

2 0 1 7

A N N U A L
R E P O R T
年 報



南順(香港)有限公司
Lam Soon (Hong Kong) Limited

A Member of the Hong Leong Group
豐隆集團成員

(Stock Code 股份代號 : 411)

AXE®
家潔淨 優生活

齊齊**洗碗**用AXE
家居清潔的標誌



升級潔潤
自然芬芳

優質生活源自潔淨家居

家傳戶曉的AXE清潔用品，由潔淨爐灶、碗碟、衣物、地板等一應俱全。先進科研揉合天然成份，高效潔淨同時除菌，使用更安心，全面呵護家人健康。



CONTENTS 目錄

2	Corporate Information 公司資料	89	Independent Auditor's Report 獨立核數師報告書
4	Financial Highlights 財務摘要	97	Consolidated Statement of Profit or Loss 綜合損益表
7	Chairman's Statement 董事會主席報告書	98	Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表
9	Review of Operations 業務回顧	99	Consolidated Statement of Financial Position 綜合財務狀況表
24	Corporate Highlights 集團紀要	101	Consolidated Statement of Changes in Equity 綜合權益變動表
31	Environmental, Social and Governance Report 環境、社會及管治報告書	103	Consolidated Statement of Cash Flows 綜合現金流量表
51	Board of Directors and Senior Management 董事會及高層管理人員	105	Notes to the Financial Statements 財務報表附註
55	Corporate Governance Report 企業管治報告書	205	Principal Subsidiaries 主要附屬公司
70	Directors' Report 董事會報告書	208	5-Year Financial Summary 五年財務概要



CORPORATE INFORMATION

公司資料

Board of Directors

KWEK Leng Hai (*Chairman*)
LEUNG Joseph (*Group Managing Director*)
TANG Hong Cheong
WHANG Sun Tze, Ph.D.
TAN Lim Heng
TSANG Cho Tai
LO Kai Yiu, Anthony
AU Chee Ming
HUANG Lester Garson, J.P.

Board Audit and Risk Management Committee

LO Kai Yiu, Anthony (*Chairman*)
TSANG Cho Tai
HUANG Lester Garson, J.P.

Board Remuneration Committee

AU Chee Ming (*Chairman*)
KWEK Leng Hai
HUANG Lester Garson, J.P.

Board Nomination Committee

KWEK Leng Hai (*Chairman*)
LO Kai Yiu, Anthony
AU Chee Ming

Chief Financial Officer

TSANG Chin Hung, Fanny

Company Secretary

CHENG Man Ying

Principal Banker

The Hongkong and Shanghai Banking Corporation Limited

Auditors

KPMG
Certified Public Accountants

董事會

郭令海(主席)
梁玄博(集團董事總經理)
鄧漢昌
黃上哲, Ph.D.
陳林興
曾祖泰
羅啟耀
區熾明
黃嘉純, 太平紳士

董事會審核及風險管理委員會

羅啟耀(主席)
曾祖泰
黃嘉純, 太平紳士

董事會薪酬委員會

區熾明(主席)
郭令海
黃嘉純, 太平紳士

董事會提名委員會

郭令海(主席)
羅啟耀
區熾明

首席財務總監

曾展紅

公司秘書

鄭文英

主要往來銀行

香港上海滙豐銀行有限公司

核數師

畢馬威會計師事務所
執業會計師

Place of Incorporation

Hong Kong

Registered Office

21 Dai Fu Street, Tai Po Industrial Estate,
Tai Po, New Territories, Hong Kong

Share Registrar and Transfer Office

Hongkong Managers and Secretaries Limited
Units 1607-8, 16th Floor, Citicorp Centre,
18 Whitfield Road, Causeway Bay, Hong Kong

Internet Websites

Lam Soon Hong Kong Group
<http://www.lamsoon.com>

Haomama.com Club
<http://www.haomama.com>

Detergent Business
<http://www.love2clean.com>

Edible Oil Business
<http://www.lamsoonoil.com>

Flour Business
<http://www.hkflourmills.com>
<http://www.gsflour.com>

Hong Leong Group
<http://www.hongleong.com>

註冊成立地點

香港

註冊辦事處

香港新界大埔大埔工業邨大富街21號

股份過戶登記處

香港經理秘書有限公司
香港銅鑼灣威非路道18號萬國寶通中心16樓
1607-8室

互聯網網站

南順香港集團
<http://www.lamsoon.com>

好媽媽網站
<http://www.haomama.com>

清潔用品業務
<http://www.love2clean.com>

食用油脂業務
<http://www.lamsoonoil.com>

麵粉業務
<http://www.hkflourmills.com>
<http://www.gsflour.com>

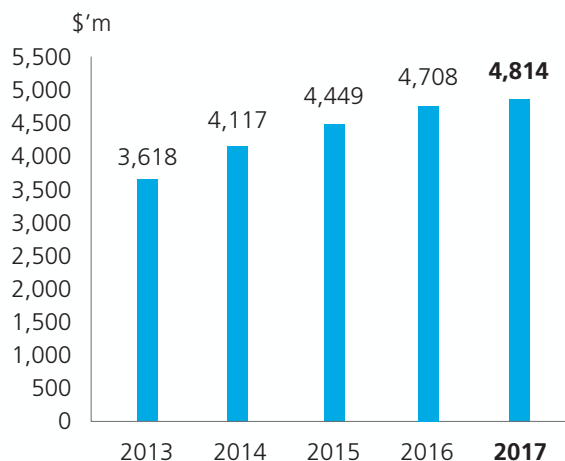
豐隆集團
<http://www.hongleong.com>

FINANCIAL HIGHLIGHTS

財務摘要

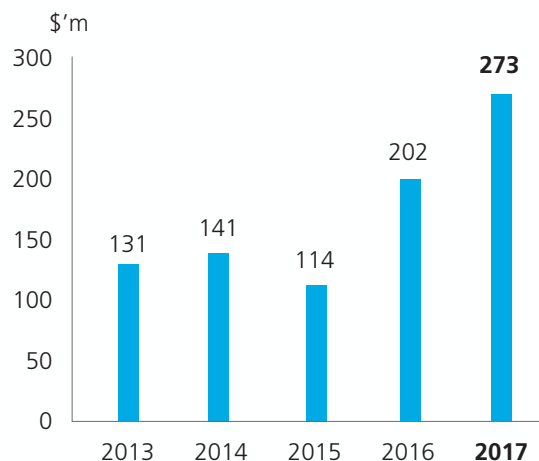
Revenue (HK\$ million)

收入(港幣百萬元)



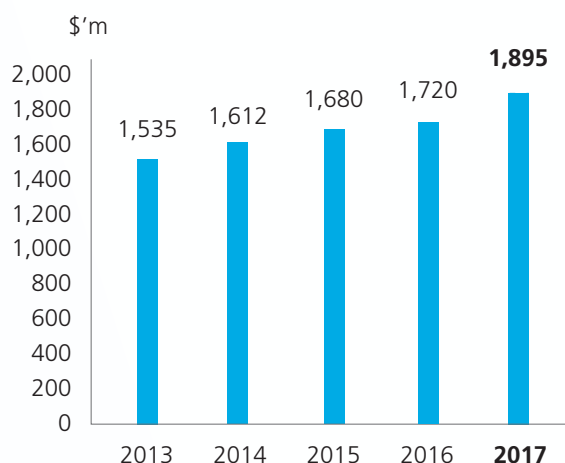
Profit Attributable to Shareholders (HK\$ million)

股東應佔溢利(港幣百萬元)



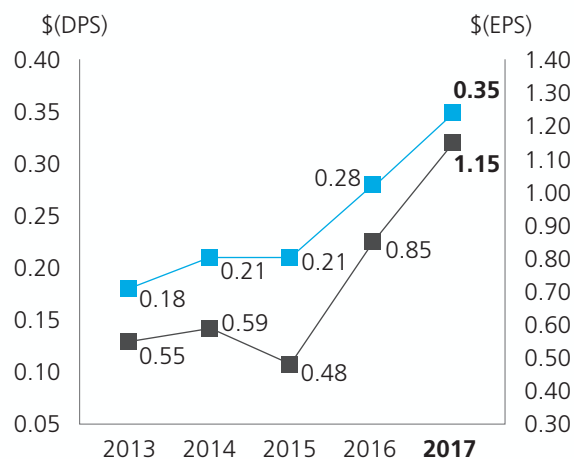
Equity Attributable to Shareholders (HK\$ million)

股東應佔權益(港幣百萬元)



Basic Earnings per Share and Dividend per Share (HK\$)

每股基本盈利及每股股息(港幣元)



■ DPS 每股股息
 ■ EPS (Basic) 每股基本盈利

Consolidated Results

綜合業績

		Year ended 30 June 截至六月三十日止年度				
(HK\$ million) (港幣百萬元)		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
Revenue	收入	4,814	4,708	4,449	4,117	3,618
GP%	毛利率	21%	20%	17%	17%	16%
Profit before taxation	除稅前溢利	319	266	165	176	166
Taxation	稅項	(46)	(64)	(51)	(35)	(35)
Profit for the year	本年度溢利	273	202	114	141	131
Non-controlling interests	非控制權益	—	—	—	—	—
Profit attributable to shareholders of the Company	本公司股東應佔溢利	273	202	114	141	131

Consolidated Assets and Liabilities

綜合資產及負債

		At 30 June 於六月三十日				
(HK\$ million) (港幣百萬元)		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
Total assets	總資產	2,561	2,317	2,558	2,472	2,258
Total liabilities	總負債	(655)	(586)	(867)	(849)	(712)
Non-controlling interests	非控制權益	(11)	(11)	(11)	(11)	(11)
Equity attributable to shareholders of the Company	本公司股東應佔權益	1,895	1,720	1,680	1,612	1,535

FINANCIAL HIGHLIGHTS

財務摘要

Key Financial Indicators

主要財務指標

		Year ended 30 June 截至六月三十日止年度				
		2017 二零一七年	2016 二零一六年	2015 二零一五年	2014 二零一四年	2013 二零一三年
Earnings per share (HK\$)	每股盈利(港幣元)					
Basic	基本	1.15	0.85	0.48	0.59	0.55
Diluted	攤薄	1.12	0.84	0.47	0.58	0.55
Dividend per share (HK\$)	每股股息(港幣元)	0.35	0.28	0.21	0.21	0.18
Equity-debt ratio*	權益債務比率*	100:0	100:0	100:0	100:0	100:0

* Equity-debt ratio is defined as the ratio of the total equity attributable to equity shareholders of the Company to net debt. Net debt comprises total bank loans and obligations under finance leases less cash and cash equivalents.

* 權益債務比率為本公司股東應佔總權益與淨債務的比率。淨債務包括總貸款及融資租賃承擔減現金及現金等額。

CHAIRMAN'S STATEMENT

董事會主席報告書

On behalf of the Board of Directors ("The Board") of Lam Soon (Hong Kong) Limited ("The Company"), I am pleased to present herein the annual report of the Company and its subsidiaries (collectively the "Group" or "Lam Soon") for the financial year ended 30 June 2017.

The Group achieved revenue and profit growths of 2% and 35% (7% and 42% if excluding foreign exchange impact) respectively compared to the preceding year. The continued shift in sales mix towards our higher margined core products/brands in the Food segment, coupled with favourable wheat costs and bran prices and production efficiencies, enabled the Group to achieve higher profitability despite weakened consumer confidence and an unstable macro environment throughout the year. While our Detergent business faced reduced profitability this year in the face of stiff price competition, surging trade spending, material, labour, and logistics cost escalations, we are confident that the remedial plans now in place, will restore its profit trend in the coming year.

In the year under review, all of our businesses further deepened and widened its penetration into key markets nationwide through new product introductions, strong branding and diligent channel network expansion and management. On the production floor, process improvements and cost disciplines helped lower conversion costs.

With sound fundamentals and strong brands, our Group is well positioned to provide sustainable growth in our Food and Detergent segments.

本人謹代表南順(香港)有限公司(「本公司」)之董事會(「董事會」)，欣然提呈本公司及其附屬公司(合稱「本集團」或「南順」)截至二零一七年六月三十日止財政年度之年報。

本集團實現收入及溢利較上年分別增長2%及35%(若不計及外幣匯率影響則為7%及42%)。銷售組合持續向利潤率較高的食品分部核心產品／品牌轉移，加上利好的小麥成本及麥麩價格以及生產效率，使本集團能夠在全年消費者信心減弱及宏觀環境不穩定的情況下實現較高的盈利能力。儘管我們的清潔用品業務面臨激烈的價格競爭、交易支出激增、材料、勞動力及物流成本上漲，於年內盈利能力有所降低，但我們相信補救計劃目前已經到位，將在未來一年恢復該分部的盈利趨勢。

於回顧年度，我們所有業務透過新產品介紹、強勢品牌及積極的渠道網絡擴張及管理，進一步深化及擴大其在全國重點市場的滲透力。在生產層面，流程改進及成本管理有助降低轉換成本。

憑藉過去數年建立的良好基礎及強勢品牌，本集團身處有利地位，為食品及清潔用品分部提供可持續增長。



CHAIRMAN'S STATEMENT

董事會主席報告書

Appreciation

On behalf of The Board, I would like to thank our customers, business partners, bankers and stakeholders for their consistent support, and express appreciation for our management and staff who work hard to ensure our strategic plans are on track. We are encouraged by our Group's progress and will remain fully committed to providing high quality and safe products to our consumers and customers, and delivering long-term sustainable profitable growth to our shareholders.

KWEK Leng Hai
Chairman

Hong Kong, 30 August 2017

致謝

本人謹代表董事會衷心感謝客戶、業務合作夥伴、銀行及持份者的一貫支持，並感謝管理層及員工彼等努力以確保我們的策略計劃順利進行。我們對本集團的進步感到鼓舞，將繼續致力為消費者及客戶提供高品質及安全的產品，為股東帶來長期可持續的盈利增長。

郭令海
主席

香港，二零一七年八月三十日



Overview

With strengthened brand positions and wider product portfolios in the Food and Detergent segments, the Group continued to expand its coverage in mainland China and Hong Kong across all channels of e-Commerce, supermarkets/hypermarkets, industrial accounts and distributors. With our focus to provide solutions and products that meet the needs and wants of our customers, our product portfolios are increasingly differentiated and our core brands continued to gain traction across key markets. We believe the Group is poised to unlock further growth and profit opportunities.

The Group continues to invest and upgrade our production infrastructure and capability. In the later part of the new financial year, work will commence on the construction of a new factory at Yixing, Jiangsu to replace the existing aging factory in the same area. Upon completion, this new factory will be capable of producing new and higher quality products to meet the growing demand of an increasing affluent consumer base. Meanwhile, our other production facilities continued to be improved during the year. For the Group to deliver long-term sustainability and competitiveness, we will ensure that our facilities always keep pace with growth and customer demands while satisfying regulatory and environmental requirements.

概覽

憑藉食品及清潔用品分部的品牌地位得到加強及產品組合得以拓寬，本集團繼續擴大其在中國大陸及香港所有電子商務渠道、超級市場／大型市場、工業帳戶及分銷商的覆蓋。我們藉着專注提供解決方案及產品，以滿足客戶的需求及願望，加上我們的產品組合愈來愈多元化，令我們的核心品牌繼續在主要市場備受關注。我們相信本集團經已為開拓更多增長及溢利機會作好準備。

本集團繼續投資及提升我們的生產基礎設施及能力。在新財政年度的下半年，我們在江蘇省宜興市的新廠房將開始動工，以取代同區日漸老化的現有廠房。工程完成後，新廠房能夠生產更高品質的新產品，以滿足日益增加的富裕消費群體不斷增長的需求。與此同時，我們的其他生產設施繼續於年內改進。為了本集團可實現長遠可持續發展及競爭力，我們致力確保我們的生產設施能緊貼增長及客戶的需求，同時亦符合相關監管及環保之要求。



REVIEW OF OPERATIONS

業務回顧



AMERICAN
ROSES
美玫牌



精選小麥 鬆軟細味

美玫牌為您精心挑選優質小麥，不添加防腐劑，
讓您製作各款蛋糕及西點，細嫩滋味！



Financial Results

The Group's revenue in the year grew 2% to HK\$4,814 million, impacted by the depreciation of Renminbi ("RMB"), in which the bulk of our revenues are denominated. Gross profit increased from 20% to 21% of revenue or HK\$926 million of the past year to HK\$1,023 million. Group's profit after-tax was up 35% at HK\$273 million against HK\$202 million recorded in the previous year. The better profit can be traced to the improvement of our core brands' performances, the favourable wheat costs, and the stability of higher bran prices. Operating expenses increased 7.2% to HK\$731 million from last year as we further invested in key markets and channels to fuel higher growth.

With the benefit of ongoing improvements in the Group's performance and continued strict financial discipline in inventory management and capital expenditure, the Group's cash position increased 24% to HK\$823 million at 30 June 2017 from last year's HK\$664 million.

The Directors are recommending a final dividend of HK\$0.23 per share at the forthcoming Annual General Meeting. Together with the interim dividend of HK\$0.12 per share paid earlier this year (2016: interim dividend of HK\$0.10 and final dividend of HK\$0.18 per share), total dividend amounts to HK\$0.35 per share for the year.

Business Review

In spite of the challenging market conditions, the Group sustained revenue and volume growth in both our Food and Detergent Segments. Our core brands, Flour's Golden Statue and American Roses, Edible Oil's Knife, and Detergent's AXE continued to record healthy volume growth.

The Group remained focused this year on expediting the PRC nationwide thrust and coverage of our brands via channel development including e-Commerce and traditional distribution channel expansion for Oil and Detergent businesses in our stronghold of Guangdong Province. Our Flour business further developed its existing business-to-consumer (B2C) model using various distribution channels to supplement our traditional strong business-to-business (B2B) model paving the way for future sales and profitable growth.

財務業績

本集團大部分收入以人民幣(「人民幣」)計值，受其貶值影響，我們的收入於年內增長2%至港幣4,814,000,000元。毛利從去年佔收入的20%增長至21%，或從港幣926,000,000元增長至港幣1,023,000,000元。本集團除稅後溢利對比去年錄得之港幣202,000,000元上升35%至港幣273,000,000元。溢利的增長可歸因於我們核心品牌表現的改善、利好的小麥成本及穩定地較高的麥麩價格。經營開支較去年增加7.2%至港幣731,000,000元，乃由於我們進一步投資主要市場及渠道，以推動更高的增長。

得益於本集團表現持續改善及存貨管理及資本開支的持續嚴格財務管理，本集團的現金狀況從去年的港幣664,000,000元增加24%至於二零一七年六月三十日的港幣823,000,000元。

董事將於應屆股東週年常會上建議派發末期股息每股港幣0.23元，連同本年度早前已派發的中期股息每股港幣0.12元(二零一六年：中期股息每股港幣0.10元及末期股息每股港幣0.18元)，本年度合共派發股息每股港幣0.35元。

業務回顧

儘管市場狀況極具挑戰，本集團的食品及清潔用品分部均保持收入及銷量增長。我們的核心品牌，如麵粉的「金像牌」及「美玫牌」、食用油的「刀嘜牌」及清潔用品的「斧頭牌」的銷量持續錄得健康增長。

本集團今年仍重點於加快推動及發展我們的品牌在全中國的渠道覆蓋，包括在我們的重點市場廣東省，擴張我們的油及清潔用品業務的電子商務及傳統分銷渠道。我們的麵粉業務，進一步向現有的企業對消費者(B2C)模式發展，利用多種分銷渠道以輔助我們傳統強勢的企業對企業(B2B)模式，為未來銷售及盈利增長鋪路。

REVIEW OF OPERATIONS

業務回顧

刀嘜
Knife



媽媽給我最好的！

始終都是
媽媽好



香港金鐘名號



刀嘜優質產品
A Lam Soon Quality Product



香港Q標優質產品計劃



刀嘜好媽媽 Knife Oil



Business Review *(continued)*

Food Segment

Although favourable wheat costs and bran prices were partially offset by increased peanut oil prices, manpower and logistics cost increases, this segment enjoyed a net positive gain. The Food segment continued its strong momentum from last year and continued to deliver revenue, volume, and profit growth. It is noteworthy that year-on-year operating profit growth rate of 40% significantly outpaced the 2% revenue and 3% volume increases because of significant product mix shift to our core brands.

In Hong Kong, Knife Peanut Oil maintained its leadership position for the year with a 45.5% market value share, Knife Peanut Oil sales value posted a 1% growth, outpacing the category's growth of 0.6%. Knife overall value market share across all oil types, however, dropped slightly from last year's 27.5% to this year's 27.1%.¹ This was the result as management balanced its priority of delivering long-term sustainable profit and gaining market position without compromising Knife's pricing integrity.

In Guangdong Province, Knife overall annual value market share of 6.7% or a 14.9% growth versus last year continued to outpace the oil category growth of 7.1%.² This growth reflected a good performance for Knife in the key cities of Shenzhen and Guangzhou where the category growth was relatively flat. Moving forward, we will continue to strengthen our support to grow these two strategically important markets.

Riding on the back of the success of our Supreme Peanut Oil Product since its October 2014 launch, we continued to leverage on consumer insights to develop new products to meet the consumers' increasing demand for high quality, safe, and healthy products.

業務回顧 *(續)*

食品分部

利好的小麥成本及麥麩價格雖然被花生油價格上漲、人力及物流成本增加而部分抵銷，但此分部仍有淨增長收益。食品分部持續其去年的強勁勢頭，收入、銷量及溢利持續實現增長。值得注意的是，因為產品組合比重轉移至核心品牌，同比經營溢利增長率達40%，遠勝於收入增長2%及銷量增長3%。

在香港，「刀嘜」花生油於年內保持領先的地位，市場份額價值為45.5%，而「刀嘜」花生油之銷售價值呈現增長1%，勝過該類別增長0.6%。然而，在所有油類中，「刀嘜」的市場份額整體價值較去年的27.5%輕微下跌至本年度的27.1%¹。此乃由於管理層在不影響「刀嘜」定價完整性的情況下，平衡其優先考慮事項，實現長期可持續溢利及贏取市場地位。

在廣東省，「刀嘜」整體年度價值市場份額為6.7%，或較去年增長14.9%，繼續勝過油類增長7.1%²。此增長反映「刀嘜」在深圳及廣州主要城市的表現良好，而種類增長亦相對較為平坦。展望未來，我們將繼續加強對這兩個策略上重要的市場增長，作出支持。

憑藉「金裝濃香花生油」在二零一四年十月推出成功，我們繼續發揮消費者的洞悉力去開發新產品，以滿足消費者對高品質、安全及健康產品日益增加的需求。

¹ Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Edible Oil category from July 2015 to June 2017 for Total Supermarkets & Convenience Stores in Hong Kong. (Copyright © 2017, The Nielsen Company.)

² Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Edible Oil (Consumer Pack) Category for the rolling year June 2016 (from July 2015 to June 2016) and the rolling year June 2017 (from July 2016 to June 2017), for the China Guangdong market total. (Copyright © 2017, The Nielsen Company.)

¹ 南順的計算方式部分是基於尼爾森零售指數服務的食用油，從2015年7月至2017年6月自香港超級市場和便利商店渠道取得的數據。(版權所有©2017，尼爾森公司)

² 南順的計算方式部分是基於尼爾森零售指數服務的食用油(小包裝)類別，按年度滾動至2016年6月(即2015年7月至2016年6月)和年度滾動至2017年6月(即2016年7月至2017年6月)的中國廣東省市場數據。(版權所有©2017，尼爾森公司)

REVIEW OF OPERATIONS

業務回顧

AXE®

連續**10**年
全港銷售額

No.1

*全港 (Hong Kong) 2002 年 5 月 - 2012 年 4 月全港全盤銷售額調查報告
(©2012 The Nielsen Company 版權所有)

AXE®

斧頭牌® 檸檬護膚洗潔精
Skin Moisturizing Dishwashing Detergent
with Lemon

新檸檬
高効去油
餐具更爽潔

AXE

Business Review *(continued)*

Food Segment *(continued)*

Planning for a new oil bottling line in our Hong Kong Tai Po site was undertaken in the year under review and is expected to be commissioned towards the end of the new financial year. Once completed, it will enhance our efficiency and cost effectiveness in serving the Hong Kong and Macau retail markets. Along with the existing bulk oil line, we are well positioned to strengthen our overall oil business in Hong Kong and Macau.

The Group's flour business continued its strong volume growth, especially in our core brands, Golden Statue and American Roses. Other than benefiting from the favourable wheat costs and bran prices, our persistent and targeted approach over the past few years in driving our core brand growth beyond the first and second-tier cities has yielded results as we recorded in the year meaningful growth in the third and fourth-tier cities.

Our focus on product and customer rationalisation has helped us to transform our product mix towards the premium and more profitable products. Utilisation at our production facilities continued to increase, driving cost down to mitigate our risk of operating in a heavily commoditised industry.

To complement the strength of our traditional B2B model, our efforts in building a long-term B2C business gradually gained traction, especially in the e-Commerce space. We will further build our presence and performance in this area through acquisition of more expertise and brand-building investments in the various social media platforms in mainland China. While growing this business requires time, investment and patience, the Group is committed to this strategic initiative to deliver long-term success.

業務回顧 *(續)*

食品分部 *(續)*

回顧年度，我們正計劃於香港大埔廠房安裝一條新油灌裝線，並預期將於新財政年度末投入使用。工程完成後，該油灌裝線將加強我們的效率及成本效益，服務於香港及澳門的零售市場。連同現有的大罐裝食用油生產線，我們更能加強我們在香港及澳門的整體油業務。

本集團的麵粉業務繼續其強勁銷量增長，尤其是核心品牌「金像牌」及「美玫牌」。除受惠於利好的小麥成本及麥麩價格，過去數年我們堅持及針對性地在二及三線城市以外推動我們的核心品牌增長，隨著我們於年內在二及三線城市所錄得的增長，證明此舉已取得成效。

我們專注於合理規劃產品及客戶，這有助我們將產品組合轉化成高質及盈利的產品。我們的生產設施使用率持續增加，推動成本下降，降低我們在大眾商品化行業的經營風險。

為輔助我們傳統有實力的B2B模式，我們致力打造長期B2C業務，該業務逐漸得到關注，尤其是在電子商務領域。我們將透過中國大陸多種社交媒體平台所獲得更多的專業知識及品牌投資，進一步在該領域打造我們的地位及表現。雖然此業務的增長需要時間、投資及耐力，但本集團將致力於這策略舉措，以實現長期成功。

REVIEW OF OPERATIONS

業務回顧



GOLDEN
STATUE
金像牌

忌廉蛋糕
純麵粉系列



菠蘿包
香港茶餐廳
預拌粉系列



朱古力
曲奇
曲奇預拌粉
系列



牛奶麵包
簡便預拌粉
系列



蘋果批
純麵粉系列



烘焙 多國度



純麵粉系列

金像牌為您精心挑選優質小麥，製造各款純麵粉產品及風味預拌粉，最恰當的拼配，品味不同國度的麵包糕點。

系列包括純麵粉系列、健康系列、簡便系列等，各具特色，令每天生活增添色彩。



預拌粉系列

Business Review *(continued)*

Detergent Segment

In the Detergent segment, although our inability to fully pass on the material cost increases in this increasingly competitive environment led to lower margins and profitability, our flagship brand AXE continued to gain in distribution and volume. The severe price competition in this segment further exacerbated the problem when trade spending significantly outpaced revenue growth. Through improved efficiency and allocation of resources, we are optimistic that the counter-measures taken will help this segment to rebound.

In Hong Kong, the Group maintained its leadership position with 36.9% annual market value share in the sluggish dish wash detergent category. While market value shares of both AXE (25.5% versus last year's 25.7%) and Labour (11.4% versus last year's 11.5%) suffered slight drops for the year, the April – June 2017 quarterly market share data showed a strong rebound for AXE with a value market share of 27.0% as opposed to 25.1% the same period last year.³ In the coming year, the Detergent segment will focus on driving our core brands with more efficacious trade spending.

In Guangdong Province, the annual market value shares of AXE and Labour (17.4% and 5.7%, respectively) by and large, remained unchanged versus a year ago (17.3% and 5.9%). The overall dish wash detergent category in Guangdong Province registered an annual value growth rate of only 2.9%.⁴ Severe price competition was observed during the year in this category in Guangdong Province. While this trend showed no signs of abating, we will nevertheless adopt cost effective approaches in our marketing and selling initiatives in order to improve this segment's profitability.

業務回顧(續)

清潔用品分部

在清潔用品分部，儘管我們未能在此競爭日益激烈的環境全面轉移材料成本增長，導致利潤率及盈利能力有所降低，但我們的旗艦品牌「斧頭牌」在分銷及銷量方面保持增長。貿易支出大幅超過收入增長的同時，該分部的激烈價格競爭進一步加劇問題。透過提高效率及資源配置，我們樂觀認為所採取的對策將有助此分部反彈回升。

在香港，本集團以年度市場價值份額36.9%維持其在滯緩洗碗洗滌劑類別的領先地位。儘管「斧頭牌」(25.5%，對比去年為25.7%)及「勞工牌」(11.4%，對比去年為11.5%)的市場價值份額於年內輕微下跌，但二零一七年四月至六月的季度市場份額數據顯示「斧頭牌」出現強力反彈，價值市場份額為27.0%，對比去年同期為25.1%³。於未來一年，清潔用品分部將專注於以更有效的貿易支出推動核心品牌。

在廣東省，一般而言，「斧頭牌」及「勞工牌」的年度市場價值份額分別為17.4%及5.7%與去年比較維持不變(17.3%及5.9%)。廣東省的整體洗碗洗滌劑類別僅錄得年度價值增長率2.9%⁴。於年內，我們注意到該分部在廣東省出現競爭激烈的定價。此趨勢並無減弱的跡象，但我們將繼續在營銷及銷售計劃中採取成本效益的方法，以提高該分部的盈利能力。

³ Includes market shares of AXE and Labour; Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Dishwashing Detergent category from July 2015 to June 2017 for Total Supermarkets, Convenience Stores and Drug Stores in Hong Kong. (Copyright © 2017, The Nielsen Company.)

⁴ Lam Soon's calculation based in part on data reported by Nielsen through its Retail Index Service for the Dish Washing Liquid Category for the rolling year June 2016 (from July 2015 to June 2016) and the rolling year June 2017 (from July 2016 to June 2017), for the China Guangdong modern trade channel market. (Copyright © 2017, The Nielsen Company.)

³ 包括「斧頭牌」及「勞工牌」的市場份額；南順的計算方式部份是基於尼爾森公司全港洗潔精品類別零售指數服務，從2015年7月至2017年6月自香港超級市場、便利店及藥房渠道取得的數據。(版權所有©2017，尼爾森公司)

⁴ 南順的計算方式部份是基於尼爾森對中國廣東省現代渠道的洗潔精品類自2016年6月滾動年度(即2015年7月至2016年6月)和2017年6月滾動年度(即2016年7月至2017年6月)的零售指數服務數據。(版權所有©2017，尼爾森公司)

REVIEW OF OPERATIONS

業務回顧

The advertisement features a large bottle of Dao Lou Knife Peanut Oil on the right. The bottle is black with a gold cap and a gold label that reads "刀嘜 Knife" and "金裝 濃香花生油 Supreme Peanut Oil". Below the bottle, there is a pool of golden oil with several peanuts and a small tag that says "嚴選優質花生 色香味濃".

On the left, a circular gold seal contains the text "刀嘜 Knife", "濃香", "花生油", and "名廚推介". Below this seal, a list of four benefits is shown with peanut icons:

- 嚴選優質花生
- 煎炒煮炸樣樣皆能
- 提昇菜餚色香味
- 有助保持心臟健康

In the bottom left, a chef in a white uniform and tall hat stands with his arms crossed. Next to him, the text reads: "陳國強師傅", "《大廚出馬》總冠軍", "米芝蓮星級名廚".

At the bottom of the bottle, the net volume is listed: "淨容量: 900 毫升 Net Volume: 900 mL".

刀嘜花生油香港銷量No.1*

*根據尼爾森公司2015年1月至12月全港食用油(花生油類別)超市零售銷量報告 (© 2016 The Nielsen Company 版權所有)

Business Review *(continued)*

Detergent Segment *(continued)*

In the new financial year, the Detergent segment will place more emphasis in increasing both AXE and Labour's distribution in Guangdong Province and expedite growth of its fast-growing AXE e-Commerce business to lift the brand into the national scene. Efforts to further strengthen Labour in its traditionally strong general trade market (e.g. smaller cities where modern trade is not dominated by large supermarket or hypermarket chains) will also intensify.

Outlook

Our Group will continue the emphasis on our core premium brands in our new channel and product development initiatives to widen and deepen their coverage. We will allocate our resources accordingly to support and stay on course with such a strategy.

Volatile material costs in the segments will always present risk to our businesses. However, we are working on diminishing this risk as we strengthen our brands through quality upgrades and core product offerings. With better profit margins in our core products, we hope to mitigate although not eliminate, the raw material price risk from our business. Our ongoing initiatives on cost rationalisation, organisational rightsizing, improved productivity, inventory/spend management, operational efficiency, and product improvements/innovations will keep us competitive, generate sustainable profitable growth, and create capital value to our shareholders.

On the people front, we will continue to strengthen our talent pool through training and recruitment to improve our bench strength and hence ability to execute our strategic initiatives especially in the areas of e-Commerce, supply chain, and research and development.

The Chinese consumers' increasing spending power and propensity to purchase high quality, safe, and healthy products is expected to continue even though the projected 2017 GDP growth rate hovers below 7%. We are confident that our high quality product/service standards that meet the needs of the consumer and garner the support of our trade partners will be a strong differentiating factor that will distinguish the Group. We believe the Group is well-positioned to benefit from the growing affluence of our consumers.

業務回顧 *(續)*

清潔用品分部 *(續)*

在新財政年度，清潔用品分部將更加重視增加「斧頭牌」及「勞工牌」在廣東省的分銷，並加快提升其快速增長的「斧頭牌」電子商務業務，將品牌推向全國舞台。我們亦將進一步加強「勞工牌」在具備傳統優勢的一般貿易市場的地位，例如現代貿易渠道尚未被大型超級市場或大型連鎖店市場主導的較小城市。

展望

本集團將繼續在新渠道及產品開發計劃中重視核心優質品牌，以拓寬及深化有關產品的覆蓋。我們將相應地分配資源，支持及保持有關策略。

各分部的材料成本多變，將持續對我們的業務帶來風險。然而，隨著透過品質升級及提供核心產品以加強我們的品牌，我們正努力降低上述風險。核心產品可實現更高的利潤率，儘管無法完全消除有關風險，但我們希望藉此可降低業務所面臨的原材料價格風險。我們在成本合理化、有組織的優化、改善生產力、存貨／支出管理、經營效益及產品改善／創新方面的持續舉措，使我們保持競爭力，產生可持續的盈利增長，為股東創造資本價值。

在人員方面，我們將繼續透過培訓及招聘加強我們的人才隊伍，以改善我們的實力，從而提升我們在執行策略舉措方面的能力，尤其是電子商務、供應鏈及研發領域。

儘管二零一七年預期國內生產總值增長率低於7%，但中國消費者購買高品質、安全及健康產品的消費力日益增加，此消費模式預期將持續下去。我們有信心，我們的高品質產品／服務標準能夠滿足消費者的需求及贏取貿易合作夥伴的支持，這將是本集團藉以脫穎而出的強大識別因素。我們相信本集團身處有利地位，能夠從日益富裕的消費者得益。

REVIEW OF OPERATIONS

業務回顧

勞工牌
LABOUR



家有勞工
污漬去无踪



Financial Review

Management has been provided with the following key performance indicators ("KPIs") to manage its business, through evaluating, controlling and setting strategies to improve performance. Such KPIs include revenue, gross profit margin, net profit attributable to shareholders, inventory and trade receivable turnover days.

Group Results

For the year ended 30 June 2017, the Group's revenue increased by HK\$106 million or 2% to HK\$4,814 million. Gross margin improved by 1.6 percentage points to 21.3%, driven by improvement of core brands' performance, favourable wheat costs, and the stability of higher bran prices. Operating expenses also increased 7.2% to HK\$731 million from last year as we further invested in key markets and channels to fuel higher growth.

Liquidity and Financial Resources

At 30 June 2017, the Group had a cash balance of HK\$823 million (2016: HK\$664 million). This was mainly attributable to the net cash generated from operating activities. About 67% of these funds were denominated in RMB, 13% in Hong Kong dollars ("HK\$") and 20% in United States dollars.

Committed banking facilities available to Group companies and not yet drawn as at 30 June 2017 amounted to HK\$722 million (2016: HK\$824 million).

財務回顧

以下的主要表現指標(「主要表現指標」)，提供給管理層用作公司營運管理，包括用作評估、監控及釐訂策略以改善業務。主要表現指標包括收入、毛利率、股東應佔淨溢利、存貨及貿易應收款項周轉天數。

集團業績

本集團於截至二零一七年六月三十日止年度之收入上升了港幣106,000,000元或2%至港幣4,814,000,000元。由於核心品牌表現的改善、利好的小麥成本及穩定地較高的麥麩價格，毛利率上升1.6個百分點至21.3%。經營開支較去年增加7.2%至港幣731,000,000元，乃由於我們進一步投資主要市場及渠道，以推動更高的增長。

流動資金及財政資源

於二零一七年六月三十日，本集團現金結餘為港幣823,000,000元(二零一六年：港幣664,000,000元)。這主要是受惠於經營業務的所得現金淨額。當中約67%是人民幣，13%是港幣，以及20%是美元。

可供本集團使用之未提取承擔銀行融資於二零一七年六月三十日為港幣722,000,000元(二零一六年：港幣824,000,000元)。

REVIEW OF OPERATIONS

業務回顧

Financial Review *(continued)*

Liquidity and Financial Resources *(continued)*

The Group centralises all the financing and treasury activities at corporate level. There are internal controls over the application of financial and hedging instruments which can only be employed to manage and mitigate the commodities price risk and currency risk for trade purposes.

At 30 June 2017, the inventory turnover days¹ were 65 days (2016: 55 days). The trade receivable turnover days² remained at a stable level of 24 days (2016: 23 days).

In view of the strong liquidity and financial position, management believes the Group will have sufficient resources to fund its daily operations and capital expenditure commitments.

Foreign Currency Exposure

The Group has operations in Mainland China, Hong Kong and Macau. Local costs and revenue are primarily denominated in RMB, HK\$, and Macau Pataca.

The Group is exposed to currency risk primarily through sales and purchases, which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The Group monitors its exposure by considering factors including, but not limited to, exchange rate movement of the relevant foreign exchange currencies as well as the Group's cash flow requirements to ensure that its foreign exchange exposure is kept at an acceptable level. Details of the foreign currency exposure of the Group are set out in note 26(d) to the financial statements.

Net exchange losses for the year are set out in note 6 to the financial statements.

財務回顧 *(續)*

流動資金及財政資源 *(續)*

本集團於總部集中處理所有融資及財金活動，金融及衍生工具的應用受到內部規管，僅可用於處理及減輕與貿易相關的商品價格風險和貨幣風險。

於二零一七年六月三十日，存貨周轉期¹為65日（二零一六年：55日）。貿易應收款項周轉期²維持在24日（二零一六年：23日）的穩健水平。

鑒於本集團強健的流動比率及財務狀況，管理層相信本集團有充足資源應付日常營運及資本開支承擔項目。

外匯風險

本集團在中國大陸、香港及澳門均有業務。當地成本及收入主要以人民幣、港幣及澳門幣定價。

本集團面對的貨幣風險，主要來自因買賣而產生之應收款項、應付款項及現金結餘，該等項目乃按外幣，即交易所涉及業務之功能貨幣以外之貨幣計值。本集團考慮的因素包括（但不限於）有關外幣匯率的走勢及本集團的現金流量的需要去監察其狀況，以確保其面對的外匯風險保持在可接受的水平。集團之外匯風險詳列於財務報表附註26(d)。

本年度匯兌淨虧損載於財務報表附註6。

¹ The calculation of inventory turnover days is based on the closing balances divided by the preceding 3 months' cost of sales and multiplied by 91 days

² The calculation of trade receivables turnover days is based on the closing balances divided by the preceding 3 month's revenue and multiplied by 91 days

¹ 存貨周轉天數的計算按期末結餘數除以前3個月累計的銷售成本再乘以91天

² 貿易應收款項周轉天數的計算按期末結餘數除以前3個月累計的收入再乘以91天

Financial Review *(continued)*

Capital Expenditure

During the year ended 30 June 2017, the Group invested a total sum of HK\$36 million (2016: HK\$34 million) on acquisition of plant equipment and construction of new production lines.

Details of the capital expenditure commitments are set out in note 27(a) to the financial statements.

Human Resources

As at 30 June 2017, there were 1,639 employees in the Group. Annual increment and year-end performance bonus mechanism were incorporated in the Group's remuneration policy to retain, reward and motivate individuals for their contributions to the Group. Share options are granted to the Group Managing Director and other eligible employees to recognise their contribution and provide incentives to achieve better performance in coming years.

Relation with Shareholders and Investors

The Company encourages two-way communication with its stakeholders. Extensive information about the Group's activities is provided in the Annual and Interim Reports, which are sent to shareholders. The Group also maintains a number of websites to provide a wide range of information on the Group and its businesses.

財務回顧 *(續)*

資本開支

截至二零一七年六月三十日止年度，本集團在購買廠房設備及建造新生產線共投入港幣36,000,000元（二零一六年：港幣34,000,000元）。

資本開支的承擔項目詳列於財務報表附註27(a)。

人力資源

於二零一七年六月三十日，本集團有僱員1,639人。本集團薪酬政策內設有年度薪酬遞增及年終表現獎勵機制，藉此挽留人才、獎償及激勵員工對本集團所作的貢獻，股份認購權亦發放予集團董事總經理和其他合資格之僱員，作為對彼等貢獻之認同，並提供獎賞以鼓勵於未來爭取更好的表現。

與股東及投資者的關係

本公司鼓勵與利益相關者之間的雙向溝通。本集團的年報及中期報告，載有集團活動的詳盡資料，並寄發予股東。本集團亦維持多個網站，提供本集團及其業務的廣泛資料。

CORPORATE HIGHLIGHTS

集團紀要

Lam Soon held a signing ceremony with Grain Bureau of YiXing City in relation to the expansion of the plant of Jiangsu Lam Soon Flour Mills Company Limited at the new site

16 November 2016

2016年11月16日

南順與宜興市糧食局就江蘇南順麵粉有限公司工廠新址擴建事宜舉行簽約儀式



Hong Kong Brands and Products Expo 2016
2016年度香港工展會

December 2016

2016年12月



CORPORATE HIGHLIGHTS

集團紀要

Bakery China 2017
2017年第二十屆中國國際焙烤展覽

10 -13 May 2017
2017年5月10日至13日



CORPORATE HIGHLIGHTS

集團紀要

Honour & Award

榮譽與獎項



Lam Soon (Hong Kong) Limited awards a “Caring Company Award” for the ten consecutive years by the Hong Kong Council of Social Service

南順(香港)有限公司連續十年獲香港社會服務聯會嘉許「商界展關懷」標誌



Lam Soon Hong Kong Group was awarded “HKMA/TVB Awards for Marketing Excellence 2016”, Citation for Excellence in Mainland Marketing “Knife – The Taste & Health of HK” organised by the Hong Kong Management Association with sponsored by Television Broadcasts Limited

由香港管理專業協會主辦，電視廣播有限公司贊助之「HKMA/TVB 傑出市場策劃獎 2016」；南順香港集團憑「刀嘜，品味健康源於香港」榮獲「傑出中國內地市場策劃獎」

Honour & Award

榮譽與獎項



Century Food Brand 2017 organised by
The Hong Kong Food Council
Century Food Brand – American Roses

由香港食品委員會主辦之2017百年食品品牌
頒獎禮

美玫牌－「百年食品品牌」



The 17th Wellcome Favourite Brands
Awards

第十七屆惠康超市名牌選舉

“Top Ten Favourite Brands” – Knife
Cooking Oil

刀嘜－「十大超市名牌」

CORPORATE HIGHLIGHTS

集團紀要

Honour & Award

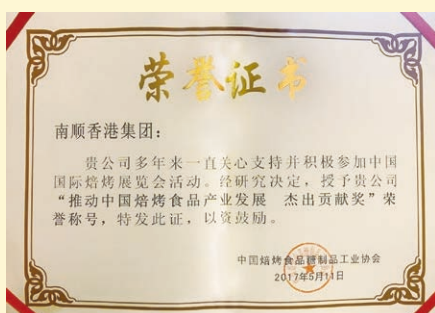
榮譽與獎項



Lam Soon Products Supply (Hong Kong)
Company Limited
南順產品供應(香港)有限公司

was certified by Hong Kong Quality Assurance
Agency with: –
HKQAA – HACCP (Hazard analysis and Critical
Control Points)
ISO 9001: 2008
ISO 22000: 2005

獲香港品質保證局給予以下證書：–
HKQAA – HACCP(危害分析和關鍵控制點)
ISO 9001: 2008
ISO 22000: 2005



Lam Soon Hong Kong Group
南順香港集團

was awarded "Outstanding Award of Contribution
to Promoting the Development of China's Baking
Industry" by China Association of Bakery &
Confectionery Industry

獲中國焙烤食品糖製品工業協會頒發「推動中國焙烤食品產
業發展 傑出貢獻獎」



was awarded "Top 100 Flour Brands – Golden Statue"
by China Edible Oil Society

獲中國糧油學會頒發「麵粉百強品牌—金像牌」

Honour & Award

榮譽與獎項



Jiangsu Lam Soon Flour Mills Company Limited
江蘇南順麵粉有限公司

was awarded "Top 50 Chinese Wheat Flour Enterprises 2015"
by China National Association of Grain Sector

獲中國糧食行業協會頒發「2015年度中國小麥粉加工企業50強」



Jiangsu Lam Soon Food Company Limited
江蘇南順食品有限公司

was awarded "National Food Industry Enterprises with
Excellent Quality Competence 2016" by
China National Food Industry Association

獲中國食品工業協會頒發「全國食品工業質量競爭力卓
越企業2016」

CORPORATE HIGHLIGHTS

集團紀要

Honour & Award

榮譽與獎項



Shekou Lam Soon Flour Mills Company Limited
蛇口南順麵粉有限公司

was awarded "National Excellent Enterprise with Foreign Investment Excellent Tax Payment and Turnover (2015-2016)" by China Association of Enterprises with Foreign Investment and Shenzhen Association of Enterprises with Foreign Investment

獲中國外商投資企業協會及深圳外商投資企業協會頒發「全國優秀外商投資企業－雙優企業(2015-2016年度)」



was awarded "AEO Certificate" by Shenzhen Customs District People's Republic of China

獲中華人民共和國深圳海關頒發「認證企業證書」



was awarded "Shenzhen Top Brand – Golden Statue" by Shenzhen Top Brand Evaluation Committee

獲深圳知名品牌評價委員會頒發「深圳知名品牌－金像牌」



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Scope and Reporting Period

This is the first Environmental, Social and Governance (“ESG”) report for Lam Soon (Hong Kong) Group and its subsidiaries (collectively referred to as the “Group”), highlighting its Environmental, Social, and Governance performance, with disclosure reference made to the ESG Reporting Guide as described in Appendix 27 of the Listing Rules and Guidance set out by The Stock Exchange of Hong Kong Limited.

This ESG report covers the Group’s overall performance in two subject areas, namely, Environmental and Social of its business operations in food and detergent in Hong Kong and Mainland China (accounts for 98% of the Group’s total revenue) from 1 July 2016 to 30 June 2017, unless otherwise stated. The business operation in Macau was excluded due to its relatively small scale.

Stakeholder Engagement and Materiality

In order to identify the most significant aspects for the Group to report on for this ESG report, key stakeholders including investors, shareholders and employees have been involved in regular meetings and engagement sessions to discuss and to review areas of attention which will help the business meet its potential growth and be prepared for future challenges.

Stakeholders’ Feedback

The Group welcomes stakeholders’ feedback on our environmental, social and governance approach and performance. Please give your suggestions or share your views with us via email at webmaster@lamsoon.com.

Lam Soon’s Sustainability Mission and Vision

The Lam Soon Group is built on the strong heritage of value creation for our stakeholders and communities within which we operate. Over the years, we have taken a progressive approach in integrating sustainability into our businesses, towards a stronger, more resilient group. We are committed to: growing our businesses responsibly, balancing environmental with economic considerations, as well as creating a positive impact for our stakeholders and contributing to our communities.

範圍及報告期間

此為南順(香港)集團及其附屬公司(統稱「本集團」)刊發之第一份環境、社會及管治(「環境、社會及管治」)報告，以強調本集團於環境、社會及管治方面之表現，有關披露乃參考香港聯合交易所有限公司上市規則附錄27及指引所述之環境、社會及管治報告指引。

除另有說明外，本環境、社會及管治報告涵蓋本集團於香港和中國大陸之食品及清潔用品業務(佔本集團總收入98%)於二零一六年七月一日至二零一七年六月三十日在環境及社會兩大主要範疇之整體表現。澳門之業務因其規模較小而並無納入在內。

持份者參與及重要性

為確定本集團就本環境、社會及管治報告所匯報之最重要方向，主要持份者(包括投資者、股東及僱員)已定期參與會議、討論及審閱有助本集團業務發揮潛在增長及為未來挑戰做好準備的注意事項。

持份者意見

本集團歡迎持份者對我們的環境、社會及管治方法及表現發表意見。敬請閣下透過電郵向我們提出建議或分享意見，電郵地址為 webmaster@lamsoon.com。

南順的可持續發展使命與願景

南順集團建立在為持份者及我們所經營的社區創造價值之強大承傳上。多年來，我們採取進取的方針將可持續發展納入我們的業務，使集團變得更強大及強韌。我們致力：以負責任的態度拓展我們的業務、平衡環境與經濟考慮因素，以及為持份者締造正面的影響及為社區作出貢獻。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Lam Soon's Sustainability Mission and Vision *(continued)*

Our core values continue to serve as our compass in all that we do:

Honour	To conduct business with honour
Human resources	To enhance the quality of human resources – as the essence of management excellence
Entrepreneurship	To pursue management vision and foster entrepreneurship
Innovation	To nurture and be committed to innovation
Quality	To consistently provide goods and services of the highest quality at competitive prices
Progress	To continuously improve existing operations and to position for expansion and new opportunities
Unity	To ensure oneness in purpose, harmony and friendship in the pursuit of prosperity for all
Social responsibility	To create wealth for the betterment of society

南順的可持續發展使命與願景(續)

我們的核心價值將繼續指引我們各方面的發展：

道德	以有信譽之方式進行業務
人力資源	提升人力資源質量－作為卓越管理之精髓
企業精神	追求管理願景及培育企業精神
創新	扶持及致力創新
質量	持續以具競爭力的價格提供最優質的貨品及服務
進步	持續改善現有營運以及為擴展及迎接新機遇作好準備
團結	於追求成功的同時，確保目的、和諧及友好關係能夠互相協調
社會責任	創造財富以改善社會



A. Environmental

1. Emissions

The Group pledges to make continuous improvement on managing and monitoring waste gas, wastewater, solid waste and noise. Every year, through engaging external licensed testing laboratories, we conduct environmental testing services for these parameters to evaluate the capability of existing facilities on meeting regulatory and environmental requirements and national standards. Starting from 2013, the Group also retain qualified institutions to carry out verification on greenhouse gas emission, as part of the commitment to the government's Emission Trading Scheme.

Moreover, across the Group's major operation sites we have adopted ISO 14001 Environmental Management System. The system enables our effective and timely emergency mechanism in case of severe environmental pollution accidents, as well as keeping track of the Group's energy efficiency and emission reduction targets.

(i) **Environmental Standards**

The Group commits to strictly comply with following key standards and the relevant laws and regulations relating to the air, wastewater and noise:

- i) The Group commits to strictly comply with the Emission Standard of Air Pollutants for Boilers (DB44/765-2010 and GB 13271-2014) and Integrated Emission Standard for Air Pollutants (GB 16297-1996);

A. 環境

1. 排放

本集團承諾持續改善對廢氣、污水、固體廢物及噪音的管理及監察。我們每年委聘外部持牌測試實驗室提供針對該等參數的環境測試服務，以評估現有設施在達至監管及環境規定及國家標準之能力。自二零一三年起，本集團亦委聘合資格機構對全公司進行溫室氣體排放核查以響應政府的碳排放權交易計劃。

此外，我們已於本集團主要營運場所採納ISO 14001環境管理體系。該系統是我們於發生嚴重環境污染事故時有效及適時的應急機制，並能夠掌握本集團的能源效益及減排目標動向。

(i) **環境標準**

本集團致力嚴格遵守以下有關空氣、污水及噪音之主要標準以及相關法律及法規：

- i) 本集團致力嚴格遵守鍋爐大氣污染物排放標準(DB44/765-2010及GB 13271-2014)及大氣污染物綜合排放標準(GB 16297-1996)；

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

1. Emissions *(continued)*

(i) Environmental Standards *(continued)*

- ii) The Group ensures the discharge meets the Discharge Limits of Water Pollutants (DB44/26-2011) issued by Department of Environmental Protection of Guangdong Province and the national Integrated Wastewater Discharge Standard (GB 8978-1996). All discharges from production and domestic activities are pre-treated on-site through regularly maintained grease trap and septic tanks prior to entering sewage collection system to nearby wastewater treatment facility; and
- iii) Noise generated from production strictly complies with Emission Standard for Industrial Enterprises Noise at Boundary (GB 12348-2008). Regular maintenance of machines and equipment is enforced to prevent noise generated under abnormal running conditions. Noise reduction devices have been installed for machines such as exhaust fans, air compressors and grinders in accordance to the requirements as specified in the Environmental Impact Assessment Report.

A. 環境 *(續)*

1. 排放 *(續)*

(i) 環境標準 *(續)*

- ii) 本集團確保排放遵守廣東省環境保護廳頒佈的水污染物排放限值(DB44/26-2011)及國家污水綜合排放標準(GB 8978-1996)。所有來自生產及日常用水的排放於進入鄰近污水處理設施之污水收集系統前均會通過定期維護的吸油圈及化糞池進行預先處理；及
- iii) 生產線產生的噪音嚴格遵守工業企業廠界環境噪聲排放標準(GB 12348-2008)。我們定期進行機器及設備維護，以避免異常運作狀況下產生噪音。我們已根據環境影響評估報告所列明的規定為排風扇、空氣壓縮機及磨床等機器安裝降噪裝置。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

1. Emissions *(continued)*

(ii) Waste Management

Both non-hazardous waste and hazardous waste were generated from various processes during production. To prevent potential harm to human health through contamination of soil, air and water resources, the Group commits to ensure proper and immediate treatment of hazardous waste and waste that requires strict control by engaging capable and qualified companies for collection and further handling. Centralized waste collection, storage, transfer facilities are available for on-site solid waste in accordance to national standards, and to maximize recycling rate. Licensed companies are engaged to collect waste (such as PET bottles, soap and used bleach earth from the oil plants) for recycling purposes and proper disposal to landfills.

2. Use of Resources

(i) Energy Consumption

The Group promotes energy-saving initiatives. The Group's flour production plants have been replacing old T8/T5 fluorescent lamps to energy saving LED lamps. There were 500 LED lamps installed up till end of reporting period. The Group has made investment in replacing old motors with higher energy efficient ones, reducing power consumption, as well as investing in technology upgrade on heat exchanger and backwashing oil channels with preheated water. These initiatives helped minimizing grease solidification, lowering blockage frequency and maximizing heat exchange rate.

A. 環境 *(續)*

1. 排放 *(續)*

(ii) 廢物管理

多個生產工序均會產生無害廢物及有害廢物。為避免受污染的泥土、空氣及水資源損害人體健康，本集團透過委聘有能力及合資格的公司收集及進一步處理廢物，致力確保有害廢物及需要嚴格控制的廢物得以妥善及即時處理。根據國家標準，本集團設有集中廢物收集、儲存及轉移設施以處理現場固體廢物及盡量提升回收率。本集團委聘持牌公司收集廢物（例如寶特瓶、肥皂及來自油廠的已用漂白土）以進行回收及妥善處理後堆填。

2. 資源使用

(i) 能源消耗

本集團推廣節省能源措施。本集團的麵粉生產廠一直以節能LED燈取代舊式T8/T5日光燈。直至報告期末，已安裝500盞LED燈。本集團作出投資，以較高能源效益的汽車取代舊車輛，降低能源消耗，並作出投資以對精煉生產線換熱器及使用熱水反覆沖洗毛油通道進行技術升級。此等措施有助將油脂固化減至最低、減少雜質堵塞並提高換熱效率。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

2. Use of Resources *(continued)*

(i) **Energy Consumption** *(continued)*

Production involves the consumption of natural gas, petrol and diesel. The Group made use of electric forklifts for warehouses to lower our reliance on fossil fuels. Diesel boilers have been replaced with more energy efficient gas boilers and it is expected to help the Group achieving lower fuel cost, as well as reducing emission of air pollutants with cleaner energy.

(ii) **Water Consumption**

Water was supplied by Water Supplies Department in Hong Kong's operations, and was sourced from municipal water supply system in Mainland China. Water saving initiatives of the Group within the reporting period included upgrading water supply pipeline system within the plant zone, upgrading washrooms with water saving devices, and reusing wastewater from production for washroom use.

The oil plants have upgraded the water supply pipeline system during past years to prevent potential leakage. 40% of industrial wastewater is reused for factory washroom and greening in detergent production plant.

(iii) **Packaging Materials**

Packaging materials consumed by the Group were mainly plastic, cotton bags and paper for the protection of finished products during the reporting period. As part of the target set in Shenzhen City Waste Reduction Campaign 2014, the Group has put effort into improvement on packaging methods and greater efficient use of packaging materials. Such practice allowed the Group to enjoy a reduction of packaging material cost with less environmental pollution and impact caused by subsequent treatment processes. In addition, the Group is planning to develop more refill packaging products to reduce the consumption of plastic bottle used as the final packaging.

A. 環境 *(續)*

2. 資源使用 *(續)*

(i) **能源消耗** *(續)*

生產工序涉及消耗天然氣、汽油及柴油。本集團於倉庫使用電動叉車以減低我們對化石燃料的依賴。柴油鍋爐已被更具能源效益的燃氣鍋爐取代，預期將有助本集團降低燃料成本及使用更加潔淨的能源減少空氣污染物的排放。

(ii) **耗水**

香港營運用水由水務署提供，並採購自中國大陸的市政供水系統。本集團於報告期內的節約用水措施包括升級廠區內的供水管道系統、為洗手間加設節水裝置及重用來自生產的廢水作洗手間之用。

油廠已於往年升級供水管道系統以避免潛在漏水。40%的工業廢水被重新用於工廠洗手間及清潔用品生產廠的綠化。

(iii) **包裝材料**

於報告期內，本集團消耗之包裝材料主要為保護製成品的塑膠、棉袋及紙張。作為二零一四年深圳市減少廢物行動制定的目標之一，本集團已努力改善包裝方法及更有效率使用包裝材料。該做法令本集團能夠降低包裝材料成本及減少事後處理過程所帶來的環境污染及影響。此外，本集團正計劃開發更多補充裝產品，以減少消耗作為最終包裝的塑膠樽。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

A. Environmental *(continued)*

3. The Environment and Natural Resources

The Group strives to maximize resource utilization and minimize waste within our operations to achieve effective and efficient resource management, we strictly comply with environmental laws and regulations. The Group also encourages the staff to adopt environmentally responsible behaviour and to raise awareness of environmental protection, for example, we encourage the staff to think before printing and use more recycled paper. Furthermore, electronic communication is encouraged to achieve a paperless office.

B. Social

1. Employment and Labour Practices

(i) Employment

The Group deems employees as the most important resource. The Group provides competitive remuneration with various benefits to attract and retain talents. Salary is regularly reviewed with consideration of the market trend and results from salary surveys conducted by professional consultants. Annual increment and year-end performance bonus mechanism were incorporated in the Group's remuneration policy. Statutory compliance is a minimum, employees are entitled to provident funds, social security insurance and housing fund. Year-end bonus, life and health insurance, employee privilege, meals and transportation are provided. Fair terms on working hours, holidays, termination of contract, fringe benefits and leave entitlement are stipulated on the employment contracts signed between employees and the Group. Overtime work shall be applied through submission of application forms and approved by departmental supervisors. Any disputes will be settled according to the Group's appeal procedures in a just and prompt manner. The Group is in compliance with all applicable laws of Hong Kong and the People's Republic of China ("PRC") regarding labour rights and employment.

A. 環境 *(續)*

3. 環境及天然資源

本集團努力在營運中盡量充分利用資源並減少廢物，以達至有效及高效的資源管理，我們嚴格遵守環境法律及法規。本集團亦鼓勵員工採取對環境負責的操守及提升環保意識，例如，我們鼓勵員工於印刷前三思及使用再循環用紙，及進一步鼓勵使用電子通訊以達至無紙化辦公室。

B. 社會

1. 僱傭及勞工常規

(i) 僱傭

本集團視僱員為最重要資源。本集團提供具競爭力的薪酬及多項福利以吸引及挽留人才。本集團定期檢討薪金，當中考慮市場趨勢及專業顧問進行的薪金調查結果。本集團的薪酬政策中包括年度加薪及年終業績花紅機制。遵守法定規定是最低限度，僱員可享受公積金、社會保障保險及住房公積金。我們亦提供年終花紅、人壽及健康保險、僱員優惠、用餐及交通安排。僱員與本集團簽署的僱傭合約規定的公平條款涵蓋工時、假期、終止合約情況、附加福利及年假。超時工作應透過提交申請表格申請及經部門主管批准。任何爭議均將根據本集團的申訴程序公正及迅速地解決。本集團遵守所有香港及中華人民共和國（「中國」）有關勞工權利及僱傭之適用法律。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

(i) **Employment** *(continued)*

Equal Opportunity

Equal opportunities are given to employees in respect of recruitment, training and development, job advancement, and compensation and benefits. The employees are not discriminated against or deprived of such opportunities on the basis of gender, ethnic background, religion, colour, sexual orientation, age, marital status, family status, retirement, disability, pregnancy or any other discrimination prohibited by applicable laws of Hong Kong and the PRC.

Appraisal System

The Group has a systematic and standardized appraisal system to evaluate employees' performances, assess their capabilities and determine whether they are in line with the Group's business development. It also provides a basis for promotion, salary increase and a communication platform for employees and management to set mutually acceptable and measurable performance standards, career development opportunities.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

(i) **僱傭** *(續)*

平等機會

本集團在招聘、培訓及發展、晉升以及補償及福利方面為僱員提供平等機會。僱員並不會由於性別、種族背景、宗教、膚色、性取向、年齡、婚姻狀況、家庭狀況、退休、殘障、懷孕或香港及中國之適用法律所禁止的任何其他歧視因素而遭受歧視或被剝奪平等機會。

評估系統

本集團設有系統性及標準化評估系統以評估僱員表現、評核其能力及釐定彼等是否符合本集團的業務發展。系統亦提供晉升、加薪的基準及溝通平台，讓僱員及管理層可制定雙方接納及可計量的表現標準及事業發展機會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

1. Employment and Labour Practices (continued)

(ii) Employee Health and Safety

The Group is committed to ensuring occupational health and safety of employees and complying with all applicable laws and regulations of Hong Kong and the PRC. Occupational health and safety policy is in place, for example, in PRC, new employees are required to perform health checks before employment starts, during employment (on an annual basis) and before employment ends. Employees exposing to high occupational risks shall conform to the statutory requirements on occupational health checks and appropriate personal protective equipment ("PPE") is provided to employees according to the duties they perform. Offices and canteens are assessed by qualified institutions to ensure they meet applicable national standards regarding indoor environmental pollution control. The Group also enters into contract with suppliers to ensure that they meet occupational safety standards while performing their works. There was no work-related fatality in the reporting period.

(iii) Development and Training

With "Human Resources" as one of the core values, the Group believes that strengthening capabilities of its staff can benefit the Group and staff itself. Through communication channels such as discussion during performance appraisals, training needs are identified so that training provided can effectively address below goals:

- a. Facilitate achievement of the Group's and its departmental targets;
- b. Increase productivity in every aspect of working processes;
- c. Enhance staff's satisfaction; and
- d. Assist staff's career development.

B. 社會 (續)

1. 僱傭及勞工常規 (續)

(ii) 僱員健康與安全

本集團致力確保僱員職業健康及安全，並遵守所有香港及中國之適用法律及法規。本集團設有職業健康及安全政策，例如，於中國，新僱員須於入職前、任職期間（每年）及離職前進行健康檢查。面臨高職業風險的僱員應遵守法律規定進行職業健康檢查，僱員亦根據其履行的職責獲提供適當個人保護設備（「個人保護設備」）。合資格機構會評估辦公室及食堂，以確保其符合有關室內環境污染控制的適用國家標準。本集團亦與供應商訂立合約，以確保其於進行工作時達至職業安全標準。報告期內概無工作相關死亡事故。

(iii) 發展與培訓

「人力資源」為本集團的核心價值之一，本集團相信，加強員工能力有利本集團及員工本身。透過表現評估時進行討論等溝通渠道，我們可發現培訓需要，使所提供培訓可有效應對以下目標：

- a. 促使達成本集團及其部門目標；
- b. 增加工作過程中各方面的生產力；
- c. 提升員工滿意程度；及
- d. 協助員工的事業發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

1. Employment and Labour Practices *(continued)*

(iii) Development and Training *(continued)*

The Group's training courses has four main categories: mandatory, skill enhancement, supervisory skills and managerial development, targeted for various levels of staff. During the reporting period, employees have been provided with both internal and external trainings on numerous areas including health and safety, customer services, product knowledge, management systems, communication skills, risk management, data security, financial budgeting, etc.

Staff are also encouraged to attend e-learning classes, seminars, team building activities and knowledge sharing events to advance their learning and skills, in which a policy has been established particularly on providing guidelines for employees to claim for reimbursement and subsidy on training and development activities, prerequisites, rules and conditions, application process, service commitment, etc.

(iv) Labour Standard

In pursuant to the Employment Ordinance of the Laws of Hong Kong in terms of employment management and the Labour Law of the PRC, there were no child nor forced labour in the Group's operation. The Human Resources Department performs information check for every employee candidates before interviews to ensure compliance with all the applicable laws in Hong Kong and the PRC regarding employment of child or forced labour.

B. 社會 *(續)*

1. 僱傭及勞工常規 *(續)*

(iii) 發展與培訓 *(續)*

本集團的培訓課程有四大類：強制、技能提升、監督技能及管理發展，針對不同的員工級別。於報告期內，僱員已在多個範疇獲提供內部及外部培訓，包括健康及安全、客戶服務、產品知識、管理系統、溝通技巧、風險管理、數據安全、財務預算等。

本集團亦鼓勵員工出席電子學習課程、研討會、團隊建設活動及知識分享活動，以提升其知識及技能。我們亦已就此制定政策，特別是為僱員提供申領培訓及發展活動報銷及津貼的指引、先決條件、規則及條件、申請過程、服務承諾等。

(iv) 勞工準則

根據有關僱傭管理的香港法例、僱傭條例及中國勞動法，本集團在營運中並無童工或強制勞工的情況。人力資源部於面試前，對每位求職者進行背景調查，以確保遵守所有有關聘用童工或強制勞工的香港及中國之適用法律。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices

(i) Supply Chain Management

The Group's procurement policy has three major principles on procurement management:

- a. Buy only what the business operation needs with speculative behaviour prohibited;
- b. Source from local supplies to reduce transportation cost; and
- c. Source from high quality and competitive supplies to meet the Group's business strategy.

The policy states the Group's procurement strategy and provides guidelines and procedures on procurement processes such as sourcing new suppliers, assessing existing suppliers, managing suppliers in breach of the policy, tendering, quality assurance and payment/refund arrangements. When selecting and rating suppliers, the Group considers criteria including product price and quality, timeliness of delivery, payment terms, food safety, environmental performance and after-sales service.

It is essential to engage staff in maintaining, monitoring and improving the overall Group's procurement management. The Group highly encourages staff to take proactive, comprehensive and stringent measures in implementing measures to avoid unnecessary loss and ensure utilization of its resources in accomplishing the production, supply and sales targets.

B. 社會 (續)

2. 營運慣例

(i) 供應鏈管理

本集團的採購政策有三大採購管理原則：

- a. 僅購買業務營運所需，禁止投機行為；
- b. 從本地供應商採購，以降低運輸成本；及
- c. 向優質及具競爭力的供應商採購，以配合本集團的業務策略。

政策列出本集團的採購策略，並提供採購過程的指引及程序，例如物色新供應商、評估現有供應商、管理違反政策的供應商、招標、品質保證及付款／退款安排。於挑選及對供應商進行評級時，本集團所考慮的準則包括產品價格及品質、交付是否合時、付款條款、食品安全、環境表現及售後服務。

員工的參與對保持、監察及改善本集團整體採購管理屬必要的。本集團非常鼓勵員工採取積極、全面及嚴格的措施以避免非必要損失及確保使用其資源以達成生產、供應及銷售目標。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(ii) **Product Responsibility**

Food Health and Safety

The Group gives high importance to food safety. Therefore, its food safety management starts from supplier control. Background, permits, licenses and certificates of suppliers are checked by the Group to ensure suppliers have no record in breaching food safety standards and regulations. The Group reiterates its meticulous selection process of suppliers and every product must be tested multiple times to ensure it is of international food safety standard. The Group is in compliance with all applicable standards of Hong Kong and the PRC regarding food safety. Moreover, all of the Group's production plants are certificated with ISO 9001 Quality Management System standard and ISO 22000 Food Safety Management System standard and other certifications that endorse international standards of quality and environmental management. The Group also fulfills relevant food safety and food labeling requirements, and accomplished the standards issued by World Health Organisation.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(ii) **產品責任**

食品健康與安全

本集團非常重視食品安全。因此，食品安全管理始於供應商控制。本集團會檢查供應商的背景、許可、牌照及認證，以確保供應商並無違反食品安全標準及法規的記錄。本集團重申，對供應商挑選過程一絲不苟，每件產品必須進行多次測試，以確保符合國際食品安全標準。本集團遵守所有有關食品安全的香港及中國適用標準。此外，本集團所有生產廠房均獲ISO 9001品質管理系統標準及ISO 22000食品安全管理系統標準認證以及其他認可國際品質及環境管理標準的認證。本集團亦履行相關食品安全及食品標籤規定，並達至世界衛生組織發出的標準。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(ii) **Product Responsibility** *(continued)*

Food Health and Safety (continued)

To ensure food materials are not contaminated in any production process, tests are performed against food or related raw materials (including packaging materials with direct contact with food) before entering production processes, semi-products during production and the final products. Testing is done by the Group's Quality Assurance Department and we also engaged qualified testing organisations to validate our results and to provide customer independent reports. The test results shall meet relevant national and industrial standards before proceeding to production or sales. Any materials or products not meeting required standards will be labelled, isolated and assessed by related departments. Reasons for failure in meeting standards will be analysed and rectifying measures will be implemented by related departments. The Group also employs standard procedures on cleaning and sterilization of food production plants and associated equipment to ensure a high standard of hygiene throughout the production.

In case of any reported incidents regarding product quality or safety, the Group deals with the cases promptly and responsibly, putting public health, safety and benefits at top priority. Products required to be recalled after assessments will undergo procedures from the Group-established product recall policy.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(ii) **產品責任** *(續)*

食品健康與安全(續)

為確保食材並無於任何生產過程中受到污染，我們於進入生產過程前對食品或相關原材料（包括與食品直接接觸的包裝材料）進行測試、於生產時對半成品進行測試及對製成品進行測試。測試由本集團品質保證部進行，而我們亦委聘品質保證機構驗證我們的結果及向客戶提供獨立報告。於進行生產或銷售前，測試結果應符合相關國家及行業標準。任何未達到規定標準的材料或產品將會被標籤、隔離及由相關部門評估。相關部門會分析未能達到標準的原因，並實施糾正措施。本集團亦採用清潔及消毒食品生產廠房及相關設備的標準程序，以確保整個生產過程保持高衛生標準。

如接獲任何有關產品品質或安全的事故報告，本集團會迅速及負責任地處理個案，並將公眾的健康、安全及利益置於首位。本集團將會針對評估後須召回的產品進行既定产品召回政策中的程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(ii) **Product Responsibility** *(continued)*

Product Labelling

The labelling control policy ensures that design and information of labels are in compliance with all the applicable standards and laws of Hong Kong and the PRC. Labels are required to be approved by the Legal Department and Quality Assurance Department with records filed.

Promotion of Healthy Lifestyle

The Group strives to improve public well-being by promoting healthy lifestyle. It established a "Good Mother" website and Knife Oil Facebook, which aims to share resources about healthy and balanced lifestyle with the public. Moreover, the Group produces videos through social media platforms in which registered dieticians introduce nutritional values of its products, shares recipes using nutritional ingredients and organizes trainings to promote healthy diets.

Customer Communication

The Group values any complaint or feedback from customers as they provide the Group with better understanding of customers' concern and facilitate improvement of its products and services. The Group also pays special attention to enquiries regarding health and safety aspects as they not only increase customers' understanding of its products but also strengthen customers' confidence in its brands. The Group pledged to handle any enquiry or complaint cases according to the standard procedure established, provide prompt response and keep traceable record of the cases in its system. To ensure complaints are resolved with customers' satisfaction, complainants will be invited to rate his/her satisfaction and provide feedback regarding to their complaint cases after the cases are resolved.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(ii) **產品責任** *(續)*

產品標籤

標籤控制政策確保標籤的設計及資料符合香港及中國的所有適用標準及法律。標籤須取得法律部及品質保證部批准以及提交記錄。

推廣健康生活

本集團致力透過推廣健康生活提升公眾身心健康。本集團建立「好媽媽」網站及刀嘜臉書專頁，旨在與公眾分享有關健康及均衡生活方式的資源。此外，本集團透過社交媒體平台製作視頻，其中由註冊營養師介紹其產品的營養價值，分享使用營養豐富材料的食譜及舉辦培訓班以推廣健康飲食。

客戶溝通

本集團重視任何客戶投訴或反饋，因其能使本集團可以更理解客戶的顧慮，以及促進改善產品及服務。本集團亦特別注意有關健康及安全方面的查詢，因其不僅提升客戶對產品的理解，亦加強客戶對其品牌的信心。本集團承諾，會根據制定的標準程序處理任何查詢或投訴個案，提供迅速回應及在系統內保留可追溯個案記錄。為確保投訴以客戶滿意的方式解決，投訴人將於個案解決後獲邀為其滿意度評分及就其投訴個案提供反饋。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social (continued)

2. Operating Practices (continued)

(ii) Product Responsibility (continued)

Intellectual Property ("IP") Rights

The Group strives to protect its own IP rights and respects third party IP rights according to all related applicable laws and regulations. It registers new IPs (including trademarks, design and patents) in different parts of the world, renew existing IP rights, supervise usage of IPs and assess whether its IP rights have been infringed by other parties. The Group may take legal actions against any alleged infringer.

The Group also ensures its service providers, suppliers or business partners undertake and warrant that all their deliverables or products are their original creation and/or do not infringe third party's IP rights. Infringers are liable to specified appropriate consequences in the event of breach.

Data Protection

The Group strictly follows its policy, manual and guideline and procedure on protecting customer data. Before collecting personal data from customers, the Group informs customers of its intended purposes of which the personal data collected will be used. The Legal Department ensures that the Group is in compliance with the Personal Data Protection Ordinance of the Laws of Hong Kong and any applicable laws in any document, publicity and marketing activity. Procedures on handling, storing, transferring and erasing customers' personal data collected is reviewed periodically.

B. 社會 (續)

2. 營運慣例 (續)

(ii) 產品責任 (續)

知識產權 (「知識產權」)

本集團致力根據所有相關之適用法律及法規保障其自有知識產權及尊重第三方知識產權。本集團於世界各地註冊新知識產權(包括商標、設計及專利)、重續現有知識產權、監察知識產權的使用及評估其知識產權是否已被其他人士侵犯。本集團可能對任何涉嫌侵權人士採取法律行動。

本集團亦確保其服務供應商、供應商或業務合作夥伴承諾及保證，彼等所有可交付產品或產品為其原創及／或並無侵犯第三方知識產權。侵權人士須承擔侵權所致的特定適當後果。

資料保護

本集團嚴格遵守其保障客戶資料的政策、手冊及指引及程序。向客戶收集個人資料前，本集團會告知客戶所收集個人資料的擬定用途。法律部確保本集團在任何文件、宣傳及市場推廣活動中遵守香港法例個人資料(私隱)條例及任何適用法例。我們會定期檢討所收集的客戶個人資料的處理、儲存、轉移及刪除程序。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

2. Operating Practices *(continued)*

(iii) **Anti-corruption**

The Group takes a zero-tolerance approach to bribery and believe in conducting our business in an ethical manner with high integrity. The Group has implemented policies on anti-corruption and procedures concerning offering or accepting gifts and gratuities. All employees are required to become acquainted with and to abide by these policies and procedures. Any fraud, corruption, irregular transactions or breach of ethics shall be reported to the Internal Audit Department. Such reports, if any, shall be treated in strict confidence to protect the identity of the whistleblower.

The Group was in compliance with the applicable laws on prohibiting corruption and bribery of Hong Kong and the PRC. There was no concluded legal case regarding corrupt practices brought against the Group or its employees during the reporting period.

B. 社會 *(續)*

2. 營運慣例 *(續)*

(iii) **反貪污**

本集團對賄賂採取零容忍態度，並秉承以高度誠信的道德方式進行業務的信念。本集團已實施反貪污政策及針對收受禮物及報酬的程序。全體僱員須熟習及信守該等政策及程序。任何欺詐、腐敗、異常交易或違反道德準則的情況均應向內部審核部門申報。有關報告(如有)應嚴格保密處理，以保障舉報者的身份。

本集團遵守香港及中國有關反貪污的適用法例。於報告期內，概無針對本集團或其僱員作出的有關腐敗行為的已判決法律個案。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

B. Social *(continued)*

3. Community Investment

The Group has long been committed to striving for the betterment of society and holds strongly the belief to support for social responsibility. In recognition of our support for community affairs and corporate citizenship, we were given the Caring Company Award for the ten consecutive years by the Hong Kong Council of Social Service. We maintained our strong tradition of participating in various charitable causes during the year. In 18 July 2016, we collaborated with the Hong Kong Federation of Youth Groups to conduct a baking workshop for youth volunteers at the Lam Soon Bakery Academy. After their training, those volunteers were responsible to organise series of cookie-making classes for 115 underprivileged families in 8 different districts to share the joy of baking. In 5 November 2016, we collaborated with The Hong Kong Institute of Chartered Secretaries to organise a “Cookies Baking Workshop” for 14 children from 2 centres of SAHK at Lam Soon Bakery Academy learning and enjoying a joy of making cookies. Throughout the year, we also donated our products to various charitable organisations such as flour, edible oils and flour to Hong Chi Association; as well as edible oil products to Helping Hand.

B. 社會 *(續)*

3. 社區投資

本集團一直以來致力改善社會及堅定支持社會責任。為表彰我們對社區事務及企業公民的支持，我們連續十年獲香港社會服務聯會頒發商界展關懷獎項。我們於年內繼續保持堅定傳統，參與不同的慈善活動。於二零一六年七月十八日，我們與香港青年協會合作以於南順廚藝學院為年輕義工舉辦烘焙工作坊。義工們於接受培訓後負責於8個不同地區內共115個貧困家庭舉辦曲奇製作班系列活動，以分享烘焙樂趣。於二零一六年十一月五日，我們與香港特許秘書公會合作，於南順廚藝學院為來自香港耀能協會兩間中心的14名兒童，舉辦「愛心曲奇烘焙班」，學習及享受製作曲奇的樂趣。年內，我們亦向多間慈善組織捐贈麵粉、食油等產品、向匡智會捐贈麵粉及捐贈食油產品予伸手助人協會。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Volunteer Baking Workshop 義工烘焙工作坊

18 July 2016
2016年7月18日



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Collaborated with The Hong Kong Institute of Chartered Secretaries to organise "Cookies Baking Workshop" for children from SAHK
與香港特許秘書公會為來自香港耀能協會的小朋友合辦「愛心曲奇烘焙班」

5 November 2016
2016年11月5日



Distribution of Christmas gifts to beneficiaries
派發聖誕禮物予受惠人士

16 December 2016
2016年12月16日



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告書

Shenzhen Lam Soon Oil Donation Action "A Little Token of Love Pass" paying a visit to the Children's Home of Shenzhen Social Welfare Centre
「點滴心意，愛心傳遞」深圳南順油脂愛心捐贈公益行動，探訪深圳社會福利中心之兒童院

13 January 2017
2017年1月13日



The Community Chest Walk for Millions – New Territories
香港公益金新界區百萬行

26 February 2017
2017年2月26日



BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Kwek Leng Hai

Aged 64, the Chairman of the Company since October 2006 and has been a Non-Executive Director of the Company since appointment to the Board in 1997. Mr. Kwek is also the Chairman of Board Nomination Committee and a member of Board Remuneration Committee of the Company.

Mr. Kwek is a director and shareholder of Hong Leong Company (Malaysia) Berhad (“HLCM”, and together with its subsidiaries, the “Hong Leong Group”), the ultimate holding company of the Company. He is the Executive Chairman of Guoco Group Limited (“GGL”), a Hong Kong listed subsidiary of HLCM. He is also a director of GGL’s key listed subsidiaries and associated companies including as the Non-Executive Chairman of GL Limited (“GL”), and a Director of GuocoLand Limited (“GuocoLand”), Hong Leong Bank Berhad and Bank of Chengdu Co., Ltd.

Mr. Kwek qualified as a chartered accountant of the Institute of Chartered Accountants in England and Wales and has extensive experience in various business sectors, including but not limited to finance, investment, manufacturing and real estate. He is the brother-in-law of Dr. Whang Sun Tze, a Non-Executive Director of the Company.

Joseph Leung

Aged 56, Group Managing Director and Executive Director of the Company since appointment to the Board in May 2012.

Mr. Leung holds a bachelor degree in Economics and a master degree in Business Administration (Marketing) from Virginia Polytechnic Institute and State University, USA.

Mr. Leung has over 30 years of experience in the food and consumer goods sectors. Prior to joining the Company, Mr. Leung worked in several multinational Fortune 500 corporations, including Sara Lee Corporation, Heinz USA and R. J. Reynolds Tobacco Company USA. In his previous role, Mr. Leung served as the General Manager of Sara Lee International’s Household & Body Care business in Greater China. During his 20-year tenure at Sara Lee, Mr. Leung held various leadership positions in both management and marketing/marketing research and overseeing a diverse portfolio of brands in the food, apparel, household, and body care categories in Asia and the United States of America.

Since December 2014, Mr. Leung has been an adjunct professor of Henan University of Technology. In February 2017, Mr. Leung was appointed as a member of the 14th Session of Changzhou Committee of the Chinese People’s Political Consultative Conference.

郭令海

現年六十四歲，自二零零六年十月起擔任本公司主席，並自一九九七年起擔任本公司非執行董事。郭先生亦為本公司董事會提名委員會主席及董事會薪酬委員會成員。

郭先生為本公司最終控股公司 Hong Leong Company (Malaysia) Berhad (豐隆(馬來西亞)有限公司) (「HLCM」，及其附屬公司統稱「豐隆集團」) 之董事及股東。彼為國浩集團有限公司 (「國浩」) 之執行主席，該公司為 HLCM 之香港上市附屬公司。彼亦為國浩的主要上市附屬公司及聯營公司包括 GL Limited (「GL」) 之非執行主席及國浩房地產有限公司 (「國浩房地產」)、豐隆銀行有限公司，以及成都銀行股份有限公司之董事。

郭先生取得英國及威爾斯特許會計師學會之特許會計師資格，並在各行業均積累豐富經驗，包括財務、投資、製造及房地產。彼為本公司非執行董事黃上哲博士配偶之胞弟。

梁玄博

現年五十六歲，自二零一二年五月起為本公司之集團董事總經理兼執行董事。

梁先生持有美國 Virginia Polytechnic Institute and State University 經濟學學士學位及工商管理(市場學)碩士學位。

梁先生在食品及消費品行業擁有超過三十年之工作經驗。在加入本公司前，梁先生曾於多間《財富》500強跨國企業公司工作，包括 Sara Lee Corporation, Heinz USA and R. J. Reynolds Tobacco Company USA。梁先生曾擔任 Sara Lee International 之家庭用品及身體護理事務大中華區總經理。在其二十年任期內，梁先生曾在管理及市場／市場研究方面擔任不同領導職位，對亞洲及美國品牌有豐富研究和認識，種類包括食品、衣服、家庭用品及身體護理產品。

於二零一四年十二月，梁先生為河南工業大學兼職教授。梁先生於二零一七年二月，獲委任為中國人民政治協商會議常州市第十四屆委員會委員。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Tang Hong Cheong

Aged 62, Non-Executive Director of the Company since appointment to the Board in September 2016.

Mr. Tang is the Director and the President & CEO of GGL. He is also the Group Managing Director of GL and a Director of GuocoLand. He held various senior management positions in different companies within the Hong Leong Group. Prior to his appointment, he was the President/Finance Director of HL Management Co Sdn Bhd. He was also a Director of Southern Steel Berhad, and the Non-Executive Chairman of GLM REIT Management Sdn Bhd, the Manager of Tower Real Estate Investment Trust.

Mr. Tang is a member of the Malaysian Institute of Accountants and has over 40 years of broad-based and C-suite expertise in finance, treasury, risk management, operations and strategic planning. He possesses in-depth knowledge in investment, manufacturing, financial services, property development, gaming and hospitality industry.

Whang Sun Tze Ph.D.

Aged 73, Non-Executive Director of the Company since appointment to the Board in 1984.

Dr. Whang holds a Doctorate Degree in Chemical Engineering. He is the brother-in-law of Mr. Kwek Leng Hai.

Tan Lim Heng

Aged 69, Non-Executive Director of the Company since appointment to the Board in 1997.

Mr. Tan is a non-executive director of GGL. Mr. Tan holds a Bachelor of Science first class honours degree in engineering from University of Surrey and a Master of Science degree in management from Massachusetts Institute of Technology. He had previously worked in Geneva in 1974 with the United Nations Conference on Trade and Development. He had also served in the Singapore Civil Service as a Colombo Plan Scholar 1975-1978 before coming to work in Hong Kong with a financial services company and a major U.S. bank. Mr. Tan has extensive experience in property investment, financial and investment management services.

鄧漢昌

現年六十二歲，自二零一六年九月起獲委任為本公司非執行董事。

鄧先生為國浩之董事及總裁兼行政總裁。彼亦為GL之集團董事總經理，以及國浩房地產之董事。彼於豐隆集團多間成員公司曾擔任多個高級管理職位。彼於獲委任前，為HL Management Co Sdn Bhd之總裁／財務董事。彼曾為南達鋼鐵有限公司之董事及GLM REIT Management Sdn Bhd (Tower Real Estate Investment Trust之經理)之非執行主席。

鄧先生為馬來西亞會計師公會之會員，於財務、庫務、風險管理、營運及策略性規劃方面具有逾四十年廣泛及主管級經驗。彼於投資、製造、金融服務、物業發展、博彩及酒店業務均有深入認識。

黃上哲博士

現年七十三歲，自一九八四年起出任本公司非執行董事。

黃博士持有化學工程學博士學位。彼為郭令海先生胞姊之配偶。

陳林興

現年六十九歲，自一九九七年起出任本公司非執行董事。

陳先生為國浩之非執行董事。陳先生持有University of Surrey一等榮譽理學士(工程)學位及Massachusetts Institute of Technology理學碩士(管理)學位。彼曾於一九七四年在日內瓦替United Nations Conference on Trade and Development工作。彼亦曾於一九七五年至一九七八年期間作為Colombo Plan Scholar服務新加坡政府，及後於香港為一金融服務公司和一主要美資銀行工作。陳先生在物業投資、金融及投資管理方面具廣泛之經驗。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Tsang Cho Tai

Aged 67, Non-Executive Director of the Company since appointment to the Board in 1997. Mr. Tsang is also a member of Board Audit and Risk Management Committee of the Company.

Mr. Tsang was re-designated as Independent Non-Executive Director of the Company in 1999 and as Non-Executive Director in 2004.

Mr. Tsang was the General Manager, Business Planning of Guoco Management Company Limited, a wholly-owned subsidiary of GGL and the chief financial officer of GGL. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as an associate member of the Institute of Chartered Accountants in England and Wales.

Lo Kai Yiu, Anthony

Aged 68, Independent Non-Executive Director of the Company since appointment to the Board in December 2008. He is the Chairman of Board Audit and Risk Management Committee and a member of Board Nomination Committee of the Company.

Mr. Lo is qualified as a chartered accountant with the Institute of Chartered Accountants of Ontario, Canada and a member of the HKICPA. Mr. Lo has over 30 years of experience in banking, finance and investments. He worked for a number of well-known financial institutions as managing director.

Mr. Lo is an independent non-executive director and the chairman of the audit committee, members of the nominating committee, valuation committee and share repurchase committee of The Taiwan Fund Inc., which is listed on the New York Stock Exchange.

He also holds other directorships in a number of listed companies in Hong Kong including independent non-executive director, the audit committee chairman and members of the compensation and nomination committees of Playmates Holdings Limited; independent non-executive director, audit committee chairman and member of the remuneration committee of Tristate Holdings Limited; and independent non-executive director, audit committee chairman and member of the nomination committee of Convenience Retail Asia Limited.

曾祖泰

現年六十七歲，自一九九七年起出任本公司非執行董事。曾先生亦為本公司董事會審核及風險管理委員會成員。

自一九九九年，曾先生改任為本公司獨立非執行董事。自二零零四年起，彼再改任為本公司非執行董事。

曾先生曾為國浩之全資附屬公司國浩管理有限公司之業務規劃總經理及國浩之財務總監。曾先生為特許公認會計師公會及香港會計師公會之資深會員，以及英格蘭和威爾斯特許會計師公會之會員。

羅啟耀

現年六十八歲，自二零零八年十二月起出任本公司獨立非執行董事。彼為本公司董事會審核及風險管理委員會主席及董事會提名委員會成員。

羅先生取得加拿大安大略省特許會計師公會之特許會計師及香港會計師公會之會員資格。羅先生在銀行、財務及投資業務方面擁有逾三十年之經驗。彼曾於多間知名金融機構出任董事總經理職位。

羅先生為紐約證券交易所上市公司The Taiwan Fund, Inc.之獨立非執行董事兼審核委員會主席及提名委員會、估價委員會及股份回購委員會成員。

彼亦擔任香港多間上市公司之其他董事職務包括 Playmates Holdings Limited(彩星集團有限公司)之獨立非執行董事兼審核委員會主席以及薪酬委員會及提名委員會成員；Tristate Holdings Limited之獨立非執行董事兼審核委員會主席及薪酬委員會成員；及利亞零售有限公司之獨立非執行董事兼審核委員會主席及提名委員會成員。

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

董事會及高層管理人員

Au Chee Ming

Aged 66, Independent Non-Executive Director of the Company since appointment to the Board in August 2009. He is the Chairman of Board Remuneration Committee and a member of Board Nomination Committee of the Company.

Mr. Au holds a Bachelor Degree in Commerce and Finance from The University of Calgary, Canada. Mr. Au has over 30 years of experience in banking and finance sectors. He worked for a number of world-wide banks and financial institutions.

Huang Lester Garson, J.P.

Aged 57, was appointed as an Independent Non-Executive Director of the Company in November 2013. He is a member of the Board Audit and Risk Management Committee and the Board Remuneration Committee of the Company.

Mr. Huang is a practicing solicitor and notary public, and is currently a managing partner of P. C. Woo & Co., a solicitor's firm in Hong Kong. Mr. Huang became a qualified solicitor of Hong Kong in March 1985 and has over 30 years of post qualification experience. Mr. Huang graduated with a Bachelor of Laws from the University of Hong Kong in 1982 and a Master of Education from the Chinese University of Hong Kong in 2006.

In 2002, the Government of the Hong Kong Special Administrative Region appointed Mr. Huang as a Justice of the Peace.

Mr. Huang serves as a member of the Hospital Authority. He is also a non-executive director of the Securities and Futures Commission. Mr. Huang is also the chairman of the Standing Committee on Language Education and Research. He was President of the Law Society of Hong Kong from 2007 to 2009.

區熾明

現年六十六歲，自二零零九年八月起出任本公司獨立非執行董事。彼為本公司董事會薪酬委員會主席及董事會提名委員會成員。

區先生持有加拿大卡爾加里大學商業及金融學士學位。區先生在銀行及金融界擁有逾三十年之經驗，彼曾於多間國際銀行及金融機構工作。

黃嘉純，太平紳士

現年五十七歲，於二零一三年十一月獲委任為本公司之獨立非執行董事。彼為本公司董事會審核及風險管理委員會及董事會薪酬委員會之成員。

黃先生為執業律師及國際公証人，現為一間香港律師行胡百全律師事務所合夥人。黃先生於一九八五年三月成為香港合資格律師及在其專業上擁有逾三十年經驗。黃先生於一九八二年畢業於香港大學，持有法律學士學位，並於二零零六年取得香港中文大學教育碩士學位。

於二零零二年，香港特別行政區政府委任黃先生為太平紳士。

黃先生為香港醫院管理局成員。彼亦為證券及期貨事務監察委員會非執行董事。黃先生亦為語文教育及研究常務委員會主席。彼於二零零七年至二零零九年為香港律師會會長。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Corporate Governance Practices

The board of directors of the Company (the “Board”) has adopted a Code of Corporate Governance Practices (the “CGP Code”), which is based on the Corporate Governance Code (the “HKEx Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The CGP Code is reviewed from time to time and updated as appropriate to align with the revised provisions of the HKEx Code. Continuous efforts are made to review and enhance the Group’s risk management and internal controls and procedures in light of changes in regulations and developments in best practices.

The Board is pleased to report compliance with the HKEx Code for the year ended 30 June 2017, except where otherwise stated.

Every director is subject to retirement by rotation at least once every three years pursuant to the Articles of Association of the Company and the CGP Code.

Despite non-executive directors were not appointed for a specific term, they are subject to retirement by rotation and re-election at the annual general meetings of the Company, as stipulated by the HKEx Code. As such, the Company considers that such provisions are sufficient to meet the intent of the relevant provisions of the HKEx Code.

Directors’ Securities Transactions

The Company had adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as the code of conduct governing directors’ securities transactions.

All directors of the Company during the year, following specific enquiry by the Company, have confirmed that they have complied with the required standard set out in the Model Code throughout the year.

企業管治常規

本公司之董事會（「董事會」）已採納一套以香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14（「港交所守則」）之原則為本之企業管治常規守則（「企業管治守則」）。企業管治守則將不時檢討及作適當的更新以與經修改後的港交所守則保持一致。為配合有關規則之改變及最佳常規之發展，本集團不斷致力檢討及優化本集團的內部監控與程序。

董事會欣然報告截至二零一七年六月三十日止年度一直遵守港交所守則，除非另有陳述。

根據本公司組織章程細則及企業管治守則之規定，各董事須至少每三年輪值告退一次。

儘管非執行董事並無特定任期，根據港交所守則之規定，彼等須於本公司股東週年常會上輪值告退及膺選連任。因此，本公司認為該等條文足以符合港交所守則有關條文之宗旨。

董事之證券交易

本公司已採納上市規則附錄10所載之上市公司董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易之操守守則。

經本公司作出具體查詢，本公司所有董事確認，彼等於本年度內一直遵守標準守則規定之標準。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board of Directors

Composition of the Board

The directors of the Company during the year and up to the date hereof are set out in the Directors' Report on page 72.

Board Meetings, General Meeting and Attendance

During the year, four board meetings and one general meeting were held. Details of individual attendance of directors at the board meetings and general meeting during the year are set out in the table below:

Name of Director	董事姓名	Board Meeting	General Meeting
		Number of Attendance/ Number of Meeting Held 董事會會議 出席次數／ 舉行會議次數	Number of Attendance/ Number of Meeting Held 股東大會 出席次數／ 舉行會議次數
Chairman:	主席：		
Mr. KWEK Leng Hai	郭令海先生	4/4	1/1
Group Managing Director:	集團董事總經理：		
Mr. Joseph LEUNG	梁玄博先生	4/4	1/1
Non-Executive Directors:	非執行董事：		
Mr. TANG Hong Choeng	鄧漢昌先生	3/3 (Note)(附註)	1/1
Dr. WHANG Sun Tze	黃上哲博士	4/4	1/1
Mr. TAN Lim Heng	陳林興先生	4/4	0/1
Mr. TSANG Cho Tai	曾祖泰先生	4/4	1/1
Independent Non-Executive Directors:	獨立非執行董事：		
Mr. LO Kai Yiu, Anthony	羅啟耀先生	4/4	1/1
Mr. AU Chee Ming	區熾明先生	4/4	1/1
Mr. HUANG Lester Garson	黃嘉純先生	4/4	1/1

Note:

Mr. TANG Hong Cheong ("Mr. TANG") was appointed as Non-executive Director with effect from 1 September 2016. Three Board meetings were held during the term of office of Mr. TANG (from 1 September 2016 to 30 June 2017).

董事會

董事會組成

於本年度內及直到本報告書日期，本公司之董事會成員已載於第72頁董事會報告書內。

董事會會議、股東大會及出席率

於本年度內，共舉行四次董事會會議及一次股東大會。個別董事於本年度內出席董事會會議及股東大會之詳情載於下表：

		Board Meeting	General Meeting
		Number of Attendance/ Number of Meeting Held 董事會會議 出席次數／ 舉行會議次數	Number of Attendance/ Number of Meeting Held 股東大會 出席次數／ 舉行會議次數
Chairman:	主席：		
Mr. KWEK Leng Hai	郭令海先生	4/4	1/1
Group Managing Director:	集團董事總經理：		
Mr. Joseph LEUNG	梁玄博先生	4/4	1/1
Non-Executive Directors:	非執行董事：		
Mr. TANG Hong Choeng	鄧漢昌先生	3/3 (Note)(附註)	1/1
Dr. WHANG Sun Tze	黃上哲博士	4/4	1/1
Mr. TAN Lim Heng	陳林興先生	4/4	0/1
Mr. TSANG Cho Tai	曾祖泰先生	4/4	1/1
Independent Non-Executive Directors:	獨立非執行董事：		
Mr. LO Kai Yiu, Anthony	羅啟耀先生	4/4	1/1
Mr. AU Chee Ming	區熾明先生	4/4	1/1
Mr. HUANG Lester Garson	黃嘉純先生	4/4	1/1

附註：

鄧漢昌先生(「鄧先生」)於二零一六年九月一日獲委任為非執行董事。鄧先生在任期間(即二零一六年九月一日至二零一七年六月三十日)共舉行三次董事會會議。

Board of Directors (continued)

Operations of the Board

The Board determines the corporate mission and broad strategies, monitors and controls operating and financial performance and sets appropriate policies to manage risks in pursuit of the Group's strategic objectives. Decisions involving financial statements, dividend policy, material contracts and major investments and divestments are reviewed and subject to approval by the Board. Other main roles of the Board are to review the Company's policies and practices on corporate governance and to ensure that adequate risk management and internal control systems and management information systems are in place, including being in compliance with every aspect of the provisions of applicable laws, regulations, rules, directives and guidelines to create value for its shareholders and to ensure that the Company has adequate management to achieve the Company's strategic objectives.

The Board has delegated the day-to-day management and operation of the Group's businesses to management of the Company and its subsidiaries.

Where appropriate, decisions are also taken by way of circulated resolutions.

Board papers are circulated prior to board meetings on a timely manner, which include, among others, financial and corporate information, significant operational and corporate issues and business performance of the Group as well as management proposals which require the approval of the Board.

All directors have access to the advice and services of the company secretary and internal auditors, and upon reasonable request, independent professional advice in appropriate circumstances at the Company's expense, if any.

Independence of the Independent Non-Executive Directors

The Company received confirmation of independence from each of the independent non-executive directors ("INEDs") for the year pursuant to Rule 3.13 of the Listing Rules. Up to and as at the date of this report, the Company considers that the INEDs continue to be independent.

Relationship among the Members of the Board

The family relationships among the members of the Board are disclosed under "Board of Directors and Senior Management" on pages 51 to 54 of this annual report.

董事會 (續)

董事會之運作

董事會制定公司使命及整體策略，監察和監控營運及財務表現以及訂立適當之政策管理風險，以達成集團之策略目標。有關財務報表，股息政策，重要合同及重大投資及撤資之決定，均由董事會審閱及審批。董事會其他主要角色包括審閱本公司有關企業管治之政策及守則，以及確保備有合乎需要之內部監控系統及管理資訊系統，其中包括遵守適用之法例、條例、規則、指令及指引之每項條文，以為股東創造財富及確保本公司有足夠管理人員達成本公司之策略目標。

董事會已授權本公司及其附屬公司之管理層負責本集團業務之日常管理及營運。

於適當時，董事會亦會以傳閱決議案之方式作決定。

於董事會會議召開前，董事會文件會適時傳閱，其中包括，財務及公司資料、重要營運及公司事宜、本集團業務表現及須獲董事會批准之管理層建議。

所有董事均可獲得公司秘書及內部核數師之意見及服務，以及在合理要求下，可於適當情況下尋求獨立專業意見，費用(如有)概由本公司負責。

獨立非執行董事之獨立性

於本年度內，本公司接獲各獨立非執行董事(「獨立非執行董事」)根據上市規則第3.13條發出之獨立性確認書。直至及截至本報告書日期，本公司認同獨立非執行董事之獨立性。

董事會成員間的關係

董事會成員間之親屬關係已載於本年報第51至54頁「董事會及高層管理人員」內。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board of Directors *(continued)*

Directors' Continuous Training and Development Programme

Pursuant to the HKEx Code which took effect on 1 April 2012, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant.

The Company has put in place a training and development programme for directors which includes (i) induction/familiarisation programme for newly appointed directors; and (ii) on-going training and professional development programme for directors.

During the year ended 30 June 2017, all directors of the Company namely, Messrs. KWEK Leng Hai, Joseph LEUNG, TANG Hong Cheong, WHANG Sun Tze, TAN Lim Heng, TSANG Cho Tai, LO Kai Yiu, Anthony, AU Chee Ming and HUANG Lester Garson, received regular briefings and updates on the Group's business, operations, risk management and corporate governance matters. Materials on new or changes to salient laws and regulations applicable to the Group were provided to the directors. They also attended regulatory update sessions and seminars on relevant topics. All directors are requested to provide the Company with their respective training record pursuant to the CGP Code.

Chairman and Group Managing Director

The roles of Chairman and Group Managing Director ("GMD") are segregated and are not held by the same person. Currently Mr. KWEK Leng Hai is the Chairman and Mr. Joseph LEUNG is the GMD of the Company.

The Chairman leads the Board and ensures its smooth and effective functioning. The GMD is responsible for the vision and strategic direction of the Group, implementing the policies and decisions of the Board, initiating business ideas and corporate strategies to create competitive edge and enhancing shareholder wealth, setting the benchmark and targets for operating companies, overseeing the day-to-day operations and tracking compliance and business progress.

董事會 *(續)*

董事持續培訓及發展課程

根據二零一二年四月一日生效之港交所守則，全體董事須參與持續專業發展，以發展及更新其知識及技能。此舉可確保彼等繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

本公司已為董事提供培訓及發展課程，包括(i)為新委任之董事提供就職／熟悉課程；及(ii)為董事提供持續培訓及專業發展課程。

截至二零一七年六月三十日止年度內本公司全體董事(即郭令海先生、梁玄博先生、鄧漢昌先生、黃上哲博士、陳林興先生、曾祖泰先生、羅啟耀先生、區熾明先生及黃嘉純先生)已接獲有關本集團業務、營運、風險管理及企業管治事宜之定期簡報及更新。董事亦獲提供適用於本集團的新修訂法律及條例或重要法律及條例之變動資料。彼等亦出席有關最新監管議題的課程及研討會。根據企業管治守則，所有董事須向本公司提供彼等各自之培訓記錄。

主席及集團董事總經理

主席及集團董事總經理(「集團董事總經理」)之角色獨立分開，並由不同人士擔任。本公司現時之主席為郭令海先生，集團董事總經理為梁玄博先生。

主席領導董事會並確保其順利和有效地運作。集團董事總經理則負責本集團的願景和策略方向、執行政策及董事會的決定、提出經營建議及企業策略從而創造競爭優勢並提高股東的財富，定立營運公司的基準與目標，監察日常的運作及遵從法規及緊貼業務發展。

Non-Executive Directors

The non-executive directors were not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting pursuant to the articles of association of the Company and the CGP Code.

Board Committees

During the year, three board committees, namely, the Board Remuneration Committee, the Board Audit and Risk Management Committee and the Board Nomination Committee were in place for overseeing particular aspects of the Company's affairs pursuant to the Listing Rules and the CGP Code.

The three board committees of the Company are established with defined written terms of reference, approved by the Board, which set out the Committees' major duties. The terms of reference now being posted on the websites of the Stock Exchange and the Company, are available to shareholders.

The majority of the members of each board committee are INEDs. The list of the chairman and members of each board committee is set out in the following board committee section.

The 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 expense.

Board Remuneration Committee ("BRC")

The Company established the BRC on 1 July 2005 with specific written terms of reference in accordance with the requirements of the Stock Exchange which deal clearly with its authority and duties.

The principal role and functions of the BRC are to make recommendations to the Board on its policy and structure for the remuneration of directors and senior management, as well as to determine the specific remuneration packages of all executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. Detailed terms of reference of the BRC are accessible on the Company's website.

非執行董事

非執行董事並無特定任期。然而，根據本公司組織章程細則及企業管治守則，彼等須於股東週年常會上輪值告退及膺選連任。

董事委員會

於本年度內，三個董事委員會，即董事會薪酬委員會、董事會審核及風險管理委員會及董事會提名委員會，均已根據上市規則及企業管治守則監察本公司之特定事宜。

本公司所成立之三個董事委員會均設有董事會批准之特定書面職權範圍，當中載有委員會之主要職責。職權範圍現時於聯交所及本公司網站登載，以供股東查閱。

各董事委員會之大部分成員均為獨立非執行董事，而主席及成員名單於下文董事委員會一節內載列。

董事委員會獲提供充足資源，以履行彼等之職責，並在有合理要求時，能夠於適當情況下尋求獨立專業意見，有關費用概由本公司負責。

董事會薪酬委員會（「董事會酬委會」）

本公司於二零零五年七月一日成立董事會酬委會，並設有符合聯交所規定之具體書面職權範圍，當中訂明其權力及職責。

董事會酬委會之主要角色及職能是就有關各董事及高級行政人員之薪酬政策及架構向董事會作出建議，以及釐定全體執行董事及高級管理人員之具體酬金待遇，包括非金錢利益、退休金權利及賠償金額（設有喪失或終止職務或委任之賠償）。董事會酬委會職權範圍之詳情於本公司網站可供查閱。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Remuneration Committee ("BRC") *(continued)*

The BRC has adopted the approach under code provision B.1.2(c)(i) of the HKEx Code to determine, with delegated responsibility and authorisation by the Board, the remuneration packages of individual executive directors and senior management.

For the year, the BRC comprised Messrs. AU Chee Ming (Chairman of the BRC), KWEK Leng Hai and HUANG Lester Garson. Mr. AU Chee Ming and Mr. HUANG Lester Garson are INEDs of the Company whilst Mr. KWEK Leng Hai is the Chairman of the Company.

During the year, two BRC meetings were held. The individual attendance of each member was as follows:

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數／ 舉行會議次數
Mr. AU Chee Ming (Chairman)	區熾明先生(主席)	2/2
Mr. KWEK Leng Hai	郭令海先生	2/2
Mr. HUANG Lester Garson	黃嘉純先生	2/2

Work done for the financial year 2016/2017

- reviewed and recommended directors' fees for non-executive directors for the financial year 2015/2016;
- approved the discretionary bonuses for executive directors and senior management for the financial year 2015/2016;
- reviewed the remuneration packages of executive directors and senior management;
- reviewed the Employee's Share Option Scheme;
- reviewed its terms of reference and remuneration policy for directors and senior management; and
- deliberated the statement relating to the BRC for inclusion in the Corporate Governance Report.

董事委員會 (續)

董事會薪酬委員會(「董事會酬委會」)(續)

董事會酬委會已獲董事會授予職責及權力，採納港交所守則第B.1.2(c)(i)條守則條文訂明之方法，以釐定個別執行董事及高級管理人員之薪酬待遇。

於本年度內，董事會酬委會由區熾明先生(董事會酬委會主席)，郭令海先生及黃嘉純先生組成。區熾明先生及黃嘉純先生均為本公司獨立非執行董事，而郭令海先生則為本公司主席。

於本年度內，共舉行兩次董事會酬委會會議。個別成員出席之情況載列如下：

	Number of Attendance/ Number of Meeting Held 出席次數／ 舉行會議次數
Mr. AU Chee Ming (Chairman)	2/2
Mr. KWEK Leng Hai	2/2
Mr. HUANG Lester Garson	2/2

於2016/2017年度完成之工作

- 就二零一五／二零一六年度之非執行董事之袍金向董事會作出建議及檢討，以供股東批准；
- 批准截至二零一五／二零一六年度之執行董事及高層管理人員之花紅；
- 檢討執行董事及高層管理人員之酬金待遇；
- 檢討僱員之股份認購權計劃；
- 檢討其職權範圍以及董事和高層管理人員之薪酬政策；及
- 批准於企業管治報告中有關董事會酬委會的陳述。

Board Committees *(continued)*

Board Remuneration Committee ("BRC") *(continued)*

Level and Make-up of Remuneration

The Group's remuneration scheme for executive directors and senior management is linked to performance, service seniority, experience and scope of responsibility and is based on the provisions in the Group's Human Resources Manual, which are reviewed from time to time to align with market/industry practices.

The level of remuneration of non-executive directors reflects the level of responsibilities undertaken by them.

The fees of directors, including non-executive directors, are recommended and endorsed by the Board for shareholders' approval at the Company's annual general meeting.

Details of the remuneration of the directors for the year ended 30 June 2017 are provided in note 10 to the Financial Statements in this annual report.

Board Nomination Committee ("BNC")

The Company established the BNC on 1 April 2012 with specific written terms of reference in accordance with the requirement of the Stock Exchange which deal clearly with its authority and duties.

The principal role of the BNC is to make recommendations to the Board on the structure, size, composition and diversity of the Board, to review the independence of independent non-executive directors, the suitability of directors who will stand for re-election and directors' continuous training and development programme and to formulate a policy concerning board diversity, monitor the implementation of such policy and to review the same, as appropriate. Detailed terms of reference of the BNC are accessible on the Company's website.

The BNC comprised Messrs. KWEK Leng Hai (Chairman of the BNC), LO Kai Yiu, Anthony and AU Chee Ming. Mr. LO Kai Yiu, Anthony and Mr. AU Chee Ming are INEDs of the Company whilst Mr. KWEK Leng Hai is the Chairman of the Company.

董事委員會 (續)

董事會薪酬委員會 (「董事會酬委會」) (續)

薪酬水平及釐定

本集團對執行董事及高層管理人員之薪酬計劃按表現、服務年資、經驗及職權範圍釐定，並根據本集團人力資源手冊內之條文，並不時按照市場／行業慣例，作出檢討。

非執行董事之薪酬水平反映其責任水平。

董事(包括非執行董事)之袍金由董事會建議及認可，以供股東於本公司股東週年常會上批准。

就截至二零一七年六月三十日止年度之董事酬金詳情載於本年報之財務報表附註10。

董事會提名委員會 (「提名委員會」)

本公司於二零一二年四月一日設立提名委員會。提名委員會設有符合聯交所規定之具體書面職權範圍，當中訂明其權力及職責。

提名委員會的主要職能是就董事會之架構、規模、組成及多元化向董事會作出建議，及審閱獨立非執行董事之獨立性、董事是否適合獲提名重選及董事之持續培訓，以及發展課程及制定有關董事會多元化之政策、監督該政策之實施及檢討該政策(如適用)。提名委員會職權範圍之詳情於本公司網站可供查閱。

提名委員會由郭令海先生(提名委員會主席)、羅啟耀先生及區熾明先生組成。羅啟耀先生及區熾明先生均為本公司獨立非執行董事，而郭令海先生則為本公司主席。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees (continued)

Board Nomination Committee ("BNC") (continued)

During the year, one BNC meeting was held. The BNC had also met after the financial year end to discuss/review the Company's matters for the year ended 30 June 2017. The individual attendance of each member is as follows:

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. KWEK Leng Hai (Chairman)	郭令海先生(主席)	1/1
Mr. LO Kai Yiu, Anthony	羅啟耀先生	1/1
Mr. AU Chee Ming	區熾明先生	1/1

Work done during the year

- reviewed the structure, size, composition and diversity and gender of the Board (including the mix of skills, knowledge, experience, competences of directors, and the balance between executive, non-executive and independent non-executive directors) annually and is of the view that there is an appropriate and diverse mix of skills and experience;
- reviewed and assessed the independence of independent non-executive directors of the Company;
- reviewed the profile and participation in the Company's affairs by directors who will stand for re-election at annual general meeting;
- reviewed the continuous training and development programs undertaken by directors to ensure that an appropriate program is in place;
- reviewed the terms of reference of the BNC and the Board Diversity Policy; and
- deliberated the inclusion of statement related to BNC in the Corporate Governance Report.

董事委員會 (續)

董事會提名委員會(「提名委員會」)(續)

於本年度內，共舉行一次提名委員會會議，提名委員會並於本財政年度完結後舉行會議並討論／審閱本公司截至二零一七年六月三十日止年度之事宜。個別成員出席之情況載列如下：

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. KWEK Leng Hai (Chairman)	郭令海先生(主席)	1/1
Mr. LO Kai Yiu, Anthony	羅啟耀先生	1/1
Mr. AU Chee Ming	區熾明先生	1/1

於本年度完成之工作

- 檢討董事會之架構、規模、組成及多元化及性別(包括董事不同之技能、知識、經驗、能力以及執行董事、非執行董事及獨立非執行董事之平衡)，並認為董事會之成員具備適當而多元化之技能及經驗；
- 審閱及評核本公司獨立非執行董事之獨立性；
- 審閱將於股東週年常會上參與重選之董事之履歷及對本公司事務的參與程度；
- 檢討董事負責之持續培訓及發展課程，並確認已具備適合之課程；
- 檢討提名委員會之職權範圍以及本公司之董事會多元化政策；及
- 批准於企業管治報告中有關提名委員會的陳述。

Board Committees *(continued)*

Board Nomination Committee (“BNC”) *(continued)*

Board Diversity Policy

The Board has adopted the Board Diversity Policy formulating a policy concerning board diversity, monitoring the implementation of such policy and to review the same, as appropriate, to ensure the effectiveness of such policy. In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, skills, knowledge, professional experience and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The BNC reviews annually this policy to ensure its effectiveness and discuss any revisions that may be required, and recommends any such revisions to the Board for consideration and approval.

Board Audit and Risk Management Committee (“BARMC”)

The Company established the Board Audit Committee on 29 December 1998 with specific written terms of reference in accordance with the requirements of the Stock Exchange which deal clearly with its authority and duties. On 17 February 2016, the Board has resolved to rename the Committee as Board Audit and Risk Management Committee (“BARMC”).

The BARMC oversees the financial reporting process and assesses the adequacy and effectiveness of the Company's system of risk management and internal control. The BARMC meets with the Company's external and internal auditors, and reviews their audit plans, the internal audit programmes, the results of their examinations as well as their evaluations of the system of risk management and internal control. It also reviews directors' interests in contracts and connected transactions. The BARMC reviews the Group's and the Company's financial statements and the auditors' report thereon and submits its views to the Board. Detailed terms of reference of the BARMC are accessible on the Company's website.

For the year, the BARMC comprised Messrs. LO Kai Yiu, Anthony (Chairman of the BARMC), TSANG Cho Tai and HUANG Lester Garson. Mr. LO Kai Yiu, Anthony and Mr. HUANG Lester Garson are INEDs of the Company whilst Mr. TSANG Cho Tai is the non-executive director of the Company.

董事委員會 *(續)*

董事會提名委員會(「提名委員會」) *(續)*

董事會多元化政策

董事會已採納了董事會多元化政策，制定有關董事會多元化的政策，監控該政策之實施及檢討該政策(如適當)，以確保其有效性。在構思董事會的組成，董事多元化已考慮多方面的因素，其中包括但不限於性別、年齡、文化及教育背景、種族、技能、知識、專業經驗及服務任期。董事會的任命以任人唯賢為基礎，並以客觀的標準考慮獲提名為董事的候選人，適當關注董事會多元化的好處。提名委員會每年檢討該政策以確保其有效性並討論是否需要修改，及提出修訂建議給董事會作考慮及審批。

董事會審核及風險管理委員會(「審核及風險管理委員會」)

本公司於一九九八年十二月二十九日設立董事會審核委員會，並設有符合聯交所規定之具體書面職權範圍，當中訂明其權力及職責。於二零一六年二月十七日，董事會決議把委員會之名稱重新命名為董事會審核及風險管理委員會(「審核及風險管理委員會」)。

審核及風險管理委員會監察財務報告程序以及評估本公司內部監控系統是否合乎需要及有效。審核及風險管理委員會會見本公司之外聘核數師及內部核數師，以審閱彼等之審核方案、內部審核項目、彼等審核之結果以及彼等對風險管理及內部監控系統之評價。審核及風險管理委員會亦審閱董事於合同及關連交易之利益關係。審核及風險管理委員會審閱本集團及本公司之財務報表以及相關之核數師報告書，並向董事會提交意見。審核及風險管理委員會職權範圍之詳情於本公司網站可供查閱。

於本年度內，審核及風險管理委員會由羅啟耀先生(審核及風險管理委員會主席)，曾祖泰先生及黃嘉純先生組成。羅啟耀先生及黃嘉純先生均為本公司獨立非執行董事，而曾祖泰先生則為本公司非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Board Committees *(continued)*

Board Audit and Risk Management Committee ("BARMC") *(continued)*

During the year, five BARMC meetings were held. The individual attendance of each member was as follows:

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. LO Kai Yiu, Anthony (<i>Chairman</i>)	羅啟耀先生(主席)	5/5
Mr. TSANG Cho Tai	曾祖泰先生	5/5
Mr. HUANG Lester Garson	黃嘉純先生	5/5

The following is a summary of the work performed by the BARMC during the year:

- reviewed the adequacy and effectiveness of the Group's systems of internal control and enterprise risk management;
- reviewed the consolidated financial statements and results of the Group;
- reviewed the external auditors' report thereon;
- reviewed the appropriateness of the Group's accounting policies;
- reviewed at various times the potential impact of the generally accepted accounting principles in Hong Kong on the Company's accounts;
- reviewed the nature and scope of external audit and approved the external audit fee;
- reviewed adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programmes; and
- reviewed connected transactions entered into by the Group or subsisting during the year.

董事委員會(續)

董事會審核及風險管理委員會(「審核及風險管理委員會」)(續)

於本年度內，共舉行五次審核及風險管理委員會會議。個別成員出席之情況載列如下：

Name of Director	董事姓名	Number of Attendance/ Number of Meeting Held 出席次數/ 舉行會議次數
Mr. LO Kai Yiu, Anthony (<i>Chairman</i>)	羅啟耀先生(主席)	5/5
Mr. TSANG Cho Tai	曾祖泰先生	5/5
Mr. HUANG Lester Garson	黃嘉純先生	5/5

下列為審核及風險管理委員會於本年度之工作摘要：

- 檢討本集團內部監控及企業風險管理系統是否合乎需要及有效；
- 審閱本集團之綜合財務報表及業績；
- 審閱附載其內之外聘核數師報告書；
- 檢討本集團會計政策是否合適；
- 不時審閱香港普遍採納之會計準則對本公司賬目之潛在影響；
- 審閱外部核數之性質及範圍及批准外部核數費用；
- 檢討本公司在會計及財務匯報職能方面之資源、員工資歷及經驗之完善性，以及員工之培訓課程之足夠性；及
- 審閱於本年度由本集團訂立或仍存續之關連交易。

Directors' Responsibilities for Preparing the Financial Statements

The directors of the Company have acknowledged their responsibility for preparing the financial statements for the year. There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 89 to 96 of this annual report.

Auditors' Remuneration

Auditors' remuneration for the year is set out in note 8 to the financial statements on pages 147.

Risk Management and Internal Control

The risk management and internal control system is designed to facilitate the effectiveness and efficiency of operations, safeguard assets against unauthorised use and disposition, ensure the maintenance of proper accounting records and the truth and fairness of the financial statements, and ensure compliance with relevant legislation and regulations. It provides reasonable, but not absolute, assurance against material misstatement or loss and manages rather than eliminates risks associated with its business activities.

The Board, recognising its responsibilities in ensuring sound risk management and internal controls, has developed a set of Enterprise Risk Management framework ("ERM framework") for the Group and set forth in its policy and procedures to assist in:

- identifying the enterprise risks faced by the Group in the operating environment as well as evaluating the impact of such risks identified;
- developing the necessary measures for managing these risks; and
- monitoring and reviewing the effectiveness and adequacy of such measures.

董事有關編製財務報表之責任

本公司董事均已承認彼等對編製本年度財務報表之責任。目前概無涉及可對本公司持續經營能力構成重大疑慮之事件或情況之重大不明朗因素。

本公司外聘核數師就其對財務報表申報責任發出之聲明載於本年報第89至96頁之獨立核數師報告內。

核數師酬金

本年度之核數師酬金已載於本年報第147頁之附註8內。

風險管理及內部監控

風險管理及內部監控系統旨在提升營運之成效及效率、保護資產以免在未經授權下被挪用及處理、確保有保存恰當之會計記錄以及財務報表之真實性及公平性，並確保遵守相關法規及條例。內部監控可作為不會出現重大錯誤陳述或損失的合理(而非絕對)保證，亦可管理(而非消除)與其商業活動有關之風險。

董事會確認其有責任確保穩健妥善的風險管理與及內部監控，並已建立一套企業風險管理架構(「企業風險管理架構」)並闡述於本集團的政策及程序內以協助本集團：

- 找出本集團在營運環境內之企業風險，同時評估該等風險之影響；
- 制定管理該等風險所需的措施；及
- 監察並檢討該等措施是否有效及合乎需要。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Risk Management and Internal Control *(continued)*

The ERM framework consists of interactive processes for each of our business units to constantly identify and access risks in terms of their potential impact and probability of occurrence, as well as to establish and implement relevant procedures and internal controls for risk mitigation, ongoing monitoring and periodic reporting by management to ensure that residual risks after taking into account risk mitigating measures fall within the risk appetite and tolerance set by the Board.

The Board has entrusted the BARMC with the responsibility to oversee the implementation of the ERM framework of the Group. In discharging this responsibility, the BARMC, assisted by the Group Internal Audit Department ("GIAD"):

- ensures that new and emerging enterprise risks are promptly identified by management;
- assesses the adequacy of action plans and control systems developed to manage these risks;
- monitors the implementation of the action plans and the effectiveness and adequacy of the control systems; and
- ensures the Group's risk register is up-to-date and risk profile reports are furnished by management to the BARMC review.

These on-going processes have been in place, and reviewed periodically by the BARMC to ensure their effectiveness, supplemented by the other reports from GIAD on the Group's internal control and risk management findings.

The controls built into the risk management framework are intended to manage and not expected to eliminate all risks of failure to achieve business objectives. These controls provide reasonable, but not absolute, assurance against material misstatement of management and financial information or against financial losses and fraud.

風險管理及內部監控(續)

企業風險管理架構是我們每個業務分部，就風險之潛在影響及發生概率而言，去持續辨認及評估，以及至風險緩解的制定、實行相關程序和內部監控之間的互動過程，管理人員持續監察及定期報告，以確保執行風險緩解措施後，所剩餘的風險已被考慮及被董事會所釐定的可承受力範圍之內。

董事會已將監察本集團企業風險管理架構之責任委託予審核及風險管理委員會。於履行有關責任時，審核及風險管理委員會在本集團內部審核部門(「內審部」)協助下：

- 確保管理層可立即得知與本集團有關之新企業風險；
- 評估為管理有關風險而制訂之行動計劃及監控制度是否合乎需要；
- 監察行動計劃之執行及監控制度之成效及是否合乎需要；及
- 確保本集團之風險管控表是最新及由管理人員提交的風險概況報告已由審核及風險管理委員會檢閱。

此等持續程序已設立，並由審核及風險管理委員會定期檢討，以確保其有效性，並輔以由內審部提供其他的內部監控報告及風險管理調查結果。

風險管理架構內之監控措施旨在管理(而非期望消除)無法達到業務目標之所有風險。此等監控措施可作為管理及財務資料不會出現重大失實聲明或不會出現財務損失及欺詐的合理(而非絕對)保證。

Risk Management and Internal Control *(continued)*

The Board, through the BARMC, has conducted an annual review on the Group's risk management and internal control system and considers that it is adequate and effective covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. The Board is satisfied that the Group has fully complied with the provisions on risk management and internal controls as set out in the CGP Code.

Shareholders' Rights

The Company has only one class of shares, all shares have the same voting rights and are entitled to the dividends declared.

(a) Rights and procedures for shareholders to convene extraordinary general meetings ("EGM")

Subject to the Hong Kong Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("Hong Kong Companies Ordinance"), the Directors shall on the requisition of shareholders of the Company (the "Shareholder(s)") representing at least 5% of the total voting rights of all the shareholder(s) having a right to vote at general meetings of the Company, forthwith proceed duly to convene an EGM of the Company.

The requests must state the general nature of the business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is/are intended to be moved at the meeting. The request must be signed by the requisitionists and deposited at the registered office of the Company for the attention of the Company Secretary in hard copy form.

風險管理及內部監控(續)

董事會已透過審核及風險管理委員會，就本集團之風險管理及內部監控制度進行年度檢討，並認為是足夠及有效覆蓋所有重要的監控，包括財務、營運及規管控制，以確保員工資歷和經驗、培訓計劃及本集團之財務預算、內部審核及財務匯報職能方面資源充足。董事會信納本集團已全面遵守企業管治守則所載之內部監控條文。

股東權利

本公司僅有一個類別的股份，所有股份具有相同投票權，並有權收取所宣派之股息。

(a) 股東召開股東特別大會(「股東特別大會」)之權利及程序

按香港《公司條例》(香港法例第622章)(「香港公司條例」)，董事須應本公司股東(「股東」)佔全體有權在股東大會上投票表決的總表決權最少5%的股東之要求，隨即辦理召開本公司股東特別大會之程序。

有關要求均必須述明有待於會上處理的事務的一般性質及可包含可在該大會上恰當地動議並擬在該大會上動議的決議的文本。有關要求必須由要求者簽署並以紙本形式送交至本公司之註冊辦事處給予公司秘書。

CORPORATE GOVERNANCE REPORT

企業管治報告書

Shareholders' Rights *(continued)*

(b) Rights and procedures for shareholders to make proposals at general meetings

- (i) Rights and procedures for a shareholder to propose a person for election as a director are as follows:

Pursuant to Article 86 of the Company's Articles of Association, shareholder(s) may send a notice in writing of the intention to propose a person for election as a director and notice in writing by that person of his willingness to be elected shall have been delivered to the Company's registered office provided that the minimum length of the period during which such notices are given, shall be at least seven days and that the period for lodgment of the notices shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

- (ii) Rights and procedures for proposing resolution to be put forward at a general meeting:

Shareholder(s) can submit a written requisition to move a resolution at an annual general meeting ("AGM") if they:

- represent at least 2.5% of the total voting rights of all shareholders who have a right to vote on the resolution at the AGM; or
- at least 50 shareholders who have a right to vote on the resolution at the AGM.

股東權利^(續)

(b) 股東於股東大會上提出建議之權利及程序

- (i) 股東提名候選董事之權利及程序如下：

根據本公司之組織章程細則第86條，股東可發出書面通知表明有意提名一名人士參選董事，而該名人士表明願意接受推選之書面通知須送達本公司註冊辦事處，惟提交有關通告予本公司的期間最短不少於七日，且提交通知之期間最早由寄發為選舉董事而召開的大會之通知翌日起至不遲於該大會舉行日期前七日止。

- (ii) 於股東大會上提呈決議案之權利及程序如下：

股東於符合下列條件之情況下，可提出書面請求於股東週年常會（「股東週年常會」）上動議決議案：

- 佔全體有權在股東週年常會上投票表決的股東的總表決權最少2.5%；或
- 最少五十名持有可於股東週年常會上有投票表決權利之股東。

Communication with Shareholders

The Company uses a range of communication tools to ensure its shareholders are kept well informed of key business imperatives. These include annual general meeting, annual report, interim report, various notices, announcements and circulars.

The Company shall communicate other information to Shareholders on a need basis by way of announcement which will be posted on the websites of Hong Kong Exchanges and Clearing Limited and the Company. Other than AGM, EGM shall be held pursuant to relevant rules and regulations if required. Shareholders shall receive explanatory circulars and proxy forms relating to the EGMs. Proxy arrangements for the general meetings are in place for shareholders who are unable to attend the meetings in person.

Shareholders and the investment community shall be provided with designated contacts, email addresses and enquiry lines of the Company, which are available on the Company website, in order to enable them to make any query in respect of the Company or to make a request for the Company's information to the extent such information is publicly available.

Shareholders' questions about their shareholdings should be directed to the Company's Share Registrar, Hongkong Managers and Secretaries Limited at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

Investor Relations

In order to enhance communication between the Company and investors/analysts, senior management members will hold meetings with investors/analysts upon request as and when the need arises.

Investors are welcome to send email directly to the Company Secretary's email at comsec@lamsoon.com or browse the Company's website for the latest release and financial information.

A dedicated Investor Relations section is available on the Company website www.lamsoon.com. Information on the Company website is updated on a regular basis.

與股東之溝通

本公司採用多種通訊工具，以確保股東可獲得有關主要業務事宜的充份資料，包括股東週年常會、年報、中期報告、各類通告、公佈及通函。

本公司須於必要時以公佈之方式向股東傳達其他資料，有關公佈將於香港交易及結算所有限公司及本公司之網站登載。除股東週年常會外，如要求召開股東特別大會，則須根據相關法律及法規進行。股東應收取有關股東特別大會之說明通函及代表委任表格。本公司已為無法親身出席股東大會之股東作出有關會議之受委代表安排。

本公司須向股東及投資人士提供本公司之指定聯絡人、電郵地址及查詢熱線(有關資料於本公司之網站可供查閱)，以便他們作出任何有關本公司之查詢或索取本公司可公開之資料。

股東如對名下持有股份有任何問題，應向本公司之股份過戶登記處香港經理秘書有限公司(地址為香港銅鑼灣威非路道18號萬國寶通中心16樓1607-8室)提出。

投資者關係

為加強本公司與投資者／分析員之間的溝通，高級管理人員會應要求或於必要時與投資者／分析員召開會議。

本公司歡迎投資者直接向公司秘書寄送電子郵件(comsec@lamsoon.com)或瀏覽本公司網站，以獲取最新消息及財務資料。

本公司網站(www.lamsoon.com)專設「投資者關係」欄目。本公司網站登載之資料會定期更新。

DIRECTORS' REPORT

董事會報告書

The directors submit their annual report together with the audited financial statements of the Company and its subsidiaries (collectively, "Group") for the year ended 30 June 2017.

Principal Activities

The Company is an investment holding company and the principal activities of the subsidiaries are set out on pages 205 to 207.

Principal Subsidiaries

Details of the Company's principal subsidiaries are set out on pages 205 to 207.

Business Review

The business review of the Group for the year ended 30 June 2017 are provided in the Chairman's Statement, Review of Operations and Environmental, Social and Governance Report of this annual report.

Financial Statements

The profit of the Group for the year, the state of affairs of the Company and of the Group as at 30 June 2017 and the Group's cash flows and statement of changes in equity for the year ended are set out in the financial statements on pages 97 to 207.

Dividends

The Directors are recommending to the shareholders for approval at the forthcoming annual general meeting to be held on Friday, 17 November 2017 a final dividend of HK\$0.23 per share. This, together with the interim dividend of HK\$0.12 per share paid on Wednesday, 15 March 2017, will amount to a total dividend of HK\$0.35 per share for the year (2016: interim dividend of HK\$0.10, final dividend of HK\$0.18 per share). Subject to shareholders' approval, the final dividend will be payable on Thursday, 7 December 2017 to the shareholders whose names appear on the register of members on Friday, 24 November 2017.

董事謹提呈其截至二零一七年六月三十日止年度本公司及其附屬公司(以下統稱「集團」)的週年報告及經審核財務報表。

主要業務

本公司為一間投資控股公司，其附屬公司的主要業務詳列於第205頁至第207頁。

主要附屬公司

本公司之主要附屬公司的資料詳列於第205頁至第207頁。

業務回顧

本集團於截止二零一七年六月三十日止年度之業務回顧載於本年報之董事會主席報告書、業務回顧及環境、社會及管治報告書內。

財務報表

本集團截至本年度的溢利、本公司及本集團於二零一七年六月三十日的財務狀況，以及截至該日止年度本集團的現金流量及權益變動表，均載列於第97頁至第207頁的財務報表內。

股息

董事會將於二零一七年十一月十七日星期五舉行之股東週年常會上向股東建議，批准派發末期股息每股港幣0.23元。此項股息連同於二零一七年三月十五日星期三支付之中期股息每股港幣0.12元，本年度合共派發股息每股港幣0.35元(二零一六年：中期股息每股港幣0.10元及末期股息每股港幣0.18元)。待股東批准後，末期股息將於二零一七年十二月七日星期四支付予於二零一七年十一月二十四日星期五名列股東名冊之股東。

Closure of Register of Members

For ascertaining shareholders' right to attend and vote at the forthcoming annual general meeting:

Closure dates of Register of Members (both days inclusive)	15 November 2017 (Wednesday) to 17 November 2017 (Friday)
Latest time to lodge transfers	4:30 p.m. on 14 November 2017 (Tuesday)
Record date	17 November 2017 (Friday)
Annual General Meeting	17 November 2017 (Friday)

For ascertaining shareholders' entitlement to the proposed final dividend*:

Closure date of Register of Members (both days inclusive)	23 November 2017 (Thursday) to 24 November 2017 (Friday)
Latest time to lodge transfers	4:30 p.m. on 22 November 2017 (Wednesday)
Record date	24 November 2017 (Friday)
Proposed final dividend payment date	7 December 2017 (Thursday)

(* subject to shareholders' approval at the annual general meeting)

During the periods of the closure of Register of Members, no share transfers will be registered. For registration, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Share Registrars and Transfer Office – Hongkong Managers and Secretaries Limited at Units 1607-8, 16th Floor, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong before the relevant latest time to lodge transfers.

Share Capital

Details of the movements in share capital of the Company during the year are set out in Note 23 to the financial statements.

暫停辦理股份過戶登記手續

以確定股東有權出席股東週年常會並於會上投票：

暫停辦理股份過戶登記日期(包括首尾兩天)	二零一七年十一月十五日(星期三)至二零一七年十一月十七日(星期五)
截止辦理股份過戶時間	二零一七年十一月十四日(星期二)下午四時三十分
記錄日期	二零一七年十一月十七日(星期五)
股東週年常會	二零一七年十一月十七日(星期五)

以確定股東享有擬派發之末期股息*：

暫停辦理股份過戶登記日期(包括首尾兩天)	二零一七年十一月二十三日(星期四)至二零一七年十一月二十四日(星期五)
截止辦理股份過戶時間	二零一七年十一月二十二日(星期三)下午四時三十分
記錄日期	二零一七年十一月二十四日(星期五)
末期股息擬派發日期	二零一七年十二月七日(星期四)

(*有待股東於股東週年常會批准)

在暫停辦理股份過戶登記期間，本公司將暫停辦理股份過戶登記手續。所有股份過戶文件連同有關之股票必須在有關之截止辦理股份過戶時間前送交本公司之股份過戶登記處——香港經理秘書有限公司辦理登記手續，地址為香港銅鑼灣威非路道18號萬國寶通中心16樓1607-8室。

股本

本公司本年度股本的變動詳列於財務報表附註23。

DIRECTORS' REPORT

董事會報告書

Directors

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

KWEK Leng Hai, *Chairman**
LEUNG Joseph, *Group Managing Director***
TANG Hong Cheong*
WHANG Sun Tze*
TAN Lim Heng*
TSANG Cho Tai*
LO Kai Yiu, Anthony#
AU Chee Ming#
HUANG Lester Garson, J.P.#

* *Non-executive director*

** *Executive director*

Independent non-executive director

In accordance with Article 84 of the Company's articles of association and Code A.4.2 of the Code of Corporate Governance Practices of the Company, Messrs. LEUNG Joseph, WHANG Sun Tze and TAN Lim Heng will retire from office by rotation at the forthcoming annual general meeting (the "AGM"). All of them, being eligible, will offer themselves for re-election at the AGM.

Directors of Subsidiaries

The names of all directors who have served on the boards of the subsidiaries of the Company during the financial year ended 30 June 2017 or during the period from 1 July 2017 up to the date of this report is available on the Company's website (<http://www.lamsoon.com>).

Directors' Service Contracts

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the Company or any of its subsidiaries, within one year without payment of compensation (other than statutory compensation).

Directors' Interests in Transactions, Arrangement or Contracts

No transaction, arrangement or contract of significance to which the Company or any of its holding company, subsidiaries or fellow subsidiaries was a party, and in which a director of the Company or an entity connected with a director had a material interest, subsisted at the end of the year or at any time during the year.

董事

本年度及直至本報告書日期之董事如下：

郭令海，主席*
梁玄博，集團董事總經理**
鄧漢昌*
黃上哲*
陳林興*
曾祖泰*
羅啟耀#
區熾明#
黃嘉純，太平紳士#

* 非執行董事

** 執行董事

獨立非執行董事

根據本公司組織章程細則第84條及本公司企業管治常規守則第A.4.2條，梁玄博先生、黃上哲博士及陳林興先生將於即將舉行之股東週年常會（「股東週年常會」）上輪值退任。各人均符合資格，並願意於股東週年常會上膺選連任。

附屬公司董事

截至二零一七年六月三十日止之財政年度內或由二零一七年七月一日起至本年報日期期間，所有本公司各附屬公司董事會的董事姓名已登載於本公司的網站(<http://www.lamsoon.com>)。

董事的服務合約

擬於即將舉行之股東週年常會重選之董事，概無與本公司或其任何附屬公司訂立不可由本公司或其任何附屬公司於一年內終止而毋須作賠償（法定賠償除外）之服務合約。

董事在交易、安排或合約的權益

在本年度末或在本年度任何時間內，本公司或其任何控股公司、附屬公司或同系附屬公司概無簽訂任何涉及本集團之業務而本公司之董事或與董事有關連之機構在其中擁有重大權益之交易、安排或合約。

Permitted Indemnity

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

Connected Transactions

Master Services Agreement

A master services agreement (the "Master Services Agreement") was entered into by the Company (together with its subsidiaries, the "Group") with GuoLine Group Management Co. Limited ("GGMC") and GOMC Limited ("GOMC") on 2 July 2014 for provision of services by GGMC or GOMC (the "Service Provider") to the Company and/or its subsidiaries, which include, among other things, overview of businesses and operations, investment management and financial management disciplines, treasury and risk management, key managerial recruitment and retention as well as other operating practices and procedures, accounting, corporate advisory, legal, company secretarial and other services (the "Services").

The Master Services Agreement is for a term of three financial years from 1 July 2014 to 30 June 2017.

The fees payable under the Master Services Agreement comprise a monthly fee (the "Monthly Fee") of HK\$50,000 (or such amount as agreed from time to time between the Service Providers and the Company) and an annual fee (the "Annual Fee") equal to 3 percent of the annual profits before tax of the Company and the subsidiaries as shown in the audited profit and loss accounts for the relevant financial year, subject to appropriate adjustments. The total fee, being the sum of the Monthly Fee, the Annual Fee and the total amount of any fees paid or payable by the Group to any Hong Leong Group Company for services of a similar nature as the Services are subject to an annual cap of HK\$23 million (the "Annual Cap") for each of the three financial years ending 30 June 2017.

獲准許的彌償保證

根據本公司組織章程細則，本公司各董事有權就履行其職務或在其他有關方面蒙受或產生之所有損失或責任自本公司之資產中獲得賠償。本公司已就本公司董事及高級人員投購責任保險，就針對董事的任何法律訴訟提供適當保障，保障範圍每年檢討一次。

關連交易

服務主協議

於二零一四年七月二日，本公司與GuoLine Group Management Co. Limited(「GGMC」)及GOMC Limited(「GOMC」)訂立一份服務主協議(「服務主協議」)，由GGMC或GOMC(統稱「服務提供者」)向本公司及／或其附屬公司提供服務。服務包括(其中包括)監察業務及營運、投資管理及財務管理紀律、財資及風險管理、主要管理人員職位招聘及保留及其他營運常規和程序，會計，公司顧問，法律，公司秘書及其他服務(「該服務」)。

服務主協議合約期由二零一四年七月一日至二零一七年六月三十日，為期三個財政年度。

按服務主協議應付之費用包括月費港幣50,000元(「月費」)或由服務提供者與本公司不時協定之款額及相等於本公司及其附屬公司在有關財政年度的經審核損益表中除稅前溢利之3%的年費(「年費」)，惟須作適當的調整。總費用(即月費、年費及任何由本集團就該服務性質相近的服務已付或應付予豐隆集團之總額的總和)於截至二零一七年六月三十日止三個財政年度各年之年度上限為港幣23,000,000元(「年度上限」)。

DIRECTORS' REPORT

董事會報告書

Connected Transactions *(continued)*

Master Services Agreement *(continued)*

GGMC and GOMC are indirect wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of the Company, and thus they are associates of a connected person of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). HLCM is deemed to be invested in shareholding in the Company. The transactions under the Master Services Agreement constitute continuing connected transactions for the Company under the Listing Rules.

The independent non-executive directors of the Company had reviewed the transactions under the Master Services Agreement during the year and confirmed that:

- (1) the transactions under the Master Services Agreement for the year were entered into:
 - in the ordinary and usual course of business of the Group;
 - on normal commercial terms or better; and
 - according to the agreement governing them and on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.
- (2) the aggregate service fees paid and payable by the Group under the Master Services Agreement for the year amounted to approximately HK\$10,177,000 which did not exceed the Annual Cap of HK\$23 million as disclosed in the announcement of the Company dated 3 July 2014.

New master services agreements were entered into by the Company with (1) GGMC; and (2) GOMC respectively on 7 July 2017 for a term of three financial years from 1 July 2017 to 30 June 2020.

關連交易 *(續)*

服務主協議 *(續)*

由於GGMC和GOMC乃持有本公司股權權益的控股股東Hong Leong Company (Malaysia) Berhad(豐隆(馬來西亞)有限公司)(「HLCM」)之間接全資附屬公司，根據香港聯合交易所有限公司證券上市規則(「上市規則」)彼等屬本公司之關連人士。HLCM被視為持有本公司之權益。根據上市規則，服務主協議涉及之交易構成本公司之持續關連交易。

本公司獨立非執行董事已於本年度內檢討服務主協議下之交易，並確認：

- (1) 於年內服務主協議內之交易：
 - 屬本集團日常及一般業務；
 - 按一般商務條款或更佳條款；及
 - 根據有關交易的協議條款進行，而交易條款屬公平合理，並符合本公司股東整體利益。
- (2) 本公司根據服務主協議，於年內已支付及應付之服務費用約為港幣10,177,000元，並無超過本公司於二零一四年七月三日之公佈內所披露的年度上限港幣23,000,000元。

於二零一七年七月七日，本公司與(1)GGMC；及(2)GOMC各自訂立新服務主協議，合約期由二零一七年七月一日至二零二零年六月三十日，為期三個財政年度。

Connected Transactions *(continued)*

Master Services Agreement *(continued)*

Pursuant to Rule 14A.56 of the Listing Rules, the Company's auditors were engaged to report on the Group's continuing connected transactions regarding the master services agreement mentioned above 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 auditors have issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditors' letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, there are no other transactions of the Company which require disclosure in the annual report in accordance with the Listing Rules.

Management Contracts

Except for the Master Services Agreement disclosed in the section of "Connected Transactions" above, no contract concerning the management and administration of the whole or any substantial part of the business of the Group was entered into or subsisted during the year.

Directors' Interests in Competing Business

None of the directors is interested in any business apart from the Group's business, which is likely to compete, either directly or indirectly, with the business of the Group.

關連交易 *(續)*

服務主協議 *(續)*

根據上市規則第14A.56條，本公司之核數師獲委聘根據香港核證委聘準則第3000號「對過往財務資料進行審核或審閱以外的核證委聘」及參考香港會計師公會發出之「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」對本集團在上文提及有關服務主協議及資金提供予信託之持續關連交易進行報告。本公司之核數師已根據上市規則第14A.56條就本集團於上文披露之持續關連交易發出彼等之無保留函件，當中載有彼等之調查結果及結論。本公司已向聯交所提供核數師函件之副本。

除本文所披露者外，本公司並無其他交易須根據上市條例於年報內披露。

管理合約

除上文「關連交易」一節所披露之服務主協議外，於本年度內概無訂立或存在任何有關本集團整體業務或任何重要業務之管理及行政工作的合約。

董事於競爭業務之權益

概無董事於與本集團業務有直接或間接競爭關係的非本集團業務中擁有任何權益。

DIRECTORS' REPORT

董事會報告書

Directors' Interests in Shares, Underlying Shares and Debentures

As at 30 June 2017, the directors of the Company have the following interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") set out in Appendix 10 to the Listing Rules:

(A) The Company

Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of the Company in issue 佔本公司已發行普通股總數之概約百分比
KWEK Leng Hai 郭令海	Personal 個人	2,300,000		2,300,000	0.95%
Joseph LEUNG 梁玄博	Personal 個人	5,000,000	Note (a) 附註(a)	5,000,000	2.05%
WHANG Sun Tze 黃上哲	Personal 個人	27,123,743			
	Corporate 公司	19,326	Note (b) 附註(b)	27,143,069	11.15%
TAN Lim Heng 陳林興	Personal 個人	274,000		274,000	0.11%
LO Kai Yiu, Anthony 羅啟耀	Personal 個人	200,000		200,000	0.08%
HUANG Lester Garson 黃嘉純	Family 家族	150,000		150,000	0.06%

董事於股份、相關股份及債券之權益

於二零一七年六月三十日，各董事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）擁有須根據證券及期貨條例第352條規定而設之登記名冊中所載之股份或有關股本中之淡倉股份、相關股份及債券之權益及根據上市規則之上市公司董事進行證券交易的標準守則（「標準守則」）須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益如下：

(A) 本公司

Directors' Interests in Shares, Underlying Shares and Debentures

(continued)

(A) The Company (continued)

Notes:

- (a) The interests of Mr. Joseph LEUNG represent the interests in 5,000,000 underlying shares in respect of the share options granted by the Company exercisable within a period of up to 30 months following the notification of entitlement to confirm the vesting and the number of options exercisable in accordance with the terms of grants. The granting of share options for 2,570,000 ordinary shares were approved by the shareholders at the 2013 annual general meeting of the Company as required under the Listing Rules and the terms of Executive Share Option Scheme 2013.
- (b) The interests disclosed represent the corporate interests of Dr. WHANG Sun Tze in 18,457 ordinary shares and 869 ordinary shares in the Company held by SGR Investment Company, Limited ("SGR") and T.C. Whang & Company (Private) Limited ("T.C. & Co.") respectively. Dr. WHANG Sun Tze holds 95.41% and 59.52% interests in SGR and T.C. & Co. respectively.

(B) Associated corporations

董事於股份、相關股份及債券之權益(續)

(A) 本公司(續)

附註：

- (a) 梁玄博先生持有之權益乃根據本公司授予可行使股份認購權之本公司5,000,000股相關股份，惟該股份認購權經獲通知確認認購權之歸屬及包含可行使的認購權數目後，根據授予之條款可自知會日期起計三十個月內行使。根據上市規則及二零一三年行政人員股份認購權計劃之條款所規定，2,570,000股股份之認購權已獲本公司股東於二零一三年股東週年常會上批准授出。
- (b) 所披露之權益代表黃上哲博士透過SGR Investment Company, Limited ("SGR")及T.C. Whang & Company (Private) Limited ("T.C. & Co.")分別持有本公司18,457股普通股及869股普通股之權益。黃上哲博士在SGR及T.C. & Co. 分別持有95.41%及59.52%之股份權益。

(B) 相聯法團

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
Hong Leong Company (Malaysia) Berhad	KWEK Leng Hai 郭令海	Personal 個人	420,500		420,500	2.61%
Guoco Group Limited ("GGL") 國浩集團有限公司 (「國浩集團」)	KWEK Leng Hai 郭令海	Personal 個人	3,800,775		3,800,775	1.16%
	TANG Hong Cheong 鄧漢昌	Personal 個人	130,000	(a)	130,000	0.04%
	TAN Lim Heng 陳林興	Personal 個人	566,230		566,230	0.17%
	TSANG Cho Tai 曾祖泰	Personal 個人	1,000		1,000	0.00%

DIRECTORS' REPORT

董事會報告書

Directors' Interests in Shares, Underlying Shares and Debentures

(continued)

董事於股份、相關股份及債券之權益 (續)

(B) Associated corporations (continued)

(B) 相聯法團 (續)

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
GuocoLand Limited ("GLL") 國浩房地產有限公司 (「國浩房地產」)	KWEK Leng Hai 郭令海	Personal 個人	35,290,914		35,290,914	2.98%
	TANG Hong Cheong 鄧漢昌	Personal 個人	865,000	(b)	865,000	0.07%
	WHANG Sun Tze 黃上哲	Family 家族	66,600		66,600	0.01%
	TAN Lim Heng 陳林興	Personal 個人	1,337,777		1,337,777	0.11%
	TSANG Cho Tai 曾祖泰	Personal 個人	357,333		357,333	0.03%
Hong Leong Bank Berhad	KWEK Leng Hai 郭令海	Personal 個人	5,510,000		5,510,000	0.26%
	WHANG Sun Tze 黃上哲	Family 家族	129,000		129,000	0.01%
Hong Leong Financial Group Berhad ("HLFG")	KWEK Leng Hai 郭令海	Personal 個人	2,526,000		2,526,000	0.22%
	TANG Hong Cheong 鄧漢昌	Personal 個人	249,146	(c)	249,146	0.02%
	WHANG Sun Tze 黃上哲	Family 家族	534,092		534,092	0.05%
	TAN Lim Heng 陳林興	Personal 個人	267,813		267,813	0.02%

Directors' Interests in Shares, Underlying Shares and Debentures

(continued)

董事於股份、相關股份及債券之權益 (續)

(B) Associated corporations (continued)

(B) 相聯法團 (續)

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
Hong Leong Industries Berhad	KWEK Leng Hai 郭令海	Personal 個人	190,000		190,000	0.06%
	TANG Hong Cheong 鄧漢昌	Personal 個人	300,000			
		Family 家族	15,000		315,000	0.10%
GuocoLand (Malaysia) Berhad ("GLM")	WHANG Sun Tze 黃上哲	Family 家族	105,600		105,600	0.05%
	KWEK Leng Hai 郭令海	Personal 個人	226,800		226,800	0.03%
	TANG Hong Cheong 鄧漢昌	Personal 個人	300,000	(d)	300,000	0.04%
Hume Industries (Malaysia) Sdn Bhd ("HIB")	TAN Lim Heng 陳林興	Personal 個人	326,010		326,010	0.05%
	WHANG Sun Tze 黃上哲	Family 家族	12,667		12,667	0.01%
	TANG Hong Cheong 鄧漢昌	Personal 個人	430,000	(e)	430,000	0.03%
GL Limited ("GL")	TAN Lim Heng 陳林興	Personal 個人	1,100,000		1,100,000	0.08%
	KWEK Leng Hai 郭令海	Personal 個人	71,250		71,250	0.04%

DIRECTORS' REPORT

董事會報告書

Directors' Interests in Shares, Underlying Shares and Debentures

(continued)

董事於股份、相關股份及債券之權益(續)

(B) Associated corporations (continued)

(B) 相聯法團(續)

Name of associated corporation 相聯法團名稱	Name of director 董事姓名	Nature of interest 權益性質	Number of shares/ underlying shares held 持有股份／ 相關股份數目	Note 附註	Total 總計	Approximate percentage of total number of ordinary shares of associated corporation in issue 佔相聯法團已發行普通股總數之概約百分比
The Rank Group Plc ("Rank")	KWEK Leng Hai 郭令海	Personal 個人	1,026,209		1,026,209	0.26%
	TANG Hong Cheong 鄧漢昌	Personal 個人	200,000	(f)	200,000	0.05%
	TAN Lim Heng 陳林興	Personal 個人	152,882		152,882	0.04%
Hume Industries Berhad ("HIB")	KWEK Leng Hai 郭令海	Personal 個人	205,200		205,200	0.04%
	TANG Hong Cheong 鄧漢昌	Personal 個人	1,405,600	(g)		
		Family 家族	16,200		1,421,800	0.30%
Southern Steel Berhad ("SSB")	TANG Hong Cheong 鄧漢昌	Personal 個人	131,000	(h)	131,000	0.03%

Notes:

附註：

- (a) The total interests of 130,000 shares/underlying shares comprised 10,000 ordinary shares of GGL and an option in respect of 120,000 underlying shares of GGL pursuant to an executive option scheme of a Hong Leong Group Company.
- (b) The total interests of 865,000 shares/underlying shares comprised 65,000 ordinary shares of GLL and an option in respect of 800,000 underlying shares of GLL pursuant to an executive option scheme of a Hong Leong Group Company.

- (a) 130,000股股份／相關股份之權益總額包括10,000股國浩集團普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予120,000股國浩集團相關股份之認購權。
- (b) 865,000股股份／相關股份之權益總額包括65,000股國浩房地產普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予800,000股國浩房地產相關股份之認購權。

Directors' Interests in Shares, Underlying Shares and Debentures

(continued)

(B) Associated corporations (continued)

Notes: (continued)

- (c) The total interests of 249,146 shares/underlying shares comprised 178,000 ordinary shares of HLF and an option in respect of 71,146 underlying shares of HLF pursuant to an executive option scheme of a Hong Leong Group Company.
- (d) The total interests of 300,000 shares/underlying shares comprised 90,000 ordinary shares of GLM and an option in respect of 210,000 underlying shares of GLM pursuant to an executive option scheme of a Hong Leong Group Company.
- (e) The total interests of 430,000 shares/underlying shares comprised 300,000 ordinary shares of GL and an option in respect of 130,000 underlying shares of GL pursuant to an executive option scheme of a Hong Leong Group Company.
- (f) The interests represented an option in respect of 200,000 underlying shares of Rank pursuant to an executive option scheme of a Hong Leong Group Company.
- (g) The personal interests of 1,405,600 shares/underlying shares comprised 1,275,600 ordinary shares of HIB and an option in respect of 130,000 underlying shares of HIB pursuant to an executive option scheme of a Hong Leong Group Company.
- (h) The total interests of 131,000 shares/underlying shares comprised 1,000 ordinary shares of SSB and an option in respect of 130,000 underlying shares of SSB pursuant to an executive option scheme of a Hong Leong Group Company.

All the interests disclosed in sections (A) and (B) above were long positions in the ordinary shares of the Company or its associated corporations.

Save as disclosed herein, none of the directors of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份、相關股份及債券之權益(續)

(B) 相聯法團(續)

附註：(續)

- (c) 249,146股股份／相關股份之權益總額包括178,000股HLF普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予71,146股HLF相關股份之認購權。
- (d) 300,000股股份／相關股份之權益總額包括90,000股GLM普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予210,000股GLM相關股份之認購權。
- (e) 430,000股股份／相關股份之權益總額包括300,000股GL普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予130,000股GL相關股份之認購權。
- (f) 該等權益為根據－豐隆集團公司行政人員股份認購權計劃所授予200,000股Rank相關股份之認購權。
- (g) 1,405,600股股份／相關股份之個人權益包括1,275,600股HIB普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予130,000股HIB相關股份之認購權。
- (h) 131,000股股份／相關股份之權益總額包括1,000股SSB普通股及根據－豐隆集團公司行政人員股份認購權計劃所授予130,000股SSB相關股份之認購權。

所有於上述(A)及(B)部所披露之權益皆為持有本公司或其相聯法團之好倉普通股股份。

除本文所披露者外，概無任何本公司董事於本公司或其任何相聯法團(根據證券及期貨條例第XV部之定義)擁有須根據證券及期貨條例第352條規定而設之登記名冊中所載之股份或有關股本中之淡倉股份、相關股份及債券及根據標準守則須知會本公司及聯交所之權益。

DIRECTORS' REPORT

董事會報告書

Share Options

Executive Share Option Scheme 2013 ("ESOS 2013")

ESOS 2013 was approved by the shareholders of the Company at the extraordinary general meeting held on 23 April 2013 and took effect on 25 April 2013 ("Adoption Date"). Summary of details of the ESOS 2013 is set out below:

The purpose of the ESOS 2013 is as follows:

- (i) to align the long term interests of any executive or director of the Group, who is eligible to participate in the ESOS 2013 ("Eligible Executives") with those of the Shareholders and encourage Eligible Executives to assume greater responsibility for the performance of the business that they manage;
- (ii) to motivate Eligible Executives towards strategic business objectives;
- (iii) to reward Eligible Executives with an equity stake in the success of the Group; and
- (iv) to make the total compensation package more competitive in order to attract, retain and motivate high caliber executives.

To be eligible for participation in the ESOS 2013, a person must be at least eighteen (18) years of age and:

- (i) be an executive of a member of the Group and has been confirmed in service; or
- (ii) be a director of member of the Group.

The Board may at its absolute discretion select and identify suitable Eligible Executives to be offered options.

The total number of shares which may be issued and/or transferred by the Trust upon exercise of all options to be granted under the ESOS 2013 and any other share option scheme shall not in aggregate exceed 10% of the Company's total number of shares in issue at the Adoption Date of the ESOS 2013.

The maximum entitlement for any eligible executive in respect of the total number of shares issued and to be issued upon exercise of options granted and to be granted in any 12 months period does not exceed 1% of the Company's total number of shares in issue.

股份認購權

2013行政人員股份認購權計劃(「2013股份認購權計劃」)

2013股份認購權計劃於二零一三年四月二十三日於股東特別大會上獲股東批准，並於二零一三年四月二十五日(「採納日期」)生效。2013股份認購權計劃之詳情如下：

2013股份認購權計劃的目的如下：

- (i) 使集團內符合資格參與2013股份認購權計劃之行政人員或董事(「合資格行政人員」)的長遠利益與股東一致，並鼓勵合資格行政人員對彼等所管理之業務的表現承擔更大責任；
- (ii) 推動合資格行政人員實踐策略業務目標；
- (iii) 以股本權益獎勵對集團的成功作出貢獻之合資格行政人員；及
- (iv) 使整體薪酬待遇更吸引，以招攬、挽留及推動高質素的行政人員。

符合資格參與2013股份認購權計劃之人士必須年滿十八(18)歲及：

- (i) 為集團成員公司之行政人員並已被確認於集團服務；或
- (ii) 為集團成員公司之董事。

董事會可按其絕對酌情權挑選及確認適合之合資格行政人員授予認購權。

根據2013股份認購權計劃或其他股份認購權計劃可予授出之所有認購權獲行使時，可發行及／或透過由信託轉讓之股份總數，合共不得超過本公司於採納日已發行股份總數之10%。

於任何十二個月期間，任何合資格行政人員就行使已授出及將授出之認購權時已發行及將發行股份總數，最多不得超過已發行股份總數之1%。

Share Options *(continued)*

Executive Share Option Scheme 2013 ("ESOS 2013") *(continued)*

The Board may at its discretion determine the exercise price of an option under the ESOS 2013 provided that the exercise price so fixed shall not be less than greatest of (a) the average closing price of a share as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the day of offer of such option; (b) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the day of offer of such option, which must be a business day; and (c) the nominal value of a share (Note).

A nominal consideration of HK\$1 is payable on acceptance of the share option within 30 days (or such longer period of time as may be permitted by the Board at its discretion) from the date of making such offer.

The ESOS 2013 will remain in force for a period of 10 years commencing on 25 April 2013.

Note:

The concept of par value of a share was abolished with effect from 3 March 2014 pursuant to the Hong Kong Companies Ordinance.

股份認購權 *(續)*

2013行政人員股份認購權計劃(「2013股份認購權計劃」)*(續)*

董事會可按其酌情權決定每股於2013股份認購權計劃下授出之認購權之行使價，惟就此既定的行使價須至少為下列的較高者：(a)緊接授出該認購權之日前五個營業日聯交所之每日報價表所顯示之每股股份平均收市價；(b)授出該認購權當日(必須為營業日)聯交所之每日報價表所顯示之每股股份收市價及(c)每股面值(附註)。

於授出日期起計的三十日內(或經董事會按其酌情權允許的一個較長期間)，接納認購權須支付代價港幣1元。

2013股份認購權計劃之有效期限由二零一三年四月二十五日起計十年。

附註：

根據香港公司條例，股份面值的概念已被廢除，由二零一四年三月三日起生效。

DIRECTORS' REPORT

董事會報告書

Share Options (continued)

Executive Share Option Scheme 2013 ("ESOS 2013")

(continued)

As at 1 July 2016, there were 12,500,000 outstanding options pursuant to the ESOS 2013.

During the year, no options were granted pursuant to the ESOS 2013. Details of the share options as at 30 June 2017 are as follows:

Date of grant 授出日期	Grantees 獲授人	Number of share options 股份認購權數目			As at 30 June 2017 於二零一七年 六月三十日	Exercise price per share 每股行使價 HK\$ 港幣	Notes 附註
		As at 1 July 2016 於二零一六年 七月一日	Granted during the year 於年內授出	Lapsed during the year 於年度內失效			
28 June 2013 二零一三年六月二十八日	LEUNG Joseph (Group Managing Director) 梁玄博先生，集團董事 總經理	5,000,000	–	–	5,000,000	4.62	1, 3 & 4
28 June 2013 二零一三年六月二十八日	Eligible Executives 合資格行政人員	6,600,000	–	–	6,600,000	4.62	1 & 3
26 November 2014 二零一四年 十一月二十六日	Eligible Executive 合資格行政人員	900,000	–	–	900,000	6.80	2 & 3
Total: 總數：		12,500,000			12,500,000		

Notes:

- The vesting of the options is subject to the achievement of the prescribed financial and performance targets and the contribution criteria to be met by the grantees for the financial periods from 1 July 2012 to 30 June 2017.
- The vesting of the options is subject to the achievement of the prescribed financial and performance targets and the contribution criteria to be met by the grantee for the financial periods from 1 July 2014 to 30 June 2017.
- At the end of the relevant performance period as mentioned in Notes 1 and 2 above, the Board Remuneration Committee of the Company shall determine, at its discretion, the extent of achievement of the financial and performance targets and contribution criteria set out for that period, and decide on the vesting of the options and the number of shares comprised in the vested options. Thereafter, the grantees shall be notified of the vesting of the options and shall be able to exercise the vested options within an exercise period of up to 30 months following the vesting of the options.
- Mr. LEUNG Joseph is an option holder under Rule 17.07(ii) of the Listing Rules.

股份認購權 (續)

2013行政人員股份認購權計劃(「2013股份認購權計劃」)(續)

於二零一六年七月一日，根據2013股份認購權計劃，尚未行使之認購權數目為12,500,000。

於年內，並無根據2013股份認購權計劃授出認購權。於二零一七年六月三十日，股份認購權之詳情如下：

附註：

- 歸屬認購權乃根據由二零一二年七月一日至二零一七年六月三十日財政年度之表現期間內獲授人將達成已預設的財政及表現目標及貢獻為標準。
- 歸屬認購權乃根據由二零一四年七月一日至二零一七年六月三十日財政年度之表現期間內獲授人將達成已預設的財政及表現目標及貢獻為標準。
- 在上述附註1及2所提述的有關表現期間結束時，董事會薪酬委員會將考慮該期間內所完成之預定財政和表現目標及貢獻，決定認購權之歸屬及已歸屬認購權包含之股份數目。獲授人將獲通知有關認購權之歸屬，並可將於認購權歸屬後起計三十個月內行使已歸屬的認購權。
- 梁玄博先生為上市規則第17.07(ii)條下之認購權持有人。

Share Options *(continued)*

Executive Share Option Scheme 2013 ("ESOS 2013") *(continued)*

Save as disclosed herein, no options were vested, exercised, lapsed or cancelled under the ESOS 2013 during the year. Accordingly, the number of outstanding options was 12,500,000 at 30 June 2017.

Save for above, certain other subsidiaries of Hong Leong Company (Malaysia) Berhad ("HLCM"), the ultimate holding company of the Company, maintain share option schemes or plans or arrangements which subsisted at the end of the year or at any time during the year, under which eligible directors of the Company may be granted share options for acquisition of shares of respective companies concerned. Mr. TANG Hong Cheong, a director of the Company, had acquired and held shares of certain subsidiaries of HLCM in pursuance of a share option scheme maintained by a subsidiary of HLCM during the year.

Apart from above, at no time during the year was the Company, its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

股份認購權 *(續)*

2013行政人員股份認購權計劃(「2013股份認購權計劃」)*(續)*

除本文所披露者外，於本年度內，在2013股份認購權計劃下，並無認購權獲確認歸屬、行使、失效或取消。因此，於二零一七年六月三十日，尚未行使之認購權數目為12,500,000。

除上文所述者外，本公司之最終控股公司，Hong Leong Company (Malaysia) Berhad「HLCM」之若干其他附屬公司於結算日或年度內任何時間已設立的股份認購權計劃或方案，據此，本公司合資格董事可獲授認購有關公司股份之股份認購權。於本年度內，本公司董事鄧漢昌先生根據HLCM之附屬公司所設立的股份認購權計劃，已收購及持有HLCM之若干附屬公司之股份。

除上文所述者外，於本年度內，本公司、其控股公司、附屬公司或同系附屬公司在任何時候概無成為任何安排之訂約方，以致本公司董事可藉收購本公司或任何其他法團之股份或債券獲得利益。

DIRECTORS' REPORT

董事會報告書

Substantial Shareholders' Interests

As at 30 June 2017, the following shareholders (other than directors of the Company whose interests or short positions in the shares and underlying shares of the Company as disclosed above) had interests or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

	Number of shares held 持有之股份數目	Approximate percentage of interest 權益之概約百分比
Hong Leong Company (Malaysia) Berhad ("HLCM")	155,753,659	64.00%
QUEK Leng Chan 郭令燦	155,753,659	64.00%
HL Holdings Sdn Bhd ("HLH")	155,753,659	64.00%
Hong Leong Investment Holdings Pte Limited ("HLIH")	155,753,659	64.00%
Davos Investment Holdings Private Limited ("Davos")	155,753,659	64.00%
KWEK Leng Kee	155,753,659	64.00%

Note:

The interests comprised (i) 140,008,659 ordinary shares in the Company held by GuoLine International Limited ("GIL"); (ii) 6,420,000 ordinary shares in the Company held by Richly Choice Development (PTC) Limited, a wholly-owned subsidiary of the Company; and (iii) 9,325,000 underlying shares of the Company of other unlisted derivatives held by Oceanease Limited.

GIL was a wholly-owned subsidiary of GuoLine Capital Assets Limited ("GCA") which in turn was a wholly-owned subsidiary of HLCM. Oceanease Limited was a wholly-owned subsidiary of GuocoEquity Assets Limited which in turn was a wholly-owned subsidiary of Guoco Group Limited ("GGL"). GGL was 71.88% owned by GuoLine Overseas Limited ("GOL") which in turn was a wholly-owned subsidiary of GCA. By virtue of Section 316(2) of the SFO, HLCM was 49.27% owned by Mr. QUEK Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly-owned by him and 0.311% via Newton (L) Limited. Newton (L) Limited was wholly-owned by Newton Capital Group Limited which was 2.424% owned by Mr. QUEK Leng Chan and 46.534% owned by HLH. HLIH held 34.69% interest in HLCM. Mr. KWEK Leng Kee held 41.92% interest in Davos which in turn held 33.59% interest in HLIH.

主要股東之持股權益

於二零一七年六月三十日，根據證券及期貨條例第336條規定而設之登記名冊中所載，下列股東(除上文所述本公司董事所持有本公司之股份或有關股份中之淡倉股份及相關股份之權益)持有本公司股份或有關股本中之淡倉股份及相關股份之權益：

	Number of shares held 持有之股份數目	Approximate percentage of interest 權益之概約百分比
Hong Leong Company (Malaysia) Berhad ("HLCM")	155,753,659	64.00%
QUEK Leng Chan 郭令燦	155,753,659	64.00%
HL Holdings Sdn Bhd ("HLH")	155,753,659	64.00%
Hong Leong Investment Holdings Pte Limited ("HLIH")	155,753,659	64.00%
Davos Investment Holdings Private Limited ("Davos")	155,753,659	64.00%
KWEK Leng Kee	155,753,659	64.00%

附註：

該權益包括(i) GuoLine International Limited(「GIL」)持有於本公司140,008,659股普通股之權益；(ii)本公司之全資附屬公司Richly Choice Development (PTC) Limited持有於本公司6,420,000股普通股之權益；及(iii) Oceanease Limited透過其他非上市衍生工具持有本公司9,325,000股相關股份之權益。

GIL 為 GuoLine Capital Assets Limited (「GCA」) 之全資附屬公司，後者為 HLCM 之全資附屬公司。Oceanease Limited 為國浩股本資產有限公司之全資附屬公司，後者為國浩集團有限公司(「國浩集團」)之全資附屬公司，國浩集團之71.88%權益由GuoLine Overseas Limited(「GOL」)擁有。GOL為GCA之全資附屬公司。根據證券及期貨條例第316(2)條規定，HLCM之49.27%權益為郭令燦先生以私人名義持有2.424%、經他全資擁有之HLH持有46.534%及經Newton (L) Limited持有0.311%。Newton (L) Limited為Newton Capital Group Limited之全資附屬公司，後者為郭令燦先生以私人名義持有2.424%及經HLH持有46.534%。HLIH持有HLCM 34.69%之權益。KWEK Leng Kee先生持有Davos 41.92%之股權而Davos則持有HLIH 33.59%之股權。

Substantial Shareholders' Interests

(continued)

All the interests disclosed under this section were long positions in the ordinary shares of the Company.

Save as disclosed herein, no other person (other than directors of the Company) has an interest or a short position in the shares and underlying shares as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

Purchase, Sale or Redemption of the Company's Listed Shares

During the year, a wholly-owned subsidiary of the Company, as the trustee for a trust set up for the purpose of acquiring shares of the Company to satisfy the exercise of options granted to the Executive Share Option Scheme adopted on 23 April 2013, purchased 1,414,000 shares of the Company on the Stock Exchange at a total consideration of HK\$12,962,000.

Save as disclosed above, during the year, the Company did not redeem any of its listed shares and neither did the Company nor any of its subsidiaries purchase or sell any of the Company's listed shares.

Major Customers and Suppliers

Total sales to the Group's five largest customers accounted for less than 30% of the Group's revenue for the year.

Total purchases from the Group's five largest suppliers accounted for less than 30% of the Group's purchases for the year.

Sufficiency of Public Float

At all times during the year, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within the knowledge of the directors.

主要股東之持股權益(續)

此部份披露之所有權益皆為持有本公司好倉普通股股份。

除本文所披露者外，根據證券及期貨條例第336條規定而設之登記冊所記錄，並無其他人士(本公司董事除外)持有本公司股份或有關股本中之淡倉股份及相關股份之權益。

購買、出售或贖回本公司之上市證券

於本年度內，本公司之全資附屬公司(作為一項信託之受託人，該信託乃為收購本公司之股份而設立，籍以履行根據本公司於二零一三年四月二十三日採納之行政人員股份認購權計劃可能授出之股份認購權之行使)在聯交所購買1,414,000股本公司股份，總代價為港幣12,962,000元。

除上文所披露外，於本年度內，本公司概無贖回其任何上市證券，而本公司或其他任何附屬公司均無購買或出售任何本公司之上市證券。

主要客戶及供應商

本集團售予最大的首五位客戶的收入共佔本集團本年度銷售額少於30%。

本集團購自最大的首五位供應商的購貨額佔本集團本年度購貨總額少於30%。

足夠之公眾持股量

基於公開於本公司查閱之資料及據董事所知悉，在本年度內，本公司一直維持上市規則所訂明之公眾持股量。

DIRECTORS' REPORT

董事會報告書

Update on Directors' Information

Pursuant to Rule 13.51B(1) of the Listing Rules, the change in information on the Company's director is set out below:

Mr. TSANG Cho Tai, ceased to be a Director of Prime Orion Philippines, Inc., a company listed on the Philippines Stock Exchange, with effect from 27 June 2017.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming annual general meeting.

By Order of the Board
KWEK Leng Hai
Chairman

Hong Kong, 30 August 2017

董事資料更新

根據上市規則第13.51B(1)條，本公司董事資料更改如下：

曾祖泰先生已於二零一七年六月二十七日退任一間在菲律賓交易所上市的公司Prime Orion Philippines, Inc.之董事。

核數師

畢馬威會計師事務所退任及符合資格續聘。在即將召開之股東週年常會，將提呈決議案，建議續聘畢馬威會計師事務所為本公司的核數師。

承董事會命
主席
郭令海

香港，二零一七年八月三十日



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LAM SOON (HONG KONG) LIMITED**
(incorporated in Hong Kong with limited liability)

Opinion

We have audited the consolidated financial statements of Lam Soon (Hong Kong) Limited ("the Company") and its subsidiaries ("the Group") set out on pages 97 to 207, which comprise the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

獨立核數師報告
致南順(香港)有限公司成員
(於香港註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第97至207頁的南順(香港)有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一七年六月三十日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年六月三十日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Key audit matters

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

Revenue recognition

Refer to note 5 to the consolidated financial statements and the accounting policies on page 134

The Key Audit Matter	How the matter was addressed in our audit
<p>Sales of flour, edible oil and cleaning products are recognised as revenue when the relevant risk and rewards of ownership of the products are transferred to the Group's customers according to the terms of the sales and purchase agreements entered into between the Group and its customers.</p> <p>Generally, management considers the relevant risk and rewards of ownership of the products sold are transferred to the Group's customers when the goods are delivered to the customers' premises.</p> <p>The Group trades mainly with distributors and supermarkets and has a large volume of individual transactions which increases the risk of error in recognising revenue.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Group which could create an incentive for management to record revenue inappropriately to meet targets or expectations and because the large transaction volume increases the possibility of errors in recognising revenue.</p>	<p>Our audit procedures to assess the recognition of revenue included the following:</p> <ul style="list-style-type: none">• gaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls over the completeness, existence and accuracy and timing of revenue recognition;• challenging the revenue recognition policies adopted by the Group by making inquiries of management and inspecting a sample of sales and purchase agreements to understand the terms of the transactions with reference to the requirements of the prevailing accounting standards;• assessing the existence and identity of a sample of new customers of the Group during the year by performing background searches on these customers;• comparing sales records for a sample of sales transactions recorded during the year with relevant underlying documentation, which included sales invoices and goods delivery notes with evidence of the customers' receipt of the goods and the date of receipt of the goods by the customers;• scrutinising the sales ledger after the year end to identify significant sales returns and inspecting the underlying documentation in relation to these sales returns to assess if the related adjustments to revenue had been accounted for in the appropriate accounting period;

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Revenue recognition (continued)

Refer to note 5 to the consolidated financial statements and the accounting policies on page 134 (continued)

The Key Audit Matter (continued)

How the matter was addressed in our audit (continued)

Our audit procedures to assess the recognition of revenue included the following: (continued)

- assessing, on a sample basis, whether specific revenue transactions around the financial year end had been recognised in the appropriate financial period in accordance with the terms of sale as set out in the sales and purchase agreements by comparing details of these transactions with sales invoices and goods delivery notes with evidence of the customers' receipt of the goods and the date of receipt of the goods by the customers; and
- selecting a sample journal entries affecting revenue raised during the year, adopting specific risk-based criteria, and comparing the details of these adjustments with the related underlying documentation.

收入確認

請參閱綜合財務報表附註5及第134頁的會計政策

關鍵審計事項

麵粉、食用油及清潔用品的銷售於產品擁有權的相關風險及回報根據貴集團與其客戶訂立的買賣協議條款轉移至貴集團客戶時確認為收入。

一般而言，當貨物送達客戶的場地時，管理層認為已售產品擁有權的相關風險及回報已轉移至貴集團客戶。

貴集團主要與分銷商及超市進行交易，並有大量個別交易，從而令確認收入時出錯的風險增加。

我們視收入確認為一項關鍵審計事項，乃由於收入為貴集團其中一項關鍵績效指標，故可能誘使管理層對收入作出不適當記錄以達致目標或期望，另外龐大的交易量亦增加確認收入時出錯的可能性。

我們的審計如何處理該事項

我們評估收入確認所進行的審計程序包括以下：

- 了解及評估有關收入確認的完整性、存在性及準確性以及時間的關鍵內部控制的設計、實施及運行有效性；
- 通過向管理層作出查詢及抽查買賣協議以了解交易條款，並參考現行會計政策的要求，以對貴集團採納的收入確認政策作出質疑；
- 對貴集團年內的新客戶進行抽樣背景調查，從而評估該等客戶是否存在及其身份；
- 抽樣將年內錄得的銷售交易的銷售記錄與相關支持文件（包括證明客戶收到貨物及收貨日期的銷售發票及貨物送貨單）進行對比；
- 審查年末之後的銷售賬目以識別大額銷售退回並檢查該等銷售退回的相關支持文件以評估對收入的相關調整是否已於適當會計期間入賬；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

收入確認(續)

請參閱綜合財務報表附註5及第134頁的會計政策(續)

關鍵審計事項(續)

我們的審計如何處理該事項(續)

我們評估收入確認所進行的審計程序包括以下：(續)

- 抽樣將財政年度末前後的特定收入交易的詳情與證明客戶收到貨物及收貨日期的銷售發票及貨物送貨單進行比較，以評估該等交易是否已根據買賣協議所載的銷售條款於適當的財務期間確認；及
- 抽樣選取影響年內收入的會計分錄，並採取特定風險標準對比該等調整的詳情及相關支持文件。

Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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.

綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

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

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

Responsibilities of the directors for the consolidated financial statements

The directors 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 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.

The directors are assisted by the Board Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

董事就綜合財務報表須承擔的責任

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

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

審核及風險管理委員會協助董事履行監督貴集團的財務報告過程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

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. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, 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 judgement 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.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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

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

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: *(continued)*

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

核數師就審計綜合財務報表承擔的責任 *(續)*

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

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書

Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

We communicate with the Board Audit and Risk Management 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 Board Audit and Risk Management Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Board Audit and Risk Management 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 Kin Shing Guen.

KPMG
Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 August 2017

核數師就審計綜合財務報表承擔的責任 (續)

除其他事項外，我們與審核及風險管理委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

出具本獨立核數師報告的審計項目合夥人是姜健成。

畢馬威會計師事務所
執業會計師

香港中環
遮打道十號
太子大廈八樓

二零一七年八月三十日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收入	5	4,814,412	4,708,012
Cost of sales	銷售成本		(3,791,268)	(3,781,724)
Gross profit	毛利		1,023,144	926,288
Other income	其他收入	6	27,176	25,097
Selling and distribution expenses	銷售及分銷費用		(547,277)	(512,652)
Administrative expenses	行政費用		(183,928)	(169,533)
Operating profit	經營溢利		319,115	269,200
Finance costs	融資成本	7	(48)	(2,802)
Share of loss of a joint venture	應佔合營企業之虧損	16	—	(6)
Profit before taxation	除稅前溢利	8	319,067	266,392
Taxation	稅項	9(a)	(46,016)	(64,379)
Profit for the year	除稅後溢利		273,051	202,013
Attributable to:	應佔：			
Equity shareholders of the Company	本公司股東		273,051	202,013
Non-controlling interests	非控制權益		—	—
Profit for the year	本年度溢利		273,051	202,013
Earnings per share	每股盈利		HK\$港幣元	HK\$港幣元
Basic	基本	12(a)	1.15	0.85
Diluted	攤薄	12(b)	1.12	0.84

The notes on pages 105 to 207 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 11.

列於第105至207頁之各項附註為本財務報表之一部份。應付予本公司股東應佔本年度溢利股息之詳情載列於附註11。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit for the year	本年度溢利	273,051	202,013
Other comprehensive income for the year (after tax and reclassification adjustments)	本年度其他全面收益 (扣除稅項及重新分類調整後)		
Items that may be reclassified subsequently to profit or loss:	其後可重新分類至損益賬之項目：		
Changes in fair value of available-for-sale financial assets	可供出售金融資產之 公平價值變動	3	(2)
Exchange differences on translation of financial statements of foreign subsidiaries	換算海外附屬公司財務報表 所產生之匯兌差額	(16,604)	(103,492)
Other comprehensive income for the year, net of tax	本年度其他全面收益， 除稅後淨額	(16,601)	(103,494)
Total comprehensive income for the year	本年度全面收益總額	256,450	98,519
Attributable to:	應佔：		
Equity shareholders of the Company	本公司股東	256,450	98,519
Non-controlling interests	非控制權益	—	—
Total comprehensive income for the year	本年度全面收益總額	256,450	98,519

The notes on pages 105 to 207 form part of these financial statements.

列於第105至207頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2017 於二零一七年六月三十日

		Note	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	561,302	583,088
Leasehold land	租賃土地	14	74,260	77,937
Intangible assets	無形資產	15	18,795	22,896
Interest in a joint venture	合營企業權益	16	42,710	42,710
Deferred tax assets	遞延稅項資產	22	21	–
Available-for-sale financial assets	可供出售金融資產	17	185	182
Other non-current assets	其他非流動資產		–	501
			697,273	727,314
Current assets	流動資產			
Inventories	存貨	18(a)	648,900	542,975
Trade and other receivables	貿易及其他應收賬款	19	392,066	382,798
Cash and cash equivalents	現金及現金等額	20	822,877	663,835
			1,863,843	1,589,608
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	21	592,704	526,651
Amount due to a joint venture	應付合營企業款項	16	42,976	42,976
Tax payables	應付稅款	9(c)	19,091	15,490
Obligations under finance leases	融資租賃承擔		250	252
			655,021	585,369
Net current assets	淨流動資產		1,208,822	1,004,239
Total assets less current liabilities	總資產減流動負債		1,906,095	1,731,553
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	22	338	21
Obligations under finance leases	融資租賃承擔		255	530
			593	551
NET ASSETS	淨資產		1,905,502	1,731,002

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 30 June 2017 於二零一七年六月三十日

		Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Capital and reserves	資金及儲備			
Share capital	股本	23(a)	672,777	672,777
Reserves	其他儲備		1,222,012	1,047,374
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益		1,894,789	1,720,151
Non-controlling interests	非控制權益		10,713	10,851
TOTAL EQUITY	總權益		1,905,502	1,731,002

Approved and authorised for issue by the Board of Directors on 30 August 2017.

經由董事會於二零一七年八月三十日批准及授權刊發。

LEUNG Joseph
DIRECTOR

梁玄博
董事

WHANG Sun Tze
DIRECTOR

黃上哲
董事

The notes on pages 105 to 207 form part of these financial statements.

列於第105至207頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		Attributable to equity shareholders of the Company 本公司股東應佔										
											Non-controlling interests	Total equity
		Share capital	Surplus reserves	Investment	ESOP reserve	Share	Exchange reserve	General reserve	Revenue reserve	Total		
				revaluation		option						
				reserve		reserve						
				行政人員 投資	股份 認購權							
		股本	盈餘儲備	重估儲備	方案儲備	儲備	匯兌儲備	一般儲備	收益儲備	合計	非控制權益	權益合計
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 July 2016	於二零一六年七月一日	672,777	95,632	(10)	(27,717)	8,022	6,243	50,000	915,204	1,720,151	10,851	1,731,002
Profit for the year	本年度溢利	-	-	-	-	-	-	-	273,051	273,051	-	273,051
Total other comprehensive income for the year	本年度其他全面收益總額	-	-	3	-	-	(16,604)	-	-	(16,601)	-	(16,601)
Total comprehensive income for the year	本年度全面收益總額	-	-	3	-	-	(16,604)	-	273,051	256,450	-	256,450
Equity settled share-based transactions	按權益結算之以股份為基礎交易	-	-	-	-	2,139	-	-	-	2,139	-	2,139
Purchase of ordinary shares of the Company for share option schemes	就股份認購權計劃購買本公司之普通股	23(a)	-	-	(12,962)	-	-	-	-	(12,962)	-	(12,962)
Liquidation of a subsidiary with non-controlling interests	清盤帶有非控制權益之附屬公司		-	-	-	-	-	-	-	-	(138)	(138)
Transfer from revenue reserve to surplus reserves	由收益儲備轉撥至盈餘儲備		-	20,682	-	-	-	-	(20,682)	-	-	-
Final dividend paid in respect of prior year	就往年度已付末期股息	11(b)	-	-	-	-	-	-	(42,607)	(42,607)	-	(42,607)
Interim dividend paid in respect of current year	就本年度已付中期股息	11(a)	-	-	-	-	-	-	(28,382)	(28,382)	-	(28,382)
			-	20,682	-	(12,962)	2,139	-	-	(91,671)	(138)	(81,950)
At 30 June 2017	於二零一七年六月三十日	672,777	116,314	(7)	(40,679)	10,161	(10,361)	50,000	1,096,584	1,894,789	10,713	1,905,502

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		Attributable to equity shareholders of the Company 本公司股東應佔									Non-controlling interests	Total equity
		Share capital	Surplus reserves	Investment revaluation reserve	ESOP reserve	Share option reserve	Exchange reserve	General reserve	Revenue reserve	Total		
		股本	盈餘儲備	重估儲備	行政人員投資	股份認購權儲備	匯兌儲備	一般儲備	收益儲備	合計	非控制權益	權益合計
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 July 2015	於二零一五年七月一日	672,777	83,800	(8)	(22,382)	6,472	109,735	50,000	779,846	1,680,240	10,851	1,691,091
Profit for the year	本年度溢利	-	-	-	-	-	-	-	202,013	202,013	-	202,013
Total other comprehensive income for the year	本年度其他全面收益總額	-	-	(2)	-	-	(103,492)	-	-	(103,494)	-	(103,494)
Total comprehensive income for the year	本年度全面收益總額	-	-	(2)	-	-	(103,492)	-	202,013	98,519	-	98,519
Equity settled share-based transactions	按權益結算之以股份為基礎交易	-	-	-	-	1,550	-	-	-	1,550	-	1,550
Purchase of ordinary shares of the Company for share option schemes	就股份認購權計劃購買本公司之普通股	23(a)	-	-	(5,335)	-	-	-	-	(5,335)	-	(5,335)
Transfer from revenue reserve to surplus reserves	由收益儲備轉撥至盈餘儲備	-	11,832	-	-	-	-	-	(11,832)	-	-	-
Final dividend paid in respect of prior year	就往年度已付末期股息	11(b)	-	-	-	-	-	-	(30,987)	(30,987)	-	(30,987)
Interim dividend paid in respect of current year	就本年度已付中期股息	11(a)	-	-	-	-	-	-	(23,836)	(23,836)	-	(23,836)
		-	11,832	-	(5,335)	1,550	-	-	(66,655)	(58,608)	-	(58,608)
At 30 June 2016	於二零一六年六月三十日	672,777	95,632	(10)	(27,717)	8,022	6,243	50,000	915,204	1,720,151	10,851	1,731,002

The notes on pages 105 to 207 form part of these financial statements.

列於第105至207頁之各項附註為本財務報表之一部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2017 截至二零一七年六月三十止年度

			2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
	Note 附註			
Operating activities		經營業務		
Operating profit		經營溢利	319,115	269,200
<i>Adjustments for:</i>		<i>調整：</i>		
Depreciation and amortisation	8	拆舊及攤銷	63,595	68,838
Write-down of inventories	18(b)	存貨減值	11,017	6,248
Impairment losses recognised/(reversed) for trade receivables	8	貿易應收款項之減值虧損 確認／(回撥)	407	(14)
Interest income	6	利息收入	(13,810)	(14,432)
Net losses on disposal of property, plant and equipment	6	出售物業、廠房及設備之 淨虧損	1,243	834
Net gain on liquidation of a subsidiary	6	附屬公司清盤之淨收益	(138)	—
Share-based payment expenses	8	股權支付費用	2,139	1,550
Net unrealised exchange losses		未變現匯兌淨虧損	8,029	7,244
<i>Changes in working capital:</i>		<i>營運資金的變動：</i>		
Increase in inventories		存貨之增加	(122,634)	(43,380)
Increase in amount due to a joint venture		應付合營企業款項之增加	—	262
(Increase)/decrease in trade and other receivables		貿易及其他應收賬款之 (增加)／減少	(16,020)	9,345
Increase in trade and other payables		貿易及其他應付賬款之增加	69,875	98,717
Cash generated from operations		經營業務所產生的現金	322,818	404,412
Taxation:		稅項：		
Hong Kong Profits Tax paid		已付香港利得稅	(1,948)	(902)
Tax paid outside Hong Kong		已付香港以外稅項	(40,153)	(71,273)
Net cash generated from operating activities		經營業務所得現金淨額	280,717	332,237

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

		Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Investing activities	投資活動			
Interest received	已收利息		13,810	14,432
Decrease/(increase) in fixed deposit held at bank with original maturity over three months	所持有原到期日為三個月以上的銀行定期存款減少／(增加)		10,141	(80,000)
Purchase of property, plant and equipment and intangible assets	購買物業、廠房及設備及無形資產		(35,839)	(34,030)
Net proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項淨額	8	376	135
Net cash used in investing activities	投資活動所用現金淨額		(11,512)	(99,463)
Financing activities	融資活動			
Purchase of ordinary shares of the Company for share option schemes	就股份認購權計劃購買本公司之普通股	23(a)	(12,962)	(5,335)
Net repayment of bank loans	銀行貸款的還款淨額		–	(337,000)
Net decrease in obligations under finance leases	融資租賃承擔之淨減少		(277)	(228)
Interest paid	已付利息		(48)	(2,802)
Dividends paid to equity shareholders of the Company	付予本公司股東之股息		(70,989)	(54,823)
Net cash used in financing activities	融資活動所用現金淨額		(84,276)	(400,188)
Net increase/(decrease) in cash and cash equivalents	現金及現金等額淨額增加／(減少)		184,929	(167,414)
Cash and cash equivalents at 1 July	於七月一日之現金及現金等額		583,835	800,343
Effect of foreign exchange rate changes	匯率變動之影響		(15,746)	(49,094)
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等額	20	753,018	583,835

The notes on pages 105 to 207 form part of these financial statements.

列於第105至207頁之各項附註為本財務報表之一部份。

1. General Information

Lam Soon (Hong Kong) Limited (the “Company”) is a limited liability company incorporated in Hong Kong. The registered office and the principal place of business of the Company is located at 21 Dai Fu Street, Tai Po Industrial Estate, Tai Po, New Territories, Hong Kong.

The Company is a holding company and its principal activity is investment holding. The principal activities of the Company’s subsidiaries include manufacturing, trading and processing of edible oil, flour products and detergent products in Hong Kong, the People’s Republic of China (“PRC”) and Macau.

1. 一般資料

南順(香港)有限公司(「本公司」)為一間於香港註冊成立的有限公司。本公司的註冊辦事處及主要營業地點位於香港新界大埔大埔工業村大富街二十一號。

本公司為一間控股公司，主要業務為投資控股。本公司附屬公司的主要業務是於香港、中國大陸及澳門提供食用油、麵粉產品及清潔產品的生產、貿易及處理。

2. Significant Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). Significant accounting policies adopted by the Company and its subsidiaries (together referred to as the “Group”) is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2. 重要會計政策

(a) 遵守聲明

此財務報表已根據香港會計師公會(「香港會計師公會」)所頒佈之所有適用《香港財務報告準則》(「香港財務報告準則」)，此統稱包括所有適用之個別《香港財務報告準則》、《香港會計準則》(「香港會計準則」)及詮釋、香港普遍公認會計原則及香港《公司條例》之披露規定而編製。本財務報表亦符合香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露條文規定。下文列載本公司及其附屬公司(合稱「本集團」)採納之主要會計政策概要。

香港會計師公會已頒佈若干於本集團本會計年度首次生效或可供提早採納的新訂及經修訂之香港財務報告準則。附註2(c)提供有關本集團本年度及以往年度之財務報表因初次執行此等頒佈而改變的會計政策。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 30 June 2017 comprise the Group and the Group's interest in a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- Available-for-sale financial assets (see note 2(g)); and
- Derivative financial instruments (see note 2(h)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

2. 重要會計政策(續)

(b) 財務報表編製基準

截至二零一七年六月三十日止年度之綜合財務報表包括本集團以及本集團一家合營企業之權益。

編製此財務報表所採用之計算基準為歷史成本法，惟以下以其公平值計算之資產及負債除外：

- 可供出售金融資產（見附註2(g)）；及
- 衍生金融工具（見附註2(h)）。

為編製符合香港財務報告準則之財務報表，管理層須對影響政策之應用、資產、負債及收支列報作出判斷、估計及假設。有關估計及相關之假設乃根據過往經驗，以及多項在當時情況下相信屬合理之其他因素而作出，有關結果構成在未能依循其他途徑即時確切得知資產與負債賬面值時所作出判斷的基礎。實際結果可能與此等估計或有不同。

管理層會不斷審閱各項估計和相關假設。如果會計估計的修訂只是影響某一期間，其影響便會在該期間內確認；如果修訂對當前和未來期間均有影響，則在作出修訂的期間和未來期間確認。

管理層在應用香港財務報告準則時所作出對財務報表有重大影響的判斷及估計不確定性的主要原因於附註3論述。

2. Significant Accounting Policies

(continued)

(c) Changes in accounting policies

The Group has adopted all new or revised HKFRSs, which term collectively includes HKASs and Interpretations, issued by the HKICPA that are mandatory for application for the current accounting period of the Group. The adoption of the new standards, amendments to standards and interpretations that are relevant to the Group had no material impact on the results and financial position of the Group.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 31).

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, 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. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

2. 重要會計政策(續)

(c) 會計政策的變動

本集團已採納所有由香港會計師公會頒佈於本集團的現行會計期間必需應用之新訂及經修訂香港財務報告準則(該詞彙包括香港會計準則及詮釋)。採納與本集團有關的新準則、準則修訂本及詮釋對本集團的業績及財務狀況並無構成重大影響。

本集團並未於本會計期間應用尚未生效的新訂準則或詮釋(見附註31)。

(d) 附屬公司及非控制權益

附屬公司為本集團所控制之實體。當本集團從參與某實體之業務獲得或有權獲得可變回報，及有能力藉對實體行使其權力而影響該等回報，則本集團控制該實體。當評估本集團是否有權力時，只考慮具體權利(由本集團及其他人士持有)。

於附屬公司之投資於擁有控制權日期起獲合併至綜合財務報表，直至該控制權終止為止。集團內部往來之結餘、交易、現金流量及因內部往來交易而產生之任何未變現溢利，均於編製綜合財務報表時全數抵銷。在無出現減值之情況下，集團內部交易所產生之未變現虧損，會按與未變現溢利相同之方法抵銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

2. 重要會計政策(續)

(d) 附屬公司及非控制權益(續)

非控制權益指並非由本公司直接或間接擁有的應佔附屬公司的權益，而本集團未與該等權益的持有者同意任何額外條款而令本集團整體對該等權益產生符合金融負債的定義的合約責任。

非控制性權益列入綜合財務狀況表的權益賬內，與本公司股權持有人應佔權益分開列賬。至於非控制性權益應佔集團業績的權益，則於綜合損益表、綜合損益及其他全面收益表內列報，並作為非控制性權益與本公司股權持有人應佔年內總盈利或虧損及全面收益總額的一個分配項目。

當本集團於一附屬公司權益出現變動，但並無失去控制權，須以權益交易入賬，而在綜合權益內以調整控股股東及非控制股東權益的數額去反映有關權益變動，但對商譽則不作調整及無收益或損失被確認。

2. Significant Accounting Policies*(continued)***(d) Subsidiaries and non-controlling interests**
(continued)

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of an investment in a joint venture (see note 2(e)) or an associate.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)(ii)).

(e) Joint venture

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

2. 重要會計政策(續)**(d) 附屬公司及非控制權益(續)**

當本集團失去一附屬公司的控制權，須以出售全部於該附屬公司權益入賬，並在損益賬內確認最終收益或損失。於失去控制該前附屬公司控制權當日而保留的任何權益則以公平值確認，而該數額被視為首次以公平值確認的金融資產(參閱附註2(g))或，如適當，被視為首次確認投資於一間合營企業(參閱附註2(e))或聯營公司的成本。

於本公司之財務狀況表內，於一家附屬公司之投資按成本扣除減值虧損列示(見附註2(l)(ii))。

(e) 合營企業

合營企業是一種合營安排，據此，本集團或本公司與其他方擁有共同控制權而且享有該安排下之資產淨值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(e) Joint venture (continued)

An investment in a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 2(f) and 2(l)(ii)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the joint venture.

2. 重要會計政策(續)

(e) 合營企業(續)

於合營企業之投資在綜合財務報表是按權益會計法入賬。在權益會計法之下，最初先以成本入賬，及就集團應佔在收購日被收購者可區別淨資產公平值超逾其投資成本(如有)作出調整。隨後就本集團應佔被投資者淨資產在收購後的變動及有關該投資的減值虧損作出調整(參閱附註2(f)及2(l)(ii))。任何在收購日比對成本的超越值、年內本集團應佔被投資者的收購後及除稅後業績以及任何減值虧損乃於綜合損益表內確認，而本集團應佔被投資者其他全面收益的收購後及除稅後項目乃於綜合損益及其他全面收益表內確認。

當本集團應佔合營企業之虧損超過其權益時，本集團應佔權益便會減少至零，並且不再確認額外虧損；惟本集團須履行法定或推定義務，或代被投資公司作出付款除外。就此而言，本集團應佔投資權益為按照權益法計算之投資賬面值，以及實質上構成本集團在合營企業投資淨額之長期權益。

2. Significant Accounting Policies*(continued)***(e) Joint venture (continued)**

Unrealised profits and losses resulting from transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in a joint venture becomes an investment in an associate, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)).

(f) Goodwill

Goodwill represents the excess of (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

2. 重要會計政策(續)**(e) 合營企業(續)**

本集團與其合營企業之交易所產生之未變現損益，均按本集團應佔合營企業權益抵銷；未變現虧損能證明已轉讓資產出現減值除外，並即時於損益賬確認。

倘於合營企業之投資變為聯營公司，累計權益將不會被重新計量。該投資將繼續按權益會計法入賬。

在其他情況下，當本集團不再共同控制合營企業時，按出售有關被投資者的全部權益列賬，由此產生的收益或虧損在損益賬內確認。在喪失共同控制權當日所保留有關前被投資者的權益按公平值確認及此筆金額在初始確認金融資產(參閱附註2(g))時當作公平值。

(f) 商譽

商譽代表以下的超越值(i)代價的公平值、被收購者的非控制權益數額及集團從前已持有被收購者股本權益的公平值的總額；超越(ii)於收購當日，被收購者的可區別資產及負債的淨公平值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(f) Goodwill (continued)

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(l)(ii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Available-for-sale financial assets

Investments in equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Costs include attributable transaction costs.

2. 重要會計政策(續)

(f) 商譽(續)

當(ii)超越(i)時，該超越值即時在損益賬內確認為一廉價收購收益。

商譽按成本減累計減值虧損列賬。業務合併產生之商譽分配至預計將會受惠於合併之協同作用之各現金生產單位或現金生產單位的組別，並於每年進行減值測試(參閱附註2(l)(ii))。

於年度內出售的現金生產單位計算出售溢利或虧損時會計入任何可歸屬的購入商譽金額。

(g) 可供出售金融資產

股票證券投資按公平價值初始列賬，其公平價值為交易價格，惟如按活躍市場中獲得的對相同資產或負債之報價或以只採用可觀察數據的估值技術證明初始列賬的公平價值與交易價格不相同除外。成本包括直接應佔交易成本。

2. Significant Accounting Policies*(continued)***(g) Available-for-sale financial assets***(continued)*

Investments in securities which do not fall into the categories of securities held for trading or held-to-maturity securities are classified as available-for-sale financial assets. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the investment revaluation reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(l)(i)). Dividend income from equity securities is recognised in profit or loss when the share price of the investment goes ex-dividend. When the investments are derecognised or impaired (see note 2(l)(i)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments.

The fair value of financial instruments is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

(h) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2. 重要會計政策(續)**(g) 可供出售金融資產(續)**

不屬於持作買賣證券或持至到期證券投資分類為可供出售金融資產。於各報告期終日將重新計量公平價值，而所產生之損益會直接於其他全面收益並於權益中之公平價值儲備獨立累計確認。惟以下情況例外：相同工具在活躍市場並無報價且其公平價值不能可靠計量之股票證券投資，乃按成本減減值虧損於財務狀況表確認（見附註2(l)(i)）。股票證券所得之股息收入及採用實際利息法計算之債務證券所得之利息收入會於損益賬中確認。當投資終止或減值（見附註2(l)(i)），權益中的已確認累計收益或虧損將重新分類至損益賬。本集團在承諾購入／出售投資或投資到期當日確認／終止確認有關投資。

金融工具的公平價值是於報告期終日根據其市場報價但未減除將來的估計出售成本計算。金融資產按買入價作價而金融負債則按賣出價作價。

(h) 衍生金融工具

衍生金融工具初步按公平值確認，並在每個報告期終日重新計量。於按公平值重新計量時所得收益或虧損即時計入損益賬中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(i) Property, plant and equipment

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (see note 2(l)(ii)). The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use. Expenditure incurred after an item of property, plant and equipment has been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of the property, plant and equipment.

Construction in progress is stated at cost less impairment losses (see note 2(l)(ii)). Cost comprises direct costs of construction, capitalised borrowing costs and exchange differences to the extent that it is an adjustment to borrowing costs during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

2. 重要會計政策(續)

(i) 物業、廠房及設備

物業、廠房及設備乃按成本減累計折舊及減值虧損列賬(見附註2(l)(ii))。資產的成本值包括購入的代價，加上將該項資產運送至運作地點及達至擬定現有用途的狀態而支付的費用。在物業、廠房及設備投入運作後的支出，如維修及保養，均通常於作出該等支出的期間在損益賬中列作費用。倘若能清楚顯示出該等支出能增加預計於日後運用該項物業、廠房及設備而產生的未來經濟效益，則該等支出將撥作該項物業、廠房及設備的額外成本。

在建工程以成本減除減值虧損列賬(見附註2(l)(ii))。成本包括建設與安裝期內的直接建設成本、資本化借貸成本及匯兌差額的調整。待資產投入擬定用途所需的準備工作大致完成時，這些成本便會停止資本化，而在建工程也會被轉撥到物業、廠房及設備。在建工程在完工並可隨時投入擬定用途前，不計提任何折舊準備。

2. Significant Accounting Policies*(continued)***(i) Property, plant and equipment** *(continued)*

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Buildings and leasehold improvements	2-25 years
Plant, equipment, furniture and motor vehicles	3-20 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 重要會計政策 *(續)***(i) 物業、廠房及設備** *(續)*

報廢或出售物業、廠房及設備項目所產生之盈虧為出售該項目所得款項淨額與該項目賬面值之差額，並於報廢或出售當日在損益賬內確認。

物業、廠房及設備按其估計可用年期(如下)以直線法撇減其成本減除其估計剩餘價值(如適用)：

樓宇及裝修	2-25年
廠房、設備、傢俬及汽車	3-20年

倘一項物業、廠房及設備中之不同部份有不同之可使用年期，該項目之成本將合理地分配至各部份，而各部份則獨立計提折舊。資產之可用年期及估計剩餘價值將於每年檢討。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(j) Intangible assets (other than goodwill)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(l)(ii)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible asset with finite useful life is amortised from the date it is available for use and its estimated useful life is as follows:

Enterprise planning resources system ("ERP")	5 years
Trademarks	5 years

Both the period and method of amortisation are reviewed annually.

2. 重要會計政策(續)

(j) 無形資產(商譽除外)

本集團收購之無形資產按成本減累計攤銷(若可使用年期有限)及減值虧損(見附註2(l)(ii))列賬。內部產生商譽及品牌之支出於產生期間確認為開支。

可使用年期有限之無形資產，以直線法在預計可使用年期內，在損益賬攤銷。下列可使用年期有限之無形資產，從可使用日起開始攤銷，而其預計可使用年期如下：

企業資源計劃系統	5年
商標	5年

每年均檢討攤銷年期及方式。

2. Significant Accounting Policies

(continued)

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Classification of assets leased to the Group*

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exception:

- Land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2. 重要會計政策(續)

(k) 租賃資產

倘本集團釐定一項安排具有在協定期限內通過支付一筆或一系列款項，從而獲得使用某一特定資產或多項資產之權利，則該安排（由一宗交易或一系列交易組成）為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而不論安排是否具備租賃的法律形式。

(i) 本集團承租之資產之分類

如本集團以租賃持有資產，而有關租賃將擁有該資產之絕大部分風險及回報轉移至本集團，有關之資產便會分類為以融資租賃持有；如租賃不會使擁有權之絕大部分風險和回報轉移至本集團，則分類為經營租賃，惟以下除外：

- 以經營租賃持作自用，但無法在租賃開始時將其公平值與建於其上之建築物之公平值分開計量之土地按以融資租賃持有方式入賬；但清楚地以經營租賃持有之建築物除外。就此而言，租賃開始時間指本集團首次訂立租賃時，或自前承租人接收建築物時。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(k) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(l)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

2. 重要會計政策(續)

(k) 租賃資產(續)

(ii) 以融資租賃收購之資產

若本集團以融資租賃收購資產使用權，租賃資產之公平值數額或最低租賃金額之現值之較低者，將列入物業、廠房及設備及相關負債（扣除融資費用）列作融資租賃負債。折舊為於相關租賃有效期間或資產可用期限之期間（若本集團將取得資產所有權），按撇銷資產成本之比率計算（見附註2(i)）。減值虧損按照附註2(l)(ii)所載之會計政策入賬。租賃金額所包含之融資費用將於租賃期間計入損益賬內，藉此在每個會計期間以一個相若的息率計算負債餘額的融資費用。或然租金將於產生之會計期間計入損益賬。

(iii) 經營租賃費用

如本集團是以經營租賃持有資產之使用權，則根據租賃作出之付款在租期所涵蓋之會計期間內，以等額在損益賬內扣除；惟其他基準能更清楚地反映租賃資產所產生之收益模式除外。租賃所涉及之獎勵均在損益賬中確認為淨租賃款項總額之組成部分。或然租金將於產生之會計期間計入損益賬。

以經營租賃持有之土地的收購成本乃按成本減累計攤銷列賬，並按直線法在租期內攤銷。

2. Significant Accounting Policies

(continued)

(I) Impairment of assets

(i) *Impairment of investments in equity securities and other receivables*

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale financial assets are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 重要會計政策(續)

(I) 資產減值

(i) *股權證券投資與其他應收賬款的減值*

本集團在每個報告期終日檢討投資於股權證券及按成本或經攤銷成本值列賬的其他流動及非流動應收賬款或歸類為可供出售金融資產，以判斷有否減值的客觀證據。減值的客觀證據包括本集團留意到的有關以下一項或以上虧損事項可觀察數據：

- 負債人出現重大財政困難；
- 違反合約，例如不履行或拖欠還本或付息；
- 負債人很有可能破產或進行其他債務重組；
- 技術、市場、經濟或法律環境出現重大變動而對負債人產生負面影響；及
- 股權工具投資的公平值顯著或長期下跌至低於其成本值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(l) Impairment of assets (continued)

(i) **Impairment of investments in equity securities and other receivables** (continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investment in a joint venture accounted for under the equity method in the consolidated financial statements (see note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(l)(ii).

2. 重要會計政策(續)

(l) 資產減值(續)

(i) 股權證券投資與其他應收賬款的減值(續)

如有任何這類證據存在，便會釐定減值虧損並按以下方式確認：

- 對於按權益法入賬之於合營企業的投資（見附註2(e)），減值虧損是以該項投資的根據附註2(l)(ii)確認的可收回金額與賬面金額的差額計量。若果根據附註2(l)(ii)用作釐定資產可收回金額的估計數額出現正面變化，有關的減值虧損便會轉回。

2. Significant Accounting Policies

(continued)

(I) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 重要會計政策(續)

(I) 資產減值(續)

(i) 股權證券投資與其他應收賬款的減值(續)

- 就以攤銷成本列賬的貿易及其他流動應收賬款及其他金融資產，減值虧損是以資產的賬面值與估計未來現金流量之差額計量，如折現影響重大，則按金融資產其初始實際利率（即在初始確認有關資產時計算的實際利率）折現預計未來現金流量。倘按攤銷成本列賬的金融資產的風險特性相似（例如類似的過往欠款狀況）且未被個別評估為出現減值，則集體作出評估。集體進行減值評估的金融資產，其未來現金流乃根據信貸風險特性與之類似的資產之以往虧損經驗而計算。

若減值虧損其後減少，而該減少可客觀地與減值虧損確認後發生的事件聯繫，則減值虧損將在損益賬回撥。減值虧損之回撥不應導致該資產的賬面值大於假設該資產於往年從來沒有確認減值虧損而釐定的賬面值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(l) Impairment of assets (continued)

(i) Impairment of investments in equity securities and other receivables (continued)

- For available-for-sale financial assets, the cumulative loss that has been recognised in the investment revaluation reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

2. 重要會計政策(續)

(l) 資產減值(續)

(i) 股權證券投資與其他應收賬款的減值(續)

- 就可供出售金融資產而言，已在投資重估儲備中確認的累計虧損會重新分類到損益賬中。在損益賬中確認的累計虧損是收購成本（經扣除任何本金償還額及攤銷額）與現時公平值的差額，並減去該資產以往在損益賬中確認的任何減值虧損。

已在損益賬確認而屬可供出售金融資產的減值虧損，不得在損益賬回撥。有關這類資產公平值於其後任何的上升，都在其他全面收益確認。

2. Significant Accounting Policies*(continued)***(l) Impairment of assets** *(continued)***(i) Impairment of investments in equity securities and other receivables**
(continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 重要會計政策 *(續)***(l) 資產減值** *(續)***(i) 股權證券投資與其他應收賬款的減值** *(續)*

減值虧損從相關的資產中直接撇銷，但若貿易及其他應收賬款中之應收賬款所確認的減值虧損之收回機會被視為成疑而非渺茫，則將呆賬減值虧損記入撥備賬戶。倘本集團相信收回機會渺茫，則被視為無法收回的款額從應收賬款中直接撇銷，而包含在撥備賬戶中的相關款項則予以撥回。倘之前計入撥備賬戶的款項其後收回，則從撥備賬戶中回撥。撥備賬戶的其他變動及其後收回先前直接撇銷的款項，均於損益賬中確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(I) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- leasehold land;
- intangible assets;
- goodwill;
- interest in a joint venture; and
- investments in subsidiaries in the Company's statement of financial position.

2. 重要會計政策(續)

(I) 資產減值(續)

(ii) 其他資產的減值

本集團於每個報告期終日需檢討內部及外來資料來源，以辨識下列資產是否需作減值，或之前所確認之減值虧損(商譽減值虧損除外)是否已不再存在或可能已經減少：

- 物業、廠房及設備；
- 租賃土地；
- 無形資產；
- 商譽；
- 合營企業權益；及
- 本公司財務狀況表中之於附屬公司之投資。

2. Significant Accounting Policies*(continued)***(i) Impairment of assets** *(continued)***(ii) Impairment of other assets** *(continued)*

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair values less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit) ("CGU").

2. 重要會計政策 *(續)***(i) 資產減值** *(續)***(ii) 其他資產的減值** *(續)*

若有任何跡象顯示上述情況，資產的可收回價值將會被評估。此外，即使並無任何減值跡象，商譽、未可使用及無既定可使用期限的無形資產仍按年進行減值評估。

– *計算可收回價值*

資產的可收回價值是按其公平價值減出售成本或使用價值中的較高者。在衡量使用價值時，預計未來現金流量將按除稅前折現率計算折現值，以反映市場目前對金錢的時間值和該資產的特定風險的評估。倘某項資產所產生之現金流並非大致上獨立於其他資產的現金流，則按獨立產生現金流的最小一組資產組合（即一個現金生產單位）來釐定可收回的價值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(I) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 重要會計政策(續)

(I) 資產減值(續)

(ii) 其他資產的減值(續)

– 確認減值虧損

若資產或其所屬現金生產單位的賬面值超逾其可收回價值，則於損益賬確認其減值虧損。為現金生產單位而確認之減值虧損，將首先用以撇減該現金生產單位（或一組單位）之任何商譽之賬面值，然後按比例減少單位（或一組單位）內其他資產之賬面值，但資產的賬面值不可減至低於其扣除出售成本（如能計量）後的公平價值或使用價值（如能確定）。

– 回撥減值虧損

有關商譽以外的資產，如果用作釐定資產可收回價值的估計數額出現正面的改變，有關減值虧損將會回撥。但商譽之減值虧損則不會被回撥。

減值虧損之回撥額不會超過假設該資產往年從來沒有確認減值虧損而釐定之賬面值。減值虧損之回撥將於確認回撥之年度內計入當期損益賬中。

2. Significant Accounting Policies*(continued)***(m) Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of work in progress and finished goods, cost comprises direct materials, direct labour and an attributable proportion of production overheads.

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(l)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, trade and other receivables are stated at cost less impairment losses for doubtful debts.

2. 重要會計政策(續)**(m) 存貨**

存貨乃以成本及可變現淨值之較低者列賬。成本按加權平均法計算，並計算購買成本、加工成本及為把存貨達致現有場所及狀況而產生的其他成本。半成品及製成品的成本則包括直接原料、直接人工及應佔的部份生產費用。

可變現淨值指正常業務中之估計售價減去完成交易之估計成本及進行銷售所需之估計成本。

出售存貨時，其賬面值於有關收入確認期內確認為開支。任何存貨金額撇減至可變現淨值及存貨之所有虧損均於撇減或虧損之發生期內確認為開支。倘存貨之撇減出現任何回撥，則於回撥出現期內扣減當期存貨費用。

(n) 貿易及其他應收賬款

貿易及其他應收賬款按公平值初始確認，其後按實際利息法以攤銷成本減呆壞賬減值虧損（見附註2(l)(i)）列賬；惟折現影響並不重大的應收款項或提供予關聯人士不設固定還款期之免息貸款除外。在此等情況下，貿易及其他應收賬款會按成本減呆壞賬減值虧損列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(q) Employee benefits

(i) *Short term employee benefits and contributions to defined contribution retirement plans*

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

2. 重要會計政策(續)

(o) 貿易及其他應付賬款

貿易及其他應付賬款按公平值初始確認。其後按攤銷成本入賬，惟若折現影響並不重大，則按成本入賬。

(p) 現金及現金等額

現金及現金等額包括銀行存款及現金、存放於銀行和其他財務機構之活期存款，及短期與高流動性之投資。該等投資可隨時換算為已知數額之現金，而其價值變動風險不大，並在購入後三個月內到期。

(q) 僱員福利

(i) *短期僱員福利及向定額供款退休計劃之供款*

薪酬、年終花紅、有薪年假、向定額供款退休計劃之供款及非金錢福利之成本均於僱員提供有關服務之年度計提。若付款或結算期被推延及其影響屬重大，該金額將按折現值入賬。

2. Significant Accounting Policies

(continued)

(q) Employee benefits (continued)

(ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share option reserve within equity. The fair value is measured at grant date using the Black-Scholes model, taking into account the terms and conditions upon which the share options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the share options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to revenue reserve).

2. 重要會計政策(續)

(q) 僱員福利(續)

(ii) 股權支付

授予僱員之股份認購權公平值會確認為僱員成本，而權益中的股份認購權儲備亦相應增加。公平值乃採用「柏力克—舒爾斯」模型，按股份認購權授予日計算，並已考慮授予股份認購權之條款。當僱員須符合歸屬期條件才可無條件享有該等股份認購權，預計公平值總額在歸屬期內攤分入賬，並已考慮股份認購權歸屬的或然率。

估計可歸屬股份認購權之數目須在歸屬期內作出檢討。除非原僱員支出符合資產確認之要求，任何已在往年確認的累積公平值之調整須在檢討期內之損益賬中列支／計入，並在股份認購權儲備作相應調整。已確認為支出的數額將在歸屬日作出調整，以反映所給予股份認購權的實際數目（同時對股份認購權儲備作相應調整）；但只會在無法符合與本公司股份市價相關的生效條件時方會放棄行使權。權益金額在股份認購權儲備確認，直至當認購權被行使時（股份發行時確認為股本金額），或當認購權之有效期屆滿時（直接轉入收益儲備）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(q) Employee benefits (continued)

(iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they related to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2. 重要會計政策(續)

(q) 僱員福利(續)

(iii) 離職福利

當本集團不能取消提供該福利時或當集團把有關離職福利的重組成本入賬時(以較早者為準),該離職福利會被入賬。

(r) 所得稅

本年度所得稅包括本年稅項及遞延稅項資產和負債的變動。除某些在其他全面收益或直接確認於權益內關於已確認於的項目之相關稅項應分別記入其他全面收益或直接確認於權益內外,其他本年度稅項及遞延稅項資產及負債的變動則於損益賬確認。

本年稅項是指年內就應課稅收入按報告期終日已生效或實質上已生效的稅率計算之預期應付稅項,並已包括以往年度應付稅項的任何調整。

2. Significant Accounting Policies*(continued)***(r) Income tax** *(continued)*

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they related to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

2. 重要會計政策 *(續)***(r) 所得稅** *(續)*

遞延稅項資產和負債分別由可扣稅及應課稅暫時差異產生，而暫時差異乃資產及負債在財務報表上的賬面值與這些資產及負債的納稅基礎兩者之差異。遞延稅項資產亦由未動用之稅務虧損及未動用之稅款抵免產生。

除若干有限的例外情況外，所有遞延稅項負債，以及未來可能有應課稅溢利可供抵免的相關遞延稅項資產均予確認。支持確認由可抵扣暫時差異所產生遞延所得稅資產的未來應課稅溢利包括因轉回目前存在的應課稅暫時差異而產生的數額；惟有關轉回的差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一期間或遞延所得稅資產所產生可抵扣虧損可向後期或向前期結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未利用可抵扣虧損和稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，以及是否預期在能夠使用未利用可抵扣虧損及稅款抵減撥回的同一期間內轉回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(r) Income tax (continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

2. 重要會計政策(續)

(r) 所得稅(續)

確認遞延稅項資產及負債的有限特別情況，包括不可扣稅的商譽所產生的暫時差異，以及不影響會計或應課稅溢利（惟並非業務合併之其中部份）的資產及負債之初始確認，以及有關於附屬公司之投資之暫時差異（就可課稅差異而言，則本集團可控制撥回時間及差異於可見將來或不能撥回，或就可扣減差異而言，則除非差異可於未來撥回）。

確認遞延稅項的金額是根據該項資產及負債的賬面值之預期變現或償還方式，按在報告期終日已生效或實質上已生效的稅率計算。遞延稅項資產及負債均不貼現計算。

本集團於各報告期終日重新審閱遞延稅項資產的賬面值，對預期不再可能有足夠應課稅溢利以實現相關稅務利益的遞延稅項資產予以扣減。若日後可能出現足夠的應課稅溢利時，則有關扣減予以轉回。

因宣派股息所產生的額外所得稅於支付有關股息的責任確立時確認。

2. Significant Accounting Policies*(continued)***(r) Income tax** *(continued)*

Current tax balances and deferred tax balances, and movements therein, are presented separated from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

2. 重要會計政策(續)**(r) 所得稅(續)**

本年所得稅結餘及遞延所得稅結餘及其變動額會分開列示，並且不予抵銷。當期及遞延所得稅資產僅會在本公司或本集團有法定行使權以當期所得稅資產抵銷當期所得稅負債，並且符合以下附帶條件的情況下，才可以分別抵銷當期及遞延所得稅負債：

- 本年所得稅資產與負債：本公司或本集團計劃按淨額基準結算，或同時變現該資產和結算該負債；或
- 遞延所得稅資產與負債：這些資產與負債必須與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。這些實體計劃在日後每個預計有大額遞延所得稅負債需要結算或大額遞延所得稅資產可以收回的期間內，按淨額基準實現當期所得稅資產和結算當期所得稅負債，或同時變現該資產和結算該負債。

(s) 撥備及或然負債

若本集團或本公司須就已發生的事件承擔法律或推定責任，因而預期很可能導致經濟效益外流，在可以作出可靠的估計時，本集團或本公司便會就該時間或數額不定的負債計提準備。若貨幣時間值屬重大，撥備須按預期結算責任之支出現值入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(s) Provisions and contingent liabilities

(continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefit is remote.

(t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of goods

Revenue is recognised when goods are delivered to the customer which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

(ii) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

2. 重要會計政策(續)

(s) 撥備及或然負債(續)

若流出經濟利益之可能性較低，或相關數額未能作出可靠估計時，該責任將披露為或然負債，惟流出經濟利益之可能性渺茫者除外。僅由於一項或多項未來事項之發生或不發生而確認是否存在之可能責任亦須披露為或然負債，惟流出經濟利益之可能性渺茫者除外。

(t) 收入確認

收入根據已收或應收代價的公平值予以計量。在經濟效益很可能流入本集團及能夠可靠地計算收入和成本時，收入會根據下列基準在損益賬內確認：

(i) 銷售貨品

收入於貨物送交客戶及客戶接納貨物及擁有權之相關風險和回報時確認。收入已扣除貿易折扣，惟不含增值稅或其他銷售稅。

(ii) 經營租賃之租金收入

根據經營租賃，應收之租金收入會於租賃期所涵蓋之期間內以等額在損益賬內確認。

(iii) 利息收入

利息收入是在產生時按實際利息法確認。

2. Significant Accounting Policies*(continued)***(u) Translation of foreign currencies**

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 重要會計政策(續)**(u) 外幣換算**

年內之外幣交易按交易日之外幣匯率換算。以外幣為單位之貨幣資產及負債按期末之外幣匯率換算。匯兌損益在損益賬確認。

以歷史成本計量之外幣非貨幣資產及負債按交易日之外幣匯率換算。以外幣為單位並以公平值列賬之非貨幣資產及負債按計量公平值當日之外幣匯率換算。

海外業務之業績按交易日期之外幣匯率換算為港幣。財務狀況表項目(包括二零零五年一月一日或之後收購之海外業務綜合計算時產生之商譽)則按報告期終日之外幣匯率換算為港幣。所產生之匯兌差額確認在其他全面收益及獨立累計在權益中的匯兌儲備。二零零五年一月一日前收購之海外業務綜合計算時產生之商譽乃按收購該海外業務當日之外幣匯率換算。

出售海外業務並於確認出售損益時，與該海外業務有關之累計匯兌差額，將從權益重分類到損益賬中。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(w) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (a) has control or joint control over the Group;
 - (b) has significant influence over the Group; or
 - (c) is a member of the key management personnel of the Group or the Group's parent.

2. 重要會計政策(續)

(v) 借貸成本

除直接用作收購或需要相當長時間建造或生產才可投入擬定用途或銷售的資產之借貸成本予以資本化外，其他借貸成本均於發生期間計入損益。

在合資格資產的開支及借貸成本開始產生時，以及將該資產投入擬定用途所需的籌備工作進行期間，即開始將借貸成本資本化，作為合資格資產成本一部份。當將合資格資產投入擬定用途所需的大部份籌備工作被中斷或完成時，借貸成本資本化則被暫停或終止。

(w) 關連人士

- (i) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
 - (a) 控制或共同控制本集團；
 - (b) 對本集團有重大影響；或
 - (c) 為本集團或本集團母公司的主要管理層成員。

2. Significant Accounting Policies

(continued)

(w) Related parties (continued)

- (ii) An entity is related to the Group if any of the following conditions applies:
- (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third party and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (f) The entity is controlled or jointly controlled by a person identified in (i).
 - (g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

2. 重要會計政策(續)

(w) 關連人士(續)

- (ii) 倘符合下列任何條件，即實體與本集團有關連：
- (a) 該實體與本公司屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (b) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (c) 兩間實體均為同一第三方的合營企業。
 - (d) 一間實體為第三方的合營企業，而另一實體為該第三方實體的聯營公司。
 - (e) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
 - (f) 實體受(i)所識別人士控制或受共同控制。
 - (g) 於(i)(a)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
 - (h) 該實體或該實體所屬集團之任何成員公司為本集團或本集團之母公司提供主要管理人員服務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

2. Significant Accounting Policies

(continued)

(w) Related parties (continued)

Close family members of the family of a person are those family members who may be expected to influence, or be influence by, that person in their dealings with the entity.

(x) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 重要會計政策(續)

(w) 關連人士(續)

與該人士關係密切的家庭成員是指他們在與實體進行交易時，預期可能會影響該人士或受該人士影響的家庭成員。

(x) 分部報告

營運分部及財務報表所呈報之各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提供予本集團最高層管理人員之財務資料而確定。

就財務報告而言，個別重要營運分部不會綜合呈報，除非這些分部具有類似經濟特徵以及在產品及服務性質、生產程序性質、客戶類型或類別、分銷產品或提供服務所採用之方式及監管環境性質方面類似。倘獨立而言並非屬重要之營運分部共同擁有上述大部分特徵，則可綜合呈報。

3. Accounting Estimates and Judgement

Key sources of estimation uncertainty

In the process of applying the Group's accounting policies, management makes various estimates based on past experiences, expectations of the future and other information. Note 25 contains information about the assumptions and their risk factors relating to fair value of share options granted. Other key sources of estimation uncertainty that may significantly affect the amounts recognised in the financial statements are disclosed below:

(a) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives, after taking into account of their estimated residual value. The determination of the useful lives and residual value involve management's estimation.

The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the assessment result differs from the original estimate, such a difference may impact the depreciation for the year. The details of property, plant and equipment are disclosed in note 13.

3. 會計估計及判斷

估計不確定性之主要來源

於應用本集團會計政策時，管理層會根據過往的經驗、對未來的預測及其他資料，作出不同的估計。與股份認購權的公平值有關的假設及風險因素於附註25論述。其他估計不確定性的主要來源可能對財務報表內確認的數額帶來重大影響，在下文披露：

(a) 物業、廠房及設備折舊

物業、廠房及設備在扣除其估計剩餘價值後，以直線方法按其可使用年期計算折舊。可使用年期及剩餘價值的決定涉及管理層的估計。

本集團每年均會評估物業、廠房及設備的剩餘價值及可使用年期，若預期和原本的估計不同，有關差異或會影響本年度之折舊。物業、廠房及設備的詳情於附註13內披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

3. Accounting Estimates and Judgement (continued)

Key sources of estimation uncertainty (continued)

(b) Impairment of property, plant and equipment and goodwill

Determining whether property, plant and equipment and goodwill are impaired requires an estimation of the value in use of the cash-generating units to which the property, plant and equipment and goodwill have been allocated. The calculation of value in use requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. If the estimation of value in use is different, any reversal or further impairment will impact the profits or losses of the Group. The details of property, plant and equipment and goodwill are disclosed in notes 13 and 15 respectively.

(c) Income taxes

At 30 June 2017, deferred tax assets of HK\$7,591,000 (2016: HK\$6,331,000) in relation to unused tax losses were recognised as set out in note 22. No deferred tax asset was recognised in respect of the remaining tax losses of HK\$252,724,000 (2016: HK\$286,420,000) and temporary differences of HK\$113,014,000 (2016: HK\$121,317,000) arising from impairment of certain property, plant and equipment and leasehold lands due to the unpredictability of future taxable profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the future profits generated are less or more than expected, a write down or further recognition of deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a write down or further recognition takes place.

3. 會計估計及判斷(續)

估計不確定性之主要來源(續)

(b) 物業、廠房及設備及商譽減值

決定物業、廠房及設備及商譽有否減值須估計物業、廠房及設備及商譽所分配的現金生產單位的使用價值。計算使用價值時是需要本集團估計預期來自現金生產單位的未來現金流量和計算現值的合適折現率。如使用價值之估計不相同，所有回撥及進一步減值會對本集團之損益賬有所影響。物業、廠房及設備及商譽的詳情分別於附註13及15內披露。

(c) 所得稅

於二零一七年六月三十日，未用稅務虧損之相關確認遞延稅項資產為港幣7,591,000元(二零一六年：港幣6,331,000元)，並已載於附註22內。由於不能預計未來盈利趨勢，故不會對餘下稅務虧損港幣252,724,000元(二零一六年：港幣286,420,000元)及因對若干物業、廠房及設備及租賃土地減值而產生港幣113,014,000元(二零一六年：港幣121,317,000元)的暫時性差異作出確認。遞延稅項資產主要由是否有足夠未來溢利或應繳稅暫時性差異決定其變現能力。假若未來實際溢利少或多於預期，遞延稅項資產會回撥或進一步確認，有關回撥或進一步確認會於該期間之損益賬確認。

4. Segment Reporting

In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, the Group has two reportable segments, as described below. Businesses in each reporting segment have similar operating and currency risks, class of customer for products, distribution channels and safety regulation. The following summary describes the operations in each segment:

Food: the manufacture and sale of a broad range of food products including flour and edible oil.

Detergent: the manufacture and sale of household and institutional cleaning products.

(a) Segments results, assets and liabilities

The Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following basis:

The measure used for reporting segment profit is "profit from operations". To arrive at "profit from operations", the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as head office or corporate administration costs.

Segment assets include all tangible assets, intangible assets and current assets with the exception of deferred tax assets, interest in a joint venture and other corporate assets. Segment liabilities include tax payables, all trade creditors and accruals attributable to the manufacturing and sales activities of the individual segments, and obligations under finance leases with the exception of amount due to a joint venture, deferred tax liabilities and other corporate liabilities.

4. 分部報告

本集團已呈報兩個可呈報分部，方式與向本集團最高層行政管理人員內部呈報資料的方式一致。每個營運分部的業務有相類似的經營及貨幣風險、產品顧客類別、分銷渠道和安全規則。下文概述各分部之營運：

食品：製造及分銷一系列食品產品，包括麵粉及食用油。

清潔用品：製造及分銷家用及工業用清潔用品。

(a) 分部業績、資產及負債

本集團最高層行政管理人員根據下列事項監控各需作報告分部之業績、資產及負債：

用於報告分部溢利之表示方法為「經營溢利」。為了得出「經營溢利」，本集團之盈利就並無明確歸於個別分部之項目（如總公司或企業行政成本）作出進一步調整。

分部資產包括全部有形資產、無形資產及流動資產，惟遞延稅項資產、合營企業權益及其他企業資產除外。分部負債包括全部個別分部之生產及銷售活動應佔之應付稅款、貿易應付賬款及應計費用，以及融資租賃承擔，惟應付合營企業款項、遞延稅項負債及其他企業負債除外。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

4. Segment Reporting (continued)

(a) Segments results, assets and liabilities (continued)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management is set out below.

4. 分部報告 (續)

(a) 分部業績、資產及負債 (續)

以下為有關提供予本集團最高層行政管理人員之本集團可呈報分部資料：

		2017 二零一七年			2016 二零一六年		
		Food 食品 HK\$'000 港幣千元	Detergent 清潔用品 HK\$'000 港幣千元	Segment Total 分部總計 HK\$'000 港幣千元	Food 食品 HK\$'000 港幣千元	Detergent 清潔用品 HK\$'000 港幣千元	Segment Total 分部總計 HK\$'000 港幣千元
Revenue from external customers	對外客戶之收入	4,217,895	594,061	4,811,956	4,115,823	587,920	4,703,743
Reportable segment profit from operations	可呈報分部之經營溢利	330,589	51,885	382,474	236,606	84,623	321,229
Interest income	利息收入	10,071	1,517	11,588	9,366	4,874	14,240
Finance costs	融資成本	(48)	–	(48)	(2,802)	–	(2,802)
Depreciation and amortisation	折舊及攤銷	(54,554)	(1,590)	(56,144)	(61,665)	(1,738)	(63,403)
Other material profit or loss items:	其他重要損益賬項目：						
– Net exchange (losses)/gains	– 淨匯兌(虧損)/收益	(3,686)	100	(3,586)	(404)	1,291	887
– Impairment losses (recognised)/reversed for trade receivables	– 貿易應收款項之減值虧損(確認)/回撥	(407)	–	(407)	24	(10)	14
Taxation	稅項	(24,151)	(12,446)	(36,597)	(22,297)	(19,810)	(42,107)
Reportable segment assets	可呈報分部之資產	1,971,273	197,912	2,169,185	1,884,438	173,980	2,058,418
Reportable segment liabilities	可呈報分部之負債	550,889	117,248	668,137	465,278	108,365	573,643
Additions to non-current segment assets	增加的分部非流動資產	26,766	660	27,426	18,600	625	19,225

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

4. Segment Reporting (continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

4. 分部報告 (續)

(b) 可呈報分部之收入、損益賬、資產及負債的對賬

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Revenue	收入		
Reportable segment revenue	可呈報分部之收入	4,811,956	4,703,743
Service and rental income	服務和租金收入	2,456	4,269
Consolidated revenue	綜合收入	4,814,412	4,708,012
Profit	溢利		
Reportable segment profit from operations	可呈報分部之經營溢利	382,474	321,229
Share of loss of a joint venture	應佔合營企業之虧損	—	(6)
Finance costs	融資成本	(48)	(2,802)
Unallocated exchange gains/(losses)	未分配之匯兌收益／(虧損)	1,234	(2,761)
Unallocated head office and corporate expenses	未分配之總公司及企業費用	(64,593)	(49,268)
Consolidated profit before taxation	綜合除稅前溢利	319,067	266,392
Assets	資產		
Reportable segment assets	可呈報分部之資產	2,169,185	2,058,418
Elimination of inter-segment receivables	分部間應收款項之抵銷	(64,863)	(36,764)
Interest in a joint venture	合營企業權益	2,104,322	2,021,654
Deferred tax assets	遞延稅項資產	42,710	42,710
Unallocated head office and corporate assets	未分配之總公司及企業資產	21	—
		414,063	252,558
Consolidated total assets	綜合總資產	2,561,116	2,316,922

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

4. Segment Reporting (continued)

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities (continued)

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Liabilities	負債		
Reportable segment liabilities	可呈報分部之負債	668,137	573,643
Elimination of inter-segment payables	分部間應付款項之抵銷	(64,863)	(36,764)
		603,274	536,879
Amount due to a joint venture	應付合營企業款項	42,976	42,976
Deferred tax liabilities	遞延稅項負債	338	21
Unallocated head office and corporate liabilities	未分配之總公司及企業負債	9,026	6,044
Consolidated total liabilities	綜合總負債	655,614	585,920

(c) Geographical information

The following table sets out information about the geographical location of (i) the reportable segment's revenue from external customers and (ii) the Group's property, plant and equipment, leasehold land, intangible assets, interest in a joint venture and other non-current assets ("specified non-current assets"). The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the property, plant and equipment, leasehold land and other non-current assets is based on the physical location of the assets, in the case of intangible assets and goodwill, the location of the operation to which they are allocated, in the case of interest in a joint venture, the location of operations.

4. 分部報告 (續)

(b) 可呈報分部之收入、損益賬、資產及負債的對賬 (續)

(c) 地區資料

下表載列的地理位置資料包括(i)可呈報分部對外客戶之收入；及(ii)本集團的物業、廠房及設備、租賃土地、無形資產、合營企業權益及其他非流動資產(「指定非流動資產」)。客戶的所屬地區乃根據服務提供或貨物運送之地點而釐定。物業、廠房及設備、租賃土地及其他非流動資產的所屬地區是按其所在地而定。無形資產及商譽的所屬地區乃根據其被分配到的營運地點而定。合營企業權益的所屬地區是按其營運地點而定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

4. Segment Reporting (continued)

(c) Geographical information (continued)

		2017 二零一七年			2016 二零一六年		
		Hong Kong and Macau 香港及澳門 HK\$'000 港幣千元	Mainland China 中國大陸 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元	Hong Kong and Macau 香港及澳門 HK\$'000 港幣千元	Mainland China 中國大陸 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Revenue from external customers	對外客戶之收入	716,110	4,095,846	4,811,956	725,524	3,978,219	4,703,743
Specified non-current assets	指定非流動資產	123,840	573,227	697,067	104,214	622,918	727,132

(d) Information about major customers

During the years ended 30 June 2017 and 2016, there was no single external customer that contributed 10% or more of the Group's total revenue from external customers.

4. 分部報告 (續)

(c) 地區資料 (續)

(d) 關於主要客戶之資料

截至二零一七年及二零一六年六月三十日止年度，本集團無銷售金額相等於或大於集團對外客戶總收入的百分之十的單一客戶。

5. Revenue

The Company is an investment holding company and the principal activities of the principal subsidiaries are set out on pages 205 to 207.

Revenue represents the amounts receivable for the goods sold in the normal course of business, net of discounts, value added tax and other related taxes to external customers as well as service and rental income. The amount of each significant category of revenue is set out below:

5. 收入

本公司為一間投資控股公司，其主要附屬公司的主要業務詳列於第205頁至第207頁。

收入代表在正常業務過程中售予對外客戶，扣除折扣、增值稅和其他相關稅項的應收款項，以及服務和租金收入。各項重要類別之收入數額如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Sales of goods	出售商品	4,811,956	4,703,743
Service and rental income	服務和租金收入	2,456	4,269
		4,814,412	4,708,012

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

6. Other Income

6. 其他收入

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Sales of scrapped materials	出售廢料	497	598
Income from food supply reservation	食品供應儲備收入	8,009	3,305
Income from insurance compensation	保險賠償收入	7,334	–
Net losses on disposal of property, plant and equipment	出售物業、廠房及設備淨虧損	(1,243)	(834)
Interest income	利息收入	13,810	14,432
Net exchange losses	匯兌淨虧損	(2,352)	(1,874)
Net realised and unrealised gains on derivative financial instruments (note)	衍生金融工具之已變現及未變現淨收益(附註)	137	6,288
Net gain on liquidation of a subsidiary	附屬公司清盤之淨收益	138	–
Others	其他	846	3,182
		27,176	25,097

Note: The Group entered into various foreign exchange forward contracts to manage its foreign currency risk exposures during the year.

附註：本集團於年內訂立了若干外幣遠期合同，以管理所面對的貨幣風險。

7. Finance Costs

7. 融資成本

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interest on bank loans	銀行貸款的利息	48	2,802

The Group's effective borrowing interest rate was approximately 1.71% per annum for the year ended 30 June 2016.

截至二零一六年六月三十日止年度本集團的實際借貸年息率為1.71%。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

8. Profit Before Taxation

8. 除稅前溢利

Profit before taxation is arrived at after charging/(crediting):

除稅前溢利已扣除／(計入)下列各項：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Staff costs (including directors' emoluments – note 10)	職工成本(包括董事酬金 – 附註10)		
– Salaries, wages and other benefits	– 工資、薪金及津貼	307,454	288,746
– Share-based payment expenses (note 25)	– 股權支付費用(附註25)	2,139	1,550
– Contribution to defined contribution retirement plans	– 定額供款退休計劃之供款	23,717	23,228
		333,310	313,524
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	1,701	1,710
– Tax and other services	– 稅務及其他服務	593	172
		2,294	1,882
Depreciation of property, plant and equipment	物業、廠房及設備折舊	56,223	63,941
Amortisation of leasehold land	租賃土地攤銷	2,808	2,890
Amortisation of intangible assets	無形資產攤銷	4,564	2,007
Net exchange losses	滙兌淨虧損	2,352	1,874
Impairment losses recognised/(reversed) for trade receivables	貿易應收款項之減值虧損 確認／(回撥)	407	(14)
Operating lease rental of properties	經營租賃物業的租金費用	3,280	3,804
Cost of inventories (note 18(b))	存貨成本(附註18(b))	3,791,268	3,781,724
Carrying value of property, plant and equipment disposed	出售物業、廠房及設備 賬面值	1,619	969
Less: Net proceeds from disposal of property, plant and equipment	減：出售物業、廠房及設備 所得款項淨額	(376)	(135)
Net losses on disposal of property, plant and equipment	出售物業、廠房及設備 淨虧損	1,243	834

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

8. Profit Before Taxation (continued)

The Group participates in pension schemes organised by the PRC government whereby the Group is required to pay annual contributions at rates ranging from 12% to 20% (2016: 12% to 20%) of the standard wages determined by the relevant authorities in the PRC during the year ended 30 June 2017.

The Group also operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance and an Occupational Retirement Scheme Ordinance Scheme (the "ORSO Scheme") under the Hong Kong Occupational Retirement Scheme Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme and ORSO scheme are defined contribution retirement schemes administered by independent trustees. Under the MPF Scheme, the Group and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2016: HK\$30,000). Under the ORSO Scheme, the Group and its employees are each required to make contributions to the scheme at 10% and 5% of the employees' relevant income respectively. Contributions to the schemes vest immediately. Save for the above schemes, the Group has no other material obligation for payment of retirement benefits beyond the contributions.

8. 除稅前溢利(續)

本集團參與中國政府組織的退休金計劃，據此，本集團於截至二零一七年六月三十日止年度內須按中國有關機關所釐定標準工資為基準，按12%至20%（二零一六年：12%至20%）的比例作出年度退休金供款。

本集團亦根據香港《強制性公積金條例》和《職業退休計劃條例》為根據香港《僱傭條例》司法權下僱用之僱員設立強制性公積金計劃（「強積金計劃」）和職業退休計劃。強積金計劃為一項界定供款退休金計劃，由獨立之信託人管理。根據強積金計劃，本集團及僱員各自須向該計劃作出相當於僱員有關收入5%之供款，而有關收入上限為每月港幣30,000元（二零一六年：港幣30,000元）。根據職業退休計劃，本集團及僱員分別各自需向該計劃作出相當於僱員有關收入10%和5%之供款。向計劃作出的供款均即時歸屬。除上述計劃外，本集團沒有除上述供款以外的其他重大退休福利付款責任。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

9. Taxation

(a) Taxation in the consolidated statement of profit or loss represents:

9. 稅項

(a) 於綜合損益表之稅項為：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current tax – Hong Kong Profits Tax	本年稅項 – 香港利得稅		
Provision for the year	本年度撥備	2,324	2,688
(Over)/under-provision in respect of prior years	往年度之(超額)/不足撥備	(12)	304
		2,312	2,992
Current tax – Outside Hong Kong	本年稅項 – 香港以外		
Provision for the year	本年度撥備	43,980	61,694
Over-provision in respect of prior years	往年度之超額撥備	(572)	(270)
		43,408	61,424
Deferred tax (note 22)	遞延稅項(附註22)		
Origination and reversal of temporary differences	暫時性差異的產生及回撥	296	(37)
		46,016	64,379

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

9. Taxation (continued)

- (a) Taxation in the consolidated statement of profit or loss represents: (continued)

Hong Kong Profits Tax has been provided for at the rate of 16.5% (2016: 16.5%) on the respective estimated assessable profits of the companies within the Group operating in Hong Kong during the year.

Taxation outside Hong Kong represents income tax charge on the estimated taxable profits of certain subsidiaries operating in Mainland China and Macau, calculated at the rates prevailing in the respective regions.

All entities engaged in the primary processing of agricultural products in Mainland China are exempted from PRC corporate income tax ("CIT"). As a result, the profits from flour mill operations are exempted from CIT for the years ended 30 June 2017 and 2016.

Other subsidiaries operating in Mainland China are subject to CIT tax rate of 25% (2016: 25%).

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on any dividends distributable by its subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

9. 稅項 (續)

- (a) 於綜合損益表之稅項為：(續)

在香港營運的集團公司之香港利得稅撥備乃根據年內估計應課稅溢利按稅率16.5%(二零一六年：16.5%)計提。

香港以外稅項指於中國大陸和澳門經營之若干附屬公司就估計應課稅溢利按該地當時之稅率計算的稅項支出。

所有在中國大陸經營農產品初加工之企業均獲豁免中國企業所得稅(「企業所得稅」)。因此，於二零一七年及二零一六年六月三十日止年度經營麵粉廠所賺取之溢利可獲豁免中國大陸之企業所得稅。

於中國大陸經營之其他附屬公司，年內企業所得稅稅率為25%(二零一六年：25%)。

根據中國企業所得稅法，就向外資企業投資者宣派來自於中國大陸成立之外資企業的股息徵收10%預扣稅。有關規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後所產生之盈利。倘中國大陸與外國投資者所屬司法權區之間定有稅務優惠則可按較低預扣稅率繳稅。本集團的適用比率為5%。因此，本集團須就該等於中國大陸成立的附屬公司就二零零八年一月一日起產生之盈利而分派之股息繳交預扣稅。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

9. Taxation (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

9. 稅項 (續)

(b) 綜合損益表中除稅前溢利與稅項支出對賬如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit before taxation	除稅前溢利	319,067	266,392
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按適用於當地所得稅稅率計算除稅前溢利之名義稅項	82,896	63,017
Tax effect of non-deductible expenses	稅務上不可扣減的開支之稅務影響	3,218	2,817
Tax effect of non-taxable revenue	無需課稅收入的稅務影響	(834)	(675)
Tax effect of tax losses not recognised	未予以確認的稅務虧損之稅務影響	1,825	4,917
Tax effect of utilisation of tax losses not previously recognised	使用於以前年度不予以確認稅務虧損之稅務影響	(6,335)	(5,503)
Effect of tax concessions	稅務寬減之影響	(44,203)	(22,411)
Tax effect of share of loss of a joint venture	應佔合營企業虧損之稅務影響	—	1
(Over)/under-provision in respect of prior years	往年度之(超額)/不足撥備	(584)	34
Withholding tax on dividend, royalty and entrusted loan interests received and receivable from PRC subsidiaries	中國國內之附屬公司已收及應收股息、特許權和內部公司借款利息的預扣稅	9,314	22,504
Others	其他	719	(322)
Actual tax expenses	實際稅項支出	46,016	64,379

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

9. Taxation (continued)

- (c) Current taxation in the consolidated statement of financial position represents:

9. 稅項(續)

- (c) 在綜合財務狀況表中的本年稅項代表：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Provision for Hong Kong Profits Tax for the year	本年度香港利得稅撥備	2,324	2,688
Balance of Hong Kong Profits Tax provision relating to prior years	往年度之香港利得稅撥備結餘	1,362	634
		3,686	3,322
Provision for profits tax outside Hong Kong	香港以外稅項撥備	15,405	12,168
Tax payables	應付稅款	19,091	15,490

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

10. Directors' and Senior Executives' Emoluments

(a) Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

10. 董事及高級行政人員酬金

(a) 董事酬金

根據香港《公司條例》第383(1)條及《公司(披露董事利益資料)規例》第2部披露之董事酬金如下：

		Basic salaries/ Directors' fees (Note (v)) 薪金/ 董事袍金 (附註(v)) HK\$'000 港幣千元	Bonuses (Note (vi)) 花紅 (附註(vi)) HK\$'000 港幣千元	Retirement schemes contributions 退休 計劃供款 HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	Estimated money value of other benefits (Note (viii)) 其他福利的 估計金錢價值 (附註(viii)) HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元
Executive director	執行董事						
LEUNG Joseph	梁玄博	3,443	1,600	18	5,061	997	6,058
Non-executive directors	非執行董事						
KWEK Leng Hai (Note (i))	郭令海(附註(i))	-	-	-	-	-	-
TANG Hong Cheong (Note (i)&(ii))	鄧漢昌(附註(i)及(ii))	-	-	-	-	-	-
WHANG Sun Tze	黃上哲	220	-	-	220	-	220
TAN Lim Heng (Note (iii))	陳林興(附註(iii))	220	-	-	220	-	220
TSANG Cho Tai (Note (iv)(b))	曾祖泰(附註(iv)(b))	280	-	-	280	-	280
Independent non-executive directors	獨立非執行董事						
LO Kai Yiu, Anthony	羅啟耀	320	-	-	320	-	320
AU Chee Ming	區熾明	270	-	-	270	-	270
HUANG Lester Garson, J.P.	黃嘉純，太平紳士	300	-	-	300	-	300
Year ended 30 June 2017	截止二零一七年 六月三十日止年度	5,053	1,600	18	6,671	997	7,668

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

10. Directors' and Senior Executives' Emoluments (continued)

(a) Directors' emoluments (continued)

		Basic salaries/ Directors' fees (Note (vi)) 薪金/ 董事袍金 (附註(v)) HK\$'000 港幣千元	Bonuses (Note (vi)) 花紅 (附註(vi)) HK\$'000 港幣千元	Retirement schemes contributions 退休計劃供款 HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	Estimated money value of other benefits (Note (viii)) 其他福利的估計金錢價值 (附註(viii)) HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Executive director	執行董事						
LEUNG Joseph	梁玄博	3,183	700	18	3,901	1,068	4,969
Non-executive directors	非執行董事						
KWEK Leng Hai (Note (i))	郭令海(附註(i))	—	—	—	—	—	—
WHANG Sun Tze	黃上哲	220	—	—	220	—	220
TAN Lim Heng (Note (iii))	陳林興(附註(iii))	220	—	—	220	—	220
TSANG Cho Tai (Note (iv)(a))	曾祖泰(附註(iv)(a))	93	—	—	93	—	93
Independent non-executive directors	獨立非執行董事						
LO Kai Yiu, Anthony	羅啟耀	320	—	—	320	—	320
AU Chee Ming	區熾明	270	—	—	270	—	270
HUANG Lester Garson, J.P.	黃嘉純，太平紳士	300	—	—	300	—	300
Year ended 30 June 2016	截止二零一六年六月三十日止年度	4,606	700	18	5,324	1,068	6,392

10. 董事及高級行政人員酬金(續)

(a) 董事酬金(續)

10. Directors' and Senior Executives' Emoluments (continued)

(a) Directors' emoluments (continued)

Notes:

- (i) No directors' fees be payable to any salaried directors employed by group companies of Hong Leong Company (Malaysia) Berhad ("HLCM"), the Company's ultimate holding company, for the years ended 30 June 2017 and 2016.
- (ii) Mr. Tang Hong Cheong has been appointed as a non-executive director of the Company with effect from 1 September 2016.
- (iii) Mr. Tan Lim Heng has ceased to be a Hong Leong Group staff with effect from 1 March 2015. Mr. Tan is entitled to directors' fees for the year ended 30 June 2017 and 2016.
- (iv) Mr. Tsang Cho Tai has ceased to be a Hong Leong Group staff with effect from 1 March 2016.
 - (a) Mr. Tsang is entitled to directors' fees on a pro-rata basis from 1 March 2016 to 30 June 2016.
 - (b) Mr. Tsang is entitled to directors' fees for the year ended 30 June 2017.
- (v) Basic salaries/directors' fees - The amounts paid and payable to non-executive directors were directors' fees. The amount paid and payable to executive director was basic salaries.
- (vi) Bonuses paid/payable for the year were performance-related.
- (vii) There was no arrangement under which a director had waived or agreed to waive any emoluments.
- (viii) These represent the estimated money value of medical insurance, life insurance, employees' compensation and share options granted to the director under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(q)(ii) and, in accordance with that policy, include adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted are disclosed under note 25.

10. 董事及高級行政人員酬金 (續)

(a) 董事酬金 (續)

附註：

- (i) 截至二零一七年六月三十日及二零一六年六月三十日止年度概無董事袍金應支付予為本公司之最終控股公司 Hong Leong Company (Malaysia) Berhad (「HLCM」) 集團公司所聘用的受薪董事。
- (ii) 鄧漢昌先生於二零一六年九月一日獲委任為本公司非執行董事。
- (iii) 陳林興先生於二零一五年三月一日起不再為豐隆集團之職員。陳先生有權獲得截至二零一七年及二零一六年六月三十日止年度的董事袍金。
- (iv) 曾祖泰先生於二零一六年三月一日起不再為豐隆集團之職員。
 - (a) 曾先生有權獲得由二零一六年三月一日至二零一六年六月三十日按比例支付的董事袍金。
 - (b) 曾先生有權獲得截至二零一七年六月三十日止年度的董事袍金。
- (v) 已付／應付之薪金／董事袍金－非執行董事以董事袍金方式收取。執行董事以薪金方式收取。
- (vi) 本年度之已付／應付花紅乃按業績釐定。
- (vii) 並無訂立董事放棄或同意放棄收取其酬金的安排。
- (viii) 這相當於醫療保險、人壽保險、僱員賠償及根據本公司股份認購權計劃授予董事之股份認購權的估計金錢值。該些股份認購權價值乃根據本集團就股權支付交易(載列於附註2(q)(ii)內)所制定的會計政策而計算,包括在歸屬前已註銷的股權工具,根據該政策而回撥以前年度計提的金額。

該等非金錢利益包括主要條款及授出股份數目之詳情於附註25內作出披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

10. Directors' and Senior Executives' Emoluments (continued)

(b) Individuals with highest emoluments

Of the five individuals with the highest emoluments, one (2016: one) is a director of the Company whose emolument is disclosed in note 10(a) above. The aggregate of the emoluments in respect of the other four (2016: four) individuals are as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Salaries, housing benefits and share-based payments	薪金、房屋福利及股權支付	7,550	7,544
Discretionary bonuses	酌情花紅	1,771	824
Retirement schemes contributions	退休計劃供款	72	73
		9,393	8,441

The numbers of individuals whose emolument falls within the following bands are:

HK\$ 港幣元	2017 二零一七年 Number of individuals 人數	2016 二零一六年 Number of individuals 人數
1,500,001 – 2,000,000	–	1
2,000,001 – 2,500,000	3	3
2,500,001 – 3,000,000	1	–
	4	4

10. 董事及高級行政人員酬金 (續)

(b) 最高收入的僱員

獲得最高薪酬五名人士中，有一名(二零一六年：一名)乃本公司之董事，其酬金已於附註10(a)中披露。其他四名(二零一六年：四名)人士之酬金如下：

酬金屬下列範圍內之人數如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

11. Dividends

- (a) Dividends payable to equity shareholders of the Company (excluding the amount paid to shares held by the Group under the ESOP reserve) attributable to the year

11. 股息

- (a) 年內應付本公司股東股息(扣除已付予本集團於行政人員股份認購權方案儲備下持有之股份的金額)

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interim dividend declared and paid of HK\$0.12 (2016: HK\$0.10) per ordinary share	中期股息宣派及已付每股普通股港幣0.12元 (二零一六年： 港幣0.10元)	28,382	23,836
Final dividend proposed after the end of the reporting period of HK\$0.23 (2016: HK\$0.18) per ordinary share	期末後擬派發之末期股息 每股普通股港幣0.23元 (二零一六年： 港幣0.18元)	54,324	42,769
		82,706	66,605

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

於報告期終日後擬派發之末期股息於報告期終日尚未在賬上確認為一項負債。

- (b) Dividends payable to equity shareholders of the Company (excluding the amount paid to shares held by the Group under the ESOP reserve) attributable to the previous financial year, approved and paid during the year

- (b) 年內獲批及已付的前一個財政年度應付本公司股東股息(扣除已付予本集團於行政人員股份認購權方案儲備下持有之股份的金額)

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.18 (2016: HK\$0.13) per ordinary share	有關前一個財政年度獲批及已付的末期股息， 每股普通股港幣0.18元 (二零一六年： 港幣0.13元)	42,607	30,987

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

12. Earnings per Share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$273,051,000 (2016: HK\$202,013,000) and the weighted average number of 236,841,000 (2016: 238,304,000) ordinary shares in issue during the year, calculated as follows:

12. 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司股東應佔溢利港幣273,051,000元（二零一六年：港幣202,013,000元）及於本年度內已發行普通股之加權平均數236,841,000（二零一六年：238,304,000）股普通股計算。

		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Issued ordinary shares at beginning of year	年初已發行普通股	243,354	243,354
Effect of shares purchased in prior years (note 23(a))	往年度收購之普通股的影響(附註23(a))	(5,750)	(4,994)
Effect of shares purchased in current year (note 23(a))	本年度收購之普通股的影響(附註23(a))	(763)	(56)
Weighted average number of ordinary shares at end of year	年末普通股加權平均數	236,841	238,304

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

12. Earnings per Share (continued)

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$273,051,000 (2016: HK\$202,013,000) and the weighted average number of ordinary shares of 242,798,000 (2016: 239,940,000) after adjusting the effect of deemed issue of shares under the Company's share option schemes, calculated as follows:

12. 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司股東應佔溢利港幣273,051,000元(二零一六年:港幣202,013,000元)及普通股的加權平均股數242,798,000(二零一六年:239,940,000)股已就假設因根據本公司之股份認購權計劃發行普通股股份的影響作出調整計算。

		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Weighted average number of ordinary shares at end of year	年末普通股加權平均數	236,841	238,304
Effect of deemed issue of shares under the Company's share option schemes (note 25)	假設因根據本公司之股份認購權計劃發行普通股股份的影響(附註25)	5,957	1,636
Weighted average number of ordinary shares (diluted) at end of year	年末普通股(攤薄)加權平均數	242,798	239,940

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

13. Property, Plant and Equipment

13. 物業、廠房及設備

		Leasehold buildings in Hong Kong and leasehold improvements	Leasehold buildings outside Hong Kong	Construction in progress	Plant, equipment, furniture and motor vehicles	Total
		香港租賃 樓宇及裝修 HK\$'000 港幣千元	香港以外 租賃樓宇 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	廠房、 設備傢俬 及汽車 HK\$'000 港幣千元	合計 HK\$'000 港幣千元
Cost:	成本：					
At 1 July 2015	於二零一五年七月一日	68,109	900,876	14,746	884,345	1,868,076
Exchange adjustments	匯兌調整	–	(41,623)	(559)	(50,576)	(92,758)
Additions	增加	–	7,443	5,308	9,036	21,787
Transfer between categories	分類間轉撥	–	1,317	(16,513)	15,196	–
Disposals	出售	–	(3)	–	(4,970)	(4,973)
At 30 June 2016	於二零一六年六月三十日	68,109	868,010	2,982	853,031	1,792,132
At 1 July 2016	於二零一六年七月一日	68,109	868,010	2,982	853,031	1,792,132
Exchange adjustments	匯兌調整	–	(8,312)	(27)	(10,100)	(18,439)
Additions	增加	505	640	26,877	14,001	42,023
Transfer between categories	分類間轉撥	–	293	(1,162)	869	–
Disposals	出售	–	(124)	–	(5,209)	(5,333)
At 30 June 2017	於二零一七年六月三十日	68,614	860,507	28,670	852,592	1,810,383

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

13. Property, Plant and Equipment

(continued)

13. 物業、廠房及設備(續)

		Leasehold buildings in Hong Kong and leasehold improvements	Leasehold buildings outside Hong Kong	Construction in progress	Plant, equipment, furniture and motor vehicles 廠房、 設備傢俬 及汽車	Total 合計
		香港租賃 樓宇及裝修 HK\$'000 港幣千元	香港以外 租賃樓宇 HK\$'000 港幣千元	在建工程 HK\$'000 港幣千元	HK\$'000 港幣千元	合計 港幣千元
Accumulated depreciation:	累計折舊：					
At 1 July 2015	於二零一五年七月一日	24,316	432,219	–	580,152	1,036,687
Exchange adjustments	匯兌調整	–	(31,646)	–	(31,128)	(62,774)
Charge for the year	本年度折舊	1,430	26,414	–	36,097	63,941
Written back on disposals	出售後撥回	–	(2)	–	(4,002)	(4,004)
At 30 June 2016	於二零一六年六月三十日	25,746	426,985	–	581,119	1,033,850
At 1 July 2016	於二零一六年七月一日	25,746	426,985	–	581,119	1,033,850
Exchange adjustments	匯兌調整	–	(6,398)	–	(6,074)	(12,472)
Charge for the year	本年度折舊	2,498	24,320	–	29,405	56,223
Written back on disposals	出售後撥回	–	(112)	–	(3,602)	(3,714)
At 30 June 2017	於二零一七年六月三十日	28,244	444,795	–	600,848	1,073,887
Impairment loss:	減值虧損：					
At 1 July 2016 and 30 June 2017	於二零一六年七月一日及 二零一七年六月三十日	33,112	142,082	–	–	175,194
Net book value:	賬面淨值：					
At 30 June 2017	於二零一七年六月三十日	7,258	273,630	28,670	251,744	561,302
At 30 June 2016	於二零一六年六月三十日	9,251	298,943	2,982	271,912	583,088

At 30 June 2017, the net book value of property, plant and equipment held under finance leases amounted to HK\$488,000 (2016: HK\$756,000).

於二零一七年六月三十日，以融資租賃持有的物業、廠房及設備賬面淨值為港幣488,000元(二零一六年：港幣756,000元)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

14. Leasehold Land

14. 租賃土地

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of year	年初	80,827	88,598
Exchange adjustments	匯兌調整	(951)	(4,881)
Amortisation	攤銷	(2,808)	(2,890)
At end of year	年末	77,068	80,827
Current portion (included in trade and other receivables – note 19)	即期部份 (計入貿易及其他應收賬款 – 附註19)	(2,808)	(2,890)
Non-current portion	非即期部份	74,260	77,937

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

15. Intangible Assets

15. 無形資產

		Goodwill 商譽 HK\$'000 港幣千元	Trademarks 商標 HK\$'000 港幣千元	ERP 企業資源 計劃系統 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost:	成本：				
At 1 July 2015	於二零一五年 七月一日	14,714	39,970	–	54,684
Additions	增加	–	–	22,529	22,529
At 30 June 2016	於二零一六年 六月三十日	14,714	39,970	22,529	77,213
At 1 July 2016	於二零一六年 七月一日	14,714	39,970	22,529	77,213
Additions	增加	–	–	463	463
At 30 June 2017	於二零一七年 六月三十日	14,714	39,970	22,992	77,676
Accumulated amortisation:	累計攤銷：				
At 1 July 2015	於二零一五年 七月一日	–	39,771	–	39,771
Charge for the year	本年度攤銷	–	141	1,866	2,007
At 30 June 2016	於二零一六年 六月三十日	–	39,912	1,866	41,778
At 1 July 2016	於二零一六年 七月一日	–	39,912	1,866	41,778
Charge for the year	本年度攤銷	–	58	4,506	4,564
At 30 June 2017	於二零一七年 六月三十日	–	39,970	6,372	46,342
Impairment loss:	減值虧損：				
At 1 July 2016 and 30 June 2017	於二零一六年 七月一日及 二零一七年 六月三十日	12,539	–	–	12,539
Net book value:	賬面淨值：				
At 30 June 2017	於二零一七年 六月三十日	2,175	–	16,620	18,795
At 30 June 2016	於二零一六年 六月三十日	2,175	58	20,663	22,896

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

15. Intangible Assets (continued)

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss.

Impairment test for cash-generating units containing goodwill

The carrying amount of goodwill is allocated to edible oil operations. The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a three-year period. The key assumption of the cash flow projections are the estimated weighted average growth rate and the discount rate used. Cash flows beyond the three-year period are extrapolated using an estimated weighted average growth rate of 3% (2016: 3%) which does not exceed the long-term average growth rate for the business in which the CGU operates. The cash flows are discounted using a pre-tax discount rate of 16.6% (2016: 16.4%) which reflects specific risks relating to the relevant CGU.

The results of the tests undertaken as at 30 June 2017 and 30 June 2016 indicated no impairment loss was necessary.

15. 無形資產(續)

本年度之攤銷費用已包括在綜合損益表中之行政費用內。

包含商譽之現金產生單位之減值測試

商譽之賬面金額撥歸食油分部。相應現金產生單位的可回收金額是根據使用價值計算。該運算使用之現金流量預測是按照管理層批核的三年財務預算計算。其所用的主要假設為預計加權平均增長率及折現率。超過三年期的現金流量所使用的預計加權平均增長率3% (二零一六年：3%) 不超過現金產生單位經營業務的長期平均增長率。現金流量使用除稅前折現率16.6% (二零一六年：16.4%) 折現，並反映有關現金產生單位的特有風險。

於二零一七年六月三十日及二零一六年六月三十日進行之測試結果顯示毋須作出減值虧損。

16. Interest in a Joint Venture

16. 合營企業權益

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Share of net assets	應佔淨資產	42,710	42,710
Amount due to a joint venture	應付合營企業款項	(42,976)	(42,976)

The amount due to a joint venture is interest-free, unsecured and repayable on demand.

應付合營企業款項為免息、無抵押及需按要時償還。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

16. Interest in a Joint Venture

(continued)

Details of the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of company 公司名稱	Place of incorporation/ operation 註冊／經營地點	Percentage of equity holding indirectly 股權間接持有百分率	Principal activities 主要業務
Evergreen Oils & Fats Limited* ("Evergreen") 長春食油有限公司*(「長春」)	Cayman Islands/ Hong Kong 開曼群島／香港	50	Dormant# 已停止業務#

* Company not audited by KPMG

On 30 September 2011, the Group and the joint venture partner entered into a mutual agreement to terminate the Joint Venture Agreement effective 1 April 2012. Evergreen has become dormant since the termination of the Joint Venture Agreement and has started liquidation process since 2015.

Information of the joint venture that is not individually material:

16. 合營企業權益(續)

用權益會計法於綜合財務報表入賬的合營企業的資料詳列如下：

* 該等公司非由畢馬威會計師事務所審核

於二零一一年九月三十日，本集團與合營企業夥伴簽訂同意書終止合營協議，並於二零一二年四月一日生效。自二零一五年，長春食油有限公司已停止業務並開始了清盤程序。

個別不重大合營企業的財務資料如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Carrying amount of individually immaterial joint venture in the consolidated financial statements	個別不重大合營企業權益於綜合財務報表賬面值	42,710	42,710
Amounts of the Group's share of the joint venture's: Loss from operations	本集團應佔合營企業金額： 經營虧損	—	(6)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

17. Available-for-sale Financial Assets

17. 可供出售金融資產

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Listed equity securities, at market value – in Hong Kong	上市證券市值 – 香港	8	5
Club membership, at cost	會籍(按成本)	342	342
Impairment loss	減值虧損	(165)	(165)
		177	177
		185	182

18. Inventories

18. 存貨

(a) Inventories in consolidated statement of financial position comprise:

(a) 於綜合財務狀況表之存貨包含：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Raw materials	原材料	449,992	338,784
Work in progress	半成品	29,347	44,477
Finished goods	製成品	145,813	131,313
Inventories in transit	在途貨品	662	710
Packing materials	包裝料	23,086	27,386
Spare parts	備件	–	305
		648,900	542,975

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

18. Inventories (continued)

- (b) The analysis of amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Carrying amount of inventories sold	售出存貨之賬面值	3,780,251	3,775,476
Write-down of inventories	存貨減值	11,017	6,248
		3,791,268	3,781,724

For the year ended 30 June 2017, part of the write-down of inventories was caused by flooding and was compensated by income from insurance compensation (note 6).

18. 存貨(續)

- (b) 於綜合損益表確認為支出之存貨金額分析如下：

截至二零一七年六月三十日止年度，部分存貨減值由水災所產生並經由保險賠償收入獲得賠償(附註6)。

19. Trade and Other Receivables

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trade receivables	貿易應收款項	337,137	319,605
Less: Allowance for doubtful debts (note 19(b))	減：呆壞賬準備(附註19(b))	(771)	(471)
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項	336,366	319,134
Current portion of leasehold land (note 14)	租賃土地－即期部份 (附註14)	52,892	59,018
Derivative financial instruments: – Foreign exchange forward contracts	衍生金融工具： – 外幣遠期合同	2,808	2,890
		–	1,756
		392,066	382,798

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

19. 貿易及其他應收賬款

所有貿易及其他應收賬款均預期在一年內收回或確認為支出。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

19. Trade and Other Receivables

(continued)

(a) Aging Analysis

As of the end of the reporting period, the aging analysis of trade receivables (which are included in trade and other receivables), based on the invoice date and net of allowance for doubtful debts, is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within 3 months	三個月內	322,595	310,381
3 to 6 months	三至六個月	12,028	7,046
Over 6 months	六個月以上	1,743	1,707
		336,366	319,134

Further details on the Group's credit policy are set out in note 26(a).

(b) Impairment of trade receivables

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly (see note 2(l)(i)).

The movements in the allowance for doubtful debts during the year, including both specific and collective loss components, are as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At beginning of year	年初	(471)	(623)
Impairment losses (recognised)/reversed	減值虧損(確認)/回撥	(407)	14
Uncollectible amounts written off	撇銷不可收回金額	94	137
Exchange adjustments	匯兌調整	13	1
At end of year	年末	(771)	(471)

19. 貿易及其他應收賬款(續)

(a) 賬齡分析

於報告期終日，根據發票日期及扣除呆壞賬準備後之貿易應收款項之賬齡分析(已計入貿易及其他應收賬款)如下：

(b) 貿易應收款項之減值

貿易應收款項的減值虧損，一般會透過呆壞賬準備記錄。倘本集團認為某金額可收回的機會渺茫，在此情況下，相關減值虧損會直接沖減貿易應收款項(見附註2(l)(i))。

本年度包括特定及整體虧損組成部份的呆壞賬準備變動如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

19. Trade and Other Receivables

(continued)

(c) Trade receivables that are not impaired

The aging analysis of trade receivables that are neither individually nor collectively considered to be impaired are as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Neither past due nor impaired	沒有逾期或沒有減值	290,952	291,814
Less than 3 months past due	逾期少於三個月	38,820	24,452
More than 3 months but less than 12 months past due	逾期多於三個月但少於十二個月	6,594	2,868
		336,366	319,134

Trade receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. Collaterals over properties are obtained from certain customers.

19. 貿易及其他應收賬款(續)

(c) 未被減值之貿易應收款項

不論在個別或整體層面均沒有作減值準備的貿易應收款項的賬齡分析如下：

2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
290,952	291,814
38,820	24,452
6,594	2,868
336,366	319,134

概無逾期或減值之貿易應收款項乃與眾多客戶有關，彼等在近期並無違約之記錄。

逾期但並無減值之貿易應收款項乃與一些獨立客戶有關，該等客戶與集團有良好的往績記錄。根據過往經驗，管理層認為該等結餘並無需要作出減值撥備，鑑於信貸質素並無重大變動及結餘仍被視為可以全數收回。本集團會從若干客戶取得物業抵押。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

20. Cash and Cash Equivalents

20. 現金及現金等額

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Deposits with banks	銀行定期存款	611,649	344,462
Cash at bank and on hand	銀行存款及現金	211,228	319,373
Cash and cash equivalents in the consolidated statement of financial position	綜合財務狀況表之現金及現金等額	822,877	663,835
Fixed deposit held at bank with original maturity over three months	所持有原到期日為三個月以上的銀行定期存款	(69,859)	(80,000)
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表之現金及現金等額	753,018	583,835

Cash at bank carries interest at floating rates based on daily bank deposits rates. Deposits with banks include time deposits which are matured within three months and earn interest at the respective short term deposit rates, and fixed deposit with original maturity over three months.

銀行存款根據每日銀行存款利率計算之浮動利率賺取利息。銀行定期存款包括定期存款乃於三個月內到期，並按各自之短期存款利率賺取利息，以及三個月以上的定期存款。

21. Trade and Other Payables

21. 貿易及其他應付賬款

As of the end of the reporting period, the aging analysis of trade payables (which are included in trade and other payables), based on the invoice date, is as follows:

於報告期終日，根據發票日期之貿易應付款項之賬齡分析(已計入貿易及其他應付賬款)如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within 3 months	三個月內	319,964	282,187
3 to 6 months	三至六個月	454	1,244
Trade payables	貿易應付款項	320,418	283,431
Deposits received	已收按金	24,474	23,399
Other payables and accruals	其他應付賬款及應計費用	247,661	219,587
Derivative financial instruments:	衍生金融工具：		
– Foreign exchange forward contracts	– 外幣遠期合同	151	234
		592,704	526,651

All of the trade and other payables are expected to be settled or recognised as income within one year.

所有貿易及其他應付賬款均預計在一年內結付或確認為收入。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

22. Deferred Taxation

(a) Deferred tax assets and liabilities recognised:

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	遞延稅項產生自：	Depreciation allowances in excess of the related depreciation 折舊免稅額超出有關折舊 HK\$'000 港幣千元	Provisions 撥備 HK\$'000 港幣千元	Tax losses 稅務虧損 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 1 July 2015	於二零一五年七月一日	2,632	(70)	(2,504)	58
Charged/(credited) to consolidated statement of profit or loss (note 9(a))	於綜合損益表扣除／(計入)(附註9(a))	3,813	(23)	(3,827)	(37)
At 30 June 2016	於二零一六年六月三十日	6,445	(93)	(6,331)	21
At 1 July 2016	於二零一六年七月一日	6,445	(93)	(6,331)	21
Charged/(credited) to consolidated statement of profit or loss (note 9(a))	於綜合損益表扣除／(計入)(附註9(a))	1,532	24	(1,260)	296
At 30 June 2017	於二零一七年六月三十日	7,977	(69)	(7,591)	317

(a) 已確認遞延稅項資產及負債：

(i) 遞延稅項資產及負債項目變動

於綜合財務狀況表已確認之遞延稅項(資產)/負債項目及年內之變動如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

22. Deferred Taxation (continued)

(a) **Deferred tax assets and liabilities recognised:** (continued)

(ii) **Reconciliation to the consolidated statement of financial position:**

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表已確認之遞延稅項淨資產	(21)	—
Net deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表已確認之遞延稅項淨負債	338	21
		317	21

(b) **Deferred tax liabilities not recognised**

At 30 June 2017, temporary differences relating to the undistributed profits of the Group's subsidiaries in the Mainland China amounted to HK\$298,244,000 (2016: HK\$247,977,000). Deferred tax liabilities have not been recognised as at 30 June 2017 and 2016 as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that profits will not be distributed by these subsidiaries in the foreseeable future.

Temporary difference arising in connection with a joint venture is insignificant.

(b) **未確認遞延稅項負債**

於二零一七年六月三十日，有關本集團於中國大陸之附屬公司未分配利潤的暫時性差異為港幣298,244,000元（二零一六年：港幣247,977,000元）。由於本公司控制該等附屬公司的股息政策，並已決定於可見未來該等附屬公司很可能將不會分派股利，因此並未於二零一七年及二零一六年六月三十日確認遞延稅項負債。

與合營企業相關的暫時性差異並不重大。

22. Deferred Taxation *(continued)***(c) Deferred tax assets not recognised**

At 30 June 2017, the Group had unused tax losses of HK\$298,727,000 (2016: HK\$324,785,000) available for offset against future taxable profits. A deferred tax asset has been recognised in respect of tax losses of HK\$46,003,000 (2016: HK\$38,365,000). No deferred tax assets have been recognised in respect of the remaining HK\$252,724,000 (2016: HK\$286,420,000) due to the unpredictability of future taxable profit streams. Included in unrecognised tax losses are losses of HK\$46,535,000 (2016: HK\$49,131,000) that will expire within five years. Other losses can be carried forward indefinitely.

At 30 June 2017, the Group had temporary differences of HK\$113,014,000 (2016: HK\$121,317,000) arising from impairment of certain property, plant and equipment and leasehold lands provided in prior years. No deferred tax assets have been recognised in respect of these temporary differences due to the unpredictability of taxable profits streams against which the deductible temporary differences can be utilised in the foreseeable future.

22. 遞延稅項 *(續)***(c) 未確認遞延稅項資產**

於二零一七年六月三十日，本集團有港幣298,727,000元（二零一六年：港幣324,785,000元）的可用於抵扣未來應課稅溢利的稅務虧損。當中就該稅務虧損確認了港幣46,003,000元（二零一六年：港幣38,365,000元）的遞延稅項資產。剩餘的港幣252,724,000元（二零一六年：港幣286,420,000元）的可抵扣虧損，因為未來溢利的不可預見性，所以並未就其確認為遞延稅項資產。另外，未確認的稅務虧損中有港幣46,535,000元（二零一六年：港幣49,131,000元）的虧損將於五年內到期。其他虧損可以無限定期地結轉後期。

本集團於以前年度為若干物業、廠房及設備及租賃土地作減值撥備，該等撥備於二零一七年六月三十日，為集團產生港幣113,014,000元（二零一六年：港幣121,317,000元）的暫時性差異。因為未來溢利的不可預見性並在可預見的未來用作扣減暫時性差異，所以並無就該差異確認遞延稅項資產。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

23. Share Capital

(a) Issued share capital

		2017 二零一七年		2016 二零一六年	
		No. of shares 股份數量 (‘000) 千股	HK\$’000 港幣千元	No. of shares 股份數量 (‘000) 千股	HK\$’000 港幣千元
Ordinary shares, issued and fully paid:	已發行及已繳足普通股：				
At 1 July and 30 June	於七月一日及六月三十日	243,354	672,777	243,354	672,777

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the Company do not have a par value.

根據香港《公司條例》第135條，本公司普通股不再具有面值。

23. 股本

(a) 已發行股本

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

23. Share Capital (continued)

(a) Issued share capital (continued)

During the year, the Group purchased its own ordinary shares on The Stock Exchange of Hong Kong Limited for the purpose of satisfying the exercise of share options granted under the Group's share option schemes as follows:

For the year ended 30 June 2017:

Month/year	年／月份	No. of shares purchased 購入股份數量 (‘000) 千股	Highest price paid per share 已繳付每股最高價值 HK\$ 港幣元	Lowest price paid per share 已繳付每股最低價值 HK\$ 港幣元	Aggregate price paid 已繳付總價格 HK\$‘000 港幣千元
September 2016	二零一六年九月	338	8.63	8.19	2,883
October 2016	二零一六年十月	273	8.71	8.50	2,350
November 2016	二零一六年十一月	320	9.00	8.45	2,808
December 2016	二零一六年十二月	155	8.70	8.45	1,330
April 2017	二零一七年四月	64	10.70	10.66	684
May 2017	二零一七年五月	33	10.70	10.46	352
June 2017	二零一七年六月	231	11.50	10.70	2,555
		1,414			12,962

For the year ended 30 June 2016:

Month/year	年／月份	No. of shares purchased 購入股份數量 (‘000) 千股	Highest price paid per share 已繳付每股最高價值 HK\$ 港幣元	Lowest price paid per share 已繳付每股最低價值 HK\$ 港幣元	Aggregate price paid 已繳付總價格 HK\$‘000 港幣千元
March 2016	二零一六年三月	25	6.10	6.10	153
April 2016	二零一六年四月	26	6.20	6.20	161
May 2016	二零一六年五月	168	6.95	6.19	1,121
June 2016	二零一六年六月	537	7.78	6.90	3,900
		756			5,335

23. 股本(續)

(a) 已發行股本(續)

本年度為滿足已授予購股權可被行使的條件，本集團按股份認購權計劃購入其在香港聯合交易所有限公司掛牌的普通股如下：

截至二零一七年六月三十日止年度：

截至二零一六年六月三十日止年度：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

23. Share Capital (continued)

(a) Issued share capital (continued)

The considerations of the purchased shares for the year ended 30 June 2017 of HK\$12,962,000 (2016: HK\$5,335,000) were charged to ESOP reserve.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

As at 30 June 2017, there were 7,164,000 (2016: 5,750,000) ordinary shares acquired and held by the Group under the ESOP reserve for the purpose of satisfying the exercise of share options granted to a director and eligible employees.

(b) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

23. 股本(續)

(a) 已發行股本(續)

截至二零一七年六月三十日止年度購入股份的價值為港幣12,962,000元(2016: 港幣5,335,000元)並已記錄在員工股份認購權方案儲備。

普通股之持有人可收取不時宣派之股息，並可於本公司之大會上就每股股份享有一票投票權。就本公司之剩餘資產而言，所有普通股享有同等權利。

於二零一七年六月三十日，為滿足已授予一名董事及合資格員工股份認購權可被行使的條件，本集團於行政人員股份認購權方案儲備中持有普通股7,164,000股(二零一六年: 5,750,000股)。

(b) 資本管理

本集團管理資本的主要目標是要保障集團能夠持續經營，透過為產品及服務制定與風險水平相稱的定價，以及透過用合理成本獲得融資從而繼續為股東提供回報及為其他利益相關者帶來好處。

本集團積極及定期對資本架構展開檢討及管理，以在較高股東回報情況下可能伴隨之較高借貸水平與良好的資本狀況帶來的優勢及保障之間取得平衡，並因應經濟環境的變化對資本架構作出調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

23. Share Capital (continued)

(b) Capital management (continued)

The Group monitors its capital structure by reviewing its equity-debt ratio and cashflow requirements, taking into account of its future financial obligations and commitments. For this purpose, the Group defines equity-debt ratio as the ratio of the total equity attributable to equity shareholders of the Company to net debt. Net debt comprises total bank loans and obligations under finance leases less cash and cash equivalents.

23. 股本(續)

(b) 資本管理(續)

本集團以權益債務比率及現金流需求考慮將來的財務負債及承擔項目來監察資本架構。有見及此，本集團將權益債務比率界定為本公司股東應佔總權益與淨債務的比率。淨債務包括總貸款及融資租賃承擔減現金及現金等額。

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Obligations under finance leases	融資租賃承擔	505	782
Less: Cash and cash equivalents	減：現金及現金等額	(822,877)	(663,835)
Net liquid funds	淨流動資金	(822,372)	(663,053)
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益	1,894,789	1,720,151
Equity-debt ratio	權益債務比率	100:0	100:0

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

24. Reserves

The Company

24. 儲備

本公司

		Share capital	Investment revaluation reserve	Share option reserve	General reserve	Revenue reserve	Total
		股本	投資重估儲備	股份認購權儲備	一般儲備	收益儲備	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 July 2015	於二零一五年七月一日	672,777	(8)	6,472	50,000	294,116	1,023,357
Profit for the year	本年度溢利	-	-	-	-	485,767	485,767
Changes in fair value of available-for-sale financial assets	可供出售金融資產之公平價值變動	-	(2)	-	-	-	(2)
Equity settled share-based transactions	按權益結算之以股份為基礎交易	-	-	1,550	-	-	1,550
Final dividend paid in respect of prior year	就往年度已付末期股息	-	-	-	-	(31,636)	(31,636)
Interim dividend paid in respect of current year	就本年度已付中期股息	-	-	-	-	(24,335)	(24,335)
At 30 June 2016	於二零一六年六月三十日	672,777	(10)	8,022	50,000	723,912	1,454,701
At 1 July 2016	於二零一六年七月一日	672,777	(10)	8,022	50,000	723,912	1,454,701
Profit for the year	本年度溢利	-	-	-	-	447,432	447,432
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平價值變動	-	3	-	-	-	3
Equity settled share-based transactions	按權益結算之以股份為基礎交易	-	-	2,139	-	-	2,139
Final dividend paid in respect of prior year	就往年度已付末期股息	-	-	-	-	(43,804)	(43,804)
Interim dividend paid in respect of current year	就本年度已付中期股息	-	-	-	-	(29,202)	(29,202)
At 30 June 2017	於二零一七年六月三十日	672,777	(7)	10,161	50,000	1,098,338	1,831,269

24. Reserves *(continued)*

Nature and purpose of reserves of the Group:

(i) Surplus reserves

Surplus reserves include statutory surplus reserve and statutory public welfare fund.

In accordance with Accounting Regulations for Business Enterprises, foreign investment enterprises in Mainland China are required to transfer at least 10% of their profit after taxation, as determined under accounting principles generally accepted in the PRC ("PRC GAAP") to the statutory surplus reserve until the balance of the reserve is equal to 50% of their registered capital.

(ii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of the available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policies in note 2(g).

(iii) ESOP reserve

The ESOP reserve comprises the purchase consideration for issued shares of the Company acquired for the purpose of satisfying the exercise of share options granted to a director and eligible employees under the Company's Share Option Scheme.

(iv) Share option reserve

Share option reserve comprises the cumulative fair value of employee services received for the issue of share options and is dealt with in accordance with the accounting policies in note 2(q)(ii).

24. 儲備 *(續)*

儲備之性質及用途：

(i) 盈餘儲備

盈餘儲備包括法定盈餘公積金及法定公益金。

根據《企業會計制度》，在中國大陸的外商投資企業均須將不少於10%的按《中華人民共和國會計準則》計算的除稅後溢利撥入法定盈餘公積金，直至該儲備的結餘相等於其註冊資本的50%為止。

(ii) 投資重估儲備

投資重估儲備包括於期末持有的可供出售金融資產之公平值變動的累計淨額，並根據附註2(g)所載之會計政策而處理。

(iii) 行政人員股份認購權方案儲備

行政人員股份認購權方案儲備包括為滿足一名董事及合資格員工行使按本公司股份認購權方案所授予的股份認購權所購入之本公司已發行股份的購買代價。

(iv) 股份認購權儲備

股份認購權儲備包括授予股份認購權之員工服務之累計公平值，該儲備根據附註2(q)(ii)所載之會計政策而處理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

24. Reserves (continued)

(v) Exchange reserve

The exchange reserve comprises: (a) the foreign exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the functional currency of the Company; and (b) the exchange differences on monetary items which form part of the Group's net investment in the foreign subsidiaries. The reserve is dealt with in accordance with the accounting policies set out in note 2(u).

(vi) General reserve

The general reserve has been set up by transfer of revenue reserve according to resolutions of the Board of directors of the Company.

(vii) Revenue reserve

The distributable reserves of the Company at 30 June 2017 amounted to HK\$1,098,338,000 (2016: HK\$723,912,000).

24. 儲備 (續)

(v) 匯兌儲備

匯兌儲備包括：(a)換算海外附屬公司(其功能貨幣有別於本公司之功能貨幣)之財務報表所產生之外匯差額；(b)組成本集團海外附屬公司投資淨額一部份之貨幣性項目之匯兌差額。該儲備根據附註2(u)所載之會計政策而處理。

(vi) 一般儲備

一般儲備為本公司董事會於以前年度決議之收益儲備撥入。

(vii) 收益儲備

本公司於二零一七年六月三十日之可分配儲備為港幣1,098,338,000元(二零一六年：港幣723,912,000元)。

25. Equity settled Share-based Transactions

Executive Share Option Scheme 2013 (the "ESOS 2013") was approved by the shareholders of the Company at the extraordinary general meeting held on 23 April 2013 and took effect on 25 April 2013 to, among other, allow grant of options over newly issued shares and/or transfer of existing shares by a trust of the ESOS 2013 (the "Trust") which was established between the Company and a trustee of the Trust, a wholly owned subsidiary of the Group.

25. 按權益結算之以股份為基礎交易

2013行政人員股份認購權計劃(「2013股份認購權計劃」)於二零一三年四月二十三日於本公司股東大會上獲股東批准，並於二零一三年四月二十五日生效，其中包括准許授出涉及新發行股份及或透過2013股份認購權計劃中的信託(「信託」)(信託乃本公司與作為該信託之受託人所成立，而受託人為本集團之全資附屬公司)。

25. Equity settled Share-based Transactions (continued)

As at 1 July 2016, there were share options for 12,500,000 ordinary shares granted under the ESOS 2013, in which share options for 5,000,000 ordinary shares were granted to Group Managing Director. No options were exercised, lapsed or granted during the year.

Options granted under the ESOS 2013 are subject to achievement of performance-based vesting condition. The option shall lapse on the date the grantee ceased to be an employee of the Group or the performance-based condition is not satisfied. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

- (a) The terms and conditions of the grants are as follows:

ESOS 2013:

25. 按權益結算之以股份為基礎交易(續)

於二零一六年七月一日，根據2013股份認購權計劃，本公司授出合共12,500,000股之股份認購權，其中向本公司集團董事總經理授出5,000,000股之股份認購權。於年內並無認購權行使、失效及授予。

根據2013股份認購權計劃所授出之認購權之歸屬乃根據已預設的財政及表現目標及貢獻為標準。股份認購權於承授人停止為本集團之員工之日或未能達到表現指標時失效。每份股份認購權賦予持有人認購本公司一股普通股的權利及以股份總額結算。

- (a) 授出之條款和條件如下：

2013股份認購權計劃：

	Number of instruments 認購權數目	Exercisable period 可行使時間	Contractual life of options 認購權合約期
Options granted to a director: 認購權授予一名董事：			
– 28 June 2013 (Batch 1) – 於二零一三年六月二十八日 (批號1)	1,250,000	(i) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2017 在二零一七年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	4 years 4年
		(ii) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2018 在二零一八年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	5 years 5年
		(iii) 20% – Within 6 months from vesting date upon BRC's approval after 30 June 2019 在二零一九年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	6 years 6年

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

25. Equity settled Share-based Transactions (continued)

(a) The terms and conditions of the grants are as follows: (continued)

	Number of instruments 認購權數目	Exercisable period 可行使時間	Contractual life of options 認購權合約期
– 28 June 2013 (Batch 2) – 於二零一三年六月二十八日 (批號2)	3,750,000	(i) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2017 在二零一七年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	4 years 4年
		(ii) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2018 在二零一八年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	5 years 5年
		(iii) 20% – Within 6 months from vesting date upon BRC's approval after 30 June 2019 在二零一九年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	6 years 6年
Options granted to eligible executives: 認購權授予合資格行政人員：			
– 28 June 2013 (Batch 1) – 於二零一三年六月二十八日 (批號1)	2,400,000	(i) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2017 在二零一七年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	4 years 4年
		(ii) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2018 在二零一八年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	5 years 5年
		(iii) 20% – Within 6 months from vesting date upon BRC's approval after 30 June 2019 在二零一九年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	6 years 6年

25. 按權益結算之以股份為基礎交易(續)

(a) 授出之條款和條件如下：(續)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

25. Equity settled Share-based Transactions (continued)

25. 按權益結算之以股份為基礎交易(續)

(a) The terms and conditions of the grants are as follows: (continued)

(a) 授出之條款和條件如下：(續)

	Number of instruments 認購權數目	Exercisable period 可行使時間	Contractual life of options 認購權合約期
– 28 June 2013 (Batch 2) – 於二零一三年六月二十八日 (批號2)	7,200,000	(i) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2017 在二零一七年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	4 years 4年
		(ii) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2018 在二零一八年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	5 years 5年
		(iii) 20% – Within 6 months from vesting date upon BRC's approval after 30 June 2019 在二零一九年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	6 years 6年
– 26 November 2014 – 於二零一四年十一月 二十六日	900,000	(i) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2017 在二零一七年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	4 years 4年
		(ii) 40% – Within 6 months from vesting date upon BRC's approval after 30 June 2018 在二零一八年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	5 years 5年
		(iii) 20% – Within 6 months from vesting date upon BRC's approval after 30 June 2019 在二零一九年六月三十日後 董事會酬委會批准後的 歸屬日起六個月內	6 years 6年
Total share options granted 股份認購權授予總數	15,500,000		

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

25. Equity settled Share-based Transactions (continued)

- (b) The number and weighted average exercise prices of share options are as follows:

ESOS 2013:

		2017 二零一七年		2016 二零一六年	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均 行使價	認購權數目	加權平均 行使價	認購權數目
		HK\$ 港幣元	'000 千股	HK\$ 港幣元	'000 千股
Outstanding at the beginning of the year	於年初尚未被行使	4.78	12,500	4.76	14,300
Lapsed during the year	於年內失效	—	—	4.62	(1,800)
Outstanding at the end of the year	於年末尚未被行使	4.78	12,500	4.78	12,500
Exercisable at the end of the year	於年末可行使	—	—	—	—

The options outstanding at 30 June 2017 under the ESOS 2013 had weighted average exercise price of HK\$4.78 (2016: HK\$4.78) and weighted average remaining contractual life of 0.8 years (2016: 1.8 years).

25. 按權益結算之以股份為基礎交易(續)

- (b) 股份認購權的數目及加權平均行使價如下：

2013股份認購權計劃：

於二零一七年六月三十日，在2013股份認購權計劃中，尚未行使的股份認購權加權平均行使價為港幣4.78元（二零一六年：港幣4.78元）以及加權平均剩餘合約期為0.8年（二零一六年：1.8年）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

25. Equity settled Share-based Transactions (continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on Black-Scholes model. The contractual life of the share option is used as an input into this model.

Fair value of share options and assumptions of ESOS 2013:

Grant date	授出日	26 November 2014 二零一四年十一月二十六日	20 November 2013 二零一三年十一月二十日	28 June 2013 二零一三年六月二十八日
Fair value at measurement date	於計量日之公平值	HK\$/港幣0.883 – HK\$/港幣1.083	HK\$/港幣1.090 – HK\$/港幣1.739	HK\$/港幣0.456 – HK\$/港幣1.060
Share price	股價	HK\$/港幣6.75	HK\$/港幣5.75	HK\$/港幣4.58
Exercise price	行使價	HK\$/港幣6.80	HK\$/港幣4.62	HK\$/港幣4.62
Expected volatility	預期波幅	26.46% – 27.81%	23.33% – 35.04%	27.20% – 35.99%
Option life	認購權年期	2.6 years/年 – 4.6 years/年	0.6 year/年 – 5.6 years/年	1 year/年 – 6 years/年
Expected dividend yield	預期股息率	3.1%	3.1%	3.5%
Risk-free rate	無風險利率			
(based on Exchange Fund Note)	(根據外匯基金票據)	0.49% – 1.07%	0.20% – 1.25%	0.24% – 1.37%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

25. 按權益結算之以股份為基礎交易(續)

(c) 股份認購權的公平值和假設

透過授予股份認購權獲提供服務的公平值是參考所授予認購權的公平值計量，已授出股份認購權公平值是根據「柏力克-舒爾斯」模型估算。股份認購權的合約期限是該模型的輸入值。

股份認購權公平值及2013股份認購權計劃假設：

預期波幅乃根據過往波幅而釐定（計算乃根據股份認購權的加權平均剩餘期），並根據公開提供的資料對未來波幅的預期變更作出調整。預期股息乃根據過往股息而釐定。更改輸入項目假設可對公平值估計造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

26. Financial Risk Management and Fair Values

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credits are offered to customers following financial assessments and established payment records where applicable. Credit limits are set for all customers and these are exceeded only with the approval of senior company officers. Customers considered to be with credit risk are traded on a cash basis. General credit terms are payment within 30 to 60 days following the sales took place. Regular review and follow up actions are carried out on overdue amounts to minimise the Group's exposure to credit risk. Collaterals over properties are obtained from certain customers. An ageing analysis of the debtors is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these debtors. The Group has no significant concentrations of credit risk in view of its large number of customers. The Group does not provide any guarantee which would expose the Group to credit risk. Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 19.

26. 財務風險管理及公平值

本集團在正常營運過程中面對信貸、流動資金、利率及貨幣風險。本集團亦面對在其他實體作出股權投資的股價變動而產生的股價風險。本集團採取以下金融管理政策和措施來限制此等風險。

(a) 信貸風險

本集團的信貸風險主要來自貿易及其他應收賬款。管理層訂立了信貸政策，並持續監察此等信貸風險。客戶信貸乃於進行財務評估後及基於已建立的付款記錄（如適用）而釐定。所有客戶均設有信貸限額，且在公司高級人員批准後方可超出有關限額。若認為客戶有信貸風險，則以現金進行交易。一般信貸於銷售發生後30至60日內到期。為了儘量減少信貸風險，本集團定期檢討逾期未付金額並採取跟進行動。本集團定期編製賬齡分析以密切監察此等應收款項，並盡量減少與此等應收款項有關的信貸風險。本集團會從若干客戶取得物業抵押。由於擁有大量客戶，本集團並沒有顯著的信貸集中風險。本集團不會提供使其承受信貸風險的擔保。本集團來自貿易及其他應收賬款的信貸風險，其具體資料於附註19作進一步量化的披露。

26. Financial Risk Management and Fair Values *(continued)*

(b) Liquidity risk

The Group closely monitors its liquidity and financial resources to ensure that a healthy financial position is maintained such that cash inflows from operating activities together with un-drawn committed banking facilities are sufficient to meet the requirements for loan repayments, daily operational needs, capital expenditure, as well as potential business expansion and development.

The Group reviews its strategy from time to time to ensure that cost-efficient funding is available to cater for the unique operating environment of each subsidiary.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

26. 財務風險管理及公平值 (續)

(b) 流動資金風險

本集團密切監察其流動資金和財政資源，以確保維持穩健的財務狀況，使來自經營業務的所得現金，連同尚未動用的銀行備用信貸，足以應付償還貸款、日常營運、資本開支，以及擴展業務及發展的潛在資金需要。

本集團不時檢討其財務政策，目的是作出具有成本效益的融資安排，切合各附屬公司獨特的經營環境。

下表載列本集團非衍生金融負債於報告期終日之剩餘合約到期日，剩餘合約到期日乃按合約無折現現金流量（包括利用約定利率或（倘浮息）在報告期終日適用的利率計算之利息付款）以及本集團可被要求付款之最早日期計算：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

26. Financial Risk Management and Fair Values (continued)

(b) Liquidity risk (continued)

		2017 二零一七年				
		Carrying amount	Total contractual undiscounted cash flow 合約未折現現金流量總額	Within 1 year or on demand 一年內或即時	More than 1 year but within 2 years 一年以上但二年以內	More than 2 years but within 5 years 二年以上但五年以內
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Payables and accruals	應付賬款及應計費用	568,230	568,230	568,230	–	–
Amount due to a joint venture	應付合營企業款項	42,976	42,976	42,976	–	–
Obligations under finance leases	融資租賃負債	505	505	250	218	37
		611,711	611,711	611,456	218	37

		2016 二零一六年				
		Carrying amount	Total contractual undiscounted cash flow 合約未折現現金流量總額	Within 1 year or on demand 一年內或即時	More than 1 year but within 2 years 一年以上但二年以內	More than 2 years but within 5 years 二年以上但五年以內
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Payables and accruals	應付賬款及應計費用	503,252	503,252	503,252	–	–
Amount due to a joint venture	應付合營企業款項	42,976	42,976	42,976	–	–
Obligations under finance leases	融資租賃負債	782	782	252	252	278
		547,010	547,010	546,480	252	278

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

26. Financial Risk Management and Fair Values (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from bank deposits.

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest earning financial assets at the end of the reporting period:

26. 財務風險管理及公平值 (續)

(c) 利率風險

本集團的利率風險主要來自銀行存款。

(i) 利率概況

下表詳列於報告期終日本集團帶息金融資產的利率概況：

		2017 二零一七年		2016 二零一六年	
		Effective interest rate p.a. 實際年利率 %	Carrying amount 賬面值 HK\$'000 港幣千元	Effective interest rate p.a. 實際年利率 %	Carrying amount 賬面值 HK\$'000 港幣千元
Fixed rate financial assets:	定息財務資產：				
Deposits with banks	銀行定期存款	2.53	611,649	2.01	344,462
Variable rate financial assets:	浮息財務資產：				
Cash at bank	銀行存款	1.29	178,771	1.12	319,373
Total	合計		790,420		663,835

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

26. Financial Risk Management and Fair Values *(continued)*

(c) Interest rate risk *(continued)*

(ii) Sensitivity analysis

At 30 June 2017, it is estimated that general increase/decrease of 0 to 117 basis points (2016: 0 to 75 basis points) in interest rates for the Group's interest earning financial assets denominated in various currencies, mainly Hong Kong dollars, Renminbi and United States dollars, with all other variables held constant, would have increased/decreased the Group's profit after tax and revenue reserve by approximately HK\$1,761,000 (2016: HK\$723,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and revenue reserve) that would arise assuming that the change in interest rates had occurred at the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and revenue reserve) is estimated as an annualised impact on interest income of such a change in interest rates. The analysis is performed on the same basis as for 2016.

26. 財務風險管理及公平值 (續)

(c) 利率風險(續)

(ii) 敏感度分析

於二零一七年六月三十日，估計若集團帶息金融資產中各外幣(主要為港幣、人民幣及美元)利率全面上升／下調0至117點子(二零一六年：0至75點子)，在其他所有變數維持不變的情況下，本集團之除稅後溢利及收益儲備將增加／減少約港幣1,761,000元(二零一六年：港幣723,000元)。

以上之敏感度分析表示假設利率於報告期發生轉變對本集團除稅後溢利(和收益儲備)會出現之即時變動，並適用於重新計量本集團於報告期終日持有面對公平值利率風險之金融工具。就本集團於報告期終日持有浮動利率非衍生金融工具產生之現金流量利率風險，本集團除稅後溢利(和收益儲備)之影響以利率轉變所得收入作為年度化影響予以估計。分析是以與二零一六年相同之基準進行。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

26. Financial Risk Management and Fair Values (continued)

(d) Currency risk

The Group is exposed to currency risk primarily through sales and purchases which give rise to receivables, payables and cash balances that are denominated in a foreign currency, i.e. a currency other than the functional currency of the operations to which the transactions relate. The currencies giving rise to this risk are primarily United States dollars ("US\$"), Renminbi ("RMB"), Hong Kong dollars ("HK\$") and Macau Pataca ("MOP").

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency and exposure arising from inter-company balances which are considered to be in the nature of interest in subsidiaries are excluded.

26. 財務風險管理及公平值 (續)

(d) 貨幣風險

本集團面對的貨幣風險，主要來自因買賣而產生之應收款項、應付款項及現金結餘，該等項目乃按外幣，即交易所涉及業務之功能貨幣以外之貨幣計值。外匯風險主要來自美元、人民幣、港幣及澳門幣。

(i) 承受之外匯風險

下表就本集團於報告期終日以相關公司功能貨幣以外貨幣計值的已確認資產或負債所承受之外匯風險作出詳細分析。由換算海外業務之財務報表至本集團之呈列貨幣以及視為附屬公司權益性質之集團公司間之結餘之差額，並不包括在內。

Exposure to foreign currencies (Expressed in original currency)
承受之外匯風險(以原貨幣計算)

		2017 二零一七年				2016 二零一六年			
		HK\$'000 港幣千元	RMB'000 人民幣千元	US\$'000 美元千元	MOP'000 澳門幣千元	HK\$'000 港幣千元	RMB'000 人民幣千元	US\$'000 美元千元	MOP'000 澳門幣千元
Trade and other receivables	貿易及其他應收賬款	-	-	136	-	-	-	123	-
Cash and cash equivalents	現金及現金等額	659	73,485	20,997	-	506	1,845	221	-
Trade and other payables	貿易及其他應付賬款	-	-	(1,845)	-	(186)	-	(1,786)	-
Amounts due from/(to) group companies	應收/(應付)集團公司款項	77,976	-	-	21,167	83,813	-	-	20,315
Overall net exposure	整體風險淨額	78,635	73,485	19,288	21,167	84,133	1,845	(1,442)	20,315

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

26. Financial Risk Management and Fair Values (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the instantaneous changes in the Group's profit after tax (and revenue reserve) that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2017 二零一七年		2016 二零一六年	
		(Decrease)/ increase in in foreign exchange rates 外匯匯率 (下跌)/ 上升 %	(Decrease)/ increase in profit after tax and revenue reserve 除稅後溢利 及收益儲備 (減少)/增加 HK\$'000 港幣千元	(Decrease)/ increase in in foreign exchange rates 外匯匯率 (下跌)/ 上升 %	(Decrease)/ increase in profit after tax and revenue reserve 除稅後溢利 及收益儲備 (減少)/增加 HK\$'000 港幣千元
RMB	人民幣	(3.44)	(2,433)	(2.25)	(41)
HK\$	港幣	3.44	236	2.25	51
US\$	美元	(0.62)	(739)	2.26	(144)
MOP	澳門幣	3.44	531	2.25	2

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit or loss after tax and revenue reserve measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

26. 財務風險管理及公平值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

下表載列出若本集團於報告期終日面對重大風險之外幣匯率，於該日期的假設轉變對本集團除稅後溢利(和收益儲備)之即時變動，假設所有其他風險變數保持不變。

上表呈述之分析結果顯示本集團各實體以各自功能貨幣計算之除稅後溢利或虧損及收益儲備，按報告期終日通行之匯率換算為港幣以作呈報之總額即時影響。

26. Financial Risk Management and Fair Values *(continued)*

(d) Currency risk *(continued)*

(ii) Sensitivity analysis *(continued)*

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis is performed on the same basis as for 2016.

(e) Equity price risk

The Group is exposed to equity price changes arising from investments in equity securities classified as available-for-sale financial assets. As the carrying amount of such investments is insignificant compared to the total assets of the Group, management considers the exposure to equity price risk to be insignificant.

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

26. 財務風險管理及公平值 (續)

(d) 貨幣風險(續)

(ii) 敏感度分析(續)

敏感度分析乃假設滙率變動適用於重新計量本集團於報告期終日持有及令本集團面對貨幣風險之有關金融工具。分析是以與二零一六年相同之基準進行。

(e) 股票價格風險

本集團受到分類為可供出售金融資產之股權證券投資的股價變動影響。由於該等投資的賬面值相對本集團的資產總值並不重大，管理層認為本集團承受的股票價格風險並不顯著。

(f) 公平值

(i) 以公平值列賬之金融資產及負債

下表載列根據香港財務報告準則第13號「公平值計量」，定期於報告期終日計量集團金融工具之公平價值分類為三個公平價值級別。參考按估值方法所輸入數據的可觀察性及重要性作以下級別釐定：

- 第一級別估值：僅使用第一級別輸入數據（即計量日期當日相同資產及負債活躍市場上的未經調整報價）計量的公平值。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

26. Financial Risk Management and Fair Values (continued)

(f) Fair value measurement (continued)

(i) Financial assets and liabilities measured at fair value (continued)

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

26. 財務風險管理及公平值 (續)

(f) 公平值 (續)

(i) 以公平值列賬之金融資產及負債 (續)

- 第二級別估值：使用第二級別輸入數據（即不符合第一級別標準的可觀察數據）計量的公平值，且不會使用重大不可觀察輸入數據。不可觀察輸入數據為未能取得市場數據的輸入數據。
- 第三級別估值：使用重大不可觀察輸入數據計量的公平值。

		2017 二零一七年				2016 二零一六年			
		Level 1 第一級別	Level 2 第二級別	Level 3 第三級別	Total 總額	Level 1 第一級別	Level 2 第二級別	Level 3 第三級別	Total 總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Recurring fair value measurements	經常性公平值計量								
Assets	資產								
Available-for-sale financial assets	可供出售金融資產	185	-	-	185	182	-	-	182
Derivative financial instruments:	衍生金融工具：								
- Foreign exchange forward contracts	- 外幣遠期合同	-	-	-	-	-	1,756	-	1,756
		185	-	-	185	182	1,756	-	1,938
Liabilities	負債								
Derivative financial instruments:	衍生金融工具：								
- Foreign exchange forward contracts	- 外幣遠期合同	-	151	-	151	-	234	-	234

26. Financial Risk Management and Fair Values *(continued)*

(f) Fair value measurement *(continued)*

(i) **Financial assets and liabilities measured at fair value** *(continued)*

During the years ended 30 June 2017 and 2016, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) **Valuation techniques and input used in Level 2 fair value measurement**

The fair value of foreign exchange forward contracts is determined based on quotes from market makers or alternative participants supported by observable inputs including spot and forward exchange rates.

(iii) **Fair value of financial assets and liabilities carried at other than fair value**

Apart from non-trade balances with subsidiaries, all other significant financial assets and liabilities are carried at amounts not materially different from their fair values as at 30 June 2017 and 2016. The carrying amounts of non-trade balances with a joint venture approximate the fair values due to the relatively short-term maturity of these financial assets and liabilities. It is not meaningful to disclose the fair value of non-trade balances with subsidiaries because there is no fixed term of repayment.

26. 財務風險管理及公平值 (續)

(f) 公平值(續)

(i) 以公平值列賬之金融資產及負債(續)

截至二零一七年及二零一六年六月三十日止年度，第一級別與第二級別之間沒有轉移，也沒有轉入或轉出第三級別。本集團政策為於級別轉移發生之報告期終日確認公平值級別轉移。

(ii) 採用於第二級別公平價值計量的估值技術及輸入數據

外幣遠期合同的公平價值以莊家或其他市場參與者以可觀察輸入數據所支持的報價來釐定，其中包括即期及遠期匯率。

(iii) 非以公平價值列賬之金融資產及負債之公平價值

除與附屬公司之非貿易結餘外，於二零一七年及二零一六年六月三十日，所有其他重大金融資產及負債的賬面價值與公平值並無重大差異。由於有關金融資產及負債於相對較短期間屆滿，故與合營企業之非貿易結餘之賬面值與公平值相若。由於與附屬公司之非貿易結餘並無固定還款期，故披露其公平值並無意義。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

27. Capital Commitments

- (a) The Group had the following capital commitments outstanding at the end of the reporting period not provided for in the financial statements:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Capital expenditure authorised and contracted for	已授權並已訂約之資本開支	10,157	24,179
Capital expenditure authorised but not contracted for	已授權但未訂約之資本開支	141,827	5,921

- (b) At 30 June 2017, the Group had several non-cancellable purchase orders for raw materials with its suppliers with an amount of HK\$434,322,000 (2016: HK\$442,138,000).

27. 資本承擔

- (a) 本集團於報告期終日有以下資本承擔未在財務報表中作出撥備：

- (b) 於二零一七年六月三十日，本集團與其供應商訂立數張不可取消的原材料採購訂單，金額為港幣434,322,000元（二零一六年：港幣442,138,000元）。

28. Related Party Transactions

- (a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Company's directors and certain of the highest paid employees is disclosed in note 10 to the consolidated financial statements. Total remuneration is included in "staff costs" (note 8).

28. 有關連人士之交易

- (a) 主要管理人員薪酬

主要管理人員之薪酬，包括支付予本公司董事及若干酬金最高的僱員於綜合財務報表附註10披露載列。薪酬總額已計入「職工成本」內（見附註8）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

28. Related Party Transactions

(continued)

(b) Management fees

Related party 關聯方	Nature of transactions 交易性質	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
GOMC/GGMC	Management fee expenses (Note) 管理費支出(附註)	10,177	8,592

Note:

A master service agreement was entered into by the Company with GuoLine Group Management Co. Limited ("GGMC") and GOMC Limited ("GOMC"), subsidiaries of HLCM, on 2 July 2014 for the provision of management services by GGMC or GOMC, to the Company and/or its subsidiaries, for a term of three years from 1 July 2014 to 30 June 2017.

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions in respect of (b) management fees above constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures recognised by Chapter 14A of the Listing Rules are provided in section "Connected Transactions" of the Directors' Report.

28. 有關連人士之交易(續)

(b) 管理費

2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
10,177	8,592

附註：

於二零一四年七月二日，本公司與兩家HLCM的附屬公司，GuoLine Group Management Co. Limited (「GGMC」) 及 GOMC Limited (「GOMC」)，就GGMC或GOMC從二零一四年七月一日起計至二零一七年六月三十日為本公司及／或其附屬公司提供為期三年之管理服務，訂立一份服務協議。

(c) 有關關連交易之上市規則之適用性

上述就(b)管理費之有關連人士交易構成上市規則第14A章界定之持續關連交易。上市規則第14A章規定之披露於董事會報告內「關連交易」一節中提供。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

29. Company – Level Statement of Financial Position

29. 公司層面的財務狀況表

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	392	871
Interest in subsidiaries	附屬公司權益	1,254,488	1,254,218
Amounts due from subsidiaries	應收附屬公司款項	1,340,828	1,427,565
Available-for-sale financial assets	可供出售金融資產	8	5
		2,595,716	2,682,659
Current assets	流動資產		
Other receivables	其他應收款	292	226
Cash and cash equivalents	現金及現金等額	135,289	80,142
		135,581	80,368
Current liabilities	流動負債		
Other payables	其他應付款	9,850	7,263
Amount due to a joint venture	應付合營企業款項	80	80
		9,930	7,343
Net current assets	淨流動資產	125,651	73,025
Total assets less current liabilities	總資產減流動負債	2,721,367	2,755,684
Non-current liabilities	非流動負債		
Amounts due to subsidiaries	應付附屬公司款項	890,098	1,300,983
NET ASSETS	淨資產	1,831,269	1,454,701
Capital and reserves	資金及儲備		
Share capital (note 23)	股本(附註23)	672,777	672,777
Reserves (note 24)	儲備(附註24)	1,158,492	781,924
TOTAL EQUITY	總權益	1,831,269	1,454,701

Approved and authorised for issue by the Board of Directors on 30 August 2017.

經由董事會於二零一七年八月三十日批准及授權刊發。

LEUNG Joseph 梁玄博
DIRECTOR 董事

WHANG Sun Tze 黃上哲
DIRECTOR 董事

30. Immediate and Ultimate Holding Company

At 30 June 2017, the directors consider the immediate holding company to be GuoLine International Limited, which is incorporated in Bermuda and the ultimate holding company to be HLCM, which is incorporated in Malaysia. These entities do not produce financial statements available for public use.

30. 直接及最終控股公司

董事會認為於二零一七年六月三十日直接控股公司為GuoLine International Limited，一間於百慕達註冊成立之公司，而最終控股公司為HLCM，一間於馬來西亞註冊成立之公司。這些個體沒有財務報表可供公眾使用。

31. Possible Impact of Amendments, New Standards and Interpretations issued but not yet Effective for the Annual Accounting Year ended 30 June 2017

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the accounting year ended 30 June 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

31. 截至二零一七年六月三十日止會計年度已頒佈但尚未生效之新訂、經修訂的準則及詮釋可能產生的影響

截至本財務報表刊發之日，香港會計師公會已頒佈截至二零一七年六月三十日止會計年度尚未生效，亦無在本財務報表採用之數項修訂及新訂準則，當中包括下列可能與本集團相關。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

31. Possible Impact of Amendments, New Standards and Interpretations issued but not yet Effective for the Annual Accounting Year ended 30 June 2017 (continued)

31. 截至二零一七年六月三十日止會計年度已頒佈但尚未生效之新訂、經修訂的準則及詮釋可能產生的影響(續)

	Effective for accounting periods beginning on or after 由下列或以後會計期間開始生效
Amendments to HKAS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i> 香港會計準則第十二號修訂，所得稅：未變現虧損確認遞延稅項資產	1 January 2017 二零一七年一月一日
Amendments to HKAS 7, <i>Statement of cash flows: Disclosure initiative</i> 香港會計準則第七號修訂，現金流量表：披露計劃	1 January 2017 二零一七年一月一日
HKFRS 15, <i>Revenue from contracts with customers</i> 香港財務報告準則第十五號，源自客戶合同的收入	1 January 2018 二零一八年一月一日
HKFRS 9, <i>Financial instruments</i> 香港財務報告準則第九號，金融工具	1 January 2018 二零一八年一月一日
Amendments to HKFRS 2, <i>Share-based payments: Classification and measurements of share-based payment transactions</i> 香港財務報告準則第二號修訂，股權支付：股權支付交易之分類和測量	1 January 2018 二零一八年一月一日
HKFRS 16, <i>Leases</i> 香港財務報告準則第十六號，租賃	1 January 2019 二零一九年一月一日
Amendments to HKFRS 10, <i>Consolidated financial statements</i> and HKAS 28, <i>Investments in associates and joint ventures: Sale or contribution of assets between an investor and its associate or joint venture</i> 香港財務報告準則第十號修訂，綜合財務報表及香港會計準則第二十八號修訂，聯營公司及合營企業權益：投資者與其聯營公司或合營企業之間的資產出售或投入	To be determined 生效日期待定

31. Possible Impact of Amendments, New Standards and Interpretations issued but not yet Effective for the Annual Accounting Year ended 30 June 2017 (continued)

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have certain impact on the financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards. The Group does not intend to early adopt any of these amendments or new standards.

HKFRS 9, *Financial instruments*

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, *Financial instruments: Recognition and measurement*. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. Expected impacts of the new requirements on the Group's financial statements are as follows:

31. 截至二零一七年六月三十日止會計年度已頒佈但尚未生效之新訂、經修訂的準則及詮釋可能產生的影響(續)

本集團現正評估該等修訂及新訂準則於首次應用期間之預期影響。就本集團所知，新訂準則之部分範疇可能對財務報表構成重大影響。該等預期影響之進一步詳情於下文論述。由於本集團尚未完成評估，過程中可能發現其他影響，本集團在決定是否於生效日期前採納任何該等新規定及採取何種過渡方式(倘新訂準則允許不同方式)時將考慮該等影響。本集團無意提早採納任何該等修訂或新訂準則。

香港財務報告準則第9號，「金融工具」

香港財務報告準則第9號將取代金融工具會計處理之現行準則：香港會計準則第39號「金融工具：確認及計量」。香港財務報告準則第9號引入金融資產劃分及計量、金融資產減值計算及套期會計法之新規定。另一方面，香港財務報告準則第9號收納香港會計準則第39號有關確認及終止確認金融工具以及劃分金融負債之規定，並無作出重要修改。新規定對本集團的財務報表之預期影響如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

31. Possible Impact of Amendments, New Standards and Interpretations issued but not yet Effective for the Annual Accounting Year ended 30 June 2017 (continued)

HKFRS 9, *Financial instruments* (continued)

(a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss and (3) fair value through other comprehensive income. The classification is determined based on the contractual cash flow characteristics of the financial assets and the entity's business model for managing the financial assets.

Based on a preliminary assessment, the Group expects that the new classification and measurement requirements will not have a material impact on its accounting for financial assets.

(b) Impairment

The new impairment model in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

31. 截至二零一七年六月三十日止會計年度已頒佈但尚未生效之新訂、經修訂的準則及詮釋可能產生的影響(續)

香港財務報告準則第9號，「金融工具」(續)

(a) 劃分及計量

香港財務報告準則第9號載有三個主要金融資產類別，分別為(1)以攤銷成本計量、(2)以公平價值計量且其變動計入損益賬及(3)以公平價值計量且其變動計入其他全面收益。劃分取決於公司管理金融資產之業務模式以及金融資產之合約現金流量特徵。

按照初步評估，本集團預期新劃分及計量規定不會對金融資產之會計處理造成重大影響。

(b) 減值

香港財務報告準則第9號中之新減值模式以「預期信貸損失」模式取代香港會計準則第39號之「已產生損失」模式。根據預期信貸損失模式，毋須再待發生損失事件後方確認減值損失。取而代之，公司需根據資產以及事實情況確認及計量預期信貸損失為十二個月預期信貸損失或永久預期信貸損失。新減值模式可能導致本集團提早就貿易應收款項及其他金融資產確認信貸損失。然而，仍需進行更詳細之分析方能釐定影響範圍。

31. Possible Impact of Amendments, New Standards and Interpretations issued but not yet Effective for the Annual Accounting Year ended 30 June 2017 (continued)

HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, *Revenue*, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, *Construction contracts*, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting HKFRS 15 on its financial statements. Based on the preliminary assessment, the Group has identified the following areas which may be affected:

(a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 2(t). Currently, revenue from sales of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. At contract inception, an entity evaluates whether it transfers the control to the customer over time and therefore revenue should be recognised over time, if not, then it transfers control at a point in time and revenue will be recognised at that single point in time.

Based on a preliminary assessment, the Group expects that revenue from sales of goods will continue to be recognised at a point in time. However, as a result of the change from the risk-and-reward approach to the transfer-of-control approach, the point in time at which revenue will be recognised may change upon the adoption of HKFRS 15. Further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported in any given financial reporting period.

31. 截至二零一七年六月三十日止會計年度已頒佈但尚未生效之新訂、經修訂的準則及詮釋可能產生的影響(續)

香港財務報告準則第15號，「源自客戶合同的收入」

香港財務報告準則第15號建立確認客戶合約收入的全面框架。香港財務報告準則第15號將取代現有收入準則，即香港會計準則第18號，「收入」(包括銷售貨物及提供服務所產生的收入)及香港會計準則第11號，「建造合同」(包括建造合同所產生的收入之會計)。本集團現正評估採納香港財務報告準則第15號對其財務報表的影響。基於初步評估，本集團識別以可能受到影響之範疇如下：

(a) 收入確認之時間

本集團之收入確認政策於附註2(t)中披露。目前，自出售貨物所得之收入一般於所有權風險及回報已轉移至客戶時予以確認。

根據香港財務報告準則第15號，收入於客戶獲得合約之承諾貨品或服務之控制權時確認。在合約開始時，實體評估其是否隨著時間將控制權轉移予客戶及因此是否應隨著時間確認收入。如果不是，則其將在某個時點轉移控制權並將在該單一時點確認收入。

基於初步評估，本集團預期來自商品銷售收益將繼續在某個時點確認。由於從風險及回報法轉為按合約轉讓控制權法，於採納香港財務報告準則第15號時，本集團或會有部份合約的收入確認之時間點可能變更。需進行進一步分析以釐定該會計政策變更是否可能對任何指定財務報告期間的呈報金額產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 30 June 2017 截至二零一七年六月三十日止年度

31. Possible Impact of Amendments, New Standards and Interpretations issued but not yet Effective for the Annual Accounting Year ended 30 June 2017 (continued)

HKFRS 15, Revenue from contracts with customers (continued)

(b) Sales with a right of return

Currently when the customers are allowed to return the products, the Group estimates the level of returns and makes an adjustment against revenue and cost of sales.

The Group expects that the adoption of HKFRS 15 will not materially affect how the Group recognises revenue and cost of sales when the customers have a right of return. However, the new requirement to recognise separately a return asset for the products expected to be returned will impact the presentation in the statement of financial position as the Group currently adjusts the carrying amounts of inventory for the expected returns, instead of recognising a separate asset.

HKFRS 16, Leases

As disclosed in note 2(k), currently the Group classifies leases into operating leases and enters into some leases as the lessor and others as the lessee.

The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. The Group's future minimum lease payments under non-cancellable operating leases may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

HKFRS 16 is not expected to impact significantly on the way that the Group accounts for its rights and obligations under a lease when it is the lessor under the lease.

31. 截至二零一七年六月三十日止會計年度已頒佈但尚未生效之新訂、經修訂的準則及詮釋可能產生的影響(續)

香港財務報告準則第15號，「源自客戶合同的收入」(續)

(b) 附帶退貨權之銷售

目前，當顧客獲准產品退貨時，本集團估算退貨之水平並對收入及銷售成本作出調整。

本集團預期採納財務報告準則第15號將不會對本集團在顧客有權退貨時如何確認其收入及銷售成本造成重大影響。然而，由於本集團目前就預期退回對存貨入賬值作調整，而並非確認其為一獨立資產，故新規定就預期產品將會退回而予以獨立確認為一退回資產將影響綜合財務狀況表之列報形式。

香港財務報告準則第16號，「租賃」

誠如附註2(k)所披露，本集團目前將租賃分類為經營租賃。本集團作為出租人訂立若干租賃，而其他則作為承租人。

預期應用新會計模式將導致資產及負債均有所增加，及影響租期內於損益表確認開支的時間。倘若採用香港財務報告準則第16號，本集團不可取消經營租賃之未來最低租賃款項或須於確認租賃負債以及使用權資產。經考慮實際權宜方法的適用性及調整現時與採納香港財務報告準則第16號之間訂立或終止的任何租約及貼現影響後，本集團將須進行更為詳細的分析以釐定於採納香港財務報告準則第16號時經營租約承擔所產生的新資產及負債的金額。

預期香港財務報告準則第16號不會重大影響本集團為租賃出租人時入賬其於租賃的權利及責任的入賬方式。

PRINCIPAL SUBSIDIARIES

主要附屬公司

At 30 June 2017 於二零一七年六月三十日

The following list contains particulars of principal subsidiaries at 30 June 2017:

於二零一七年六月三十日各主要附屬公司摘要如下：

Name of company 公司名稱	Particulars of issued capital 已發行之股本摘要	Place of incorporation/ establishment and operation 註冊及經營地點	Effective percentage of equity holding 股權擁有百分比	Principal activity 主要業務	Notes 附註
			Group 本集團	Company 本公司	
Gladko Industries Limited 澤高實業有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Investment holding 投資控股
Global Flour Trader Limited 環球麵粉貿易有限公司	10,000 ordinary shares 10,000股普通股	Hong Kong 香港	100	–	Trading of commodity derivatives 商品期貨貿易
Guangzhou Lam Soon Homecare Products Limited 廣州南順清潔用品有限公司	HK\$21,000,000 港幣21,000,000元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of cleaning products 清潔產品生產及貿易
Hong Kong Flour Mills Limited 香港麵粉廠有限公司	100 ordinary shares 10,000 deferred shares 100股普通股 10,000股遞延股	Hong Kong 香港	100	–	Trading of bran, provision of trucks rental service and investment holding 麥麩貿易，貨車租賃及投資控股
Jiangsu Lam Soon Flour Mills Company Limited 江蘇南順麵粉有限公司	US\$5,000,000 5,000,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易
Jiangsu Lam Soon Food Company Limited 江蘇南順食品有限公司	US\$10,000,000 10,000,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易
Lam Soon (China) Holdings Company Limited	US\$1 1美元	British Virgin Islands/ Hong Kong 英屬維爾京群島／香港	100	–	Investment holding 投資控股
Lam Soon Cleaning & Caring Laboratories (Hong Kong) Company Limited 南順清潔護理研發(香港)有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Trading of cleaning products 清潔產品貿易
Lam Soon Edible Oils Company Limited	US\$1 1美元	British Virgin Islands/ Hong Kong 英屬維爾京群島／香港	100	–	Investment holding 投資控股
Lam Soon Food Industries (BVI) Limited	HK\$11,858,415 港幣11,858,415元	British Virgin Islands 英屬維爾京群島	100	–	Investment holding 投資控股

PRINCIPAL SUBSIDIARIES

主要附屬公司

At 30 June 2017 於二零一七年六月三十日

Name of company 公司名稱	Particulars of issued capital 已發行之股本摘要	Place of incorporation/ establishment and operation 註冊及經營地點	Effective percentage of equity holding 股權擁有百分比		Principal activity 主要業務	Notes 附註
			Group 本集團	Company 本公司		
Lam Soon Food Industries Limited	Ordinary shares HK\$83,228,315 Convertible preference shares HK\$25,000,000 普通股港幣83,228,315元 可換股優先股 港幣25,000,000 元	Bermuda/Hong Kong 百慕達／香港	100	100	Investment holding 投資控股	
Lam Soon Food Supply (Macau) Company Limited 南順食品供應(澳門)有限公司	MOP25,000 澳門幣25,000元	Macau 澳門	100	–	Trading of flour, edible oils and cleaning products 麵粉、食用油及清潔產品貿易	
Lam Soon International Limited	US\$1 1美元	British Virgin Islands 英屬維爾京群島	100	–	Investment holding 投資控股	
Lam Soon (Pan Yu) Industries Company Limited 南順(番禺)工業有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Investment holding 投資控股	
Lam Soon Products Supply (Hong Kong) Company Limited 南順產品供應(香港)有限公司	1,000,000 ordinary shares 1,000,000股普通股	Hong Kong 香港	100	–	Manufacturing of edible oils and trading of flour, edible oils and agency products 食用油生產及麵粉、食用油及代理產品貿易	
Lam Soon Realty Limited 南順地產有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Property holding and the provision of warehousing and logistic services 物業持有及提供倉儲和物流服務	
Lam Soon (Shandong) Food Company Limited 南順(山東)食品有限公司	US\$10,113,100 10,113,100美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Lam Soon (Sichuan) Food Company Limited 南順(四川)食品有限公司	US\$7,000,000 7,000,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Lam Soon Silos Investments Limited 南順筒倉投資有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Investment holding 投資控股	

PRINCIPAL SUBSIDIARIES

主要附屬公司

At 30 June 2017 於二零一七年六月三十日

Name of company 公司名稱	Particulars of issued capital 已發行之股本摘要	Place of incorporation/ establishment and operation 註冊及經營地點	Effective percentage of equity holding 股權擁有百分比		Principal activity 主要業務	Notes 附註
			Group 本集團	Company 本公司		
Lam Soon Systems Limited 南順系統有限公司	2 ordinary shares 2股普通股	Hong Kong 香港	100	–	Provision of information technology services 提供資訊科技服務	
Lam Soon Trademark Limited	US\$2 2美元	Cook Islands/ Hong Kong 科克群島／香港	100	–	Trademark holding 商標持有	
LS Golden Oils & Fats Limited	"A" ordinary shares HK\$185,000,000 "B" ordinary shares HK\$9,900,000 "C" ordinary shares HK\$5,100,000 「A」普通股 港幣185,000,000 元 「B」普通股 港幣9,900,000 元 「C」普通股 港幣5,100,000 元	British Virgin Islands 英屬維爾京群島	100	–	Investment holding 投資控股	
Richly Choice Development (PTC) Limited	US\$1 1美元	British Virgin Islands 英屬維爾京群島	100	100	Provision of trustee services 提供信託服務	
Shekou Lam Soon Flour Mills Company Limited 蛇口南順麵粉有限公司	US\$27,500,000 27,500,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of flour products 麵粉產品生產及貿易	N1
Shekou Lam Soon Silo Company Limited 蛇口南順筒倉有限公司	US\$9,500,000 9,500,000美元	The People's Republic of China 中華人民共和國	100	–	Provision of silo facilities 提供筒倉服務	N1
Shenzhen Lam Soon Edible Oils Company, Limited 深圳南順油脂有限公司	US\$12,000,000 12,000,000美元	The People's Republic of China 中華人民共和國	100	–	Manufacturing and trading of edible products 食用油生產及貿易	N1
Swamex Food Service Limited 鮮美食品有限公司	400,000 ordinary shares 400,000股普通股	Hong Kong 香港	100	100	Trading of edible oils products 食用油產品貿易	

Note:

附註：

N1 These subsidiaries are registered as wholly-owned-foreign companies under PRC Laws.

N1 該等附屬公司按中華人民共和國法律以外商獨資公司名義註冊。

5-YEAR FINANCIAL SUMMARY

五年財務概要

The summaries of results, assets and liabilities of the Group and total equity attributable to equity shareholders of the Company for the last five financial years are as follows:

本集團過往五個財政年度的業績、資產及負債及本公司股東應佔總權益概要如下：

		2017 二零一七年 HK\$'M 港幣百萬元	2016 二零一六年 HK\$'M 港幣百萬元	2015 二零一五年 HK\$'M 港幣百萬元	2014 二零一四年 HK\$'M 港幣百萬元	2013 二零一三年 HK\$'M 港幣百萬元
Results	業績					
Revenue	收入	4,814	4,708	4,449	4,117	3,618
Operating profit before interest, taxation, depreciation and amortisation	未扣除利息支出、稅項、折舊及攤銷的經營溢利	369	324	221	232	234
Profit attributable to equity shareholders of the Company	本公司股東應佔溢利	273	202	114	141	131
Assets and liabilities	資產及負債					
Non-current assets	非流動資產	697	727	803	801	828
Net current assets	淨流動資產	1,210	1,005	957	907	718
Non-current liabilities	非流動負債	(1)	(1)	(69)	(85)	–
Non-controlling interests	非控制權益	(11)	(11)	(11)	(11)	(11)
Total equity attributable to equity shareholders of the Company	本公司股東應佔總權益	1,895	1,720	1,680	1,612	1,535





© Copyright Lam Soon (Hong Kong) Limited. All Rights Reserved.

The FSC™ logo identifies products which contain wood and virgin fibre from responsible sources certified in accordance with the rules of the Forest Stewardship Council®