, were recognised as "New and High Technology Enterprise" and thus enjoy a preferential CIT rate of 15% from 1 January 2017 to 31 December 2019, 1 January 2018 to 31 December 2020 and 1 January 2016 to 31 December 2018 respectively.

(d) PRC withholding income tax

According to the CIT Law, starting from 1 January 2008, a withholding income tax of 10% will be levied on the immediate holding companies outside the PRC when their PRC subsidiaries declare dividend out of profits earned after 1 January 2008. A lower 5% withholding income tax rate is applied when the immediate holding companies of the PRC subsidiaries are established in Hong Kong and fulfil certain requirements under the tax treaty arrangements between the PRC and Hong Kong.

10 所得稅開支(續)

(a) 開曼群島所得稅

本公司於開曼群島註冊成立為一間獲豁免有限公司。因此，本公司獲豁免繳納開曼群島所得稅。

(b) 香港利得稅

香港利得稅乃按截至2018年12月31日止年度的估計應課稅溢利按16.5% (2017年：16.5%)之稅率作出撥備。

(c) 中國企業所得稅(「企業所得稅」)

企業所得稅乃按本集團旗下於中國註冊成立的實體產生的應課稅收入作出撥備，於計及可獲得的稅項優惠後根據中國的相關法規計算。適用企業所得稅稅率為25% (2017年：25%)。本集團之附屬公司東江模具(深圳)有限公司、東江精創注塑(深圳)有限公司及東江塑膠製品(蘇州)有限公司被認定為「高新技術企業」，故分別自2017年1月1日至2019年12月31日期間、2018年1月1日至2020年12月31日期間及2016年1月1日至2018年12月31日期間享有15%的企業所得稅優惠稅率。

(d) 中國預扣所得稅

根據企業所得稅法，自2008年1月1日起，當中國境外直接控股公司的中國附屬公司於2008年1月1日後就所賺取的溢利中宣派股息，則對該等直接控股公司徵收10%的預扣所得稅。若中國附屬公司的直接控股公司於香港成立並符合中國與香港所訂立的稅務條約安排的若干規定，則按5%的較低稅率繳納預扣所得稅。

Notes to the Financial Statements (continued)

財務報表附註(續)

10 INCOME TAX EXPENSES (Continued)

(e) The British Virgin Islands (the "BVI") income tax

No provision for income tax in BVI has been made as the Group has no income assessable for income tax in BVI during the year (2017: nil).

(f) Taxation on the Group's profit

The taxation on the Group's profit before income tax differs from the theoretical amount that would have arisen using the main statutory tax rate applicable to profit of the Group due to the following:

10 所得稅開支(續)

(e) 英屬處女群島(「英屬處女群島」) 所得稅

由於本集團於年內在英屬處女群島並無應課所得稅收入，故並無計提英屬處女群島的所得稅撥備(2017年：無)。

(f) 本集團溢利稅

就本集團除所得稅前溢利繳納的稅項因下列各項而與採用本集團溢利適用主要法定稅率計算的理論金額存在差異：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	407,134	349,507
Tax calculated at corporate income tax rate of 25%	按25%企業所得稅稅率計算的稅項	101,784	87,377
Effects of:	下列各項的影響：		
— Different tax rates applied	— 採用不同稅率	(39,808)	(33,028)
— Income not subject to tax	— 毋須課稅收入	(176)	(2,338)
— Accelerated deduction of research and development expenses	— 研發費用加計扣除	(6,588)	(4,871)
— Tax losses not recognised	— 未確認稅項虧損	1,526	340
— Expenses not deductible for tax	— 不可扣稅開支	706	310
— Over provision in prior years	— 過往年度超額撥備	(495)	(116)
		56,949	47,674

Notes to the Financial Statements (continued)
財務報表附註(續)

11 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year by the weighted average number of ordinary shares in issue for the year.

11 每股盈利

(a) 基本

每股基本盈利乃以本年度溢利除以本年度已發行普通股的加權平均數計算。

		2018	2017
Profit attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利 (千港元)	350,185	301,833
Weighted average number of ordinary shares issued (thousands)	已發行普通股的加權平均數 (千股)	833,260	829,949
Basic earnings per share (HK\$)	每股基本盈利(港元)	0.42	0.36

(b) Diluted

Diluted earnings per share is the same as basic earnings per share due to the absence of dilutive ordinary shares at the year ended 31 December 2018 (2017: Diluted earnings per share is the same as basic earnings per share due to the absence of dilutive ordinary shares).

(b) 攤薄

由於截至2018年12月31日止年度並無攤薄普通股，故每股攤薄盈利與每股基本盈利相同(2017年：由於並無任何攤薄普通股，故每股攤薄盈利與每股基本盈利相同)。

Notes to the Financial Statements (continued)

財務報表附註(續)

12 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2018, all of which are limited liability companies:

12 附屬公司

下文為於2018年12月31日的主要附屬公司(均為有限公司)列表：

Company name 公司名稱	Place of incorporation 註冊成立地點	Principal activities and place of operation 主要業務及經營地點	Particulars of issued share capital 已發行股本詳情	Interest held 所持權益
TK Group International (Hong Kong) Limited 東江集團國際(香港)有限公司	BVI 英屬處女群島	Trading of plastic products and molds/HK 塑膠製品及模具貿易/香港	50,000 ordinary shares of 1 USD each 50,000股每股面值1美元的普通股	*100%
TK International (BVI) Limited	BVI 英屬處女群島	Trading of plastic products and molds/PRC 塑膠製品及模具貿易/中國	100 ordinary shares of 1 USD each 100股每股面值1美元的普通股	100%
TK Plastic Products (Suzhou) Limited 東江塑膠製品(蘇州)有限公司	PRC 中國	Manufacture of plastic products/PRC 製造塑膠製品/中國	Paid in capital of HK\$10,000,000 實繳資本10,000,000港元	100%
TK Mold (Shenzhen) Limited 東江模具(深圳)有限公司	PRC 中國	Fabrication of mold/PRC 模具製作/中國	Paid in capital of HK\$132,000,000 實繳資本132,000,000港元	100%
YD Mold (Shenzhen) Limited 佑東模具(深圳)有限公司	PRC 中國	Fabrication of mold/PRC 模具製作/中國	Paid in capital of HK\$10,000,000 實繳資本10,000,000港元	100%
TK Precision Plastics (Shenzhen) Limited 東江精創注塑(深圳)有限公司	PRC 中國	Manufacture of plastic products/PRC 製造塑膠製品/中國	Paid in capital of HK\$166,000,000 實繳資本166,000,000港元	100%
TK Mold Germany GmbH	Germany 德國	Fabrication of mold/ Germany 模具製作/德國	Paid in capital of EUR25,600 實繳資本25,600歐元	100%

* Shares held directly by the Company.

* 本公司直接持有股份。

Notes to the Financial Statements (continued)
財務報表附註(續)

13 PROPERTY, PLANT AND EQUIPMENT

13 物業、廠房及設備

		Leasehold Improvements 租賃物業 裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Furniture, fixture and computer equipment 傢具、裝置及 電腦設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Year ended	截至2017年						
31 December 2017	12月31日止年度						
Opening net book amount	年初賬面淨值	65,968	265,986	7,500	3,861	19,085	362,400
Currency translation differences	匯兌差額	3,039	12,942	346	38	928	17,293
Additions	添置	—	—	5,079	—	119,568	124,647
Transfer	轉撥	6,819	115,803	—	—	(122,622)	—
Disposals	出售	(477)	(4,416)	(126)	(11)	—	(5,030)
Depreciation	折舊	(19,684)	(58,826)	(3,962)	(1,141)	—	(83,613)
Closing net book amount	年末賬面淨值	55,665	331,489	8,837	2,747	16,959	415,697
At 31 December 2017	於2017年12月31日						
Cost	成本	116,853	683,549	37,076	6,087	16,959	860,524
Accumulated depreciation	累計折舊	(61,188)	(352,060)	(28,239)	(3,340)	—	(444,827)
Net book amount	賬面淨值	55,665	331,489	8,837	2,747	16,959	415,697
Year ended	截至2018年						
31 December 2018	12月31日止年度						
Opening net book amount	年初賬面淨值	55,665	331,489	8,837	2,747	16,959	415,697
Currency translation differences	匯兌差額	(1,147)	(8,660)	(152)	(8)	(494)	(10,461)
Additions	添置	—	—	6,353	271	204,528	211,152
Transfer	轉撥	27,452	129,606	—	—	(157,058)	—
Disposals (Note 28(b))	出售(附註28(b))	—	(1,408)	(1)	—	—	(1,409)
Depreciation	折舊	(21,952)	(71,133)	(4,527)	(1,177)	—	(98,789)
Closing net book amount	年末賬面淨值	60,018	379,894	10,510	1,833	63,935	516,190
At 31 December 2018	於2018年12月31日						
Cost	成本	140,449	769,531	40,879	5,965	63,935	1,020,759
Accumulated depreciation	累計折舊	(80,431)	(389,637)	(30,369)	(4,132)	—	(504,569)
Net book amount	賬面淨值	60,018	379,894	10,510	1,833	63,935	516,190

Notes to the Financial Statements (continued)
財務報表附註(續)

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

13 物業、廠房及設備(續)

Depreciation charges were included in the following categories in the profit or loss:

折舊支出計入損益的下列類別：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cost of sales	銷售成本	75,062	60,140
Administrative expenses	行政開支	23,457	23,390
Selling expenses	銷售開支	270	83
		98,789	83,613

14 INTANGIBLE ASSETS

14 無形資產

		Computer software 電腦軟件 HK\$'000 千港元	Contractual customer relationships 合約 客戶關係 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended	截至2017年12月31日				
31 December 2017	止年度				
Opening net book amount	年初賬面淨值	10,081	185	769	11,035
Currency translation differences	匯兌差額	457	14	105	576
Additions	添置	4,481	—	—	4,481
Disposal	出售	(16)	—	—	(16)
Amortisation charge	攤銷支出	(3,753)	(199)	—	(3,952)
Closing net book amount	年末賬面淨值	11,250	—	874	12,124
At 31 December 2017	於2017年12月31日				
Cost	成本	27,980	945	874	29,799
Accumulated amortisation	累計攤銷	(16,730)	(945)	—	(17,675)
Net book amount	賬面淨值	11,250	—	874	12,124

Notes to the Financial Statements (continued)
財務報表附註(續)

14 INTANGIBLE ASSETS (Continued)

14 無形資產(續)

		Computer software 電腦軟件 HK\$'000 千港元	Contractual customer relationships 合約客戶關係 HK\$'000 千港元	Goodwill 商譽 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended	截至2018年12月31日				
31 December 2018	止年度				
Opening net book amount	年初賬面淨值	11,250	—	874	12,124
Currency translation differences	匯兌差額	(228)	—	(29)	(257)
Additions	添置	4,359	—	—	4,359
Amortisation charge	攤銷支出	(4,533)	—	—	(4,533)
Closing net book amount	年末賬面淨值	10,848	—	845	11,693
At 31 December 2018	於2018年12月31日				
Cost	成本	29,300	913	845	31,058
Accumulated amortisation	累計攤銷	(18,452)	(913)	—	(19,365)
Net book amount	賬面淨值	10,848	—	845	11,693

Amortisation charges were included in the following categories in profit or loss:

攤銷支出計入損益的下列類別：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Administrative expenses	行政開支	4,533	3,753
Selling expenses	銷售開支	—	199
		4,533	3,952

Notes to the Financial Statements (continued)

財務報表附註(續)

14 INTANGIBLE ASSETS (Continued)

Goodwill arose from the acquisition of 100% equity interest in TK Mold Germany GmbH in 2014.

The recoverable amount of the CGU related to TK Mold Germany GmbH is determined based on value-in-use calculations. The calculation uses pre-tax cash flow projections based on financial forecasts prepared by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculation are as follows:

		2018	2017
Net book value (HK\$'000)	賬面淨值(千港元)	845	874
Net profit margin (%)	淨利率(%)	7%	6%
Revenue growth rate (%)	收入增長率(%)	2%	2%
Discount rate (%)	貼現率(%)	16%	16%

The directors of the Company consider that no impairment charge was required after performing the impairment assessment for the year (2017: nil).

If the estimated future cash flows had been 10% lower than management's estimates as at 31 December 2018, the Group would still have recognised no impairment loss on the goodwill.

If the discount rate had increased 2% as at 31 December 2018, the Group would still have recognised no impairment loss on the goodwill.

14 無形資產(續)

商譽因2014年收購TK Mold Germany GmbH的100%股本權益而產生。

有關TK Mold Germany GmbH的現金產生單位之可收回金額乃根據使用價值計算方式釐定。該計算根據管理層所作出涵蓋五年期間的財務預測，使用稅前現金流量預測作出。超過五年期間的現金流量乃使用下文所述的估計增長率推斷。

用於計算使用價值的主要假設如下：

於年內進行減值評估後，本公司董事認為毋須計提減值撥備(2017年：無)。

倘估計未來現金流量較管理層於2018年12月31日的估計值低10%，本集團仍將確認商譽並無減值虧損。

倘貼現率於2018年12月31日增加2%，本集團仍將確認商譽並無減值虧損。

Notes to the Financial Statements (continued)
財務報表附註(續)

15 FINANCIAL INSTRUMENTS BY CATEGORY

15 按類別劃分的金融工具

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Assets as per balance sheet	資產負債表內資產		
Loans and receivables:	貸款及應收款項：		
— Trade and other receivables (excluding prepayments and tax recoverable)	— 貿易及其他應收款項(不包括預付款項及可收回稅項)	308,344	299,195
— Restricted cash	— 受限制現金	36,553	9,412
— Deposits for bank borrowings	— 銀行借貸的按金	84,975	—
— Cash and cash equivalents	— 現金及現金等價物	753,811	540,815
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入損益的金融資產	23,621	—
		1,207,304	849,422
Liabilities as per balance sheet	資產負債表內負債		
Liabilities measured at amortised cost:	按攤銷成本計量之負債：		
Trade and other payables (excluding non-financial liabilities)	貿易及其他應付款項(不包括非金融負債)	327,019	292,060
Bank borrowings	銀行借貸	342,232	97,915
		669,251	389,975

16 INVENTORIES

16 存貨

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Raw materials	原材料	28,648	24,363
Work in progress	半成品	248,300	220,474
Finished goods	製成品	68,661	64,026
		345,609	308,863
Less: allowance for impairment	減：減值撥備	(2,441)	(3,395)
		343,168	305,468

Notes to the Financial Statements (continued)

財務報表附註(續)

16 INVENTORIES (Continued)

The movements of allowance for impairment are analysed as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
At beginning of the year	年初	3,395	6,498
Currency translation difference	匯兌差額	(37)	395
Reversal of inventory obsolescence	陳舊存貨撥回	(917)	(3,498)
At end of the year	年末	2,441	3,395

The cost of inventories included in cost of sales for the year was HK\$1,555,713,000 (2017: HK\$1,218,367,000).

16 存貨(續)

減值撥備變動分析如下：

計入年內銷售成本之存貨成本為1,555,713,000 港元 (2017 年 : 1,218,367,000港元)。

17 TRADE AND OTHER RECEIVABLES

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade receivables	貿易應收款項	308,719	297,978
Less: allowance for impairment	減：減值撥備	(6,250)	(5,922)
Trade receivables, net	貿易應收款項淨額	302,469	292,056
Export tax refund receivables	出口退稅應收款項	10,568	20,968
Prepayments and deposits	預付款項及按金	27,827	19,363
Value-added tax recoverable	可收回增值稅	8,579	7,772
Advances to employees	為僱員墊款	4,510	4,521
Others	其他	1,365	2,618
		355,318	347,298

17 貿易及其他應收款項

Notes to the Financial Statements (continued)
財務報表附註(續)

17 TRADE AND OTHER RECEIVABLES (Continued)

17 貿易及其他應收款項(續)

(a) The carrying amounts of the trade receivables are denominated in the following currencies:

(a) 貿易應收款項之賬面值以下列貨幣計值：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
USD	美元	229,559	222,999
RMB	人民幣	60,749	52,283
EUR	歐元	7,811	16,012
HKD	港元	10,561	6,684
GBP	英磅	39	—
		308,719	297,978

(b) The credit period granted to customers is generally between 30 and 90 days. The ageing analysis of the trade receivables from the date of sales is as follows:

(b) 授予客戶的信貸期通常介乎30至90日之間。貿易應收款項自銷售日期起的賬齡分析如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Less than 3 months	三個月以內	284,170	285,685
More than 3 months but not exceeding 1 year	超過三個月但不超過一年	23,289	12,293
More than 1 year	一年以上	1,260	—
		308,719	297,978

The Group's sales are made to various customers. While there is concentration of credit risk within a few major customers, these customers are reputable and with good track record.

本集團的銷售乃向不同客戶作出。雖然信貸風險集中於若干主要客戶，但該等客戶信譽昭著並擁有良好的往績記錄。

Notes to the Financial Statements (continued)

財務報表附註(續)

17 TRADE AND OTHER RECEIVABLES (Continued)

(c) Movements for the Group's allowance for impairment of trade receivables are as follows:

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	年初	5,922	6,807
Allowance for impairment	減值撥備	13,487	13,869
Reversal of allowance for impairment	減值撥備撥回	(13,079)	(14,754)
Currency translation difference	滙兌差額	(80)	—
At end of the year	年末	6,250	5,922

The creation and release of allowance for impairment have been included in administrative expenses in the consolidated statement of comprehensive income.

(d) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be approximate as their fair value.

17 貿易及其他應收款項(續)

(c) 本集團貿易應收款項的減值撥備變動如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	年初	5,922	6,807
Allowance for impairment	減值撥備	13,487	13,869
Reversal of allowance for impairment	減值撥備撥回	(13,079)	(14,754)
Currency translation difference	滙兌差額	(80)	—
At end of the year	年末	6,250	5,922

新增及撥回之減值撥備已計入合併綜合收益表內之行政開支。

(d) 貿易應收款項的公允價值

由於現有應收款項的到期日較短，其賬面值被視為與公允價值相若。

Notes to the Financial Statements (continued)
財務報表附註(續)

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

- (i) Financial assets mandatorily measured at FVPL include the following:

18 以公允價值計量且其變動計入損益的金融資產

- (i) 強制以公允價值計量且其變動計入損益的金融資產包括下列各項：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current assets	非流動資產		
Unlisted equity investments	非上市股權投資	23,621	—
Current assets	流動資產		
Wealth management products	財富管理產品		
— beginning of the year	— 年初	—	—
— Additions	— 添置	530,023	333,706
— Disposals	— 出售	(530,023)	(333,706)
End of the year	年末	—	—

The wealth management products managed by high credit quality commercial banks in the PRC with expected return range from 3.0% to 4.4% (2017: 3.2% to 4.8%) per annum and will mature within one year.

See Note 2.2 for explanations regarding the change in accounting policy and the reclassification of investments from available-for-sale to financial assets at FVPL following the adoption of HKFRS 9.

財富管理產品乃由中國高信貸質素商業銀行管理，預期年回報率介乎3.0%至4.4%（2017年：3.2%至4.8%），並將於一年內到期。

有關採納香港財務報告準則第9號後的會計政策變動及將可供出售金融資產重新分類為以公允價值計量且其變動計入損益的金融資產的闡釋，請參閱附註2.2。

Notes to the Financial Statements (continued) 財務報表附註(續)

18 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(ii) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interest income on wealth management products recognised in finance income-net (see Note 9)	5,326	3,590

(iii) Fair value measurements

For information about the methods and assumptions used in determining fair value, please refer to Note 3.3.

18 以公允價值計量且其變動計入損益的金融資產(續)

(ii) 於損益中確認的金額

年內，於損益中確認的收益如下：

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
於融資收入一淨額確認的財富管理產品的利息收入(見附註9)	5,326	3,590

(iii) 公允價值計量

有關釐定公允價值所採用方法及假設的資料，請參閱附註3.3。

19 CASH AND CASH EQUIVALENTS

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash and bank balances	790,364	550,227
Restricted cash	(36,553)	(9,412)
	753,811	540,815

As at 31 December 2018, restricted cash mainly represented restricted deposits held at bank as reserve for issue of guarantee letter for the import of raw materials.

The fair values of cash and cash equivalents approximate to their carrying amount and represent maximum exposure to credit risk.

19 現金及現金等價物

於2018年12月31日，受限制現金主要指就進口原材料發出擔保函而於銀行持有作儲備的受限制存款。

現金及現金等價物的公允價值與其賬面值相若，且為最大信貸風險。

Notes to the Financial Statements (continued)
財務報表附註(續)

20 SHARE CAPITAL AND SHARE PREMIUM

20 股本及股份溢價

Ordinary shares	普通股	2018	2017	2018	2017
		Shares	Shares	Share	Share
		股份	股份	capital	capital
		(thousands)	(thousands)	(HK\$'000)	(HK\$'000)
		(千股)	(千股)	(千港元)	(千港元)
Issued and fully paid	已發行及繳足	833,260	833,260	83,326	83,326

(a) Movement in issued shares is as follows:

(a) 已發行股份變動如下：

		Number of	Share capital	Share Premium	Total
		ordinary shares	股本	股份溢價	總計
		普通股數目	(HK\$'000)	(HK\$'000)	(HK\$'000)
		(thousands)	(千港元)	(千港元)	(千港元)
		(千股)			
Balance at 1 January 2017	於2017年1月1日的結餘	826,600	82,660	237,902	320,562
Proceeds from shares issued upon exercise of share options	於購股權獲行使後發行股份之所得款項	6,660	666	10,057	10,723
Transfer from other reserves upon exercise of share options	於購股權獲行使後轉撥自其他儲備	—	—	3,334	3,334
Balance at 31 December 2017 and 31 December 2018	於2017年12月31日及2018年12月31日的結餘	833,260	83,326	251,293	334,619

(b) All shares issued rank pari passu with each other.

(b) 所有已發行股份彼此享有同等權益。

Notes to the Financial Statements (continued)
財務報表附註(續)

21 RETAINED EARNINGS

21 保留溢利

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
At 1 January	於1月1日	538,433	370,215
Profit for the year	年內溢利	350,185	301,833
Dividends paid	已付股息	(149,987)	(124,323)
Transfer to statutory reserves	轉撥至法定儲備	(23,016)	(9,292)
At 31 December	於12月31日	715,615	538,433

22 OTHER RESERVES

22 其他儲備

		Statutory reserves 法定儲備 HK\$'000 千港元	Share option reserves 購股權儲備 HK\$'000 千港元	Currency translation reserve 匯兌儲備 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於2017年1月1日	47,357	3,334	(56,458)	(5,767)
Transfer to statutory reserves	轉撥至法定儲備	9,292	—	—	9,292
Share option reserves	購股權儲備	—	(3,334)	—	(3,334)
Currency translation differences	匯兌差額	—	—	38,275	38,275
At 31 December 2017	於2017年12月31日	56,649	—	(18,183)	38,466
At 1 January 2018	於2018年1月1日	56,649	—	(18,183)	38,466
Transfer to statutory reserves (a)	轉撥至法定儲備(a)	23,016	—	—	23,016
Currency translation differences	匯兌差額	—	—	(36,258)	(36,258)
At 31 December 2018	於2018年12月31日	79,665	—	(54,441)	25,224

Notes to the Financial Statements (continued)
財務報表附註(續)

22 OTHER RESERVES (Continued)

(a) Statutory reserves

In accordance with the relevant laws and regulations of the PRC, the PRC subsidiaries of the Group should make appropriation of not less than 10% of its net income after taxes to legal reserve. Further appropriation is optional when the accumulated statutory reserve is 50% or more of its registered capital. Upon approval from the board of directors, the statutory reserves can be used to offset accumulated losses of the PRC subsidiaries of the Group.

22 其他儲備(續)

(a) 法定儲備

根據中國相關法律及法規，本集團的中國附屬公司應將其稅後淨收入不少於10%撥作法定儲備。當累計法定儲備達到其註冊資本50%或以上時，可自行決定是否進一步撥備。經董事會批准後，法定儲備可用於抵銷本集團的中國附屬公司之累計虧損。

23 BORROWINGS

23 借貸

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Non-current	非即期		
Bank borrowings	銀行借貸		
— unsecured	— 無抵押	265,262	95,220
Less: current portion of non-current borrowings	減：非即期借貸之流動部分	(30,248)	(30,010)
		235,014	65,210
Current	即期		
Bank borrowings	銀行借貸		
— unsecured	— 無抵押	—	2,695
— secured (a)	— 有抵押(a)	76,970	—
Total short-term bank borrowings	短期銀行借貸總額	76,970	2,695
Current portion of non-current borrowings	非即期借貸之流動部分	30,248	30,010
		107,218	32,705
Total borrowings	借貸總額	342,232	97,915

Notes to the Financial Statements (continued)

財務報表附註(續)

23 BORROWINGS (Continued)

- (a) As at 31 December 2018, bank borrowings amounting to HK\$76,970,000 as at 31 December 2018 were secured over the bank deposits of HK\$84,975,000 (2017: nil).
- (b) The carrying amounts of the borrowings are denominated in the following currencies:

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
HK\$	港元	265,262	97,915
EUR	歐元	76,970	—
		342,232	97,915

- (c) The exposure of the borrowings to interest-rate changes and the contractual repricing dates at the balance sheet dates are as follows:

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Borrowings at floating rates	浮動利率借貸		
6 months or less	6個月或以內	342,232	97,915

23 借貸(續)

- (a) 於 2018 年 12 月 31 日，為數 76,970,000 港元的銀行借貸乃以銀行存款 84,975,000 港元作抵押(2017 年：無)。
- (b) 借貸的賬面值按下列貨幣計值：

- (c) 於資產負債表日期，就借貸面對的利率變動風險及合約重新定價日期如下：

Notes to the Financial Statements (continued)
財務報表附註(續)

23 BORROWINGS (Continued)

23 借貸(續)

(d) The borrowings are repayable as follows:

(d) 借貸須於以下期限內償還：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Within 1 year	1年內	107,218	32,705
Between 1 and 2 years	1至2年	99,103	30,430
Between 2 and 5 years	2至5年	135,911	34,780
		342,232	97,915

(e) The effective weighted average interest rates at the balance sheet dates are as follows:

(e) 於資產負債表日期的實際加權平均利率如下：

		2018	2017
Bank borrowings denominated in:	以下列貨幣計值的銀行借貸：		
HK\$	港元	2.45%	1.82%
EUR	歐元	0.50%	0.41%

(f) The carrying amounts and fair value of non-current borrowings are as follows:

(f) 非即期借貸的賬面值及公允價值如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Carrying amounts	帳面值	235,014	65,210
Fair value (level 2)	公允價值(第2層)	231,223	65,210
Weighted average discount rate used for fair value (%)	公允價值的加權平均貼現率(%)	2.45%	1.82%

Notes to the Financial Statements (continued)
 財務報表附註(續)

24 DEFERRED INCOME ON GOVERNMENT GRANTS

The amount represented various subsidies granted by and received from local government authorities in the PRC. The movements in deferred income on government grants are as follows:

24 政府補助遞延收入

有關金額指中國當地政府機關授出並給予的多項補助。政府補助遞延收入的變動如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Opening balance as at 1 January	於1月1日的期初結餘	11,443	7,516
Receipt of grants	收到補助金	16,894	7,036
Recognised in the profit or loss	於損益確認	(3,742)	(3,710)
Currency translation differences	匯兌差額	(802)	601
Closing balance as at 31 December	於12月31日的期終結餘	23,793	11,443

Notes to the Financial Statements (continued)
財務報表附註(續)

25 TRADE AND OTHER PAYABLES

25 貿易及其他應付款項

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Trade payables	貿易應付款項	307,774	264,104
Deposits received from customers	已收客戶按金	—	179,702
Wages and staff welfare benefits payable	應付工資及僱員福利	121,906	103,816
Accrual for expenses and other payables (Note (a))	應計開支及其他應付款項 (附註(a))	19,245	27,956
Other taxes payable	其他應付稅項	7,576	7,011
		456,501	582,589

(a) The amount mainly represented accruals for commission and professional service expenses.

(a) 該款項主要指佣金及專業服務開支應計費用。

(b) Trade payables were denominated in the following currencies:

(b) 貿易應付款項以下列貨幣計值：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
RMB	人民幣	242,898	218,451
USD	美元	50,960	36,703
HK\$	港元	6,525	7,390
EUR	歐元	853	1,560
JPY	日圓	6,538	—
		307,774	264,104

The carrying amounts of accrued expenses and other payables were primary denominated in RMB.

應計開支及其他應付款項的賬面值主要以人民幣計值。

Notes to the Financial Statements (continued)
財務報表附註(續)

25 TRADE AND OTHER PAYABLES (Continued)

(c) The ageing analysis of trade payables based on the goods/ services receipt date is as follows:

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
0 – 90 days	0至90日	235,252	207,554
91 – 120 days	91至120日	41,388	31,949
121 – 365 days	121至365日	29,893	16,056
Over 365 days	超過365日	1,241	8,545
		307,774	264,104

25 貿易及其他應付款項(續)

(c) 貿易應付款項按貨物／服務接收日期的賬齡分析如下：

26 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same taxation authority. The analysis of deferred tax assets and liabilities is as follows:

26 遞延所得稅

倘有法定可行使權利將即期稅項資產與即期稅項負債抵銷，並為同一稅務機構徵收之遞延所得稅，則會將遞延所得稅資產及負債互相抵銷。遞延稅項資產及負債分析如下：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Before offsetting	抵銷前		
Deferred income tax assets:	遞延所得稅資產：		
— to be recovered after more than 12 months	— 將於超過12個月後收回	3,569	2,029
— to be recovered within 12 months	— 將於12個月內收回	1,769	767
		5,338	2,796
Deferred income tax liabilities:	遞延所得稅負債：		
— to be settled after more than 12 months	— 將於超過12個月後結算	(16,776)	—
— to be settled within 12 months	— 將於12個月內結算	(10,490)	(10,490)
		(27,266)	(10,490)
After offsetting	抵銷後		
Deferred income tax liabilities	遞延所得稅負債	(21,928)	(7,694)

Notes to the Financial Statements (continued)
財務報表附註(續)

26 DEFERRED INCOME TAX (Continued)

As at 31 December 2018, deferred income tax assets and deferred income tax liabilities were offset, where they are in the same entity, to the extent of HK\$5,338,000 (31 December 2017: HK\$2,796,000).

The movements in deferred income tax assets and liabilities are as follows:

26 遞延所得稅(續)

於2018年12月31日，於相同實體的遞延所得稅資產及遞延所得稅負債已相互抵銷5,338,000港元(2017年12月31日：2,796,000港元)。

遞延所得稅資產及負債的變動如下：

Deferred income tax assets		Accelerated tax depreciation	Accrued expenses	Deferred income on government grants	Total
遞延所得稅資產		加速稅項折舊	應計開支	政府補助遞延收入	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 January 2017	於2017年1月1日	1,048	1,357	1,127	3,532
Currency translation differences	匯兌差額	65	53	64	182
Recognised in profit or loss	於損益確認	(800)	(643)	525	(918)
As at 31 December 2017	於2017年12月31日	313	767	1,716	2,796
As at 1 January 2018	於2018年1月1日	313	767	1,716	2,796
Currency translation differences	匯兌差額	—	(31)	(77)	(108)
Recognised in profit or loss	於損益確認	(313)	1,033	1,930	2,650
As at 31 December 2018	於2018年12月31日	—	1,769	3,569	5,338

Notes to the Financial Statements (continued)
財務報表附註(續)

26 DEFERRED INCOME TAX (Continued)

26 遞延所得稅(續)

Deferred income tax liabilities		Accelerated tax depreciation	Withholding income tax	Revaluation surplus in related to business combination	Total
遞延所得稅負債		加速稅項 折舊	預扣 所得稅	與業務合併相關 之重估盈餘	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 1 January 2017	於2017年1月1日	—	(10,661)	(55)	(10,716)
Currency translation differences	匯兌差額	—	—	(34)	(34)
Recognised in profit or loss	於損益確認	—	171	89	260
As at 31 December 2017	於2017年12月31日	—	(10,490)	—	(10,490)
As at 1 January 2018	於2018年1月1日	—	(10,490)	—	(10,490)
Currency translation differences	匯兌差額	195	—	9	204
Recognised in profit or loss	於損益確認	(16,980)	—	—	(16,980)
As at 31 December 2018	於2018年12月31日	(16,785)	(10,490)	9	(27,266)

Deferred income tax assets are recognised for tax losses carry-forward to the extent that the realisation of the related tax benefits through the future taxable profits is probable. As at 31 December 2018, no deferred tax asset has been recognised in respect of the unused tax losses amounting to HK\$19,499,000 (31 December 2017: HK\$13,141,000) as its realisation is uncertain. Such tax losses may be carried forward indefinitely.

遞延所得稅資產乃以相關稅項優惠可透過未來應課稅溢利變現而結轉之稅項虧損確認入賬。於2018年12月31日，本集團並未就未使用稅項虧損19,499,000港元(2017年12月31日：13,141,000港元)確認遞延稅項資產，乃由於其變現存在不確定性。有關稅項虧損或會無限期結轉。

Notes to the Financial Statements (continued)
財務報表附註(續)

27 DIVIDENDS

27 股息

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Interim dividend paid of HK\$0.06 (2017 Interim: HK\$0.05) per ordinary share	按每股普通股0.06港元 (2017年中期：0.05港元) 派付中期股息	49,996	41,663
Proposed final dividend of HK\$0.14 (2017: HK\$0.12) per ordinary share	按每股普通股0.14港元 (2017年：0.12港元) 派付建議末期股息	116,656	99,991
		166,652	141,654

The dividends paid in 2018 and 2017 were HK\$149,987,000 (HK\$0.18 per share) and HK\$124,323,000 (HK\$0.15 per share) respectively. A final dividend in respect of the year ended 31 December 2018 of HK\$0.14 per share, amounting to a total of approximately HK\$116,656,000, is to be proposed at the forthcoming annual general meeting.

於2018年及2017年派付的股息分別為149,987,000港元(每股股份0.18港元)及124,323,000港元(每股股份0.15港元)。本公司將於應屆股東週年大會上建議派付截至2018年12月31日止年度之末期股息每股0.14港元，股息總額約116,656,000港元。

Notes to the Financial Statements (continued)
財務報表附註(續)

28 NOTES TO CONSOLIDATED STATEMENT OF
CASH FLOWS

28 合併現金流量表附註

(a) Reconciliation of profit before income tax to cash generated from operations:

(a) 除所得稅前溢利與經營所得現金之對賬：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	407,134	349,507
Adjustments for:	調整：		
Finance expenses (Note 9)	融資開支(附註9)	3,166	1,981
Interest income (Note 9)	利息收入(附註9)	(9,965)	(6,615)
Depreciation of property, plant and equipment (Note 13)	物業、廠房及設備折舊(附註13)	98,789	83,613
Amortisation of intangible assets (Note 14)	無形資產攤銷(附註14)	4,533	3,952
Gain on disposal of property, plant and equipment (Note 6)	出售物業、廠房及設備收益(附註6)	(403)	(790)
Reversal of allowance for impairment of inventories (Note 7)	存貨減值撥備撥回(附註7)	(917)	(3,498)
Allowance for trade receivables (Note 7)	貿易應收賬款撥備(附註7)	408	1,220
Changes in working capital:	營運資金變動：		
Inventories	存貨	(36,746)	(37,977)
Restricted cash	受限制現金	(27,141)	17,064
Trade and other receivables	貿易及其他應收款項	(8,462)	(93,034)
Trade and other payables	貿易及其他應付款項	81,778	110,060
Cash generated from operations	經營所得現金	512,174	425,483

(b) In the consolidated statement of cash flows, proceeds from disposals of property, plant and equipment comprise:

(b) 於合併現金流量表內，出售物業、廠房及設備所得款項包括：

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Net book amount disposed	已出售賬面淨值	1,409	5,030
Gain on disposal (Note 6)	出售收益(附註6)	403	790
Proceeds from disposal	出售所得款項	1,812	5,820

Notes to the Financial Statements (continued)
財務報表附註(續)

28 NOTES TO CONSOLIDATED STATEMENT OF
CASH FLOWS (Continued)

28 合併現金流量表附註(續)

(c) Net assets reconciliation

This section sets out an analysis of net asset and the movements in net asset for each of the periods presented.

(c) 資產淨值對賬

本節載列各呈列期間資產淨值與資產淨值變動之分析。

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	753,811	540,815
Borrowings — repayable within one year	借貸 — 須於一年內償還	(107,218)	(32,705)
Borrowings — repayable after one year	借貸 — 須於一年後償還	(235,014)	(65,210)
Net assets	資產淨值	411,579	442,900
Cash and cash equivalents	現金及現金等價物	753,811	540,815
Gross debt — variable interest rates (Note 23)	總債務 — 浮動利率 (附註23)	(342,232)	(97,915)
Net assets	資產淨值	411,579	442,900

		Other assets		Liabilities from financing activities		Total
		其他資產		來自融資活動的負債		
Net assets	資產淨值	Cash and cash equivalents		Borrowings due within 1 year	Borrowings due after 1 year	總計
		現金及現金等價物	現金及現金等價物	於1年內到期的借貸	於1年後到期的借貸	
		HK\$'000	千港元	HK\$'000	千港元	千港元
As at 1 January 2017	於2017年1月1日	381,310		(164,984)	(34,310)	182,016
Cash flows	現金流量	158,724		132,279	(30,900)	260,103
Foreign exchange adjustments	外匯調整	781		—	—	781
As at 31 December 2017	於2017年12月31日	540,815		(32,705)	(65,210)	442,900
Cash flows	現金流量	214,061		(74,513)	(169,804)	(30,256)
Foreign exchange adjustments	外匯調整	(1,065)		—	—	(1,065)
As at 31 December 2018	於2018年12月31日	753,811		(107,218)	(235,014)	411,579

Notes to the Financial Statements (continued)

財務報表附註(續)

29 CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no significant contingent liabilities (31 December 2017: nil).

30 COMMITMENTS

(a) Capital commitments

The Group had the following capital commitments:

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Acquisitions of plant and equipment: 購置廠房及設備：		
— Contracted but not provided for 一 已訂約但未撥備	86,925	48,752

(b) Operating lease commitments

The Group leases premises under non-cancellable operating lease agreements. The Group had future aggregate minimum lease payments under non-cancellable operating leases as follows:

	2018 HK\$'000 千港元	2017 HK\$'000 千港元
Not later than one year 一年內		
— to related companies 一 關聯公司	60,432	49,044
— to third parties 一 第三方	7,042	3,517
	67,474	52,561
Later than one year and not later than five years 一年後但五年內		
— to related companies 一 關聯公司	134,852	—
— to third parties 一 第三方	18,241	5,297
	153,093	5,297
More than five years 五年以上		
— to third parties 一 第三方	12,074	—
	232,641	57,858

29 或然負債

於2018年12月31日，本集團並無任何重大或然負債(2017年12月31日：無)。

30 承擔

(a) 資本承擔

本集團有以下資本承擔：

(b) 經營租賃承擔

本集團根據不可撤銷經營租賃協議租賃物業。本集團於不可撤銷經營租賃項下支付的未來最低租賃款項總額如下：

Notes to the Financial Statements (continued) 財務報表附註(續)

31 RELATED PARTY TRANSACTIONS

31 關連方交易

(a) Names and relationship

(a) 名稱及關係

The following companies and individuals were related parties of the Group that had transactions or balances with the Group for the year ended 31 December 2018:

以下公司及個別人士為於截至2018年12月31日止年度與本集團有交易或結餘的本集團關連方：

Name of the related party 關連方名稱	Relationship with the Group 與本集團之關係
TK Technology Holdings Ltd. 東江科技集團有限公司	An entity controlled by Ultimate Shareholders 最終股東控制的實體
TK Technology (Shenzhen) Ltd. 東江科技(深圳)有限公司	An entity controlled by Ultimate Shareholders 最終股東控制的實體

(b) Transactions with related parties during the year

(b) 年內與關連方之交易

Other than the related party transactions disclosed in Note 33, the following transactions with related parties were undertaken by the Group during the year.

除附註33所披露的關連方交易外，本集團於年內與關連方進行的交易如下。

		2018 HK\$'000 千港元	2017 HK\$'000 千港元
Operating lease expenses paid (Note (i))	已付經營租賃費用 (附註(i))	50,004	37,880

Note:

附註：

(i) The amounts represented rental expenses for land and buildings for factory and office purposes paid to TK Technology Holdings Ltd. and TK Technology (Shenzhen) Ltd.. All rental expenses were determined with reference to independent property valuation.

(i) 該款項指向東江科技集團有限公司及東江科技(深圳)有限公司支付作工廠及辦公室用途的土地及樓宇的租金開支。所有租金開支均參照獨立物業估值釐定。

Notes to the Financial Statements (continued) 財務報表附註(續)

31 RELATED PARTY TRANSACTIONS (Continued)

(c) Key management personnel compensation

The compensations paid or payable to key management personnel for employee services are shown below:

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Wages, salaries and bonuses	工資、薪金及花紅	49,988	40,497
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	256	166
		50,244	40,663

(d) Indemnity

Each of Ultimate Shareholders jointly and severally has undertaken to indemnify and keep each of the Group's companies fully indemnified against all claims and losses suffered or incurred by any company of the Group as a result of or in connection with, amongst others, the use of the land and buildings owned by certain related companies by any company of the Group as tenants, as these related companies have not obtained the approval from the relevant authorities in relation to the lease arrangements of such land and buildings.

31 關連方交易(續)

(c) 主要管理人員薪酬

就僱員服務已付或應付主要管理人員之薪酬載列如下：

		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
Wages, salaries and bonuses	工資、薪金及花紅	49,988	40,497
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	256	166
		50,244	40,663

(d) 彌償

各最終股東各自己共同及個別承諾就因或涉及(其中包括)使用本集團任何公司的若干關連公司擁有之土地及樓宇(作為租客)而令本集團任何公司蒙受或產生的所有索償及損失向本集團各成員公司提供彌償保證及維持全面彌償, 原因為該等關連公司並未獲得有關機關就該等土地及樓宇的租賃安排之批准。

Notes to the Financial Statements (continued)
財務報表附註(續)

32 BALANCE SHEET AND RESERVE MOVEMENT
OF THE COMPANY

32 本公司資產負債表及儲備變動

		As at 31 December 於12月31日	
		2018	2017
		HK\$'000	HK\$'000
		千港元	千港元
	Note 附註		
Assets	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	221,055	221,055
Current assets	流動資產		
Amounts due from subsidiaries	應收附屬公司款項	404,547	389,973
Other receivables	其他應收款項	409	24
Cash and cash equivalents	現金及現金等價物	172	584
Total current assets	流動資產總額	405,128	390,581
Total assets	總資產	626,183	611,636
Equity and liabilities	權益及負債		
Equity attributable to owners of the company	本公司擁有人應佔權益		
Share capital	股本	83,326	83,326
Share premium	股份溢價	425,815	425,815
Retained earnings	保留溢利	116,895	102,344
	(a)		
Total equity	權益總額	626,036	611,485
Liabilities	負債		
Current liabilities	流動負債		
Other payables	其他應付款項	147	151
Total liabilities	總負債	147	151
Total equity and liabilities	權益及負債總額	626,183	611,636

Notes to the Financial Statements (continued)
財務報表附註(續)

**32 BALANCE SHEET AND RESERVE MOVEMENT
OF THE COMPANY (Continued)**

32 本公司資產負債表及儲備變動(續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Retained earnings	Other reserves
		保留溢利	其他儲備
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January 2017	於2017年1月1日	90,528	3,334
Profit for the year	年內溢利	136,139	—
Transfer to share premium upon exercise of share options	於行使購股權後轉撥至 股份溢價	—	(3,334)
Dividends	股息	(124,323)	—
At 31 December 2017	於2017年12月31日	102,344	—
At 1 January 2018	於2018年1月1日	102,344	—
Profit for the year	年內溢利	164,538	—
Dividends	股息	(149,987)	—
At 31 December 2018	於2018年12月31日	116,895	—

Notes to the Financial Statements (continued)
財務報表附註(續)

33 BENEFITS AND INTERESTS OF DIRECTORS

33 董事福利及權益

(a) Directors' and chief executive's emoluments

(a) 董事及主要行政人員酬金

The remuneration of every director and the chief executive is set out below:

各董事及主要行政人員的薪酬載列如下：

For the year ended 31 December 2018:

截至2018年12月31日止年度：

Name	Fees	Salary	Discretionary bonus	Employer's contribution to retirement benefit scheme	Total	
姓名	袍金	薪金	酌情花紅	僱主的退休福利計劃供款	合計	
	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	
Executive Directors	執行董事					
Mr. Li Pui Leung	李沛良先生	—	2,671	6,392	18	9,081
Mr. Yung Kin Cheung Michael (i)	翁建翔先生(i)	—	2,385	4,710	18	7,113
Mr. Lee Leung Yiu	李良耀先生	—	1,772	2,691	18	4,481
Mr. Cheung Fong Wa	張芳華先生	—	1,922	3,222	18	5,162
Independent non-executive Directors	獨立非執行董事					
Dr. Chung Chi Ping Roy	鍾志平博士	290	—	—	—	290
Mr. Ho Kenneth Kai Chung	何啟忠先生	290	—	—	—	290
Mr. Tsang Wah Kwong	曾華光先生	290	—	—	—	290
		870	8,750	17,015	72	26,707

(i) Mr. Yung Kin Cheung Michael is also the chief executive officer.

(i) 翁建翔先生亦為首席執行官。

Notes to the Financial Statements (continued)
財務報表附註(續)

33 BENEFITS AND INTERESTS OF DIRECTORS
(Continued)

(a) Directors' and chief executive's emoluments
(Continued)

For the year ended 31 December 2017:

Name	Fees	Salary	Discretionary bonus	Employer's contribution to retirement benefit scheme	Total	
姓名	袍金	薪金	酌情花紅	僱主的退休福利計劃供款	合計	
	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	
Executive Directors	執行董事					
Mr. Li Pui Leung	李沛良先生	—	2,568	5,611	18	8,197
Mr. Yung Kin Cheung Michael (i)	翁建翔先生(i)	—	2,292	4,135	18	6,445
Mr. Lee Leung Yiu	李良耀先生	—	1,704	2,363	18	4,085
Mr. Cheung Fong Wa	張芳華先生	—	1,848	2,658	18	4,524
Independent non-executive Directors	獨立非執行董事					
Dr. Chung Chi Ping Roy	鍾志平博士	290	—	—	—	290
Mr. Ho Kenneth Kai Chung	何啟忠先生	290	—	—	—	290
Mr. Tsang Wah Kwong	曾華光先生	290	—	—	—	290
		870	8,412	14,767	72	24,121

(i) Mr. Yung Kin Cheung Michael is also the chief executive officer.

(i) 翁建翔先生亦為首席執行官。

33 董事福利及權益(續)

(a) 董事及主要行政人員酬金(續)

截至2017年12月31日止年度：

Notes to the Financial Statements (continued)
財務報表附註(續)

33 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(b) There was no directors' retirement benefits, directors' termination benefits, consideration provided to third parties for making available directors' services and no loans, quasi-loans or other dealings entered into by the Group in favour of any directors, controlled bodies corporate by and connected entities with such directors during the year (2017: Nil).

(c) Directors' material interests in transactions, arrangements or contracts

Saved for contracts amongst Group companies and as disclosed in Note 31, there was no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

33 董事福利及權益(續)

(b) 年內，概無就提供董事服務而向第三方安排任何董事退休福利、董事終止服務福利及代價以及以任何董事、董事的受控制法團及關連實體為受益人的貸款、準貸款或本集團所訂立之其他交易(2017年：無)。

(c) 董事於交易、安排或合約的重大權益

除集團內公司間合約及附註31所披露者外，於年末或年內任何時間，概無存在與本集團業務有關，且本公司董事於當中直接或間接擁有重大權益的交易、安排或合約。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

		Year ended 31 December 截至12月31日止年度				
		2014	2015	2016	2017	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Revenue	收入	1,338,920	1,606,205	1,626,611	1,860,900	2,298,609
Net profit for the Year attributable to the owners of the Company	本公司擁有人應佔年內純利	153,923	187,088	205,698	301,833	350,185

		As at 31 December 於12月31日				
		2014	2015	2016	2017	2018
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Total assets	總資產	1,137,434	1,300,219	1,402,093	1,638,607	2,163,489
Total liabilities	總負債	610,709	694,718	717,083	727,089	1,088,031
Total equity	權益總額	526,725	605,501	685,010	911,518	1,075,458

Notes:

1. The consolidated results of the Group for each of the year ended 31 December 2017 and 2018 and the consolidated assets and liabilities of the Group as at 31 December 2017 and 2018 are set out on pages 119 to 121 of this annual report.
2. The consolidated results of the Group for each of the year ended 31 December 2014, 2015 and 2016 and the consolidated assets and liabilities of the Group as at 31 December 2014, 2015 and 2016 are set out in the 2014, 2015 and 2016 annual report of the Group.
3. The above summary was prepared as if the current structure of the Group had been in existence throughout these financial years.

附註：

1. 本集團截至2017年及2018年12月31日止年度各年的合併業績以及本集團於2017年及2018年12月31日的合併資產及負債載於本年報第119頁至121頁。
2. 本集團截至2014年、2015年及2016年12月31日止年度各年的合併業績以及本集團於2014年、2015年及2016年12月31日的合併資產及負債載於本集團2014年、2015年及2016年年報內。
3. 編製以上概要時乃假設本集團目前的架構於該等財政年度一直存在。



東江集團(控股)有限公司

TK GROUP (HOLDINGS) LIMITED