開易控股有限公司
KEE Holdings Company Limited

(於開曼群島註冊成立的有限公司) (Incorporated in Cayman Islands with limited liability)
股份代碼 Stock Code : 2011

2016
Annual Report 年報

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CORPORATE INFORMATION
公司資料

DIRECTORS
EXECUTIVE DIRECTORS
Mr. Xu Xipeng *(Chairman)* (Resigned on 17 February 2016)
Mr. Xu Xinan *(Chief Executive Officer)* (Resigned on 17 February 2016)
Mr. Chow Hoi Kwang, Albert (Resigned on 17 February 2016)
Mr. Wu David Hang *(Chairman, Chief Executive Officer)* (Appointed on 17 February 2016)
Mr. Hou Jian (Appointed on 17 February 2016)

NON-EXECUTIVE DIRECTOR
Mr. Yang Shaolin (Resigned on 17 February 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS
Mr. Lin Bin (Resigned on 17 February 2016)
Mr. Kong Hing Ki (Resigned on 17 February 2016)
Mr. Tam Yuk Sang, Sammy (Resigned on 17 February 2016)
Mr. Wong Yik Chung, John (Appointed on 17 February 2016)
Mr. Tse Calvin Kai Chuen (Appointed on 17 February 2016)
Mr. Leung Ka Tin (Appointed on 17 February 2016)

AUDIT COMMITTEE
Mr. Lin Bin *(Committee Chairman)* (Resigned on 17 February 2016)
Mr. Kong Hing Ki (Resigned on 17 February 2016)
Mr. Tam Yuk Sang, Sammy (Resigned on 17 February 2016)
Mr. Wong Yik Chung, John *(Committee Chairman)* (Appointed on 17 February 2016)
Mr. Tse Calvin Kai Chuen (Appointed on 17 February 2016)
Mr. Leung Ka Tin (Appointed on 17 February 2016)

董事
執行董事
許錫鵬先生(*主席*)(於2016年2月17日辭任)
許錫南先生(*首席執行官*)(於2016年2月17日辭任)
周浩光先生(於2016年2月17日辭任)
吳航正先生(*主席、行政總裁*)(於2016年2月17日獲委任)
侯健先生(於2016年2月17日獲委任)

非執行董事
楊少林先生(於2016年2月17日辭任)

獨立非執行董事
林　斌先生(於2016年2月17日辭任)
江興琪先生(於2016年2月17日辭任)
譚旭生先生(於2016年2月17日辭任)
黃翼忠先生(於2016年2月17日獲委任)
謝繼春先生(於2016年2月17日獲委任)
梁家鈿先生(於2016年2月17日獲委任)

審核委員會
林　斌先生(*委員會主席*)(於2016年2月17日辭任)
江興琪先生(於2016年2月17日辭任)
譚旭生先生(於2016年2月17日辭任)
黃翼忠先生(*委員會主席*)(於2016年2月17日獲委任)
謝繼春先生(於2016年2月17日獲委任)
梁家鈿先生(於2016年2月17日獲委任)

CORPORATE INFORMATION
公司資料

NOMINATION COMMITTEE

Mr. Kong Hing Ki *(Committee Chairman)*
(Resigned on 17 February 2016)
Mr. Xu Xinan (Resigned on 17 February 2016)
Mr. Lin Bin (Resigned on 17 February 2016)
Mr. Wu David Hang *(Committee Chairman)*
(Appointed on 17 February 2016)
Mr. Wong Yik Chung, John (Appointed on 17 February 2016)
Mr. Tse Calvin Kai Chuen (Appointed on 17 February 2016)
Mr. Leung Ka Tin (Appointed on 17 February 2016)

提名委員會

江興琪先生(*委員會主席*)
(於2016年2月17日辭任)
許錫南先生(於2016年2月17日辭任)
林　斌先生(於2016年2月17日辭任)
吳航正先生(*委員會主席*)
(於2016年2月17日獲委任)
黃翼忠先生(於2016年2月17日獲委任)
謝繼春先生(於2016年2月17日獲委任)
梁家鈿先生(於2016年2月17日獲委任)

REMUNERATION COMMITTEE

Mr. Tam Yuk Sang, Sammy *(Committee Chairman)*
(Resigned on 17 February 2016)
Mr. Xu Xipeng (Resigned on 17 February 2016)
Mr. Lin Bin (Resigned on 17 February 2016)
Mr. Leung Ka Tin *(Committee Chairman)*
(Appointed on 17 February 2016)
Mr. Wong Yik Chung, John (Appointed on 17 February 2016)
Mr. Tse Calvin Kai Chuen (Appointed on 17 February 2016)

薪酬委員會

譚旭生先生(*委員會主席*)
(於2016年2月17日辭任)
許錫鵬先生(於2016年2月17日辭任)
林　斌先生(於2016年2月17日辭任)
梁家鈿先生(*委員會主席*)
(於2016年2月17日獲委任)
黃翼忠先生(於2016年2月17日獲委任)
謝繼春先生(於2016年2月17日獲委任)

COMPANY SECRETARIES

Ms. Li Yan Wing, Rita (Resigned on 17 February 2016)
Mr. Xu Haizhou (Resigned on 17 February 2016)
Mr. Chu Kin Ming (Appointed on 17 February 2016)

公司秘書

李昕穎女士(於2016年2月17日辭任)
徐海州先生(於2016年2月17日辭任)
朱健明先生(於2016年2月17日獲委任)

REGISTERED OFFICE

3rd Floor, Queensgate House
113 South Church Street
P. O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

註冊辦事處

3rd Floor, Queensgate House
113 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

CORPORATE INFORMATION
公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 510, Chater House
8 Connaught Road
Central
Hong Kong

香港主要經營地點

香港
中環
干諾道中8號
遮打大廈510室

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Harneys Services (Cayman) Limited
3rd Floor, Queensgate House
113 South Church Street
P. O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

開曼群島股份過戶登記總處

Harneys Services (Cayman) Limited
3rd Floor, Queensgate House
113 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

HONG KONG SHARE REGISTRAR

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

香港證券登記處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心
22樓

AUDITOR

KPMG
Certified Public Accountants

核數師

畢馬威會計師事務所
執業會計師

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
Industrial and Commercial Bank of China
Agricultural Bank of China
China Construction Bank
The Bank of East Asia Limited
Bank of China

主要往來銀行

香港上海滙豐銀行有限公司
中國工商銀行
中國農業銀行
中國建設銀行
東亞銀行有限公司
中國銀行

COMPANY WEBSITE

www.kee.com.cn

公司網站

www.kee.com.cn

FINANCIAL SUMMARY
財務概要

FIVE-YEAR FINANCIAL HIGHLIGHTS 五年財務概要

For the year ended 31 December	截至12月31日止年度	**2016**	2015	2014	2013	2012
Operating Results	**經營業績**					
Gross profit margin (%)	毛利率(%)	**27.2**	30.2	30.1	30.4	27.7
Operating profit margin (%)	經營溢利率(%)	**20.7**	4.5	4.0	3.1	2.3
Net profit margin (%) *(Note 1)*	淨利率(%)*(附註1)*	**14.3**	2.6	2.2	1.9	0.7
Return on equity (%)	權益收益率(%)	**7.3**	1.4	1.2	1.0	0.3
Financial Position	**財務狀況**					
Total assets (HK$'000)	總資產(千港元)	**405,760**	368,931	395,154	390,719	352,779
Cash and cash equivalents (HK$'000)	現金及現金等價物(千港元)	**186,496**	85,894	37,975	81,666	79,383
Total bank borrowing (HK$'000)	銀行貸款總額(千港元)	**–**	15,000	17,000	–	–
Total equity attributable to equity shareholders of the Company (HK$'000)	本公司權益股東應佔權益總額(千港元)	**298,523**	290,857	307,804	311,412	303,786
Financial Ratios	**財務比率**					
Current ratio (times)	流動比例(倍)	**4.0**	2.4	2.2	2.8	5.2
Quick ratio (times)	速動比例(倍)	**3.7**	2.2	2.0	2.5	4.8
Debt to asset ratio (%) *(Note 2)*	資產負債率(%)*(附註2)*	**21.6**	15.2	15.9	13.9	10.5
Turnover Ratios	**周轉比率**					
Inventory turnover (days)	存貨周轉(日)	**69**	64	63	63	70
Debtors turnover (days)	應收賬款周轉(日)	**73**	78	82	82	84
Creditors turnover (days)	應付賬款周轉(日)	**89**	75	65	69	69

Notes:

(1) Net profit represents profit attributable to the equity shareholders of the Company.

(2) Debt to asset ratio is calculated as the Group's the liabilities over total assets as shown in the consolidated statement of financial position.

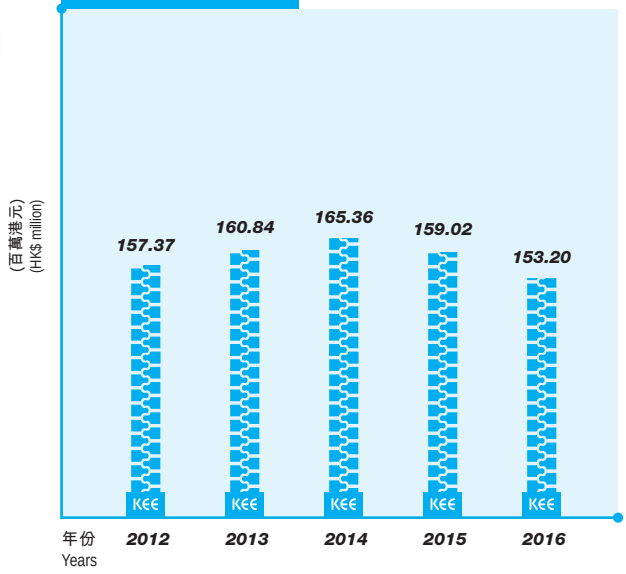
附註：

(1) 淨利指本公司權益股東應佔溢利。

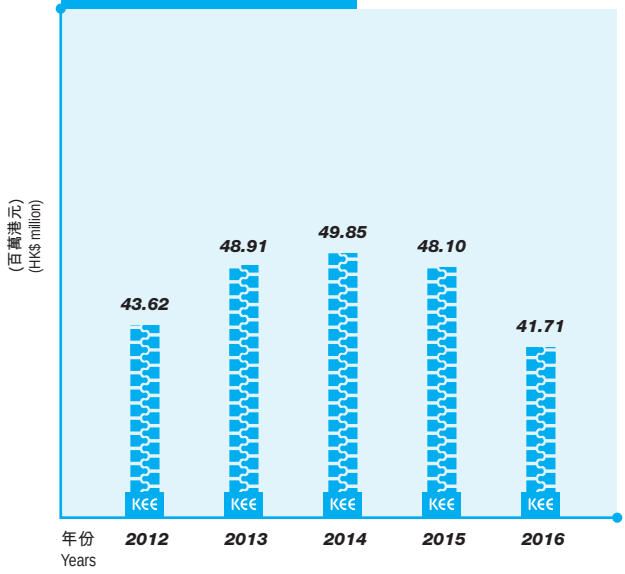
(2) 資產負債率按本集團負債總額除以總資產計算而成(如綜合財務狀況報表所示)。

FINANCIAL SUMMARY
財務概要

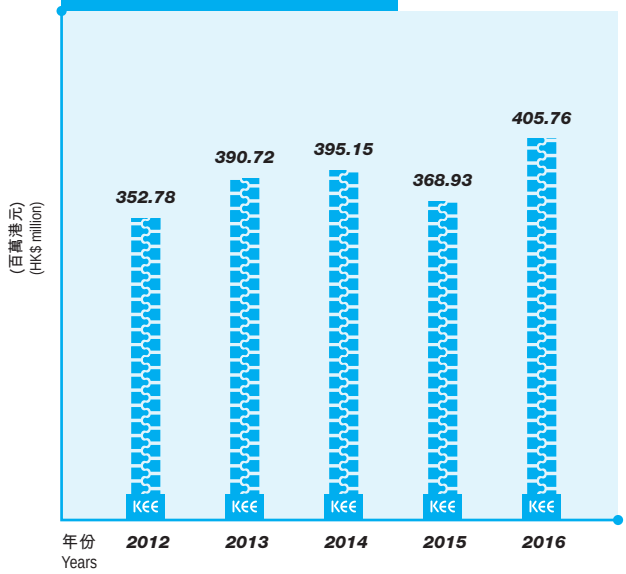
收益 Revenue



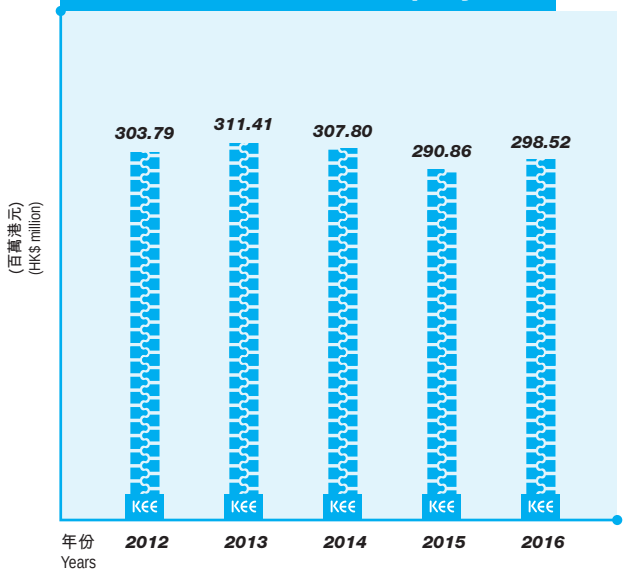
毛利 Gross Profit



總資產 Total assets



本公司權益股東應佔權益總額 Total equity attributable to equity shareholders of the Company



FINANCIAL SUMMARY
財務概要

The following is a summary of the consolidated statement of profit or loss and consolidated statement of financial position of the Group:

以下為本集團之綜合損益表及綜合財務狀況表之摘要：

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
綜合損益表

For the year ended 31 December	截至12月31日止年度	**2016 HK$'000 千港元**	2015 HK$'000 千港元	2014 HK$'000 千港元	2013 HK$'000 千港元	2012 HK$'000 千港元
Revenue	**收益**	**153,198**	159,016	165,359	160,841	157,373
Cost of sales	銷售成本	**(111,490)**	(110,919)	(115,510)	(111,927)	(113,755)
Gross Profit	**毛利**	**41,708**	48,097	49,849	48,914	43,618
Other income	其他收益	**7,552**	5,056	2,332	1,526	2,029
Distribution costs	分銷成本	**(10,989)**	(12,230)	(15,936)	(16,921)	(13,630)
Administrative expenses	行政開支	**(42,054)**	(33,746)	(29,692)	(28,542)	(28,330)
Gain on disposal of a subsidiary	出售附屬公司的收益	**17,837**	–	–	–	–
Gain on disposal of property, plant and equipment and leasehold land to related parties	出售物業、廠房及設備與租賃土地予關連方的收益	**17,609**	–	–	–	–
Profit from operations	**經營溢利**	**31,663**	7,177	6,553	4,977	3,687
Finance costs	財務成本	**(9)**	(420)	(417)	–	–
Profit before taxation	**除税前溢利**	**31,654**	6,757	6,136	4,977	3,687
Income tax	所得税	**(8,417)**	(3,517)	(2,742)	(2,064)	(2,859)
Profit for the year	**年內溢利**	**23,237**	3,240	3,394	2,913	828
Attributable to:	以下各項應佔：					
Equity shareholders of the Company	本公司權益股東	**21,940**	4,161	3,661	3,061	1,055
Non-controlling interests	非控股權益	**1,297**	(921)	(267)	(148)	(227)

FINANCIAL SUMMARY
財務概要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December	於12月31日	**2016 HK$'000 千港元**	2015 HK$'000 千港元	2014 HK$'000 千港元	2013 HK$'000 千港元	2012 HK$'000 千港元
Non-current assets	**非流動資產**	**63,448**	234,142	254,944	237,499	165,089
Property, plant and equipment	物業、廠房及設備	**57,323**	195,813	211,874	189,179	122,651
Interest in leasehold land held for own use under operating leases	持作經營租賃之自用土地租賃的權益	**–**	30,453	33,052	33,878	33,543
Intangible assets	無形資產	**3,047**	6,161	7,666	6,018	6,668
Prepayment for fixed and intangible assets	固定及無形資產的預付款項	**93**	280	391	6,319	212
Deferred tax assets	遞延稅項資產	**2,985**	1,435	1,961	2,105	2,015
Current assets	**流動資產**	**342,312**	134,789	140,210	153,220	187,690
Inventories	存貨	**19,417**	15,874	18,369	17,101	16,464
Trade and other receivables	貿易及其他應收款項	**135,759**	32,014	41,535	40,036	48,169
Current tax recoverable	即期可收回稅項	**38**	1,007	1,173	204	1,354
Cash and cash equivalents	現金及現金等價物	**186,496**	85,894	37,975	81,666	79,383
Assets held for sale	持作待售資產	**602**	–	–	–	–
Deposits with banks	銀行定期存款	**–**	–	41,158	14,213	42,320
Total assets	**總資產**	**405,760**	368,931	395,154	390,719	352,779

FINANCIAL SUMMARY
財務概要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December	於12月31日	**2016 HK$'000 千港元**	2015 HK$'000 千港元	2014 HK$'000 千港元	2013 HK$'000 千港元	2012 HK$'000 千港元
Current liabilities	**流動負債**	**86,347**	55,222	62,323	54,074	35,988
Trade and other payables	貿易及其他應付款項	**84,955**	39,937	45,290	53,996	33,494
Bank borrowing	銀行借貸	**–**	15,000	17,000	–	–
Current tax payable	即期應付稅項	**1,392**	285	33	78	2,494
Net current assets	**流動資產淨值**	**255,965**	79,567	77,887	99,146	151,702
Total assets less current liabilities	**總資產減流動負債**	**319,413**	313,709	332,831	336,645	316,791

FINANCIAL SUMMARY
財務概要

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

As at 31 December	於12月31日	**2016 HK$'000 千港元**	2015 HK$'000 千港元	2014 HK$'000 千港元	2013 HK$'000 千港元	2012 HK$'000 千港元
Non-current liabilities	**非流動負債**	**1,124**	682	543	398	1,111
Deferred tax liabilities	遞延稅項負債	**1,124**	682	543	398	1,111
Net assets	**資產淨值**	**318,289**	313,027	332,288	336,247	315,680
Capital and reserves	**資本及儲備**	**298,523**	290,857	307,804	311,412	303,786
Share capital	股本	**4,348**	4,268	4,150	4,150	4,150
Reserves	儲備	**294,175**	286,589	303,654	307,262	299,636
Total equity attributable to equity shareholders of the Company	**本公司權益股東應佔權益總額**	**298,523**	290,857	307,804	311,412	303,786
Non-controlling interests	非控股權益	**19,766**	22,170	24,484	24,835	11,894
Total equity	**權益總額**	**318,289**	313,027	332,288	336,247	315,680

CHAIRMAN'S STATEMENT
主席報告

On behalf of the board of directors (the "Board") of KEE Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Company for the year ended 31 December 2016.

本人謹代表開易控股有限公司(「本公司」,連同其附屬公司「本集團」)董事會(「董事會」),欣然提呈本公司截至2016年12月31日止年度的年報。

BUSINESS REVIEW

On 19 August 2015, Nicco Worldwide Inc., the former major shareholder of the Company, disposed of its shares in the Company, to Glory Emperor Trading Limited, an indirect wholly-owned subsidiary of Zhonghong Holding Co., Limited ("Zhonghong") which is listed on the Shenzhen Stock Exchange (stock code: 979). Upon completion of the general offer on 17 February 2017, taking into account the valid acceptance in respect of offer shares under the general offer, together with completion of placing of 65,500,000 shares on 18 April 2016, Zhonghong held 326,089,600 shares, representing approximately 75% of the total issued share capital of the Company.

業績回顧

於2015年8月19日,本公司前主要股東利高環球有限公司向帝耀貿易有限公司(中弘控股股份有限公司(「中弘」)(其於深圳證券交易所上市(股份代號:979))的一間間接全資附屬公司)出售其於本公司的股份。於2017年2月17日完成一般要約後,計及一般要約項下要約股份的有效接納,連同於2016年4月18日完成配售65,500,000股股份,中弘持有326,089,600股股份,佔本公司全部已發行股本約75%。

Zhonghong intends to continue the Group's principal business of manufacturing and sale of zippers and other related product (the "Zippers Business") and at the same time continue to review the strategic directions and operations of the Group in order to chart its long term corporate strategy and growth and to explore other business or investment opportunities with a view to enhance the Group's future development.

中弘擬繼續本集團製造及銷售拉鏈及其他相關產品的主營業務(「拉鏈業務」),同時繼續檢討本集團的策略決定及業務,以制定其長期公司策略及增長,並開拓其他業務或投資機會,旨在加強本集團的未來發展。

In order to diversify our existing Zippers Business, I am proud to acknowledge that the Group has successfully launched its real estate agency service business during the second half of the year. Since its commencement, the sales of property on behalf of the developers has swiftly surged to a level which is more than meeting management's expectation. With the dedicated expertise of our property agency team, the strong linkage with well-established property developers in the People's Republic of China ("PRC"), and given the positive outlook for demand on property, the Group is confident and well-positioned to further develop the real estate agency service business.

為豐富我們的現有拉鏈業務,本人欣然宣佈本集團已於本年度下半年成功推出其房地產代理服務。自其開始營業起,代發展商銷售物業的水平已迅速飆升,超出管理層預期。憑藉我們的熱誠且富有經驗的物業代理團隊、與中華人民共和國(「中國」)成熟房地產開發商的強大聯繫及基於對物業需求的樂觀前景,本集團有信心且處於有利位置進一步發展房地產代理服務業務。

CHAIRMAN'S STATEMENT
主席報告

Moving forward, the Group will continue to seek attractive investment and acquisition opportunities in the other sectors, so as to enhance profitability and maximize our shareholders' value. We keep an open mind when exploring new opportunities, but will only acquire high potential projects on a selective and prudent basis, without compromising the financial stability of the Group.

展望未來，本集團將繼續在其他行業尋找具吸引力的投資及收購機會，以提升盈利能力及使股東價值最大化。我們對開拓新商機持開放態度，惟僅將會在不危及本集團財務穩定性的前提下，審慎地選擇收購具有高增長潛力的項目。

I would like to take this opportunity to express my sincere thanks and gratitude to our Group's management and staff who dedicated their endless efforts and devoted services, and to our shareholders, customers, suppliers, bankers and other professional parties for their continuous support.

本人謹藉此機會，向本集團管理層及員工作出的不懈努力及奉獻，以及我們的股東、客戶、供應商、往來銀行及其他專業機構持續不斷的支持致以衷心的感謝。

Wu David Hang
Chairman

Hong Kong, 17 March 2017

主席
吳航正

香港，2017年3月17日

OVERVIEW

The Group continued to operate the zippers business during the year ended 31 December 2016. The Group has commenced its real estate agency business since September 2016 and the results of which is presented as a new business segment in the consolidated financial statements.

The customers in zippers business are primarily OEMs who manufacture apparel products for (i) apparel brands in China; and (ii) some well-known international apparel labels. The Group maintains a close working relationship with apparel brand owners on the design of zippers to be applied on the apparel products. The apparel brand owners usually decide on the supplier for their OEMs and place orders with such OEMs who in turn source zippers and other garment accessories from the Group.

The services rendered in real estate agency service business include the related sales planning, organization, promotion and sales activities of the property projects in PRC for the property developers. The Company commenced its property agency business by entering the sales framework agreement (as supplemented) on 29 September 2016 with Sanya Luhuitou Tourist Zone Development Company Limited and Hainan Xinjia Tourism Development Company Limited (the "Sanya Property Owners"), pursuant to which the Group have been appointed as exclusive agent for the sales of properties owned by Sanya Property Owners in Sanya, Hainan of PRC (the "Sanya Property").

FINANCIAL HIGHLIGHTS

The Group's revenue for the year ended 31 December 2016 decreased slightly to approximately HK$153.20 million as compared with approximately HK$159.02 million for the year ended 31 December 2015, which comprised of approximately HK$145.57 million contributed from zippers business, and approximately HK$7.63 million pertaining the real estate agency service business.

Profit before taxation for the year ended 31 December 2016 was approximately HK$31.65 million, which was made up of approximately HK$3.89 million of profit from the zippers business, approximately HK$0.53 million of loss from real estate agency service business, approximately HK$14.71 million of unallocated head office and corporate expenses, approximately HK$35.45 million of profit from the disposal of equity interests in KEE Jingmen and the leasehold land and properties located in PRC and Hong Kong and approximately HK$7.55 million of other income mainly representing the net effect of the net foreign exchange gain and loss on disposal of other property, plant and equipment.

概覽

於截至2016年12月31日止年度，本集團繼續經營拉鏈業務。本集團已自2016年9月起開始其房地產代理業務，其業績於綜合財務報表內呈列為新業務分部。

拉鏈業務的客戶主要是(i)中國服裝品牌；及(ii)部分國際知名服裝品牌生產服裝產品的OEM。本集團與服裝品牌商在設計應用於服裝產品的拉鏈上維持緊密工作關係。服裝品牌商通常會為其OEM選擇供應商並向該等OEM發出訂單時，要求該等OEM向本集團採購拉鏈和其他服裝配件。

房地產代理服務業務所提供的服務包括為中國物業發展商的物業項目提供相關銷售策劃、組織、推廣及銷售活動。本公司透過於2016年9月29日與三亞鹿回頭旅遊區開發有限公司及海南新佳旅業開發有限公司(「三亞物業擁有人」)訂立銷售框架協議(經補充)開始其物業代理業務，據此，本集團已獲委任為銷售中國海南三亞的三亞物業擁有人所擁有的物業(「三亞物業」)的獨家代理。

財務概要

本集團截至2016年12月31日止年度的收入輕微下跌至約153,200,000港元，而截至2015年12月31日止年度則約為159,020,000港元，其包括拉鏈業務貢獻的約145,570,000港元及與房地產代理服務業務有關的約7,630,000港元。

截至2016年12月31日止年度的除稅前溢利約為31,650,000港元，其由拉鏈業務的溢利約3,890,000港元、房地產代理服務業務虧損約530,000港元、未分配的總辦事處及公司開支約14,710,000港元、出售開易荊門股權及位於中國及香港的租賃土地及物業溢利約35,450,000港元以及其他收入約7,550,000港元(主要為外匯收益淨額與出售其他物業、廠房及設備虧損之淨影響)組成。

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REVENUE
收益

The Group's revenue for the year 2016 amounted to approximately HK$153.20 million, representing a decrease of 3.7% as compared to the year 2015, mainly due to the decreased sales in finished zippers and flat knit ribs.

本集團於2016年的收益約為153,200,000港元，較2015年下降3.7%，主要是由於條裝拉鏈及橫機羅紋銷售減少所致。

Revenue analysis by product category:

按產品類別劃分的收益分析：

		Year ended 31 December 截至12月31日止年度			
		2016		2015	
		HK$ million 百萬港元	%	HK$ million 百萬港元	%
Sales of goods	*銷售貨品*				
Finished zippers and sliders	條裝拉鏈及拉頭	**139.93**	**91.3**	146.35	92.0
Flat knit ribs	橫機羅紋	**1.70**	**1.1**	7.75	4.9
Others	其他	**3.94**	**2.6**	4.92	3.1
Rendering of services	*提供服務*				
Commission income of rendering property agency services	提供物業代理服務之佣金收入	**7.63**	**5.0**	–	–
Total revenue	**總收益**	**153.20**	**100.0**	159.02	100.0

Revenue analysis by geographic location:

按地理位置劃分的收益分析：

		Year ended 31 December 截至12月31日止年度			
		2016		2015	
		HK$ million 百萬港元	%	HK$ million 百萬港元	%
Mainland China	中國大陸	**130.11**	**84.9**	142.70	89.7
Overseas	海外	**23.09**	**15.1**	16.32	10.3
Total revenue	**總收益**	**153.20**	**100.0**	159.02	100.0

Finished Zippers and Sliders

Revenue from sales of finished zippers and sliders decreased by approximately HK$6.42 million or 4.4% to approximately HK$139.93 million for the year 2016 (2015: HK$146.35 million) primarily due to the substantial change of demand of products from metal zipper to nylon zipper as well as the decrease in demand of finished zippers resulted from the keen competition in the zippers manufacturing industry.

條裝拉鏈及拉頭

銷售條裝拉鏈及拉頭收益於2016年減少約6,420,000港元或4.4%至約139,930,000港元(2015年：146,350,000港元)，主要由於產品需求產生大幅變化，由金屬拉鏈轉為尼龍拉鏈以及拉鏈製造業競爭激烈而導致條裝拉鏈需求減少所致。

Despite the decrease in revenue, the Group achieved positive results in marketing development. During the year 2016, the Group started cooperation with 8 new brands, among of which 3 brands were domestic brands and 5 brands were overseas brands.

儘管收益減少，但本集團在市場開發方面取得了積極的成效。於2016年，本集團開始與8個新品牌（其中3個為國內品牌，5個為海外品牌）合作。

The Group's revenue was mainly derived from sales in Mainland China. Other countries or regions to which the Group sold its products include Hong Kong, Switzerland, Italy, USA, India, Bangladesh, Germany, Korea, Belgium, Vietnam, South Africa and Cambodia.

本集團的收入主要來自中國內地的銷售。本集團產品銷往其他國家或地區包括香港、瑞士、意大利、美國、印度、孟加拉、德國、韓國、比利時、越南、南非及柬埔寨等。

Flat Knit Ribs

Revenue from flat knit ribs decreased by approximately 78.0% to approximately HK$1.70 million for the year 2016 (2015: HK$7.75 million), mainly due to the cessation of the flat knit ribs segment since July 2016.

橫機羅紋

橫機羅紋銷售於2016年減少約78.0%至約1,700,000港元（2015年：7,750,000港元），乃主要由於橫機部自2016年7月起停止營業所致。

Others

Others represent items such as scrap material, zipper components and moulds. Revenue of other items decreased by approximately HK$0.98 million to approximately HK$3.94 million (2015: HK$4.92 million). This was resulted from decrease in demand of moulds from customers and reduction on sales of scrap materials.

其他

其他指廢料、拉鏈零件及模具等項目。其他項目收益減少約980,000港元至約3,940,000港元（2015年：4,920,000港元），此乃由於客戶模具需求下降及廢料銷售減少所致。

Rendering Property Agency Services

The Group has commenced the property agency business since September 2016, the Group has successfully sold 14 units of Sanya Properties and the commission income generated is approximately HK$7.63 million for the year ended 31 December 2016 (2015: Nil).

提供物業代理服務

本集團已自2016年9月起開展物業代理業務。本集團已順利出售14套三亞物業且截至2016年12月31日止年度之佣金收入約為7,630,000港元（2015年：無）。

Cost of Sales and Gross Profit

In 2016, the overall cost of sales for the Group amounted to approximately HK$111.49 million (2015: HK$110.92 million), representing an increase of approximately 0.5%. The overall gross profit of the Group decreased by approximately 13.3% from approximately HK$48.10 million in 2015 to approximately HK$41.71 million in 2016. The overall gross profit margin in 2016 was 27.2% (2015: 30.2%), which was due to the decrease in gross profit margin of zipper business, mainly resulted from the change of demand of products and the keen competition in the zipper manufacturing industry.

銷售成本及毛利

於2016年，本集團整體銷售成本約為111,490,000港元（2015年：110,920,000港元），增幅約為0.5%。本集團整體毛利由2015年的約48,100,000港元減少約13.3%至2016年的約41,710,000港元。2016年整體毛利率為27.2%（2015年：30.2%），乃主要由於產品需求變化及拉鏈製造業競爭激烈而令拉鏈業務的毛利率下降所致。

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Gross profit analysis by product category:

按產品類別劃分的毛利分析：

		Year ended 31 December 截至12月31日止年度			
		2016		2015	
		HK$ million 百萬港元	**%**	HK$ million 百萬港元	%
Sales of goods	*銷售貨品*				
Finished zippers and sliders	條裝拉鏈及拉頭	**42.63**	**102.2**	46.18	96.0
Flat knit ribs	橫機羅紋	**(0.06)**	**-0.1**	1.29	2.7
Others	其他	**(0.50)**	**-1.2**	0.63	1.3
Rendering of services	提供服務				
Commission income of rendering property agency services	提供物業代理服務之佣金收入	**(0.36)**	**-0.9**	–	–
Total gross profit	**總毛利**	**41.71**	**100.0**	48.10	100.0

Finished Zippers and Sliders

Gross profit for finished zippers and sliders decreased by approximately 7.7% from approximately HK$46.18 million in 2015 to approximately HK$42.63 million in 2016. Gross profit margin decreased from approximately 31.6% to 30.5%, which was attributable to the decrease in selling price due to the keen competition of the zipper manufacturing industry.

條裝拉鏈及拉頭

條裝拉鏈及拉頭之毛利由2015年的約46,180,000港元減少約7.7%至2016年的約42,630,000港元。毛利率由約31.6%下降至30.5%，乃由於拉鏈製造業競爭激烈導致售價下降所致。

Flat Knit Ribs

Gross profit for flat knit ribs decreased by approximately HK$1.35 million from approximately HK$1.29 million in 2015 to gross loss of approximately HK$0.06 million in 2016. Gross profit margin decreased from approximately 16.6% to -3.5%, which was mainly attributable to the reduction in sales demand of flat knit ribs as well as the cessation of flat knit ribs segment.

橫機羅紋

橫機羅紋的毛利由2015年的約1,290,000港元減少約1,350,000港元至2016年的毛損約60,000港元。毛利率由約16.6%減少至–3.5%，乃主要由於橫機羅紋銷售需求減少及橫機羅紋分部停止生產所致。

Others

Gross profit of other items decreased by approximately HK$1.13 million from approximately HK$0.63 million in 2015 to gross loss of approximately HK$0.50 million in 2016, mainly due to the disposal of certain slow-moving materials.

其他

其他項目毛利由2015年約630,000港元下降約1,130,000港元至2016年毛損約500,000港元，主要由於出售若干滯銷材料所致。

Rendering Property Agency Services

Gross loss for rendering property agency services was approximately HK$0.36 million, which was mainly due to that scale of property agency services was not sufficient to cover the related operating costs in its early stage.

DISTRIBUTION COSTS

Distribution costs mainly represent (i) staff costs relating to sales and marketing personnel; (ii) advertising and promotion expenses; and (iii) transportation costs for delivery of the Group's products to customers. In 2016, the Group's distribution costs amounted to approximately HK$10.99 million (2015: HK$12.23 million), accounting for approximately 7.2% of the Group's turnover (2015: 7.7%). The decrease in distribution costs was mainly due to the control of head count and transportation cost.

ADMINISTRATIVE EXPENSES

Administrative expenses primarily consist of (i) salary and welfare expenses for management and administrative personnel; (ii) professional fees and auditors' remuneration; (iii) impairment losses of equipment; (iv) product research and development expenses; and (v) other administrative expenses including depreciation and amortisation. In 2016, the Group's administrative expenses amounted to approximately HK$42.05 million (2015: HK$33.75 million), which accounted for approximately 27.5% of the Group's turnover (2015: 21.2%), mainly due to the increase in staff costs, professional fees and the impairment losses on certain idle equipments.

INCOME TAX

Income tax mainly represents the tax expenses incurred in relation to the operations of the Group in the PRC and Hong Kong.

PROFITABILITY

In 2016, the Group's profit attributable to equity Shareholders amounted to approximately HK$21.94 million (2015: HK$4.16 million), representing an increase of 427.3% as compared to 2015. The increase was primarily due to the gain on disposal of equity interest of KEE Jingmen and the leasehold land and properties located in the PRC and Hong Kong. The margin of profit attributable to equity Shareholders for the year was 14.3% (2015: 2.6%), an increase of 11.7 percentage points as compared to 2015.

During the year, the Group's return on equity attributable to equity shareholders of the Company was 7.3% (2015: 1.4%), representing an increase of 5.9 percentage points as compared to 2015.

提供物業代理服務

提供物業代理服務的毛損約360,000港元，主要由於物業代理服務規模並非足以支付其早期的相關經營成本所致。

分銷成本

分銷成本主要指(i)有關銷售及市場推廣人員的員工成本；(ii)廣告及促銷費用；及(iii)向客戶交付本集團產品的運輸成本。於2016年，本集團分銷成本約為10,990,000港元(2015年：12,230,000港元)，佔本集團營業額約7.2%(2015年：7.7%)。分銷成本減少主要由於加強人員管控以及運輸費等成本控制所致。

行政開支

行政開支主要包括(i)管理及行政人員的薪資及福利費用；(ii)專業費用及核數師酬金；(iii)設備減值虧損；(iv)產品研發費用；及(v)其他行政開支(包括折舊及攤銷)。於2016年，本集團行政開支約為42,050,000港元(2015年：33,750,000港元)，佔本集團營業額約27.5%(2015年：21.2%)，主要是由於員工成本、專業費用等增加及若干閒置設備的減值虧損所致。

所得稅

所得稅主要指就本集團於中國及香港之營運產生的相關稅項開支。

盈利能力

於2016年，權益股東應佔本集團溢利約為21,940,000港元(2015年：4,160,000港元)，較2015年增加427.3%，主要由於出售開易荊門的股權以及出售中國及香港的租賃土地及物業之收益所致。年內權益股東應佔溢利率為14.3%(2015年：2.6%)，較2015年增加11.7個百分點。

年內，本公司權益股東應佔本集團權益收益率為7.3%(2015年：1.4%)，較2015年增加5.9個百分點。

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INVENTORIES

Inventories are one of the principal components of the Group's current assets of zipper business. The value of inventories accounted for approximately 11.8% and 5.7% of the Group's total current assets as at 31 December 2015 and 2016 respectively.

Inventories increased by approximately 22.3% from approximately HK$15.87 million as at 31 December 2015 to approximately HK$19.42 million as at 31 December 2016 was mainly due to the increase in reserve of raw materials for the production in the first quarter of 2017 in order to response to the purchase order from customers.

The average inventory turnover days for 2016 and 2015 were 69 and 64 days.

The net write-down on inventories for the year 2016 was HK$508,000 (2015: net reversal of write-down HK$182,000) due to the decrease in the estimated net realisable value of certain slow-moving inventories.

存貨

存貨乃本集團流動資產拉鏈業務的主要組成部分之一。存貨價值分別佔本集團於2015年及2016年12月31日的總流動資產約11.8%及5.7%。

存貨由2015年12月31日的約15,870,000港元增加約22.3%至2016年12月31日的約19,420,000港元，是主要由於因應客戶採購訂單2017年第一季度用於生產的原材料儲備增加。

2016年和2015年的平均存貨周轉日分別為69天和64天。

2016年存貨撇減淨值為508,000港元(2015年：撥回撇減淨值182,000港元)，是由於若干周轉較慢存貨之估計可變現淨值減少。

TRADE DEBTORS

The Group's policy in respect of allowance for doubtful debts for 2016 was the same as that in prior year. As at 31 December 2016, the allowance for doubtful debts was approximately HK$1,037,000 (31 December 2015: HK$145,000), accounting for 2.8% of the Group's total trade debtors (2015: 0.5%).

The Group's trade debtors (net) increased by around 24.3% from approximately HK$29.32 million of last year to approximately HK$36.44 million as at 31 December 2016, mainly resulted from the agency commission receivable derived from property agency business in December 2016.

The average trade debtors turnover days for 2016 and 2015 were 73 and 78 days.

貿易應收賬款

於2016年，本集團就呆賬撥備的政策與2015年相同。於2016年12月31日，呆賬撥備約為1,037,000港元(2015年12月31日：145,000港元)，佔本集團貿易應收賬款總額的2.8%(2015年：0.5%)。

本集團貿易應收賬款(淨額)由去年的約29,320,000港元增加約24.3%至2016年12月31日的約36,440,000港元，主要是由於於2016年12月物業代理業務的應收代理佣金所致。

2016年和2015年的平均貿易應收賬款周轉天數分別為73及78天。

OTHER RECEIVABLES

Other receivables mainly represent (i) the advertisement expenses paid on behalf of the Property Developer; (ii) salary expenses paid on behalf of a related party and (iii) other prepayments for purchasing raw materials. The significant increase in balance of other receivables by approximately HK$96.62 million, representing an increase by 3,581% from approximately HK$2.70 million. This is mainly due to the advertisement fee obliged to pay on behalf of the Property Developer for the property agency business amounted to approximately HK$92.65 million, of which approximately HK$48.04 million was paid by the Group during the year and the remaining balance was recognized in both other payables and other receivables.

其他應收款項

其他應收款項主要指(i)代表物業開發商支付的廣告費；(ii)代表關連方支付的薪酬開支；及(iii)採購原材料的其他預付款。其他應收款項結餘由約2,700,000港元大幅增加約96,620,000港元，或增幅3,581%，主要由於就物業代理業務而須代表物業開發商支付廣告費約92,650,000港元所致，其中約48,040,000港元由本集團於年內支付，餘下結餘於其他應付款項及其他應收款項內確認。

TRADE CREDITORS

The Group's trade creditors primarily relate to purchases of raw materials from suppliers and the commission payable to the contracted property agencies, with credit terms of 7 to 60 days for trade creditors.

The Group's trade creditors increased by around 94.0% from approximately HK$6.69 million as at 31 December 2015 to approximately HK$12.98 million as at 31 December 2016. The average trade creditors turnover days increased from 75 days in 2015 to 89 days in 2016.

貿易應付賬款

本集團貿易應付賬款主要與供應商採購原材料及應付合約房地產代理的佣金(貿易應付賬款的信用期由7至60日不等)有關。

本集團貿易應付賬款由2015年12月31日的約6,690,000港元增加約94.0%至2016年12月31日的約12,980,000港元。2016年平均貿易應付賬款周轉天數由2015年的75天增加到89天。

OTHER PAYABLES

Other payables mainly represent (i) advertisement expense payable on behalf of the Property Developer; (ii) payroll and staff benefits payable; (iii) accrued expenses; and (iv) advance from third parties on behalf of the Property Developer. The balance of other payables increased by approximately 116.5% to approximately HK$71.98 million as at 31 December 2016 (2015: HK$33.25 million) mainly due to advertisement expense payable to the advertisement agents on behalf of the Property Developer.

其他應付款項

其他應付款項主要指(i)代表物業開發商支付的廣告費；(ii)應付工資及員工福利；(iii)應計費用；及(iv)代表物業開發商收取來自第三方之墊款。其他應付款項結餘增加約116.5%至2016年12月31日的約71,980,000港元(2015年：33,250,000港元)，乃主要由於代表物業開發商向廣告代理支付的廣告費。

LIQUIDITY AND CAPITAL RESOURCES

The following table is a summary of cash flow data for the two years ended 31 December 2015 and 2016:

流動資金及資本資源

下表為截至2015年及2016年12月31日止兩個年度的現金流量資料摘要：

		Year ended 31 December 截至12月31日止年度	
		2016	2015
		HK$ million 百萬港元	HK$ million 百萬港元
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金淨額	**(56.97)**	21.15
Net cash generated from investing activities	投資活動所得現金淨額	**148.41**	33.35
Net cash generated from/(used in) financing activities	融資活動所得／(所用)現金淨額	**18.46**	(3.61)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	**109.90**	50.89
Cash and cash equivalents at 1 January	於1月1日的現金及現金等價物	**85.89**	37.98
Effect of foreign exchange rate changes	外匯匯率變動的影響	**(9.29)**	(2.98)
Cash and cash equivalents at 31 December	於12月31日的現金及現金等價物	**186.50**	85.89

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

The Group's net cash outflow from operating activities for the year 2016 amounted to approximately HK$56.97 million (2015: net cash inflow HK$21.15 million). As at 31 December 2016, cash and cash equivalents amounted to approximately HK$186.50 million, representing a net increase of approximately HK$100.61 million as compared with the position as at 31 December 2015, mainly due to the proceeds received from the disposal of KEE Jingmen and the disposal of property, plant and equipment and leasehold land to related parties in 2016.

本集團於2016年經營活動現金流出淨額約為56,970,000港元(2015年：淨現金流入21,150,000港元)。於2016年12月31日，現金及現金等價物約為186,500,000港元，較於2015年12月31日之狀況淨額增加約100,610,000港元，乃主要由於2016年出售開易荊門及出售物業、廠房及設備以及租賃土地予關連方所得款項所致。

As at 31 December 2016, the cash and cash equivalents are HK$138.53 million, HK$42.42 million, HK$5.52 million, HK$5,000, HK$17,000 respectively, expressed in RMB, HKD, USD, EUR and CHF respectively. As at 31 December 2015, the cash and cash equivalents are HK$83.76 million, HK$1.23 million, HK$0.80 million, HK$6,000, and HK$0.10 million expressed in RMB, HKD, USD, EUR and CHF respectively.

於2016年12月31日，現金及現金等價物138,530,000港元，42,420,000港元，5,520,000港元，5,000港元及17,000港元乃分別以人民幣，港元，美元，歐元及瑞士法郎列值。於2015年12月31日，現金及現金等價物83,760,000港元，1,230,000港元，800,000港元，6,000港元，100,000港元乃分別以人民幣，港元，美元，歐元及瑞士法郎列值。

As at 31 December 2016, the Group does not have any bank loan. As at 31 December 2015, the Group had short term bank loans of HK$15 million, which has been repaid on 14 January 2016.

於2016年12月31日，本集團並無任何銀行貸款。於2015年12月31日，本集團有短期銀行貸款15,000,000港元，已於2016年1月14日償還。

As at 31 December 2016, the Group had unutilised bank facilities amounting to approximately HK$26.83 million. The debt to asset ratio, being the Group's total liabilities over its total assets, at 31 December 2016 was 21.6% (2015: 15.2%). The debt to asset ratio is considered to be healthy and suitable for the continuous development of the Group's business.

於2016年12月31日，本集團未動用銀行融資額度約26,830,000港元。於2016年12月31日，資產負債比率(即本集團總負債除以總資產)為21.6%(2015年：15.2%)。資產負債比率被視為穩健，並適合本集團業務持續發展。

NET CURRENT ASSETS

As at 31 December 2016, the Group had net current assets of approximately HK$255.97 million. The key components of current assets as at 31 December 2016 included cash and cash equivalents of approximately HK$186.50 million, trade and other receivables of approximately HK$135.76 million, and inventories of approximately HK$19.42 million. The key components of current liabilities included trade and other payables of approximately HK$84.96 million.

流動資產淨額

於2016年12月31日，本集團錄得流動資產淨額約255,970,000港元。於2016年12月31日的流動資產主要包括現金及現金等價物約186,500,000港元、貿易及其他應收款項約135,760,000港元及存貨約19,420,000港元。流動負債主要組成部分包括貿易及其他應付款項約84,960,000港元。

The net current assets increased from approximately HK$79.57 million as at 31 December 2015 to approximately HK$255.97 million as at 31 December 2016, mainly attributable to the proceeds received from the disposal of KEE Jingmen and the proceeds received from the sales of property, plant and equipment a leasehold land to related parties during the year.

流動資產淨額由2015年12月31日的約79,570,000港元增加至2016年12月31日的約255,970,000港元，主要來自本年度出售開易荊門所得款項及出售物業、廠房及設備所得款項以及租賃土地予關連方。

PLEDGE OF ASSETS

The Group did not have any assets pledged for general facilities granted by banks.

資產抵押

本集團並未就銀行授出的一般貸款進行任何資產抵押。

CAPITAL COMMITMENTS

The capital commitments as at 31 December 2015 and 2016 not provided for in the financial statements were approximately HK$9.39 million and approximately HK$0.19 million respectively.

資本承擔

於2015年及2016年12月31日未於財務報表撥備的資本承擔分別為約9,390,000港元及約190,000港元。

FOREIGN CURRENCY RISK

The Group generally finances its operation with internally generated resources. Cash and bank deposits and the transactions of the Group are mainly denominated in Hong Kong dollars ("HK$"), US dollars ("USD") and Renminbi ("RMB"). As HKD are pegged to USD, the Group considers the risk of movements in exchange rates between USD and HKD to be insignificant.

The Group had RMB denominated bank deposits amounting to approximately HK$184,000 (2015: HK$4,948,000) that was held by a subsidiary of the Company for which HKD is its functional currency. Additionally the Group had HK$ denominated inter-company other receivables amounting to approximately HK$178,561,000 (2015: Nil) that was held by the subsidiaries of the Company for which RMB is their functional currency. At 31 December 2016, it is estimated that a general appreciation/depreciation of 0.5% in HK$, with all other variables held constant, would have increased/decreased the Group's net profit for the year and retained profits by approximately HK$745,000 (2015: decreased/increased the Group's net profit for the year and retained profits by approximately HK$21,000).The Group currently has no hedging arrangement for foreign currencies. The management will continue to monitor the foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

外幣風險

本集團通常以其內部資源為其營運撥付資金。本集團的現金、銀行存款及交易主要以港元(「港元」)、美元(「美元」)及人民幣(「人民幣」)計值。由於港元與美元掛鈎，本集團認為美元與港元匯率波動的風險甚微。

本集團的人民幣計值銀行存款達約184,000港元(2015年：4,948,000港元)，由本公司的一間附屬公司(以港元為功能貨幣)持有。此外，本集團的港元計值公司間其他應收款項達約178,561,000港元(2015年：無)，由本公司的附屬公司(以人民幣為功能貨幣)持有。於2016年12月31日，估計港元一般增值／貶值0.5%，而其他所有變量保持不變，則將會令本集團年內純利及保留溢利增加／減少約745,000港元(2015年：本集團年內純利及保留溢利減少／增加約21,000港元)。本集團現時並無外幣對沖安排。管理層將持續監測外匯風險，並將於需要時考慮對沖重大外幣風險。

EMPLOYEES

As at 31 December 2016, the Group had 595 full-time employees (31 December 2015: 570 full-time employees). The Group reviews remuneration and benefits of its employees annually according to the relevant market practice and individual performance of the employees. Save for the social insurance in China and the mandatory provident fund scheme in Hong Kong, the Group has not set aside or accrued any amount of money to provide for retirement or similar benefits for its employees. The staff costs incurred in the year 2016 were approximately HK$61.97 million (2015: HK$55.23 million).

僱員

於2016年12月31日，本集團擁有595名全職僱員(2015年12月31日：570名全職僱員)。本集團根據有關市場慣例及僱員個人表現每年檢討其僱員的薪酬及福利。除中國的社保及香港強制性公積金計劃外，本集團並無留置或累計任何金額的資金，以為其僱員的退休或相若福利進行撥備。於2016年產生的員工成本為約61,970,000港元(2015年：55,230,000港元)。

CONTINGENT LIABILITIES

The Group had no other contingent liabilities as at 31 December 2015 and 2016.

或然負債

本集團於2015年及2016年12月31日止概無其他或然負債。

CONTINUING CONNECTED TRANSACTIONS

(I) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE OPERATING LEASE IN RESPECT OF CERTAIN PLANT AND BUILDINGS

On 28 December 2015, Mr. Xu Xipeng and Mr. Xu Xinan, senior management and previous shareholders of the Group, as lessors and KEE Guangdong as lessee, entered into the lease renewal agreement (the "Guangdong Lease Renewal Agreement") to renew the lease of the Guangdong Plant for a further term of three years from 1 January 2016 to 31 December 2018 for a monthly rental of RMB310,000.

An independent valuer advised that the monthly rental of RMB310,000 is fair and reasonable with reference to the market rate. For each of three years ending 31 December 2018, the annual rental paid and payable by the Group under the Lease Renewal Agreement is RMB3,720,000.

During the year, the rental paid by the Group under the Guangdong Lease Renewal Agreement is RMB3,720,000 (Approximately HK$4,342,000).

On 13 January 2016, Classic Winner, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE Zippers, an indirect subsidiary of the Company, as lessee entered into the a lease agreement in relation to the lease of the property in Hong Kong with the rent for the first year being HK$1. On 17 February 2016, Mr. Xu Xipeng and Mr. Xu Xinan resigned as the chairman of the board and chief executive officer of the Company respectively. Mr. Xu Xipeng and Mr. Xu Xinan also resigned as executive directors of the Company, but have remained as the directors of KEE International (BVI) Limited ("KEE International BVI") and KEE Zippers, the subsidiaries of the Company since 17 February 2016. Therefore Classic Winner is a connected person of the Company as of the date of the lease agreement.

持續關連交易

(I) 有關涉及若干廠房及樓宇之經營租賃之持續關連交易

於2015年12月28日，本集團高級管理層及前股東許錫鵬先生及許錫南先生(作為出租人)與開易廣東(作為承租人)訂立續租協議(「廣東續租協議」)，以續租廣東廠房，進一步租期為三年，自2016年1月1日起至2018年12月31日止，月租為人民幣310,000元。

獨立估值師建議，參考市場租金，月租人民幣310,000元屬公平合理。於截至2018年12月31日止三個年度各年，根據續租協議，本集團已付及應付年租金為人民幣3,720,000元。

年內，本集團為廣東續租協議支付的租金合計為人民幣3,720,000元(約4,342,000港元)。

於2016年1月13日，出租人勝典(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易拉鏈(為本公司間接附屬公司)就租賃位於香港的物業訂立租賃協議，首年租金為1港元。於2016年2月17日，許錫鵬先生及許錫南先生分別辭任本公司董事會主席及行政總裁。自2016年2月17日起，許錫鵬先生及許錫南先生亦辭任本公司執行董事，但仍擔任本公司附屬公司KEE International (BVI) Limited(「KEE International BVI」)及開易拉鏈的董事。因此勝典於租賃協議日期為本公司的關連人士。

On 13 January 2016, Nanhai Jinheming, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE (Zhejiang) Garment Accessories Limited ("KEE Zhejiang"), an indirect subsidiary of the Company, as lessee entered into the a lease agreement in relation to the lease of the land use rights and the buildings and facility located at Jiashan County, Zhejiang Province, PRC with the first year as the rent free period. On 17 February 2016, Mr. Xu Xipeng and Mr. Xu Xinan resigned as the chairman of the board and chief executive officer of the Company respectively. Mr. Xu Xipeng and Mr. Xu Xinan resigned also as executive directors of the Company, but have remained as the directors of KEE International BVI and KEE Zippers, the subsidiaries of the Company since 17 February 2016. Therefore Nanhai Jinheming is a connected person of the Company as of the date of the lease agreement.

於2016年1月13日，出租人南海今和明(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易(浙江)服裝配件有限公司(「開易浙江」)(為本公司間接附屬公司)就租賃位於中國浙江省嘉善縣的土地使用權及樓宇以及設施訂立租賃協議，首年免租金。於2016年2月17日，許錫鵬先生及許錫南先生分別辭任本公司董事會主席及行政總裁。自2016年2月17日起，許錫鵬先生及許錫南先生亦辭任本公司執行董事，但仍擔任本公司附屬公司KEE International BVI及開易拉鏈的董事。因此南海今和明於租賃協議日期為本公司的關連人士。

(II) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE COOPERATION AGREEMENT

On 12 July 2016, Tianjin Vitality Marketing Consultancy Company Limited ("Tianjin Vitality"), an indirect wholly-owned subsidiary of the Company, and Yumafang Property Company Limited ("Yumafang Property"), entered into the cooperation agreement (the "Cooperation Agreement"), pursuant to which Yumafang Property agreed to engage Tianjin Vitality in providing promotion, marketing and planning related services for the property development projects conducted by Yumafang Property for a term of one year commencing from the date of the Cooperation Agreement. Yumafang Property agreed to engage Tianjin Vitality as an agent to provide the following services (the "Services") to the Yumafang Property: (i) the online and offline advertising and promotion activities, event organisation, planning, marketing, promotion planning, brand building and promotion of the Yumafang Property; and (ii) the online and offline advertising and promotion activities, event organisation, planning, marketing, promotion planning for the property development projects conducted by Yumafang Property. The service fee charged by Tianjin Vitality will be 6.5% of the cooperation expenses incurred by Tianjin Vitality for carrying out the Services, which will not exceed RMB325,000 (equivalent to approximately HK$380,000) based on the maximum amount of the agreed expenses of RMB5,000,000 (equivalent to approximately HK$5,850,000) for carrying out the Services incurred by Tianjing Vitality.

(II) 有關合作協議之持續關連交易

於2016年7月12日，本公司之間接全資附屬公司天津活力營銷顧問有限公司(「天津活力」)與御馬坊置業有限公司(「御馬坊置業」)訂立合作協議(「合作協議」)，據此，御馬坊置業同意委聘天津活力就御馬坊置業進行之物業發展項目提供推廣、營銷及規劃相關服務，自合作協議日期起為期一年。御馬坊置業同意委聘天津活力作為代理，向御馬坊置業提供以下服務(「服務」)：(i)線上及線下廣告及推廣活動、籌辦活動、規劃、營銷、推廣策劃、打造品牌及宣傳御馬坊置業；及(ii)就御馬坊置業進行之物業發展項目進行線上及線下廣告及推廣活動、籌辦活動、規劃、營銷及推廣策劃。天津活力所收取服務費將為天津活力就提供服務所產生之合作開支6.5%，根據天津活力提供服務的議定開支最高金額人民幣5,000,000元(相當於約5,850,000港元)計算，有關金額不會超過人民幣325,000元(相當於約380,000港元)。

Zhonghong, a controlling shareholder of the Company, indirectly owns the entire equity interest in Yumafang Property. Accordingly, Yumafang Property is a connected person of the Company and the entering into of the Cooperation Agreement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Details can be referred to the announcement of the Company dated 12 July 2016.

本公司控股股東中弘間接擁有御馬坊置業全部股權。因此，根據上市規則第14A章，御馬坊置業為本公司之關連人士，而訂立合作協議構成本公司之持續關連交易。詳情可參閱本公司日期為2016年7月12日的公告。

EVENT AFTER REPORTING PERIOD

(I) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE FRAMEWORK COOPERATION AGREEMENT

On 29 July 2016, Tianjin Vitality, Tianjin Jinhui and Zhonghong entered into the framework cooperation agreement (as supplemented) (the "Framework Cooperation Agreement"), pursuant to which Zhonghong has agreed to engage Tianjin Vitality as the exclusive agent for the sales of the property projects developed by Zhonghong and its subsidiaries (the "Zhonghong Group") including the related sales planning, organisation, promotion and sales activities for the period commencing from the effective date to 31 December 2017.

The Zhonghong Group shall pay to Tianjin Vitality and Tianjin Jinhui a commission ranging from 5.5% to 6.5% of the sales amounts received by the Zhonghong Group for the sales of properties. If the property projects developed by the Zhonghong Group are sold at a price exceeding the price agreed by Zhonghong Group and Tianjin Vitality, Tianjian Vitality shall be entitled to receive an excess sales equal to 20% to 40% of the excess sales amount received by the Zhonghong Group.

The maximum annual aggregate amount payable by the Zhonghong Group to Tianjin Vitality and Tianjin Jinhui under the Framework Cooperation Agreement shall not exceed RMB130,000,000 (equivalent to approximately HK$149,500,000).

The Framework Cooperation Agreement has been approved by Shareholders at the extraordinary general meeting which was held on 5 January 2017.

報告期後事項

(I) 有關框架合作協議之持續關連交易

於2016年7月29日，天津活力、天津金惠與中弘訂立框架合作協議(經補充，「框架合作協議」)，據此，中弘同意委聘天津活力為獨家代理，於自生效日期起至2017年12月31日止期間負責銷售中弘及其附屬公司(「中弘集團」)發展之物業項目，包括相關銷售策劃、組織、推廣及銷售活動。

中弘集團將向天津活力及天津金惠支付介乎中弘集團就銷售物業所收取銷售金額5.5%至6.5%之佣金。倘中弘集團發展之物業項目按超過中弘集團與天津活力協定之價格出售，天津活力將有權收取相等於中弘集團所收取多出銷售金額20%至40%之額外銷售費。

中弘集團根據框架合作協議應付天津活力及天津金惠的最高年度總額不應超過人民幣130,000,000元(相當於約149,500,000港元)。

股東已於2017年1月5日舉行之股東特別大會上批准框架合作協議。

(II) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE OPERATING LEASE IN RESPECT OF CERTAIN PLANT AND BUILDINGS

On 16 January 2017, Classic Winner, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE Zippers, an indirect subsidiary of the Company, as lessee entered into a lease renewal agreement (the "HK Lease Renewal Agreement") pursuant to which Classic Winner has agreed to lease to KEE Zippers a property in Hong Kong at a monthly rental of HK$51,000 payable within the 16th of each month for an initial term of three years commencing on 16 January 2017 to 15 January 2020. On 17 February 2016, Mr. Xu Xipeng and Mr. Xu Xinan resigned as the chairman of the board and chief executive officer of the Company respectively. Mr. Xu Xipeng and Mr. Xu Xinan also resigned as executive directors of the Company, but have remained as the directors of KEE International BVI and KEE Zippers, the subsidiaries of the Company, since 17 February 2016. Therefore Classic Winner is a connected person of the Company as of the date of HK Lease Renewal Agreement. An independent property valuer advised that the monthly rental of HK$51,000 is fair and reasonable with reference to the market rate. For each of the three years ending 15 January 2020, the maximum annual aggregate amounts payable by the Group under the HK Lease Renewal Agreement are as follows:

(II) 有關涉及若干廠房及樓宇之經營租賃之持續關連交易

於2017年1月16日，出租人勝典(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易拉鏈(為本公司間接附屬公司)訂立續租協議(「香港續租協議」)，據此，勝典已同意向開易拉鏈租賃香港物業，其初始年限自2017年1月16日起至2020年1月15日止為期三年，且於每月16日應付月租為51,000港元。於2016年2月17日，許錫鵬先生及許錫南先生分別辭任本公司董事會主席及行政總裁。自2016年2月17日起，許錫鵬先生及許錫南先生亦辭任本公司執行董事，但仍擔任本公司附屬公司KEE International BVI及開易拉鏈董事。因此勝典於香港續租協議日期為本公司的關連人士。獨立物業估值師告悉，參照市場租金，月租51,000港元誠屬公平合理。於截至2020年1月15日止三個年度各年，本集團於香港續租協議應付最高年度總額如下：

		HK$ 港元
Year ending 15 January 2018	截至2018年1月15日止年度	612,000
Year ending 15 January 2019	截至2019年1月15日止年度	612,000
Year ending 15 January 2020	截至2020年1月15日止年度	612,000

MANAGEMENT DISCUSSION AND ANALYSIS
管理層討論及分析

On 16 January 2017, Nanhai Jinheming, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE Zhejiang, an indirect subsidiary of the Company, as lessee entered into a lease renewal agreement (the "Zhejiang Lease Renewal Agreement") pursuant to which Nanhai Jinheming has agreed to lease to KEE Zhejiang the production base in Zhejiang Province at a monthly rental of RMB275,000 payable within the first 10 working days before the 16th day of each month for an initial term of three years commencing on 16 January 2017 to 15 January 2020, with three months' rent of RMB825,000 as deposit. On 17 February 2016, Mr. Xu Xipeng and Mr. Xu Xinan resigned as the chairman of the board and chief executive officer of the Company respectively. Mr. Xu Xipeng and Mr. Xu Xinan also resigned as executive directors of the Company, but have remained as the directors of KEE International BVI and KEE Zippers, the subsidiaries of the Company since 17 February 2016. Therefore Nanhai Jinheming is a connected person of the Company as of the date of the Zhejiang Lease Renewal Agreement. An independent property valuer advised that the monthly rental of RMB275,000 is fair and reasonable with reference to the market rate. For each of the three years ending 15 January 2020, the maximum annual aggregate amounts payable by the Group under the Zhejiang Lease Renewal Agreement are as follows:

於2017年1月16日，出租人南海今和明(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易浙江(為本公司間接附屬公司)訂立續租協議(「浙江續租協議」)，據此，南海今和明已同意向開易浙江租賃浙江省生產基地，其初始年限自2017年1月16日起至2020年1月15日止為期三年，且於每月16日前首10個工作日內應付月租為人民幣275,000元，並以三個月租金人民幣825,000元作為按金。於2016年2月17日，許錫鵬先生及許錫南先生分別辭任本公司董事會主席及行政總裁。自2016年2月17日起，許錫鵬先生及許錫南先生亦辭任本公司執行董事，但仍擔任本公司附屬公司KEE International BVI及開易拉鏈董事。因此南海今和明於浙江續租協議日期為本公司的關連人士。獨立物業估值師告悉，月租人民幣275,000元參照市價誠屬公平合理。於截至2020年1月15日止三個年度各年，本集團於浙江續租協議應付的最高年度總額如下：

		RMB 人民幣	HK$ 港元
Year ending 15 January 2018	截至2018年1月15日止年度	4,125,000	4,620,000
Year ending 15 January 2019	截至2019年1月15日止年度	4,125,000	4,620,000
Year ending 15 January 2020	截至2020年1月15日止年度	4,125,000	4,620,000

PROSPECT

Looking ahead, the Group will continue the zipper business and to expand and grow the scale of its real estate agency service business.

In 2017, the global economy remains gloomy, with uncertainties increasing. China's economy is also full of challenges and steady growth is still an important mission for China's economy. Meanwhile, China Textile & Garment Industry is still facing a complicated external environment, with more uncertainties presented for the development for the industry. The gradually increasing resources and environment pressure, the fast-rising cost of production elements and more complicated international trade pattern bring pressures for the steady growth of China Textile & Garment Industry, which is harmful to driving demand for high quality zipper.

展望

展望未來，本集團將繼續拉鏈業務及擴大及發展房地產代理服務業務。

於2017年，全球經濟依然低迷，不明朗因素增強。中國經濟也將充滿挑戰，穩增長仍是中國經濟最重要的任務。與此同時，中國紡織服裝業面臨複雜的外部形勢，行業發展不確定因素較多。逐漸加大的資源環境壓力、快速上升的生產要素成本以及越來越複雜的國際貿易格局，這些都對中國紡織服裝業的穩定增長構成壓力，不利於推動對高質量拉鏈的需求。

For this purpose, we actively take the following response measures:

為此，我們積極採取以下應對措施：

We will continue to strive for market development, develop new products, meet market demand and continue to respond quickly to customer needs to improve customer satisfaction.

我們將繼續努力進行市場開發，開發新產品，滿足市場需求及繼續快速應對客戶需求，以提高客戶滿意度。

In addition, we will continue to improve production and operating efficiency, equipment and technology as well as automated production, improve product quality and control production costs.

此外，我們也將繼續改進生產及經營效率、設備及技術以及自動化生產，改進產品質量，控制生產成本。

For the real estate agency service business, with reference to the Company's announcements dated 29 July 2016, 2 September 2016, 11 November 2016 and 5 January 2017, the Group entered into a framework cooperation agreement and two supplemental agreements (together, the "Zhonghong Agency Agreements") with Zhonghong as the exclusive agent for the sales of the property projects developed by Zhonghong Group including the related sales planning, organization, promotion and sales activities for the period from 5 January 2017 to 31 December 2017. Under the Zhonghong Agency Agreements, the Group can leverage the experiences and advantages of Zhonghong as a stepping stone to achieve the business expansion plan of the Group on the sales and marketing of real estate and vacation/tourist destination projects.

就房地產代理服務業務而言，參考本公司日期為2016年7月29日、2016年9月2日、2016年11月11日及2017年1月5日的公告，本集團與中弘訂立框架合作協議及兩份補充協議(統稱「中弘代理協議」)，於2017年1月5日至2017年12月31日期間作為獨家代理銷售中弘集團開發的物業項目，包括相關銷售規劃、組織、宣傳及銷售活動。根據中弘代理協議，本集團可利用中弘的經驗及優勢作為進身之階，實現本集團於房地產及度假／旅遊勝地項目銷售及市場推廣方面的業務擴張計劃。

Furthermore, in line with the Group's strategy in actively exploring new business opportunity with other independent third parties for the real estate agency service business, reference is made to the Company's announcements dated 30 September 2016 and 28 February 2017, the Group entered into a sales framework agreement and two supplemental agreements (together, the "Sanya Agency Agreements") with the Sanya Property Owners as the exclusive agent for the sales of properties located in Sanya, Hainan of PRC. The Sanya Agency Agreements provide us with a solid platform for an introduction of our real estate agency service business for the growth in the Group's financial and operating performance.

此外，秉承本集團積極發掘與其他獨立第三方進行房地產代理服務業務新商機的策略，提述本公司日期為2016年9月30日及2017年2月28日的公告，本集團與三亞物業擁有人訂立銷售框架協議及兩份補充協議(統稱「三亞代理協議」)，作為獨家代理銷售位於中國海南省三亞市的物業。三亞代理協議為引入我們的房地產代理服務業務提供充分平台，為本集團帶來財務及經營表現的增長。

Other than the above, we will continuingly improve the operation efficiency, facilities and techniques, as to provide better product and service quality, lower costs and further build up the customers' satisfaction.

除上述者外，我們將繼續改善經營效率、設施及方法，以提供更好的產品及服務質量，降低成本，並進一步建立客戶滿意度。

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CORPORATE GOVERNANCE PRACTICES

The Board has committed to achieve high corporate governance standards.

The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of Shareholders and to enhance corporate value and accountability.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code.

During the year ended 31 December 2016, the Company has complied with all the code provisions as set out in the Corporate Governance Code except the deviations mentioned in this report.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

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

企業管治常規

董事會已致力維持高水平之企業管治標準。

董事會相信，高水平之企業管治標準乃本集團保障股東利益及提升企業價值及問責性之關鍵。

本公司的企業管治常規乃根據企業管治守則所載的原則及守則條文作出。

截至2016年12月31日止年度，本公司遵守企業管治守則所載的全部守則條文，惟本報告內所述偏離情況除外。

證券交易之標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)。

經向全體董事作出特定查詢後，董事確認彼等於截至2016年12月31日止年度整年已遵守標準守則。

BOARD OF DIRECTORS

The Board currently comprises five members, consisting of two executive Directors and three independent non-executive Directors.

The biographical information of the Directors and the relationships between the members of the Board are set out in the section headed "Biographies of Directors and Senior Management" on pages 58 to 62 of the annual report for the year ended 31 December 2016.

Apart from regular Board meetings, the Chairman also held meetings with the non-executive Directors (including independent non-executive Directors) without the presence of executive Directors during the year.

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

董事會

董事會現時由五名成員組成，包括二名執行董事及三名獨立非執行董事。

董事之履歷及與董事會各成員之關係載於截至2016年12月31日止年度年報第58至62頁「董事及高級管理層履歷」一節。

除定期舉行董事會會議外，主席亦於年內在執行董事不會出席的情況下與非執行董事(包括獨立非執行董事)舉行會議。

各董事於截至2016年12月31日止年度出席董事會會議及本公司股東大會的記錄載列如下：

The Board	**Board Meetings** *Attendance*	**Annual General Meeting** *Attendance*	**董事會**	**董事會會議** *出席率*	**股東週年大會** *出席率*
Executive Directors			*執行董事*		
Mr. Xu Xipeng (Chairman) (resigned on 17 February 2016)	3/3	0/0	許錫鵬先生(主席)（於2016年2月17日辭任）	3/3	0/0
Mr. Xu Xinan (resigned on 17 February 2016)	3/3	0/0	許錫南先生（於2016年2月17日辭任）	3/3	0/0
Mr. Chow Hoi Kwang, Albert (resigned on 17 February 2016)	3/3	0/0	周浩光先生（於2016年2月17日辭任）	3/3	0/0
Mr. Wu David Hang (appointed on 17 February 2016)	4/4	1/1	吳航正先生（於2016年2月17日獲委任）	4/4	1/1
Mr. Hou Jian (appointed on 17 February 2016)	4/4	0/1	侯健先生（於2016年2月17日獲委任）	4/4	0/1
Non-executive Director			*非執行董事*		
Mr. Yang Shaolin (resigned on 17 February 2016)	3/3	0/1	楊少林先生（於2016年2月17日辭任）	3/3	0/1

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The Board	Board Meetings Attendance	Annual General Meeting Attendance	董事會	董事會會議出席率	股東週年大會出席率
Independent Non-executive Directors			*獨立非執行董事*		
Mr. Lin Bin (resigned on 17 February 2016)	3/3	0/0	林　斌先生（於2016年2月17日辭任）	3/3	0/0
Mr. Kong Hing Ki (resigned on 17 February 2016)	3/3	0/0	江興琪先生（於2016年2月17日辭任）	3/3	0/0
Mr. Tam Yuk Sang, Sammy (resigned on 17 February 2016)	3/3	0/0	譚旭生先生（於2016年2月17日辭任）	3/3	0/0
Mr. Wong Yik Chung, John (appointed on 17 February 2016)	3/4	1/1	黃翼忠先生（於2016年2月17日獲委任）	3/4	1/1
Mr. Tse Calvin Kai Chuen (appointed on 17 February 2016)	3/4	1/1	謝繼春先生（於2016年2月17日獲委任）	3/4	1/1
Mr. Leung Ka Tin (appointed on 17 February 2016)	3/4	1/1	梁家鈿先生（於2016年2月17日獲委任）	3/4	1/1

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

As at 31 December 2016, the positions of Chairman and Chief Executive Officer were held by Mr. Wu David Hang. The Chairman provides leadership and is responsible for chairing the meetings, managing the operations of the Board, and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. The Chief Executive Officer is also responsible for running the Company's businesses and implementing the Group's strategic plans and business goals.

On 17 February 2016, Mr. Xu Xipeng and Mr. Xu Xinan resigned as chairman of the Board and chief executive officer of the Company respectively and Mr. Wu David Hang was appointed as chairman and chief executive officer of the Company. This constitutes a deviation from the Code Provision A.2.1 but the Board considers that this structure where the leadership of the Board is distinct from the executive responsibilities for running the business operations will not impair the balance of power and authority between the board and the management of the business, especially given that there is a strong and independent non-executive element on the Board and a clear division of responsibilities for running the business of the Company. The arrangement under which the roles of chairman and chief executive officer are performed under the same individual is considered as beneficial at the present stage as it helps to maintain the continuity of the Company's policies and the stability of the Company's operation as well as to enhance the management of the Company.

主席及行政總裁

於2016年12月31日，吳航正先生擔任主席及行政總裁的職位。主席作為領導，負責主持會議，管理董事會的運作，並確保所有重要及適當事項均由董事會作出適時及具建設性的討論。行政總裁負責本公司的業務經營，並實行本集團的策略性計劃及業務目標。

於2016年2月17日，許錫鵬先生及許錫南先生分別辭任本公司董事會主席及行政總裁的職位。吳航正先生獲委任為本公司的主席及行政總裁。此構成偏離守則條文第A.2.1條。由於領導董事會及業務營運之責任為清楚有所區別，而且董事會具有強而獨立之非執行董事成員，並且對本公司業務之營運明訂責任分工，故此董事會認為此架構不會令董事會與本集團業務管理兩者間之權力及權限平衡受到影響。主席及行政總裁之角色由同一人兼任之安排乃被認為在當前階段有利於幫助維護本公司政策的連續性和本公司運作的穩定性，並且可提高本公司之管理。

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

Each of the independent non-executive Directors is appointed for a specific term and is subject to retirement by rotation once every three years.

獨立非執行董事

截至2016年12月31日止年度，董事會在任何時間均符合上市規則有關委任最少三名獨立非執行董事而其中一名董事擁有合適之專業資格或會計或相關財務管理專業知識之規定。

本公司已接獲獨立非執行董事各自根據上市規則第3.13條所載之獨立性指引就其獨立性發出的年度書面確認。本公司認為全體獨立非執行董事均為獨立人士。

各獨立非執行董事獲指定任期委任，並須每三年輪值告退。

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

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

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

All Directors have full and timely access to all the information of the Company as well as the services and advice from the company secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

董事會及管理層職責、問責及貢獻

董事會負責領導及控制本公司並監管本集團之業務、策略決策及表現以及共同負責透過指導及監管本公司之事務推動其成功發展。董事會應以本公司之利益作出客觀決定。

全體董事(包括非執行董事及獨立非執行董事)均為董事會帶來多種領域之寶貴業務經驗、知識及專長，使其高效及有效地運作。

全體董事均可全面並及時獲得本公司所有資料以及要求公司秘書及高級管理層提供服務及意見。董事可於要求時在適當情況下尋求獨立專業意見，以向本公司履行其職責，費用由本公司承擔。

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

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

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

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

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

董事之持續專業發展

Directors keep abreast of responsibilities as a Director and of the conduct, business activities and development of the Company.

董事須時刻瞭解身為董事的職責並遵守本公司的行為操守、跟進本公司的業務活動及發展。

Every newly appointed Director will receive induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

每名新任董事均於首次獲委任時獲提供入職介紹，確保新董事可適當掌握本公司業務及營運，並完全瞭解於上市規則及相關法規下之董事職責及責任。

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading materials on relevant topics will be issued to Directors where appropriate.

董事須參與合適的持續職業發展，以提高及更新其知識及技能，以確保繼續在具備全面資訊及切合所需的情況下向董事會作出貢獻。本公司將會於適當時為董事安排內部講座，並於適當時就有關主題刊發閱讀材料。

BOARD DIVERSIFY POLICY

The Board has adopted a Board Diversify Policy to comply with the Code Provision on board diversity. The Policy aims to set out the approach to achieve diversity in the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates on merit and against the objective criteria with due regard for the benefits of diversity on the Board. During the year, there is no addition to the Board.

According to the records maintained by the Company, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company on continuous professional development during the year ended 31 December 2016.

董事會多元化政策

董事已採納董事會多元化政策，以遵守董事多元化守則條文。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備需技能、經驗及多樣的觀點角度，包括但不限於性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。於本年內，董事會並沒有新增成員。

根據本公司所載記錄，董事於截至2016年12月31日止年度內已接受有關於一間處於持續專業發展的上市公司出任董事之職位、功能及職責之培訓。

Name of Directors	Reading Materials	Attending Seminars	董事姓名	閱讀材料	出席講座
Executive Directors			*執行董事*		
Mr. Xu Xipeng (Chairman) (resigned on 17 February 2016)	✓	✗	許錫鵬先生(主席)（於2016年2月17日辭任）	✓	✗
Mr. Xu Xinan (resigned on 17 February 2016)	✓	✗	許錫南先生（於2016年2月17日辭任）	✓	✗
Mr. Chow Hoi Kwang, Albert (resigned on 17 February 2016)	✓	✗	周浩光先生（於2016年2月17日辭任）	✓	✗
Mr. Wu David Hang (Chairman) (appointed on 17 February 2016)	✓	✓	吳航正先生(主席)（於2016年2月17日獲委任）	✓	✓
Mr. Hou Jian (appointed on 17 February 2016)	✓	✓	侯健先生（於2016年2月17日獲委任）	✓	✓
Non-executive Director			*非執行董事*		
Mr. Yang Shaolin (resigned on 17 February 2016)	✓	✓	楊少林先生（於2016年2月17日辭任）	✓	✓
Independent Non-executive Directors			*獨立非執行董事*		
Mr. Lin Bin (resigned on 17 February 2016)	✓	✗	林斌先生（於2016年2月17日辭任）	✓	✗
Mr. Kong Hing Ki (resigned on 17 February 2016)	✓	✗	江興琪先生（於2016年2月17日辭任）	✓	✗
Mr. Tam Yuk Sang, Sammy (resigned on 17 February 2016)	✓	✓	譚旭生先生（於2016年2月17日辭任）	✓	✓
Mr. Wong Yik Chung, John (appointed on 17 February 2016)	✓	✓	黃翼忠先生（於2016年2月17日獲委任）	✓	✓
Mr. Tse Calvin Kai Chuen (appointed on 17 February 2016)	✓	✓	謝繼春先生（於2016年2月17日獲委任）	✓	✓
Mr. Leung Ka Tin (appointed on 17 February 2016)	✓	✓	梁家鈿先生（於2016年2月17日獲委任）	✓	✓

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BOARD COMMITTEES

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

The majority of the members of each Board committee are independent non-executive Directors and the list of the chairman and members of each Board committee is set out under "Corporate Information" on page 2 and page 3.

董事委員會

董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會，以監管本公司事務之特定方面。本公司所有董事委員會均已訂明書面職權範圍。董事委員會之職權範圍刊登於本公司網站及香港聯交所網站，並可應要求時供股東查閱。

各董事委員會之大部分成員為獨立非執行董事，且各董事委員會之主席及成員名單載於第2–3頁「公司資料」。

AUDIT COMMITTEE

The main duties of the Audit Committee are to assist the Board in reviewing the financial information and reporting process, internal control procedures and risk management system, the effectiveness of the Company's internal audit function and relationship with external auditors, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

The Audit Committee currently consists of three independent non-executive Directors, namely, Mr. Wong Yik Chung John, Mr. Tse Calvin Kai Chuen and Mr. Leung Ka Tin (all appointed on 17 February 2016). Mr. Wong Yik Chung John, an independent non- executive Director, is the chairman of the Audit Committee. Mr. Lin Bin, Mr. Kong Hing Ki and Mr. Tam Yuk Sang, Sammy ceased to be members of the Audit Committee after their resignations as independent non-executive Directors on 17 February 2016.

The Audit Committee held three meetings to review interim and annual financial results and reports during of the year ended 31 December 2016 and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, the effectiveness of the Company's internal audit function scope of work and appointment of external auditors, connected transactions and arrangements for employees to raise concerns about possible improprieties.

The Audit Committee also had three meetings with the external auditors without the presence of the executive Directors.

The consolidated financial statements of the Group for the year ended 31 December 2016 had been reviewed by the audit committee and audited by the external auditors.

審核委員會

審核委員會之主要職責為協助董事會審閱財務資料及申報程序、內部監控程序及風險管理制度、公司內部審計功能的有效性及與外聘核數師之關係，以及檢討安排，使本公司僱員可以保密方式關注本公司財務申報、內部監控或其他方面之可能不當行為。

審核委員會現時由三名獨立非執行董事組成，包括黃翼忠先生、謝繼春先生、梁家鈿先生(全部於2016年2月17日獲委任)。黃翼忠先生為獨立非執行董事，亦為審核委員會主席。林斌先生、江興琪先生、譚旭生先生於2016年2月17日辭任獨立非執行董事後，亦不再為審核委員會的成員。

審核委員會合共舉行三次會議，以審閱截至2016年12月31日止年度之中期及年度財務業績及報告以及有關財務申報及合規程序、內部監控及風險管理制度、公司內部審計職能的有效性、外聘核數師之工作範圍及委聘之重大事宜、關連交易，以及可使僱員以保密方式關注可能不當行為之安排。

審核委員會亦在執行董事不會出席的情況下與外聘核數師舉行三次會議。

本集團截至2016年12月31日止年度的綜合財務報表已經被審核委員會審核及外聘核數師審查。

The attendance record of each Director at the Audit Committee meetings held during the year ended 31 December 2016 is set out below:

截至2016年12月31日止年度內，各董事出席審核委員會會議的記錄載列如下：

Audit Committee	*Attendance*	**審核委員會**	*出席率*
Mr. Lin Bin (Chairman) (ceased to be a member on 17 February 2016)	0/0	林斌先生(主席)（於2016年2月17日不再為成員）	0/0
Mr. Kong Hing Ki (ceased to be a member on 17 February 2016)	0/0	江興琪先生（於2016年2月17日不再為成員）	0/0
Mr. Tam Yuk Sang, Sammy (ceased to be a member on 17 February 2016)	0/0	譚旭生先生（於2016年2月17日不再為成員）	0/0
Mr. Wong Yik Chung, John (Chairman) (appointed on 17 February 2016)	3/3	黃翼忠先生(主席)（於2016年2月17日獲委任）	3/3
Mr. Tse Calvin Kai Chuen (appointed on 17 February 2016)	3/3	謝繼春先生（於2016年2月17日獲委任）	3/3
Mr. Leung Ka Tin (appointed on 17 February 2016)	3/3	梁家鈿先生（於2016年2月17日獲委任）	3/3

REMUNERATION COMMITTEE

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

薪酬委員會

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

The Remuneration Committee currently consists of three independent non-executive Directors, namely, Mr. Wong Yik Chung John, Mr. Tse Calvin Kai Chuen and Mr. Leung Ka Tin (all appointed on 17 February 2016). Mr. Leung Ka Tin, an independent non-executive Director, is the chairman of the Remuneration Committee. Mr. Tam Yuk Sang, Sammy, Mr. Xu Xipeng and Mr. Lin Bin ceased to be members of the Remuneration Committee after their resignations as independent non-executive Directors or executive Director on 17 February 2016.

薪酬委員會現時由三名獨立非執行董事組成，包括黃翼忠先生、謝繼春先生及梁家鈿先生(全部於2016年2月17日獲委任)。梁家鈿先生為獨立非執行董事，亦為薪酬委員會的主席。譚旭生先生、許錫鵬先生及林斌先生於2016年2月17日辭任獨立非執行董事或執行董事後，不再為薪酬委員會的成員。

The Remuneration Committee met once to review and make recommendation to the Board on the remuneration policy and structure of the Company, and to determine the remuneration packages of the executive Directors and senior management and other related matters during the year ended 31 December 2016.

薪酬委員會已於2016年12月31日止年度內舉行一次會議，以審閱本公司薪酬政策及架構，並就此向董事會提供意見，以及釐定執行董事及高級管理層之薪酬待遇及其他相關事宜。

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The attendance record of each Director at the Remuneration Committee meetings held during the year ended 31 December 2016 is set out below:

Remuneration Committee	*Attendance*
Mr. Tam Yuk Sang, Sammy (Chairman) (ceased to be a member on 17 February 2016)	0/0
Mr. Xu Xipeng (ceased to be a member on 17 February 2016)	0/0
Mr. Lin Bin (ceased to be a member on 17 February 2016)	0/0
Mr. Leung Ka Tin (Chairman) (appointed on 17 February 2016)	1/1
Mr. Wong Yik Chung, John (appointed on 17 February 2016)	1/1
Mr. Tse Calvin Kai Chuen (appointed on 17 February 2016)	1/1

截至2016年12月31日止年度，各董事出席薪酬委員會會議的記錄載列如下：

薪酬委員會	*出席率*
譚旭生先生(主席)（於2016年2月17日不再為成員）	0/0
許錫鵬先生（於2016年2月17日不再為成員）	0/0
林斌先生（於2016年2月17日不再為成員）	0/0
梁家鈿先生(主席)（於2016年2月17日獲委任）	1/1
黃翼忠先生（於2016年2月17日獲委任）	1/1
謝繼春先生（於2016年2月17日獲委任）	1/1

The remuneration of senior executives by band for the year ended 31 December 2016 is set out below:

	Number of Persons
HKD0 to HKD200,000	4
HKD200,000 to HKD400,000	1
HKD400,000 to HKD600,000	1
HKD1,400,000 to HKD1,600,000	1
HKD1,600,000 to HKD1,800,000	1

截至2016年12月31日止年度，高級行政人員之薪酬載列如下：

	人數
0港元至200,000港元	4
200,000港元至400,000港元	1
400,000港元至600,000港元	1
1,400,000港元至1,600,000港元	1
1,600,000港元至1,800,000港元	1

NOMINATION COMMITTEE

The Nomination Committee currently consists of three independent non-executive Directors, namely, Mr. Wong Yik Chung John, Mr. Tse Calvin Kai Chuen and Mr. Leung Ka Tin, and one executive Director, namely, Mr. Wu David Hang (all appointed on 17 February 2016). Mr. Wu David Hang, an executive Director, is the chairman of the Nomination Committee. Mr. Kong Hing Ki, Mr. Xu Xinan and Mr. Lin Bin ceased to be members of the Nomination Committee after their resignations as independent non-executive Directors or executive Director on 17 February 2016.

The principal duties of the Nomination Committee include reviewing the Board composition, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

提名委員會

提名委員會現時由三名獨立非執行董事組成，包括黃翼忠先生、謝繼春先生及梁家鈿先生及一名執行董事吳航正先生(全部於2016年2月17日獲委任)。吳航正先生為執行董事，亦為提名委員會的主席。江興琪先生、許錫南先生及林斌先生於2016年2月17日辭任獨立非執行董事或執行董事後，不再為提名委員會成員。

提名委員會之主要職責包括審閱董事會之組成、就董事委任及繼任計劃向董事會提供意見，以及評估獨立非執行董事之獨立性。

The Nomination Committee has adopted a set of nomination procedures for selection of candidates for directorship of the Company by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the Company's needs and other relevant statutory requirements and regulations. External recruitment professionals might be engaged to carry out selection process when necessary.

提名委員會已就物色本公司董事候選人採納一套提名程序，包括參考有關人士之技能、經驗、專業知識、個人操守及出任時間、本公司的需要及其他相關法定規則及規例。如有需要，物色過程中可委聘外部招聘專業人士參與。

In assessing the Board composition, the Nomination Committee would take into account various aspects set out in the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience. The Nomination Committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

在評估董事會的組成時，提名委員會會考慮董事會多元化政策所載的多個方面，包括但不限於性別、年齡、文化及教育背景、專業資格、技術、知識及行業及地區經驗。提名委員會會討論及協定達致董事會多元化目的之可計量目標(如有需要)及建議董事會採納。

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

在物色及篩選合適的董事候選人時，提名委員在向董事會作出建議前，將考慮候選人的性格、資格、經驗、獨立性及執行企業策略及達致董事會多元化(如合適)所需的其他相關標準。

The Nomination Committee met once to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider the qualifications of the retiring Directors standing for election at the annual general meeting during the year ended 31 December 2016.

提名委員會已於2016年12月31日止年度舉行一次會議，以檢討董事會之架構、規模及組成以及獨立非執行董事之獨立性，以及考慮於股東週年大會上候選之退任董事之資格。

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The attendance record of each Director at the Nomination Committee meetings held during the year ended 31 December 2016 is set out below:

Nomination Committee	*Attendance*
Mr. Kong Hing Ki (Chairman) (ceased to be a member on 17 February 2016)	0/0
Mr. Xu Xinan (ceased to be a member on 17 February 2016)	0/0
Mr. Lin Bin (ceased to be a member on 17 February 2016)	0/0
Mr. Wu David Hang (Chairman) (appointed on 17 February 2016)	1/1
Mr. Wong Yik Chung, John (appointed on 17 February 2016)	1/1
Mr. Tse Calvin Kai Chuen (appointed on 17 February 2016)	1/1
Mr. Leung Ka Tin (appointed on 17 February 2016)	1/1

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in the code provision D.3.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

The statement of the independent auditors of the Company about their reporting responsibilities on the financial statements is set out in the Independent Auditor's Report on pages 82 to 88.

截至2016年12月31日止年度，各董事出席提名委員會會議的記錄載列如下：

提名委員會	*出席率*
江興琪先生（主席）（於2016年2月17日起不再為成員）	0/0
許錫南先生（於2016年2月17日起不再為成員）	0/0
林斌先生（於2016年2月17日起不再為成員）	0/0
吳航正先生（主席）（於2016年2月17日獲委任）	1/1
黃翼忠先生（於2016年2月17日獲委任）	1/1
謝繼春先生（於2016年2月17日獲委任）	1/1
梁家鈿先生（於2016年2月17日獲委任）	1/1

企業管治職能

董事會負責履行企業管治守則之守則條文第D.3.1條所載之職能。

董事會檢討本公司之企業管治政策及常規、董事及高級管理層之培訓及持續專業發展、本公司在遵守法律法規規定、遵守標準守則及本公司遵守本企業管治報告的企業管治守則及披露之合規狀況。

董事有關財務報表之責任

董事知悉彼等就編製本公司截至2016年12月31日止年度之財務報表之職責。

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

本公司獨立核數師有關彼等就財務報表之申報責任之陳述載於第82至88頁之獨立核數師報告內。

AUDITORS' REMUNERATION

The remuneration paid to the Company's external auditors of the Company in respect of audit services and non-audit services for the year ended 31 December 2016 is set out under note 4(c) to the Notes to the Financial Statements on page 121.

The details of other services are set out as follows:

核數師薪酬

本公司就截至2016年12月31日止年度之審核服務及非審核服務向本公司外聘核數師支付之薪酬於第121頁之「財務報表附註」之附註4(c)列示。

其他服務的詳情如下：

		2016 **2016年** **HK$'000** **千港元**	2015 2015年 HK$'000 千港元
— review services	— 審閱服務	**840**	348

INTERNAL CONTROLS AND RISK MANAGEMENT

Our Board of Directors has the overall responsibility to ensure that sound and effective internal controls and risk management are maintained. The internal control system, which is overseen by the executive directors and the management, is designed to provide reasonable assurance on the effectiveness and efficiency of operations, to safeguard assets against unauthorized use or disposition and to maintain proper accounting records for producing reliable financial information.

Under Code Provision C2.5 of the CG Code, the Group should have an internal audit function. The Group has reviewed the need for an internal audit department annually. Due to the present company structure, the Management is of the opinion that instead of setting up an internal audit department, it would be more cost effective to engage an independent professional third party to review the Group's internal control measures and report to the Audit Committee members. The review covered the adequacy of resources, staff qualifications and experience, training programmes, budget, internal audit, financial reporting functions and Listing Rules compliance. Major risk factors and recommendations were presented to the Audit Committee members for their consideration.

In additions, the Management assessed and presented regular reports to the Audit Committee members on its own assessments of key risks, strengths, weaknesses of the overall internal controls systems and remedies. The external auditors also reported on any control issues identified in the course of their work and presented to the Audit Committee members.

內部監控及風險管理

董事會整體負責確保維持健全有效的內部監控及風險管理。由執行董事及管理層監督的內部監控系統之目的在於合理確保營運效益及效率，保障資產免被未經授權使用或處置及存置恰當會計記錄以便提供可靠之財務資料。

根據企業管治守則條文第C2.5條，本集團應設有內部審計功能。本集團每年檢討內部審計部門的需要。因目前公司架構，管理層認為相對於成立內部審計部門，委聘獨立專業第三方檢討本集團的內部監控措施並呈報予審核委員會成員更具成本效益。檢討涵蓋資源的充足性、員工資歷及經驗、培訓項目、預算、內部審計、財務報告職能及上市規則合規。主要風險因素及推薦建議將呈報審核委員會成員，供彼等考慮。

此外，管理層評估並定期向審核委員會成員呈報有關其自身對整體內部監控系統的主要風險、優勢、弱點及補救措施的評估。外部核數師亦報告其工作過程中已識別的任何監控問題並向審核委員會成員呈報。

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Based on above reviews performed by the Management, external auditors and the independent professional third-party, the Board viewed that during the year ended 31 December 2016, risk management and internal control system were effective and sufficient, and no event led to material impact on Group's financial, operational and compliance controls.

基於管理層、外部核數師及獨立專業第三方進行的上述檢討，董事會認為，截至2016年12月31日止年度，風險管理及內部監控系統充足有效，且並無導致對本集團的財務、經營及合規監控造成重大影響的事件。

While the Board strives to implement an effective and sound internal control and risk management system to safeguard the interest of Shareholders and the Group's assets, the Board also acknowledges that a sound system of internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide reasonable but not absolute assurance. The effectiveness of the internal control and risk control systems will be reviewed on an annual basis.

雖然董事會致力於實施有效健全的內部監控及風險管理系統保障股東的權益及本集團的資產，董事會亦知悉，健全的內部監控系統旨在管理，而非消除未能實現業務目標的風險，可提供合理但非絕對保證。內部監控及風險監控系統的效用將按年檢討。

COMPANY SECRETARY

Mr. Chu Kin Ming was appointed as secretary of the company on 17 February 2016. He is also the main contact person of the Company. Pursuant to rule 3.29 of the Listing Rule, the company secretary must take no less than 15 hours of relevant professional training in each financial year. The company secretary provided his training records to the Company indicating more than 15 hours of relevant professional development by means of attending seminars and reading relevant guideline materials.

公司秘書

朱健明先生於2016年2月17日獲委任為公司秘書，彼亦是本公司主要聯繫人士。根據上市規則第3.29條，公司秘書須於各財務年度接受不少於15個小時的有關專業培訓。公司秘書已向本公司提供培訓記錄，表明其已以參加研討會及閱讀相關指引材料的方式接受超過15個小時的相關專業知識培訓。

CONSTITUTIONAL DOCUMENTS

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

章程文件

於年度，本公司的章程文件並無重大變動。

SHAREHOLDERS' RIGHTS

To safeguard Shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at Shareholder meetings, including the election of individual Directors. All resolutions put forward at Shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Hong Kong Stock Exchange after each Shareholder meeting.

股東權利

為保障股東權益及權利，本公司將就各重大個別事宜(包括選舉個別董事)於股東大會提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則進行投票表決，且投票表決之結果將於股東大會結束後在本公司及香港聯交所網站上刊載。

CONVENING AN EXTRAORDINARY GENERAL MEETING BY SHAREHOLDERS

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

PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There is no provision allowing Shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the articles of association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

PUTTING FORWARD ENQUIRIES TO THE BOARD

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

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

股東召開股東特別大會

根據本公司組織章程細則第58條，任何一位或以上於遞呈要求當日持有不少於有權於本公司股東大會上投票之本公司繳足股本十分之一的股東，有權隨時透過向董事會或本公司秘書發出書面要求，要求董事會就有關要求所指的任何業務交易召開股東特別大會，以於相關要求遞呈後兩月內舉行有關會議。倘董事會遞呈後二十一日內未有召開該大會，則遞呈要求人士可自發以同樣方式作出此舉，而遞呈要求人士因董事會未有召開大會而產生的所有合理開支應由本公司向遞呈要求人士作出償付。

於股東大會上提出議案

開曼群島公司法或本公司之組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案之股東可按上段所載程序要求本公司召開股東大會。

向董事會作出查詢

至於向董事會作出任何查詢，股東可將書面查詢發送至本公司。

附註：本公司通常不會處理口頭或匿名的查詢。

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CONTACT DETAILS

Shareholders may send their enquiries or requests as mentioned above to the principal place of business of the Company in Hong Kong:

Address: Room 510, 5/F, Chater House,
8 Connaught Road, Central, Hong Kong
(For the attention of the Company Secretary)

Fax: (852) 3184 0111
Email: marcus.chu@zhonghongintl.com

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

Shareholders may call the Company at (852) 3897 9800 for assistance.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The Chairman of the Board, all other members of the Board including independent non-executive Directors, and the chairmen of all Board committees (or their delegates) will make themselves available at the annual general meetings of the Company to meet Shareholders and answer their enquiries.

During the year under review, the Company has not made any changes to its articles of association. The version of the Company's articles of association is also available on the Company's website and the Hong Kong Stock Exchange's website.

聯絡詳情

股東可透過上述方式向本公司香港主要營業地點發送查詢或要求：

地址： 香港中環干諾道8號
遮打大廈5樓510室
（註明收件人為公司秘書）

傳真： (852) 3184 0111
電郵： marcus.chu@zhonghongintl.com

為免生疑問，股東須向上述地址（除本公司註冊地址外）遞呈及送交正式簽署的書面要求、通知或陳述或查詢（視乎情況而定）的正本，並提供彼等全名、聯絡詳情及身份，以便本公司可回復。股東資料可能根據法律規定而予以披露。

股東如需任何協助，亦可致電本公司，號碼為(852) 3897 9800。

與股東及投資者的溝通／投資者關係

本公司認為，與股東有效溝通對加強投資者關係及讓投資者瞭解本集團業務表現及策略相當重要。本公司盡力保持與股東之間的對話，尤其是透過股東週年大會及其他股東大會。董事會主席、董事會所有其他成員包括獨立非執行董事及所有董事委員會主席（或彼等之代表）將出席本公司之股東週年大會與股東會面及解答其查詢。

於回顧年度，本公司並無對其組織章程細則作出任何更改。本公司的組織章程細則亦可於本公司網站及香港聯交所網站查閱。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
環境、社會及管治報告

INTRODUCTION

The contents contained in this Environmental, Social and Governance ("ESG") report include the information obtained through a number of channels from shareholders, stakeholders and various parties over the year. The report covers environmental protection, workplace quality, operating practices and community involvement aspects and Corporate Social Responsibility ("CSR") Model. We have given full consideration to issues that are concerned about by major stakeholders, and adhered to the principles of materiality, completeness, comparability and stakeholder involvement, whereby the substances of this ESG report are determined. This report spans over a period from 1 January 2016 to 31 December 2016, and covers information of the Group — Hong Kong headquarter and the production bases in Foshan and Zhejiang, the People's Republic of China. This report provides detailed explanation with regard to the Group's CSR model on different aspects. The Group's CSR model is set out as follows.

報告簡介

本環境、社會及管治(「ESG」)報告所載內容由股東、持份者及不同夥伴通過一年來從各方渠道所獲得的資訊彙集而成。報告內容涵蓋環境保護、工作環境質素、營運慣例、社區參與及集團之企業社會責任(「CSR」)模式。我們充分考慮了集團主要持份者所關心的議題，同時遵循實質性、完整性、可比性以及持份者參與等原則，確定了本ESG報告中的實質內容。本報告的時間跨度為2016年1月1日至2016年12月31日，覆蓋包括了香港集團總部及中華人民共和國佛山及浙江生產基地的資料。本報告主要按本集團的企業社會責任模式中各方面詳加展釋。本集團的企業社會責任模式如下。

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環境、社會及管治報告

1. ENVIRONMENTAL PROTECTION

1.1 EMISSIONS

The Group ensures emission in compliance with the prescribed standards of the state on the basis of obtainment of pollutant emission permit from the governmental regulatory authority.

The Group strictly complies with local regulations to identify and manage the emission to ensure the safe treatment, transportation, storage, use, recycle, reuse and disposal of it. For example, printing and dyeing wastewater created during the production process in each plant is handled by the sewage facilities, with most of them recycled through water reuse system. Moreover, each plant has a specific storage room to keep different materials, for example, the dyeing sludge and waste paint bucket is stored in a ventilated and isolated room. Besides, dyeing sludge is dewatered to reduce its water content and volume. It is kept to a certain amount before the collection by the eligible recycling company, hence reducing the burden on landfills and relieving the damage on the environment.

1.2 USE OF RESOURCES

In response to China's "12th Five-Year Plan" call, the Group advocated green lighting. The Group actively promoted energy-saving technological transformation projects, including the upgrading of the original equipment (for example, the replacement instead of ordinary fluorescent lamps to energy-efficient lamps in 2004), improving respective systems in the plants (for example, air compressor frequency conversion), improving power efficiency, which is in line with the Group's low-carbon strategy. In 2016, the Group consumed approximately 7.7 million kilowatts of electricity. In terms of reduction of water waste water use, the Group is able to recycle printing and dyeing wastewater through the water reuse system. In 2016, the Group consumed approximately 270,000 tons of water. All in all, the above strategies are able to reduce energy waste while taking into account the environmental policies and maximizing the use of natural resources.

In regards of the waste management and recycling, the Group recorded approximately 49 tons of recyclable industrial waste, 170 tons of domestic waste and 30 tons of kitchen waste in 2016. The Group requires the employees to separate and classify the wastes. In 2016, the Group's dehydrated dyeing sludge, waste oil, dyestuff waste, waste lamp and waste drums totaled about 49 tons. These hazardous wastes are stored in a specialised place and handled in accordance with the "Hazardous Waste

1. 環境保護

1.1 排放物

本集團確保在從政府監管部門取得排污許可證的基礎上，按照國家規定的排放標準實行達標排放。

本集團嚴格遵守當地法規以確定及管理排放物，確保排放物的安全處理、運輸、儲存、使用、回收、重複使用及處置。例如，各廠房生產過程中產生的印染廢水經其污水設施處理，大部分廢水使用廢水利用系統重複利用。此外，各廠房設有特定儲藏室存放不同材料，例如將印染污泥及廢油漆桶存放在通風隔離的房間中。另外，對印染污泥進行脱水處理以降低其含水量及體積。於合資格回收公司進行收集前，保持在一定數量內，從而減低垃圾填埋負擔及減輕對環境的損害。

1.2 資源利用

為響應中國的「十二五規劃」，本集團提倡綠色照明。本集團積極推進節能技術改革項目，包括升級原有設備(例如在2004年替換普通螢光燈為節能燈)、改進廠房的相關系統(例如空氣壓縮機變頻)、提高電力利用效率，該等措施與本集團的低碳策略貫徹一致。2016年，本集團用電量約為7.7百萬千瓦。在降低廢水利用方面，本集團可透過廢水利用系統循環利用印染廢水。2016年，本集團的用水量約為270,000噸。總而言之，上述策略能夠減少能源浪費，同時考慮環保政策並最大化的利用自然資源。

在廢物管理回收利用方面，本集團於2016年錄得約49噸可回收工業廢棄物，170噸生活垃圾及30噸廚房垃圾。本集團要求員工將廢棄物隔離及分類。於2016年，本集團對合共約49噸印染污泥、廢油、染料廢物、廢燈及廢筒進行脱水處理。該等有害廢物存放在專門地點，按中國的《危險廢物貯存污

Storage Pollution Control Standard" in PRC. During the year, The Group commissioned a qualified company to transfer and process the wastes according to the transfer system and declaration and registration system stipulated under relevant laws and regulations.

染控制標準》的要求處理。年內，本集團委託有資質公司轉移處理廢物，按相關法律法規執行轉移聯單制度和申報登記制度。

2. WORKPLACE QUALITY

2.1 WORKING CONDITIONS

The policy of working conditions is in the principle of people-oriented. In relation to personnel management such as staff hiring, promotion, performance evaluation and compensation, the Group establishes a labour relationship on the footings of legitimacy and equality, which avoids any discrimination based on gender, age, place of birth, race, language, nationality and religion. The Group recruits employees through two channels including recruitment from public means and schools. The recruitment of the employees embodies the principles of social responsibilities such as employment equality, human rights respectiveness, employees diversity, child and forced labour prohibition.

In respect of salaries and benefits, the Group provides a comprehensive remuneration package of compensation and benefits for its employees. The remuneration package is mainly determined according to the employee development, individual performance and organisational performance. The Group provides its new employees with clear codes of practice, rules and regulations, as well as information relating to salary and benefit system.

In addition to contractual salary, the Group has also set up a mandatory provident fund scheme ("MPF Scheme") in accordance with the Hong Kong Employment Ordinance and medical insurance plan for all employees in Hong Kong. The MPF Scheme, which is subject to the Mandatory Provident Fund Schemes Ordinance, is a defined contribution retirement plan administered by independent trustees. The MPF Scheme requires employers and employees to make the MPF scheme contributions at 5% of the employees' relevant income, subject to a statutory limit of HK$1,500 per month.

2. 工作環境質素

2.1 工作環境

本集團的工作環境政策秉持以人為本的原則。在員工聘用、晉升、績效評估及薪酬等人員管理方面，本集團立足於合法平等的政策建立勞動關係，避免因性別、年齡、出生地、民族、語言、國籍和宗教信仰等而產生任何歧視行為。本集團通過社會招募及校園招聘兩個渠道招聘員工。著重將就業平等、尊重人權、員工多樣性及禁止使用童工及禁止強迫勞工等社會責任理念融入到招聘工作中。

薪酬福利方面，本集團為員工提供完善的薪酬福利，薪酬主要與員工發展、個人績效、組織績效密切相關。本集團均向新員工提供清晰的職工守則、規章制度、薪資及福利制度的資料。

合約薪金外，本集團已為香港僱傭條例所管轄下之全體香港員工設立強制性公積金計劃(「強積金計劃」)及醫療保險計劃。強積金計劃為定額供款退休計劃，由獨立信託人管理及受強制性公積金計劃條例規管。強積金計劃規定僱主及僱員各自按僱員相關收入之5%向強積金計劃供款，以法定每月1,500港元為上限。

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The Group's employees in the PRC are entitled to five national statutory social insurances (including basic pension insurance, basic medical insurance, work-related injury insurance, maternity insurance and unemployment insurance). According to the relevant employment law in respective regions, the Group provides statutory holidays such as the basic paid annual leave and maternity leave for employees. Meanwhile, for overtime work by employees in non-office hours (e.g. post working hours on general working days, or statutory holidays of the country), employees may receive the appropriate overtime payment according to the requirements of the labour law. Lastly, in order to enhance the sense of belonging, the Group has set up a birthday management regulation to standardize the birthday celebration activities for employees every month.

本集團在國內之員工享受國家法定五大社會保險(包括基本養老保險、基本醫療保險、工傷保險、生育保險、失業保險)。本集團根據各地區的相關僱傭法律,給予員工基本的帶薪年休假及產假等法定假期。同時,員工於非辦工時間(如:一般工作天辦工時間後或國家法定節假日)超時工作,均可按勞動法規定領到相應的加班費。最後,為提高歸屬感,本集團設立了生日管理規章,規範每月為員工舉行的生日慶祝活動。

As of 31 December 2016, the Group has in total approximately 600 employees. The table set out below is the key performance indicator ("KPI") established according to department and age group of employees. Most of the employees are employed for our business operation in the PRC. The approximate proportions of technical management staff and production base workers:

截至2016年12月31日,本集團僱員總數約600名,下表是按員工的部門及年齡組別設立的關鍵績效指標(Key Performance Indicators,簡稱「KPI」)。大部份員工任職於中國業務,管理技術人員與基地生產人員概約佔比為:

		Approximate proportion of technical management staff 管理技術人員約佔	**Approximate proportion of production base workers 基地生產人員約佔**	**Total 合共**
Aged 18–25	18–25歲	1%	13%	14%
Aged 25–30	25–30歲	5%	20%	25%
Aged 30–40	30–40歲	12%	31%	43%
Aged 40–50	40–50歲	4%	12%	16%
Over 50	50歲以上	1%	1%	2%
Total	總計	23%	77%	100%

In order to recognise the importance of the communication with its employees, the Group encourages its employees to share their ideas, raise questions or make suggestions to the Group. With the availability of a wide array of communication channels, the Group offers its employees access to the latest information of the Group through a number of means such as the Group's website and Company's quarterly journal. Employees can also maintain timely and smooth communication with the management, colleagues and partners of the Group through members of the union or representatives of the employees.

本集團重視與員工的溝通，鼓勵他們分享自己的想法，對本集團提出問題或建議。集團亦為員工創立多樣的溝通管道，員工可以通過集團網站及公司季刊等方式得到集團之最新資訊，員工亦能透過工會委員或員工代表等與本集團管理層、同事、合作夥伴等保持及時、順暢的溝通。

Staff restaurants are available in the Group's production plants. The Group also sets aside reserved funds for staff activities, which enables the employees to relieve stress, and, promote the Group's corporate culture of the spirit of solidarity and cohesion among the employees.

本集團於廠房增設員工餐廳，並有預留經費以支持各項員工活動，為員工舒緩工作壓力之餘，亦宣傳了本集團的團結精神的企業文化及員工凝聚力。

2.2 LABOUR STANDARDS

All work should be voluntarily performed and shall not involve forced labour, debt repayment, contractually bound labour or involuntary prison labour. All employees may resign upon reasonable notice. The Group prohibits child labour in any workplace. "Child labour" refers to any employee under the age of 16 (or the minimum legal age for labour). Working hours shall not exceed the limit stipulated by local laws and employees are entitled to one day-off per week. Salary and benefits also comply with applicable wage laws, in relation to minimum wage, overtime hour and mandatory benefits. The salary payment is made in a timely manner.

2.2 勞工準則

所有工作應當是自願而不是使用強迫、抵債、用契約束縛的勞工或者是非自願的監獄勞工。所有員工在合理通知的情況下擁有自由離職的權利。本集團不容許有童工在任何工作場所工作。「童工」是指未滿16歲(或最低法定勞工年齡)的員工。工作時間不得超出當地法律最高工時，而每周七天應當允許員工有一天休息。工資與福利亦符合有關最低工資、加班時間和法定福利的適用當地工資法例。及時發放工資。

The Group prohibits discrimination based on race, colour, age, gender, sexual orientation, ethnicity, disability, pregnancy, religion, political affiliation, union membership or marital status in recruitment and employment practices such as promotions, rewards, access to training and demotion.

本集團禁止因人種、膚色、年齡、性別、性傾向、種族、殘疾、懷孕、信仰、政治派別、工會成員或婚姻狀況在聘請和晉升、獎勵、接受培訓和降級等僱用實務方面有任何歧視行為。

2.3 HEALTH AND SAFETY

With safe production as its first priority, the Group strictly complies with relevant laws and regulations including the Labour Law of the People's Republic of China (《中華人民共和國勞動法》), the Law of the People's Republic of China on Work Safety (《中華人民共和國安全生產法》) and the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》).

Every plant of the Group configures a dedicated staff canteen and obtained "Food Service Permit" according to local law. Staff canteen is managed by the meal management committee composited of management representatives and staff representatives. Its responsibility is to monitor the procurement of food to ensure that the food meets the national health standards.

The Group trains employees to prevent occupational hazards from time to time, and regularly distribute labor protection supplies and tools to employees, such as gloves, masks, earplugs, protection shoes and first aid kits. At the same time, the company commissioned a qualified professional organisation specializing in detection and evaluation of workplace occupational hazards on an annual basis to monitor the work environment. In accordance with the professional guidance in the report issued by the qualified Professional organization the Group posts the hazard warning signs and labour protection supplies reminders in relevant work places. The Group provides to the relevant staff with annual occupational health examination. Meanwhile, the Group also implement the labor protection supplies regulatory mechanism. With regular inspection by dedicated persons, the employees are required to wear labour protection supplies to safeguard their health.

2.3 健康與安全

本集團一直將安全生產工作放在首位，嚴格執行《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》等相關法律法規。

本集團各廠房配置專門員工餐廳並根據當地法律獲得「食品衛生許可證」。員工餐廳由餐飲管理委員會管理。該委員會由管理層代表及員工代表組成，負責監察食品的採購，確保食品供應符合國家健康標準。

本集團不時對員工進行培訓以預防職業危害，並定期向員工分發勞保物資及工具，例如手套、口罩、耳塞、勞保鞋和急救箱。同時，本公司每年委託專門從事工作場所職業危害偵察及評估的有資質專業組織監察工作環境，根據有資質專業組織刊發的報告內的專業指引，本集團在相關工作場所張貼危害警告標誌及勞保用品提示。本集團向相關員工提供年度職業健康檢查。本集團同時亦實施勞保用品監管機制。在專設人員的定期檢查下，要求員工穿戴勞保用品以保障彼等的健康。

In terms of production safety, the Group provides target training for newly recruited employees with three levels of personal safety training. The specific categories are as follows:

生產安全方面，本集團為新招入員工提供針對性培訓，有三個級別的個人安全培訓。具體類別如下：

Education categories **培訓類別**	**Abstract** **摘要**
First level (Corporate education) 第一級培訓 （公司培訓）	1. The company's production safety circumstance and basic knowledge of production safety; 公司的生產安全環境及生產安全基本知識； 2. The company safety rules and regulations and labor discipline; 公司安全規章制度與勞動紀律； 3. The employees' rights and obligations in production safety; 員工的生產安全權利與責任； 4. Emergency rescue plan and self-help knowledge; 急救預案及自救知識； 5. The accident case study; 事故案例學習； 6. Other safety-related training. 其他安全相關培訓。
Second level (Workplace education) 第二級培訓 （工作場所培訓）	1. Working environment and risk factors; 工作環境及風險因素； 2. Occupational hazards and casualties that may be suffered; 可能遭受的職業危害及傷亡； 3. Work safety responsibilities, operational skills and mandatory standards; 工作安全責任、營運技能及強制性標準； 4. Rescue and first aid methods, evacuation and on-site emergency treatment; 救援與急救方法、疏散及現場搶救； 5. Use and maintenance of safety equipment and personal protective equipment; 安全設備及個人保護設備的使用及維護； 6. Safety production conditions in workplace and related rules and regulations; 工作場所的安全生產條件及相關規章制度； 7. Measures to prevent accidents and occupational hazards and safety matters that should be paid attention to; 防範事故及職業危害的措施以及應注意的安全事項； 8. The accident case study; 事故案例學習； 9. Other training content. 其他培訓內容。
Third level (Position education) 第三級培訓 （崗位培訓）	1. Safety operating procedures for related position; 相關崗位的安全操作程序； 2. The safety and occupational health matters relating to interconnection between different positions; 有關不同崗位互聯的安全及職業健康事項； 3. The accident case study; 事故案例學習； 4. Other training content. 其他培訓內容。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
環境、社會及管治報告

During 2016, no severe industrial accidents were recorded by the Group, while seven minor industrial accidents had occurred, which were mainly caused by improper operation of machinery and malfunction of equipment. The KPI of the production base, measured in days lost due to work injury, is set out in the table below.

2016年，本集團並無發生嚴重工業事故，但發生七次輕微工業事故，主要是由於機器的不當操作及設備故障所致。按工傷損失工作日數計量的各生產基地的KPI載於下表：

		Production base of the Group 本集團生產基地	
Item	**項目**	**Foshan 佛山**	**Zhejiang 浙江**
Days lost due to work injury	工傷損失工作日數	97	27

The Group has strengthened on-the-job safety training by requiring all department heads responsible for work injury to carry out safety training for their department staff, and through a series of measures to enhance the safety awareness of employees in order to avoid the recurrence of similar incidents.

本集團要求負責工傷的各部門領導為其部門員工進行安全培訓，強化在職安全培訓，並利用一系列措施提高員工的安全意識，從而避免類似事件的再次發生。

In addition, the Group has set up emergency first aid kits in all workplaces and offices, and sent workplace representatives to participate in first aid knowledge training provided by the Red Cross. Each year, the Group also invites local authoritative medical rescue units to conduct on-site first aid knowledge training for all employees.

此外，本集團在所有工作場所及辦事處設立急救箱，並組織工作場所代表參與紅十字會提供的急救知識培訓。本集團亦每年邀請當地權威醫療救援單位為所有員工進行現場急救知識培訓。

Moreover, the Group has assigned dedicated people to conduct monthly inspection of the fire equipment, and invite a qualified professional institution to perform annual inspection on fire equipment. On every spring and autumn, the Group perform full fire drill to strengthen the awareness of fire safety and fire prevention. Fire squadrons are invited to participate in and lead the group fire drill. They also provide on-site education and training to all employees.

此外，本集團委派專門人員每月檢查消防設備，並邀請有資質專業機構進行消防設備年度檢查。在每年春秋季節，本集團進行全員消防演練，以提高消防安全及防火意識，並邀請消防隊參與並領導集團消防演練及為所有員工提供現場訓導與培訓。

2.4 DEVELOPMENT AND TRAINING

The Group highly emphasizes on the internal and external learning and training to enhance the educational standards and working ability of employees. The Group has co-operated with corporate consulting firms to provide different types of Employee trainings. The categories include personnel, finance, production management, personal qualities, research and development and marketing. For key senior management, the Group funds them to study Master of Business Administration or English course. Through education and training, the Group enables its employees to enhance their personal qualities, strengthen their working skills and reinforce the team performance. Moreover, employees can grow with the Group by realising their own values on the basis of their personal interest and expertise.

All employees are subject to regular performance and career development appraisal, in order to ensure the efficiency and quality of the employees and to foster the stable development of the Group. Based on the work needs, the Group has launched a multi-skilled pay program to encourage the employees to acquire additional professional skills of different production procedures.

Promotions are made in accordance with the needs from the Group's business development and the employees' competence. Vacancies of the Group's internal management positions will be filled up internally by promoting the most qualified employees within the Group. This offers the employees with the opportunities for promotion and enhances the efficiency of the Group.

2.4 發展與培訓

本集團高度重視內外部學習與培訓，以提高員工的教育水準及工作能力。本集團與企業諮詢公司合作，為員工提供多種類型的培訓，包括人事、財務、生產管理、個人素質、研發及營銷。對於關鍵高級管理層人員，本集團資助彼等研習工商管理碩士或英語課程。本集團可通過教育訓練，令員工提升個人素養，增長工作技能，增加團隊績效，而員工亦可在基於個人興趣與專長的基礎上實現自身價值，與集團一同成長。

本集團所有員工需接受定期業績和職業發展考評，以確保員工之工作效率及品質能協助本集團得以平穩發展。基於工作需要，本集團推出了多技能薪酬方案，鼓勵員工學習不同生產程序的更多專業技能。

本集團按照業務發展所需及員工能力晉升，對出缺的管理崗位，本集團會提拔晉升最具資格的現有員工，這可給予員工晉升機會及提高集團的效率。

3. OPERATING PRACTICES

3.1 SUPPLY CHAIN MANAGEMENT

Based on Supply Chain Social and Environmental Responsibilities ("SER") Management, the principal raw materials currently required by the Group's production operation include metallic and plastic raw material, chemical and dyeing material and packaging material. The Group maintained a list of potential suppliers, containing hundreds of domestic and overseas suppliers. In addition to factors such as pricing, quality, reliability in supply, the Group will also take into account the suppliers' performance in fulfilling their social responsibilities and commitment to environmental protection in the selection of suppliers. The Group requires the suppliers to comply with the laws and regulations in the countries and regions where their operations are located, and operate in good faith by adhering to their business ethics. The Group prohibits discrimination arising from regional, racial, cultural and political factors in the course of certification, evaluation and optimisation of suppliers.

In addition, to reinforce suppliers' respect for employees awareness of environmental protection as well as health and safety, the Group requires all suppliers to sign the "Supplier Cooperation Letter". At the same time, a dedicated team has been set up to conduct on-site appraisal of high-risk suppliers, and assists suppliers in improving the substandard performance. The Group also joins hands with suppliers to combat commercial bribery and other illegal activities. The Group transacted based on fair, justice and open principles by entering "Clean Cooperation Commitment" with suppliers.

3. 營運慣例

3.1 供應鏈管理

按照供應鏈社會與環境責任(「SER」)管理。目前，本集團生產所需的原材料主要包括金屬及塑膠原料、化學印染材料及包裝物料等。本集團維持潛在供應商清單，包括幾百間國內外的供應商。在選擇供應商時，除供應商價格、品質、供貨穩定性等因素外，本集團亦會考慮各供應商於履行社會責任及環境保護的投入，要求供應商遵守所在國家和地區的法律法規，恪守商業道德準則，誠信經營。本集團在供應商認證、評估、優化等過程中禁止區域、種族、文化和政治等因素的歧視行為。

此外為推動供應商在對員工的尊重、環境保護和健康安全意識方面，本集團要求所有供應商簽署《供應商合作書》。同時由專門團隊對高風險的供應商進行現場稽核，並協助供應商改善其不如預期的表現。本集團亦與各供應商共同打擊商業賄賂等違法行為，和供應商簽署了《公平合作承諾書》，以公平、公正及公開的原則交易。

3.2 PRODUCT LIABILITY

1. *Quality Management*

With unwavering commitment to premium product quality, the Group has established a set of comprehensive quality control system. The companies within the Group have successively passed the certification of ISO9001 quality control system, the STANDARD 100 by OEKO-TEX® (OEKO-TEX 100) textile product certification system and Trim Qualification Program (TQP) quality control system. The Group has set up a competent comprehensive quality control department, which implements product quality standards in strict compliance with customers' requirements. The department adheres to strict rules in trial production and perform sample tests on mass production in order to monitor the quality with customers. Until now, no recall of product due to safety reasons has occurred.

2. *Advertising and labeling management*

The Group manages labeling and advertising by laws to protect consumers' rights and maintain brand image. The Group conforms the requirements of Advertisements Law of the People's Republic of China. The Group also manage design and change of packaging materials used for new products to make the product package conform to the characteristic of products, the demand of market, the technical conditions and the provisions of national laws and regulations. Design draft of label, manual and package should include product specifications, packaging specifications, size requirements, material requirements, appearance requirements, packaging safety requirements and other specific contents which are reviewed by marketing department, manufacturing department, logistics department and quality control department.

3.2 產品責任

1. *質量管理*

秉持對優質產品的承諾，集團建立了一套完善的品質管制體系。集團下屬公司先後通過了ISO9001品質管制體系、OEKO-TEX® STANDARD 100(OEKO-TEX 100)紡織品認證體系及Trim Qualification Program (TQP)質量控制體系認證。集團有一個完善的品質管制部門，嚴格按照客戶要求執行產品品質標準，進行產品試產和量產抽查，與客戶共同監測產品品質情況。本集團迄今並無發生因安全問題召回產品的事件。

2. *廣告標簽管理*

集團依法進行標簽管理和廣告宣傳，進一步保障消費者的權益，維護公司的品牌形象。集團司嚴格執行《中華人民共和國廣告法》等法律法規的要求，還規範新產品投產的包裝材料的設計和變更的管理，進而做到產品的包裝符合產品的特性、市場的需求、生產工藝的條件和國家法律法規的規定。標簽、說明書及包裝盒的設計稿須包括產品規格、包裝規格、尺寸要求、材質要求、外觀要求和產品包裝安全要求等具體內容，並由公司市場部、生產部、物流部和質量控制部進行審核批准。

3. *Consumer Services*

With uphold of the principle of honest, the Group tries best to provide accurate product information and protect customer's right to know. Customers make complain by oral, telephone, mail, fax, visiting or other form to the Group. The Group has developed Customer Complaint Handling Mechanism to regulate procedure of complaint registration, evaluation, investigation and treatment. Quality problems from customers shall be solved immediately and effectively to improve consumers' satisfaction. According to the Mechanism, any department or personnel receiving customers' complaints shall forward them to sales department and quality control department. Quality control department takes charge of organising investigation and treatment of customers' complaints related to product quality, approving relevant corrective and preventive actions plan, assisting sales department to reply to customers. Sales department assists quality control department to investigate complaint, provides and implements sales measures, communicates with customers and replies the complaint.

4. *Privacy Protection*

The Group has prepared the measures on commercial secrets in accordance with relevant laws and regulations in the PRC to protect its legal rights. The Group has established an internal confidential system and requires relevant personnel to sign a non-disclosure agreement.

3.3 ANTI-CORRUPTION

The Group advocates honesty and trustworthiness, and never allows bribery, extortion, fraud, money laundering or breach of professional ethics. All employees need to sign the "Integrity Agreement" on entry date in order to restrict their behavior, establish good professional ethics and clear responsibilities, and strengthen supervision. "Clean Cooperation Commitment" is also required to be entered with customers or suppliers before transacting with them, promising no violation of good faith principle in the course of any business dealings in the future. During the reporting period, there were no lawsuit against the group companies or their employees in respect of fraud and corruption.

3. *消費者服務*

集團秉承誠實守信的原則，竭力提供準確的產品信息及保障客戶的知情權。客戶可以通過口頭、電話、郵件、傳真、來訪或其他形式投訴至本集團。集團建立了顧客投訴處理機制，規定投訴登記、評價、調查和處理的程序，做到客戶反饋的質量問題得到及時、有效地解決，提高客戶滿意度。根據該機制，任何接到客戶投訴的部門或人員，應立即將投訴信息反饋給銷售部門和質量控制部。質量控制部組織對與產品質量相關的客戶投訴的調查處理，批准相關的糾正和預防措施方案，協助銷售部門對客戶進行答覆；銷售部門協助質量控制部對投訴進行調查；提出並執行銷售業務方面的措施方案；與客戶溝通，對投訴進行答覆。

4. *隱私保護*

集團依照國家有關法律法規訂立商業秘密管理辦法，保護集團合法權益。集團建立內部保密制度，並要求相關員工簽署保密協議。

3.3 反貪污

本集團倡導誠實守信，不允許賄賂、勒索、欺詐、洗黑錢或違反職業道德的行為。所有員工在入職當日須簽署「誠信協議」，以限制其行為，建立良好的職業道德和明確的職責，並加強監督。在與客戶或供應商交易前，亦須簽訂《公平合作承諾書》，承諾未來在任何業務交易過程中不違反誠信原則。報告期內，本集團並無針對集團公司或其員工的涉及欺詐和腐敗的訴訟案件。

At the same time, the Group sets up a hotline to receive reports from all employees, external organizations or personnel. In addition to hotline, the Group also includes mailbox, e-mail and Internet platform to encourage internal fraud reporting.

同時，本集團設立了一條電話熱線，接收所有員工、外部組織或人員的報告。除了電話熱線，本集團亦納入郵箱、電子郵件及互聯網平台，鼓勵內部欺詐報告。

4. COMMUNITY INVOLVEMENT

4.1 COMMUNITY INVESTMENT

The Group emphasizes the support of the community and participates in a number of charitable activities, such as the establishment of the "KEE Charitable Foundation" to help employees in difficult circumstances. In addition, the Group participates in a number of charitable activities for the students, disabled, elderly, impoverished and athletes.

4. 社區參與

4.1 社區投資

本集團重視社區支持並參與多項慈善活動，例如成立「開易慈善基金會」，協助困難員工。此外，本集團參與多項為學生、殘疾人、老年人、貧困人群及運動員舉辦的慈善活動。

5. COMMUNICATION WITH STAKEHOLDERS

In order to better implement our corporate social responsibilities, the Group maintains communications with stakeholders such as shareholders, employees, suppliers, customers, communities and non-governmental organizations through a number of channels. Through which, the Group can listen to the voices of various parties, understand their expectations and learn the merits from them. Stakeholders' selection, communication frequencies, their issues of concern as well as the approach of the Company are detailed in the following table:

5. 與持扮者的溝通

為了更好地推行企業社會責任，本集團與股東、員工、供應商、客戶、社區和非政府組織等持份者建立了多種溝通渠道，傾聽各持份者的聲音，了解他們對本集團的期望，學習他們的先進之處。對持份者的選擇、溝通頻率、關切議題和公司方向，詳列如下表：

Stakeholders **持份者**	**Selection criteria** **選擇標準**	**Communication channels and frequencies** **溝通渠道及頻率**	**Issues of concern** **關切議題**	**Efforts and approach of the Group** **集團努力方向**
Shareholders	–	The Group publishes annual and interim results in a timely manner. While shareholders may communicate with the Group in the annual general meeting and through regular contact, they also obtain information about the Company on the spokesman platform, investors' conferences, investment lectures and roadshows, press release and the Group's website arranged by the Group on time	Shareholders' benefits, a priority for the Group's decision, and an emphasis on open dialogue with shareholders which ensure that shareholders receive important public listing information, understand the business performance strategies and prospects of the Group	Both the Group and Directors will strictly comply with relevant regulations of the Listing Rules in Hong Kong regarding the protection of shareholders' interests.

Stakeholders 持份者	Selection criteria 選擇標準	Communication channels and frequencies 溝通渠道及頻率	Issues of concern 關切議題	Efforts and approach of the Group 集團努力方向
股東	—	按時發佈年度及中期業績，股東除透過集團的股東週年大會及一般聯繫方法與本集團聯絡外，亦可透過集團成立的發言人平台、投資者會議、投資演講會及路演、新聞稿及集團網頁等及時取得公司資訊	本集團決策上以股東利益為先，注重與股東的溝通，股東適時取得上市公司重要資訊，了解本集團業務表現、策略及前景	公司及董事均嚴格遵守香港上市規則保障股東權益的相關條例。
Employees	Equally	Through a number of pipelines such as employee hotlines, seminars, mailboxes and satisfaction surveys, the Group establishes communications with employees. Also, the Group establishes poverty employee relief fund, employee mutual fund and employee relatives condolence fund	Working environment, staff's well-being and job satisfaction	The Group has established a barrier-free communication system and process. The Group provides the employees with psychological counselling services hotline and setting up employee caring centers. All these initiatives have helped to improve employees' sense of belonging to the Group.
員工	一視同仁	通過員工熱綫、座談會、信箱、滿意度調查等管道與員工溝通，並設立特困員工救濟金、員工互助基金及員工親屬慰問金等	工作環境，員工身心健康及工作滿意度	本集團已建立一套無障礙溝通系統和流程，為員工開通求助熱線，建立員工關愛中心，疏導員工心理促其健康成長。這些均有助提高員工在集團工作的歸屬感。
Suppliers	Priorities determined at the 80/20 rule	The Group hosts annual supplier meeting and carry out appraisals	Supplier code of conduct, and the degree of compliance with laws and regulations	Annual supplier meeting and unscheduled SER appraisal will be held, in order to make suppliers well aware of the Group's requirements for supply chain.
供應商	以80/20法則來決定優先次序	舉辦年度供應商會議及稽核	供應商行為準則，法律法規符合度	舉辦年度供應商會議及不定期的SER稽核，向供應商傳達本集團對供應鏈的要求。
Customers	Service excellence for customers	SER events	Suppliers' SER compliance condition, green product standards, greenhouse gas discharge stipulations, as well as resources and energy saving	The Group maintains close connections with customers, and accepts enquires from customers. The Group reports SER status and downstream supplier SER management status to customers. The Group constantly reinforces customer services by providing fast, efficient, high-quality, economical and innovative products. The Group puts active efforts on energy conservation and emission reduction, and offers customers access to low-carbon products.

Stakeholders 持份者	Selection criteria 選擇標準	Communication channels and frequencies 溝通渠道及頻率	Issues of concern 關切議題	Efforts and approach of the Group 集團努力方向
客戶	以客戶為尊	社會與環境責任(簡稱：SER)活動	供應商SER符合狀況，綠色產品標準，溫室氣體排查，資源能源節約	與客戶保持緊密聯繫，隨時接受客戶審核；向客戶報告SER狀況及下游供應商SER管理狀況。 不斷強化客戶服務，提供快捷、高效、高品質、經濟創新的產品和服務；積極節能減排，為客戶提供低碳產品。
Communities	Extension of reach by leveraging the presence of the Company in each of its bases	Depending on annual, quarterly and monthly plans and activities	Environmental protection and community education	Each of our factory zones will take part in environmental protection and green home activities in joint forces, in an effort to raise the awareness of the protection of the environment among the community. In respect of education for the young people, the Group spreads the spirit of love among young people by helping them go to school through donations on an irregular basis.
社區	以公司各據點所在地為出發點	依年度、季度及月度計劃及活動而定	環境保護及社區教育	每個廠區攜手環保、美化家園系列活動，激發社區對環境的保護意識。 在青少年教育上，捐資促學，不定期進行愛心助學捐助。
Non-governmental organisations (NGO)	Exchanges with the selected professional NGO on a fair basis with regard to the issue of concern	Unscheduled call conferences, as well as yearly SER activities and appraisal	Green products, environmental protection and employee care	The Group is involved in SER-related activities organised by NGO in unscheduled manner. The Group joins forces with NGO to promote special environmental issues.
非政府組織 (NGO)	以關切議題為標準，選定專業公平的NGO進行交流	不定期電話會議、年度各項SER活動及評比	綠色產品、環境保護及員工關愛	不定期參加NGO舉辦的SER相關活動；針對特殊環境議題與NGO共同推進。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層履歷

As at the date of this annual report, the Board consists of five Directors, including two executive Directors and three independent non-executive Directors.

於本年報日期，董事會由五名董事組成，包括兩名執行董事及三名獨立非執行董事。

EXECUTIVE DIRECTORS

Mr. Wu David Hang ("Mr. Wu"), aged 54, has been appointed as an executive Director, chairman of the Board, chief executive officer and authorized representative of the Company with effect from 17 February 2016. He is a vice president of overseas business development of 中弘卓業集團有限公司 (Zhonghong Zhuoye Group Company Limited*), which is the controlling shareholder of 中弘控股股份有限公司 ("Zhonghong Holding Co. Ltd*, "Zhonghong") and holds approximately 34.51% of the issued shares of Zhonghong. Prior to this, he was an investment banker, with a focus on cross-border transactions in Asia markets, especially in China market for many years. From 1996 to 2004, Mr. Wu served as a vice president of the Corporate Finance and Investment Banking group at Citigroup. From 2004 to 2007, Mr. Wu worked as a principal at Marco Polo Partners in New York. From 2007 to 2009, he worked at China Power Development Corp. New York, a renewable energy development firm, as one of the founding members. From 2009 to 2015, Mr. Wu served as a managing director of Herakles Capital International, a New York based investment banking firm. Mr. Wu obtained his MBA degree from University of District of Columbia, USA and his Bachelor of Science degree from University of Electronic Science and Technology of China. He is currently an executive director, chairman of the board of directors, chief executive officer and authorized representative of Ascent International Holdings Limited ("Ascent"), a company listed on the Stock Exchange of Hong Kong (stock code: 0264) and 66.1% owned by Zhonghong.

執行董事

吳航正先生(「吳先生」)，54歲，獲委任為執行董事、董事會主席、行政總裁及公司授權代表，自2016年2月17日起生效。彼於中弘卓業集團有限公司擔任海外業務發展副總裁，該公司為中弘控股股份有限公司(簡稱「中弘」)的控股股東並持有中弘已發行股份約34.51%。彼在此之前為資深國際投資銀行家，專注於亞洲市場的跨境交易，尤其專注於中國市場的跨境交易多年。1996年至2004年，吳先生擔任花旗集團企業融資及投資銀行組的副總裁。2004年至2007年，吳先生為紐約馬可孛羅合夥人公司(Marco Polo Partners)的合夥人。於2007年至2009年期間，彼於紐約一間可再生能源開發公司(China Power Development Corp.)作為創始人之一並擔任行政總裁。2009年至2015年期間，吳先生擔任總部設於紐約的投資銀行公司Herakles Capital International的執行董事。吳先生於美國哥倫比亞地區大學(University of District of Columbia)取得工商管理碩士學位，並於中國電子科技大學取得理學士學位。目前，彼為於香港聯交所上市的中璽國際控股有限公司(「中璽」)(股份代號：0264)(中弘持有66.1%股份)的執行董事、董事會主席、行政總裁及授權代表。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層履歷

Mr. Hou Jian ("Mr. Hou"), aged 30, has been appointed as an executive Director of the Company with effect from 17 February 2016. He graduated from Inner Mongolia Finance and Economics College with a bachelor of arts degree in public affairs administration. He served as an accounting clerk at 北京中弘投資有限公司 (Beijing Zhonghong Investment Company Limited*), a wholly-owned subsidiary of Zhonghong, from October 2009 to March 2010. He served as an accountant at Zhonghong from March 2010 to May 2011 and a fund manager at Zhonghong from June 2011 to February 2015. Since 5 February 2015, he has been serving as a senior fund manager for Zhonghong. He is currently an executive director and authorized representative of Ascent.

侯健先生(「侯先生」),30歲,自2016年2月17日起獲委任為公司之執行董事。彼畢業於內蒙古財經學院,取得公共事務管理專業學士學位。2009年10月至2010年3月任北京中弘投資有限公司(中弘之全資附屬公司)會計文員;2010年3月至2011年5月任中弘會計;2011年6月至2015年2月任中弘基金經理。2015年2月5日起至今任中弘高級基金經理。目前,彼為中璽的執行董事及授權代表。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Yik Chung John ("Mr. Wong"), aged 49, has been appointed as an independent non-executive Director of the Company with effect from 17 February 2016. He graduated from the University of Melbourne in 1991 with a bachelor's degree in economics (majoring in economics and securities law). Mr. Wong is a member of the Australian Society of Certified Practising Accountants (ASCPA) and a member of the Hong Kong Institute of Certified Public Accountants. He has worked in the several international accountant firms for around 10 years since his graduation namely PricewaterhouseCoopers (Hong Kong) in 1992, Arthur Anderson (Hong Kong and Shanghai) from 1993 to 1995, PricewaterhouseCoopers (Beijing) from 1995 to 1996, Ernst & Young (Hong Kong) from 1996 to 1998 and Deloitte from 2000 to 2003. He specialises in listing audits (primarily for companies in mainland China seeking to be listed overseas) and financial advisory business for listed companies, including mergers and acquisitions and restructuring. He founded a finance and IT subcontracting company in 2003, and disposed of such business to TMF Group, a leading service subcontracting consortium in Europe, in 2008. Subsequently, he also founded several fund management companies including Vantage Capital Ltd. In 2015, he left the position of managing partner, and served as a company consultant of Vantage Capital Ltd., focusing on risks control and corporate strategies. Over the past three years, he served as director for the following companies listed on (i) the Shenzhen Stock Exchange, namely Western Securities Co., Ltd. (stock code: 2673), and (ii) the Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), Biosino Bio-Technology and Science Incorporation (stock code: 8247), Perfect Optronics Limited (stock code: 8311), Long Ji Tai He Holding Limited (stock code: 1281), Golden Resources Development International Limited (stock code: 677) and Beijing North Star Company Limited (stock code: 588). He is currently serving as independent non-executive director for the following companies which are listed on the Stock Exchange, namely EcoGreen International Group Limited (stock code: 2341), Perfect Optronics Limited (stock code: 8311), Long Ji Tai He Holding Limited (stock code: 1281) and Ascent.

獨立非執行董事

黃翼忠先生(「黃先生」),49歲,自2016年2月17日起獲委任為公司之獨立非執行董事。彼於1991年畢業於墨爾本大學,取得經濟學(主修經濟和證券法)學士學位。黃先生為澳洲執業會計師公會(Australian Society of Certified Practising Accountants (ASCPA))會員及香港會計師公會會員。畢業後一直在數間國際會計事務所工作約10年,即羅兵咸永道會計師事務所(香港)(1992年)、安達會計師事務所(香港及上海)(1993年至1995年)、普華永道會計師事務所(北京)(1995年至1996年)、安永會計師事務所(香港)(1996年至1998年)及德勤•關黃陳方會計師行(2000年至2003年)。專業於上市審計(主要為尋求在海外上市之大陸公司)和上市公司財務顧問業務,包括兼併收購重組。2003年創業成立財務和資訊科技外包公司,2008出售該業務給歐洲具領導地位的服務外包財團TMF Group。之後又創立了顯德投資管理有限公司等多家基金管理公司。2015年退出管理合伙人職位,擔任顯德投資管理有限公司公司顧問,專注風險控制和公司策略。於過去三年曾於以下證券交易所上市的公司擔任董事:(i)深圳證券交易所,即西部證券股份有限公司(股份代號:2673),及(ii)聯交所,即中怡國際集團有限公司(股份代號:2341)、中生北控生物科技股份有限公司(股份代號:8247)、圓美光電有限公司(股份代號:8311)、隆基泰和控股有限公司(股份代號:1281)、金源米業國際有限公司(股份代號:677)及北京北辰實業股份有限公司(股份代號:588)。現任下列多家於聯交所上市的公司擔任獨立非執行董事,即中怡國際集團有限公司(股份代號:2341)、圓美光電有限公司(股份代號:8311)、隆基泰和控股有限公司(股份代號:1281)及中壘。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層履歷

Mr. Tse Calvin Kai Chuen ("Mr. Tse"), aged 52, has been appointed as an independent non-executive Director of the Company with effect from 17 February 2016. Mr. Tse obtained his Bachelor of Economics degree from Macquarie University, Australia. Mr. Tse is a member of the Certified Practising Accountants (Australia) and has over 20 years of experience in accounting and finance as well as over 10 years of management experience in computer software and information technology projects. He worked in Polymedia Presentations Company as an accountant from 1988 to 1990. He served as a director in Corporate Comm. Systems, a private company, from 1991 to 2003 and in HK Rugby Football Union, a non-governmental organization, from 2000 to 2002. In addition, he worked in the following companies which are listed on the Stock Exchange, (i) as a finance director in New Times Group, the holding company of China Innovation Investment Limited (stock code: 1217) in 2004 and (ii) as a consultant to Haywood Investments Limited (stock code: 905) in 2005. He also served as a consultant to Jermajesty Holdings, a subsidiary of GoConnect Holdings which is listed on the Australian Securities Exchange (stock code: ASX-GCN) from 2013 to 2015.

謝繼春(「謝先生」),52歲,自2016年2月17日起獲委任為公司之獨立非執行董事。謝先生於澳洲麥考瑞大學取得經濟學學士學位。謝先生為澳洲會計師公會會員,於會計及金融方面擁有逾20年經驗,並於電腦軟件及資訊科技項目方面擁有逾10年管理經驗。1988年至1990年於Polymedia Presentations Company任職會計師。1991年至2003年於Corporate Comm. Systems(一間私人公司)任職董事,並於2000年至2002年於香港欖球總會(非政府組織)任職董事。此外,彼曾於以下聯交所上市公司任職:(i) 2004年於新時代集團(即中國創新投資有限公司(股份代號:1217)之控股公司)擔任財務總監;(ii) 2005年於希域投資有限公司(股份代號:905)擔任顧問。彼亦於2013年至2015年於Jermajesty Holdings(即GoConnect Holdings(股份代號:ASX– GCN)的附屬公司,於澳洲證券交易所上市)擔任顧問。

Mr. Leung Ka Tin ("Mr. Leung"), aged 63, holds a Diploma in Financial Management. Mr. Leung has over 25 years of management experience in banking, treasury operation, project finance, logistics and human resource management. He was a senior management team member of various financial institutions including First Pacific Group, Nedcor Asia (previously known as Nedfinance), BfG Germany and Delta Asia Financial Group as well as companies in the logistics and telecommunication sectors including EAS Da Tong Group and Trident Telecom Ventures Limited. Mr. Leung also has extensive experience in the corporate finance field. He served as directors for the following companies listed on the Stock Exchange, namely China Kingstone Mining Holdings Limited (stock code: 1380), Ascent and Wealth Group. He is currently serving as an independent non-executive director for PanAsialum Holdings Company Limited (stock code: 2078) which is listed on the Stock Exchange.

梁家鈿先生(「梁先生」),63歲,持有財務管理文憑。梁先生於銀行、庫務營運、項目融資、物流及人力資源管理方面擁有逾25年管理經驗。彼曾為不同金融機構(包括第一太平集團、萊利亞洲(前稱Nedfinance)、BfG德國及滙業財經集團)及物流及電信領域各公司(包括EAS達通集團及通匯電訊有限公司)的高級管理團隊成員。梁先生亦於企業融資領域擁有豐富經驗。彼曾於以下於聯交所上市的公司即中國金石礦業控股有限公司(股份代號:1380)、中璽及Wealth Group擔任董事。目前,彼於榮陽實業集團有限公司(股份代號:2078)(已於聯交所上市)擔任獨立非執行董事。

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT
董事及高級管理層履歷

SENIOR MANAGEMENT

The senior management are responsible for the day-to-day management of the Group's business.

Mr. Xu Xipeng (**許錫鵬**), aged 51, is the elder brother of Mr. Xu Xinan. Mr. Xu holds directorship in various subsidiaries of the Company and Mr. Xu is responsible for the formulation of development strategies and production management of zipper business. Mr. Xu has over 24 years of experience in the zipper industry, especially on the overall management and production supervision.

Mr. Xu Xinan (**許錫南**), aged 46, is the younger brother of Mr. Xu Xipeng. Mr. Xu holds directorship in various subsidiaries of the Company and Mr. Xu is responsible for sales and marketing and non production management work of zipper business. Mr. Xu has over 24 years of experience in the zipper industry especially on the overall management and sales and marketing.

Mr. Xu Haizhou (**徐海州**), aged 41, joined the Group in May 2010, is currently responsible for financial management, human resources and administration management, information technology work of zipper business. Mr. Xu obtained a bachelor's degree in economics from Hubei University in 1999 and thereafter he was graduated from Sun Yat-sen University in 2016 and obtained an MBA. Mr. Xu is also a member of the Chinese Institute of Certified Public Accountants and a certified tax agent in the PRC.

Mr. Chu Kin Ming, aged 36, was appointed as company secretary of the Company and authorised representative on 17 February 2016. Mr Chu is a fellow member of The Association of Chartered Certified Accountants. He is also a member of The Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Mr. Chu holds a Bachelor of Arts degree in Accountancy from the Hong Kong Polytechnic University and has over 12 years of experience in the field of accounting and financial management.

高級管理層

高級管理層負責本集團業務的日常管理。

許錫鵬先生，51歲，為許錫南先生的胞兄。許先生於本公司不同的附屬公司擔任董事。許先生負責制定拉鏈等業務的發展策略和生產管理。許先生在拉鏈行業擁有逾24年經驗，特別是在整體管理及生產監督方面。

許錫南先生，46歲，為許錫鵬先生的胞弟。許先生於本公司不同的附屬公司擔任董事。許先生負責拉鏈等業務的銷售與市場推廣及其他非生產管理工作。許先生在拉鏈行業擁有逾24年經驗，特別是在整體管理及銷售與市場推廣方面。

徐海州先生，41歲，於2010年5月加入本集團，現負責拉鏈業務的財務管理、人資行政管理以及信息技術工作。徐先生於1999年自湖北大學取得經濟學學士學位，之後於2016年畢業於中山大學，獲得MBA碩士學位，徐先生亦為中國註冊會計師協會會員及中國註冊稅務師。

朱健明先生，36歲，於2016年2月17日獲委任為本公司秘書及授權代表。朱先生為英國特許公認會計師公會資深會員。彼亦為香港會計師公會、英國特許秘書及行政人員公會及香港特許秘書公會之會員。朱先生持有香港理工大學會計學學士學位，彼亦於會計及財務管理行業擁有逾12年經驗。

REPORT OF THE DIRECTORS
董事會報告書

The Directors submit their report together with the audited financial statements for the year ended 31 December 2016.

董事謹此提呈彼等的報告，連同截至2016年12月31日止年度的經審核財務報表。

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are design, manufacture and sale of finished zippers, flat knit ribs and other garment accessories etc. and real estate agency services in China. The Group's major customers are OEMs who manufacture apparel products for (i) apparel brands in China; and (ii) some well known international apparel labels and property developers in China.

主要業務

本公司為投資控股公司。其附屬公司的主要業務為於中國設計、製造及銷售條裝拉鏈、橫機羅紋及其他服裝配件等以及提供房地產代理服務。本集團的客戶主要是為(i)中國服裝品牌；以及(ii)部分國際知名服裝品牌生產服裝產品的OEM及中國物業開發商。

SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2016 are set out in note 12 to the consolidated financial statements.

附屬公司

本公司附屬公司於2016年12月31日的詳情載於綜合財務報表附註12。

BUSINESS REVIEW

The business review of the Group during the year, the description of the future business development, and the risks and uncertainties that the Group faces are set out in the Chairman's report and Management Discussion and Analysis in this report. The particulars of financial risk management of the Group are set out in note 24 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Group's Financial highlights on page 5 of this annual report.

業務回顧

有關本集團年內業務回顧及對未來業務發展的描述，以及有關本集團面臨的風險及不明朗因素，均載於本報告的主席報告和管理層討論與分析中。有關本集團的財務風險管理載於綜合財務報表附註24。本報告第5頁刊載的本集團五年財務摘要，以財務關鍵表現指標分析了本集團年內表現。

FINANCIAL STATEMENTS

The profit of the Group for the year ended 31 December 2016 and the financial position of the Group as at that day are set out in the consolidated financial statements on pages 89 to 92.

A discussion and analysis of the Group's performance during the year and material factors underlying its results and financial position are set out in the Management Discussion and Analysis of this report.

財務報表

本集團截至2016年12月31日止年度的綜合損益表及於該日的綜合財務狀況表載於本報告第89至92頁的綜合財務報表。

有關本集團本年度的業績表現、影響業績及財務狀況的主要因素的討論與分析，載於本報告的管理層討論與分析中。

REPORT OF THE DIRECTORS
董事會報告書

DIVIDENDS
The Board does not recommend any payment of a final dividend (2015: Nil) in respect of the year 2016 to the Shareholders.

股息
董事會不建議向股東派發2016年末期股息(2015年：無)。

RESERVES
As at 31 December 2016, distributable reserves of the Company amounted to HK$198.2 million (2015: HK$147.2 million). Details of movements in reserves of the Group during the year are set out in consolidated statement of changes in equity to the consolidated financial statements.

儲備
於2016年12月31日，本公司可分派儲備為198,200,000港元(2015年：147,200,000港元)。本集團年內儲備的變動詳情載於綜合財務報表的綜合權益變動表內。

RELATIONSHIP OF STAKEHOLDERS
The Group continues to have the concept of "Do it for you", we work for employees, shareholders, partners and society. To the best knowledge of the Group, employees, customers and partners are the key to have continuous sustainable development. We committed to be people oriented and build up good relationship with employees, and work together with our partners to provide high quality products and services to achieve the goal of sustainable development and contribution to the society.

利益相關者關係
本集團持續「為您而做」的理念，為員工、為股東、為客戶、為夥伴、為社會。本集團深知員工、客戶和夥伴是我們持續穩定發展的關鍵。我們致力於以人為本，與員工建立良好關係，與夥伴同心協力，為顧客提供優質的產品和服務，以達到可持續發展和為社會作出貢獻的目的。

DONATIONS
Donations by the Group for charitable and other purposes during the year amounted to HK$11,700 (2015: HK$12,400).

捐贈
本集團本年度內作任何慈善或其他目的的捐款金額為11,700港元(2015年：12,400港元)

ENVIRONMENTAL POLICY AND PERFORMANCE
The Group paid high attention to environmental protection and energy conservation to enhance the capacity of sustainable development and undertake relative social responsibility. Details of the environmental policy and performance of the Group are set out in the environmental, social and governance report of this annual report. For the year ended 31 December 2016, our Group did not receive any environmental penalty.

環境政策及表現
本集團高度重視環境保護，開展節能減排，提高本公司可持續發展能力，承擔相應的社會責任。本集團的環境政策及表現詳情載於本年報環境、社會及管治報告中。截止2016年12月31日止年度內，本集團沒有收到任何的環保處罰。

COMPLIANCE WITH RELATED LAW AND REGULATIONS
As far as the Board and management are aware, the Group has complied all related laws and regulations in all material aspects which may have significant impact on the operation of the Group.

遵守相關法律及法規
就董事會及管理層所知，本集團已於所有重要方面遵守對本集團運營產生有重大影響的相關法律和法規。

MAJOR CUSTOMERS AND SUPPLIERS

Sales and purchases of the Group attributable to its major customers and suppliers respectively for the two financial years were as follows:

主要客戶及供應商

本集團於兩個財政年度內分別向主要客戶及供應商作出的銷售額及採購額如下：

		Year ended 31 December 截至12月31日止年度	
		2016	2015
		% of total turnover 佔總營業額的百分比	% of total turnover 佔總營業額的百分比
The largest customer	最大客戶	**5.6**	4.8
Five largest customers	五大客戶	**18.8**	15.0

The information required in paragraph 31(5) of Appendix 16 to the Listing Rules is omitted pursuant to paragraph 31(7) of Appendix 16 to the Listing Rules since the percentage of total turnover attributable to the five largest customers combined for the year ended 31 December 2016 was approximately 18.8%, i.e. less than 30%.

根據上市規則附錄16第31(7)段，上市規則附錄16第31(5)段所規定的資料可予省略，原因為截至2016年12月31日止年度五大客戶合共應佔營業總額百分比約18.8%，即少於30%。

		Year ended 31 December 截至12月31日止年度	
		2016	2015
		% of total purchase 佔總採購的百分比	% of total purchase 佔總採購的百分比
The largest supplier	最大供應商	**12.0**	12.7
Five largest suppliers	五大供應商	**46.3**	40.2

All of the above five largest suppliers of the Group are independent third parties. To the best knowledge of the Directors, none of the Directors, their associates or any Shareholder holding more than 5% of the issued share capital of the Company, has any interest in any of the Group's five largest suppliers as disclosed above.

本集團上述五大供應商均為獨立第三方。據董事所深知，概無持有本公司已發行股本5%以上的董事、彼等之聯繫人士或任何股東於上述披露的本集團任何五大供應商中擁有任何權益。

REPORT OF THE DIRECTORS
董事會報告書

BANK BORROWING

As at 31 December 2016, the Group do not have any bank loan (2015: HK$15 million).

銀行借貸

於2016年12月31日，本集團並無任何銀行貸款（2015年：1,500萬港元）。

PROPERTY, PLANT, EQUIPMENT AND LEASEHOLD LAND

Details of movements in the Group's property, plant and equipment and leasehold land during the year are set out in note 10 to the consolidated financial statements.

物業、廠房、設備及租賃土地

本集團物業、廠房、設備及租賃土地於年內的變動詳情載於綜合財務報表附註10。

SHARE CAPITAL

Details of movements in ordinary shares of the Company during the year are set out in consolidated statement of changes in equity to the consolidated financial statements.

股本

本公司普通股於年內的變動詳情載於綜合財務報表的綜合權益變動表。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands where the Company is incorporated.

優先權

本公司的組織章程細則或本公司註冊成立所在開曼群島的法例並無優先權的條文。

PURCHASE, SALE OR REDEMPTION OF SHARES

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

購買、出售或贖回股份

截至2016年12月31日止年度，本公司及附屬公司概無購買、出售或贖回本公司之任何上市證券。

DIRECTORS

The Directors as at the date of this report are as follows:

Executive Directors
Mr. Xu Xipeng *(Chairman)* (resigned on 17 February 2016)
Mr. Xu Xinan *(Chief Executive Officer)* (resigned on 17 February 2016)
Mr. Chow Hoi Kwang, Albert (resigned on 17 February 2016)
Mr. Wu David Hang *(Chairman and Chief Executive Officer)* (appointed on 17 February 2016)
Mr. Hou Jian (appointed on 17 February 2016)

Non-executive Director
Mr. Yang Shaolin (resigned on 17 February 2016)

Independent Non-executive Directors
Mr. Lin Bin (resigned on 17 February 2016)
Mr. Kong Hing Ki (resigned on 17 February 2016)
Mr. Tam Yuk Sang, Sammy (resigned on 17 February 2016)
Mr. Wong Yik Chung, John (appointed on 17 February 2016)
Mr. Tse Calvin Kai Chuen (appointed on 17 February 2016)
Mr. Leung Ka Tin (appointed on 17 February 2016)

In accordance with articles 87(1) and (2) of the Company's articles of association, one-third of the existing directors shall retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting. Mr. Wong Yik Chung, John and Mr. Tse Calvin Kai Chuen will retire and being eligible, other themselves for re-election at the forthcoming annual general meeting.

董事

截至本報告日期的董事如下：

執行董事
許錫鵬先生(*主席*)(於2016年2月17日辭任)
許錫南先生(*首席執行官*)
(於2016年2月17日辭任)
周浩光先生(於2016年2月17日辭任)
吳航正先生(*主席及行政總裁*)
(於2016年2月17日獲委任)
侯　健先生(於2016年2月17日獲委任)

非執行董事
楊少林先生(於2016年2月17日辭任)

獨立非執行董事
林　斌先生(於2016年2月17日辭任)
江興琪先生(於2016年2月17日辭任)
譚旭生先生(於2016年2月17日辭任)
黃翼忠先生(於2016年2月17日獲委任)
謝繼春先生(於2016年2月17日獲委任)
梁家鈿先生(於2016年2月17日獲委任)

根據本公司組織章程細則第87(1)及(2)條，現時三份一的董事應於應屆股東週年大會上退任，並合資格膺選連任。黃翼忠先生及謝繼春先生將於應屆股東週年大會上退任，並合資格膺選連任。

REPORT OF THE DIRECTORS
董事會報告書

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

Biographies of Directors and senior management of the Group are set out on pages 58 to 62 of this annual report.

董事及高級管理層履歷

本集團董事及高級管理層履歷載於本年報第58至62頁。

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate insurance cover for directors' and officers' liabilities. The permitted indemnity provision is currently in force and was in force throughout the year ended 31 December 2016 in accordance with the definition in section 469 of the Companies Ordinance.

獲准許彌償條文

本公司已就董事及高級行政人員責任保險作出供款。獲准許彌償條文(按香港《公司條例》第469條之定義)現正有效，並於截至2016年12月31日止整個年度有效。

DIRECTORS' SERVICE CONTRACTS

None of the Directors has any unexpired service contract which is not determinable by the Company or its subsidiaries within one year without payment of compensation (other than statutory compensation).

董事服務合約

概無董事訂有本公司或其附屬公司不可於一年內終止而毋須作出賠償(法定賠償除外)的未屆滿服務合約。

DIRECTORS' INTEREST IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in this report, no transactions, arrangement or contracts of significance in relation to the Company's business to which the Company or its subsidiaries was a party and in which a Director or a connected entity of the Director had a material interest, whether directly or indirectly, subsisted as at the end of the year or any time during the year.

董事的交易安排或合約權益

除本報告披露者外，董事或與董事有關連的實體概無於本公司或其任何附屬公司所訂立而於年終時或年內任何時間有效的重大合約或交易協議中直接或間接擁有重大權益。

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors is or was interested in any business apart from the Group's business, which competes or competed or is or was likely to compete, either directly or indirectly, with the Group's business at any time during the year ended 31 December 2016 and up to and including the date of this annual report.

董事於競爭業務中的權益

於截至2016年12月31日止年度直至本年報日期(包括該日)內的任何時間，概無董事在與本集團業務直接或間接存在或曾存在或很可能存在或曾很可能存在競爭的任何業務(本集團業務除外)中擁有或曾擁有任何權益。

REMUNERATION POLICY

The remuneration of employees (including Directors and senior management of the Group) is determined with reference to their qualification, expertise and experience in the industry, competence, duties and responsibilities within the Group, the performance and profitability of the Group as well as the market benchmark and the prevailing market conditions. Employees shall also be eligible to receive a discretionary year-end incentive bonus, which shall be determined by the Group at its absolute discretion taking into account, inter alia, the Group's operating performance, market conditions in which the Group operates and the individual's performance, payable at such time as the Group may consider appropriate, and discretionary share options.

薪酬政策

僱員的薪酬(包括本集團的董事及高級管理人員)乃參照其資格、專長及行業經驗、能力、於本集團的職責、本集團之業績表現及盈利能力、市場基準以及現行市況釐定。合資格僱員亦可獲按本集團根據其絕對酌情權，經考慮本集團之經營業績、市場狀況以及僱員個人表現，而適時發放酌情年終獎勵花紅及酌情授予購股權。

PENSION SCHEME

In the PRC, the Group contributes to social insurance on a monthly basis for its employees. The Group has no further obligation for payment of post-retirement benefits to employees beyond the aforesaid contributions made by the Group.

The Group also participates in mandatory provident fund scheme (the "MPF Scheme") in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group and are under the control of an independent trustee. Both the Group and its employees are required to contribute 5% of the employees' monthly salaries. The mandatory contributions required to be made respectively by the Group and an employee are each capped at HK$1,500 per month. Members are entitled to 100% of the employers' mandatory contributions as soon as they are paid to the MPF Scheme but all benefits derived from the mandatory contributions must be preserved until an employee reaches the retirement age of 65 or in accordance with the rules of the MPF Scheme.

退休金計劃

在中國，本集團為其僱員每月作出社會保險供款。除本集團作出上述供款外，本集團毋須承擔向僱員支付其他退休後福利責任。

本集團亦於香港參與強制性公積金計劃(「強積金計劃」)。強積金計劃之資產由獨立信託人控制，與本集團之資產分開。本集團及其僱員須從其有關入息中扣除5%作為供款。強積金須由本集團及其僱員分別作出強制性供款，每月上限為1,500港元。會員有權在有關強積金計劃供款後取得僱主之100%強制性供款，但所有強制性供款所產生之利益必須保存至僱員達65歲退休年齡或根據強積金計劃之規例為止。

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2016.

管理合約

截至2016年12月31日止年度內，並無訂立或存在有關本公司全部或任何重大部分業務之管理及行政合約。

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

As at the date of the report, there is no interest of the Directors and chief executives in the shares 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 under Section 352 of the SFO or as notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code contained in the Listing Rules.

董事及行政總裁於本公司或其任何相聯法團之股份、相關股份或債權證中之權益及／或淡倉

於本報告日期，董事及行政總裁並無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)根據證券及期貨條例第352條須記錄或根據上市規則所載上市發行人董事進行證券交易標準守則須知會本公司及香港聯交所之股份之權益。

REPORT OF THE DIRECTORS
董事會報告書

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

主要股東及其他人士於本公司之股份或相關股份之權益及淡倉

As at the date of the report, the register maintained under section 336 of the SFO shows that the Company had been notified of the following substantial Shareholders' and other persons' interests and short positions, representing 5% or more of the Company's issued share capital:

於本報告日期，根據證券及期貨條例第336條存置之登記冊顯示，本公司獲知會下列主要股東及其他人士之權益及淡倉佔本公司之已發行股本5%或以上：

LONG POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

於本公司股份及相關股份之好倉

Name of shareholder 股東名稱	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
Glory Emperor Trading Limited ("Glory Emperor") 耀帝貿易有限公司(「耀帝」)	Beneficial owner 實益擁有人	326,089,600	75%
Li Zhen Hong Kong Trading Co., Limited ("Li Zhen") (Note 1) 利真香港貿易有限公司(「利真」)(附註1)	Interest in controlled corporation 受控制公司之權益	326,089,600	75%
Shanghai Yongwen Investment Company Limited# ("Shanghai Yongwen") (Note 2) 上海永文投資有限公司(「上海永文」)(附註2)	Interest in controlled corporation 受控制公司之權益	326,089,600	75%
Beijing Zhonghong Hongyi Investment Company Limited# ("Beijing Zhonghong Hongyi") (Note 3) 北京中弘弘毅投資有限公司(「北京中弘弘毅」)(附註3)	Interest in controlled corporation 受控制公司之權益	326,089,600	75%
Zhonghong (Note 4) 中弘(附註4)	Interest in controlled corporation 受控制公司之權益	326,089,600	75%
Zhonghong Zhuoye Group Company Limited# ("Zhonghong Zhuoye") (Note 5) 中弘卓業集團有限公司(「中弘卓業」)(附註5)	Interest in controlled corporation 受控制公司之權益	326,089,600	75%
Mr. Wang Yong Hong (Note 6) 王永紅先生(附註6)	Interest in controlled corporation 受控制公司之權益	326,089,600	75%

Name of shareholder 股東名稱	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
Keen Concept Enterprise Corp. ("Keen Concept") (Note 7) Keen Concept Enterprise Corp.(「Keen Concept」)(附註7)	Person having a security interest in shares 對股份持有保證權益的人	391,589,600	90.06%
China Oriental Yunfan Credit Fund L.P ("China Oriental Yunfan") (Note 8) China Oriental Yunfan Credit Fund L.P (「China Oriental Yunfan」)(附註8)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
CNCO Capital International ("CNCO Capital") (Note 9) CNCO Capital International(「CNCO Capital」)(附註9)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
Arren Holdings Corporation Limited ("Arren Holdings") (Note 10) Arren Holdings Corporation Limited(「Arren Holdings」)(附註10)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
Champ Link Holdings Inc. ("Champ Link") (Note 11) Champ Link Holdings Inc.(「Champ Link」)(附註11)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
CNIC Corporation Limited ("CNIC Corporation") (Note 10) 國新國際投資有限公司(「國新國際」)(附註10)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
China Orient Asset Management (International) Holding Limited ("China Orient") (Note 12) 中國東方資產管理(國際)控股有限公司(「中國東方」)(附註12)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
Wise Leader Assets Ltd. ("Wise Leader") (Note 13) Wise Leader Assets Ltd.(「Wise Leader」)(附註13)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
Dong Yin Development (Holdings) Limited ("Dong Yin") (Note 12&13) 東銀發展(控股)有限公司(「東銀」)(附註12及13)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%

Name of shareholder 股東名稱	Capacity 身份	Number of Shares 股份數目	Approximate percentage of interest 權益概約百分比
China Orient Asset Management Co., Limited ("COAM")(Note 14) 中國東方資產管理有限公司(「中國東方資產管理」)(附註14)	Interested in controlled corporation 受控制公司之權益	391,589,600	90.06%
Farco Holdings Limited (Note 15) Farco Holdings Limited(附註15)	Beneficial owner 實益擁有人	35,260,000	8.11%
Dong Yu (Note 15) 董雨(附註15)	Interested in controlled corporation 受控制公司之權益	35,260,000	8.11%

Notes:

1. *Li Zhen wholly owns Glory Emperor.*
2. *Shanghai Yongwen wholly owns Li Zhen.*
3. *Beijing Zhonghong Hongyi wholly owns Shanghai Yongwen.*
4. *Zhonghong wholly owns Beijing Zhonghong Hongyi.*
5. *Zhonghong Zhuoye holds approximately 26.55% interest in Zhonghong.*
6. *Mr. Wang Yong Hong wholly owns Zhonghong Zhuoye.*
7. *Keen Concept is wholly owned by China Oriental YunFan.*
8. *China Oriental Yunfan is 98%-owned by CNCO Capital.*
9. *CNCO Capital is 51%-owned by Champ Links and 49%-owned by Arren Holdings.*
10. *Arren Holdings is wholly owned by CNIC Corporation.*
11. *Champ Link is wholly owned by China Orient.*
12. *China Orient is 50%-owned by Wise Leader and 50%-owned by Dong Yin.*
13. *Wise Leader is wholly owned by Dong Yin.*
14. *Dong Yin is wholly owned by COAM.*
15. *Falcon Holdings Limited is wholly owned by Dong Yu.*

附註：

1. *利真全資擁有耀帝。*
2. *上海永文全資擁有利真。*
3. *北京中弘弘毅全資擁有上海永文。*
4. *中弘全資擁有北京中弘弘毅。*
5. *中弘卓業持有中弘約26.55%權益。*
6. *王永紅先生全資擁有中弘卓業。*
7. *China Oriental YunFan全資擁有Keen Concept。*
8. *CNCO Capital持有China Oriental Yunfan 98%權益。*
9. *Champ Links及Arren Holdings分別持有CNCO Capital 51%及49%權益。*
10. *國新國際全資擁有Arren Holdings。*
11. *中國東方全資擁有Champ Link。*
12. *Wise Leader及東銀分別持有中國東方50%及50%權益。*
13. *東銀全資擁有Wise Leader。*
14. *中國東方資產管理全資擁有東銀。*
15. *董雨全資擁有Falcon Holdings Limited。*

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any other person (other than the Directors or chief executive of the Company) had registered an interest or a short position in the Shares, underlying shares or debentures of the Company which was required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which was required to be recorded in the register of the Company required to be kept under Section 336 of Part XV of the SFO.

除上文所披露外，於2016年12月31日，董事並不知悉任何其他任何人士(不包括本公司董事及主要執行人員)於本公司之股份、相關股份或債權證中登記擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露或根據證券及期貨條例第XV部第336條須予記錄於將須保存的本公司股東名冊之權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from the section headed "Directors' and Chief Executive's Interests and/or Short Positions in Shares, Underlying Shares or Debentures" above and "Share Option Scheme" below, at no time during the year ended 31 December 2016 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective associates nor was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective associates to acquire such rights in any other body corporate.

董事購買股份或債券之權利

除「董事及行政總裁於本公司或其任何相聯法團之股份，相關股份或債權證中之權益及／或淡倉」及「購股權計劃」外，截至2016年12月31日止年度，本公司並無於年內任何時間援予任何董事或彼等各自之聯人士購入本公司股份或債券之方式而獲益之權利，而彼等概任何附屬公司亦概無訂立任何安排無行使任何該等權利；本公司或其任何附屬公司亦概無訂立任何安排，令董事於其他法人團體獲得該項權利。

CONTINUING CONNECTED TRANSACTIONS

(I) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE OPERATING LEASE IN RESPECT OF CERTAIN PLANT AND BUILDINGS

On 28 December 2015, Mr. Xu Xipeng and Mr. Xu Xinan, senior management of the Group, as lessors and KEE Guangdong as lessee, entered into the lease renewal agreement (the "Guangdong Lease Renewal Agreement") to renew the lease of the Guangdong Plant for a further term of three years from 1 January 2016 to 31 December 2018 for a monthly rental of RMB310,000.

An independent valuer advised that the monthly rental of RMB310,000 is fair and reasonable with reference to the market rate. For each of three years ending 31 December 2018, the annual rental paid and payable by the Group under the Lease Renewal Agreement is RMB3,720,000.

During the year, the rental paid by the Group under the Guangdong Lease Renewal Agreement is RMB3,720,000 (equivalent to approximately HK$4,342,000).

持續關連交易

(I) 有關涉及若干廠房及樓宇之經營租賃之持續關連交易

於2015年12月28日，本集團高級管理人員許錫鵬先生及許錫南先生(作為出租人)與開易廣東(作為承租人)訂立續租協議(「廣東續租協議」)，以續租廣東廠房，進一步租期為三年，自2016年1月1日起至2018年12月31日止，月租為人民幣310,000元。

獨立估值師建議，參考市場租金，月租人民幣310,000元屬公平合理。於截至2018年12月31日止三個年度各年，根據續租協議，本集團已付及應付年租金為人民幣3,720,000元。

年內，本集團為廣東續租協議支付的租金合計為人民幣3,720,000元(相當於約4,342,000港元)。

On 13 January 2016, Classic Winner, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE Zippers, an indirect subsidiary of the Company, as lessee entered into the a lease agreement in relation to the lease of the property in Hong Kong with the rent for the first year being HK$1. On 17 February 2016, Mr. Xu Xipeng and Mr. Xu Xinan resigned as the chairman of the board and chief executive officer of the Company respectively. Mr. Xu Xipeng and Mr. Xu Xinan also resigned as executive directors of the Company, but have remained as the directors of KEE International (BVI) Limited ("KEE International BVI") and KEE Zippers, the subsidiaries of the Company since 17 February 2016. Therefore Classic Winner is a connected person of the Company as of the date of the lease agreement.

於2016年1月13日，出租人勝典(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易拉鏈(為本公司間接附屬公司)就租賃位於香港的物業訂立租賃協議，首年租金為1港元。於2016年2月17日，許錫鵬先生及許錫南先生分別辭任本公司董事會主席及行政總裁。自2016年2月17日起，許錫鵬先生及許錫南先生亦辭任本公司執行董事，但仍擔任本公司附屬公司KEE International (BVI) Limited(「KEE International BVI」)及開易拉鏈的董事。因此勝典於租賃協議日期為本公司的關連人士。

On 13 January 2016, Nanhai Jinheming, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE (Zhejiang) Garment Accessories Limited ("KEE Zhejiang"), an indirect subsidiary of the Company, as lessee entered into the a lease agreement in relation to the lease of the land use rights and the buildings and facility located at Jiashan County, Zhejiang Province, PRC with the first year as the rent free period. Therefore Nanhai Jinheming is a connected person of the Company as of the date of the lease agreement.

於2016年1月13日，出租人南海今和明(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易(浙江)服裝配件有限公司(「開易浙江」)(為本公司間接附屬公司)就租賃位於中國浙江省嘉善縣的土地使用權及樓宇以及設施訂立租賃協議，首年免租金。因此南海今和明於租賃協議日期為本公司的關連人士。

(II) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE COOPERATION AGREEMENT

On 12 July 2016, Tianjin Vitality Marketing Consultancy Company Limited ("Tianjin Vitality"), an indirect wholly-owned subsidiary of the Company, and Yumafang Property Company Limited ("Yumafang Property"), entered into the cooperation agreement (the "Cooperation Agreement"), pursuant to which Yumafang Property agreed to engage Tianjin Vitality in providing promotion, marketing and planning related services for the property development projects conducted by Yumafang Property for a term of one year commencing from the date of the Cooperation Agreement. Yumafang Property agreed to engage Tianjin Vitality as an agent to provide the following services (the "Services") to the Yumafang Property: (i) the online and offline advertising and promotion activities, event organisation, planning, marketing, promotion planning, brand building and promotion of the Yumafang Property; and (ii) the online and offline advertising and promotion activities, event organisation, planning, marketing, promotion planning for the property development projects conducted by Yumafang Property. The service fee charged by Tianjin Vitality will be 6.5% of the cooperation expenses incurred by Tianjin Vitality for carrying out the Services, which will not

(II) 有關合作協議之持續關連交易

於2016年7月12日，本公司之間接全資附屬公司天津活力營銷顧問有限公司(「天津活力」)與御馬坊置業有限公司(「御馬坊置業」)訂立合作協議(「合作協議」)，據此，御馬坊置業同意委聘天津活力就御馬坊置業進行之物業發展項目提供推廣、營銷及規劃相關服務，自合作協議日期起為期一年。御馬坊置業同意委聘天津活力作為代理，向御馬坊置業提供以下服務(「服務」)：(i)線上及線下廣告及推廣活動、籌辦活動、規劃、營銷、推廣策劃、打造品牌及宣傳御馬坊置業；及(ii)就御馬坊置業進行之物業發展項目進行線上及線下廣告及推廣活動、籌辦活動、規劃、營銷及推廣策劃。天津活力所收取服務費將為天津活力就提供服務所產生之合作開支

exceed RMB325,000 (equivalent to approximately HK$380,000) based on the maximum amount of the agreed expenses of RMB5,000,000 (equivalent to approximately HK$5,850,000) for carrying out the Services incurred by Tianjin Vitality.

6.5%，根據天津活力提供服務的議定開支最高金額人民幣5,000,000元(相當於約5,850,000港元)計算，有關金額不會超過人民幣325,000元(相當於約380,000港元)。

Zhonghong, a controlling shareholder of the Company, indirectly owns the entire equity interest in Yumafang Property. Accordingly, Yumafang Property is a connected person of the Company and the entering into of the Cooperation Agreement constituted a continuing connected transaction of the Company under Chapter 14A of the Listing Rules. Details can be referred to the announcement of the Company dated 12 July 2016.

本公司控股股東中弘間接擁有御馬坊置業全部股權。因此，根據上市規則第14A章，御馬坊置業為本公司之關連人士，而訂立合作協議構成本公司之持續關連交易。詳情可參閱本公司日期為2016年7月12日的公告。

For the year ended 31 December 2016, the Cooperation under the Cooperation Agreement has not been commenced and no service fee charge by Tianjin Vitality.

截至2016年12月31日止年度，合作協議項下之合作尚未開始且天津活力並無收取任何服務費。

(III) CONTINUING CONNECTED TRANSACTION IN RELATION TO THE FRAMEWORK COOPERATION AGREEMENT

(III) 有關框架合作協議之持續關連交易

On 29 July 2016, Tianjin Vitality and Zhonghong entered into the framework cooperation agreement (as amended and supplemented) (the "Framework Cooperation Agreement"), pursuant to which Zhonghong has agreed to engage Tianjin Vitality as the exclusive agent for the sales of the property projects developed by the Zhonghong and its subsidiaries (the "Zhonghong Group") including the related sales planning, organisation, promotion and sales activities for the period commencing from the effective date to 31 December 2017 (as amended and supplemented).

於2016年7月29日，天津活力與中弘訂立框架合作協議(「框架合作協議」)(經修訂及補充)，據此，中弘同意委聘天津活力為獨家代理，於自生效日期起至2017年12月31日(經修訂及補充)止期間負責銷售中弘及其附屬公司(「中弘集團」)發展之物業項目，包括相關銷售策劃、組織、推廣及銷售活動。

The Zhonghong Group shall pay to Tianjin Vitality a commission ranging from 5.5% to 6.5% of the sales amounts received by the Zhonghong Group for the sales of properties. If the property projects developed by the Zhonghong Group are sold at a price exceeding the price agreed by Zhonghong Group and Tianjin Vitality, Tianjian Vitality shall be entitled to receive an excess sales equal to 20% to 40% of the excess sales amount received by the Zhonghong Group.

中弘集團將向天津活力支付介乎中弘集團就銷售物業所收取銷售金額5.5%至6.5%之佣金。倘中弘集團發展之物業項目按超過中弘集團與天津活力協定之價格出售，天津活力將有權收取相等於中弘集團所收取多出銷售金額20%至40%之額外銷售費。

The Framework Cooperation Agreement has been approved by Shareholders on EGM which were held on 5 January 2017.

股東已於2017年1月5日舉行之股東特別大會上批准框架合作協議。

REPORT OF THE DIRECTORS
董事會報告書

The Company has complied with the relevant requirements under Chapter 14A of the Listing Rules, including the annual caps, and will re-comply with the relevant rules of Chapter 14A of the Listing Rules (including independent Shareholders' approval requirements if applicable) if the annual caps are exceeded, or when the relevant agreement for continuing connected transaction expires or is renewed or when there is a material change to the terms of the relevant agreement for continuing connected transaction.

倘香港聯交所所授予的豁免到期或年度上限被超逾，或倘持續關連交易有關協議到期或獲續期或持續關連交易有關協議的條款有重大變動，本公司遵守上市規則第14A章的有關規定(包括年度上限)，並將重新遵守上市規則第14A章的有關規則(包括獨立股東批准規定，如適用)。

ANNUAL REVIEW

The Directors (including the independent non-executive Directors) have reviewed the above continuing connected transactions and confirmed that these transactions were entered into:

(i) in the ordinary and usual course of business of the Group;

(ii) on normal commercial terms; and

(iii) in accordance with the Renewal Agreement and the Master Agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

KPMG, the auditor of the Company, was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor of the Company have issued their unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this annual report 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. The auditors' letter confirms that, in respect of the above-mentioned continuing connected transactions:

a. nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors.

b. nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group.

年度檢討

董事(包括獨立非執行董事)已檢討上述持續關連交易並確認此等交易乃根據以下基準訂立：

(i) 於本集團日常及一般業務過程中；

(ii) 符合正常商業條款；及

(iii) 遵照續租協議及主協議條款，而有關條款乃公平合理並符合股東的整體利益。

本公司的核數師畢馬威會計師事務所受聘根據香港會計師公會頒佈的香港審計工作準則第3000號「審計或審閱過往財務資料以外的審計工作」及參照實務説明第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。本公司的核數師已根據上市規則第14A.56條發出其無保留意見函件，當中載列彼等對有關本集團在本年報內披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈聯交所。核數師函件確認就上述持續關連交易而言：

a. 核數師概無注意到任何事宜致令核數師相信所披露持續關連交易尚未經本公司董事會批准。

b. 核數師概無注意到任何事宜致令核數師相信所披露持續關連交易在所有重大方面未有根據本集團的定價政策訂立。

c. nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.

c. 核數師概無注意到任何事宜致令核數師相信所披露持續關連交易在所有重大方面未有根據規管該等交易的相關協議訂立。

d. nothing has come to the auditors' attention that causes the auditors to believe that the disclosed continuing connected transactions having exceeded the annual caps.

d. 核數師概無注意到任何事宜致令核數師相信所披露持續關連交易超出年度上限。

OTHER RELATED-PARTY TRANSACTIONS

Apart from the aforesaid continuing connected transactions, the related-party transactions set out in notes 10,14, 22(f) and 23 to the consolidated financial statements also include transactions which did not constitute continuing connected transactions under Chapter 14A of the Listing Rules. Details of other related-party transactions entered into by the Group during the year ended 31 December 2016, which did not constitute connected transactions under Chapter 14A of the Listing Rules are set out in notes 10, 14, 22(f) and 23 to the consolidated financial statements.

其他關連方交易

除上述之持續關連交易外，綜合財務報表附註10、14、22(f)及23所載關連方交易亦包括根據上市規則第14A章並未構成持續關連交易之交易。截至2016年12月31日止年度，本集團訂立之其他關連方交易(根據上市規則第14A章並未構成關連交易)詳情載於綜合財務報表附註10、14、22(f)及23。

POST BALANCE SHEET EVENT

On 16 January 2017, Classic Winner, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE Zippers, an indirect wholly-owned subsidiary of the Company, as lessee entered into the HK Lease Renewal Agreement pursuant to which Classic Winner has agreed to lease to KEE Zippers a property in Hong Kong at a monthly rental of HK$51,000 payable within the 16th of each month for an initial term of three years commencing on 16 January 2017 to 15 January 2020. Mr. Xu Xipeng and Mr. Xu Xinan were then the directors of KEE BVI and KEE Zippers and were executive Directors of the Company in the past 12 months and therefore Classic Winner were connected persons of the Company as of the date of HK Lease Renewal Agreement. An independent property valuer advised that the monthly rental of HK$51,000 is fair and reasonable with reference to the market rate. For each of the three years ending 15 January 2020, the maximum annual aggregate amounts payable by the Group under the HK Lease Renewal Agreement was as follows:

資產負債表日後事項

於2017年1月16日，出租人勝典(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易拉鏈(為本公司間接全資附屬公司)訂立香港租賃續期協議，據此，勝典已同意向開易拉鏈租賃香港物業，其初始年限自2017年1月16日起至2020年1月15日止為期三年，且於每月16日應付租金為51,000港元。許錫鵬先生及許錫南先生當時為KEE BVI及開易拉鏈的董事並於過往十二個月為本公司的執行董事，因此勝典於香港租賃續期協議日期為本公司的關連人士。獨立物業估值師建議，參照租金，月租51,000港元誠屬公平合理。於截至2020年1月15日止三個年度，本集團於香港租賃續期協議應付最高年度總額如下：

	HK$ 港元
Year ending 15 January 2018 截至2018年1月15日止年度	612,000
Year ending 15 January 2019 截至2019年1月15日止年度	612,000
Year ending 15 January 2020 截至2020年1月15日止年度	612,000

REPORT OF THE DIRECTORS
董事會報告書

On 16 January 2017, Nanhai Jinheming, a company owned as to 50% and 50% by Mr. Xu Xipeng and Mr. Xu Xinan respectively, as lessor and KEE Zhejiang, an indirect wholly-owned subsidiary of the Company, as lessee entered into the PRC Lease Renewal Agreement pursuant to which Nanhai Jinheming has agreed to lease to KEE Zhejiang the production base in Zhejiang Province at a monthly rental of RMB275,000 payable within the first 10 working days before the 16th day of each month for an initial term of three years commencing on 16 January 2017 to 15 January 2020. Mr. Xu Xipeng and Mr. Xu Xinan were then the directors of KEE BVI and KEE Zippers and were executive Directors of the Company in the past 12 months and therefore Nanhai Jinheming were connected persons of the Company as of the date of PRC Lease Renewal Agreement. An independent property valuer advised that the monthly rental of RMB275,000 is fair and reasonable with reference to the market rate. For each of the three years ending 15 January 2020, the maximum annual aggregate amounts payable by the Group under the PRC Lease Renewal Agreement was as follows:

於2017年1月16日，出租人南海今和明(一家由許錫鵬先生及許錫南先生分別擁有50%及50%權益的公司)與承租人開易浙江(為本公司間接全資附屬公司)訂立中國租賃續期協議，據此，南海今和明已同意向開易浙江租賃浙江省生產基地，其初始年限自2017年1月16日起至2020年1月15日止為期三年，且於每月16日前首10個工作日內應付租金為人民幣275,000元。許錫鵬先生及許錫南先生當時為KEE BVI及開易拉鏈的董事並於過往十二個月為本公司的執行董事，因此南海今和明於中國租賃續期協議日期為本公司的關連人士。獨立物業估值師告悉，月租人民幣275,000元參照市價誠屬公平合理。於截至2020年1月15日止三個年度，本集團於中國租賃續期協議應付最高年度總額如下：

	RMB 人民幣	HK$ 港元
Year ending 15 January 2018 截至2018年1月15日止年度	4,125,000	4,620,000
Year ending 15 January 2019 截至2019年1月15日止年度	4,125,000	4,620,000
Year ending 15 January 2020 截至2020年1月15日止年度	4,125,000	4,620,000

SHARE OPTION SCHEME

The Company's share option scheme (the "Share Option Scheme") was conditionally adopted by the written resolutions of the sole Shareholder of the Company passed on 14 December 2010, pursuant to which the Board may, at its absolute discretion and on such terms as it may think fit, grants options to any employee(s) (whether full time or part time including any Director) of any member of the Group at the exercise price for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme. The purpose of the Share Option Scheme is to enable the Board to grant options to selected employee(s) as incentives or rewards for their contribution or potential contribution to the Group.

購股權計劃

本公司的購股權計劃(「購股權計劃」)由本公司唯一股東於2010年12月14日通過的書面決議案有條件採納，據此，董事會可全權根據其認為適合的條款向任何僱員(不論全職或兼職，包括任何董事)授出購股權，供彼等按行使價認購根據購股權計劃的條款所釐定數目的股份。購股權計劃旨在使董事會可向經甄選的僱員授出購股權，作為彼等對本集團作出或可能作出貢獻的獎勵或報酬。

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 40,000,000 Shares which represents approximately 9.2% of the Shares in issue on the date of this report. The maximum number of Shares issued and to be issued upon exercise of options granted and to be granted under the Share Option Scheme and any other share option schemes of the Company to any employee(s) (including cancelled, exercised and outstanding options), in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue.

因行使根據購股權計劃及本公司任何其他購股權計劃所授所有購股權而可能發行的股份數目上限，合共不得超過40,000,000股股份(於本報告日期佔已發行股份約9.2%)。在截至授出日期止的任何12個月期間內，任何僱員因行使根據購股權計劃及本公司任何其他購股權計劃已授出及將授出的購股權(包括已註銷、已行使和尚未行使的購股權)而發行及將予發行的股份數目上限，不得超過已發行股份的1%。

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine but in any event shall not exceed 10 years from the date of grant. Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no minimum holding period before an option is exercisable.

可於由董事會指定的期間內，隨時根據購股權計劃的條款行使購股權，但無論如何不得超過授出日期起計10年。除非董事會另有決定，並於授出有關購股權的建議上規定，否則購股權於可予行使前並無最短的持有期間。

An offer for the grant of options must be accepted within twenty- one days inclusive of the day on which such offer was made. The amount payable to our Company on acceptance of the offer for the grant of an option is HK$1.00.

授出購股權的建議必須於提出有關建議之日(包括當日)起計的21日內接納。於接納授出購股權的建議時須向本公司支付金額1.00港元。

The exercise price is to be determined by the Board provided always that it shall be at least the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Hong Kong Stock Exchange on the date of offer for the grant of the option, which must be a trading day; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant, provided that the exercise price shall in no event be less than the nominal amount of one Share.

行使價將由董事會釐定，但於一切情況下不得低於下列較高者：(i)香港聯交所每日報價表所報股份於提出授出購股權的建議當日(須為交易日)的收市價；及(ii)香港聯交所每日報價表所報股份於緊接授出日期前5個營業日的平均收市價，惟行使價無論如何不得低於一股股份的面值。

During the year ended 31 December 2016, no share option was granted by the Company. As at 31 December 2016, there is no outstanding share option.

截至2016年12月31日止年度，本公司並無授出任何購股權。於2016年12月31日，並無未獲行使的購股權。

Details of movements for the year ended 31 December 2016 in the number of share options are set out below:

截至2016年12月31日止年度，購股權數目的變動詳情載列如下：

Name 名稱	Date of Offer 發售日期	Exercise Price 行使價	Outstanding at 1.1.2016 於2016年1月1日結存	Granted During the Period 期內授出	Exercised During the Period 期內行使	Lapsed During the Period 期內失效	Outstanding at 31.12.2016 於2016年12月31日結存	Exercise Period 行使期	Closing Price of the Securities Immediately before the Date on Which the Options were Offered 緊接購股權發售當日前證券收市價
Directors **董事**									
Lin Bin 林斌	07.12.2012	0.60	380,000	–	–	380,000	–	From 23.03.2013 to the day the 2017 annual results being announced 自2013年3月23日至2017年年度業績公告當日	0.58

Name 名稱	Date of Offer 發售日期	Exercise Price 行使價	Outstanding at 1.1.2016 於2016年1月1日結存	Granted During the Period 期內授出	Exercised During the Period 期內行使	Lapsed During the Period 期內失效	Outstanding at 31.12.2016 於2016年12月31日結存	Exercise Period 行使期	Closing Price of the Securities Immediately before the Date on Which the Options were Offered 緊接購股權發售當日前證券收市價
Kong Hing Ki 江興琪	07.12.2012	0.60	380,000	–	–	380,000	–	From 23.03.2013 to the day the 2017 annual results being announced 自2013年3月23日至2017年年度業績公告當日	0.58
Tam Yuk Sang, Sammy 譚旭生	07.12.2012	0.60	380,000	–	–	380,000	–	From 23.03.2013 to the day the 2017 annual results being announced 自2013年3月23日至2017年年度業績公告當日	0.58
Employees 僱員									
Employees 僱員	27.05.2011	1.39	6,216,000	–	6,216,000	–	–	Exercisable until the day the 2016 annual results being announced 可行使直至2016年年度業績公告當日	1.25
Employees 僱員	07.12.2012	0.60	694,000	–	694,000	–	–	Exercisable until the day the 2017 annual results being announced 可行使直至2017年年度業績公告當日	0.58
Employees 僱員	22.07.2014	0.60	1,224,000	–	1,074,000	150,000	–	Exercisable until the day the 2016 annual results being announced 可行使直至2016年年度業績公告當日	0.59

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2016 saved for the share option scheme previously mentioned, the Company has not entered into the equity-linked agreements, and there did not subsist any equity-linked agreement entered into by the Company as at 31 December 2016.

股票掛鈎協議

截至2016年12月31日止年度，除上述的購股權計劃外，本公司概無簽訂任何股票掛鈎協議，而於2016年12月31日亦不存在任何由本公司訂立之股票掛勾協議。

SUFFICIENCY OF PUBLIC FLOAT

Upon the close of the mandatory cash offers made by Glory Emperor, the controlling shareholder of the Company, on 17 February 2016, there were 43,214,000 Shares in the hands of the public, representing approximately 9.94% of the entire issued share capital of the Company. The Company therefore cannot fulfill the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules. The Stock Exchange has granted a waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules for a period from 17 February 2016 to 30 May 2016.

Glory Emperor has engaged Mason Securities Limited as placing agent to place up to 65,500,000 shares to six independent places (the "Placing"), representing approximately 15.06% of the issued share capital of the Company. Immediately after the completion of the Placing, 108,714,400 Shares, representing 25.00% of the total issued share capital of the Company, will be held by the public. Upon completion of the Placing, the Company will restore its minimum public float of 25% of the total issued share capital of the Company as required under Rule 8.08(1)(a) of the Listing Rules. Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirmed that the Company had maintained a sufficient amount of public float for its shares as required under the Listing Rules throughout the period after the completion of the Placing.

公眾持股量

本公司的控股股東耀帝提出的強制性現金要約結束後，於2016年2月17日，公眾人士持有43,214,000股股份，相當於本公司全部已發行股本約9.94%，本公司未能符合上市規則第8.08(1)(a)條項下之最低公眾持股量規定。因此，聯交所已向本公司授予豁免嚴格遵守上市規則第8.08(1) (a)條之規定，由2016年2月17日起至2016年5月30日止。

耀帝已委任民信證券有限公司為配售代理，以配售最多65,500,000股股份予六名獨立承配人(「配售事項」)，佔本公司已發行股本約15.06%。緊隨配售事項完成後，108,714,400股股份(佔本公司全部已發行股本25.00%)將由公眾持有。於配售事項完成後，本公司將恢復上市規則第8.08(1)(a)條所規定之最低公眾持股量(即本公司全部已發行股本25%)。根據本公司之公開可得資料及據董事所知，董事確認，本公司已於配售事項完成後之整個期間維持上市規則所規定之其股份之足夠公眾持股量。

AUDITOR

The consolidated financial statements for the year ended 31 December 2014, 2015, and 2016 has been audited by KPMG. KPMG will retire as auditors of the Company and, being eligible, offer themselves for re-appointment. A resolution for the re- appointment of KPMG as auditor of the Company will be proposed at the annual general meeting.

核數師

2014、2015及2016年12月31日止年度的綜合財務報已經畢馬威會計師事務所審核。畢馬威會計師事務所將退任本公司之核數師，惟符合資格並願意膺選連任。續聘畢馬威會計師事務所為本公司核數師之決議案將於股東週年大會上提呈。

By order of the Board
Wu David Hang
Chairman
Hong Kong, 17 March 2017

承董事會命
主席
吳航正
香港，2017年3月17日

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Independent auditor's report to the shareholders of KEE Holdings Company Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of KEE Holdings Company Limited ("the Company") and its subsidiaries ("the Group") set out on pages 89 to 174, which comprise the consolidated statement of financial position as at 31 December 2016, 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 and other explanatory information.

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

BASIS FOR OPINION

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

致開易控股有限公司各股東之
獨立核數師報告
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審核刊於第89頁至第174頁有關開易控股有限公司(「貴公司」)連同其附屬公司(統稱為「貴集團」)的綜合財務報表,此綜合財務報表包括於2016年12月31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、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要及其他說明資料。

我們認為,綜合財務報表已根據根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而公允地反映貴集團於2016年12月31日的綜合財務狀況,及貴集團截至該日止年度的綜合財務表現與綜合現金流量,並已遵照香港《公司條例》的披露規定妥為編製。

意見基礎

我們已根據香港會計師公會頒佈的香港核數準則(「香港核數準則」)進行審核。我們於該等準則項下的責任在本報告「核數師就審核綜合財務報表須承擔的責任」一節中詳述。根據香港會計師公會之職業會計師道德守則(「守則」)及開曼群島中任何與我們審核綜合財務報表有關的道德要求,我們獨立於貴集團,並已遵循該等要求及守則履行其他道德責任。我們相信,我們所獲得的審核憑證充足和適當地為我們的意見提供基礎。

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.

關鍵審核事項

關鍵審核事項是指根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。該等事項是在我們審核整體綜合財務報表及出具意見時所處理的。我們不會對該等事項提供單獨的意見。

Revenue recognition on sales of goods
銷售貨品之收益確認

Refer to note 2 to the consolidated financial statements and the accounting policies on page 114.
請參閱綜合財務報表附註2及第114頁的會計政策。

The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
The Group recognises revenue on sales of goods when the risks and rewards of ownership of the zippers and other related products, which the Group sells, have been transferred to customers, which generally occurs when the goods are accepted by the customers for domestic sales and when the goods are loaded on shipping vessels for export sales. 當貴集團所售拉鏈及其他相關產品的風險及所有權回報轉移予客戶時，通常為客戶接納貨品作內銷及貨品裝船作外銷時，貴集團確認銷售貨品收益。	Our audit procedures assess the recognition of revenue on sales of goods included the following: 我們評估銷售貨品之收益確認的審核程序包括以下方面： • assessing the design, implementation and operating effectiveness of key internal controls over revenue recognition; • 評估收益確認之主要內部控制的設計、實施及成效；
There is a risk that revenue may be intentionally overstated because of pressure on management to achieve performance targets for the financial reporting period. 風險是管理層出於實現財務報告期間業績目標的壓力而可能故意誇大收益。	• assessing, on a sample basis, whether specific sales of goods transactions around the end of the financial reporting period had been recognised in the appropriate period by inspecting the terms of sale as set out in the underlying sales contracts and the signed acknowledgement of delivery or emails from customers confirming acceptance of the goods for domestic sales or customs declaration forms confirming the loading of the goods on shipping vessels for export sales; • 通過檢查相關銷售合同所載銷售條款及客戶簽署的交付確認或郵件(確認接納貨品作內銷)或海關申報表(確認貨品裝船作外銷)，抽樣評估於財務報告期末前後的特定貨品銷售交易是否已於適當的期間確認；
We identified revenue recognition on sales of goods as a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. 我們將銷售貨品之收益確認列為關鍵審核事項，因為收益是貴集團的關鍵績效指標之一，故當中涉及管理層為達到特定目標或預期而操控收益確認時間的固有風險。	• comparing, on a sample basis, sales of goods transactions recorded during the financial reporting period with the corresponding customers' signed acknowledgement of delivery or emails from customers confirming acceptance of the goods for domestic sales or customs declaration forms confirming the loading of the goods on shipping vessels for export sales and the related sales invoices; and • 抽樣對比財務報告期內所錄得貨品銷售交易與客戶簽署的相應交付確認或郵件(確認接納貨品作內銷)或海關申報表(確認貨品裝船作外銷)及相關銷售發票；及 • inspecting all manual adjustments to revenue raised during the reporting period, enquiring of management as to the reasons for such adjustments and comparing the details of the adjustments with the relevant underlying documentation. • 檢查報告期內對收益所作的所有手動調整，向管理層查詢作出有關調整的理由及比較調整詳情與相關支持文件。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

Valuation of inventories
存貨估值

Refer to note 13 to the consolidated financial statements and the accounting policies on page 108.
請參閱綜合財務報表附註13及第108頁的會計政策。

The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
Inventories are carried at the lower of cost and net realisable value in the consolidated financial statements. The net carrying value of inventories at 31 December 2016 was approximately HK$19 million. 存貨以綜合財務報表中成本與可變現淨值的較低者入賬。2016年12月31日存貨賬面淨值約為19,000,000港元。	Our audit procedures to assess the valuation of inventories included the following: 我們評估存貨估值的審核程序包括以下方面：
The Group's inventories comprise zippers and other related products which are to be sold to original equipment manufacturers ("OEM") of clothing brands. The future saleability of inventories is subject to changing consumer preferences and fashion trends. 貴集團存貨包括將售予服務品牌原始設備製造商(「OEM」)的拉鏈及其他相關產品。存貨未來能否銷售取決於客戶偏好及時尚趨勢變動。	• enquiring of management about the assumptions and bases adopted for assessing inventory provisions for finished goods, work-in-progress and raw materials and considering the consistency of the application of the Group's inventory provisioning policy and the rationale for writing off inventories; • 向管理層查詢評估成品、在製品及原材料存貨撥備所採用的假設及基準，以及衡量貴集團存貨撥備政策應用是否一致及撇銷存貨的根據；
Management judgement is required to assess the appropriate level of provisioning for items of inventory which may be ultimately destroyed or sold below cost as a result of a reduction in demand arising from unfavourable changes in consumer preferences. Consequently, there is a risk that the carrying value of inventories exceeds its net realisable value. 管理層在評估適當的存貨撥備水平時須進行判斷，而當中涉及因消費者偏好不利變動導致需要減少而可能最終銷毀或按低於成本價銷售。因此，存在存貨賬面值超出可變現淨值的風險。	• recalculating the inventory provision with reference to the policies and parameters in the Group's inventory provisioning policy and considering the Group's inventory provisioning policy with reference to the requirements of the prevailing accounting standards; • 參考貴集團存貨撥備政策中的策略及參數重新計算存貨撥備及參考現行會計準則要求衡量貴集團存貨撥備政策； • assessing, on a sample basis, whether the selected items on the inventory ageing report were classified within the appropriate ageing bracket by comparing individual items with the dates on the respective production reports and goods receipt notes; • 通過比較個別項目與各生產報告及貨品收據日期抽樣評估存貨賬齡報告所選項目是否分類為適當賬齡類別； • attending the year end inventory count, observing the relevant controls implemented by management and identifying slow-moving and damaged inventories through inspection and enquiry of the warehouse staff; • 參與年末存貨盤點、留意管理層實施的相關控制措施及通過檢查和查詢倉庫人員識別滯銷及受損存貨； • evaluating the inventory provisioning policy by comparing management's forecasts of the amounts of raw materials and finished goods which will not be consumed or sold with historical consumption rates for the past 12-month period; • 通過對比管理層對原材料及成品數量(不會耗用或出售)的預測與過往12個月期間的歷史消耗率評估存貨撥備政策；

The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 在審核中的處理方法
We identified assessing the valuation of inventories as a key audit matter because of its significance to the consolidated financial statements and because of the significant management judgement involved in determining the level of any provisions required at the end of the reporting period. 我們將存貨估值列為關鍵審核事項，因為其對綜合財務報表的重要性及釐定報告期末所需撥備水平涉及的重大管理層判斷。	• comparing, on a sample basis, the carrying amounts of selected items on the inventory list as at the reporting date with selling prices achieved subsequent to the reporting date and related confirmed sale orders; and • 抽樣對比報告日期存貨表所選項目賬面值與報告日期後實現的售價及相關確認銷售訂單；及 • considering the historical accuracy of provisions for inventories made by management at the end of the previous financial year by comparing the actual inventory loss during the current year with the provisions for inventories as at 31 December 2015 and assessing whether there were indications of management bias in making provisions for inventories. • 通過對比本年度實際存貨損失與2015年12月31日的存貨撥備，考慮管理層過往於上一財政年度末所作存貨撥備的準確性，及評估有否跡象顯示管理層計提存貨撥備存在偏見。

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.

綜合財務報表以外的其他資料及我們就此發出的核數師報告

董事須對其他資料承擔責任。其他資料包括年報中所包含的所有資料，但不包括綜合財務報表及我們就此發出的核數師報告。

我們對綜合財務報表作出的意見並未考慮其他資料。我們不對其他資料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。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

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 disclosure requirements of the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY 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 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 HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

董事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》的披露要求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。

審計委員會協助董事履行監督貴集團的財務報告過程的責任。

核數師就審核綜合財務報表須承擔的責任

我們的目標是合理確定整體而言此等綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出包含審核意見的核數師報告。本報告僅為閣下(作為整體)而編製，並無其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或負上任何責任。

合理保證是高水平的保證，但不能保證按照香港核數準則進行的審計，在某一重大錯誤陳述存在時總能現。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。

AUDITOR'S RESPONSIBILITY 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:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

核數師就審核綜合財務報表須承擔的責任(續)

我們根據香港核數準則進行審核的工作之一，是運用專業判斷，在整個審核過程中持職業懷疑態度。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。

- 了解與審核有關的內部控制，以設計恰當的審核程序，但並非旨在對貴集團內部控制的有效性發表意見。

- 評估所用會計政策是否恰當，以及董事所作出的會計估算和相關披露是否合理。

- 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。

- 評估綜合財務報表(包括資料披露)的整體列報、架構和內容，以及綜合財務報表是否已公允地反映相關交易及事項。

INDEPENDENT AUDITOR'S REPORT
獨立核數師報告

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Li Shiu Chung.

核數師就審核綜合財務報表須承擔的責任(續)

- 就貴集團內各實體或業務活動的財務資料獲得充足適當的審核憑證，以就綜合財務報表發表意見。我們負責指導、監督和執行集團的審核工作。我們須為我們的審核意見承擔全部責任。

除其他事項外，我們與審計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。

我們還向審計委員會提交聲明，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。

從與審計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李兆聰。

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

17 March 2017

畢馬威會計師事務所
執業會計師
香港中環
遮打道10號
太子大廈八樓

2017年3月17日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
綜合損益表

For the year ended 31 December 2016 截至2016年12月31日止年度(以港元列示)
(Expressed in Hong Kong dollars)

		Notes 附註	2016 $'000 千元	2015 $'000 千元
Revenue	**收益**	2	**153,198**	159,016
Cost of sales	銷售成本		**(111,490)**	(110,919)
Gross profit	**毛利**		**41,708**	48,097
Other income	其他收入	3	**7,552**	5,056
Distribution costs	分銷成本		**(10,989)**	(12,230)
Administrative expenses	行政開支		**(42,054)**	(33,746)
Gain on disposal of a subsidiary	出售附屬公司的收益	23	**17,837**	–
Gain on disposal of property, plant and equipment and leasehold land to related parties	出售物業、廠房及設備與租賃土地予關連方的收益	10(a)	**17,609**	–
Profit from operations	**經營溢利**		**31,663**	7,177
Finance costs	財務成本	4(a)	**(9)**	(420)
Profit before taxation	**除稅前溢利**	4	**31,654**	6,757
Income tax	所得稅	5	**(8,417)**	(3,517)
Profit for the year	年內溢利		**23,237**	3,240
Attributable to:	**以下各項應佔：**			
Equity shareholders of the Company	本公司權益股東		**21,940**	4,161
Non-controlling interests	非控股權益		**1,297**	(921)
Profit for the year	**年內溢利**		**23,237**	3,240
Earnings per share (HK cents)	**每股盈利(港仙)**	8		
Basic	基本		**5.1**	1.0
Diluted	攤薄		**5.0**	1.0

The notes on pages 97 to 174 form part of these financial statements. 第97至174頁之附註構成本財務報表之一部分。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
綜合損益及其他全面收益表

For the year ended 31 December 2016　截至2016年12月31日止年度(以港元列示)
(Expressed in Hong Kong dollars)

		2016 $'000 千元	2015 $'000 千元
Profit for the year	**年內溢利**	**23,237**	3,240
Other comprehensive income for the year	**年內其他全面收入**		
Items that may be reclassified subsequently to profit or loss:	其後可被重新分類至損益的項目：		
— Exchange differences on translation of the financial statements of subsidiaries in the mainland China	—換算中國大陸附屬公司的財務報表時產生的匯兑差額	**(29,924)**	(20,721)
Total comprehensive income for the year	**年內全面收入總額**	**(6,687)**	(17,481)
Attributable to:	**以下各項應佔：**		
Equity shareholders of the Company	本公司權益股東	**(4,717)**	(15,167)
Non-controlling interests	非控股權益	**(1,970)**	(2,314)
Total comprehensive income for the year	**年內全面收入總額**	**(6,687)**	(17,481)

The notes on pages 97 to 174 form part of these financial statements.　第97至174頁之附註構成本財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2016 於2016年12月31日(以港元列示)
(Expressed in Hong Kong dollars)

		Notes 附註	2016 $'000 千元	2015 $'000 千元
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	10	**57,323**	195,813
Interests in leasehold land held for own use under operating leases	持作經營租賃之自用土地租賃的權益	10	**–**	30,453
			57,323	226,266
Intangible assets	無形資產	11	**3,047**	6,161
Prepayments for property, plant and equipment	物業、廠房及設備的預付款項		**93**	280
Deferred tax assets	遞延稅項資產	15(c)	**2,985**	1,435
			63,448	234,142
Current assets	**流動資產**			
Inventories	存貨	13	**19,417**	15,874
Trade and other receivables	貿易及其他應收款項	14	**135,759**	32,014
Current tax recoverable	即期可收回稅項	15(a)	**38**	1,007
Cash and cash equivalents	現金及現金等價物	16	**186,496**	85,894
Assets held for sale	持作待售資產	17	**602**	–
			342,312	134,789
Current liabilities	**流動負債**			
Bank borrowing	銀行借貸	18	**–**	15,000
Trade and other payables	貿易及其他應付款項	19	**84,955**	39,937
Current tax payable	即期應付稅項	15(a)	**1,392**	285
			86,347	55,222
Net current assets	**流動資產淨值**		**255,965**	79,567
Total assets less current liabilities	**總資產減流動負債**		**319,413**	313,709

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
綜合財務狀況表

At 31 December 2016 於2016年12月31日(以港元列示)
(Expressed in Hong Kong dollars)

		Notes 附註	2016 $'000 千元	2015 $'000 千元
Non-current liabilities	**非流動負債**			
Deferred tax liabilities	遞延税項負債	15(c)	**1,124**	682
Net assets	**資產淨值**		**318,289**	313,027
Capital and reserves	**資本及儲備**	22		
Share capital	股本		**4,348**	4,268
Reserves	儲備		**294,175**	286,589
Total equity attributable to equity shareholders of the Company	**本公司權益股東應佔權益總額**		**298,523**	290,857
Non-controlling interests	**非控股權益**		**19,766**	22,170
Total equity	**權益總額**		**318,289**	313,027

Approved and authorised for issue by the board of directors on 17 March 2017.

董事會於2017年3月17日批准並授權刊發。

Mr. Wu David Hang
Chief Executive Officer and Executive Director

Mr. Hou Jian
Executive Director

行政總裁兼執行董事 **吳航正先生**

執行董事 **侯健先生**

The notes on pages 97 to 174 form part of these financial statements.

第97至174頁之附註構成本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

For the year ended 31 December 2016 截至2016年12月31日止年度(以港元列示)
(Expressed in Hong Kong dollars)

			Attributable to equity shareholders of the Company 本公司權益股東應佔								
		Note 附註	Share capital 股本 $'000 千元	Share premium 股份溢價 $'000 千元	Capital reserve 資本儲備 $'000 千元	Statutory reserve 法定儲備 $'000 千元	Exchange reserve 匯兑儲備 $'000 千元	Retained earnings 保留盈利 $'000 千元	Total 總計 $'000 千元	Non-controlling interests 非控股權益 $'000 千元	Total equity 權益總額 $'000 千元
Balance at 1 January 2015	**於2015年1月1日餘額**		4,150	138,096	21,936	18,123	36,783	88,716	307,804	24,484	332,288
Changes in equity for 2015	**2015年的權益變動**										
Profit for the year	年內溢利		–	–	–	–	–	4,161	4,161	(921)	3,240
Other comprehensive income	其他全面收入		–	–	–	–	(19,328)	–	(19,328)	(1,393)	(20,721)
Total comprehensive income	全面收入總額		–	–	–	–	(19,328)	4,161	(15,167)	(2,314)	(17,481)
Appropriation to statutory reserve	分配至法定儲備		–	–	–	1,431	–	(1,431)	–	–	–
Dividends declared in respect of the previous year	就上年度宣派的股息		–	(8,522)	–	–	–	–	(8,522)	–	(8,522)
Equity settled share-based transactions	以權益結算股份支付的交易	22(a)	–	–	(593)	–	–	–	(593)	–	(593)
Share options lapsed during the year	於年內失效的購股權	22(a)	–	–	(70)	–	–	70	–	–	–
Shares issued under share option scheme	根據購股權計劃所發行的股份	22(c)	118	9,518	(2,301)	–	–	–	7,335	–	7,335
Balance at 31 December 2015	**於2015年12月31日結餘**		4,268	139,092	18,972	19,554	17,455	91,516	290,857	22,170	313,027

The notes on pages 97 to 174 form part of these financial statements. 第97至174頁之附註構成本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
綜合權益變動表

For the year ended 31 December 2016　截至2016年12月31日止年度(以港元列示)
(Expressed in Hong Kong dollars)

			Attributable to equity shareholders of the Company 本公司權益股東應佔								
		Note 附註	Share capital 股本 $'000 千元	Share premium 股份溢價 $'000 千元	Capital reserve 資本儲備 $'000 千元	Statutory reserve 法定儲備 $'000 千元	Exchange reserve 匯兑儲備 $'000 千元	Retained earnings 保留盈利 $'000 千元	Total 總計 $'000 千元	Non-controlling interests 非控股權益 $'000 千元	Total equity 權益總額 $'000 千元
Balance at 1 January 2016	**於2016年1月1日餘額**		**4,268**	**139,092**	**18,972**	**19,554**	**17,455**	**91,516**	**290,857**	**22,170**	**313,027**
Changes in equity for 2016	**2016年的權益變動**										
Profit for the year	年內溢利		**-**	**-**	**-**	**-**	**-**	**21,940**	**21,940**	**1,297**	**23,237**
Other comprehensive income	其他全面收入		**-**	**-**	**-**	**-**	**(26,657)**	**-**	**(26,657)**	**(3,267)**	**(29,924)**
Total comprehensive income	全面收入總額		**-**	**-**	**-**	**-**	**(26,657)**	**21,940**	**(4,717)**	**(1,970)**	**(6,687)**
Appropriation to statutory reserve	分配至法定儲備		**-**	**-**	**-**	**2,807**	**-**	**(2,807)**	**-**	**-**	**-**
Share options lapsed during the year	於年內失效的購股權	22(a)	**-**	**-**	**(243)**	**-**	**-**	**243**	**-**	**-**	**-**
Shares issued under share option scheme	根據購股權計劃所發行的股份	22(c)	**80**	**12,708**	**(3,087)**	**-**	**-**	**-**	**9,701**	**-**	**9,701**
Disposal of a subsidiary	出售附屬公司	23	**-**	**-**	**(209)**	**-**	**-**	**-**	**(209)**	**(22,170)**	**(22,379)**
Disposal of interest in a subsidiary without loss of control	不喪失控制權情況下出售附屬公司權益	22(f)	**-**	**-**	**2,891**	**-**	**-**	**-**	**2,891**	**21,736**	**24,627**
Balance at 31 December 2016	**於2016年12月31日結餘**		**4,348**	**151,800**	**18,324**	**22,361**	**(9,202)**	**110,892**	**298,523**	**19,766**	**318,289**

The notes on pages 97 to 174 form part of these financial statements.　第97至174頁之附註構成本財務報表之一部分。

CONSOLIDATED CASH FLOW STATEMENT
綜合現金流量表

For the year ended 31 December 2016 截至2016年12月31日止年度(以港元列示)
(Expressed in Hong Kong dollars)

		Notes 附註	2016 $'000 千元	2015 $'000 千元
Operating activities	**經營活動**			
Profit before taxation	除税前溢利		**31,654**	6,757
Adjustments for:	調整：			
Depreciation and amortisation	折舊及攤銷	4(c)	**13,027**	18,124
Impairment losses charged on property, plant and equipment	物業、廠房及設備減值虧損計入	4(c)	**4,513**	–
Impairment losses charged on trade and other receivables	貿易及其他應收款項減值虧損計入	4(c)	**1,034**	168
Impairment losses charged on/(written back) inventories	存貨減值虧損計入／(撥回)	13	**508**	(182)
Finance costs	財務成本	4(a)	**9**	420
Interest income	利息收入	3	**(1,231)**	(1,879)
Gain on disposal of property, plant and equipment and leasehold land	出售物業、廠房及設備與租賃土地的收益	10(a)	**(13,462)**	(26)
Gain on disposal of a subsidiary	出售附屬公司的收益	23	**(17,837)**	–
Equity settled share-based payment expenses	以權益結算股份支付的開支	4(b)	**–**	(593)
Foreign exchange gain	外匯收益		**(10,689)**	(4,266)
Expense incurred for the professional fees related to investing activities	就投資活動專業費用所產生的開支		**1,007**	–
Expense incurred for the professional fees related to financing activities	就融資活動專業費用所產生的開支		**503**	–
Changes in working capital	**營運資金變動**		**9,036**	18,523
(Increase)/decrease in inventories	存貨(增加)／減少		**(5,375)**	2,540
(Increase)/decrease in trade and other receivables	貿易及其他應收款項(增加)／減少		**(120,881)**	8,570
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加／(減少)		**67,697**	(6,009)
Cash (used in)/generated from operations	**經營(所用)／所得現金**		**(49,523)**	23,624
Income tax paid	已付所得税	15(a)	**(7,450)**	(2,475)
Net cash (used in)/generated from operating activities	**經營活動(所用)／所得現金淨額**		**(56,973)**	21,149

KEE

CONSOLIDATED CASH FLOW STATEMENT
綜合現金流量表

For the year ended 31 December 2016　截至2016年12月31日止年度(以港元列示)
(Expressed in Hong Kong dollars)

		Notes 附註	2016 $'000 千元	2015 $'000 千元
Investing activities	**投資活動**			
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的付款		**(8,533)**	(10,625)
Proceeds from sale of property, plant and equipment and leasehold land	出售物業、廠房及設備與租賃土地所得款項		**71,766**	146
Payment for the professional fees related to investing activities	投資活動專業費用的付款		**(1,707)**	–
Interest received	已收利息		**1,231**	2,677
Decrease in deposits with banks	銀行定期存款減少		**–**	41,158
Proceeds from disposal of a subsidiary, net of cash	出售附屬公司之所得款項，扣除現金		**90,266**	–
Payments on taxes for sale of property, plant and equipment and leasehold land	出售物業、廠房及設備與租賃土地的稅項付款		**(4,615)**	–
Net cash generated from investing activities	**投資活動所得現金淨額**		**148,408**	33,356
Financing activities	**融資活動**			
Proceed from bank borrowing	銀行借貸所得款項	18	**–**	15,000
Repayment for bank borrowing	償還銀行借貸	18	**(15,000)**	(17,000)
Dividends paid to equity shareholders of the Company	派付予本公司權益股東的股息		**–**	(8,522)
Payment for the professional fees related to financing activities	融資活動專業費用的付款		**(854)**	–
Proceeds from exercise of employee share options	行使僱員購股權之所得款項		**9,701**	7,335
Proceeds from sale of interest in subsidiary without loss of control	不喪失控制權情況下出售附屬公司權益之所得款項		**24,627**	–
Interest paid	已付利息		**(9)**	(422)
Net cash generated from/(used in) financing activities	**融資活動所得／(所用)現金淨額**		**18,465**	(3,609)
Net increase in cash and cash equivalents	**現金及現金等價物淨額增加**		**109,900**	50,896
Cash and cash equivalents at 1 January	**於1月1日的現金及現金等價物**		**85,894**	37,975
Effect of foreign exchange rate changes	**匯率變動的影響**		**(9,298)**	(2,977)
Cash and cash equivalents at 31 December	**於12月31日的現金及現金等價物**	16	**186,496**	85,894

The notes on pages 97 to 174 form part of these financial statements.　第97至174頁之附註構成本財務報表之一部分。

1 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), accounting principles generally accepted in Hong Kong and the disclosure 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 Hong Kong Stock Exchange"). A summary of the significant accounting policies adopted by 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 1(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.

1 主要會計政策

(a) 合規聲明

此等財務報表是按照香港會計師公會(香港會計師公會)頒佈之所有適用香港財務報告準則(香港財務報告準則)，該統稱包括所有適用的單獨的香港財務報告準則、香港會計準則(香港會計準則)及詮釋、香港公認會計原則及香港《公司條例》之披露規定編製。此等財務報表亦已遵照香港聯合交易所有限公司(「香港聯交所」)證券上市規則中適用的披露規定。本集團所採用之主要會計政策摘要載列如下。

香港會計師公會頒佈了若干新訂及經修訂之香港財務報告準則，有關準則自本集團的本會計期間首次生效或可供提前採用。於本期間及過往會計期間，由於初次運用上述與本集團有關之新訂及經修訂香港財務報告準則而導致會計政策變動已反映於財務報表中，其資料載於財務報表附註1(c)內。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港元計算)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2016 comprise KEE Holdings Company Limited ("the Company") and its subsidiaries (together referred to as "the Group").

The measurement basis used in the preparation of the financial statements is the historical cost basis.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell (see note 1(r)).

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 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 29.

1 主要會計政策(續)

(b) 財務報表編製基準

截至2016年12月31日止年度的綜合財務報表包括開易控股有限公司(「本公司」)及其附屬公司(統稱為「本集團」)。

編製財務報表採用的計量基準為歷史成本基準。

持作待售之非流動資產及資產組以賬面值與公允值減出售成本孰低者計價(參見附註1(r))。

管理層在編製符合香港財務報告準則的財務報表時，須作出對政策的應用及對資產、負債、收入及支出的呈報金額造成影響的判斷、估計和假設。該等估計和相關假設是根據經驗和管理層因應當時情況認為合理的各種其他因素為基礎，而所得結果成為管理層在無法從其他渠道獲得資產和負債的賬面值時作出判斷的依據。實際結果可能有別於該等估計。

管理層會持續審閱該等估計及相關假設。倘若會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂會在該期間內確認；倘若該項修訂對當前及未來期間均有影響，則在作出修訂的期間及未來期間確認。

有關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，以及估計不確定因素的主要來源，乃於合併財務報表附註29論述。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) NEW AND REVISED HKFRSs THAT ARE FIRST EFFECTIVE FOR THE CURRENT ACCOUNTING PERIOD

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

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

(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 and 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.

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. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

1 主要會計政策(續)

(c) 於本會計期間首次生效的新訂及經修訂香港財務報告準則

香港會計師公會已頒佈多項於本集團目前會計期間首次生效之香港財務報告準則之修訂。此等發展對本集團目前或過往期間之業績及財務狀況之編製或呈列方式概無重大影響。

本集團並無應用任何於目前會計期間尚未生效之新訂準則或詮釋。

(d) 附屬公司及非控股權益

附屬公司是指受本集團控制的實體。當本集團因參與實體而對可變回報承受風險或享有權利，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。於評估本集團是否擁有有關權力時，僅會考慮其實質權利(由本集團及其他人士持有)。

於附屬公司的投資自控制權開始當日計入綜合財務報表，直至控制權終止當日為止。集團內公司間的結餘及交易及現金流量，以及集團內公司間交易所產生的任何未變現溢利，在編製此等綜合財務報表時均全數抵銷。集團內公司間交易所產生的未變現虧損則僅在無出現減值跡象的情況下以與抵銷未變現溢利相同的方法予以抵銷。

非控股權益是指非由本公司直接或間接應佔之附屬公司股權，而本集團未與該等權益的持有者達成任何附加協議，致令本集團整體上對該等權益產生符合金融負債定義的合約義務。就各業務合併而言，本集團可選擇按公允值或按彼等佔附屬公司的可識別資產淨值的比例而計量非控股權益。

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港元計算)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)

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. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position depending on the nature of the liability.

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, and no gain or loss is recognised.

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, or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(h)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

1 主要會計政策(續)

(d) 附屬公司及非控股權益(續)

非控股權益呈列於綜合財務狀況表中的權益一項，與本公司權益股東應佔權益分開呈列。本集團業績中的非控股權益乃作為年內溢利或虧損總額及全面收入總額在非控股權益與本公司權益股東之間的分配於綜合損益表及綜合損益及其他全面收益表內列賬。本公司從非控股權益持有人獲得的貸款及對這些持有人的其他法定義務已按負債性質列示於綜合財務狀況表中的金融負債項目內。

本集團於附屬公司的權益變動不會導致失去控制權，並作為權益交易入賬，而各自的控股權益及非控股權益金額調整已於綜合權益內進行，以反映相關權益的變動，但並未確認盈利或虧損。

當本集團失去附屬公司控制權時，則入賬為出售該附屬公司全部權益，所產生盈利或虧損於損益確認。失去控制權當日所保留原附屬公司的權益按公允值確認，該金額視為初始確認金融資產的公允值或(如適用)初始確認於聯營公司或合營企業投資的成本。

在本公司之財務狀況表內，於附屬公司之投資按成本值減去任何減值虧損(見附註1(h)(ii))列賬；惟如有關投資已被列作待售投資(或計入列作持作出售之出售組別)則除外。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated in the statement of financial position at cost less accumulated depreciation and impairment losses (note 1(h)(ii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and the borrowing costs (note 1(q)).

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 situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being no more than 50 years after the date of completion.
- Leasehold improvement is depreciated over the shorter of the unexpired term of lease and their estimated useful lives of 3 to 10 years.
- Machinery 10 years
- Vehicles and other equipment 4 — 5 years

1 主要會計政策(續)

(e) 物業、廠房及設備

物業、廠房及設備在財務狀況表內按成本減累計折舊及減值虧損列值(附註1(h)(ii))。

自建物業、廠房及設備項目的成本包括物料成本、直接工資、拆卸及搬遷項目以及恢復項目所在地原貌的成本的初步估計(倘有關)和適當比例的生產經常費用及借貸成本(附註1(q))。

報廢或出售物業、廠房及設備項目的盈虧，乃出售所得款項淨額與有關項目賬面值的差額，並於報廢或出售日期在損益中確認。

折舊乃將物業、廠房及設備項目的成本減其估計剩餘價值(如有)，按下述估計可使用年期內以直線法計算而撇銷：

- 於租賃土地上的樓宇，其折舊乃以未滿租約期與估計可使用年期較短者計算(即於竣工日期後不超過50年)。
- 租賃裝修的折舊乃以未滿租約期與估計可使用年期(3至10年)較短者計算。
- 機器 10年
- 車輛及其他設備 4–5年

NOTES TO THE FINANCIAL STATEMENTS
財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港元計算)

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Construction in progress ("CIP") represents property, plant and equipment under construction and pending installation, and is stated at cost less any impairment losses (note 1(h)(ii)).

Cost comprises direct costs of construction during the construction period. Capitalisation of these costs ceases and the CIP is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

(f) INTANGIBLE ASSETS

Research and development costs comprise all costs that are directly attributable to research and development activities or that can be allocated on a reasonable basis to such activities. Because of the nature of the Group's research and development activities, the criteria for the recognition of such costs as an asset are generally not met until late in the development stage of the project when the remaining development costs are immaterial. Hence both research costs and development costs are generally recognised as expenses in the period in which they are incurred.

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 1(h)(ii)).

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. Computer software is amortised from the date it is available for use and its estimated useful life is 5 to 10 years.

Both the period and method of amortisation are reviewed annually.

1 主要會計政策(續)

(e) 物業、廠房及設備(續)

在建工程(「在建工程」)是指興建中和待安裝的物業、廠房及設備，並按成本減去任何減值虧損(附註1(h)(ii)列示)。

成本包括建築期間的直接建築成本。在資產大致上可作擬定用途時，該等成本將停止資本化，在建工程則撥入物業、廠房及設備項目內。

(f) 無形資產

研究及開發成本包括直接與研究及開發活動有關之成本，或按合理準則撥入研究開發活動之成本。基於本集團研究及開發活動之性質，該等成本通常在項目開發階段末期於餘下開發成本並不重要時方確認為資產入賬，因此研究成本及開發成本均在支出期間列為開支入賬。

本集團所購入的無形資產乃按成本值減累計攤銷(倘屬有限估計可使用年期)及減值虧損(見附註1(h)(ii))列賬。

有限可使用年期的無形資產攤銷乃於資產估計可使用年期內以直線法在損益中扣除。電腦軟件自其可供使用日期起攤銷及其估計使用年限為5至10年。

攤銷的年期及方法均每年進行檢討。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) OPERATING LEASE CHARGES

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

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 terms, 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.

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

(h) IMPAIRMENT OF ASSETS

(i) Impairment of current and non-current receivables

Current and non-current receivables that are stated at cost or amortised cost 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; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

1 主要會計政策(續)

(g) 經營租賃開支

不會轉移所有權的絕大部分風險和回報的租約乃分類為經營租賃。

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，否則租賃付款按該租賃期所涵蓋的會計年期以等額分期記入損益。收到的租賃激勵措施均在損益賬中確認為租賃淨付款總額的組成部分。

取得以經營租賃持有土地的成本按直線法在租賃期內攤銷。

(h) 資產減值

(i) 流動及非流動應收款項減值

流動及非流動應收款項，會在每個報告期終檢討，以確定有否客觀減值證據。減值的客觀證據包括以下一項或多項引起本集團注意的虧損事件的可觀察資料：

- 債務人重大財困；
- 違反合約，例如拖欠或逾期償還利息或本金付款；
- 債務人很可能破產或進行其他財務重組；及
- 技術、市場、經濟或法律環境的重大改變對債務人有不利影響。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) IMPAIRMENT OF ASSETS (CONTINUED)

(i) Impairment of current and non-current receivables (continued)

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

— For current and non-current receivables 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 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.

1 主要會計政策(續)

(h) 資產減值(續)

(i) 流動及非流動應收款項減值(續)

倘有憑證顯示出現減值，則會按下列方法釐定及確認任何減值虧損：

— 對於按攤銷成本列賬的流動及非流動應收款項，減值虧損按該項資產賬面值與估計未來現金流量現值的差額計算，再按有關金融資產原先的實際利率(即按最初確認該等資產計算出的實際利率)折現(倘折現影響屬重大)。所有金融資產若擁有類似風險性質(如相近的逾期未付情況)和沒有被獨立評估為已減值，均按集體基準予以評估。該等按集體基準被評估為已減值的金融資產的未來現金流量乃根據擁有相似信貸風險性質的資產過往的虧損經驗評估。

若於其後的期間，減值虧損數額減少，而有關減少可客觀地與在確認減值虧損後發生的事件聯繫，則減值虧損會透過損益轉回。減值虧損轉回不得導致資產賬面值超過過往年度並無確認減值虧損而應得者。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) IMPAIRMENT OF ASSETS (CONTINUED)

(i) Impairment of current and non-current 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.

(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 an impairment loss previously recognised no longer exists or may have decreased:

— property, plant and equipment;

— pre-paid interests in leasehold land classified as being held under an operating lease;

1 主要會計政策(續)

(h) 資產減值(續)

(i) 流動及非流動應收款項減值(續)

因包含在貿易及其他應收款項中的應收賬款的可收回性被視為難以預料而並非甚微，就其確認的減值虧損不會從相應的資產中直接撇銷。在此情況下，呆賬的減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款的機會甚微，則視為不可收回金額會直接從應收賬款中撇銷，而在撥備賬中就該債務保留的任何金額會被撥回。倘之前計入撥備賬的款項在其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接撇銷的款項均於損益中確認。

(ii) 其他資產的減值

本集團於每個報告期終審閱檢討內外資料來源，以鑒定以下資產可有減值或原已確認的減值虧損不再存在或可有減少的跡象：

— 物業、廠房及設備；

— 分類為以經營租賃持有的租賃土地權益的預付款項；

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) IMPAIRMENT OF ASSETS (CONTINUED)

(ii) Impairment of other assets (continued)

— intangible assets; and

— investment in subsidiaries in the Company's statement of financial position.

if any such indication exists, the asset's recoverable amount is estimated.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. 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).

1 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產的減值(續)

— 無形資產；及

— 本公司財務狀況表中於附屬公司的投資。

倘若任何此等跡象存在，則會估計有關資產的可收回金額。

— 計算可收回金額

資產的可收回金額為其公允值減去出售成本與其使用價值兩者中的較高者。評估使用價值時，本集團以除税前的折現率計算估計未來現金流量的現值，而該折現率反映當時市場對貨幣時間價值及該項資產的特有風險的評估。如某項資產產生的現金流量不能獨立於其他資產所產生的現金流量，則可收回金額按可獨立產生現金流量的最小資產組合(即現金產生單位)計算。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) 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 to reduce the carrying amount of the 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

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. 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.

1 主要會計政策(續)

(h) 資產減值(續)

(ii) 其他資產的減值(續)

— 確認減值虧損

每當資產(或其所屬的現金產生單位)的賬面值超過其可收回金額，即會在損益確認減值虧損。就現金產生單位確認的減值虧損，獲分配以按比例減少單位(或該組單位)資產的賬面值，惟資產賬面值不會減少至低於其本身的公允值減出售成本(若可計量)或使用價值(若可釐定)。

— 減值虧損回撥

當釐定可收回金額時採納的估計有正面改變時，減值虧損將會回撥。減值虧損的回撥金額以假設過往年度並無確認減值虧損而計算的資產賬面值為限。減值虧損的回撥於確認回撥當年計入損益。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) INVENTORIES

Inventories are carried 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.

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.

(j) TRADE AND OTHER RECEIVABLES

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, less allowance for impairment of doubtful debts (see note 1(h)(i)).

1 主要會計政策(續)

(i) 存貨

存貨以成本及可變現淨值的較低者列賬。

成本乃按加權平均成本法計算，並包括所有採購成本、加工成本及其他使存貨達致其現時地點及狀況而產生的成本。

可變現淨值指正常業務過程中的估計售價減估計完成成本及估計所需的銷售費用。

於售出存貨時，該等存貨的賬面值在相關收益確認的期間確認為支出。任何撇減存貨至可變現淨值的金額及存貨的所有虧損於撇減或出現虧損的期間內確認為支出。回撥任何撇減存貨的金額於出現回撥的期間確認為存貨支出的減額。

(j) 貿易及其他應收款項

貿易及其他應收款項初步按公允值確認，其後則採用實際利率法按攤銷成本減呆賬減值撥備列賬(見附註1(h)(i))。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) 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.

(l) 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.

Contributions to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the People's Republic of China (the "PRC") are recognised as an expense in profit or loss as incurred.

1 主要會計政策(續)

(k) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行與其他金融機構的活期存款及可轉換為已知數額現金的短期高流動性投資，而該等投資的價值變動風險較低，且於購入起計三個月內到期。

(l) 僱員福利

(i) 短期僱員福利及定額供款計劃的供款

薪金、年度花紅、有薪年假、指定供款退休計劃的供款及非金錢福利成本均於僱員提供相關服務的年度計算。倘上述款項或福利遞延支付或提供，而有關影響重大，則該等款項均按現值入賬。

根據中華人民共和國(「中國」)有關勞工規則及法規向當地適當定額供款退休計劃作出的供款於產生期間在損益內確認為開支。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) 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 a capital reserve within equity. The fair value is measured at grant date using the binomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the 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 capital 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 capital 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 capital reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

1 主要會計政策(續)

(l) 僱員福利(續)

(ii) 以股份支付的支出

僱員獲授予的股份期權按公允值確認為僱員成本，而權益中的資本儲備亦會相應增加。公允值是在授予日以二項式點陣模式計量，並考慮期權授予條款和條件。如果僱員須符合可行權條件才能無條件地享有股份期權的權利，在考慮到期權行權的可能性後，估計授予股份期權的公允值便會在整個行權等待期內分攤。

本公司會在行權等待期內審閱預期行權的股份期權數目。已於以往年度確認的累計公允值的任何調整會在審閱當年在損益中扣除／計入；但如果原來的僱員支出符合確認為資產的資格，便會對資本儲備作出相應的調整。已確認為支出的數額會在可行權日作出調整，以反映所行權股份期權的實際數目(同時對資本儲備作出相應的調整)；但只會在無法符合與本公司股份市價相關的可行權條件時才會放棄之股份期權除外。權益數額在資本儲備中確認，直至期權獲行使(轉入股份溢價賬)或期權到期(直接轉入盈餘儲備)時為止。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) 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 relate 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 reporting period, and any adjustment to tax payable in respect of previous years.

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.

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.

1 主要會計政策(續)

(m) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產和負債的變動。即期稅項及遞延稅項資產和負債的變動均在損益內確認，但與確認為其他全面收入項目或與直接確認為權益項目相關的，在該情況下，有關稅項金額分別確認為其他全面收入或直接確認為權益。

即期稅項是本年度應課稅收入按於報告期終已頒佈或實質頒佈的稅率計算的預期應付稅項，加上以往年度應付稅項的任何調整。

遞延稅項資產和負債分別由可抵扣和應課稅暫時差異產生。暫時差異是指資產和負債就財務申報目的的賬面值與該等資產和負債的計稅基礎的差異。遞延稅項資產也可以由未利用稅項虧損和未利用稅項抵減產生。

遞延稅項額是按照資產和負債賬面值的預期實現或清償方式，根據於報告期終已頒佈或實質頒佈的稅率計量。遞延稅項資產和負債均不折現計算。

本集團會在每個報告期終評估遞延稅項資產的賬面值。如果不再可能獲得足夠的應課稅溢利以利用相關的稅務利益，該遞延稅項資產的賬面值便會調低；但是如果日後可能獲得足夠的應課稅溢利，有關減額便會轉回。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) INCOME TAX (CONTINUED)

Current tax balances and deferred tax balances, and movements therein, are presented separately 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.

1 主要會計政策(續)

(m) 所得稅(續)

即期及遞延稅項結餘和其變動額會分開列示，並且不予抵銷。即期和遞延稅項資產只會在本公司或本集團有法定行使權以即期稅項資產抵銷即期稅項負債，並且符合以下附帶條件的情況下，才可以分別抵銷即期和遞延稅項負債：

- 即期稅項資產和負債，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清償該負債；或
- 遞延稅項資產和負債：該等資產和負債如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：該等實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間，按淨額基準實現即期稅項資產和清償即期稅項負債，或同時變現該資產和清償該負債。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised for other 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 expenditure expected to settle the obligation.

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 of economic benefits 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 benefits is remote.

1 主要會計政策(續)

(n) 撥備及或然負債

當本集團或本公司因過去事項須承擔法定責任或推定責任，而履行該責任很可能需要付出經濟利益及能可靠估計時，本集團會就未能確定時間或金額的負債確認撥備。倘有關款項的貨幣時間價值重大，則撥備會以預期履行義務所需支出的現值入賬。

倘不大可能需要導致流出經濟利益，或其數額未能可靠地估計，則該責任將列作或然負債，惟經濟利益流出的機會極微則除外。潛在責任(其實現與否完全視乎一個或數個未來事項發生與否)亦會列作或然負債，惟經濟利益流出的機會極微則除外。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) 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 at the customers' premises 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 and is after deduction of any trade discounts.

(ii) Rendering of services

Commission income of rendering property agency services is recognised when the related services are rendered and the relevant formal property selling agreements are duly reached. Revenue excludes value added tax or other sales taxes.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iv) Government grants

Unconditional discretionary government grants from the local municipal government authorities are recognised in the profit or loss as other income when the amount is received.

1 主要會計政策(續)

(o) 收益確認

收益按已收或應收代價的公允值衡量。倘經濟利益可能流入本集團，而收益及成本(如適用)能夠可靠計算時，下列各項收益會在損益中確認：

(i) 銷售貨品

收益在貨物送達客戶場地，而且客戶接納貨物及其所有權相關的風險及回報時確認。收益不包括增值税，且須扣除任何貿易折讓。

(ii) 提供服務

提供物業中介服務的佣金收入於提供相關服務及相關正式物業銷售協議妥為簽署時確認。收益不包括增值税及其他銷售税。

(iii) 利息收入

產生時採用實際利率法確認為利息收入。

(iv) 政府補助金

自當地中國政府機關不帶條件的政府酌情補助金乃於收取款項時於損益內確認為其他收入。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) TRANSLATION OF FOREIGN CURRENCIES

For the purpose of presenting these financial statements, the Group adopted Hong Kong dollars ("HK$") as its presentation currency. The functional currencies of the Company, KEE International (BVI) Company Limited ("KEE International BVI"), and KEE Zippers Corporation Limited ("KEE Zippers") are HK$ and the functional currencies of the subsidiaries established in the PRC are Renminbi ("RMB").

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 determined.

The results of foreign operations are translated into HK$ at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into HK$ at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

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.

1 主要會計政策(續)

(P) 外幣換算

就呈列此等財務報表而言，本集團採用港元(「港元」)作為其呈列貨幣。本公司、KEE International (BVI) Company Limited (「KEE International BVI」)，及開易拉鏈有限公司(「開易拉鏈」)的功能貨幣為港元。而於中國成立的附屬公司的功能貨幣為人民幣(「人民幣」)。

年內的外幣交易已按交易日的匯率換算。以外幣計值的貨幣資產及負債已按報告期終的匯率換算。匯兑盈虧已於損益中確認。

以外幣按歷史成本計量的非貨幣資產及負債乃採用交易日的匯率換算。以外幣按公允值入賬的非貨幣資產及負債乃按釐定公允值當日的匯率換算。

外國經營業務業績按與交易當日的匯率相若的匯率換算為港元。財務狀況表項目按報告期終的收市匯率換算為港元。所導致的匯兑差額已於分別確認為其他全面收入及在權益中的匯兑儲備內累積。

出售外國經營業務時，若有確認出售產生的溢利或虧損，則有關外國經營業務的匯兑差額累積金額由權益重新分類為損益。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) 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.

(r) NON-CURRENT ASSETS HELD FOR SALE

A non-current asset (or disposal group) is classified as held for sale if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset (or disposal group) is available for sale in its present condition. A disposal group is a group of assets to be disposed of together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

Immediately before classification as held for sale, the measurement of the non-current assets (and all individual assets and liabilities in a disposal group) is brought up-to-date in accordance with the accounting policies before the classification. Then, on initial classification as held for sale and until disposal, the non-current assets (except for certain assets as explained below), or disposal groups, are recognised at the lower of their carrying amount and fair value less costs to sell.

Impairment losses on initial classification as held for sale, and on subsequent remeasurement while held for sale, are recognised in profit or loss. As long as a non-current asset is classified as held for sale, or is included in a disposal group that is classified as held for sale, the non-current asset is not depreciated or amortised.

1 主要會計政策(續)

(q) 借貸成本

因收購、興建或製造需時方可達至其預定用途或可供出售的資產而直接產生的借貸成本會被資本化為資產成本的一部分。其他借貸成本均在其產生期間列為開支。

(r) 持作出售之非流動資產

倘非流動資產(或出售組別)之賬面值很有可能透過銷售交易而非透過持續使用收回，並且資產(或出售組別)達到可出售狀態，則分類為持作出售之非流動資產(或出售組別)。出售組別為一組將予出售之資產(於單一交易中視為一組)，而與該等資產直接關連之負債將於交易中轉移。

緊接分類為持作出售前，非流動資產(及出售組別中所有個別資產與負債)之計量按照分類前之會計政策作出更新。其後，由初步分類為持作出售至處置為止，非流動資產(下述若干資產除外)或出售組別按其賬面值與公允值減出售成本兩者之較低者予以確認。

初步分類為持作出售和其後在持作出售時重新計量而產生之減值虧損均在損益確認。只要非流動資產一直分類為持作出售或包括在分類為持作出售之出售組別中，該非流動資產不會計提折舊或攤銷。

1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) RELATED PARTIES

(a) A person, or a close member of that person's family, is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or the Group's parent.

(b) An entity is related to the Group if any of the following conditions applies:

(i) 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).

(ii) 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).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

1 主要會計政策(續)

(s) 關連方

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響；或

(iii) 為本集團或本集團母公司的主要管理層成員。

(b) 倘符合下列任何條件，即實體與本集團有關連：

(i) 該實體與本集團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)。

(ii) 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)。

(iii) 兩間實體均為同一第三方的合營企業。

(iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。

(v) 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。

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1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) RELATED PARTIES (CONTINUED)

(b) (continued)

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) 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).

(viii) 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.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

1 主要會計政策(續)

(s) 關連方(續)

(b) (續)

(vi) 實體受(a)所識別人士控制或受共同控制。

(vii) 於(a)(i)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。

(viii) 向本集團或本集團母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

任何人士的近親是指與該實體交易時預期可影響該名人士或受該人士影響的家庭成員。

2 REVENUE

The principal activities of the Group are manufacture and sale of zippers and other related product, and rendering of property agency services.

The amount of each significant category of revenue is as follows:

2 收益

本集團的主要業務為製造及銷售拉鏈及其他相關產品，以及提供物業代理服務。

各主要收益類別金額如下：

		2016 $'000 千元	2015 $'000 千元
Sales of goods	*銷售貨品*		
Finished zippers and sliders	條裝拉鏈及拉頭	**139,926**	146,346
Flat knit ribs	橫機羅紋	**1,698**	7,747
Others	其他	**3,944**	4,923
		145,568	159,016
Rendering of services	*提供服務*		
Commission income of rendering property agency services	提供物業代理服務佣金收入	**7,630**	–
		153,198	159,016

No individual customer had transactions exceeding 10% of the Group's revenue.

概無個別客戶的交易額超過本集團收益的10%。

3 OTHER INCOME

3 其他收入

		2016 $'000 千元	2015 $'000 千元
Interest income	利息收入	**1,231**	1,879
Government grants	政府補助金	**275**	153
Net foreign exchange gain	匯兑收益淨額	**10,161**	1,675
(Loss)/gain on disposal of property, plant and equipment	出售物業、廠房及設備的(虧損)／收益	**(4,147)**	26
Others	其他	**32**	1,323
		7,552	5,056

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4 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

4 除税前溢利

除税前溢利已扣除／(計入)下列各項：

(a) FINANCE COSTS

(a) 財務成本

		2016 $'000 千元	2015 $'000 千元
Interest on bank borrowing	銀行借貸的利息	**9**	420

(b) STAFF COSTS*

(b) 員工成本*

		2016 $'000 千元	2015 $'000 千元
Salaries, wages and other benefits	工資、薪水及其他福利	**55,592**	50,749
Contributions to defined contribution retirement plans	向定額供款退休計劃作出的供款	**6,381**	5,071
Equity settled share-based payment expenses (note 22(a))	以權益結算股份支付的開支（附註22(a)）	**–**	(593)
		61,973	55,227

4 PROFIT BEFORE TAXATION (CONTINUED)
4 除稅前溢利(續)

(c) OTHER ITEMS
(c) 其他項目

		2016 $'000 千元	2015 $'000 千元
Depreciation and amortisation*	折舊及攤銷*		
— land lease premium (note 10)	— 土地租賃費用	**8**	700
— property, plant and equipment (note 10)	— 物業、廠房及設備（附註10）	**12,220**	16,322
— intangible assets (note 11)	— 無形資產(附註11)	**799**	1,102
		13,027	18,124
Auditors' remuneration	核數師酬金		
— audit services	— 審核服務	**1,760**	1,097
— tax services	— 稅務服務	**18**	225
— other services	— 其他服務	**840**	348
		2,618	1,670
Impairment losses charged on trade and other receivables (note 14(b))	減值虧損計入貿易及其他應收款項(附註14(b))	**1,034**	168
Impairment losses charged on equipment (note 10)	減值虧損計入設備(附註10)	**4,513**	–
Operating lease charges: minimum lease payments	經營租賃開支：最低租賃付款		
— hire of plant and machinery*	— 租用的廠房及機器*	**4,342**	4,474
— hire of other assets (including property rentals)	— 租用其他資產（包括物業租金）	**172**	188
		4,514	4,662
Research and development expenses	研發開支	**1,790**	2,079
Cost of inventories* (note 13)	存貨成本*(附註13)	**103,497**	110,919

* *Cost of inventories includes HK$52,651,000 (2015: HK$52,097,000) relating to staff costs, depreciation and amortisation expenses and operating lease charges, which amounts are also included in the respective total amounts disclosed separately above or in note 4(b) for each of these types of expenses.*

* *存貨成本內52,651,000港元(2015年：52,097,000港元)與員工成本、折舊、攤銷費用及經營租賃開支有關，該等金額亦包括於上文或附註4(b)所披露各類費用的總額內。*

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

5 綜合損益表內的所得稅

(a) INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS REPRESENTS:

(a) 綜合損益表內的所得稅指：

		2016 $'000 千元	2015 $'000 千元
Current tax — PRC corporate income tax	**即期稅項 — 中國企業所得稅**		
Provision for the year	年內撥備	**8,892**	2,882
Under/(over)-provision in respect of prior years	過往年度撥備不足／(超額撥備)	**365**	(123)
		9,257	2,759
Current tax — Hong Kong Profits Tax and others	**即期稅項 — 香港利得稅及其他**		
Provision for the year	年內撥備	**268**	93
Deferred tax	**遞延稅項**		
Origination and reversal of temporary differences	暫時性差異的產生及撥回	**(1,108)**	665
		8,417	3,517

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

5 綜合損益表內的所得稅(續)

(b) RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT AT APPLICABLE TAX RATES:

(b) 稅項開支與按適用稅率計算的會計溢利的對賬列載如下：

		2016 $'000 千元	2015 $'000 千元
Profit before taxation	除稅前溢利	**31,654**	6,757
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdiction concerned (note i)	除稅前溢利的名義稅項，按各相關司法權區溢利適用的稅率計算(附註i)	**8,672**	2,719
Effect of non-deductible expenses	不可扣減開支的影響	**3,566**	927
Effect of non-taxable income	非應課稅收入的影響	**(1,692)**	(44)
Effect of tax losses not recognised	未確認的稅項虧損的影響	**158**	1,227
Effect of tax concessions (note ii)	稅務優惠的影響(附註ii)	**(3,307)**	(1,446)
PRC dividend withholding tax (note iii)	中國股息預扣稅(附註iii)	**442**	139
Under/(over) — provision in prior years	過往年度撥備不足／(超額撥備)	**365**	(123)
Others	其他	**213**	118
Actual tax expense	實際稅項開支	**8,417**	3,517

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands or the BVI.

KEE Zippers, Fortress Gain (HK) Limited, Wide Bright Investment Limited, and Ever Grace (China) Limited are subject to Hong Kong Profits Tax at 16.5% in 2016 and 2015.

(i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的法例法規，本集團毋須於開曼群島或英屬處女群島繳納任何所得稅。

開易拉鏈、永盈(香港)有限公司、博輝投資有限公司及恒彩(中國)有限公司於2016年及2015年須按16.5%稅率繳納香港利得稅。

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(除另有註明外，所有金額以港元計算)

5 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (CONTINUED)

(b) RECONCILIATION BETWEEN TAX EXPENSE AND ACCOUNTING PROFIT AT APPLICABLE TAX RATES: (CONTINUED)

(ii) KEE (Guangdong) Garment Accessories Limited ("KEE Guangdong") was recognised as a High and New Technology Enterprise ("HNTE") and was entitled to a preferential income tax rate of 15% up to 2018. Except for KEE Guangdong, the statutory income tax rate applicable to the Company's other subsidiaries in mainland China was 25%.

(iii) Pursuant to the Corporate Income Tax Law of the PRC and its relevant regulations, PRC-resident enterprises are levied withholding income tax at 10% on dividends to their non-PRC-resident corporate investors for earnings accumulated beginning on 1 January 2008. Undistributed earnings generated prior to 1 January 2008 are exempted from such withholding tax. Under the Sino-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident which is the "beneficial owner" and holds 25% or more of the equity interest of a PRC-resident enterprise is entitled to a reduced withholding tax rate of 5%. As at 31 December 2016, deferred tax liability recognised in this regard was HK$1,124,000 (2015: HK$682,000). (see note 15(b))

5 綜合損益表內的所得稅(續)

(b) 稅項開支與按適用稅率計算的會計溢利的對賬列載如下：(續)

(ii) 開易(廣東)服裝配件有限公司(「開易廣東」)被確認為高新技術企業(「高新技術企業」)，並享有15%的優惠所得稅稅率至2018年。除開易廣東外，適用於本公司於中國內地其他附屬公司的法定所得稅率為25%。

(iii) 根據中國企業所得稅法及其相關條例，中國居民企業就自2008年1月1日起的累計盈利向其非中國居民企業投資者派付股息，須繳納10%的預扣稅。於2008年1月1日前產生的未分派盈利獲豁免預扣稅。根據內地與香港避免雙重徵稅和防止偷漏稅的安排及其有關法規，作為「實益擁有人」並持有中國居民企業25%或以上股本權益的獲認可香港稅務居民可按減免預扣稅稅率5%繳稅。於2016年12月31日，就此確認的遞延稅項負債為1,124,000港元(2015年：682,000港元)。(詳見附註15(b))

6 DIRECTORS' EMOLUMENTS

6 董事酬金

		For the year ended 31 December 2016 截至2016年12月31日止年度			
		Directors' fees 董事袍金 $'000 千元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 $'000 千元	Retirement scheme contribution 退休計劃供款 $'000 千元	Total 總計 $'000 千元
Chairman	**主席**				
Xu Xipeng (Resigned on 17 February 2016)	許錫鵬(於2016年2月17日辭任)	**32**	**265**	**4**	**301**
Wu David Hang (Appointed on 17 February 2016)	吳航正(於2016年2月17日獲委任)	**–**	**–**	**–**	**–**
Executive directors	**執行董事**				
Xu Xinan (Resigned on 17 February 2016)	許錫南(於2016年2月17日辭任)	**32**	**254**	**4**	**290**
Chow Hoi Kwang, Albert (Resigned on 17 February 2016)	周浩光(於2016年2月17日辭任)	**48**	**–**	**–**	**48**
Hou Jian (Appointed on 17 February 2016)	侯健(於2016年2月17日獲委任)	**–**	**–**	**–**	**–**
Non-executive director	**非執行董事**				
Yang Shaolin (Resigned on 17 February 2016)	楊少林(於2016年2月17日辭任)	**19**	**–**	**–**	**19**
Independent non-executive directors	**獨立非執行董事**				
Lin Bin (Resigned on 17 February 2016)	林斌(於2016年2月17日辭任)	**22**	**–**	**–**	**22**
Kong Hing Ki (Resigned on 17 February 2016)	江興琪(於2016年2月17日辭任)	**19**	**–**	**–**	**19**
Tam Yuk Sang, Sammy (Resigned on 17 February 2016)	譚旭生(於2016年2月17日辭任)	**19**	**–**	**–**	**19**
Wong Yik Chung, John (Appointed on 17 February 2016)	黃翼忠 (於2016年2月17日獲委任)	**125**	**–**	**–**	**125**
Tse Calvin Kai Chuen (Appointed on 17 February 2016)	謝繼春 (於2016年2月17日獲委任)	**125**	**–**	**–**	**125**
Leung Ka Tin (Appointed on 17 February 2016)	梁家鈿 (於2016年2月17日獲委任)	**125**	**–**	**–**	**125**
		566	**519**	**8**	**1,093**

6 DIRECTORS' EMOLUMENTS (CONTINUED)

6 董事酬金(續)

		For the year ended 31 December 2015 截至2015年12月31日止年度			
		Directors' fees 董事袍金 $'000 千元	Salaries, allowances and benefits in kind 薪金、津貼及實物福利 $'000 千元	Retirement scheme contribution 退休計劃供款 $'000 千元	Total 總計 $'000 千元
Chairman	**主席**				
Xu Xipeng	許錫鵬	240	819	23	1,082
Executive directors	**執行董事**				
Xu Xinan	許錫南	240	748	23	1,011
Chow Hoi Kwang, Albert	周浩光	360	–	–	360
Non-executive director	**非執行董事**				
Yang Shaolin	楊少林	144	–	–	144
Independent non-executive directors	**獨立非執行董事**	168	–	–	168
Lin Bin	林斌				
Kong Hing Ki	江興琪	144	–	–	144
Tam Yuk Sang, Sammy	譚旭生	144	–	–	144
		1,440	1,567	46	3,053

6 DIRECTORS' EMOLUMENTS (CONTINUED)

There were no amounts paid or payable by the Group to the directors or any of the highest paid individuals set out in note 7 below as an inducement to join or upon joining the Group or as a compensation for loss of office. There was no arrangement under which a director has waived or agreed to waive any emoluments.

6 董事酬金(續)

本集團概無已付或應付予董事或下文附註7所述最高薪酬人士中任何人士酬金以吸引彼等加盟本集團或作為加入後的獎金或離職補償。概無董事放棄或同意放棄任何酬金的安排。

7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, nil (2015: two) is director. The aggregate of the emoluments in respect of the other five (2015: three) individuals are as follows:

7 最高薪酬人士

五名最高薪酬人士中並無董事(2015年：2名)。另外5名(2015年：3名)最高薪酬人士的薪酬總額如下：

		2016 **$'000** **千元**	2015 $'000 千元
Salaries and other emoluments	薪金及其他薪酬	**1,942**	1,320
Discretionary bonuses	酌情花紅	**1,507**	48
Retirement scheme contributions	退休計劃供款	**109**	167
Share-based payments	以股份支付的支出	**–**	(68)
		3,558	1,467

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7 INDIVIDUALS WITH HIGHEST EMOLUMENTS (CONTINUED)

The emoluments of the three (2015: three) individuals with the highest emoluments are within the following band:

7 最高薪酬人士(續)

3名(2015年：3名)最高薪酬人士的薪酬介乎以下範圍：

		2016 Number of individuals 人數	2015 Number of individuals 人數
Nil to HK$1,000,000	零至1,000,000港元	**3**	3

8 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$21,940,000 (2015: HK$4,161,000) and the weighted average number of 434,330,000 ordinary shares (2015: 422,467,000 ordinary shares) in issue during the year, calculated as follows:

8 每股盈利

(a) 每股基本盈利

每股基本盈利乃根據本公司權益股東應佔溢利21,940,000港元(2015年：4,161,000港元)及年內已發行之普通股之加權平均數434,330,000股(2015年：422,467,000股普通股)計算如下：

		2016 '000 千元	2015 '000 千元
Issued ordinary shares at 1 January	於1月1日已發行的普通股	**426,820**	415,000
Effect of share options exercised (note 22(c))	已行使購股權的影響(附註22(c))	**7,510**	7,467
Weighted average number of ordinary shares at 31 December	於12月31日的普通股加權平均數	**434,330**	422,467

8 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$21,940,000 (2015: HK$4,161,000) and the weighted average number of ordinary shares of 434,617,000 shares (2015: 431,003,000 shares), calculated as follows:

8 每股盈利(續)

(b) 每股攤薄盈利

每股攤薄盈利乃根據本公司權益股東應佔溢利21,940,000港元(2015年：4,161,000港元)及普通股之加權平均數434,617,000股(2015年：431,003,000股)計算如下：

		2016 '000 千元	2015 '000 千元
Weighted average number of ordinary shares at 31 December	於12月31日的普通股加權平均數	**434,330**	422,467
Effect of deemed issue of shares under the Company's share option scheme for nil consideration	根據本公司購股權計劃以零代價視作發行股份之影響	**287**	8,536
Weighted average number of ordinary shares (diluted) at 31 December	於12月31日普通股加權平均數(已攤薄)	**434,617**	431,003

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9 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines (products and services) and geography. During 2016, the Group has set up a new segment of "Real estate agency services", which represents property agency businesses for residential properties.

Accordingly, the Group has presented the following three reportable segments in a manner consistent with the way in which information is reported internally to the Group's senior executive management for the purposes of resource allocation and performance assessment.

- Zippers (Mainland China):

  This segment manufactures zippers products and mainly sells to customers in mainland China. Its activities are mainly carried out in Guangdong province and Zhejiang province.

- Zippers (Overseas):

  This segment purchases zipper products from segment of Mainland China and sells to overseas customers. Its activities are mainly carried out in Hong Kong.

- Real estate agency services:

  This segment represents property agency services businesses for residential properties. Its activities are mainly carried out in Mainland China.

9 分部報告

本集團按分部(其以業務線(產品及服務)及地域組織)管理其業務。於2016年，本集團設立了一個新的「房地產代理服務」分部，其屬於住宅物業代理業務。

基於向本集團高級執行管理人員內部呈報資料以供資源分配及評核業績一致的方式，本集團已呈報下列三個可呈報分部。

- 拉鏈(中國內地)：

  該分部製造拉鏈產品，並主要銷售予中國內地市場客戶，其業務主要於廣東省及浙江省進行。

- 拉鏈(海外)：

  該分部由中國內地分部購入拉鏈產品，並銷售予海外市場客戶，其業務現時主要於香港進行。

- 房地產代理服務：

  此分部為住宅物業代理服務業務。其活動主要在中國內地開展。

9 SEGMENT REPORTING (CONTINUED)

(a) SEGMENT RESULTS, ASSETS AND LIABILITIES

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results and assets attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and deferred tax assets. Segment liabilities include trade and other payables and bank borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted profit before taxation" i.e. "revenue less cost of sales, distribution costs and administrative expenses". Items not specifically attributed to individual segment are excluded from the calculation of segment profit. The Group's senior executive management is provided with segment information concerning segment revenue, profit and assets. Segment liabilities are not reported to the Group's senior executive management regularly.

9 分部報告(續)

(a) 分部業績、資產及負債

就評估分部表現及於分部間分配資源而言，本集團高級執行管理人員按以下基礎監控各報告分部應佔的業績及資產：

分部資產包括所有有形、無形資產及流動資產，惟金融資產投資及遞延稅項資產除外。分部負債包括直接由分部管理的貿易及其他應付款項及銀行借貸。

收益及開支乃參考該等分部而產生的銷售及該等分部而產生的開支，或由該等分部應佔資產的折舊或攤銷而產生的其他開支，分配至可呈報分部。

用於報告分部溢利的方法為「經調整除稅前溢利」，即「收益減銷售成本、分銷成本及行政開支」。計算分部溢利時，並不計入非指定屬於個別分部的項目。本集團會向高級執行管理人員提供有關分部收益、溢利及資產的分部資料。本集團不會定期向本集團高級執行管理人員呈報分部負債。

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9 SEGMENT REPORTING (CONTINUED)
9 分部報告(續)

(a) SEGMENT RESULTS, ASSETS AND LIABILITIES (CONTINUED)
(a) 分部業績、資產及負債(續)

Information regarding the Group's reportable segments as provided to the Group's senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2016 and 2015 respectively is set out below:

分別就截至2016年及2015年12月31日止年度的資源分配及評估分部表現向本集團高級執行管理人員提供有關本集團可呈報分部的資料載列如下：

Year ended 31 December 2016

截至2016年12月31日止年度

		Zippers – Mainland China 拉鏈 – 中國內地 $'000 千元	Zippers – Overseas 拉鏈 – 海外 $'000 千元	Real estate agency services 房地產代理服務 $'000 千元	Total 總計 $'000 千元
Revenue from external customers	來自外界客戶收益	**122,478**	**23,090**	**7,630**	**153,198**
Inter-segment revenue	分部間收益	**43,896**	**607**	**–**	**44,503**
Reportable segment revenue	**可呈報分部收益**	**166,374**	**23,697**	**7,630**	**197,701**
Reportable segment profit/(loss)	**可呈報分部溢利／(虧損)**	**9,040**	**(731)**	**(529)**	**7,780**
Interest expense	利息開支	**–**	**(9)**	**–**	**(9)**
Depreciation and amortisation for the year	年內折舊及攤銷	**(12,860)**	**(167)**	**–**	**(13,027)**
Impairment of equipment	設備減值	**(4,513)**	**–**	**–**	**(4,513)**
Reportable segment assets at year end	**年終的可呈報分部資產**	**187,494**	**8,381**	**175,726**	**371,601**
Additions to non-current segment assets during the year	年內分部非流動資產的添置	**9,176**	**860**	**6**	**10,042**
Reportable segment liabilities at year end	**年終的可呈報分部負債**	**29,192**	**602**	**53,103**	**82,897**

9 SEGMENT REPORTING (CONTINUED)

(a) SEGMENT RESULTS, ASSETS AND LIABILITIES (CONTINUED)

Year ended 31 December 2015

9 分部報告(續)

(a) 分部業績、資產及負債(續)

截至2015年12月31日止年度

		Zippers — Mainland China 拉鏈 — 中國內地 $'000 千元	Zippers — Overseas 拉鏈 — 海外 $'000 千元	Real estate agency services 房地產代理服務 $'000 千元	Total 總計 $'000 千元
Revenue from external customers	來自外界客戶收益	142,696	16,320	–	159,016
Inter-segment revenue	分部間收益	9,890	353	–	10,243
Reportable segment revenue	**可呈報分部收益**	152,586	16,673	–	169,259
Reportable segment profit/(loss)	**可呈報分部溢利／(虧損)**	9,609	(1,330)	–	8,279
Interest expense	利息開支	–	(420)	–	(420)
Depreciation and amortisation for the year	年內折舊及攤銷	(17,430)	(694)	–	(18,124)
Reportable segment assets at year end	**年終的可呈報分部資產**	340,669	28,272	–	368,941
Additions to non-current segment assets during the year	年內分部非流動資產的添置	11,649	26	–	11,675
Reportable segment liabilities at year end	**年終的可呈報分部負債**	11,285	42,347	–	53,632

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9 SEGMENT REPORTING (CONTINUED)
9 分部報告(續)

(b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS AND ASSETS
(b) 可呈報分部收益、溢利或虧損及資產的對賬

		2016 $'000 千元	2015 $'000 千元
Revenue	**收益**		
Reportable segment revenue	可呈報分部收益	**197,701**	169,259
Elimination of inter-segment revenue	沖銷分部間收益	**(44,503)**	(10,243)
Consolidated revenue (note 2)	**綜合收益**(附註2)	**153,198**	159,016

		2016 $'000 千元	2015 $'000 千元
Profit	**溢利**		
Reportable segment profit	可呈報分部溢利	**7,780**	8,279
Elimination of unrealised profit of inter-segment purchase of inventories, other assets and property, plant and equipment	沖銷分部間購買存貨、其他資產及物業、廠房及設備的未變現溢利	**97**	(671)
Reportable segment profit derived from the Group's external customers	**來自本集團外界客戶的可呈報分部溢利**	**7,877**	7,608
Other income	其他收入	**7,552**	5,056
Impairment losses on non-current assets	非流動資產之減值虧損	**(4,513)**	–
Unallocated head office and corporate expenses	未分配總部及企業開支	**(14,708)**	(5,907)
Gain on disposal of a subsidiary	出售附屬公司的收益	**17,837**	–
Gain on disposal of property, plant and equipment and leasehold land to related parties	出售物業、廠房及設備以及租賃土地予關連方的收益	**17,609**	–
Consolidated profit before taxation	**綜合除稅前溢利**	**31,654**	6,757

9 SEGMENT REPORTING (CONTINUED)
9 分部報告(續)

(b) RECONCILIATIONS OF REPORTABLE SEGMENT REVENUES, PROFIT OR LOSS AND ASSETS (CONTINUED)
(b) 可呈報分部收益、溢利或虧損及資產的對賬(續)

		2016 $'000 千元	2015 $'000 千元
Assets	**資產**		
Reportable segment assets	可呈報分部資產	**371,601**	368,941
Elimination of unrealised profit of inter-segment purchase of inventories and other assets	沖銷分部間購買存貨及其他資產的未變現溢利	**(2,046)**	(1,997)
Elimination of unrealised profit of inter-segment purchase of property, plant and equipment	沖銷分部間購買物業、廠房及設備的未變現溢利	**(433)**	(578)
		369,122	366,366
Deferred tax assets	遞延稅項資產	**2,985**	1,435
Unallocated head office and corporate assets	未分配總部及企業資產	**33,653**	1,130
Consolidated total assets	**綜合資產總值**	**405,760**	368,931
Liabilities	**負債**		
Reportable segment liabilities	可呈報分部負債	**82,897**	53,632
Current tax liabilities	即期稅項負債	**1,392**	285
Deferred tax liabilities	遞延稅項負債	**1,124**	682
Unallocated head office and corporate liabilities	未分配總部及企業負債	**2,058**	1,305
Consolidated total liabilities	**綜合負債總值**	**87,471**	55,904

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9 SEGMENT REPORTING (CONTINUED)

(c) GEOGRAPHIC INFORMATION

The geographical location of customers is based on the location at which the goods were delivered and services were rendered. The revenue of the Group mainly derived from sales to customers and rendering of services in Mainland China except for sales of HK$23,090,000 (2015: HK$16,320,000) to overseas customers for the year ended 31 December 2016.

The geographical location of the Group's property, plant and equipment, intangible assets and prepayment for property, plant and equipment (the "Specified Non-current Assets") is based on the physical location of the asset, in the case of property, plant and equipment, the location of the operation to which they are allocated, in the case of intangible assets. As at 31 December 2016, the Group's non-current assets were located in Mainland China and Hong Kong with carrying amount of HK$59,583,000 (2015: HK$211,818,000) and HK$880,000 (2015: HK$20,889,000) respectively.

9 分部報告(續)

(c) 地區資料

客戶所在地區按貨物送達及提供服務所在地劃分。截至2016年12月31日止年度，本集團收益主要來自中國內地客戶的銷售及提供服務，而收益中海外客戶的銷售佔23,090,000港元(2015年：16,320,000港元)。

本集團物業、廠房及設備、無形資產及物業、廠房及設備預付款(「特定非流動資產」)所在地區就物業、廠房及設備而言按資產實際所在地點劃分，就無形資產而言，則根據其所分配營運地點劃分。於2016年12月31日本集團位於中國大陸及香港之非流動資產賬面值分別達59,583,000港元(2015年：211,818,000港元)及880,000港元(2015年：20,889,000港元)。

10 PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND

10 物業、廠房、設備及租賃土地

		Buildings 樓宇 $'000 千元	Machinery 機器 $'000 千元	Vehicles and other equipment 汽車及其他設備 $'000 千元	Leasehold improvement 租賃裝修 $'000 千元	Construction in progress 在建工程 $'000 千元	Sub-total 小計 $'000 千元	Interests in leasehold land held for own use under operating leases 持作經營租賃之自用土地租賃的權益 $'000 千元	Total 總計 $'000 千元
Cost:	**成本：**								
At 1 January 2015	於2015年1月1日	59,467	115,953	13,555	12,987	91,918	293,880	35,379	329,259
Exchange adjustments	匯兑調整	(5,391)	(7,172)	(741)	(765)	(2,154)	(16,223)	(2,064)	(18,287)
Additions	添置	–	1,144	193	171	9,887	11,395	–	11,395
Disposals	出售	–	(2,630)	(265)	–	(79)	(2,974)	–	(2,974)
Transfer from CIP	自在建工程轉出	80,311	10,436	–	–	(90,747)	–	–	–
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	134,387	117,731	12,742	12,393	8,825	286,078	33,315	319,393
Exchange adjustments	匯兑調整	(730)	(7,354)	(815)	(786)	(183)	(9,868)	(47)	(9,915)
Additions	添置	–	284	1,300	–	8,365	9,949	–	9,949
Disposals	出售	(56,531)	(12,100)	(911)	–	(2,864)	(72,406)	(4,729)	(77,135)
Disposals of a subsidiary	出售附屬公司	(77,126)	–	(1,265)	–	(86)	(78,477)	(28,539)	(107,016)
Transfer to assets held-for-sale	轉撥至持作出售資產	–	(2,523)	–	–	–	(2,523)	–	(2,523)
Transfer from CIP	自在建工程轉出	–	8,121	–	–	(8,121)	–	–	–
At 31 December 2016	於2016年12月31日	–	104,159	11,051	11,607	5,936	132,753	–	132,753

10 PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (CONTINUED)

10 物業、廠房、設備及租賃土地（續）

		Buildings 樓宇 $'000 千元	Machinery 機器 $'000 千元	Vehicles and other equipment 汽車及其他設備 $'000 千元	Leasehold improvement 租賃裝修 $'000 千元	Construction in progress 在建工程 $'000 千元	Sub-total 小計 $'000 千元	Interests in leasehold land held for own use under operating leases 持作經營租賃之自用土地租賃的權益 $'000 千元	Total 總計 $'000 千元
Accumulated depreciation and impairment:	**累計折舊及減值：**								
At 1 January 2015	於2015年1月1日	11,799	51,007	9,259	9,941	–	82,006	2,327	84,333
Exchange adjustments	匯兑調整	(789)	(3,265)	(543)	(612)	–	(5,209)	(165)	(5,374)
Charge for the year	年內支出	3,756	10,694	1,098	774	–	16,322	700	17,022
Written back on disposals	於出售時撥回	–	(2,603)	(251)	–	–	(2,854)	–	(2,854)
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	14,766	55,833	9,563	10,103	–	90,265	2,862	93,127
Exchange adjustments	匯兑調整	(360)	(3,750)	(613)	(670)	–	(5,393)	(10)	(5,403)
Charge for the year	年內支出	182	10,434	937	667	–	12,220	8	12,228
Impairment loss	減值虧損	–	4,513	–	–	–	4,513	–	4,513
Written back on disposals	於出售時撥回	(13,233)	(8,452)	(843)	–	–	(22,528)	(918)	(23,446)
Disposal of a subsidiary	出售附屬公司	(1,355)	–	(371)	–	–	(1,726)	(1,942)	(3,668)
Transfer to assets held-for-sale	轉撥至持作出售資產	–	(1,921)	–	–	–	(1,921)	–	(1,921)
At 31 December 2016	於2016年12月31日	–	56,657	8,673	10,100	–	75,430	–	75,430
Carrying amount:	**賬面值：**								
At 31 December 2016	於2016年12月31日	–	47,502	2,378	1,507	5,936	57,323	–	57,323
At 31 December 2015	於2015年12月31日	119,621	61,898	3,179	2,290	8,825	195,813	30,453	226,266

10 PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND (CONTINUED)

(a) Items of property located in Hong Kong, plant and leasehold land located in Zhejiang province of PRC with net book values of HK$20,699,000 and HK$26,410,000 respectively were disposed of at a total consideration of HK$69,333,000 to two related parties during 2016, which resulted in a total net gain on disposal of HK$17,609,000. The two related parties are Foshan City Nanhai Jinheming Investment Company Limited ("Nanhai Jinheming") and Classic Winner Limited ("Classic Winner") which are owned by Mr. Xu Xipeng and Mr. Xu Xinan, the senior management of the Group.

In addition, the disposal of other equipment to other third parties resulted in a net loss of HK$4,147,000 during 2016 (2015: a net gain of HK$26,000).

Items of properties, plant and equipment and leasehold land located in Hubei province of PRC with net book values of HK$76,751,000 and HK$26,597,000 respectively were transferred out as a result of the disposal of the equity interests in KEE (Jingmen) Garment Accessories Limited ("KEE Jingmen") by the Group during 2016.

(b) Impairment loss

The management is considering the disposals of certain idle equipment with the carrying amount of HK$7,214,000 as at 31 December 2016. According to the assessment of the Group, the carrying amount of the equipment as at 31 December 2016 exceeded its recoverable amount, which was calculated as its fair value less costs to sell. Therefore, an impairment loss of HK$4,513,000 has been recognised in profit or loss (note 4(c)).

10 物業、廠房、設備及租賃土地(續)

(a) 位於香港之物業、位於中國浙江省之廠房及租賃土地的賬面淨值分別為20,699,000港元及26,410,000港元，於2016年按總代價69,333,000港元出售予兩名關連方，出售淨收益總額達17,609,000港元。該兩名關連方為佛山市南海今和明投資有限公司(「南海今和明」)及勝典有限公司(「勝典」)，該等公司由本集團高級管理人員許錫鵬先生及許錫南先生擁有。

此外，於2016年向其他第三方出售其他設備導致產生淨虧損4,147,000港元(2015年：淨收益26,000港元)。

位於中國湖北省賬面淨值分別為76,751,000港元及26,597,000港元的物業、廠房及設備項目以及租賃土地因本集團於2016年出售於開易(荊門)服裝配件有限公司(「開易荊門」)股權已作出轉讓。

(b) 減值虧損

管理層正考慮若干閒置設備(於2016年12月31日賬面值為7,214,000港元)的出售。根據本集團的評估，該設備於2016年12月31日之賬面值超過其可收回金額(按其公允值減銷售成本計算)。因此，減值虧損4,513,000港元已於損益內確認(見附註4(c))。

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11 INTANGIBLE ASSETS　　11 無形資產

		Software 軟件 $'000 千元
Cost:	**成本：**	
At 1 January 2015	於2015年1月1日	11,448
Exchange adjustments	匯兑調整	(668)
At 31 December 2015 and 1January 2016	於2015年12月31日及2016年1月1日	10,780
Exchange adjustments	匯兑調整	(531)
Disposal of a subsidiary	出售附屬公司	(2,412)
At 31 December 2016	於2016年12月31日	7,837
Accumulated amortisation:	**累計攤銷：**	
At 1 January 2015	於2015年1月1日	3,782
Exchange adjustments	匯兑調整	(265)
Amortisation for the year	年內攤銷	1,102
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	4,619
Exchange adjustments	匯兑調整	(306)
Amortisation for the year	年內攤銷	799
Disposal of a subsidiary	出售附屬公司	(322)
At 31 December 2016	於2016年12月31日	4,790
Carrying amount:	**賬面值：**	
At 31 December 2016	於2016年12月31日	3,047
At 31 December 2015	於2015年12月31日	6,161

The amortisation charge for the year is included in "administrative expenses" in the consolidated statement of profit or loss.

年內攤銷開支計入綜合損益表「行政開支」中。

12 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

12 於附屬公司的投資

下表僅載列對本集團的業績、資產或負債具有重大影響的附屬公司詳情。

Name of company 公司名稱	Place of incorporation/ establishment and business 註冊成立／成立地點及業務	Issued and fully paid up capital 已發行及繳足股本	Attributable equity interest 應佔股權 Direct 直接	 Indirect 間接	Principal activities 主要業務
KEE International BVI	BVI	2 ordinary shares of US$ 1 each	85%	–	Investment holding
KEE International BVI	英屬處女群島	2股每股面值1美元的普通股	85%	–	投資控股
KEE Zippers	Hong Kong	1,000,000 shares	–	100%	Trading of zipper products
開易拉鏈	香港	1,000,000股	–	100%	買賣拉鏈產品
KEE Guangdong*	The PRC	HK$137,500,000	–	100%	Manufacture and sale of zipper products
開易廣東*	中國	137,500,000港元	–	100%	生產及銷售拉鏈產品
KEE Zhejiang*	The PRC	USD8,760,000	–	100%	Manufacture and sale of zipper products
開易浙江*	中國	8,760,000美元	–	100%	生產及銷售拉鏈產品
Foshan UNA Cultural Gifts Co., Limited**	The PRC	RMB3,000,000	–	100%	Design and sale of garment accessories
佛山市優納文化禮品有限公司**	中國	人民幣3,000,000元	–	100%	設計及銷售服裝配件

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(除另有註明外，所有金額以港元計算)

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

12 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ establishment and business 註冊成立／成立地點及業務	Issued and fully paid up capital 已發行及繳足股本	Attributable equity interest 應佔股權 Direct 直接	 Indirect 間接	Principal activities 主要業務
Oriental Choice Holdings Limited	BVI	1 ordinary share of US$1 each	100%	–	Investment holding
Oriental Choice Holdings Limited	英屬處女群島	1股每股面值1美元的普通股	100%	–	投資控股
Wide Bright Investment Limited	Hong Kong	1 share	–	100%	Investment holding
博輝投資有限公司	香港	1股股份	–	100%	投資控股
Baiyu Ventures Limited	BVI	1 ordinary share of US$1 each	100%	–	Investment holding
Baiyu Ventures Limited	英屬處女群島	1股每股面值1美元的普通股	100%	–	投資控股
Ever Grace (China) Limited	Hong Kong	1 share	–	100%	Investment holding
恒彩(中國)有限公司	香港	1股股份	–	100%	投資控股
Neo Ocean Ventures Limited	BVI	1 ordinary share of US$1 each	100%	–	Investment holding
Neo Ocean Ventures Limited	英屬處女群島	1股每股面值1美元的普通股	100%	–	投資控股
Fortress Gain (HK) Limited	Hong Kong	1 share	–	100%	Investment holding
永盈(香港)有限公司	香港	1股股份	–	100%	投資控股
Tianjin Jinhui Day Gold Co., Limited ("Tianjin Jinhui")*	The PRC	RMB100,000,000	–	100%	Real estate agency services
天津金惠天金有限公司(「天津金惠」)	中國	人民幣100,000,000元	–	100%	房地產代理服務

* *These are wholly foreign-owned enterprises in the PRC.*
** *These are companies with limited liability in the PRC.*

* *該等公司為中國外商獨資企業。*
** *該等公司為中國有限責任公司。*

12 INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The following table listed out the information relating to KEE International BVI, the only subsidiary of the Group which has material non-controlling interest ("NCI") as at 31 December 2016. The summarised financial information presented below represents the amounts before any inter-company elimination.

12 於附屬公司的投資(續)

下表載列於2016年12月31日本集團擁有重大非控股權益(「非控股權益」)的唯一附屬公司KEE International BVI有關的資料。以下呈列財務資料概要指任何公司間對銷前的金額。

		2016 $'000 千元
NCI percentage	非控股權益百分比	**15%**
Current assets	流動資產	**123,686**
Non-current assets	非流動資產	**63,442**
Current liabilities	流動負債	**(54,231)**
Non-current liabilities	非流動負債	**(1,124)**
Net assets	資產淨值	**131,773**
Carrying amount of NCI	非控股權益的賬面值	**19,766**
Revenue	收益	**145,569**
Profit for the year	年內溢利	**8,647**
Total comprehensive income	全面收入總額	**30,425**
Profit allocated to NCI	分配至非控股權益的溢利	**1,297**
Cash flows from operating activities	經營活動所得現金流量	**(1,332)**
Cash flows from investing activities	投資活動所得現金流量	**368**
Cash flows from financing activities	融資活動所得現金流量	**(5,308)**

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13 INVENTORIES

13 存貨

		2016 $'000 千元	2015 $'000 千元
Raw materials	原材料	**6,922**	5,371
Work in progress	在製品	**11,501**	9,077
Finished goods	製成品	**994**	1,426
		19,417	15,874

An analysis of the amount of inventories recognised as an expense and included in the consolidated statement of profit or loss is as follows:

確認為開支並於綜合損益表入賬的存貨金額分析如下：

		2016 $'000 千元	2015 $'000 千元
Carrying amount of inventories sold	已售存貨的賬面值	**102,989**	111,101
Write down of inventories	撇減存貨	**2,113**	1,658
Reversal of write-down of inventories	撥回撇減存貨	**(1,605)**	(1,840)
		103,497	110,919

The write-down of inventories was related to decrease in the estimated net realisable value of certain slow-moving inventories.

存貨撇減乃由於若干周轉較慢存貨之估計可變現淨值減少所致。

The reversal of write-down of inventories made in prior years was due to an increase in the net realisable value of certain finished goods with reference to the latest selling price.

於過往年度撥回存貨撇減乃由於經參考最新售價後若干製成品的可變現淨值增加所致。

14 TRADE AND OTHER RECEIVABLES 14 貿易及其他應收款項

		2016 $'000 千元	2015 $'000 千元
Trade debtors and bills receivable	應收賬項及應收票據	**37,481**	29,461
Less: allowance for doubtful debts (note 14(b))	減：呆賬撥備(附註14(b))	**(1,037)**	(145)
		36,444	29,316
Other prepayments	其他預付款項	**2,276**	383
Salary expenses paid on behalf of a related party	代表關連方支付薪金開支	**2,920**	–
Advertisement expenses paid on behalf of the Property Developer	代表物業開發商支付廣告費	**92,649**	–
Deposits and other debtors	押金及其他應收款項	**1,470**	2,315
		135,759	32,014

All of the trade and other receivables are expected to be recovered or recognized as expense within one year.

所有的貿易及其他應收款項，預計在一年內被收回或確認為開支。

During 2016, Tianjin Jinhui paid salary expenses of RMB2,612,000 (equivalent to HK$2,920,000) on behalf of its related party — Beijing Zhonghong Network Marketing Consultant Co., Ltd. ("Zhonghong Network"), to Zhonghong Network's staff. Zhonghong Network is a subsidiary of Zhonghong Holding Company Limited ("Zhonghong"), which is an intermediate holding company of the Group.

於2016年，天津金惠代表其關連方北京中弘網絡營銷顧問有限公司(「中弘網絡」)向中弘網絡員工支付薪酬開支人民幣2,612,000元(相當於2,920,000港元)。中弘網絡為本集團中間控股公司中弘控股股份有限公司(「中弘」)附屬公司。

During 2016, the Group signed the advertisement agency agreements on behalf of Hainan Xinjia Tourism Development Company Limited ("the Property Developer"). Certain of these expenses amounting to HK$48,044,000 was paid by the Group to the relevant advertisement agents on behalf of the Property Developer. This amount was recorded as other receivables in the Group's consolidated financial statement for the year ended 31 December 2016. The remaining outstanding advertisement expenses payable on behalf of the Property Developer amounted to HK$44,605,000 (note 19), which is expected to be paid to the relevant advertisement agents and collected from the Property Developer in 2017.

於2016年，本集團代表海南新佳旅業開發有限公司(「物業開發商」)簽署廣告代理協議。本集團代表物業開發商向相關廣告代理支付若干該等費用48,044,000港元。該金額於本集團截至2016年12月31日止年度的綜合財務報表中入賬列作其他應收款項。代表物業開發商應付的剩餘未付廣告費用44,605,000港元(附註19)預期於2017年支付予有關廣告代理及自物業開發商收取。

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) AGEING ANALYSIS

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables) based on the invoice date and net of allowance for doubtful debts, is as follows:

14 貿易及其他應收款項(續)

(a) 賬齡分析

截至本報告期末，根據發票日期及扣除呆賬撥備的應收賬項及應收票據(計入貿易及其他應收款項)的賬齡分析如下：

		2016 $'000 千元	2015 $'000 千元
Within 1 month	1個月內	**18,742**	11,206
1 to 2 months	1至2個月	**8,696**	8,998
2 to 3 months	2至3個月	**5,361**	4,297
Over 3 months	超過3個月	**3,645**	4,815
		36,444	29,316

Trade debtors and bills receivable are in general due within 20-90 days from the date of billing. Further details on the Group's credit policy are set out in note 24(a).

應收賬項及應收票據通常於發單日期起計20至90日內到期。有關本集團信貸政策的進一步詳情載於附註24(a)。

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) IMPAIRMENT OF TRADE DEBTORS AND BILLS RECEIVABLE

Impairment losses in respect of trade debtors and bills receivable 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 debtors and bills receivable directly (see note 1(j)).

The movement in the allowance for doubtful debts during the year is as follows:

14 貿易及其他應收款項(續)

(b) 應收賬項及應收票據減值

應收賬項及應收票據的減值虧損記入撥備賬內，除非本集團認為收回款項機會甚微，在此情況下，減值虧損將直接從應收賬項及應收票據撇銷(請參閱附註1(j))。

年內呆賬撥備變動如下：

		2016 $'000 千元	2015 $'000 千元
At 1 January	於1月1日	**145**	160
Exchange adjustments	匯兑調整	**(48)**	(15)
Impairment loss recognised	已確認減值虧損	**1,034**	168
Uncollectible amounts written off	撇銷不可收回金額	**(94)**	(168)
		1,037	145

At 31 December 2016, the Group's trade debtors and bills receivable of HK$1,037,000 (2015: HK$145,000) were individually determined to be impaired. The individually impaired receivables are mainly related to customers that were in financial difficulties and management assessed that the receivables are not probable to be recovered. Consequently, specific allowances for doubtful debts were recognised in full. The Group does not hold any collateral over these balances.

於2016年12月31日，本集團應收賬項及應收票據1,037,000港元(2015年：145,000港元)釐定為個別減值。已個別減值應收款項主要與出現財務困難的客戶有關，據管理層評估，預期該等應收款項不太可能收回。因此，已全數確認特定呆賬撥備。本集團並未就該等結餘持有任何抵押品。

14 TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) IMPAIRMENT OF TRADE DEBTORS AND BILLS RECEIVABLE (CONTINUED)

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

14 貿易及其他應收款項(續)

(b) 應收賬項及應收票據減值(續)

既非個別亦非共同被視為減值的應收賬項及應收票據的賬齡分析如下：

		2016 $'000 千元	2015 $'000 千元
Neither past due nor impaired	既未逾期亦未減值	**23,586**	17,838
Less than 3 months past due	逾期不足3個月	**11,986**	9,617
More than 3 months but less than 12 months past due	逾期超過3個月但不足12個月	**865**	1,535
More than 12 months past due	逾期超過12個月	**7**	326
Amount past due	逾期金額	**12,858**	11,478
		36,444	29,316

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

既未逾期亦未減值的應收款項與眾多並無近期欠款記錄的客戶有關。

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 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.

已逾期但未減值的應收款項與多名獨立客戶有關，該等客戶與本集團的信貸記錄良好。根據經驗，由於信貸質素並無重大變動，且結餘仍被視為可悉數收回，故管理層相信毋須就此等結餘作出減值撥備。

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

15 綜合財務狀況表內的所得稅

(a) CURRENT TAX PAYABLE/(RECOVERABLE) IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION REPRESENTS:

(a) 綜合財務狀況表內的即期應付／(可收回)稅項指：

		2016 $'000 千元	2015 $'000 千元
At 1 January	於1月1日	**(722)**	(1,140)
Exchange adjustments	匯兑調整	**1**	41
Provision for PRC corporate income tax (note 5(a))	中國企業所得稅撥備(附註5(a))	**8,892**	2,882
Under/(over)-provision in respect of prior years for PRC corporate income tax (note 5(a))	中國企業所得稅於過往年度撥備不足／(超額撥備)(附註5(a))	**365**	(123)
Provision for Hong Kong Profits Tax (note 5(a))	香港利得稅撥備(附註5(a))	**268**	93
Income tax paid	已付所得稅	**(7,450)**	(2,475)
At 31 December	於12月31日	**1,354**	(722)

Represented by: 即：

		2016 $'000 千元	2015 $'000 千元
Current tax payable	即期應付稅項	**1,392**	285
Current tax recoverable	即期可收回稅項	**(38)**	(1,007)
		1,354	(722)

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

15 綜合財務狀況表內的所得稅(續)

(b) DEFERRED TAX ASSETS/(LIABILITIES) RECOGNISED:

(b) 已確認遞延稅項資產／(負債)：

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

於綜合財務狀況表中確認的遞延稅項資產／(負債)組成部分及年內的變動如下：

		Depreciation 折舊 $'000 千港元	Unrealised profit arising from intra-group transactions elimination 集團內交易產生的未變現溢利抵銷 $'000 千港元	Provisions 撥備 $'000 千港元	PRC dividend withholding tax (note 5(b)(iii)) 中國股息預扣稅(附註5(b)(iii)) $'000 千港元	Total 總計 $'000 千港元
Deferred tax arising from:	遞延稅項來自：					
At 1 January 2015	於2015年1月1日	326	453	1,182	(543)	1,418
Credited/(charged) to consolidated statement of profit or loss	於綜合損益表計入／(扣除)	94	(228)	(392)	(139)	(665)
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	420	225	790	(682)	753
Credited/(charged) to consolidated statement of profit or loss	於綜合損益表計入／(扣除)	(41)	239	1,352	(442)	1,108
At 31 December 2016	於2016年12月31日	379	464	2,142	(1,124)	1,861

15 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

15 綜合財務狀況表內的所得稅(續)

(c) RECONCILIATION TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION:

(c) 綜合財務狀況報表對賬：

		2016 $'000 千元	2015 $'000 千元
Deferred tax asset recognised in the consolidated statement of financial position	於綜合財務狀況報表確認之遞延稅項資產	**2,985**	1,435
Deferred tax liability recognised in the consolidated statement of financial position	於綜合財務狀況報表確認之遞延稅項負債	**(1,124)**	(682)
		1,861	753

(d) DEFERRED TAX ASSETS NOT RECOGNISED

In accordance with the accounting policy set out in note 1(m), the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK$1,891,000 (2015: HK$9,179,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses expire in five years under current tax legislation.

(d) 未確認的遞延稅項資產

根據附註1(m)所載的會計政策，本集團並未確認就累積稅收虧損1,891,000港元(2015年：9,179,000港元)之遞延稅項資產，由於不太可能於相關稅務機關和實體產生未來應課稅利潤以沖抵上述虧損。根據現行稅法，稅收虧損於五年到期。

(e) DEFERRED TAX LIABILITIES NOT RECOGNISED

At 31 December 2016, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries amounted to HK$94,169,000 (2015: HK$68,903,000). Deferred tax liabilities relating to a portion of these temporary differences amounting to HK$3,061,000 (2015: HK$2,239,000) have not been recognised in respect of the tax that would be payable on the distribution of these retained profits as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

(e) 未確認的遞延稅項負債

於2016年12月31日，有關本集團中國附屬公司未分派溢利的暫時差異為94,169,000港元(2015年：68,903,000港元)。有關這些暫時性差異金額的遞延稅項負債為3,061,000港元(2015年：2,239,000港元)，由於本公司控制該等附屬公司的股息政策，且該等溢利被認為不會於可見將來分派，因此並無確認與分派該等保留溢利時產生的應繳稅項有關的遞延稅項負債。

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16 CASH AND CASH EQUIVALENTS

16 現金及現金等價物

		2016 $'000 千元	2015 $'000 千元
Deposits with banks	銀行存款	–	16,766
Cash at bank and in hand	銀行及手頭現金	**186,496**	69,128
Cash and cash equivalents	現金及現金等價物	**186,496**	85,894

As at 31 December 2016, cash and cash equivalents in the amount of HK$138,321,000 (2015: HK$78,782,000) are denominated in RMB and are deposited in the PRC in the ordinary course of business. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government.

於2016年12月31日，金額為138,321,000港元(2015年：78,782,000港元)的現金及現金等價物乃以人民幣計值，並於日常業務過程中存放於中國。人民幣並非可自由兑換的貨幣，從中國匯出資金須受中國政府的外匯管制。

As at 31 December 2016, RMB200,007,000 (equivalent to HK$223,587,000) of cash balance from the Property Developer, in which Tianjin Jinhui, a wholly-owned subsidiary of the company, acts as the exclusive property agent thereof, was deposited in a newly opened bank account in name of Tianjin Jinhui as the designated escrow account for the Property Developer. The above escrow account arrangement was requested by one of the banks of the Property Developer ("the Bank") which provided bank borrowings to the Property Developer. It served as guaranteed deposits to the Bank.

於2016年12月31日，來自物業開發商(本公司之全資附屬公司天津金惠擔任其獨家物業代理)之現金結餘人民幣200,007,000元(等於223,587,000港元)已存入以天津金惠名義新開立之銀行賬戶，並作為物業開發商之指定託管賬戶。上述託管賬戶安排乃按該等提供銀行借貸予物業開發商之數家銀行之一(「該銀行」)的要求而設。其作為對該銀行之擔保存款。

As the Group has no right to use the cash balance from this escrow account and does not obtain benefit of interest income earned therefrom, the Group did not recognise this cash balance from escrow account as its own assets in the Group's consolidated financial statements for the year ended 31 December 2016.

由於本集團並無權利使用此託管賬戶的現金結餘，且並無從中取得其利息收入的利益，故本集團並無於本集團截至2016年12月31日止年度之綜合財務報表內將此託管賬戶現金結餘確認作其自身資產。

17 ASSETS HELD FOR SALE

As at 31 December 2016, certain machines with net book value of HK$602,000 were classified as other assets held for sale. These machines were sold to a third party in January 2017.

17 持作出售的資產

於2016年12月31日，賬面淨值為602,000港元的若干機器被歸類為持作出售的其他資產。該等機器已於2017年1月出售予第三方。

18 BANK BORROWING

18 銀行借貸

		2016 $'000 千元	2015 $'000 千元
Secured bank borrowing	已抵押銀行貸款	–	15,000

As at 31 December 2016, the Group has the total banking facilities amounting to RMB24,000,000 (equivalent to HK$26,830,000) which were wholly unutilised. These bank facilities were unsecured and guaranteed by Mr. Xu Xipeng and Mr. Xu Xinan.

於2016年12月31日，本集團擁有人民幣24,000,000元(相等於26,830,000港元)，全部未動用。該等未動用銀行信用額度並無抵押，由許錫鵬先生及許錫南先生擔保。

19 TRADE AND OTHER PAYABLES

19 貿易及其他應付款項

		2016 $'000 千元	2015 $'000 千元
Trade creditors	應付賬項	**12,978**	6,688
Payroll and staff benefits payable	應付工資及員工福利	**12,943**	7,924
Accrued expenses	應計開支	**5,330**	3,930
Payables for purchase of property, plant and equipment	購買物業、廠房及設備應付款項	**2,831**	9,062
Other taxes payable	其他應付稅項	**983**	733
Advance from third parties	第三方墊款	**4,024**	10,742
Advertising expenses payable (note 14)	應付廣告開支(附註14)	**44,605**	–
Other payables	其他應付款項	**1,261**	858
		84,955	39,937

19 TRADE AND OTHER PAYABLES (CONTINUED)

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

As of the end of the reporting period, the ageing analysis of trade creditors (which are included in trade and other payables), based on the invoice date, is as follows:

19 貿易及其他應付款項(續)

所有的貿易及其他應付款項，預計一年內或須於要求時償還。

截至本報告期末，根據發票日期，應付賬項(計入貿易及其他應付款項)的賬齡分析，如下：

		2016 $'000 千元	2015 $'000 千元
Within 1 month	1個月內	**8,903**	4,232
Over 1 month but within 3 months	超過1個月但於3個月內	**3,364**	1,607
Over 3 months but within 6 months	超過3個月但於6個月內	**439**	686
Over 6 months	超過6個月	**272**	163
		12,978	6,688

20 EMPLOYEES RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme ("the MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK$30,000 (2015: HK$30,000).

Employees in the Group's PRC subsidiaries are members of the state-managed retirement scheme. The PRC subsidiaries are required to contribute to the scheme at rate of 10%-14% of the eligible employees' basic salary. The local government authority is responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligation for payment of retirement benefits beyond the annual contributions as described above.

20 僱員退休福利

本集團根據香港強制性公積金計劃條例為根據香港僱傭條例司法管轄權僱用的僱員實施強積金計劃(「強積金計劃」)。強積金計劃乃由獨立信託人管理的界定供款退休計劃。根據強積金計劃，僱主及其僱員各自須按僱員相關收入的5%向計劃供款，以每月相關收入30,000港元為上限(2015年：30,000港元)。

本集團中國附屬公司僱員乃國家管理退休計劃的成員。中國附屬公司須向計劃供款，按合資格僱員基本薪金之10%至14%供款。當地政府對退休僱員之整個退休金責任負責。

除上述年度供款外，本集團並無有關支付退休福利的其他重大責任。

21 EQUITY SETTLED SHARE-BASED TRANSACTIONS

Pursuant to the shareholders' resolutions passed on 14 December 2010, the Company adopted a share options scheme ("the Scheme") whereby the directors of the Company are authorised to grant options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group and/or to recruit and retain high caliber eligible persons and attract human resources that are valuable to the Group.

21 權益結算股份支付的交易

根據於2010年12月14日通過的股東決議案，本公司採納購股權計劃(「該計劃」)，據此，本公司董事獲授權向經挑選合資格人士授出購股權，作為彼等對本集團貢獻或潛在貢獻的激勵或獎勵及／或招聘及挽留高素質合資格人士及吸引對本集團而言有價值的人力資源。

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21 EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

21 權益結算股份支付的交易(續)

每份購股權賦予持有人權利認購本公司一股普通股，並全部以股份結算。

(a) DETAILS OF THE MOVEMENTS OF THE SHARE OPTIONS GRANTED ARE AS FOLLOWS:

(a) 授出購股權變動之詳情載列如下：

		2016		2015	
		Weighted average exercise price 加權平均行使價 HK$ 港元	**Number of options 購股權數目 '000 千股**	Weighted average exercise price 加權平均行使價 HK$ 港元	Number of options 購股權數目 '000 千股
Outstanding at the beginning of the year	於年初未行使	**1.13**	**9,274**	0.80	37,290
Lapsed during the year	年內過期	**–**	**–**	1.39	(200)
		–	**–**	0.60	(150)
Exercised during the year	年內行使	**1.39**	**(6,216)**	1.39	(308)
		0.60	**(1,768)**	0.60	(11,512)
Cancelled during the year	年內註銷	**–**	**–**	1.39	(2,796)
		0.60	**(1,290)**	0.60	(13,050)
Outstanding at the end of the year	於年末未行使	**–**	**–**	1.13	9,274
Exercisable at the end of the year	於年末可行使	**–**	**–**	1.13	9,274

22 CAPITAL, RESERVES AND DIVIDENDS

(a) MOVEMENTS IN COMPONENTS OF EQUITY

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

22 資本、儲備及股息

(a) 權益部分之變動

本集團綜合權益各部份年初及年終結餘之對賬載於綜合權益變動表。本公司各個權益部份於年初及年終期間之變動詳情載列如下：

The Company 本公司

		Note 附註	Share capital 股本 $'000 千元	Share premium 股份溢價 $'000 千元	Capital reserve 資本儲備 $'000 千元	Retained profits 保留溢利 $'000 千元	Total 總計 $'000 千元
Balance at 1 January 2015	於2015年1月1日的結餘		4,150	138,096	6,294	8,359	156,899
Change in equity for 2015:	2015年權益變動：						
Total comprehensive income for the year	年內全面收入總額		–	–	–	(3,648)	(3,648)
Dividends declared and paid	宣派及派付股息		–	(8,522)	–	–	(8,522)
Shares issued under share option scheme	根據購股權計劃所發行的股份	22(c)(ii)	118	9,518	(2,301)	–	7,335
Equity settled share-based transactions	以權益結算股份支付的交易		–	–	(593)	–	(593)
Share options lapsed during the year	年內失效的購股權		–	–	(70)	70	–
Balance at 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日的結餘	27	4,268	139,092	3,330	4,781	151,471
Change in equity for 2016:	2016年權益變動：						
Total comprehensive income for the year	年內全面收入總額		–	–	–	41,380	41,380
Shares issued under share option scheme	根據購股權計劃所發行的股份	22(c)(ii)	80	12,708	(3,087)	–	9,701
Share options lapsed during the year	年內失效的購股權		–	–	(243)	243	–
Balance at 31 December 2016	於2016年12月31日的結餘	27	4,348	151,800	–	46,404	202,552

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22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

22 資本、儲備及股息(續)

(b) DIVIDENDS

No final dividend was proposed in respect of the year ended 31 December 2016.

(b) 股息

本公司建議不派發截至2016年12月31日止年度的末期股息。

(c) SHARE CAPITAL

(i) Authorised and issued share capital

(c) 股本

(i) 法定及已發行股本

		At 31 December 2016 於2016年12月31日		At 31 December 2015 於2015年12月31日	
		No. of shares 股份數目 '000 千股	**Share capital 股本 $'000 千元**	No. of shares 股份數目 '000 千股	Share capital 股本 $'000 千元
Authorised, Ordinary shares of HK$0.01 each	法定，每股面值0.01港元的普通股	**2,000,000**	**20,000**	2,000,000	20,000
Ordinary shares, issued and fully paid:	普通股，已發行及繳足：				
At 1 January	於1月1日	**426,820**	**4,268**	415,000	4,150
Shares issued under share option scheme	根據購股權計劃所發行的股份	**7,984**	**80**	11,820	118
At 31 December	於12月31日	**434,804**	**4,348**	426,820	4,268

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.

普通股的持有人有權收取不時宣派的股息，並有權於本公司大會上享有每股一票的投票權。就本公司的剩餘資產而言，所有普通股享有同等地位。

(ii) Shares issued under share option scheme

During the year 2016, options were exercised to subscribe for a total of 7,984,000 (2015:11,820,000) ordinary shares in the Company at a consideration of HK$9,701,000 (2015: HK$7,335,000), of which HK$80,000 (2015: HK$118,000) and HK$9,621,000 (2015: HK$7,217,000) were credited to share capital and the share premium account respectively. The amount of HK$3,087,000 (2015: HK$2,301,000) has been transferred from the capital reserve to the share premium account in accordance with policy set out in note 1(l)(ii).

(ii) 根據購股權計劃所發行之股份

於2016年，購股權獲行使以按代價9,701,000港元(2015年：7,335,000港元)認購本公司合共7,984,000(2015年：11,820,000)股普通股，其中代價80,000港元(2015年：118,000港元)及9,621,000港元(2015年：7,217,000港元)已分別計入股本及股份溢價賬。金額3,087,000港元(2015年：2,301,000港元)已根據附註1(l)(ii)所載的政策從資本儲備轉至股份溢價賬。

22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(d) SHARE PREMIUM

Under the Companies Law (Revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

According to the Company's Memorandum and Articles of Association, dividends may be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose with the sanction of an ordinary resolution.

(e) STATUTORY RESERVE

Statutory reserve was established in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries incorporated in the PRC. Transfers to the reserve were approved by the respective board of directors.

KEE Guangdong and KEE Zhejiang, which are wholly foreign owned enterprises incorporated in the PRC, are required to transfer at least 10% of its net profit (after offsetting prior year's losses), as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve balance reaches 50% of the registered capital under the PRC Company Law and the articles of association of these entities. The transfer to this reserve must be made before distribution of dividends to the equity shareholders.

Statutory general reserve can be used to make good prior years' losses, if any, and may be converted into paid-up capital provided that the balance after such conversion is not less than 25% of the registered capital.

22 資本、儲備及股息(續)

(d) 股份溢價

根據開曼群島公司法(經修訂)，股份溢價賬可供分配予本公司股東，惟於緊隨建議分派股息之日後，本公司將有能力於日常業務過程中償還到期債務。

根據本公司之組織章程大綱及細則，本公司須經普通決議案准許後，方可從股份溢價賬或任何其他基金或賬目宣派及派付股息。

(e) 法定儲備

法定儲備按照相關中國規則及規例以及在中國註冊成立的本公司附屬公司的組織章程細則設立。轉撥至儲備由相關董事會批准。

開易廣東及開易浙江為在中國註冊成立的外商獨資企業，須於抵銷過往年度的虧損後將其純利(根據中國會計規則及規例計算)的至少10%轉撥至一般法定儲備，直至儲備結餘達根據中國公司法及該等實體的組織章程細則規定的註冊資本的50%。轉撥至該儲備須於向權益股東分派股息前進行。

法定一般儲備可用作彌補過往年度的虧損(如有)，亦可轉換為繳足股本，惟進行有關轉換後的結餘不得少於註冊資本的25%。

22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(f) CAPITAL RESERVE

Capital reserve comprises the following:

- reserves arising prior to and during the reorganisation of the Group during the year ended 31 December 2010;
- changes in equity attributable to the shareholders of the Company arising from contribution from non-controlling interests for acquisition of interests in a PRC subsidiary, up to 31 December 2015, and were subsequently transferred out due to disposal of the related subsidiary during 2016; and
- reserves arising from the disposal of the Group equity interests of KEE International BVI. During this year, the Company disposed its 15% equity interests of KEE International BVI to Nicco Worldwide Inc. ("Nicco"), a related entity owned by Mr. Xu Xipeng and Mr. Xu Xinan, at a cash consideration of HK$24,627,000. The change in the Company's interests in KEE International BVI that does not result in a loss of control was accounted for as equity transaction, whereby adjustments were made to the amounts of controlling interests — capital reserve and non-controlling interests of HK$2,891,000 and HK$21,736,000 respectively within consolidated equity to reflect the change in relative interests but no gain or loss is recognised.

(g) EXCHANGE RESERVE

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of subsidiaries with functional currencies other than HK$. The reserve is dealt with in accordance with the accounting policy set out in note 1(p).

22 資本、儲備及股息(續)

(f) 資本儲備

資本儲備包括以下部份：

- 重組前及本集團於截至2010年12月31日止年度重組期間產生之儲備；
- 截至2015年12月31日透過本公司非控股權益股東注資收購一間中國附屬公司而產生，且其後於2016年因出售相關附屬公司而轉讓的本公司權益股東應佔權益變動；及
- 因出售本集團KEE International BVI之股權而產生的儲備。於本年度，本公司以現金代價24,627,000港元將其持有的KEE International BVI之15%股權轉讓予許錫鵬先生及許錫南先生擁有之相關實體Nicco Worldwide Inc.(「Nicco」)。本公司於KEE International BVI之權益變動因並無導致失去控制權而入賬列作權益交易，據此對綜合權益內之控股權益 — 資本儲備及非控股權益金額2,891,000港元及21,736,000港元作出調整，以反映相關權益變動，但並未確認收益或損失。

(g) 匯兑儲備

匯兑儲備包括因換算使用港元以外的功能貨幣的附屬公司財務報表產生的所有外匯差額。該儲備乃根據附註1(p)所載的會計政策處理。

22 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)

(h) DISTRIBUTABILITY OF RESERVES

At 31 December 2016, the aggregate amount of reserves available for distribution to the equity shareholders of the Company was HK$198,204,000 (2015: HK$147,203,000).

(i) 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.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings, and obligation under finance lease, if any), less cash and cash equivalents. Adjusted capital comprises all components of equity.

During 2016, the Group's strategy, which was unchanged from 2015 was to maintain the adjusted net debt-to-capital ratio below 20%. The Group's debt to asset ratio, being the Group's total liabilities over its total assets, at 31 December 2016 was 22% (2015: 15%). In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholder, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

22 資本、儲備及股息(續)

(h) 儲備的可供分派性

於2016年12月31日，可供分派予本公司權益股東的儲備總額為198,204,000港元(2015年：147,203,000港元)。

(i) 資本管理

本集團管理資本的首要目標乃保障本集團的持續經營能力，從而透過按風險水平為產品及服務定價以及透過以合理成本取得融資，不斷為股東帶來回報及為其他利益相關者帶來利益。

本集團積極及定期對資本架構進行檢討及管理，以在較高借貸水平可能帶來的較高股東回報與良好的資本狀況帶來的好處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。

本集團按經調整負債淨額與資本比率的基準監察其資本架構。就此而言，經調整債務淨額乃定義為債務總額(包括附息貸款及借款以及融資租賃項下責任(如有))，減現金及現金等價物。經調整資本包括所有權益組成部分。

於2016年，本集團秉承2015年的策略，將經調整債務淨額與資本比率維持低於20%。本集團於2016年12月31日的資產負債率(即本集團負債總額除以其總資產)為22%(2015年：15%)。為維持或調整該比率，本集團或會對派付予股東的股息金額作出調整、發行新股份、向股東返還資本、籌集新債務融資或出售資產以減少負債。

本公司或其任何附屬公司均不受任何外加的資本要求所規限。

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(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港元計算)

23 DISPOSAL OF A SUBSIDIARY

In January 2016, the Group disposed all of its 80% equity interests of KEE Jingmen to Nanhai Jinheming at a cash consideration of HK$105,216,000. This disposal resulted in a net gain of HK$17,837,000.

23 出售附屬公司

於2016年1月，本集團按現金代價105,216,000港元出售其於開易荊門的全部80%股權予南海今和明。是項出售的淨收益為17,837,000港元。

		$'000 千元
Net assets disposal of:	出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	75,999
Interests in leasehold land held for own use under operating leases	持作經營租賃之自用土地租賃的權益	26,336
Intangible asset	無形資產	2,070
Trade and other receivables	貿易及其他應收款項	8,615
Prepayment for non-current assets	非流動資產預付款項	246
Cash and cash equivalents	現金及現金等價物	14,950
Trade and other payables	貿易及其他應付款項	(18,458)
Net assets disposed	出售資產淨值	109,758
Representing:	指：	
Equity attributable to the equity shareholders of the Company	本公司權益股東應佔權益	87,588
Non-controlling interests	非控股權益	22,170
		109,758
Net assets attributable to equity shareholder of the Company	本公司權益股東應佔資產淨值	87,588
Capital reserve realised on disposal	出售所變現的資本儲備	(209)
Net gain on disposal of a subsidiary	出售附屬公司收益淨額	17,837
		105,216
Satisfied by:	償付方式：	
Cash consideration	現金代價	105,216
Cash of subsidiary disposed	出售附屬公司現金	(14,950)
Net inflow of cash and cash equivalents in respect of disposal of a subsidiary	有關出售一間附屬公司之現金及現金等價物流入淨額	90,266

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES

Exposure to credit, interest rate, liquidity and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are 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.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 20-90 days from the date of billing. Debtors with balances that are past due are usually requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore certain concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 33% (2015: 15%) of the total trade receivables were due from the Group's five largest customers.

The Group does not provide any guarantees 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 14.

24 金融風險管理及公允值

本集團所面臨的信貸、利率、流動資金及貨幣風險乃在本集團日常業務過程中產生。本集團承受的風險及本集團就解決有關風險所用的財務風險管理政策及慣例載列如下。

(a) 信貸風險

本集團的信貸風險主要來自貿易及其他應收款項。管理層訂有信貸政策，並持續監管該等信貸風險。

就貿易及其他應收款項而言，本集團對於所有要求一定數額信貸的客戶進行個別信用評估。評估主要根據客戶過往到期還款歷史及現時償付能力，並考慮特定客戶的資料及其所處經營經濟環境。應收貿易款項自發出賬單日期起20至90日內到期。賬項逾期的債務人通常會被要求先清償所有未償還餘額，才能獲得任何進一步信貸。一般而言，本集團不會要求客戶提供抵押品。

本集團所面臨的信貸風險主要受各客戶的個別特點所影響，而非客戶經營的行業或國家，因此，本集團所面臨的若干信貸風險高度集中情況主要來自所面臨的重大個別客戶風險。於本報告期末，應收貿易款項總額達33%(2015年：15%)來自本集團的五大客戶。

本集團不會提供任何會使本集團面臨信貸風險的擔保。

本集團因貿易及其他應收款項而產生的信貸風險的進一步定量披露載於附註14。

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(b) INTEREST RATE RISK

The Group's interest rate risk arises primarily from bank borrowing carried at variable rates, which exposes the Group to cash flow interest rate risk. The effective interest rate of the bank borrowing of the Group as at 31 December 2015 was 2.72%. As at 31 December 2016, the Group had no outstanding bank borrowing.

(c) LIQUIDITY RISK

Individual operating entities within the Group are responsible for their own cash management, including the short term investments of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, if any, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

All non-interest bearing financial liabilities of the Group are carried at amount not materially different from their contractual undiscounted cash flow as all the financial liabilities are with maturities within one year or repayable on demand at the end of the reporting period.

24 金融風險管理及公允值(續)

(b) 利率風險

本集團的利率風險主要來自按浮息計算的銀行借貸，令本集團面臨現金流量利率風險。於2015年12月31日，本集團的銀行借貸實際利率為2.72%。於2016年12月31日，本集團並無尚未償還銀行借貸。

(c) 流動資金風險

本集團內個別營運企業須自行負責現金管理，包括將現金盈餘作短期投資及籌集貸款以應付預期的現金需求(惟借貸額超過若干預先釐定授權水平則須獲得母公司董事會批准)。

本集團的政策為定期監察其流動資金需要及其借貸契約(如有)的合規情況，以確保其維持足夠現金儲備及隨時可變現的有價證券，並獲主要金融機構授予充足的已承諾資金額度，以應付其長短期之流動資金需要。

由於本集團在報告期末的所有免息金融負債均為於一年內到期或須按要求償還，故所有該等金融負債的賬面值與彼等的合約非貼現現金流並無重大差異。

24 FINANCIAL RISK MANAGEMENT AND FAIR VALUES (CONTINUED)

(d) CURRENCY RISK

The Group is exposed to currency risk primarily through sales and bank deposits and which give rise to receivables and cash balances that are denominated in United States Dollars ("USD") under KEE Zippers and KEE Guangdong.

As HKD are pegged to USD, the Group considers the risk of movements in exchange rates between USD and HKD to be insignificant.

The Group had RMB denominated bank deposits amounting to HK$184,000 (2015: HK$4,948,000) that was held by KEE Zippers for which HK$ is its functional currency. Additionally the Group had HK$ denominated inter-company other receivables amounting to HK$178,561,000 (2015: Nil) that was held by KEE Guangdong and KEE Zhejiang for which RMB is their functional currency.

Sensitivity analysis

At 31 December 2016, it is estimated that a general appreciation/depreciation of 0.5% in HK$, with all other variables held constant, would have increased/decreased the Group's net profit for the year and retained profits by approximately HK$745,000 (2015: decreased/increased the Group's net profit for the year and retained profits by approximately HK$21,000).

The sensitivity analysis assumes that the change in foreign exchange rate had been applied to re-measure the bank deposits which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency.

(e) FAIR VALUES

The carrying amounts of the Group's financial instruments are not materially different from their fair values as at 31 December 2016 and 2015.

24 金融風險管理及公允值(續)

(d) 貨幣風險

本集團面對的貨幣風險主要來自銷售及銀行存款，來自開易拉鏈及開易廣東部分使用美元(「美元」)計值之應收賬款及現金結餘。

由於港元與美元掛鈎，本集團認為美元與港元之間的匯率變動風險屬微不足道。

本集團以人民幣計值的銀行存款達184,000港元(2015年：4,948,000港元)，由開易拉鏈持有，而該公司以港元作為功能貨幣。此外，本集團擁有以港元計值的公司間其他應收款項178,561,000港元(2015年：無)，由開易廣東及開易浙江以人民幣為其功能貨幣持有。

敏感度分析

於2016年12月31日，估計當港元整體升值／貶值0.5%而所有其他變量保持不變，本集團年內純利及保留溢利將增加／減少約745,000港元(2015年：本集團年內純利及保留溢利將減少／增加約21,000港元)。

上述敏感度分析乃假設重新計算銀行存款時已應用外幣匯率變動，從而令本集團於報告期間末承受外匯風險。有關分析並無考慮將海外業務財務報表換算為本集團呈報貨幣所產生的差異。

(e) 公允值

於2016年及2015年12月31日本集團之財務工具之賬面值與其公允值概無重大差異。

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(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港元計算)

25 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2016 and 2015 not provided for in the financial statements were as follows:

25 承擔

(a) 於2016年及2015年12月31日，未於財務報表內作出撥備的資本承擔如下：

		2016 '000 千元	2015 '000 千元
Contracted for	已訂約	**193**	9,391

(b) At the end of the reporting period, the total future minimum leases payments under non-cancellable operating leases are payable as follows:

(b) 於報告期末，根據不可撤銷經營租賃應付的未來最低租金總額如下：

		2016 '000 千元	2015 '000 千元
Within 1 year	1年內	**5,038**	4,781
After 1 year but within 5 years	1年後但於5年內	**4,781**	9,247
		9,819	14,028

26 MATERIAL RELATED PARTY TRANSACTIONS

At 31 December 2015, the directors considered the immediate controlling party of the Group to be Nicco, while ultimate controlling parties of the Group to be Mr. Xu Xipeng and Mr. Xu Xinan. During 2016, Nicco transferred 310,490,000 shares, representing approximately 72.745% of the issued share capital of the Company, to Glory Emperor Trading Limited, a wholly owned subsidiary of Zhonghong.

On 17 February 2016, Mr. Xu Xipeng resigned as the chairman of the board and chief executive officer of the Company. Mr. Xu Xipeng and Mr. Xu Xinan resigned as executive directors of the Group, but have remained as the directors of KEE International BVI and KEE Zippers, the subsidiaries of the Company since 17 February 2016.

26 重大關連方交易

於2015年12月31日，董事認為本集團直接控股方為Nicco，而本集團最終控股方為許錫鵬先生及許錫南先生。於2016年，Nicco轉讓310,490,000股股份予中弘全資附屬公司耀帝貿易有限公司，相當於本公司已發行股本約72.745%。

於2016年2月17日，許錫鵬先生辭任本公司董事會主席兼行政總裁。自2016年2月17日起，許錫鵬先生及許錫南先生辭任本集團執行董事，但仍擔任本公司附屬公司KEE International BVI及開易拉鏈董事。

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) TRANSACTIONS

In addition to the transactions disclosed in other parts of the financial statements, the Group entered into the following material related party transactions:

(i) The Group entered into an operating lease in respect of certain plant and buildings with Mr. Xu Xipeng and Mr. Xu Xinan, the senior management of the Group. During the year ended 31 December 2016, the rentals paid by the Group under this lease agreement amounted to HK$4,342,000 (2015: HK$4,297,000). As at 31 December 2016, the Group's total operating lease commitments to Mr. Xu Xipeng and Mr. Xu Xinan amounted to HK$8,684,000.

(ii) After disposals of property, plant and leasehold land as mentioned in note 10, the Group agreed to leaseback those assets from Classic Winner and Nanhai Jinheming. Both lease agreements in respect of the property, plant and leasehold land covered a duration of one year only. The Group was required to pay rental expenses of HK$1 and HK$ nil to Classic Winner and Nanhai Jinheming respectively under both lease agreements.

The above related party transaction constituted continuing connected transaction as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section headed "Continuing Connected Transactions" of the Report of the Directors.

26 重大關連方交易(續)

(a) 交易

除於財務報表其他部分所披露的交易外，本集團曾訂立下列重大關聯方交易：

(i) 本集團與本集團高級管理層許錫鵬先生及許錫南先生就若干廠房及樓宇訂立經營租賃。截至2016年12月31日止年度，本集團根據本租賃協議支付的租金為4,342,000港元(2015年：4,297,000港元)。於二零一六年十二月三十一日，本集團應付予許錫鵬先生及許錫南先生的經營租賃承擔總額為8,684,000港元。

(ii) 於出售附註10所述的物業、廠房及租賃土地後，本集團同意自勝典及南海今和明租回該等資產。與物業、廠房及租賃土地有關的兩份租賃協議僅涵蓋一年期限。根據租賃協議，本集團必須向勝典及南海今和明分別支付租金開支1港元及零港元。

上述關連方交易構成上市規則第14A章所界定的持續關連交易。上市規則第14A章要求披露的資料載於董事會報告書「持續關連交易」一節。

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(Expressed in Hong Kong dollars unless otherwise indicated)
(除另有註明外，所有金額以港元計算)

26 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(b) KEY MANAGEMENT PERSONNEL COMPENSATION

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 6 and certain of the highest paid employees as disclosed in note 7, is as follows:

26 重大關連方交易(續)

(b) 主要管理人員薪酬

主要管理人員薪酬(包括附註6所披露支付予本公司董事的款項及附註7所披露支付予若干最高薪酬員工)如下：

		2016 '000 千元	2015 '000 千元
Short-term employee benefits	短期僱員福利	**4,739**	5,102
Retirement scheme contribution	退休計劃供款	**134**	185
Share-based payments	以股份支付的支出	**–**	(139)
		4,873	5,148

Total remuneration is included in "staff costs" (note 4(b)).

薪酬總額計入「員工成本」(附註4(b))。

Remuneration for certain directors is borne by Zhonghong, since Zhonghong has become the intermediate holding company of the Group.

若干董事之酬金由中弘承擔，因中弘已成為本集團之中間控股公司。

27 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

27 公司層面財務狀況表

		Note 附註	2016 $'000 千元	2015 $'000 千元
Non-current asset	**非流動資產**			
Interest in a subsidiary	於附屬公司之權益		**–**	–
Current assets	**流動資產**			
Amount due from a subsidiary	應收附屬公司款項		**170,959**	151,647
Other receivables	其他應收款項		**823**	185
Cash and cash equivalents	現金及現金等價物		**32,830**	944
			204,612	152,776
Current liability	**流動負債**			
Other payables	其他應付款項		**2,060**	1,305
Net current assets	**流動資產淨值**		**202,552**	151,471
Net assets	**資產淨值**		**202,552**	151,471
Capital and reserves	**資本及儲備**			
Share capital	股本		**4,348**	4,268
Reserves	儲備		**198,204**	147,203
Total equity	**權益總額**	22(a)	**202,552**	151,471

28 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 31 December 2016, the directors consider the immediate controlling party of the Group to be Glory Emperor Trading Limited, a wholly owned subsidiary of Zhonghong, while the ultimate controlling party of the Group to be Mr. Wang Yonghong. Glory Emperor Trading Limited is incorporated in BVI. This entity does not produce financial statements available for public use.

28 直接及最終控股方

於2016年12月31日，董事認為本集團之直接控股方為中弘之全資附屬公司耀帝貿易有限公司，而本集團之最終控股方為王永紅先生。耀帝貿易有限公司於英屬處女群島註冊成立。該實體並不編製可供公眾使用的財務報表。

29 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The Group's financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the financial statements. The Group bases the assumptions and estimates on experience and on various other assumptions that the Group believes to be reasonable and which form the basis for making judgements about matters that are not readily apparent from other sources. On an on-going basis, management evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of critical accounting policies, the judgements and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial statements. The significant accounting policies are set forth in note 1. The Group believes the following critical accounting policies involve the most significant judgements and estimates used in the preparation of the financial statements.

(a) IMPAIRMENT

(i) Non-financial long-term assets

The Group reviews the carrying amounts of the assets at each balance sheet date to determine whether there is objective evidence of impairment. When indication of impairment is identified, management prepares discounted future cashflow to assess the differences between the carrying amount and value in use and provide for impairment loss. Any change in the assumption adopted in the cash flow forecasts would increase or decrease in the provision of impairment loss and affect the Group's net asset value.

(ii) Receivables

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the debtors to make the required payments. The Group bases the estimates on the ageing of the trade and other receivables balance, credit-worthiness of the debtors and historical write-off experience. If the financial condition of the debtors were to deteriorate, actual write-offs would be higher than estimated.

29 主要會計估計及判斷

本集團的財務狀況及經營業績易受到與編製財務報表有關的會計方法、假設及估計所影響。本集團以本集團認為合理的經驗及其他不同假設作為相關假設及估計的基礎，而該等經驗及假設均為對未能從其他來源確定的事宜作出判斷的基準。管理層會持續對其估計作出評估。由於實際情況、環境及狀況的改變，故實際業績可能有別於該等估計。

在審閱財務報表時，需要考慮的因素包括重要會計政策的選擇、對應用該等政策產生影響的判斷及其他不明朗因素，以及已呈報業績對狀況及假設改變的敏感度等。主要會計政策載列於附註1。本集團相信，以下重要會計政策包括在編製財務報表時所採用的最重要的判斷及估計。

(a) 減值

(i) 非金融長期資產

本集團於結算日審閱資產賬面值，以釐定是否有減值之客觀依據。倘出現減值跡象，管理層編製經貼現現金流量，以評估賬面值及使用值之差額，並就減值虧損作出撥備。就現金流預測所作出假設如有任何變化，可能會使減值虧損撥備增加或減少，從而影響本集團之資產淨值。

(ii) 應收款項

本集團就債務人無法作出所需付款時產生的呆壞賬估計減值虧損。本集團以貿易及其他應收款項結餘的賬齡、債務人的信譽及過往撇銷經驗等資料作為估計的基礎。倘債務人的財務狀況惡化，實際撇銷數額將會高於估計數額。

29 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(b) DEPRECIATION AND AMORTISATION

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value, if any. The Group reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives are based on the Group's experience with similar assets and taking into account upgrading and improvement work performed for anticipated technological changes, and legal or similar limits on the use of assets. The depreciation and amortisation expense for future periods is adjusted if there are significant changes from previous estimates.

(c) INVENTORIES

The Group determines the write-down for obsolescence of inventories. These estimates are based on the current market condition and the experience in selling goods of similar nature. It could change significantly as a result of change in market condition.

(d) INCOME TAXES

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for unused tax losses and deductible temporary differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which they can be utilised, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

29 主要會計估計及判斷(續)

(b) 折舊及攤銷

物業、廠房及設備均在考慮其估計剩餘價值(如有)後，在資產的估計可使用年限內按直線法計提折舊。本集團定期審閱資產的估計可使用年限，以釐定將於任何報告期間記入的折舊費用數額。可使用年期是根據本集團對同類資產的經驗並經考慮所進行的升級及改善工作、預期的技術變動及使用資產的法律或類似限制而定。倘若以前作出的估計出現重大變動，則會在未來期間對折舊及攤銷費用作出調整。

(c) 存貨

本集團會釐定陳舊存貨的撇減。此等估計乃根據目前市況及銷售類似性質貨物的經驗作出，可因應市況變動而大幅改變。

(d) 所得稅

釐定所得稅撥備涉及對若干交易的未來稅務處理的判斷。本集團審慎評估交易的稅務影響及從而成立稅項撥備。該等交易的稅務處理在考慮所有稅務變動而定期重新檢討。遞延稅項資產確認為未動用稅項虧損及可抵扣暫時差異產生。管理層需要判斷，以評估未來應課稅利潤的可能性，因遞延稅項資產只限於很可能獲得能利用該遞延稅項資產來抵扣的未來應課稅溢利的部份予以確認。管理層需不斷對上述評估進行檢討，如未來可產生應課稅溢利，以使遞延稅項資產可得以抵扣應課稅溢利，有關額外的遞延稅項資產將予以確認。

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(除另有註明外，所有金額以港元計算)

30 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

30 已公佈但於截至2016年12月31日止年度尚未生效之修訂、新準則及詮釋之可能影響

於此等財務報表刊發日期，香港會計師公會已公佈多項修訂及新準則。該等修訂及新準則於截至2016年12月31日止年度尚未生效，此等財務報表亦無採用該等修訂、詮釋及新準則。下文所載可能與本集團有關。

	Effective for accounting periods beginning on or after **自以下日期或之後開始的會計期間生效**
Amendments to HKAS 7, *Statement of cash flows: Disclosure initiative* 香港會計準則第7號之修訂，*現金流量表：披露計劃*	1 January 2017 2017年1月1日
Amendments to HKAS 12, *Income taxes: Recognition of deferred tax assets for unrealised losses* 香港會計準則第12號之修訂，*所得稅：就未變現虧損確認遞延稅資產*	1 January 2017 2017年1月1日
HKFRS 9, *Financial instruments* 香港財務報告準則第9號，*金融工具*	1 January 2018 2018年1月1日
HKFRS 15, *Revenue from contracts with customers* 香港財務報告準則第15號，*客戶合約收益*	1 January 2018 2018年1月1日
Amendments to HKAS 2, *Share-based payment: Classification and measurement of share-based payment transactions* 香港會計準則第2號修訂，*以股份為基礎的付款：以股份為基礎的付款交易之分類及計量*	1 January 2018 2018年1月1日
HKFRS 16, *Lease* 香港財務報告準則第16號，*租賃*	1 January 2019 2019年1月1日

30 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (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 only HKFRS 16, *Lease* which may have a significant impact on the consolidated financial statements. Further details of the expected impact is 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.

HKFRS 16, LEASES

As disclosed in note 1(g), currently the Group classifies leases into operating leases, and account for the lease arrangements, according to the nature of the lease. The Group enters into leases as the lessee.

Once HKFRS 16 is adopted, subject to practical expedients, at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

30 已公佈但於截至2016年12月31日止年度尚未生效之修訂、新準則及詮釋之可能影響(續)

本集團正評估該等修訂及新準則在首個應用期產生的影響。迄今，本集團已證實只有香港財務報告準則第16號*租賃*可能會對綜合財務報表造成影響。有關預期影響之進一步詳情於下文論述。由於本集團並未完成其評估，故進一步影響或會於適當時候識別，且將在決定於其生效日期前決定是否採納任何該等新規定及所採取的過渡性方式(倘新準則准許其他方式)時納入考慮範圍內。

香港財務報告準則第16號，租賃

如附註1(g)所披露，目前本集團根據租賃性質將租賃分類為經營租賃及入賬列作租賃安排。本集團作為承租人訂立租賃。

一旦於租約開始日期採納香港財務報告準則第16號(視實際情況而定)，承租人將按最低日後租賃款項的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非於租期內按系統基準確認根據經營租約所產生的租賃開支的現有政策。作為實際的權益方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

30 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

HKFRS 16, LEASES (CONTINUED)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. 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. As disclosed in note 25(b), at 31 December 2016 the Group's future minimum lease payments under non-cancellable operating leases amount to HK$9,819,000, the majority of which is payable either between 1 and 5 years after the reporting date. Some of these amounts 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.

The Group is considering whether to adopt HKFRS 16 before its effective date of 1 January 2019. However, early adoption of HKFRS 16 is only permitted if this is no earlier than the adoption of HKFRS 15. It is therefore unlikely that HKFRS 16 will be adopted before the effective date of HKFRS 15, being 1 January 2018.

30 已公佈但於截至2016年12月31日止年度尚未生效之修訂、新準則及詮釋之可能影響(續)

香港財務報告準則第16號，租賃(續)

香港財務報告準則第16號將主要影響本集團作為租約承租人就物業、廠房及設備(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。誠如附註25(b)所披露，於2016年12月31日，本集團於不可撤銷經營租約項下的未來最低租約款項為9,819,000港元，大部分於報告日期後1至5年內支付。因此，一旦採納香港財務報告準則第16號，若干該等款項可能須按照相應使用權資產確認為租賃負債。經考慮實際權益方法的適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止的任何租約及折讓影響後，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。

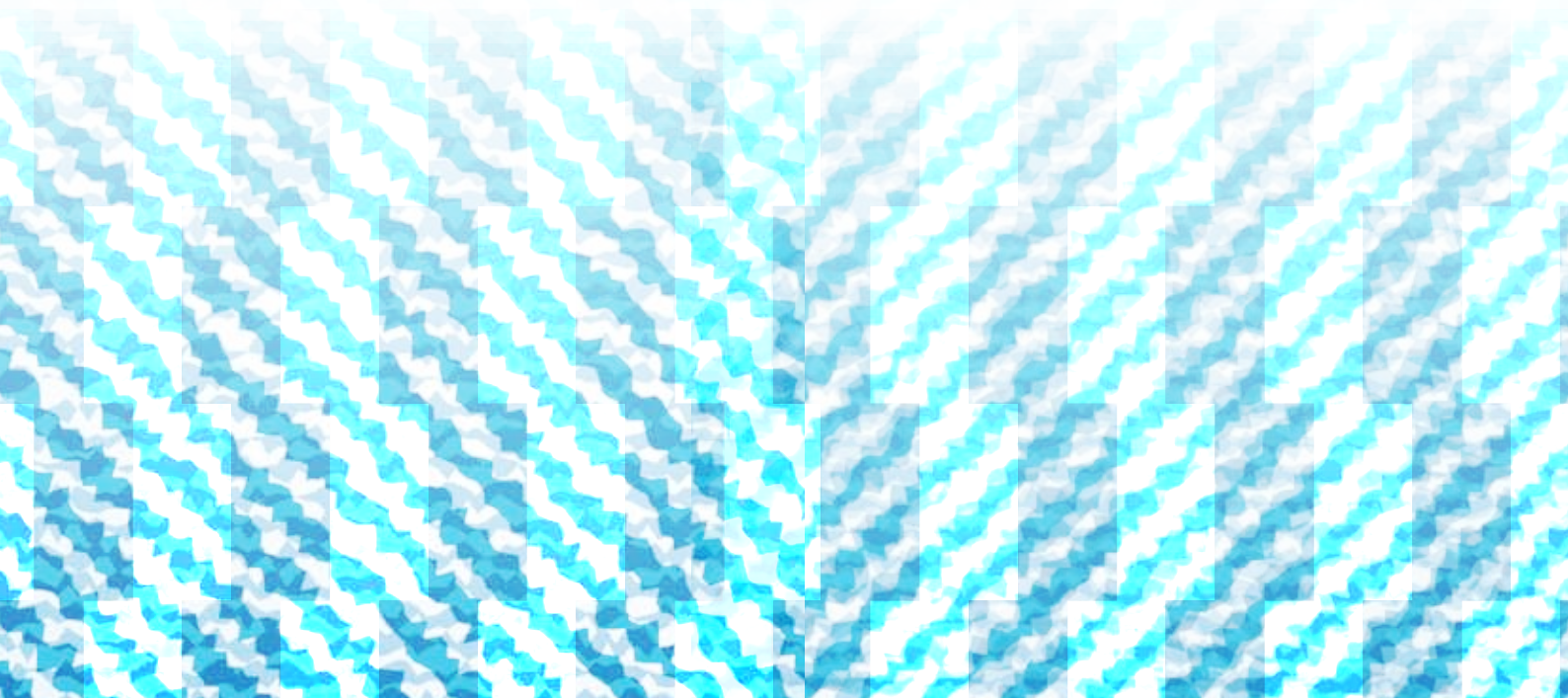
本集團正考慮於2019年1月1日生效日期前是否採納香港財務報告準則第16號。然而，僅於不提前採納香港財務報告準則第15號的情況下，方允許提前採納香港財務報告準則第16號。因此，在香港財務報告準則第15號的生效日期(即2018年1月1日)之前，不太可能將會採納香港財務報告準則第16號。

GLOSSARY
詞彙

In this annual report, unless the context otherwise requires, the following terms shall have the following meanings.

除文義另有所指外，在本年報內，下列詞語具有以下涵義：

"Board"	means	the Board of Directors
「董事會」	指	董事會
"CG Code"	means	code on corporate governance practices as set out in Appendix 14 to the Listing Rules
「企業管治守則」	指	上市規則附錄14所載企業管治常規守則
"Company"	means	KEE Holdings Company Limited, an exempted company incorporated with limited liability under the laws of the Cayman Islands on 6 July 2010, the Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
「本公司」	指	開易控股有限公司，於2010年7月6日根據開曼群島法律註冊成立為獲豁免有限公司，其股份於香港聯交所主板上市
"Controlling Shareholder(s)"	means	has the meaning ascribed to it under the Listing Rules and, in the context of the Company, means Glory Emperor Trading Limited and Mr. Wang Yonghong
「控股股東」	指	具有上市規則所賦予之涵義及就本公司文義而言，指耀帝貿易有限公司、王永紅
"Director(s)"	means	the Director(s) of the Company
「董事」	指	本公司董事
"Group"	means	the Company and its subsidiaries
「本集團」	指	本公司及其附屬公司
"HK$" and "HK cents"	means	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
「港元」及「港仙」	指	香港法定貨幣港元及港仙
"Hong Kong"	means	the Hong Kong Special Administrative Region of the PRC
「香港」	指	中國香港特別行政區
"Hong Kong Stock Exchange"	means	The Stock Exchange of Hong Kong Limited
「香港聯交所」	指	香港聯合交易所有限公司

GLOSSARY
詞彙

"KEE Guangdong"	means	KEE (Guangdong) Garment Accessories Limited, a limited liability company established in the PRC on 21 March 2005 and an indirect wholly-owned subsidiary of the Company
「開易廣東」	指	開易(廣東)服裝配件有限公司，於2005月3月21日在中國成立的有限公司，為本公司間接全資擁有的附屬公司
"Listing Rules"	means	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
「上市規則」	指	香港聯交所證券上市規則
"Main Board"	means	the stock market operated by the Hong Kong Stock Exchange, which excludes the Growth Enterprise Market and the options market
「主板」	指	由香港聯交所營運的股票市場，不包括創業板及期權市場
"OEM"	means	original equipment manufacturer or manufacturing
「OEM」	指	原設備製造(商)
"PRC" or "China"	means	the People's Republic of China excluding, for the purpose of this report, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
「中國」	指	中華人民共和國，就本報告而言，不包括香港、中國澳門特別行政區及台灣
"Prospectus"	means	the Company's prospectus dated 31 December 2010
「招股章程」	指	本公司日期為2010年12月31日的招股章程
"RMB"	means	Renminbi, the lawful currency of the PRC
「人民幣」	指	中國法定貨幣人民幣
"Share(s)"	means	share(s) of HK$0.01 each in the share capital of the Company
「股份」	指	本公司股本中每股面值0.01港元之股份
"Shareholder(s)"	means	shareholder(s) of the Company
「股東」	指	本公司股東