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Ngai Hing Hong Company Limited
毅興行有限公司

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 1047)

2016 / 2017

INTERIM REPORT 中期報告

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Ngai Hing Hong Company Limited

毅興行有限公司

The Board of Directors (the "Board") of Ngai Hing Hong Company Limited (the "Company") presents the unaudited condensed consolidated interim financial information of the Company and its subsidiaries (the "Group") for the six months ended 31st December 2016 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2016

毅興行有限公司(「本公司」)之董事會(「董事會」)宣佈，本公司及其附屬公司(「本集團」)截至二零一六年十二月三十一日止六個月之未經審核簡明綜合中期財務資料如下：

簡明綜合收益表

截至二零一六年十二月三十一日止六個月

			Unaudited 未經審核	
			Six months ended 31st December 截至十二月三十一日止六個月	
			2016	2015
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Revenue	營業額	6	770,443	846,060
Cost of sales	銷售成本		(661,219)	(747,321)
Gross profit	毛利		109,224	98,739
Rental income	租金收入		3,304	2,752
Other gains/(losses), net	其他收益／(虧損)－淨值	7	9,796	(17,371)
Distribution costs	分銷成本		(38,960)	(42,301)
Administrative expenses	行政支出		(51,093)	(54,882)
Operating profit/(loss)	經營溢利／(虧損)	8	32,271	(13,063)
Finance income	財務收益	9	111	118
Finance costs	財務費用	9	(3,896)	(4,573)
Finance costs, net	財務費用－淨值		(3,785)	(4,455)
Profit/(loss) before income tax	除稅前溢利／(虧損)		28,486	(17,518)
Income tax expense	稅項支出	10	(6,968)	(6,070)
Profit/(loss) for the period	本期溢利／(虧損)		21,518	(23,588)

CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2016

簡明綜合收益表(續)

截至二零一六年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016	2015
		HK\$'000	HK\$'000
		千港元	千港元
Attributable to:	以下人士應佔：		
Equity holders of the Company	公司股東	19,870	(24,605)
Non-controlling interests	非控制權益	1,648	1,017
		21,518	(23,588)
Earnings/(loss) per share for profit/(loss) attributable to the equity holders of the Company during the period (expressed in HK cent per share)	本期公司股東應佔溢利／(虧損)之每股盈利／(虧損)(以每股港仙計)		
– Basic	– 基本	5.38	(6.66)
– Diluted	– 攤薄	5.38	(6.66)

The notes on pages 12 to 42 form an integral part of this condensed consolidated interim financial information.

第12至42頁的附註為簡明綜合中期財務資料的整體部份。

CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2016

簡明綜合合併收益表

截至二零一六年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit/(loss) for the period	本期溢利／(虧損)	21,518	(23,588)
Other comprehensive loss:	其他綜合虧損：		
Item that may be reclassified subsequently to income statement:	期後可被重新分類至 收益表之項目：		
Currency translation differences	匯兌差額	(14,958)	(14,515)
Other comprehensive loss for the period	本期其他綜合虧損	(14,958)	(14,515)
Total comprehensive income/(loss) for the period	本期綜合收益／(虧損)總額	6,560	(38,103)
Total comprehensive income/(loss) attributable to:	綜合收益／(虧損)總額歸屬於：		
Equity holders of the Company	公司股東	5,042	(38,845)
Non-controlling interests	非控制權益	1,518	742
		6,560	(38,103)

The notes on pages 12 to 42 form an integral part of this condensed consolidated interim financial information.

第12至42頁的附註為簡明綜合中期財務資料的整體部份。

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31ST DECEMBER 2016

簡明綜合資產負債表

於二零一六年十二月三十一日

			Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日	Audited 經審核 30th June 2016 於二零一六年 六月三十日
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	113,375	118,172
Leasehold land and land use rights	租賃土地及土地使用權	13	18,426	22,397
Investment properties	投資物業	13	120,801	106,050
Available-for-sale financial asset	可供出售財務資產		2,000	2,000
Deferred income tax assets	遞延稅項資產		5,860	6,052
Prepayment for property, plant and equipment and renovation costs	物業、廠房及設備與裝修預付款		5,278	1,339
			265,740	256,010
Current assets	流動資產			
Inventories	存貨		228,103	228,571
Trade and bills receivables	貿易應收款及應收票據	14	259,494	248,086
Other receivables, prepayments and deposits	其他應收款、預付款及按金		23,766	17,347
Income tax recoverable	可收回稅項		463	248
Restricted bank deposits	受限制的銀行存款		22,346	23,256
Cash and bank balances	現金及銀行結餘		92,134	73,821
			626,306	591,329
Total assets	資產總額		892,046	847,339

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

AS AT 31ST DECEMBER 2016

簡明綜合資產負債表(續)

於二零一六年十二月三十一日

			Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 Note 附註 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	公司股東 應佔股本及儲備			
Share capital	股本	17	36,920	36,920
Share premium	股本溢價		62,466	62,466
Other reserves	其他儲備		35,075	49,903
Retained earnings	保留溢利		305,918	286,048
			440,379	435,337
Non-controlling interests	非控制權益		20,149	20,384
Total equity	權益總額		460,528	455,721

CONDENSED CONSOLIDATED BALANCE SHEET (Continued)

AS AT 31ST DECEMBER 2016

簡明綜合資產負債表(續)

於二零一六年十二月三十一日

			Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日	Audited 經審核 30th June 2016 於二零一六年 六月三十日
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延稅項負債		6,238	6,151
Current liabilities	流動負債			
Trade payables	貿易應付款	15	65,962	72,875
Other payables, deposits received and accruals	其他應付款、已收訂金 及預提費用		30,124	24,079
Borrowings	借貸	16	321,635	280,843
Derivative financial instruments	衍生金融工具	18	—	584
Income tax payable	應付稅項		7,559	7,086
			425,280	385,467
Total liabilities	負債總額		431,518	391,618
Total equity and liabilities	權益及負債總額		892,046	847,339
Net current assets	淨流動資產		201,026	205,862
Total assets less current liabilities	資產總額減流動負債		466,766	461,872

The notes on pages 12 to 42 form an integral part of this condensed consolidated interim financial information.

第12至42頁的附註為簡明綜合中期財務資料的整體部份。

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2016

簡明綜合權益變動表

截至二零一六年十二月三十一日止六個月

		Unaudited 未經審核								
		Attributable to equity holders of the Company 公司股東應佔部分								
		Other reserves 其他儲備							Non-controlling interests 非控制權益	Total 總額
		Share capital 股本	Share premium 股本溢價	Capital reserve 購股權儲備	Revaluation reserve 資本儲備	Available-for-sale financial asset reserve 可供出售財務資產儲備	Exchange fluctuation reserve 匯兌波動儲備	Retained earnings 保留溢利		
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 1st July 2016	於二零一六年七月一日	36,920	62,466	615	7,590	1,310	40,388	286,048	20,384	455,721
Comprehensive income	綜合收益									
Profit for the period	本期溢利	—	—	—	—	—	—	19,870	1,648	21,518
Other comprehensive loss	其他綜合虧損									
Currency translation differences	匯兌差額	—	—	—	—	—	(14,828)	—	(130)	(14,958)
Total comprehensive (loss)/income	綜合(虧損)/收益總額	—	—	—	—	—	(14,828)	19,870	1,518	6,560
Transactions with owners	與所有者之交易									
Dividends paid to non-controlling interests	向非控制權益支付股息	—	—	—	—	—	—	—	(1,753)	(1,753)
Total transactions with owners	與所有者之交易總額	—	—	—	—	—	—	—	(1,753)	(1,753)
At 31st December 2016	於二零一六年十二月三十一日	36,920	62,466	615	7,590	1,310	25,560	305,918	20,149	460,528

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY (Continued)

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2016

簡明綜合權益變動表(續)

截至二零一六年十二月三十一日止六個月

		Unaudited 未經審核								
		Attributable to equity holders of the Company 公司股東應佔部分								
		Other reserves 其他儲備								
		Available- for-sale financial asset reserve Exchange fluctuation reserve Retained earnings Non- controlling interests Total								
		Share capital 股本 HK\$'000 千港元	Share premium 股本溢價 HK\$'000 千港元	Capital reserve 購股權 儲備 HK\$'000 千港元	Revaluation reserve 資本儲備 HK\$'000 千港元	可供 出售財務 重估儲備 HK\$'000 千港元	匯兌 資產儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	非控制 權益 HK\$'000 千港元	總額 HK\$'000 千港元
At 1st July 2015	於二零一五年七月一日	36,920	62,466	408	7,590	1,310	72,169	316,232	21,336	518,431
Comprehensive (loss)/income	綜合（虧損）／收益									
(Loss)/profit for the period	本期（虧損）／溢利	—	—	—	—	—	—	(24,605)	1,017	(23,588)
Other comprehensive loss	其他綜合虧損									
Currency translation differences	匯兌差額	—	—	—	(34)	—	(14,206)	—	(275)	(14,515)
Total comprehensive (loss)/income	綜合（虧損）／收益總額	—	—	—	(34)	—	(14,206)	(24,605)	742	(38,103)
Transactions with owners	與所有者之交易									
Dividends paid to non-controlling interests	向非控制權益支付股息	—	—	—	—	—	—	—	(1,599)	(1,599)
Dividends paid	支付股息	—	—	—	—	—	—	(3,692)	—	(3,692)
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	86	86
Total transactions with owners	與所有者之交易總額	—	—	—	—	—	—	(3,692)	(1,513)	(5,205)
At 31st December 2015	於二零一五年十二月三十一日	36,920	62,466	408	7,556	1,310	57,963	287,935	20,565	475,123

The notes on pages 12 to 42 form an integral part of this condensed consolidated interim financial information.

第12至42頁的附註為簡明綜合中期財務資料的整體部份。

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2016

簡明綜合現金流量表

截至二零一六年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Cash flows from operating activities	經營業務之現金流		
Cash generated from operations	經營業務所產生之現金	3,600	15,032
Hong Kong profits tax (paid)/refunded	(已繳)/退還香港利得稅	(1,033)	563
The People's Republic of China (the "PRC") income tax paid	已繳中華人民共和國 (「中國」)所得稅	(5,204)	(3,379)
Interest received	已收利息	111	118
Net cash (used in)/generated from operating activities	經營業務所(使用)/產生之淨現金	(2,526)	12,334
Cash flows from investing activities	投資業務之現金流		
Purchase of property, plant and equipment	購買物業、廠房及設備	(3,826)	(2,831)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款	137	133
Prepayments for property, plant and equipment and renovation costs	物業、廠房及設備與 裝修預付款	(5,278)	(2,054)
Purchase of investment properties	購買投資物業	(3,902)	—
Net cash used in investing activities	投資業務所使用之淨現金	(12,869)	(4,752)
Cash flows from financing activities	融資業務之現金流		
Proceeds from bank loans	新增銀行貸款	81,063	96,043
Repayment of bank loans	償還銀行貸款	(73,858)	(77,958)
Increase in trust receipt loans	信託收據貸款增加	35,001	7,748
Dividends paid to non-controlling interests	支付予非控制權益之股息	(1,753)	(1,599)
Dividends paid	支付股息	—	(3,692)
Sale of interests in subsidiaries	出售附屬公司權益	—	496
Interest paid on bank borrowings	已付銀行借貸利息	(4,983)	(5,963)
Net cash generated from financing activities	融資業務所產生之淨現金	35,470	15,075

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

FOR THE SIX MONTHS ENDED 31ST DECEMBER 2016

簡明綜合現金流量表(續)

截至二零一六年十二月三十一日止六個月

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Net increase in cash and cash equivalents	現金及現金等額之增加	20,075	22,657
Cash and cash equivalents at 1st July	於七月一日之現金及現金等額	63,666	78,569
Effect of foreign exchange rate changes	外幣匯率變動影響	(2,578)	(2,091)
Cash and cash equivalents at 31st December	於十二月三十一日之現金及 現金等額	81,163	99,135
Analysis of balances of cash and cash equivalents:	現金及現金等額結餘分析：		
Cash and bank balances	現金及銀行結餘	92,134	108,712
Bank overdrafts	銀行透支	(10,971)	(9,577)
		81,163	99,135

The notes on pages 12 to 42 form an integral part of this condensed consolidated interim financial information.

第12至42頁的附註為簡明綜合中期財務資料的整體部份。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

I GENERAL INFORMATION

Ngai Hing Hong Company Limited (the “Company”) and its subsidiaries (together the “Group”) are principally engaged in the manufacturing and trading of plastic materials, pigments, colorants, compounded plastic resins and engineering plastic products.

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.

The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

This condensed consolidated interim financial information is presented in Hong Kong dollars, unless otherwise stated, and has been approved for issue by the Board of Directors on 27th February 2017.

2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 31st December 2016 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting”. This condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 30th June 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

簡明綜合中期財務資料附註

I 一般資料

毅興行有限公司(「本公司」)及其子公司(統稱「本集團」)主要從事塑膠原料、色粉、着色劑、混料及工程塑料之製造及買賣。

本公司是於百慕達註冊之一間有限責任公司。公司註冊地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司之股票於香港聯合交易所有限公司之主版上市。

除非已另外列明，本簡明綜合中期財務資料乃以港幣列示。本簡明綜合中期財務資料已於二零一七年二月二十七日被董事局批准。

2 編製基準

截至二零一六年十二月三十一日止六個月的簡明綜合中期財務資料已根據香港會計準則第34號「中期財務報告」編製。本簡明綜合中期財務資料應與截至二零一六年六月三十日止年度的年度財務報表一併閱讀，該財務報表已根據香港財務報告準則編製。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3 ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 30th June 2016, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

There are no other amended standards or interpretations that are effective for the first time for this interim period that could be expected to have a material impact on the Group.

The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1st July 2016 and have not been early adopted by the Group:

Amendments to HKAS 12
對香港會計準則第12號的修訂
Amendments to HKAS 7
對香港會計準則第7號的修訂
HKFRS 15
香港財務報告準則第15號
HKFRS 9
香港財務報告準則第9號
Amendments to HKFRS 2
對香港財務報告準則第2號的修訂
HKFRS 16
香港財務報告準則第16號
HKFRS 10 and HKAS 28 (Amendment)
對香港財務報告準則第10號及
香港會計準則第28號的修訂

Income Taxes ¹
所得稅¹
Statement of Cash Flows ¹
現金流量表¹
Revenue from Contracts with Customers ²
客戶合同收益²
Financial Instruments ²
金融工具²
Classification and Measurement of Share-based Payment Transactions²
以股份為基礎的支付交易的分類及計量²
Leases ³
租賃³
Sale or Contribution of Assets between an Investor and
its Associate or Joint Venture ⁴
投資者與其聯營或合營企業之間的資產出售或注資⁴

- (1) Effective for annual periods beginning on or after 1st January 2017
(2) Effective for annual periods beginning on or after 1st January 2018
(3) Effective for annual periods beginning on or after 1st January 2019
(4) Effective for annual periods beginning on or after a date to be determined

簡明綜合中期財務資料附註(續)

3 會計政策

編製本簡明綜合中期財務資料所採用之會計政策及計算方法與截至二零一六年六月三十日止年度之年度賬目所採用的會計政策一致，惟以下所述者除外。

本中期期間的所得稅按照預期年度總盈利適用的稅率累計。

沒有其他在本中期期間首次生效的修改準則或解釋預期會對本集團造成重大影響。

以下為已公佈但並非於二零一六年七月一起的財政年度生效的新準則和對準則的修訂，本集團並無提早採納：

- (1) 自二零一七年一月一日起的年報期間生效
(2) 自二零一八年一月一日起的年報期間生效
(3) 自二零一九年一月一日起的年報期間生效
(4) 生效之年報期間仍未確立

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

3 ACCOUNTING POLICIES (Continued)

The Directors anticipate that the adoption of above new standards and amendments to standards will not result in a significant impact on the results and financial position of the Group.

4 ESTIMATES

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements for the year ended 30th June 2016.

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30th June 2016.

There have been no changes in the risk management department since year end or in any risk management policies since the year end.

簡明綜合中期財務資料附註(續)

3 會計政策(續)

董事認為採納以上新準則和對準則的修訂並不會對本集團之業績及財務狀況構成重大影響。

4 估計

編製中期財務資料要求管理層對影響會計政策的應用和所報告資產和負債以及收支的數額作出判斷、估計和假設。實際結果或會與此等估計不同。

在編製此等簡明綜合中期財務資料時，管理層應用本集團會計政策時作出的重大判斷和估計不確定性的關鍵來源，與截至二零一六年六月三十日止年度財務報表所應用的相同。

5 財務風險管理及金融工具

5.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險(包括匯率風險、公平值利率風險、現金流量利率風險及價格風險)、信用風險及流動性風險。

中期簡明合併財務資料並未包括年度財務報表規定的所有財務風險管理資訊和披露，此中期財務資料應與本集團截至二零一六年六月三十日止年度的年度財務報表一併閱讀。

自年底以來風險管理部或風險管理政策並無任何變動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.2 Liquidity risk

Compared to year end, there have been no material changes to the policies and practices for the Group's liquidity and funding risk management as described in the annual financial statements for the year ended 30th June 2016.

5.3 Fair value estimation

According to HKFRS 7 "Financial Instruments: Disclosures", financial instruments measured in the balance sheet at fair value are required to disclose the fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

There were no transfers of financial assets between categories during the period. There were no other charges in valuation technique during the period.

簡明綜合中期財務資料附註(續)

5 財務風險管理及金融工具(續)

5.2 流動性風險

本集團的流動性及資金風險管理與截至二零一六年六月三十日之年度財務報表所披露之政策及實施並無重大變動。

5.3 公平值估計

根據香港財務報告準則第7號「金融工具：披露」，有關金融工具在資產負債表的公平值計量需按下列公平值計量架構披露：

- 相同資產或負債在活躍市場的報價(未經調整)(第1層)
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)

本期間內分類之間並無財務資產的重大轉撥。本期間內並無任何估值技術的變動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

5 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

5.3 Fair value estimation (Continued)

As at 31st December 2016, the Group's financial assets and liabilities that are measured at fair value are categorised as level 3 financial instruments. The following table presents the changes in level 3 instruments for the period ended 31st December 2016.

		Available-for- sale financial asset 可供出售 財務資產 HK\$'000 千港元	Derivative financial instruments 衍生 金融工具 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1st July 2016	於二零一六年七月一日	2,000	(584)	1,416
Gain recognised in income statement	於損益表確認收益	—	584	584
At 31st December 2016	於二零一六年十二月三十一日	2,000	—	2,000

The fair value of derivative financial instruments which are not traded in an active market (for example, over-the-counter derivatives) was determined by using valuation techniques. The Group used its judgement to select an appropriate valuation method and made assumptions that were mainly based on market conditions existing at the balance sheet date. The valuation models require the input of subjective assumptions, including forward foreign exchange rates, risk free rates and market volatility. Changes in subjective input assumptions can materially affect the fair value estimate. There is no change in valuation technique during the period.

簡明綜合中期財務資料附註(續)

5 財務風險管理及金融工具(續)

5.3 公平值估計(續)

於二零一六年十二月三十一日，本集團以公平值計量的財務資產已分類作第3層金融工具。以下為於截至二零一六年十二月三十一日止期間內第3層金融工具的變動表。

沒有在活躍市場買賣的衍生金融工具(如場外交易的衍生金融工具)的公平值利用估值技術釐定。本集團利用判斷選取一種合適的估值方法，並主要根據於資產負債日的市場情況作出假設。此等估值方法要求輸入包括遠期外幣匯率、無風險利率及市場波動率等主觀假設。此等主觀假設的變動將重大影響公平值估算。本期間內並無任何估值技術的變動。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE AND SEGMENT INFORMATION

6 收益及分部資料

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016	2015
		HK\$'000	HK\$'000
		千港元	千港元
Turnover	營業額		
Sales of goods	銷售貨品	769,329	844,267
Provision of logistics services	提供物流服務	1,114	1,793
		770,443	846,060

The Group is principally engaged in the manufacturing and trading of plastic materials, pigments, colorants, compounded plastic resins and engineering plastic products.

The chief operating decision-maker ("CODM") has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the operations nature and the type of products perspective, including the trading of plastic materials ("Trading"), manufacturing and sale of colorants, pigments and compounded plastic resins ("Colorants"), manufacturing and sale of engineering plastic products ("Engineering plastic") and other corporate and business activities including the provision of logistic services ("Others").

本集團之主要業務為塑膠原料、色粉、着色劑、混料和工程塑料之製造及買賣。

首席經營決策者被認為為本公司之執行董事。首席經營決策者審視本集團的內部報告以評估表現和分配資源。管理層已決定根據此等報告釐定經營分部。首席經營決策者從經營性質及產品角度考慮業務，當中包括塑膠原料之買賣（「貿易」）；着色劑、色粉及混料之製造及買賣（「着色劑」）、工程塑料之製造及買賣（「工程塑料」）及其他企業及業務活動（包括：提供物流服務）（「其他」）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6 REVENUE AND SEGMENT INFORMATION (Continued)

Each of the Group's operating segments represents a strategic business unit that is managed by different business unit leaders. Inter-segment transactions are entered into under the normal commercial terms and conditions that would also be available to unrelated third parties. Information provided to the CODM is measured in a manner consistent with that in the condensed consolidated interim financial information.

The CODM assesses the performance of the operating segments based on a measure of revenue and operating profit, which is in a manner consistent with that of the condensed consolidated financial statements.

簡明綜合中期財務資料附註(續)

6 收益及分部資料(續)

本集團每一經營分部代表一策略性業務單位，並由不同之業務單位主管管理。分部間銷售按照公平交易原則的相對等條款進行。向首席經營決策者報告的計量方法與簡明綜合中期財務資料內方法一致。

首席經營決策者據對營業額及經營溢利的計量評估營運分部的表現，方式與簡明綜合財務報表相符。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2016 is as follows:

6 收益及分部資料(續)

截至二零一六年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下：

		Unaudited 未經審核				
		Engineering				Group 本集團 HK\$'000 千港元
		Trading 貿易 HK\$'000 千港元	Colorants 着色劑 HK\$'000 千港元	plastic 工程塑料 HK\$'000 千港元	Others 其他 HK\$'000 千港元	
Turnover	營業額					
– Gross revenue	— 分部總銷售	544,612	166,007	97,687	1,124	809,430
– Inter-segment revenue	— 分部間銷售	(37,189)	(1,627)	(171)	—	(38,987)
Revenue from external customers	外部客戶收益	507,423	164,380	97,516	1,124	770,443
Segment results	分部業績	(3,875)	29,244	9,139	(2,237)	32,271
Finance income	財務收益	40	69	2	—	111
Finance costs	財務費用	(2,671)	(618)	(421)	(186)	(3,896)
(Loss)/profit before income tax	除稅前(虧損)/溢利	(6,506)	28,695	8,720	(2,423)	28,486
Income tax expense	稅項支出					(6,968)
Profit for the period	本期溢利					21,518
Non-controlling interests	非控制權益					(1,648)
Profit attributable to equity holders of the Company	公司股東應佔溢利					19,870

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2016 is as follows: (Continued)

6 收益及分部資料(續)

截至二零一六年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下：(續)

		Unaudited 未經審核				
		Engineering				Group
		Trading	Colorants	plastic	Others	本集團
		貿易	着色劑	工程塑料	其他	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Other information:	其他資料：					
Additions to non-current assets (other than financial instruments and deferred tax assets)	非流動資產增加 (除金融工具及遞延 稅項資產外)	407	8,352	4,171	76	13,006
Depreciation of property, plant and equipment	物業、廠房 及設備折舊	340	2,588	3,957	265	7,150
Amortisation of leasehold land and land use rights	租賃土地及土地 使用權之攤銷	179	130	16	39	364
Provision for impairment of inventories	存貨減值準備	809	347	375	6	1,537
(Reversal of)/provision for impairment of trade receivables	應收款減值(撥回) ／準備	(5)	26	—	—	21
Fair value gains on derivative financial instruments	衍生金融工具 公平值收益	(1,122)	—	—	—	(1,122)
Reversal of impairment of deposit for acquisition of properties	收購物業之按金 減值撥回	—	(8,148)	—	—	(8,148)
Impairment of property, plant and equipment	物業、廠房及 設備減值	—	—	—	201	201

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments as at 31st December 2016 is as follows:

6 收益及分部資料(續)

於二零一六年十二月三十一日提供給首席經營決策者之可呈列報告分部資料如下：

		Unaudited 未經審核				
		Engineering				Group
		Trading	Colorants	plastic	Others	
		貿易	着色劑	工程塑料	其他	本集團
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Segment assets	分部資產	346,546	281,136	144,508	119,856	892,046
Total assets	資產總額					892,046
Segment liabilities	分部負債	(60,730)	(29,132)	(15,315)	(4,706)	(109,883)
Borrowings	借貸	(256,971)	(22,346)	(33,582)	(8,736)	(321,635)
Total liabilities	負債總額					(431,518)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2015 is as follows:

6 收益及分部資料(續)

截至二零一五年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下：

		Unaudited 未經審核				
		Trading	Colorants	Engineering	Others	Group
		貿易	着色劑	工程塑料	其他	本集團
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Turnover	營業額					
– Gross revenue	— 分部總銷售	591,665	189,896	101,466	1,832	884,859
– Inter-segment revenue	— 分部間銷售	(36,724)	(1,903)	(133)	(39)	(38,799)
Revenue from external customers	外部客戶收益	554,941	187,993	101,333	1,793	846,060
Segment results	分部業績	(37,975)	22,416	6,170	(3,674)	(13,063)
Finance income	財務收益	43	72	3	—	118
Finance costs	財務費用	(3,238)	(609)	(558)	(168)	(4,573)
(Loss)/profit before income tax	除稅前(虧損)/溢利	(41,170)	21,879	5,615	(3,842)	(17,518)
Income tax expense	稅項支出					(6,070)
Loss for the period	本期虧損					(23,588)
Non-controlling interests	非控制權益					(1,017)
Loss attributable to equity holders of the Company	公司股東應佔虧損					(24,605)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the six months ended 31st December 2015 is as follows (Continued):

6 收益及分部資料(續)

截至二零一五年十二月三十一日止六個月提供給首席經營決策者之可呈列報告分部資料如下(續)：

		Unaudited 未經審核				
		Engineering				Group
		Trading	Colorants	plastic	Others	本集團
		貿易	着色劑	工程塑料	其他	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
Other information:	其他資料：					
Additions to non-current assets (other than financial instruments and deferred tax assets)	非流動資產增加 (除金融工具及遞延 稅項資產外)	48	2,258	2,525	46	4,877
Depreciation of property, plant and equipment	物業、廠房及 設備折舊	392	3,029	5,291	412	9,124
Amortisation of leasehold land and land use rights	租賃土地及土地 使用權之攤銷	192	139	16	39	386
Provision for/(reversal of) impairment of inventories	存貨減值 準備／(撥回)	1,882	(675)	460	(11)	1,656
Fair value losses from forward foreign exchange contracts held for trading	持作買賣用途之外匯 遠期合約公允價值 虧損	15,880	—	—	—	15,880

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

6 REVENUE AND SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments as at 30th June 2016 is as follows:

		Audited 經審核				
		Engineering				Group 本集團
		Trading 貿易	Colorants 着色劑	plastic 工程塑料	Others 其他	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Segment assets	分部資產	315,548	276,975	135,495	119,321	847,339
Total assets	資產總額					847,339
Segment liabilities	分部負債	(67,776)	(29,119)	(10,835)	(3,045)	(110,775)
Borrowings	借貸	(220,568)	(24,306)	(28,140)	(7,829)	(280,843)
Total liabilities	負債總額					(391,618)

The entity is domiciled in Hong Kong. The revenue from external customers from Hong Kong for the six months ended 31st December 2016 is approximately HK\$319,654,000 (2015: HK\$363,030,000) and the total of its revenue from external customers from other locations (mainly the PRC) is approximately HK\$450,789,000 (2015: HK\$483,030,000).

At 31st December 2016, the total of non-current assets other than financial instruments and deferred income tax assets located in Hong Kong is approximately HK\$154,500,000 (30th June 2016: HK\$153,244,000) and the total of these non-current assets located in other locations (mainly the PRC) is approximately HK\$103,380,000 (30th June 2016: HK\$94,714,000).

簡明綜合中期財務資料附註(續)

6 收益及分部資料(續)

於二零一六年六月三十日提供給首席經營決策者之可呈列報告分部資料如下：

本實體以香港為基地。截至二零一六年十二月三十一日止六個月來自香港之外部客戶收益約為319,654,000港元(二零一五年：363,030,000港元)，而來自其他地區(主要為中國)之外部客戶收益約為450,789,000港元(二零一五年：483,030,000港元)。

於二零一六年十二月三十一日，除金融工具及遞延稅項資產外位於香港之非流動資產約為154,500,000港元(於二零一六年六月三十日：153,244,000港元)，而位於其他地區(主要為中國)之此等非流動資產約為103,380,000港元(於二零一六年六月三十日：94,714,000港元)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

7 OTHER GAINS/(LOSSES), NET

7 其他收益／(虧損)－淨值

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Net exchange losses	外匯虧損淨額	(636)	(3,075)
Gain on disposal of property, plant and equipment	出售物業、廠房及 設備收益	123	133
Gain on disposal of subsidiaries	出售附屬公司收益	—	308
Fair value gains/(losses) from forward foreign exchange contracts held for trading	持作買賣用途之外匯遠期 合約公允價值收益／(虧損)	1,122	(15,880)
Fair value gains on investment properties	投資物業的公允價值收益	331	—
Reversal of impairment of deposit for acquisition of properties (Note)	收購物業之按金減值撥回(附註)	8,148	—
Others	其他	708	1,143
		9,796	(17,371)

Note:

During the year ended 30th June 2007, the Group paid a deposit of RMB7,150,000 (approximately HK\$7,989,000) for the acquisition of certain properties in the PRC, in which the deposit paid represents the value of the building portion of the properties. However, the transaction has not been completed for years as defects in certain title documents are yet to be rectified despite continuous efforts had been made to obtain those documents. During the year ended 30th June 2013, the management concluded that there were significant uncertainties over the recoverability of the deposit as a result, a full provision was made on the deposit.

During the six months ended 31st December 2016, the Group has obtained the property right certificate of the foresaid properties. Accordingly, the impairment of the deposit of RMB7,150,000 (approximately HK\$8,148,000) was reversed to condensed consolidated income statement.

附註：

於截至二零零七年六月三十日，本集團就收購若干位於中國內地的物業支付人民幣7,150,000元（等值約7,989,000港元）之按金，其按金代表該物業之建築物部分。儘管已不斷作出努力，但因若干業權文件之缺憾仍需釐清，故此交易仍未完成。管理層對可收回此按金存在重大不確定性，因此於截至二零一三年六月三十日止年度已就此訂金作出全額撥備。

於截至二零一六年十二月三十一日六個月，本集團已取得上述物業之房地產權證。因此，人民幣7,150,000元（等值約8,148,000港元）按金之減值已於本期間之簡明綜合收益表內撥回。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

8 OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting) the following:

8 經營溢利／(虧損)

經營溢利／(虧損)乃經扣除／(計入)下列各項後列賬：

		Unaudited 未經審核	
		Six months ended 31st December	
		截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Cost of inventories recognised as expenses included in cost of sales	確認作開支並包括於銷售成本之出售存貨成本	618,579	702,901
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	7,150	9,124
Amortisation of leasehold land and land use rights	租賃土地及土地使用權之攤銷	364	386
Operating lease rentals in respect of land and buildings	土地及樓宇之經營租賃租金	3,803	4,761
Employee benefit expenses, including Directors' emoluments	僱員福利支出 (包括董事酬金)	59,126	61,521
Provision for/(reversal of) impairment of trade receivables	貿易應收款減值準備／(撥回)	21	(345)
Provision for impairment of inventories	存貨減值準備	1,537	1,656
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(123)	(133)
Fair value (gains)/losses from forward foreign exchange contracts held for trading	持作買賣用途之外匯遠期合約公允價值(收益)／虧損	(1,122)	15,880
Fair value gains on investment properties	投資物業的公允價值收益	(331)	—
Impairment of property, plant and equipment	物業、廠房及設備減值	201	—

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

9 FINANCE INCOME AND COSTS

9 財務收益及費用

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Finance income:	財務收益：		
– Interest income from bank deposits	– 銀行存款利息收入	111	118
Finance costs:	財務費用：		
– Interest on bank borrowings wholly repayable within five years	– 需於五年內全數償還之 銀行借貸之利息	(4,983)	(5,963)
– Net exchange gains on financing activities	– 融資業務之外匯收益淨額	1,087	1,390
		(3,896)	(4,573)
Finance costs, net	財務費用－淨值	(3,785)	(4,455)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

10 INCOME TAX EXPENSE

Hong Kong profits tax has been provided for at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the period. Income tax on the Group's subsidiaries established and operate in the PRC has been calculated on the estimated assessable profit for the period at the rates of taxation as applicable to the relevant subsidiaries.

The amount of income tax charged to the interim consolidated income statement represents:

簡明綜合中期財務資料附註(續)

10 稅項支出

香港利得稅乃根據本集團於本期間內之估計應課稅溢利按稅率百分之十六點五(二零一五年：百分之十六點五)計算。中國所得稅乃根據於中國經營之附屬公司於本期間內之估計應課稅溢利按該等附屬公司所在地之適用稅率計算撥備。

中期綜合收益表之稅項支出為：

		Unaudited 未經審核 Six months ended 31st December 截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Current income tax	本期稅項		
– Hong Kong profits tax	– 香港利得稅	933	972
– PRC corporate income tax	– 中國所得稅	5,772	4,296
		6,705	5,268
Deferred income tax	遞延稅項	263	802
		6,968	6,070

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

10 INCOME TAX EXPENSE (Continued)

Deferred income tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through the future taxable profits is probable. At 31st December 2016, the Group had unrecognised tax losses to be carried forward against future taxable income amounted to HK\$253,883,000 (30th June 2016: HK\$242,401,000). Aside from tax losses generated from certain subsidiaries incorporated in the PRC amounted to HK\$11,880,000 (30th June 2016: HK\$10,970,000) with expiry dates from 2017 to 2021, the remaining tax losses have no expiry date. The potential deferred income tax assets in respect of these tax losses which have not been recognised amounted to approximately HK\$42,900,000 (30th June 2016: HK\$40,929,000).

11 DIVIDENDS

On 27th February 2017, the Directors declared an interim dividend of HK1.0 cent per share, totaling HK\$3,692,000 for the six months ended 31st December 2016.

On 27th September 2016, the Directors resolved not to declare any final dividend for the year ended 30th June 2016.

On 19th November 2015, the Directors declared a final dividend of HK1.0 cent per share, totaling HK\$3,692,000 for the year ended 30th June 2015, which was paid during the six months ended 31st December 2015.

簡明綜合中期財務資料附註(續)

10 稅項支出(續)

就結轉的稅務虧損而確認的遞延所得稅資產僅限於有關之稅務利益有可能透過未來應課稅盈利實現的部分。於二零一六年十二月三十一日，本集團並無就可結轉以抵銷未來應課稅收益的稅務虧損約253,883,000港元(於二零一六年六月三十日：242,401,000港元)確認遞延所得稅資產約42,900,000港元(於二零一六年六月三十日：40,929,000港元)。於中國成立的附屬公司所產生由二零一七年至二零二一年到期的稅務虧損約為11,880,000港元(於二零一六年六月三十日：10,970,000港元)，其餘稅務虧損並無到期日。

11 股息

於二零一七年二月二十七日，董事宣佈就截至二零一六年十二月三十一日止六個月派發中期股息每股1.0港仙，共3,692,000港元。

於二零一六年九月二十七日，董事議決不就截至二零一六年六月三十日止六個月宣派任何末期股息。

於二零一五年十一月十九日，董事宣佈就截止二零一五年六月三十日止年度派發末期股息每股1.0港仙，共3,692,000港元。此項股息已於截至二零一五年十二月三十一日止期間內支付。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

12 EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company for the period of HK\$19,870,000 (2015: loss attributable to equity holders of HK\$24,605,000) and 369,200,000 (2015: 369,200,000) ordinary shares in issue during the period.

Dilutive earnings/(loss) per share for the period ended 31st December 2016 and 2015 equal basic earnings/(loss) per share as there was no dilutive potential ordinary share as at the period ended 31st December 2016 and 2015.

簡明綜合中期財務資料附註(續)

12 每股盈利／(虧損)

每股基本盈利／(虧損)乃根據本期公司股東應佔溢利19,870,000港元(二零一五年：股本應佔虧損24,605,000港元)及期內已發行普通股369,200,000股(二零一五年：369,200,000股)計算。

於二零一六年十二月三十一日及二零一五年十二月三十一日，本公司並無具攤薄潛力之普通股，因此，於截至二零一六年十二月三十一日及二零一五年十二月三十一日止兩個期間，每股攤薄盈利／(虧損)相等於每股基本盈利／(虧損)。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

13 PROPERTY, PLANT AND EQUIPMENT, LEASEHOLD LAND
AND LAND USE RIGHTS AND INVESTMENT PROPERTIES

13 物業、廠房及設備、租賃土地及土
地使用权和投資物業

		Unaudited 未經審核		
		Property, plant and equipment 物業、廠房及 設備 HK\$'000 千港元	Leasehold land and land use rights 租賃土地及 土地使用權 HK\$'000 千港元	Investment properties 投資物業 HK\$'000 千港元
Net book value as at 1st July 2016	於二零一六年七月一日之 賬面淨值	118,172	22,397	106,050
Exchange difference	匯兌差額	(2,597)	(738)	(499)
Additions	增加	5,165	—	3,902
Reversal of impairment of deposit for acquisition of properties (Note 7)	收購物業之按金減值撥回 (附註7)	—	—	8,148
Transfer to investment properties	轉至投資物業	—	(2,869)	2,869
Disposals	出售	(14)	—	—
Impairment	減值	(201)	—	—
Fair value gains (Note 7)	公平值收益(附註7)	—	—	331
Depreciation/amortisation (Note 8)	折舊／攤銷(附註8)	(7,150)	(364)	—
Net book value as at 31st December 2016	於二零一六年 十二月三十一日 之賬面淨值	113,375	18,426	120,801
Net book value as at 1st July 2015	於二零一五年七月一日之 賬面淨值	132,642	21,510	105,075
Exchange difference	匯兌差額	(2,689)	(660)	(347)
Additions	增加	5,108	—	—
Transfer from deposits for acquisition of land use rights	轉自收購土地使用權之按金	—	3,248	—
Depreciation/amortisation (Note 8)	折舊／攤銷(附註8)	(9,124)	(386)	—
Net book value as at 31st December 2015	於二零一五年十二月三十一日 之賬面淨值	125,937	23,712	104,728

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

14 TRADE AND BILLS RECEIVABLES

14 貿易應收款及應收票據

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Trade receivables	貿易應收款	233,840	222,098
Less: provision for impairment of receivables	減：應收款減值準備	(4,614)	(4,738)
		229,226	217,360
Bills receivables	應收票據	30,268	30,726
		259,494	248,086

At 31st December 2016, the aging analysis of trade receivables, based on invoice date, is as follows:

於二零一六年十二月三十一日貿易應收款根據發票日期之賬齡分析如下：

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Below 90 days	90日內	214,102	201,736
91-180 days	91-180日	11,290	11,478
Over 180 days	超過180日	8,448	8,884
		233,840	222,098

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

14 TRADE AND BILLS RECEIVABLES (Continued)

The majority of the Group's sales are with credit terms of 30 to 90 days. The remaining amounts are on letter of credit or documents against payment.

Bill receivables are mainly with maturity period of within 180 days.

At 31st December 2016, there are bills of exchange HK\$11,897,000 (30th June 2016: HK\$20,594,000) transferred to banks with recourse in exchange for cash. The transactions had been accounted for as collateralised bank advances.

14 貿易應收款及應收票據(續)

本集團大部份銷售的信貨期為三十至九十日，其餘以信用狀或付款交單方式進行。

應收票據之到期日主要為一百八十日內。

於二零一六年十二月三十一日，並無任何附追索權之貼現票據轉讓予若干銀行以換取現金11,897,000港元(於二零一六年六月三十日：20,594,000港元)。有關交易已列為抵押化的銀行墊款。

15 TRADE PAYABLES

At 31st December 2016, the aging analysis of trade payables, based on invoice date, is as follows:

15 貿易應付款

於二零一六年十二月三十一日貿易應付款根據發票日期之賬齡分析如下：

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Below 90 days	90日內	64,821	71,615
91-180 days	91-180日	111	172
Over 180 days	超過180日	1,030	1,088
		65,962	72,875

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

16 BORROWINGS

16 借貸

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Current borrowings	流動借貸		
Bank loans due for repayment within one year - secured	需於一年內償還之 銀行貸款—有抵押	121,664	107,367
Bank loans due for repayment after one year which contain a repayment on demand clause - secured	需於一年後償還但包含按要求 還款條文之銀行貸款—有抵押	—	625
Trust receipt loans due for repayment within one year - secured	需於一年內償還之信託收據貸款 —有抵押	177,103	142,102
Bank advances for discounted bills (Note 14)	銀行貼現票據墊款(附註14)	11,897	20,594
Bank overdrafts - secured	銀行透支—有抵押	10,971	10,155
Total borrowings	總借貸	321,635	280,843

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION** *(Continued)*

簡明綜合中期財務資料附註(續)

16 BORROWINGS *(Continued)*

Movements in borrowings are analysed as follows:

16 借貸(續)

借貸變動分析如下：

		HK\$'000 千港元
Period ended 31st December 2016	截至二零一六年十二月三十一日止期間	
Opening amount as at 1st July 2016	於二零一六年七月一日之期初金額	280,843
Currency translation differences	匯兌差額	(2,230)
Repayments of borrowings	償還借貸	(73,858)
Drawdown of new borrowings	新借貸款	81,879
Increase in trust receipt loans	信託收據貸款增加	35,001
Closing amount as at 31st December 2016	於二零一六年十二月三十一日之期末金額	321,635
		HK\$'000 千港元
Period ended 31st December 2015	截至二零一五年十二月三十一日止期間	
Opening amount as at 1st July 2015	於二零一五年七月一日之期初金額	317,469
Currency translation differences	匯兌差額	(2,619)
Repayments of borrowings	償還借貸	(77,958)
Drawdown of new borrowings	新借貸款	96,139
Increase in trust receipt loans	信託收據貸款增加	7,748
Closing amount as at 31st December 2015	於二零一五年十二月三十一日之期末金額	340,779

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

16 BORROWINGS (Continued)

The Group has the following undrawn borrowing facilities:

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Floating rate – expiring beyond one year	浮動利率 – 一年以上到期	154,220	268,523

Note:

Bank borrowings of the Group are secured by certain property, plant and equipment, leasehold land and land use rights and investment properties with carrying amount of HK\$41,974,000 (30th June 2016: HK\$43,322,000), HK\$3,193,000 (30th June 2016: HK\$3,340,000) and HK\$29,977,000 (30th June 2016: HK\$29,977,000) respectively.

附註：

本集團之銀行貸款以部分物業、廠房及設備、租賃土地及土地使用權和投資物業為抵押，其賬面值分別為41,974,000港元（於二零一六年六月三十日：43,322,000港元）、3,193,000港元（於二零一六年六月三十日：3,340,000港元）及29,977,000港元（於二零一六年六月三十日：29,977,000港元）。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

17 SHARE CAPITAL

17 股本

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Authorised:	法定股本：		
800,000,000 (30th June 2016: 800,000,000) ordinary shares of HK\$0.10 each	800,000,000 (於二零一六年 六月三十日：800,000,000) 每股面值0.10港元之普通股	80,000	80,000
Issued and fully paid:	已發行及繳足股本：		
369,200,000 (30th June 2016: 369,200,000) ordinary shares of HK\$0.10 each	369,200,000 (於二零一六年 六月三十日：369,200,000) 每股面值0.10港元之普通股	36,920	36,920

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

18 DERIVATIVE FINANCIAL INSTRUMENTS

18 衍生金融工具

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日	Audited 經審核 30th June 2016 於二零一六年 六月三十日
		Liabilities 負債 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Held for trading	持作出售		
– Forward foreign exchange contracts (Note)	– 外匯遠期合約(附註)	—	584

Note:

Forward foreign exchange contracts

As at 31st December 2016, the Group has no outstanding forward foreign exchange contract.

As at 30th June 2016, the Group had outstanding forward foreign exchange contracts mainly to purchase US dollars. The maximum notional principal amounts of these outstanding forward foreign exchange contracts at 30th June 2016 were as follows:

附註：

外匯遠期合約

於二零一六年十二月三十一日，本集團沒有未交收外匯遠期合約。

於二零一六年六月三十日，本集團有未交收外匯遠期合約主要以買美元。於二零一六年六月三十日此等未交收外匯遠期合約之最高設定本金額如下：

		Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Sell HK dollars for US dollars	沽售港元以買入美元	561,600

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

19 COMMITMENTS

(a) Capital commitments

19 承擔

(a) 資本承擔

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Property, plant and equipment and leasehold land and land use rights: Contracted but not provided for	物業、廠房及設備與租賃土地 及土地使用權： 已授權但未簽約	1,319	4,111

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

19 COMMITMENTS (Continued)

(b) Commitments under operating leases

As at 31st December 2016, the Group had future aggregate minimum lease payments and receivables under non-cancellable operating leases as follows:

19 承擔(續)

(b) 經營租賃承擔

於二零一六年十二月三十一日，本集團承諾根據不可撤銷之經營租賃於未來之最低應付及應收租賃款項如下：

		Unaudited 未經審核 31st December 2016 於二零一六年 十二月三十一日 HK\$'000 千港元	Audited 經審核 30th June 2016 於二零一六年 六月三十日 HK\$'000 千港元
Minimum lease payments	最低應付租賃款項		
Land and buildings:	土地及樓宇：		
Not later than one year	一年內	4,053	4,326
Later than one year and not later than five years	一年後但不遲於五年	3,855	5,529
Later than five years	五年後	—	—
		7,908	9,855
Minimum lease receivables	最低應收租賃款項		
Investment properties:	投資物業：		
Not later than one year	一年內	3,733	2,846
Later than one year and not later than five years	一年後但不遲於五年	2,647	831
Later than five years	五年後	—	—
		6,380	3,677

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (Continued)

簡明綜合中期財務資料附註(續)

20 CONTINGENT LIABILITIES

During the year ended 30th June 2016, the Group received a claim from a customer in respect of the sales of alleged defective goods with claim amount approximately RMB5,000,000 (equivalent to HK\$5,587,000). As at 31st December 2016, the legal adviser of the Group on this claim is of the opinion that the Group has a good case to defend. On this basis, the Directors consider that the claim will unlikely result in any material financial impact on the Group as at 31st December 2016.

20 或有負債

於截至二零一六年六月三十日止年度，本集團收到一客戶就所謂的不合格產品提出人民幣5,000,000元(等值5,587,000港元)的申索。於二零一六年十二月三十一日，本集團的法律顧問就此申索之意見認為本集團可提出抗辯。因此，董事認為於二零一六年十二月三十一日此申索不會對本集團帶來重大財務影響。

21 RELATED PARTY TRANSACTIONS

The Group is controlled by Good Benefit Limited, a company incorporated in the British Virgin Islands, which owns 53.3% of the Company's shares. The remaining 46.7% of the shares were widely held. Substantially all of the shares of Good Benefit Limited are beneficially owned by certain Directors of the Company.

21 關連人士交易

本集團由Good Benefit Limited(在英屬處女群島註冊成立之公司)控制，其擁有本公司百分之五十三點三股權，其餘之百分之四十六點七股權為廣泛持有。Good Benefit Limited實質上大部分股權由本公司之部分董事實益持有。

Details of compensation paid to key management of the Group (all being Directors of the Company) are as follows:

支付予本集團主要管理人員(均為本公司之執行董事)之酬金詳情如下：

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016	2015
		HK\$'000	HK\$'000
		千港元	千港元
Basic salaries, allowances and other benefits in kind	基本薪酬、津貼及其他實物利益	6,936	7,565
Pensions - defined contribution plans	退休金－界定供款計劃	54	718
		6,990	8,283

NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION (Continued)

21 RELATED PARTY TRANSACTIONS (Continued)

In addition to key management compensation disclosed above, the following transactions were carried out with related parties:

簡明綜合中期財務資料附註(續)

21 關連人士交易(續)

除主要管理人員之酬金外，與關連人士進行的交易如下：

		Unaudited 未經審核	
		Six months ended 31st December 截至十二月三十一日止六個月	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Operating lease rentals paid to related parties:	交付予有關連人士租賃租金		
– Build Fair Limited (Note i)	– 景聰有限公司 (附註(i))	474	—
– Shine Systems Plastic Materials Company Limited (Note ii)	– 百亮塑膠原料有限公司 (附註(ii))	156	—
		630	—

Notes:

- (i) Build Fair Limited is a company wholly owned by Mr HUI Sai Chung, a Director of the Company.
- (ii) Shine Systems Plastic Materials Company Limited is a company wholly owned by Mr HUI Kwok Kwong, a Director of the Company.

Operating lease rentals paid to related parties are on normal commercial terms and conditions.

附註：

- (i) 景聰有限公司由本公司董事許世聰先生全資擁有。
- (ii) 百亮塑膠原料有限公司由本公司董事許國光先生全資擁有。

支付予有關連人士的租賃租金根據一般商業條款及條件訂立。

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of Hong Kong 1.0 cent per share for the six months ended 31st December 2016 to members whose names appear on the Register of Members on 24th March 2017. The dividend will be paid on or before 6th April 2017.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Wednesday, 22nd March 2017 to Friday, 24th March 2017 (both dates inclusive) during which period no transfer of shares will be registered. In order to qualify for the interim dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrar in Hong Kong, Union Registrars Limited, Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong not later than 4:00 p.m. on Tuesday, 21st March 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In 2016, the Chinese economy grew slower and the Renminbi depreciation continued, then there were the Brexit and Donald Trump becoming President of the United States. These trends and happenings weighed on global market confidence and brought uncertainties to the Group's development. For the six months ended 31st December 2016, the Group's total turnover was HK\$770,443,000, declined by 8.9% year-on-year.

中期股息

董事會欣然宣佈派發截至二零一六年十二月三十一日止六個月之中期股息每股1.0港仙予於二零一七年三月二十四日名列股東名冊之股東。該項股息將於二零一七年四月六日或之前支付。

暫停辦理股份過戶登記手續

本公司將由二零一七年三月二十二日(星期三)至二零一七年三月二十四日(星期五)，首尾兩天包括在內，暫停辦理股票過戶登記手續。為確保享有中期股息，所有填妥之股份過戶文件連同有關股票，須於二零一七年三月二十一日(星期二)下午四時正前送達本公司之香港股份過戶登記分處，聯合證券登記有限公司，地址為香港北角英皇道338號華懋交易廣場2期33樓3301-04室，辦理登記。

管理層討論及分析

業務回顧

於二零一六年，中國經濟增速減慢、人民幣持續貶值、英國脫歐及特朗普當選美國總統等消息打擊全球市場信心，為本集團發展帶來不明朗因素。截至二零一六年十二月三十一日止六個月，本集團之整體營業額為770,443,000港元，較去年同期下降百分之八點九。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Nevertheless, with its operating strategy of developing and selling higher margin products and carefully selecting customers continuing to bear fruit, the Group reported an improved business performance. Gross profit grew by 10.6% to HK\$109,224,000, while gross profit margin increased from 11.7% to 14.2% year-on-year. And the Group managed to turn around its core businesses in the first half year by implementing strict cost control measures to lower administrative and distribution expenses as well as borrowing costs. Adding the reversal of impairment of deposit for the completion of acquisition of properties, profit attributable to equity holders of the Company was HK\$19,870,000 (2015: loss attributable to equity holders of the Company: HK\$24,605,000) and basic earnings per share was HK5.38 cents (2015: loss per share: HK6.66 cents).

To reward shareholders for their unwavering support, the Board of Directors (the 「Board」) recommended the payment of an interim dividend of HK1.0 cent per share (2015: no interim dividend paid).

Among the Group's three major businesses, the engineering plastics business afforded the most satisfactory performance. Although the segmental turnover was down by 3.8% to HK\$97,516,000 against the same period last year, the strategic move made by the Group to transform its sales model started to bring the harvest. The Group was able to win more new customers including major overseas high-end toy and household goods brands during the period, hence secured new profit streams. The segment's gross profit margin increased by 4.6 percentage points year-on-year and profit before taxation also rose by 55.3% year-on-year. These products are required to comply with more stringent international safety standards thus have a higher entry barrier. Hence, the Group has an advantage over its peers. The Group has top-notch technological edges in production that allow it to meet customers' product specifications and provide better quality, high-tech and high value-added products, all conducive to fortifying its position in the industry. With the market placing more and more importance on safety of toys and household goods, related new regulations and safety requirements are expected to become more demanding. The Group's ability to deliver high quality products will give it the competitive advantage to continue to expand its customer base and find new revenue streams.

管理層討論及分析(續)

業務回顧(續)

然而，本集團積極開拓及銷售毛利較高之產品，以及嚴謹挑選客戶的經營策略得宜，使本集團的業務表現有所改善，毛利增長百分之十點六至109,224,000港元，與上年同期比較毛利率更由百分之十一點七上升至百分之十四點二。本集團繼續實行嚴格的控制成本措施，降低行政、分銷費用，以及借貸成本，成功使本集團於上半年的核心業務轉虧為盈，加上計及已實現完成收購物業的按金減值回撥，公司股東應佔溢利錄得19,870,000港元(二零一五年：公司股東應佔虧損24,605,000港元)，每股基本盈利為5.38港仙(二零一五年：每股虧損為6.66港仙)。

為回饋股東之不懈支持，董事會建議派發中期股息每股1.0港仙(二零一五年：無宣派中期股息)。

在本集團三大業務中，工程塑料業務表現較為理想。雖然營業額較去年同期下跌百分之三點八至97,516,000港元，但本集團銷售模式轉型的策略開始進入收成期，期內成功開發更多新客戶，包括外國主要的高級幼兒玩具及家具用品品牌，為本集團帶來新的盈利貢獻。毛利率較去年同期上升四點六個百分點，除稅前溢利較去年同期更錄得百分之五十五點三之升幅。這些產品需符合更高的國際安全標準，入行壁壘較高，正因如此，本集團頂尖的產品技術競爭優勢能配合客戶的生產規格，提供高品質、高技術及高增值產品，有助本集團穩固其行業地位。隨著市場越來越重視玩具及家具用品安全的重要性，預期新法規及安全措施的要求將會愈來愈高，相信本集團高產品質量的競爭優勢，將可繼續拓展客戶群，為本集團開闢更多的盈利渠道。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

BUSINESS REVIEW (Continued)

Selling mainly to domestic customers, the colorants, pigments and compounded plastic resin business segment had steady performance during the review period, with turnover down by 12.6% year-on-year to HK\$164,380,000. However, with the Group focused on developing high-margin products, gross profit margin of the segment rose by 2.6 percentage points when compared with the last corresponding period and profit before taxation was HK\$28,695,000. During the review period, the Group continued to invest in the market and product development for medical application-related packaging and automobile-related products and services, an initiative yet to bring a significant return. On the other hand, effort to tap the potential of such contemporary products as smartphones, smart electronic healthcare products and drones of growing popularity has enabled the Group to expand related clienteles. The Group believes the surfacing of user experience oriented new products enabled by Augmented Reality (AR), Virtual Reality (VR) and Internet of Things (IoT) technologies has given technologies in those realms very promising development prospects. These technologies developing at rocket speed are pushing up the market expectation of the technologies themselves and the quality of the new products and associated devices. The Group hopes to further cooperate with mid-range to high-end smartphone clients in China, with the aim of gaining a bigger market share.

Impacted by the weak Chinese economy, the turnover of the plastics trading business declined by 8.6% to HK\$507,423,000. During the review period, the Group found more high potential customers including internationally renowned fast food restaurants via liaising with them directly regarding supplying raw materials to their designated premiums manufacturers. The move has not only enabled the Group to secure large scale, long-term and stable orders complementary to its strict credit management policy, but has also poised it for exploring business with other premiums manufacturers and broadening its customer base. In addition, the change to selling higher margin specialised raw materials as demanded by customers resulted in a 2.4 percentage points growth in gross profit margin and loss before taxation of the segment markedly narrowed to HK\$6,506,000. With Renminbi exchange rate stabilising and prices of plastic raw material climbing steadily in the past few months, the Group expects customers to change from being conservative to more aggressive in placing purchase orders. The Group will capitalise on its competitive advantages and development strategy of focusing on high-margin products so that it may seize development opportunities in both domestic and overseas markets.

管理層討論及分析(續)

業務回顧(續)

以內銷為主的着色劑、色粉及混料業務於回顧期內的表現穩定。營業額較去年同期下降百分之十二點六至164,380,000港元，但本集團集中拓展高毛利的產品，使毛利率較去年同期上升二點六個百分點，除稅前溢利為28,695,000港元。於回顧期內，雖然針對醫療應用包裝及與汽車相關的產品及服務的市場拓展及產品研發仍處於投資期，暫未能為本集團帶來明顯裨益，不過新興產品如智能手機、智能電子健康產品及航拍愈來愈普及，本集團亦已擴展業務至相關客戶。相信圍繞新興產品的擴增實境、虛擬實境及物聯網等能加強用戶體驗的科技應用發展潛力龐大，這些技術發展一日千里，促使市場對該等新興產品及周邊裝置的技術及品質要求不斷提高，本集團期望能進一步與國內中、高檔智能手機客戶合作，開拓更高的市場份額。

受國內經濟疲弱影響，塑膠原料貿易業務的營業額下降百分之八點六至507,423,000港元。本集團於期內發掘更多具潛力的客戶，包括直接與國際知名連鎖快餐店接洽，為其精品向指定製造商提供原材料。此舉不但為本集團成功爭取大規模及長期穩定的訂單、配合本集團嚴謹信貸管理的政策，更有助開發其他的潛在精品生產商，擴展客戶基礎。此外，本集團配合客戶需求轉移銷售較高毛利的特別原材料，推動毛利率增長二點四個百分點，除稅前虧損大幅收窄至6,506,000港元。過去數月，人民幣匯價回穩以及塑膠原材料價格穩步上揚，預期客戶的採購訂單將由保守轉趨積極，本集團將善用其競爭優勢，結合集中高毛利產品的發展策略，全力抓住國內外市場的發展契機。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

PROSPECTS

Looking at 2017, countries in the Organisation of the Petroleum Exporting Countries ("OPEC") and non-OPEC countries have agreed to decrease production. The management believes oil price will remain stable and that will push up demand for and prices of industrial raw materials. The management is cautiously optimistic about the Group's future development. It will continue to adhere to the development direction of focusing on high-tech and high-margin products, embracing such acts as technological exchange with overseas high-tech suppliers and customers. The Group believes its top quality products will allow the Group to stand out among its peers and maintain stronger bargaining power on product price. It will also explore markets with room for growth by keeping in close partnership with the International Colour Alliance and widening customer sources using various channels. The two-pronged approach will help enhance the Group's overall profitability.

As for cost control, the Group will keep studying different ways and means to keep the cost down and strictly implement cost control measures already in place. It will also bring in more automated production equipment and expand production lines to lower labour costs and boost production capacity, so as to achieve greater economies of scale for supporting the Group's long-term development.

Facing a global economy still fraught with challenges, the Group will keep a close watch on market conditions. The Group is confident of standing out in the market at the brace of its unique business development strategy and first mover advantage in the industry. It will continue to adopt a professional and pragmatic yet proactive approach in striving for a long-term sustainable growth and to present lucrative rewards to shareholders.

管理層討論及分析(續)

展望

展望二零一七年，石油輸出國家組織（「OPEC」）及其他非OPEC產油國已達成減產協議，管理層認為油價將保持平穩，有利推動工業原材料需求及價格提升。管理層對未來發展保持審慎樂觀態度，一方面繼續以高技術、高毛利產品為發展方向，包括與擁有高技術的海外供應商及客戶進行技術交流，相信卓越的產品品質將有助本集團從同行中脫穎而出，並維持較高的產品議價能力。另一方面，本集團會發掘更多具增長空間的市場，包括與國際顏色專業聯盟維持緊密夥伴關係，透過更多不同渠道開拓客戶來源，雙管齊下提高整體的盈利能力。

成本控制方面，本集團將持續審閱的不同方案，嚴謹執行控制成本措施。同時，本集團將投入更多自動化生產設備及擴充生產線，降低人力成本及提高產能，務求實現更具規模的經濟效益，支持本集團的長遠發展。

未來環球經濟仍然充滿挑戰，本集團會密切注視市況，但憑藉本集團獨有的業務發展策略以及行業先行者優勢，相信可在市場中突圍而出。本集團將繼續憑藉專業及務實進取的態度，竭力實現長期可持續增長，為股東帶來可觀的回報。

LIQUIDITY AND FINANCIAL RESOURCES

The Group generally finances its operations with internally generated cashflow and banking facilities provided by its principal bankers. As at 31st December 2016, the Group has available aggregate bank loan facilities of approximately HK\$475,855,000 of which HK\$321,635,000 have been utilised and were secured by corporate guarantee issued by the Group and legal charges on certain leasehold land and buildings, investment properties and machinery and equipment in the PRC and Hong Kong owned by the Group. The Group's cash and bank balances as at 31st December 2016 amounted to approximately HK\$92,134,000. The Group's gearing ratio as at 31st December 2016 was approximately 73%, based on the total bank borrowings of approximately HK\$321,635,000 and the shareholders' funds of approximately HK\$440,379,000.

Details of the Group's capital commitments and contingent liabilities are disclosed in Notes 19(a) and 20 to the condensed consolidated interim financial information respectively.

FOREIGN EXCHANGE RISK

The Group's bank borrowings and cash and cash equivalents are primarily denominated in Hong Kong dollars, Renminbi and US dollars. The Group's purchases were principally denominated in US dollars. The Group closely monitors currency fluctuations and manages its exchange risk by entering into forward exchange contracts from time to time.

As at 31st December 2016, the Group did not have any outstanding forward foreign exchange contracts mainly to purchase US dollars and Renminbi.

EMPLOYEE INFORMATION

As at 31st December 2016, the Group employed a total of approximately 700 full-time employees. The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually. The Group has an incentive scheme which is geared to the profit of the Group and the performance of its employees, as an incentive to motivate its employees to increase their contribution to the Group. The Group also provides social and medical insurance coverage, and provident fund scheme (as the case may be) to its employees depending on the location of such employees.

流動資金及財務資源

本集團一般以內部流動現金及主要銀行提供銀行貸款作為營運資金。於二零一六年十二月三十一日，本集團可動用銀行貸款約475,855,000港元，經已動用合共約321,635,000港元，該等貸款乃由本集團發出的擔保及本集團擁有之若干中國及香港租賃土地及樓宇、投資物業及機器及設備之法定抵押作擔保。本集團於二零一六年十二月三十一日之現金及銀行結餘約為92,134,000港元。根據銀行貸款總額約321,635,000港元及股東資金約440,379,000港元計算，本集團於二零一六年十二月三十一日之資產負債比率約為百分之七十三。

有關本集團之資本承擔及或有負債已分別刊載於簡明綜合中期財務資料附註19(a)及20。

外匯風險

本集團之銀行借貸及現金及現金等額主要為港元、人民幣及美元。本集團的採購主要以美元計算。本集團不時密切監察匯率波動情況及透過對沖遠期外匯合約管理匯率波動風險。

於二零一六年十二月三十一日，本集團並未持有任何未交收外匯遠期合約主要以買美元及人民幣。

僱員資料

於二零一六年十二月三十一日，本集團有合共約700名全職僱員。本集團之酬金政策乃按個別僱員之表現而制訂，並每年定期檢討。本集團亦為其僱員提供一個獎勵計劃，以鼓勵員工增加對公司之貢獻，惟須視本集團之溢利及僱員之表現而定。本集團不同地區之僱員亦獲提供社會及醫療保險保障以及公積金計劃。

PURCHASE, SALE AND REDEMPTION OF THE COMPANY'S LISTED SECURITIES

The Company has not redeemed any of its shares during the period. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities during the period.

SHARE OPTIONS

On 22nd November 2012, the Company has adopted a share option scheme (the "Scheme") and terminated the share option scheme adopted by the Company on 5th December 2002. Under the terms of the Scheme, the Directors may, at their discretion, invite eligible participants to take up Share Options to subscribe for the shares of the Company subject to the terms and conditions stipulated therein.

No Share Options under the Scheme were granted, exercised or cancelled during the period.

購買、出售及贖回本公司之上市證券

本公司於期內並無贖回其股票。本公司或其任何附屬公司於期內亦無購買或出售本公司之上市證券。

購股權

本公司之股東於二零一二年十一月二十二日採納了購股權計劃(「購股權計劃」)，並同日取消了本公司之股東於二零零二年十二月五日接納之購股權計劃。根據購股權計劃之條款及條件，董事會可酌情邀請合資格參與者接納可認購本公司股份之購股權。

於期內概無根據購股權計劃授出、行使或取消任何購股權。

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

At 31st December 2016, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，本公司各董事及最高行政人員於本公司或其任何相關法團（定義見證券及期貨條例（「證券期貨條例」）第XV部）須向本公司申報之權益或已登記於根據證券期貨條例第352條存置之名冊之股份，相關股份及債券之權益及淡倉，或根據香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）之上市公司董事進行證券交易的標準守則（「標準守則」）已向本公司及聯交所申報者如下：

Ordinary shares of HK\$0.10 each in the Company

本公司每股面值0.10港元之普通股

			Number of shares of the Company beneficially held 實益持有之本公司股份數目			
Name of Directors	董事姓名		Personal interests 個人權益	Corporate interests 法團權益	Family interests 家屬權益	Other interests 其他權益
Mr HUI Sai Chung	許世聰先生	Long Positions 好倉	15,787,600	202,721,500(a)	—	—
Mr HUI Kwok Kwong	許國光先生	Long Positions 好倉	19,850,400	198,803,500(b)	—	—
Mr HUI Yan Kuen	許人權先生	Long Positions 好倉	—	202,721,500(c)	—	—
Madam LIU Sau Lai	廖秀麗女士	Long Positions 好倉	1,423,000	—	—	(d)

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

Notes:

- (a) 196,721,500 of these shares are held by Good Benefit Limited ("Good Benefit"), a company in which Ever Win Limited ("Ever Win") holds a 45.1% interest (note (d)). In addition, 6,000,000 shares are held by Ever Win directly.

50,001 ordinary shares of one Canadian dollar each in Ever Win are held by Mr HUI Sai Chung. Mr HUI Sai Chung and his spouse further own 33,957 and 5 class A non-convertible redeemable preferred shares of no par value in Ever Win respectively.

- (b) 196,721,500 of these shares are held by Good Benefit, a company in which Evergrow Company Limited ("Evergrow") holds a 45.1% interest (note (d)). In addition, 2,082,000 shares are held by Evergrow directly.

50,000 ordinary shares of one Canadian dollar each in Evergrow are held by Mr HUI Kwok Kwong. Mr HUI Kwok Kwong further owns 30,823 class A non-convertible redeemable preferred shares of no par value in Evergrow.

- (c) 196,721,500 of these shares are held by Good Benefit Limited ("Good Benefit"), a company in which Ever Win Limited ("Ever Win") holds a 45.1% interest (note (d)). In addition, 6,000,000 shares are held by Ever Win directly. 333 ordinary shares of one Canadian dollar each in Ever Win are held by Mr HUI Yan Kuen.

- (d) The beneficial interests of the Directors in the share capital of Good Benefit, which held 196,721,500 shares of the Company as at 31st December 2016, are as follows:

Name of Directors	董事姓名	Number of shares 股份數目	Percentage of holding 持股百分比
Mr HUI Sai Chung	許世聰先生	4,510	45.1%
Mr HUI Kwok Kwong	許國光先生	4,510	45.1%
Madam LIU Sau Lai	廖秀麗女士	80	0.8%
Others	其他	900	9.0%
		10,000	100.0%

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉(續)

附註：

- (a) 該等股份中之196,721,500股乃由Good Benefit Limited (「Good Benefit」) 持有。Ever Win Limited (「Ever Win」) 持有Good Benefit百分之四十五點一權益(附註(d))。此外，6,000,000股股份由Ever Win直接持有。

Ever Win每股面值1加元之普通股份50,001股由許世聰先生持有。許世聰先生及其配偶另分別擁有Ever Win A級無面值不可兌換可贖回優先股份33,957股及5股。

- (b) 該等股份中之196,721,500股乃由Good Benefit持有。Evergrow Company Limited (「Evergrow」) 持有Good Benefit百分之四十五點一權益(附註(d))。此外，2,082,000股股份由Evergrow直接持有。

Evergrow每股面值1加元之普通股份50,000股由許國光先生持有。許國光先生另擁有Evergrow A級無面值不可兌換可贖回優先股份30,823股。

- (c) 該等股份中之196,721,500股乃由Good Benefit Limited (「Good Benefit」) 持有。Ever Win Limited (「Ever Win」) 持有Good Benefit百分之四十五點一權益(附註(d))。此外，6,000,000股股份由Ever Win直接持有。Ever Win每股面值1加元之普通股份333股由許人權先生持有。

- (d) 董事在Good Benefit (於二零一六年十二月三十一日持有本公司196,721,500股股份) 股本之實益權益如下：

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

Notes: (Continued)

(d) (Continued)

At 31st December 2016, the following Directors owned interests in non-voting deferred shares in Ngai Hing Hong Plastic Materials Limited, which are subject to an option granted to Ngai Hing (International) Company Limited to acquire the said non-voting deferred shares.

Name of Directors	董事姓名	Number of non-voting deferred shares held	
		Personal interests	Other interests
		個人權益	其他權益
Mr HUI Sai Chung	許世聰先生	200,000	50,000 (i)
Mr HUI Kwok Kwong	許國光先生	200,000	50,000 (ii)

Notes:

- (i) These shares are held by Ever Win.
- (ii) These shares are held by Evergrow.

Save as disclosed above and other than certain nominee shares in the subsidiaries of the Company held by certain Directors of the Company in trust for the Group as at 31st December 2016, none of the Directors and chief executives have any beneficial or non-beneficial interests in the share capital of the Company and associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉(續)

附註：(續)

(d) (續)

於二零一六年十二月三十一日，下列董事擁有毅興塑膠原料有限公司無投票權遞延股份權益，而該公司並已授予Ngai Hing (International) Company Limited可購買上述無投票權遞延股份之購股權。

附註：

- (i) 該等股份由Ever Win持有。
- (ii) 該等股份由Evergrow持有。

除上文所披露及本公司若干董事以信託方式代本集團持有本公司若干附屬公司代理人股份外，於二零一六年十二月三十一日，根據證券期貨條例第352條規定存置之名冊所記錄或根據標準守則而向本公司及聯交所作出的知會，各董事及最高行政人員於本公司及相關法團(具有證券期貨條例第XV部的涵義)之股本中概無擁有任何根據證券期貨條例須予披露之實益或非實益權益。

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

Save as disclosed under the section headed by "Share Options" above,

- (a) at no time during the period was the Company, its holding company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and
- (b) none of the Directors, chief executives, their spouses or children under the age of 18 had been granted any right to subscribe for shares in or debentures of the Company, or exercised any such right.

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

As at 31st December 2016, the register of substantial shareholders maintained under Section 336 of the SFO shows that the Company had not been notified of any substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital, other than those of the Directors and chief executives as disclosed above.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transaction. The Company has made specific enquiry to all Directors and all Directors confirmed that they had complied with the required standard of dealings set out therein during the period.

董事及最高行政人員於本公司或其任何相聯法團股份、相關股份及債券之權益及淡倉(續)

除上述「購股權」一段所列外：

- (a) 於本期間任何時間內，本公司、其控股公司或其任何附屬公司並無參與訂立任何安排，致使本公司董事或最高行政人員可藉購買本公司或任何其他法人團體之股份或債券而獲益；及
- (b) 各董事、最高行政人員、其配偶或十八歲以下之子女概無獲授予可認購本公司股份或債券之權利，或已行使此等權利。

主要股東於本公司股份及相關股份之權益及淡倉

除上文所披露有關董事之權益外，根據本公司按證券期貨條例第336條而存置之主要股東名冊所顯示，本公司概無接獲任何人士於二零一六年十二月三十一日擁有本公司已發行股本百分之五或以上權益及淡倉之通知。

遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄10所載之標準守則作為董事進行證券交易之標準守則。本公司已向所有董事作出特定查詢，而全體董事已確認彼等於期內均有遵守當中所要求之買賣標準。

CORPORATE GOVERNANCE PRACTICE

The Company is committed to the establishment of good corporate governance practices and procedures which serve as an important element of risk management throughout the growth and expansion of the Company. The Company emphasises on maintaining and carrying out sound, solid and effective corporate governance principles and structures.

The Company has complied with all the applicable code provisions as set out in Corporate Governance Code and Corporate Governance Report to the Appendix 14 of the Listing Rules (the "CG Code") throughout the six months ended 31st December 2016, except for the deviation as mentioned below.

According to the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Up to the date of this interim report, the Board has not appointed any individual to be the chief executive. The roles of the chief executive have been performed collectively by all the executive directors, including the chairman, of the Company. The Board considers that this arrangement allows contributions from all executive directors with different expertise and is beneficial to the continuity of the Company's policies and strategies. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing an individual to chief executive when it thinks appropriate.

For the purpose of further enhancing the risk management and internal control systems, the Company has engaged an external consultant to carry out an on-going project to conform the compliance with the revised CG Code. The Board of Directors has reviewed the effectiveness of the system of internal control of the Company and its subsidiaries with no material issues noted.

企業管治常規

本公司致力建立良好企業管治常規及程序，在擴大本公司的業務中，該常規及程序為風險管理之重要元素。本公司著重維持及執行優良、穩健及有效之良好企業管治常規及架構。

除下文所述的偏離外，截至二零一六年十二月三十一日止六個月，本公司一直遵守上市規則附錄14《企業管治守則》及《企業管治報告》（「守則」）所載列之所有適用守則條文。

根據守則條文第A.2.1條，主席及行政總裁之職能應分開，不應由一人同時兼任。直至本中期報告日期，董事會尚未委任任何人士擔任行政總裁。行政總裁之職責乃由本公司所有執行董事（包括主席）共同擔任。董事會認為，該安排讓各位擁有不同專業的執行董事共同決策，亦可貫徹執行本公司之政策及策略，故符合本集團利益。展望未來，董事會將定期檢討該安排之成效，及考慮於適當時候委任行政總裁。

就加強風險管理及內部監控系統，本公司已委聘外界顧問負責持續檢討以符合新修訂守則的要求。董事會已檢討本公司及其附屬公司內部監控系統的成效，並無發現任何重大問題。

NOMINATION COMMITTEE

The Company has formulated written terms of reference for the nomination committee of the Company (the "Nomination Committee") in accordance with the requirements of the Stock Exchange. The Nomination Committee consists of all independent non-executive Directors, namely Mr HO Wai Chi, Paul, Mr CHAN Dit Lung and Mr CHING Yu Lung and an executive Director, Mr HUI Sai Chung.

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board (including the skills, knowledge and experience) on a regular basis and make recommendations to the Board regarding any proposed changes; identifying individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of, individuals nominated for directorships; assessing the independence of independent non-executive Directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors. The Nomination Committee would review the Board's composition from time to time where Board diversity would be considered from a number of aspects, including but not limited to gender, age, cultural and education background, ethnicity, professional experience, skills, knowledge and length of services. The Nomination Committee meets at least once a year to assess the structure, size and composition of the Board.

AUDIT COMMITTEE

The Company has formulated written terms of reference for the audit committee of the Company (the "Audit Committee") in accordance with the requirements of the Stock Exchange. The Audit Committee consists of all independent non-executive Directors, namely Mr HO Wai Chi, Paul, Mr CHAN Dit Lung and Mr CHING Yu Lung.

The principal duties of the Audit Committee are to ensure the objectivity and credibility of financial reporting and internal control procedures as well as to maintain an appropriate relationship with the external auditor of the Company. The terms of reference of the Audit Committee are aligned with the recommendations set out in "A Guide for Effective Audit Committees" issued by the Hong Kong Institute of Certified Public Accountants and Listing Rules.

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including a review of the unaudited condensed consolidated interim financial information for the six months ended 31st December 2016 with the Directors.

提名委員會

本公司根據聯交所之規定擬定本公司的提名委員會(「提名委員會」)的職權範圍。提名委員會由全體獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)及一名執行董事(許世聰先生)組成。

提名委員會負責定期檢討董事會的架構、規模及組合(包括技術、知識及經驗)，並就任何建議變更向董事會提出意見；識別具合適資格成為董事會成員的個人及就獲提名成為董事的個人作出篩選或向董事會作出選擇建議；評定獨立非執行董事的獨立性；及就有關董事的委任或再委任及董事的接任計劃之相關事項向董事會提供建議。提名委員會不時檢討董事會之組成，從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識以及服務年期。提名委員會每年最少就董事會的架構、規模及組合舉行一次會議。

審核委員會

本公司根據聯交所之規定擬定本公司的審核委員會(「審核委員會」)之職權範圍。審核委員會由全體獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)組成。

審核委員會主要職責為確保財務報告及內部監控程序之客觀性及可信度，以及與本公司外聘的核數師保持良好關係。審核委員會的職權範圍與香港會計師公會頒布的《審核委員會有效運作指引》及上市規則內載的建議相符。

審核委員會已經與管理層審閱本集團所採納之會計原則及方法，並與董事討論有關內部監控及財務匯報事宜，包括審閱截至二零一六年十二月三十一日止六個月之未經審核簡明綜合中期財務資料。

REMUNERATION COMMITTEE

The Company has formulated written terms of reference for the remuneration committee of the Company (the "Remuneration Committee") in accordance with the requirements of the Stock Exchange. The Remuneration Committee consists of three independent non-executive Directors, namely Mr HO Wai Chi, Paul, Mr CHAN Dit Lung and Mr CHING Yu Lung and an executive Director, Mr HUI Sai Chung.

The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and making recommendations to the Board on the remuneration packages of the individual executive Director and senior management. This includes benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment. It takes into consideration on factors such as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management. The Remuneration Committee meets at least once a year to assess the performance and review the annual salaries and bonus of the senior executives.

CORPORATE GOVERNANCE COMMITTEE

The Company has formulated written terms of reference for the corporate governance committee of the Company (the "Corporate Governance Committee") in accordance with the CG Code. The Corporate Governance Committee consists of all independent non-executive Directors, namely Mr HO Wai Chi, Paul, Mr CHAN Dit Lung and Mr CHING Yu Lung.

薪酬委員會

本公司根據聯交所之規定擬定本公司的薪酬委員會(「薪酬委員會」)之職權範圍。薪酬委員會由三位獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)及一位執行董事(許世聰先生)組成。

薪酬委員會負責確保正式及具透明度之薪酬政策制訂程序，及向董事會就個別執行董事及高級管理層之薪酬組合提出建議，這包括實物利益、退休金權利及補償(當中包括因失去或中止其職務或委任引致之任何應付補償)。薪酬委員會考慮之因素包括可比較公司之薪金水平、各董事及高級管理人員所投入之時間及職責等。薪酬委員會每年最少舉行一次會議以評估表現及審閱高級管理人員每年之薪酬及獎金。

企業管治委員會

本公司根據守則之規定擬定本公司的企業管治委員會(「企業管治委員會」)的職權範圍。企業管治委員會由全體獨立非執行董事(何偉志先生、陳秩龍先生及程如龍先生)組成。

CORPORATE GOVERNANCE COMMITTEE (Continued)

The Corporate Governance Committee is responsible for developing and reviewing the policies and practices on corporate governance of the Group and making recommendations to the Board; reviewing and monitoring the training and continuous professional development of Directors and senior management; reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and Directors; and reviewing the Group's compliance with the CG Code and disclosure in the Corporate Governance Report of the Company. The Corporate Governance Committee meets at least once a year to review the corporate governance functions.

On behalf of the Board

HUI Sai Chung

Chairman

Hong Kong,

27th February 2017

企業管治委員會(續)

企業管治委員會負責發展及檢討本集團企業管治的政策及實施並向董事會提出意見；檢討及監察董事及高級管理人員的培訓及持續專業進修；檢討及監察本集團就法律及規則的合規性要求的政策及實施；發展、檢討及監察適用於員工及董事的行為準則及合規手冊(如有)；及檢討本集團就守則的合規性及本公司於企業管治報告的披露。企業管治委員會每年最少就企業管治功能舉行一次會議。

代表董事會

主席

許世聰

香港，

二零一七年二月二十七日



Ngai Hing Hong Company Limited
毅興行有限公司