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Neo Telemedia Limited
中國新電信集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8167)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, for which the directors (the “**Directors**”) of Neo Telemedia Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:*

- 1. the information contained in this announcement is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this announcement misleading; and*
- 3. all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

The board of Directors (the “**Board**”) announces the audited consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2016. This announcement, containing the full text of the 2016 Annual Report of the Company, complies with the relevant requirements of the GEM Listing Rules in relation to information to accompany preliminary announcement of annual results. Printed version of the Company’s 2016 Annual Report will be delivered to the shareholders of the Company and available for viewing on the GEM website at www.hkgem.com and the Company’s website at www.neo-telemedia.com by end of March 2017.



Neo Telemedia Limited 中國新電信集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號 : 8167



2016 ANNUAL REPORT 年報

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “EXCHANGE”)

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Hong Kong Exchanges and Clearing Limited and the Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Neo Telemedia Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

- 1. the information contained in this report is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this report misleading; and*
- 3. all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）之特色

創業板之定位，乃為相比起其他在聯交所上市之公司帶有較高投資風險之公司提供一個上市之市場。有意投資之人士應了解投資於該等公司之潛在風險，並應經過審慎周詳之考慮後方作出投資決定。創業板之較高風險及其他特色表示創業板較適合專業及其他資深投資者。由於創業板上市公司新興之性質所然，在創業板買賣之證券可能會較於聯交所主板買賣之證券承受較大之市場波動風險，同時無法保證在創業板買賣之證券會有高流通量之市場。

香港交易及結算所有限公司及聯交所對本報告之內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示，概不對因本報告全部或任何部份內容而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告的資料乃遵照《創業板證券上市規則》而刊載，旨在提供有關中國新電信集團有限公司（「本公司」）的資料；本公司的董事（「董事」）願就本報告的資料共同及個別地承擔全部責任。各董事經作出一切合理查詢後，確認就彼等所知及所信：

1. 本報告所載資料在各重大方面均屬準確及完整，且無誤導成分；
2. 並無遺漏任何事實致使本報告所載任何內容產生誤導；及
3. 本報告內表達之一切意見乃經審慎周詳之考慮後方作出，並以公平合理之基準和假設為依據。

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Corporate Information 公司資料

BOARD OF DIRECTORS

EXECUTIVE DIRECTORS

Mr. CHEUNG Sing Tai (*Chairman and Chief Executive Officer*)
Mr. ZHANG Xinyu (*Vice President*)
Mr. XU Gang

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. ZHANG Zihua
Ms. XI Lina
Mr. HUANG Zhixiong

COMPANY SECRETARY

Mr. TSE Kam Fai

COMPLIANCE OFFICER

Mr. CHEUNG Sing Tai

AUTHORISED REPRESENTATIVES

Mr. CHEUNG Sing Tai
Mr. TSE Kam Fai

AUDIT COMMITTEE

Mr. ZHANG Zihua (*Chairman*)
Ms. XI Lina
Mr. HUANG Zhixiong

REMUNERATION COMMITTEE

Mr. ZHANG Zihua (*Chairman*)
Mr. CHEUNG Sing Tai
Ms. XI Lina

NOMINATION COMMITTEE

Mr. CHEUNG Sing Tai (*Chairman*)
Mr. ZHANG Zihua
Ms. XI Lina

AUDITOR

HLB Hodgson Impey Cheng Limited

董事會

執行董事

張聲泰先生 (*主席兼行政總裁*)
張新宇先生 (*副總裁*)
徐崗先生

獨立非執行董事

張子華* (ZHANG Zihua) 先生
奚麗娜女士
黃志雄先生

公司秘書

謝錦輝先生

監察主任

張聲泰先生

授權代表

張聲泰先生
謝錦輝先生

審核委員會

張子華* (ZHANG Zihua) 先生 (*主席*)
奚麗娜女士
黃志雄先生

薪酬委員會

張子華* (ZHANG Zihua) 先生 (*主席*)
張聲泰先生
奚麗娜女士

提名委員會

張聲泰先生 (*主席*)
張子華* (ZHANG Zihua) 先生
奚麗娜女士

核數師

國衛會計師事務所有限公司

* for identification purpose only

* 僅供識別

Corporate Information

公司資料

LEGAL ADVISER

TC & Co.
Fan Wong & Tso

法律顧問

崔曾律師事務所
范黃曹律師行

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
Bank of China (Hong Kong) Limited
Bank of Communications Co., Ltd.
China Construction Bank Corporation
The Bank of East Asia, Limited

主要往來銀行

中國工商銀行(亞洲)有限公司
中國銀行(香港)有限公司
交通銀行股份有限公司
中國建設銀行股份有限公司
東亞銀行有限公司

GEM STOCK CODE

8167

創業板股份代號

8167

REGISTERED OFFICE

Cricket Square
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Cayman Islands

註冊辦事處

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KY1-1111
Cayman Islands

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Wanchai, Hong Kong

總辦事處及香港主要營業地點

香港灣仔
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夏慤大廈
19樓1906-8室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

主要股份過戶登記處

Codan Trust Company (Cayman) Limited
Cricket Square
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心22樓

Chairman's Statement 主席報告書

On behalf of the board (the **"Board"**) of directors (the **"Directors"**) of Neo Telemedia Limited (the **"Company"**), I hereby present to the shareholders of the Company the annual results of the Company and its subsidiaries (collectively referred to as the **"Group"**) for the year ended 31 December 2016.

REVIEW AND ANALYSIS

During the year ended 31 December 2016, the Group's operations mainly comprises sales of telecommunication products and services and operation of Internet finance platform business.

During the year under review, the Group continued to seize the opportunities brought by the Internet and big data era, strengthening its presence in the Internet Data Center (**"IDC"**) business in China by acquiring 60% equity interest in 廣州市資拓科技有限公司 (Guangzhou Nowtop Technology Company Limited*) (**"Guangzhou Nowtop"**). At the same time, in order to devote more resources to other projects and mitigate the risk exposure, the Group has disposed of the loss making business in Hughes China Group and CERNET Wifi (as defined below).

SALE OF TELECOMMUNICATIONS PRODUCTS AND SERVICES

Bluesea Mobile Group

During the year under review, 廣東蔚海移動發展有限公司 (Guangdong Bluesea Mobile Development Company Limited*) (**"Bluesea Mobile"**) and its subsidiaries (collectively referred to as **"Bluesea Mobile Group"**) acquired 60% of equity interest in Guangzhou Nowtop. Guangzhou Nowtop is principally engaged in providing IDC services in the PRC and is currently managing over 2,000 IDC server cabinets in various cities in the PRC, including Beijing, Shanghai, Guangzhou and Shenzhen. Meanwhile, Bluesea Mobile Group has also kicked off its IDC project in Panyu and started the construction of its IDC. The turnover contributed to the Group of approximately HK\$271.9 million for the year under review represented trading of telecommunication products and provision of IDC, WIFI and value-added Internet services.

* for identification purpose only

本人謹此代表中國新電信集團有限公司（「本公司」）董事（「董事」）會（「董事會」）向本公司股東提呈本公司及其附屬公司（統稱「本集團」）截至二零一六年十二月三十一日止年度的年度業績。

回顧及分析

截至二零一六年十二月三十一日止年度，本集團的業務主要包括銷售電訊產品及服務以及經營互聯網金融平台業務。

於回顧年度，本集團繼續把握互聯網與大數據時代帶來的機會，藉收購廣州市資拓科技有限公司（「廣州資拓」）60%股權鞏固其於中國的互聯網數據中心（「互聯網數據中心」）業務之影響力。同時，為向其他項目投入更多資源及減輕風險，本集團已出售於休斯中國集團及賽爾無線（定義見下文）之虧損業務。

銷售電訊產品及服務

蔚海移動集團

於回顧年度，廣東蔚海移動發展有限公司（「蔚海移動」）及其附屬公司（統稱「蔚海移動集團」）收購廣州資拓之60%股權。廣州資拓主要於中國從事提供互聯網數據中心服務，現於北京、上海、廣州及深圳等中國多個城市管理超過2,000個互聯網數據中心服務器機櫃。同時，蔚海移動集團亦已啟動其於番禺的互聯網數據中心項目，並開始建造其互聯網數據中心。於回顧年度，電訊產品貿易、提供互聯網數據中心、WIFI及增值互聯網服務為本集團貢獻營業額約271.9百萬港元。

* 僅供識別

Chairman's Statement

主席報告書

Million Ace Group

Million Ace Limited and its subsidiaries (collectively referred to as **"Million Ace Group"**) is mainly engaged in trading of mobile phones, computers and the relevant devices. Although there is a worldwide slowdown in smartphone sales in 2016, Million Ace Group managed to record a turnover of approximately HK\$2,162.9 million in the year under review.

Hughes China Group

In view of the continuous loss made by HCH Investments Limited and its subsidiaries (collectively referred to as **"Hughes China Group"**) in the two preceding financial years, on 19 February 2016, the Company entered into a sale agreement in relation to the disposal of the entire equity interest of HCH Investments Limited at a consideration of HK\$156,000,000 (the **"Disposal"**). The Disposal was completed on 14 March 2016 and a gain of approximately HK\$143 million was recognised in the consolidated statement of profit or loss for the year ended 31 December 2016.

CERNET Wifi

Although the common seal, contract chop and business registration (and its duplicate) of 賽爾無線網絡科技(北京)有限公司 (CERNET Wifi Technology (Beijing) Company Limited*) (**"CERNET Wifi"**) had been returned to CERNET Wifi and the Group held the controlling interest of CERNET Wifi, the Group was not able to resume its personal broadband business (the **"Broadband Business"**) during the period under review due to: 1) the broadband business projects, the books and records of CERNET Wifi, and etc., which were essential for operating the Broadband Business, had been taken away by CERNET Investment Limited (**"CERNET Investment"**), the holder of the non-controlling interest of CERNET Wifi, and its staff members, including the former general manager and the former employees of CERNET Wifi; and 2) the possibility of resuming the Broadband Business by CERNET Wifi substantially relied on the outcome of the asset leasehold arbitration, details of which are disclosed in the announcement of the Company dated 19 December 2014 (the **"Asset Leasehold Arbitration"**). Should the outcome of the Asset Leasehold Arbitration be unfavourable to CERNET Wifi, CERNET Wifi would not be able to recover the broadband business projects, the books and records of CERNET Wifi and the assets under the Asset Leasehold Agreement which were necessary for operating the Broadband Business.

* for identification purpose only

萬成集團

萬成有限公司及其附屬公司(統稱「**萬成集團**」)主要從事手機、電腦及相關設備貿易。儘管二零一六年全球智能手機銷售均放緩，萬成集團仍於回顧年度成功錄得約2,162.9百萬港元之營業額。

休斯中國集團

鑒於HCH Investments Limited及其附屬公司(統稱「**休斯中國集團**」)前兩個財政年度持續錄得虧損，於二零一六年二月十九日，本公司就以156,000,000港元的代價出售HCH Investments Limited的全部股權(「**出售事項**」)訂立出售協議。出售事項已於二零一六年三月十四日完成，約143百萬港元的收益已於截至二零一六年十二月三十一日止年度的綜合損益表中確認。

賽爾無線

儘管賽爾無線網絡科技(北京)有限公司(「**賽爾無線**」)已獲歸還其公章、合同章及工商登記文件(及其副本)及本集團持有賽爾無線之控股權益，本集團於回顧期間仍未能恢復其個人寬帶業務(「**寬帶業務**」)，其原因為：1) 對經營寬帶業務至關重要的寬帶業務項目、賽爾無線的賬目及財務記錄等已被賽爾投資有限公司(「**賽爾投資**」，賽爾無線的非控股權益持有人)及其員工(包括賽爾無線前總經理及前僱員)帶走；及2) 賽爾無線重新恢復寬帶業務的可能性主要倚賴資產租賃仲裁的結果，有關詳情披露於本公司日期為二零一四年十二月十九日之公告(「**資產租賃仲裁**」)。倘資產租賃仲裁的結果對賽爾無線不利，則賽爾無線將不能收回對經營寬帶業務而言屬必要的寬帶業務項目、賽爾無線的賬目及財務記錄以及資產租賃協議項下資產。

* 僅供識別

Chairman's Statement 主席報告書

Meanwhile, the legal disputes between, among others, CERNET Wifi and CERNET Investment involved CERNET Wifi's claims and CERNET Investment's counter claim. Based on the latest legal opinion, the outcome of the Asset Leasehold Arbitration remained uncertain. China International Economic and Trade Arbitration Commission (中國國際經濟貿易仲裁委員會) ("CIETAC") had kept delaying its decision on the Asset Leasehold Arbitration and we were informed that more time was required by CIETAC to gather information and to review such information. As such, the Group had incurred additional cost in order to support CERNET Wifi for the Asset Leasehold Arbitration and it was expected that further related costs would be incurred by the Group. Up to the year ended 31 December 2015, the Group had incurred approximately HK\$2,529,000 for legal claims relating to CERNET Wifi and the Asset Leasehold Arbitration. However, it was possible that the outcome of the Asset Leasehold Arbitration might not be favourable to CERNET Wifi. With a view to saving time and costs involved in the legal proceedings, on 17 February 2016, the Group entered into agreements (the "**Unwinding Agreements**") with 天一金網科技有限公司 ("**A1 Net**"), the immediate holding company of CERNET Wifi and a subsidiary of the Company by way of structured contracts (the "**Structured Contracts**"), the shareholders of A1 Net and two independent third parties (the "**Purchasers**") to unwind the Structured Contracts. Pursuant to the Unwinding Agreements, among others, 1) the Structured Contracts under which the Group had obtained control over CERNET Wifi would be unwound; and 2) the shareholders of A1 Net disposed of their entire interests in A1 Net to the Purchasers. The financial impact of the unwinding the Structured Contracts on the Group's consolidated financial statements was insignificant.

同時，由（其中包括）賽爾無線與賽爾投資之間產生的法律糾紛涉及賽爾無線的申索及賽爾投資的反申索。根據最新法律意見，資產租賃仲裁的結果仍不確定。中國國際經濟貿易仲裁委員會（「**貿仲委**」）遲遲未就資產租賃仲裁作出決定及我們已獲通知貿仲委需要更多時間以搜集資料並審閱有關資料。因此，本集團已因就資產租賃仲裁為賽爾無線提供支持而產生額外成本，且預計本集團將進一步產生有關成本。截至二零一五年十二月三十一日止年度，本集團已就有關賽爾無線的法律申索及資產租賃仲裁支出約2,529,000港元。然而，資產租賃仲裁的結果或會對賽爾無線不利。為節省法律訴訟的時間及成本，於二零一六年二月十七日，本集團與天一金網科技有限公司（「**天一金網**」，賽爾無線之直接控股公司及本公司透過結構性合約（「**結構性合約**」）之附屬公司）、天一金網的股東及兩名獨立第三方（「**買方**」）訂立協議（「**解除協議**」）以解除結構性合約。根據解除協議，（其中包括）1) 本集團獲得對賽爾無線的控制權所依據的結構性合約將獲解除；及2) 天一金網的股東將其於天一金網的全部權益出售予買方。解除結構性合約對本公司之綜合財務報表的財務影響並不重大。

Chairman's Statement 主席報告書

In addition, upon the unwinding of the Structured Contracts, while the Group will not incur further costs in relation to the legal proceedings, A1 Net has undertaken to repay the Group its share of any claimed amount received by CERNET Wifi if the outcome of the legal proceedings is in favour of CERNET Wifi.

INTERNET FINANCE PLATFORM BUSINESS

During the year under review, the Group continued to expand its customer base of its Internet finance platforms in 廣東阿凡達財富投資管理有限公司(Guangdong Avatar Wealth Investment Management Company Limited*) (**"Avatar Wealth"**) and 深圳市蜜蜂金服互聯網金融服務有限公司 (Shenzhen Bees Financial Internet Financial Services Co. Ltd.*) (**"Bees Financial"**). The revenue of approximately HK\$72.9 million contributed to the Group represented service or commission income through the operations of those platforms.

BUSINESS PROSPECTS

Looking forward, the Group will continue to expand its IDC business. In addition to the IDC project in Panyu, the Group has made successful bid on a land parcel in Heshan City on 6 January 2017. The land parcel will be used for the construction of the "Bluesea Big Data Industrial Park" which will feature a big data enterprise incubation platform through government guidance, market operation and policy support.

Moreover, the Group will continue to explore potential investment opportunities in IDC, cloud computing and related businesses. With favorable policies and support from the PRC government towards these fast growing sectors, the management is optimistic that the Group will regain its strength and be able to reward shareholders with better results in the foreseeable future.

此外，於解除結構性合約後，本集團將不會就法律訴訟產生進一步的費用，而且天一金網已承諾倘法律訴訟結果對賽爾無線有利，則將向本集團償還其應佔賽爾無線所收取任何索賠款項之部分。

互聯網金融平台業務

於回顧年度，本集團繼續拓展其於廣東阿凡達財富投資管理有限公司（「**阿凡達財富**」）及深圳市蜜蜂金服互聯網金融服務有限公司（「**蜜蜂金服**」）互聯網金融平台的客戶基礎。經營該等平台所得的服務或佣金收入為本集團貢獻收益約72.9百萬港元。

業務前景

展望未來，本集團將繼續拓展其互聯網數據中心業務。除番禺互聯網數據中心項目外，本集團已於二零一七年一月六日投得位於鶴山市的一塊土地。該地塊將用於建設「蔚海大數據產業園」，利用政府引導、市場運作及政策支援打造成大數據企業孵化平台。

此外，本集團將繼續發掘互聯網數據中心、雲計算及相關業務的潛在投資機會。憑藉中國政府對該等高增長行業的利好政策及扶持，管理層樂觀地認為，本集團將再展雄厚實力，於可見將來為股東帶來更理想的回報。

* for identification purpose only

* 僅供識別

Chairman's Statement 主席報告書

FINANCIAL HIGHLIGHTS

財務摘要

		2016 二零一六年	2015 二零一五年
Turnover (HK\$'000)	營業額 (千港元)	2,513,845	1,914,902
Net Profits/(loss) (HK\$'000)	溢利／(虧損)淨額 (千港元)	202,187	(44,255)
Profit/(loss) attributable to owners of the Company (HK\$'000)	本公司擁有人應佔溢利／(虧損) (千港元)	192,009	(32,227)
Earnings/(loss) per share (HK Cents)	每股盈利／(虧損) (港仙)	2.02	(0.47)

Building on the momentum from the acquisitions of Bluesea Mobile and Million Ace Group in 2015, the Group found continued success in the year under review and recorded a turnover of approximately HK\$2,513.8 million for the year ended 31 December 2016, representing a surge of approximately HK\$598.9 million or 31.3% from approximately HK\$1,914.9 million for the year ended 31 December 2015. The Group also recorded a profit attributable to owners of the Company and earnings per share of approximately HK\$192.0 million and 2.02 HK Cents, respectively, for the year ended 31 December 2016, turning around from a loss attributable to the owners of the Company and loss per share of approximately HK\$32.2 million and 0.47 HK Cent, respectively, for the year ended 31 December 2015. The turnaround was mainly due to the gain on disposal of HCH Investments Limited of approximately HK\$143 million as well as the profit contribution from the businesses acquired in 2015.

在二零一五年收購蔚海移動及萬成集團的勢頭帶動下，本集團於回顧年度繼續取得成功，截至二零一六年十二月三十一日止年度錄得營業額約2,513.8百萬港元，較截至二零一五年十二月三十一日止年度約1,914.9百萬港元激增約598.9百萬港元或31.3%。截至二零一六年十二月三十一日止年度，本集團亦錄得本公司擁有人應佔溢利及每股盈利分別約192.0百萬港元及2.02港仙，較截至二零一五年十二月三十一日止年度本公司擁有人應佔虧損及每股虧損分別約32.2百萬港元及0.47港仙而言實現扭虧為盈。此逆轉乃主要由於出售HCH Investments Limited收益約143百萬港元及二零一五年所收購業務之溢利貢獻。

FINANCIAL POSITION

As at 31 December 2016, the Group had interest-bearing bank borrowings of HK\$55.9 million (2015: HK\$26.2 million) which are repayable within one year. As at 31 December 2015, the Group also had interest-bearing other loan of HK\$27.3 million. The other loan had been repaid during the current year.

財務狀況

於二零一六年十二月三十一日，本集團擁有須於一年內償還的計息銀行借款55.9百萬港元（二零一五年：26.2百萬港元）。於二零一五年十二月三十一日，本集團亦擁有計息其他貸款27.3百萬港元。其他貸款已於本年度償還。

Chairman's Statement 主席報告書

As at 31 December 2016, the Group had current assets of approximately HK\$925.9 million (2015: HK\$1,384.1 million), including cash and cash equivalents of approximately HK\$188.9 million (2015: HK\$1,111.9 million), trade receivables, prepayments and other receivables, promissory note, loan receivables and other financial assets of approximately HK\$711.0 million (2015: HK\$246.8 million); and current liabilities of approximately HK\$207.0 million (2015: HK\$374.0 million). The Group's current ratio had been increased from approximately 3.7 times as at 31 December 2015 to approximately 4.5 times as at 31 December 2016.

The Group had total assets of approximately HK\$1,852.8 million (2015: HK\$1,729.6 million) and total liabilities of approximately HK\$305.3 million (2015: HK\$410.7 million), representing a gearing ratio (expressed as total liabilities to total assets) of approximately 16.5% as at 31 December 2016 (2015: 23.7%).

The Group's turnover for the year ended 31 December 2016 amounted to approximately HK\$2,513.8 million (2015: HK\$1,914.9 million).

COMMITMENTS

Details of commitments of the Group were set out in note 38 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 December 2016, the Group did not have any material contingent liabilities.

CHARGE ON ASSETS

As at 31 December 2016, there were no material charges on the Group's assets.

於二零一六年十二月三十一日，本集團之流動資產約為925.9百萬港元（二零一五年：1,384.1百萬港元），包括現金及現金等價物約188.9百萬港元（二零一五年：1,111.9百萬港元），貿易應收賬款、預付款項及其他應收款項、承兌票據、應收貸款及其他金融資產約711.0百萬港元（二零一五年：246.8百萬港元）；以及流動負債約207.0百萬港元（二零一五年：374.0百萬港元）。本集團之流動比率由二零一五年十二月三十一日之約3.7倍上升至二零一六年十二月三十一日之約4.5倍。

本集團之資產總值約為1,852.8百萬港元（二零一五年：1,729.6百萬港元），負債總額約為305.3百萬港元（二零一五年：410.7百萬港元），即於二零一六年十二月三十一日之資產負債比率（即負債總額除以資產總值）約為16.5%（二零一五年：23.7%）。

本集團截至二零一六年十二月三十一日止年度之營業額約為2,513.8百萬港元（二零一五年：1,914.9百萬港元）。

承擔

本集團承擔之詳情載於綜合財務報表附註38。

或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

資產抵押

於二零一六年十二月三十一日，本集團並無任何重大資產抵押。

Chairman's Statement 主席報告書

FOREIGN EXCHANGE EXPOSURE AND TREASURY POLICIES

Most of the Group's cash balances and transactions are either denominated in Renminbi or Hong Kong dollars, i.e. functional currencies of relevant group entities. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise. As at 31 December 2016 and 2015, the Group did not have any outstanding hedging instruments.

LEGAL PROCEEDINGS

Writ of summons

Reference is made to the announcement of the Company dated 14 June 2015, a writ of summons (the "**Writ**") was issued by Arch Capital Limited and Hillgo Asia Limited (the "**CN Holders**") against the Company under Court of First Instance of the High Court of Hong Kong Action No.1281 of 2015 ("**Action**"). In the statement of claim under the Writ, the said two companies purportedly claim as the holders for value of two convertible notes in an aggregate principal amount of HK\$144,000,000 issued by the Company (the "**Convertible Note(s)**"), and claim for the principal amount of HK\$144,000,000 under the said Convertible Notes together with interest and costs. The Convertible Notes were issued by the Company in relation to the acquisition of HCH Investments Limited in April 2013 as part of the consideration payable to Oberlin Asia Inc. (the "**Vendor**"). The Vendor nominated the said two companies to hold the Convertible Notes; and it was expressly provided in the Convertible Notes that they were non-transferable. There are on-going disputes between the Company and the Vendor regarding the said acquisition. Further, subsequent to the said acquisition and without the prior knowledge or consent of the Company, the ultimate beneficial ownership of the said two companies was transferred to Next-Generation Satellite Communications Limited ("**Next-Gen**"), a company listed on the Singapore Stock Exchange. It is the Company's position that the said transfer was in breach of aforesaid provision of non-transferability, and therefore the said two companies and Next-Gen are not entitled to claim on the Convertible Notes.

外匯風險及財務政策

本集團大部分現金結餘及交易乃以人民幣或港元（即相關集團實體之功能貨幣）列值。本集團並無任何外幣對沖政策。然而，管理層會監控外匯風險，且於必要時將考慮對沖重大外幣風險。於二零一六年及二零一五年十二月三十一日，本集團並無任何未完結之對沖工具。

法律訴訟

傳訊令狀

茲提述本公司日期為二零一五年六月十四日之公告，Arch Capital Limited及Hillgo Asia Limited（「可換股票據持有人」）向本公司發出香港高等法院原訴法庭訴訟二零一五年第1281號（「該訴訟」）之傳訊令狀（「該傳訊令狀」）。於該傳訊令狀之聲明中，上述兩間公司聲稱彼等為本公司發出之兩組總本金額為144,000,000港元之可換股票據（「該等可換股票據」）價值之持有者，並索償上述該等可換股票據之144,000,000港元之本金及其利息及費用。該等可換股票據為本公司於二零一三年四月發行作為支付予Oberlin Asia Inc.（「賣方」）有關收購HCH Investments Limited之部分代價。賣方委任上述兩間公司持有該等可換股票據；在該等可換股票據中已明示該等可換股票據為不可轉讓。本公司及賣方就上述收購持續存在爭議。此外，於上述收購後，在未經本公司事先知情及同意的情況下，上述兩間公司之最終實益擁有權被轉讓予新一代衛星通訊有限公司（「新一代」，一間新加坡證券交易所上市公司）。本公司之立場為上述轉讓違反前述之不可轉讓性條文，因此上述兩間公司及新一代無權就該等可換股票據提出索償。

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The Directors have therefore given instructions to the Company's legal adviser to contest and defend the Action and to raise a counterclaim against the said two companies. A defence and counterclaim has accordingly been filed on behalf of the Company on 26 August 2015, disputing the claim of the said two companies and counterclaiming them for damages (the "**Counterclaim**").

On 6 January 2016, an order for discontinuance of the Counterclaim and a Tomlin order (the "**Tomlin Order**") were filed with the High Court that all further proceedings in relation to the Action be stayed except for carrying out the terms that include the following, among other things, into effect:

- The Company shall, within 3 business days after closing of the open offer completed on 30 December 2015, pay to the said two companies the sum of HK\$10,080,000, representing the outstanding interest on the Convertible Notes for the period from 5 October 2014 to 4 October 2015.
- The Company shall comply with all terms of the Convertible Notes.
- The obligation of the Company to pay interest of the Convertible Notes at the rate of 7% per annum from 5 October 2015 until full payment is expressly waived by the said two companies.

董事因此已指示本公司之法律顧問抗辯該訴訟並對上述兩間公司提出反申索。據此，其已代表本公司於二零一五年八月二十六日提出抗辯及反申索（「**反申索**」），對上述兩間公司之申索進行抗辯並對彼等提出反申索，要求其賠償損失。

於二零一六年一月六日，本公司已向高等法院提交撤銷反申索的命令及湯林命令（「**湯林命令**」），要求暫停對該訴訟進行進一步審理，惟須落實下列（其中包括）各項：

- 本公司須於公開發售在二零一五年十二月三十日完成後3個營業日內向上述兩間公司支付款項10,080,000港元（即可換股票據自二零一四年十月五日起至二零一五年十月四日止期間的未償還利息）。
- 本公司須遵守可換股票據的所有條款。
- 自二零一五年十月五日起，本公司須按年利率7%支付可換股票據的利息，直至全部付款獲上述兩間公司明確豁免為止。

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On 12 April 2016, the Company entered into an agreement (the “**Settlement Agreement**”) with the CN Holders and A R Evans Capital Limited (the “**Subscriber**”) pursuant to which the Company will allot and issue 375,875,000 ordinary shares to the Subscriber at the price of HK\$0.40 per share (the “**Subscription Share(s)**”). Upon the issue of the Subscription Shares, the obligation of the Company under the Tomlin Order and the Convertible Notes shall be fully and completely discharged and all claims of the CN Holders under the action in respect of the Tomlin Order shall stand dismissed. The CN Holders shall have no legal right to take any further action on the Tomlin Order and the Convertible Notes. The Subscriber shall sell or procure the sale of the Subscription Shares at a price not less than HK\$0.38 per Subscription Share and make payments of HK\$145,680,000 to the CN Holders. The Settlement Agreement has lapsed as the conditions precedent have not been fulfilled by 13 May 2016, i.e., the long stop date agreed by the Company and the Subscriber.

On 13 June 2016, a hearing of an application on the part of the CN Holders for the Tomlin Order that the Company failed to redeem the Convertible Notes on 5 April 2016 was held at the High Court and the High Court granted an order (the “**Order**”) in favour of the CN Holders for the amount of HK\$144,000,000 together with the interest thereon at the judgement rate from 13 June 2016 until full payment.

On 27 June 2016, the Company filed the Notice of Appeal to Judge in Chambers to appeal against the Order (the “**Appeal**”).

On 29 June 2016, the Company received a statutory demand from the CN Holders requiring the Company to pay the amount of HK\$144,000,000 together with the interest thereon at the judgement rate from 13 June 2016 until full payment pursuant to the Order (the “**Statutory Demand**”).

於二零一六年四月十二日，本公司與可換股票據持有人及亞維信融資有限公司（「**認購方**」）訂立一份協議（「**和解協議**」），據此，本公司將向認購方按每股股份0.40港元之價格配發及發行375,875,000股普通股（「**認購股份**」）。於發行認購股份後，本公司於湯林命令及該等可換股票據之責任將全部及完全地解除，及可換股票據持有人於有關湯林命令訴訟之全部申索將予撤回。可換股票據持有人將無法律權利以採取任何有關湯林命令及該等可換股票據之進一步行動。認購方將按不少於每股認購股份0.38港元之價格出售或促使出售認購股份，並向可換股票據持有人支付145,680,000港元。由於先決條件未能於二零一六年五月十三日（即本公司與認購方協定之最後完成日期）前達成，故和解協議已失效。

於二零一六年六月十三日，可換股票據持有人就本公司未能於二零一六年四月五日贖回該等可換股票據之湯林命令作出申請之聆訊已於高等法院進行，法院判決向可換股票據持有人支付144,000,000港元連同由二零一六年六月十三日起直至全數償還之按判定利率之利息的指令（「**該指令**」）。

於二零一六年六月二十七日，本公司已提交向內庭法官提出上訴之通知以對該指令上訴（「**該上訴**」）。

於二零一六年六月二十九日，本公司收到可換股票據持有人發出之法定要求償債書（「**該法定要求償債書**」），當中要求本公司根據該指令支付144,000,000港元連同由二零一六年六月十三日起直至全數償還之按判定利率之利息。

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On 7 July 2016, the Company filed an application for stay of execution of the Order (the “**Application**”), and the hearing on the Application was fixed for 29 July 2016 whereas the hearing on the Appeal was fixed for 26 September 2016 at the High Court. The High Court dismissed the Application and the Appeal on 29 July 2016 and 26 September 2016 respectively.

On 15 August 2016, the Company received a winding-up petition (the “**Petition**”) filed by the CN Holders against the Company in relation to the Statutory Demand.

At the hearing on 7 November 2016, as the matter concerned in the Petition had been fully resolved through the Company's settlement of the Convertible Notes and the outstanding interest thereon, the High Court had granted an order that the Petition be dismissed.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2016, the Group had approximately 460 staff (2015: 320). The total remuneration, including that of the Directors, for the year under review is approximately HK\$40.8 million (2015: HK\$30.3 million). The Group remunerates its employees based on their performances, experience and the prevailing industry practice. Employee remuneration, excluding Director's emoluments, is reviewed annually. In addition to the basic salaries, employees are also entitled to benefits including bonus and mandatory provident fund. On 19 December 2012, the Company had adopted a share option scheme under which full time employees, including Directors, of the Company and its subsidiaries, might be granted options to subscribe for the Company's ordinary shares.

於二零一六年七月七日，本公司提交暫緩執行該指令之申請（「**該申請**」），而該申請之聆訊擇定為二零一六年七月二十九日且該上訴之聆訊擇定為二零一六年九月二十六日，均於高等法院進行。高等法院已於二零一六年七月二十九日及二零一六年九月二十六日分別駁回該申請及該聆訊。

於二零一六年八月十五日，本公司接獲可換股票據持有人就該法定要求償債書向本公司提出的清盤呈請（「**該呈請**」）。

於二零一六年十一月七日進行之聆訊中，由於該呈請所涉及事宜已透過本公司清償可換股票據及未付利息完全解決，高等法院頒令駁回該呈請。

僱員及薪酬政策

於二零一六年十二月三十一日，本集團約有460名僱員（二零一五年：320名）。回顧年度之總酬金（包括董事酬金）約為40.8百萬港元（二零一五年：30.3百萬港元）。本集團按照僱員之表現、經驗及現行行業慣例釐定僱員酬金。僱員酬金（不包括董事酬金）每年檢討。除基本薪金外，僱員亦享有包括花紅及強制性公積金等福利。本公司於二零一二年十二月十九日採納購股權計劃，據此，本公司及其附屬公司之全職僱員（包括董事）可獲授購股權，以認購本公司普通股。

Chairman's Statement 主席報告書

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my appreciation to the Group's shareholders and customers for their utmost support, and to the management and staff for their dedication and contribution to the Group during the year.

致謝

本人謹藉此機會代表董事會向本集團全體股東及客戶於年內一如既往的全力支持及管理層和員工於年內的勤奮工作和對本集團作出的貢獻，深表謝意。

CHEUNG Sing Tai
Chairman

Hong Kong, 29 March 2017

主席
張聲泰

香港，二零一七年三月二十九日

Biographies of Directors

董事履歷

EXECUTIVE DIRECTORS

Mr. CHEUNG Sing Tai (“Mr. Cheung”), aged 55, was appointed as an executive Director on 21 June 2013 and Chairman of the Board and Chief Executive Officer on 20 March 2014. He is also the chairman of the nomination committee of the Company and a member of the remuneration committee of the Company. Mr. Cheung graduated from the Department of Thermal Engineering of Tsinghua University and the Sun Yat-sen Business School with a bachelor degree in engineering and a master degree in business administration respectively.

Mr. Cheung was engaged in trade between Mainland and Hong Kong in his early years. He had served as deputy manager in Strategic Development Department of Guangdong Investment Limited, a company listed on the Stock Exchange, while he was also a director of Guangdong Tannery Limited, a company listed on the Stock Exchange.

Mr. Cheung previously served as the managing director of CL China Group Limited and the general manager of Coastland Development (Int'l) Co., Limited, both are engaged in investment in securities and real estate.

Mr. ZHANG Xinyu, aged 54, was appointed as an executive Director on 15 June 2012 and Vice President on 1 May 2014. Mr. Zhang Xinyu holds a Master of Business Administration degree and is familiar with the securities market regulations in Hong Kong. He was a licensed responsible officer under the SFO and an advisor of the Management Consulting Committee of China Enterprise Confederation. He has over 20 years working experience in banking and investment banking industries and accumulated extensive network resources and experience in capital management. He has been engaged in research and practice in listing, merger and acquisition, reorganisation, spin-off and asset securitisation. In 1990, he was appointed by the head office of Bank of China to hold senior position in Bank of China (Hong Kong) in Hong Kong and mainly to provide financial support to relevant Chinese entities under the State Council based in Hong Kong.

執行董事

張聲泰先生（「張先生」），55歲，於二零一三年六月二十一日獲委任為執行董事，並於二零一四年三月二十日獲委任為董事會主席兼行政總裁。彼亦為本公司提名委員會之主席及本公司薪酬委員會之成員。張先生畢業於清華大學熱能工程系和中山大學管理學院，分別獲得工學學士和工商管理碩士學位。

張先生早期從事中港貿易。彼曾任職聯交所上市公司粵海投資有限公司的戰略發展部副經理，並曾任聯交所上市公司粵海制革有限公司的董事。

張先生曾任創聯中國集團有限公司的董事總經理及源海發展（國際）有限公司之總經理，該兩間公司均從事證券及地產投資。

張新宇先生，54歲，於二零一二年六月十五日獲委任為執行董事，並於二零一四年五月一日獲委任為副總裁。張新宇先生擁有工商管理碩士學位及熟悉香港證券市場規範，曾為證券及期貨條例項下的持牌負責人員及中國企業聯合會管理諮詢委員會所屬管理諮詢顧問。彼擁有逾20年的銀行及投行工作經歷，積累了豐富的人脈資源及資本運作經驗，對企業上市、兼併、重組、分拆及資產證券化等有豐富的研究與實踐。彼於一九九零年受中國銀行總行派遣赴香港工作，在中國銀行（香港）擔任要職，主要為國務院有關部委駐港中資機構提供金融支持。

Biographies of Directors 董事履歷

EXECUTIVE DIRECTORS (Continued)

Mr. XU Gang (“Mr. Xu”), aged 45, was appointed as an executive Director on 17 June 2015. He graduated from School of Economics and Management, Tsinghua University with an executive master degree of business administration in 2006. He obtained his double bachelor’s degree from Beijing University of Technology in 1995. Mr. Xu is the general manager of 廣東蔚海移動發展有限公司 (Guangdong Bluesea Mobile Development Co., Ltd.*) (“**Bluesea**”). He has extensive experience in the strategy planning, operation, marketing and capital management of international high-tech enterprises and the strategy management, risk management and concentrative management of large financial institutions. Prior to joining Bluesea, Mr. Xu served as the general manager of business intelligence division of 甲骨文(中國)軟件系統有限公司 (Oracle (China) Software System Company Limited*).

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. ZHANG Zihua, aged 42, was appointed as an independent non-executive Director on 20 September 2016. He is also the chairman of each of the audit committee and the remuneration committee of the Company and a member of the nomination committee of the Company. He holds a Graduate Diploma of Chartered Accounting from The Institute of Chartered Accountants in Australia and New Zealand and a Degree of Bachelor of Economics in Accounting from Guangdong University of Technology. He is a member of The Chinese Institute of Certified Public Accountants and a member of The Institute of Chartered Accountants in Australia and New Zealand.

Mr. Zhang Zihua is currently a partner of Addsum Accountants Pty Ltd (“**Addsum**”). Before joining Addsum, he has worked in public practice at KPMG and PricewaterhouseCoopers in Australia, China and Europe for over 17 years. He participated in a wide range of auditing, initial public offering and due diligence projects to a wide portfolio of private and multinational companies operating in Australia, Europe, mainland China, and Hong Kong.

* for identification purpose only

執行董事(續)

徐崗先生(「徐先生」)，45歲，於二零一五年六月十七日獲委任為執行董事。彼於二零零六年於清華大學經濟管理學院以高級工商管理碩士畢業。彼於一九九五年於北京工業大學雙學位本科畢業。徐先生為廣東蔚海移動發展有限公司(「蔚海」)之總經理。彼於國際化高科技企業之戰略計劃、營運、市場及資本管理方面及大型金融機構之戰略管理、風險管理及集中管理方面擁有豐富的經驗。加入蔚海前，徐先生曾任甲骨文(中國)軟件系統有限公司之商業智能總經理。

獨立非執行董事

張子華*(ZHANG Zihua)先生，42歲，於二零一六年九月二十日獲委任為獨立非執行董事。彼亦為本公司之審核委員會及薪酬委員會各自之主席及本公司提名委員會之成員。彼持有澳大利亞及新西蘭特許會計師公會之特許會計文憑及廣東工業大學會計學專業之經濟學學士學位。彼為中國註冊會計師協會之會員及澳大利亞及新西蘭特許會計師公會之會員。

張子華*(ZHANG Zihua)先生目前為安德信會計師事務所(「安德信」)之合夥人。加入安德信前，彼曾於澳大利亞、中國及歐洲的畢馬威會計師事務所及普華永道會計師事務所公開執業逾17年。彼曾參與多間於澳大利亞、歐洲、中國內地及香港經營之私人及跨國公司之審核、首次公開發售及盡職調查工作。

* 僅供識別

Biographies of Directors 董事履歷

INDEPENDENT NON-EXECUTIVE DIRECTORS (Continued)

Ms. XI Lina, aged 34, was appointed as an independent non-executive Director on 16 May 2014. She is also a member of each of the audit committee, nomination committee and remuneration committee of the Company. She graduated with a degree in economics and international trade from Zhejiang University of Finance and Economics and holds a master of science in banking and international finance from the City University, London. She has extensive experience in economics and futures market.

Mr. HUANG Zhixiong, aged 54, was appointed as an independent non-executive Director on 13 May 2015. He is also a member of the audit committee of the Company. He holds a doctoral degree in business management. He is the senior advisor of 廣東華南科技資本研究院 (Institute of Guangdong South China Science and Technology Capital*) and was appointed as the extramural tutor of the master programme of professional accounting of the South China University of Technology in November 2015. Mr. Huang obtained the Independent Director Qualification awarded by the Shenzhen Stock Exchange in January 2015 and obtained the Board Secretary Qualification awarded by the Shenzhen Stock Exchange in April 2015. Mr. Huang was certified with (1) the Securities Certificate Level II in 2005, (2) the Securities Institutions Senior Management Personnel Qualification in 2003, (3) the Securities Investment Fund Qualification and Securities and Futures Qualification in 2002, (4) the Securities Investment Analysis Qualification in 2001, (5) the Securities Trading Brokerage Qualification and Securities Issuance and Underwriting Qualification in 2000, and (6) the Shenzhen Stock Exchange Initial National Debt and Futures Qualification in 1994. He obtained the Intermediate Economist Title awarded by National Ministry of Personnel in 1994. Mr. Huang is currently the deputy general manager and the board secretary of Guangdong Macro Co., Ltd. (a company listed on the Shenzhen Stock Exchange (stock code: 000533)), in which he was the vice chairman from August 2013 to July 2016.

獨立非執行董事 (續)

奚麗娜女士，34歲，於二零一四年五月十六日獲委任為獨立非執行董事。彼亦為本公司審核委員會、提名委員會及薪酬委員會各自之成員。彼畢業於浙江財經大學並獲得國際經濟與貿易學士學位，及持有倫敦城市大學國際金融碩士學位。彼於經濟及期貨市場擁有豐富經驗。

黃志雄先生，54歲，於二零一五年五月十三日獲委任為獨立非執行董事。彼亦為本公司之審核委員會之成員。彼持有工商管理博士學位。彼為廣東華南科技資本研究院高級顧問及於二零一五年十一月獲聘為華南理工大學會計碩士校外導師。黃先生於二零一五年一月獲深圳證券交易所獨立董事資格及於二零一五年四月獲深圳證券交易所董事會秘書資格。黃先生(1)於二零零五年獲證券專業水平二級證書，(2)於二零零三年獲證券機構高級管理人員任職資格，(3)於二零零二年獲證券投資基金從業資格及證券期貨從業資格，(4)於二零零一年獲證券投資分析從業資格，(5)於二零零零年獲證券交易經紀從業資格及證券發行與承銷從業資格，及(6)於一九九四年獲深圳證券交易所首期國債期貨從業資格。彼於一九九四年獲國家人事部授予之中級經濟師職務任職資格。黃先生現為廣東萬家樂股份有限公司（於深圳證券交易所上市，股票代號：000533）之副總經理兼董事會秘書，彼於二零一三年八月至二零一六年七月期間為其副董事長。

* for identification purpose only

* 僅供識別

Report of the Directors 董事會報告

The Directors present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2016 (“**Financial Statements**”).

董事會提呈本集團截至二零一六年十二月三十一日止年度之董事會報告及經審核綜合財務報表（「**財務報表**」）。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are set out in note 1 to the consolidated financial statements.

主要業務

本公司之主要業務為投資控股，而其主要附屬公司之主要業務詳情載於綜合財務報表附註1。

RESULTS AND APPROPRIATIONS

The Group's loss for the year ended 31 December 2016 and the financial position of the Group at 31 December 2016 are set out in the consolidated financial statements on pages 70 to 246.

業績及分派

本集團截至二零一六年十二月三十一日止年度之虧損及本集團於二零一六年十二月三十一日之財務狀況載於第70頁至第246頁之綜合財務報表。

The Directors recommended to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Thursday, 25 May 2017 (“**AGM**”) a final dividend of HK cent 0.38 per share for the year ended 31 December 2016 to be paid on Thursday, 6 July 2017 to the shareholders whose names appear on the register of members of the Company on Wednesday, 7 June 2017.

董事建議於本公司將於二零一七年五月二十五日（星期四）舉行的應屆股東週年大會（「**股東週年大會**」）上向本公司股東推薦於二零一七年七月六日（星期四）向於二零一七年六月七日（星期三）名列本公司股東名冊之股東派付截至二零一六年十二月三十一日止年度之末期股息每股0.38港仙。

CHARITABLE DONATIONS

During the year ended 31 December 2016, the Group made HK\$27,000 charitable donations (2015: Nil).

慈善捐款

截至二零一六年十二月三十一日止年度，本集團作出慈善捐款27,000港元（二零一五年：無）。

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 19 May 2017 to Thursday, 25 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 18 May 2017.

暫停辦理股東登記手續

為釐定股東出席股東週年大會並於會上投票的資格，本公司將於二零一七年五月十九日（星期五）至二零一七年五月二十五日（星期四）（包括首尾兩日）暫停辦理股東登記手續，期內將不會辦理任何股份過戶登記手續。為符合出席股東週年大會並於會上投票的資格，所有股份過戶文件連同有關股票須不遲於二零一七年五月十八日（星期四）下午四時三十分送交本公司的香港股份過戶登記分處卓佳登捷時有限公司，地址為香港皇后大道東183號合和中心22樓，辦理股東登記手續。

Report of the Directors

董事會報告

For determining the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 7 June 2017 to Thursday, 8 June 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited for registration not later than 4:30 p.m. on Tuesday, 6 June 2017.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 247 to 248. This summary does not form part of the audited consolidated financial statements.

BUSINESS REVIEW

The business review, analysis using financial key performance indicators and future development in the Company's business of the Group for the year ended 31 December 2016 are set out in the section headed "Chairman's Statement" on pages 5 to 15 of this annual report.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees are also discussed under section headed "Environmental, Social and Governance Report" on pages 56 to 61.

為釐定股東享有建議末期股息之資格，本公司將於二零一七年六月七日（星期三）至二零一七年六月八日（星期四）（包括首尾兩日）暫停辦理股東登記手續，期內將不會辦理任何股份過戶登記手續。為符合享有建議末期股息的資格，所有股份過戶文件連同有關股票須不遲於二零一七年六月六日（星期二）下午四時三十分送交本公司的香港股份過戶登記分處卓佳登捷時有限公司，辦理股東登記手續。

財務概要

本集團於過去五個財政年度之業績、資產及負債概要載於第247頁至248頁。此概要並不構成經審核綜合財務報表之一部份。

業務回顧

本集團截至二零一六年十二月三十一日止年度之業務回顧、使用關鍵財務指標之分析及本公司業務之未來發展載列於本年報第5頁至15頁之「主席報告書」一節中。

環境政策及表現、遵守相關法律及法規以及與僱員之關係亦於第56頁至61頁之「環境、社會及管治報告」一節中討論。

Report of the Directors 董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES

主要風險及不確定因素

Risk Areas 風險領域	Risks Description 風險描述	Risk Response 風險應對
Strategic Risks 策略風險	<p>Risk of concentration of a single business segment 單一業務分類集中風險</p> <p>The revenue of the Group was mainly generated from the segment sale of telecommunication products and services. This is high concentration of a single business segment. In case of any dispute and/or breakup with relevant customers, sales of the Group could be significantly affected.</p> <p>本集團收益主要源自於銷售電訊產品及服務分類，屬高度集中單一業務分類。倘與相關客戶發生糾紛及／或關係破裂，本集團的銷售額將受到重大影響。</p>	<p>According to the management, although sale of telecommunication products and services is the single largest business segment within the Group, it consists of different lines of products and services, including mobile phones, large-scaled telecommunication equipment, and wifi services, while different types of customers are served.</p> <p>自管理層獲悉，儘管銷售電訊產品及服務為本集團最大單一業務分類，覆蓋不同領域的產品及服務，包括手機、大型電訊設備及wifi服務，惟已向不同類型的客戶提供服務。</p> <p>In addition, the Group is seeking opportunity in other business field by acquiring and/or cooperating with other companies. On 8 March 2017, the Group entered into a non-legally binding strategic cooperation memorandum of understanding with a major insurance company in the PRC for the strategic cooperation in the insurance industry.</p> <p>此外，本集團正通過收購及／或與其他公司合作發掘其他業務領域的商機。於二零一七年三月八日，本集團就保險業的戰略合作與中國主要保險公司簽訂不具法律約束力的戰略合作諒解備忘錄。</p> <p>Therefore, the management considered the risk of concentration of a single business segment is minimal.</p> <p>因此，管理層認為單一業務分類的集中風險不大。</p>

Report of the Directors

董事會報告

BUSINESS REVIEW (Continued)

業務回顧 (續)

Risk Areas 風險領域	Risks Description 風險描述	Risk Response 風險應對
Operational Risks 營運風險	<p>System Failure due to disaster 災害導致系統故障</p> <p>The Group will launch its Internet data center ("IDC") in 2017. The server room is a very important asset to the Group. It may suffer from natural disaster such as power outage, fire, etc.</p> <p>本集團將於二零一七年推出其互聯網數據中心（「IDC」）。伺服器室為本集團的至關重要的資產，或會遭受如停電、火災等自然災害影響。</p> <p>Critical computer systems and equipment may be severely damaged or destroyed in the event of disaster. In addition, backup data may not be available for processing and recovery purpose.</p> <p>重要電腦系統及設備倘發生災害可能會受到嚴重損壞或毀壞。此外，備份數據可能無法進行處理及恢復。</p> <p>As a result, the Company's ability to conduct business may be significantly impaired resulting in revenue deduction. 因此，本公司營業能力或會大幅削弱，導致收益下降。</p>	<p>According to the management, the IDC has emergency power system which is an independent source of electric power to the IDC in case of the loss of normal power supply. This standby power system is run by fuel. It protects the IDC from the consequences of loss of primary electric power supply.</p> <p>自管理層獲悉，IDC 備有應急電力系統，為連接至 IDC 的獨立來源電力，以防正常供電中斷。該備用電力系統乃經燃油運作，保障 IDC 免受失去主電力供應的後果。</p>

Report of the Directors 董事會報告

BUSINESS REVIEW (Continued)

業務回顧 (續)

Risk Areas 風險領域	Risks Description 風險描述	Risk Response 風險應對
Compliance Risks 合規風險	<p>Risk of non-compliance with the changing law and regulations 不斷演變的法例及法規引致的不合規風險</p> <p>There are a number of regulations that are related to the Group's operations, including laws and regulations in relation to money lending, personal data collection and employment (such as Employee Compensation, Mandatory Provident Fund Schemes, documents filing to the Inland Revenue Department), etc. 與本集團營運有關的法規眾多，包括與放貸、個人數據收集及僱傭（如僱員補償、強制性公積金計劃、向稅務局存檔文件）等相關的法例及法規。If the Group is unaware of the change in rules and regulations, the Group would be exposed to the risk of legal or regulatory sanctions, material financial loss or loss of reputation. 倘本集團無法獲悉有關法例及法規的變動，本集團將蒙受法律或監管制裁、重大財務損失或聲譽受損的風險。</p>	<p>The Group has currently engaged an external legal advisor and a company secretarial firm to update the management on changes in rules and regulations. 本集團現時已委聘一名外聘法律顧問及一間公司秘書服務公司就法例及法規的變動向管理層更新說明。Moreover, employees are encouraged to attend training courses and seminars that are related to their duties. Cost of the training courses and seminars are reimbursable. 此外，僱員被鼓勵參加與彼等職務相關的培訓課程及研討會。培訓課程及研討會的費用將給予償付。</p>

Report of the Directors

董事會報告

BUSINESS REVIEW (Continued)

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

During the year under review, as far as the Board and management are aware, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on the businesses and operation of the Group.

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises that employees are one of the significant assets of the Group. The Group aims to continue establishing a caring environment to employees and emphasis the personal development of its employees.

The Group maintains a good relationship with our customers and suppliers. The Group aims to continue providing quality services and consumption experiences to our customers and establishing cooperation strategy with our suppliers.

RESERVES

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on pages 74 to 75.

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company has distributable reserves of approximately HK\$430,487,000 available for distribution to shareholders of the Company (31 December 2016: HK\$395,883,000). Under the Companies Law (Revised) of the Cayman Islands, the share premium of the Company is distributable to the Shareholders 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. The share premium may also be distributed in form of fully paid bonus shares.

業務回顧 (續)

遵守相關法律及法規

於回顧年度，就董事會及管理層所知，本集團概無嚴重違反或不遵守對本集團業務及營運構成重大影響之適用法律及法規。

與僱員、客戶及供應商之主要關係

本集團深知僱員乃本集團其中一項重大資產。本集團旨在持續為僱員營造關懷環境並重視其僱員之個人發展。

本集團與我們的客戶及供應商維持良好關係。本集團旨在向客戶持續提供優質服務及消費體驗並與供應商訂立合作策略。

儲備

年內本集團儲備變動之詳情載於第74頁至75頁之綜合權益變動表。

可供分派儲備

於二零一六年十二月三十一日，本公司有可供分派儲備約430,487,000港元（二零一六年十二月三十一日：395,883,000港元），可供分派予本公司股東。根據開曼群島公司法（經修訂），本公司之股份溢價可分派予股東，惟本公司於緊隨建議分派股息當日後，須有能力支付其於日常業務過程中到期的債項。股份溢價亦可以繳足紅股方式分派。

Report of the Directors 董事會報告

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment of the Group during the year are set out in note 17 to the consolidated financial statements.

物業、廠房及設備

年內本集團物業、廠房及設備變動之詳情載於綜合財務報表附註17。

SHARE CAPITAL AND SHARE OPTIONS

Movements in the Company's share capital and share options during the year are set out in notes 33 and 34 to the consolidated financial statements.

股本及購股權

年內本公司股本及購股權變動之詳情載於綜合財務報表附註33及34。

CONVERTIBLE NOTES

Movements in the Company's convertible notes during the year are set out in note 31 to the consolidated financial statements.

可換股票據

年內本公司可換股票據變動之詳情載於綜合財務報表附註31。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association of the Company (the "**Articles**") or the laws of the Cayman Islands, being the jurisdiction in which the Company is incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

優先購買權

本公司之章程細則（「**細則**」）或開曼群島（本公司註冊成立之司法權區）法律，均無載有優先購買權之條文；要求本公司有責任按比例向現有股東發售新股份。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

購買、贖回或出售上市證券

於截至二零一六年十二月三十一日止年度內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases and sales for the year attributable to the Group's major suppliers and customers are as followed:

PURCHASES

- the largest supplier 25% (2015: 32%)
- five longest suppliers combined 66% (2015: 82%)

SALES

- the largest customer 30% (2015: 30%)
- five largest customers combined 58% (2015: 64%)

None of the Directors, their associates or any Shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

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.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance (Chapter 622, Laws of Hong Kong) when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance (Chapter 622, Laws of Hong Kong).

The Company has taken out and maintained directors' and officers' liability insurance throughout the year, which provides appropriate cover for certain legal actions brought against its directors and officers.

主要客戶及供應商

本集團主要供應商及客戶應佔年內採購及銷售百分比如下：

採購

- 最大供應商佔25%（二零一五年：32%）
- 五位最大供應商合計佔66%（二零一五年：82%）

銷售

- 最大客戶佔30%（二零一五年：30%）
- 五位最大客戶合計佔58%（二零一五年：64%）

概無董事、其聯繫人士及任何股東（就董事所知擁有本公司股本逾5%）持有上述主要供應商或客戶之權益。

管理合約

年內本公司並無訂立或存在任何與本公司全部或任何重要部份業務之管理及行政有關之合約。

獲准許的彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。基於董事利益的獲准許彌償條文根據公司條例（香港法例第622章）第470條的規定於董事編製之董事會報告根據公司條例（香港法例第622章）第391(1)(a)條獲通過時生效。

本公司於整個年內已購買及維持董事及高級職員責任保險，為其董事及高級職員面對若干法律行動時提供適當保障。

Report of the Directors 董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

董事於證券之權益及淡倉

As at 31 December 2016, the interests or short positions of the Directors in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests or short positions which they were deemed or taken to have under such provisions of the SFO, or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.68 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules") relating to securities transactions by directors, to be notified to the Company and the Exchange, were as follows:

於二零一六年十二月三十一日，董事於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之證券中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括彼等根據證券及期貨條例之該等條文被視為或被當作擁有之權益或淡倉），或根據證券及期貨條例第352條須記入該條所指之登記冊內之權益或淡倉，或根據創業板證券上市規則（「創業板上市規則」）第5.46至第5.68條有關董事進行證券交易之規定須知會本公司及聯交所之權益或淡倉如下：

LONG POSITIONS IN THE SECURITIES OF THE COMPANY

於本公司證券之好倉

Name of Director	Capacity	Number of shares/ underlying shares held 所持有股份／ 相關股份數目	Approximate percentage of shareholding 概約持股百分比
董事姓名	身份		
Mr. ZHANG Xinyu 張新宇先生	Beneficial owner 實益擁有人	45,600,000 (Note 1) (附註1)	0.48%
Mr. XU Gang 徐崗先生	Beneficial owner 實益擁有人	1,422,000	0.01%
	Interest of spouse (Note 2) 配偶權益（附註2）	72,000	Negligible 微不足道
Mr. HUANG Zhixiong 黃志雄先生	Interest of spouse (Note 3) 配偶權益（附註3）	17,034,000	0.18%

Report of the Directors

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (Continued)

LONG POSITIONS IN THE SECURITIES OF THE COMPANY (Continued)

Notes:

1. These 45,600,000 underlying shares are derived from the share options granted by the Company.
2. Mr. Xu is interested in 72,000 shares of the Company held by his spouse, Ms. Yang Jintong.
3. Mr. Huang is interested in 17,034,000 shares of the Company held by his spouse, Ms. Gao Suzhen.

Save as disclosed above, the Directors did not have any other interests or short positions in the securities of the Company as at 31 December 2016.

SHARE OPTION SCHEME

On 19 December 2012, the Company adopted a new share option scheme (the “**New Scheme**”) as the share option scheme adopted on 22 July 2002 (the “**Old Scheme**”) expired on 21 July 2012. The purpose of the share option schemes is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the share option schemes include Directors of the Company or any of its subsidiaries, independent non-executive Directors and employees of the Group, and suppliers of goods or services to the Group. Upon the expiration of the Old Scheme, share options granted under the Old Scheme remained outstanding until they lapse in accordance with the terms of the Old Scheme.

As at the date of this annual report, the total number of shares available for issue under the New Scheme and Old Scheme is 305,792,079 and 6,840,000 respectively, representing approximately 3.21% and 0.07% of the Shares in issue as at the date of this annual report.

Details of the Company's share option schemes are set out in note 34 to the consolidated financial statements.

董事於證券之權益及淡倉 (續)

於本公司證券之好倉 (續)

附註：

1. 該等45,600,000股相關股份乃產生自本公司授出之購股權。
2. 徐先生於其配偶楊金潼女士持有的72,000股本公司股份中擁有權益。
3. 黃先生於其配偶高素珍女士持有的17,034,000股本公司股份中擁有權益。

除上文所披露者外，董事於二零一六年十二月三十一日概無於本公司證券中擁有任何權益或淡倉。

購股權計劃

本公司於二零一二年十二月十九日採納新的購股權計劃（「**新計劃**」），因為於二零零二年七月二十二日採納的購股權計劃（「**舊計劃**」）已於二零一二年七月二十一日屆滿。購股權計劃旨在對本集團經營成功作出貢獻之合資格參與者給予獎勵及回報。購股權計劃之合資格參與者包括本公司或其任何附屬公司之董事、本集團之獨立非執行董事及僱員，以及本集團貨品或服務之供應商。根據舊計劃的條款，舊計劃屆滿後根據舊計劃授出之購股權仍然有效直至失效為止。

於本年報日期，根據新計劃及舊計劃可供發行之股份總數分別為305,792,079股及6,840,000股，佔於本年報日期已發行股份約3.21%及0.07%。

本公司購股權計劃之詳情載於綜合財務報表附註34。

Report of the Directors 董事會報告

EQUITY-LINKED AGREEMENTS

Save as those disclosed in the sections headed “Share Option Scheme” in this Directors’ Report and also note 31 to the consolidated financial statements, no other equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2016.

股權掛鈎協議

除本董事會報告「購股權計劃」一節及綜合財務報表附註31所披露者外，本集團於截至二零一六年十二月三十一日止年度並無訂立或存有其他股權掛鈎協議。

DIRECTORS’ RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed “Directors’ Interests and Short Positions in Securities” and “Share Option Scheme” above, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate granted to any Directors, their respective spouse or children under 18 years of age, or were such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire such rights in any other body corporate.

董事收購股份或債券之權利

除「董事於證券之權益及淡倉」一節及上文「購股權計劃」所披露者外，於年內任何時間，任何董事、彼等各自之配偶或18歲以下子女概無獲授予權利，可藉收購本公司或任何其他團體之股份或債券而獲益，亦無行使該等權利；本公司或其任何附屬公司並無參與訂立任何安排，致使董事、彼等各自之配偶或18歲以下子女可收購任何其他法人團體之該等權利。

DIRECTORS

The Directors during the financial year and up to the date of this report were:

董事

於財政年度及截至本報告日期，董事名稱如下：

EXECUTIVE DIRECTORS:

Mr. CHEUNG Sing Tai
Mr. ZHANG Xinyu
Mr. XU Gang
Mr. LIAN Xin (retired on 1 April 2016)

執行董事：

張聲泰先生
張新宇先生
徐崗先生
練新先生（於二零一六年四月一日退任）

INDEPENDENT NON-EXECUTIVE DIRECTORS:

Mr. ZHANG Zihua
(appointed on 20 September 2016)
Ms. XI Lina
Mr. HUANG Zhixiong
Mr. CHOU Jianzhong
(retired on 1 April 2016)
Mr. LEUNG Ka Wo
(resigned on 15 September 2016)

獨立非執行董事：

張子華* (ZHANG Zihua) 先生
(於二零一六年九月二十日獲委任)
奚麗娜女士
黃志雄先生
丑建忠先生
(於二零一六年四月一日退任)
梁家和先生
(於二零一六年九月十五日辭任)

* for identification purpose only

* 僅供識別

Report of the Directors

董事會報告

DIRECTORS (Continued)

Pursuant to Article 86(3) of the Articles, the Directors have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Accordingly, Mr. ZHANG Zihua who was appointed as a Director on 20 September 2016 shall retire from office and eligible for re-election at the AGM.

Pursuant to Article 87(1) of the Articles, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. Accordingly, Mr. ZHANG Xinyu shall retire from office and eligible for re-election at the AGM.

Pursuant to the code provision A.4.2 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. Accordingly, notwithstanding Article 87(1) of the Articles provided that the Chairman of the Board shall not be subject to retirement by rotation, Mr. CHEUNG Sing Tai, Chairman of the Board, shall be subject to retirement by rotation at the AGM in accordance with the Corporate Governance Code.

DIRECTORS' BIOGRAPHIES

Biographical details of the Directors of the Company are set out on pages 16 to 18 of the annual report.

董事 (續)

根據細則第86(3)條，董事有權不時及隨時委任任何人士出任董事，以填補董事會臨時空缺或出任現時董事會新增的董事席位。據此獲董事會委任的任何董事任期僅直至本公司下屆股東週年大會為止，屆時將符合資格膺選連任。因此，於二零一六年九月二十日獲委任為董事的張子華* (ZHANG Zihua) 先生將依章告退，並符合資格於股東週年大會上重選連任。

根據細則第87(1)條，在每屆股東週年大會上，當時三分之一的董事須輪值退任，惟董事會主席及／或本公司董事總經理於任職期內毋須輪值退任或計入釐定每年退任董事之數目內。因此，張新宇先生退任此職，並符合資格於股東週年大會上重選連任。

根據創業板上市規則附錄十五所載之企業管治守則第A.4.2條守則條文，各董事（包括該等特定委任年期的董事）須至少每三年輪值退任。因此，儘管細則第87(1)條規定董事會主席毋須輪值退任，但董事會主席張聲泰先生須根據企業管治守則於股東週年大會上輪值退任。

董事履歷

本公司董事之履歷詳情載於本年報第16至第18頁。

* for identification purpose only

* 僅供識別

Report of the Directors 董事會報告

DIRECTORS' SERVICE CONTRACTS

Mr. CHEUNG Sing Tai entered into a service contract with the Company on 22 June 2015 for a term of 2 years with retrospective effect from 21 June 2015.

Mr. ZHANG Xinyu entered into a service contract with the Company on 1 April 2016 for a term of 2 years from 1 April 2016.

None of the Directors who are proposed for re-election at AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

董事之服務合約

張聲泰先生於二零一五年六月二十二日與本公司訂立服務合約，年期自二零一五年六月二十一日起為期兩年並具追溯性效力。

張新宇先生於二零一六年四月一日與本公司訂立服務合約，年期自二零一六年四月一日起為期兩年。

概無擬於股東週年大會上重選之董事與本公司簽訂不可於一年內終止而毋須支付賠償（法定賠償除外）之服務合約。

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

No significant transaction, arrangements and contracts in relation to the Group's business to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, whether directly or indirectly subsisted at the year-end or at any time during the year.

董事於交易、協議或合約之權益

本公司董事概無於本公司或其任何附屬公司所訂立於年末或於本年度任何時間有效之就本集團業務而言屬重大之交易、協議或合約中直接或間接擁有重大權益。

Report of the Directors

董事會報告

INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

The register of substantial shareholders required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2016, the Company had been notified of the following substantial shareholders' interests and short positions, being 5% or more of the Company's issued share capital. These interests are in addition to those disclosed above in respect of the Directors and chief executives.

根據證券及期貨條例須予披露之股東權益及淡倉

根據證券及期貨條例第XV部第336條之規定所存置之主要股東登記冊顯示，於二零一六年十二月三十一日，本公司獲知會下列主要股東之權益及淡倉，即佔本公司已發行股本5%或以上權益。此等權益並無計入上文所披露之董事及最高行政人員權益內。

LONG POSITIONS

好倉

Name	Nature of interests	Number of shares/underlying shares held 所持有股份／ 相關股份數目	Approximate percentage of shareholding 概約持股 百分比
姓名	權益性質		
LIE Haiquan	Beneficial owner	1,910,848,000	20.05%
列海權	實益擁有人		
	Interest in controlled corporations (Note)	2,091,323,357	21.95%
	受控制公司之權益（附註）		

Note: 2,055,887,357 shares and 35,436,000 shares are held by Winner Mind Investments Limited and Golden Ocean Assets Management Limited respectively, both companies are wholly-owned by Mr. LIE Haiquan. Thus, he was deemed to be interested in these 2,091,323,357 shares pursuant to the SFO.

附註：2,055,887,357股股份及35,436,000股股份分別由Winner Mind Investments Limited及金海資產管理有限公司持有，兩家公司均由列海權先生全資擁有。因此，根據證券及期貨條例，彼被視為於該等2,091,323,357股股份中擁有權益。

DIRECTORS' INTEREST IN COMPETING BUSINESS

董事於競爭業務之權益

None of the Directors or management shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which compete or may compete with the business of the Group.

概無本公司董事或管理層股東（定義見創業板上市規則）於與本集團業務構成競爭或可能構成競爭之業務中擁有權益。

Report of the Directors 董事會報告

CONNECTED TRANSACTIONS

關連交易

ACQUISITION OF PROPERTIES

收購物業

On 4 April 2016, 廣東蔚海移動發展有限公司 (Guangdong Bluesea Mobile Development Company Limited*) (the “**Purchaser**”), a wholly-owned subsidiary of the Company, and 佛山源海發展有限公司 (Foshan Yuanhai Development Limited*) (the “**Vendor**”) entered into ten sales and purchase agreements (the “**Property Acquisition Agreements**”), pursuant to which the Purchaser has agreed to purchase and the Vendor has agreed to sell the ten office units, namely room 1403, room 1404, room 1501, room 1502, room 1503, room 1504, room 1601, room 1602, room 1603 and room 1604 of Block 3, located at Smart City, No. 1 Zhi Hui Road, Chan Cheng District, Foshan, the PRC at the aggregate consideration of RMB62,020,620.

於二零一六年四月四日，本公司之全資附屬公司廣東蔚海移動發展有限公司（「買方」）及佛山源海發展有限公司（「賣方」）訂立十份買賣協議（「物業收購協議」），據此，買方已同意購買及賣方已同意出售位於中國佛山禪城區智慧路1號智慧新城的十個辦公單位，即3座第1403室、第1404室、第1501室、1502室、1503室、1504室、1601室、1602室、1603室及1604室，總代價為人民幣62,020,620元。

The Vendor is substantially owned by Mr. Lie Haiquan, a substantial shareholder of the Company. The Vendor, being an associate of Mr. Lie, is therefore a connected person of the Company under the GEM Listing Rules. Accordingly, the transactions contemplated under the Property Acquisition Agreements constituted a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

賣方主要由本公司主要股東列海權先生擁有。賣方作為列先生之聯繫人，因此根據創業板上市規則為本公司之關連人士。因此，根據創業板上市規則第20章，物業收購協議項下擬進行之交易構成本公司之關連交易。

DISPOSAL OF THE ENTIRE EQUITY INTEREST OF HCH INVESTMENTS LIMITED

出售HCH INVESTMENTS LIMITED的全部股權

On 19 February 2016, the Company as the vendor and OAF (BJ) Limited (“**OAF**”) as the purchaser and Mr. Chong Hock (Charles) Lau as the guarantor entered into the sales and purchase agreement (the “**SP Agreement**”), pursuant to which the Company conditionally agreed to sell and OAF conditionally agreed to purchase the entire equity interest of HCH Investments Limited (“**HCH Investments**”) at a consideration of HK\$156,000,000 (the “**Disposal**”).

於二零一六年二月十九日，本公司（作為賣方）、OAF (BJ) Limited（「OAF」）（作為買方）及劉宗福先生（作為擔保人）訂立買賣協議（「買賣協議」），據此本公司有條件同意出售及OAF有條件同意購買HCH Investments Limited（「HCH Investments」）的全部股權，代價為156,000,000港元（「出售事項」）。

The ultimate beneficial owner of OAF who is also the guarantor is a director of a subsidiary of HCH Investments, and therefore was a connected person of the Company at subsidiary level under Chapter 20 of the GEM Listing Rules when the SP Agreement was entered into. Accordingly, the SP Agreement and the Disposal constituted connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

OAF之最終實益擁有人（同時為擔保人）為HCH Investments旗下一間附屬公司之董事，故於買賣協議訂立時根據創業板上市規則第二十章為本公司於附屬公司層面之關連人士。因此，根據創業板上市規則第二十章，買賣協議及出售事項構成本公司之關連交易。

* for identification purpose only

* 僅供識別

Report of the Directors

董事會報告

Other than the aforementioned connected transactions, the related party transactions disclosed in note 43 to the consolidated financial statements also constituted connected transaction or continuing connected transactions under Chapter 20 of the GEM Listing Rules.

除上述關連交易外，於綜合財務報表附註43披露之關連人士交易亦構成創業板上市規則第二十章下之關連交易或持續關連交易。

CORPORATE GOVERNANCE REPORT

Corporate governance report of the Company is set out on pages 35 to 55 of the annual report.

企業管治報告

本公司之企業管治報告載於本年報第35至第55頁。

SUFFICIENCY OF PUBLIC FLOAT

The Company maintained a sufficient public float as required under the GEM Listing Rules during the year ended 31 December 2016.

充足之公眾持股量

於截至二零一六年十二月三十一日止年度，本公司根據創業板上市規則之規定維持充足之公眾持股量。

AUDITOR

The financial statements have been audited by HLB Hodgson Impey Cheng Limited (“HLB”). The term of appointment of HLB as auditor of the Company shall expire at the conclusion of the AGM. A resolution will be submitted to the AGM for the reappointment of HLB as auditor of the Company.

核數師

財務報表已由國衛會計師事務所有限公司（「國衛」）審核，國衛擔任本公司核數師的委任期限將於股東週年大會結束時屆滿。將於股東週年大會提呈續聘國衛為本公司核數師之決議案。

On behalf of the Board
CHEUNG Sing Tai
Chairman

代表董事會
主席
張聲泰

Hong Kong, 29 March 2017

香港，二零一七年三月二十九日

Corporate Governance Report 企業管治報告

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

遵守企業管治常規守則

The Company's corporate governance practices are based on the principles and the code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 to the GEM Listing Rules. The principles adopted by the Company emphasize a quality board, transparency and accountability to shareholders. In the opinion of the Board, the Company has complied with the Code for the year ended 31 December 2016, with the exception for the following deviations:

Under code provision A.2.1, the responsibilities between chairman and chief executive officer should be divided. Mr. CHEUNG Sing Tai is the Chairman and the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive directors.

Under code provision A.4.1, non-executive Directors should be appointed for specific term. There is no specific term of appointment of the non-executive Directors; however, they are subject to retirement by rotation in accordance with the articles of association of the Company ("Articles") and the Code. Accordingly, the Company considers that sufficient measures have been taken to deal with the requirement in respect of the appointment terms of non-executive Directors as required under the Code.

本公司之企業管治常規乃基於創業板上市規則附錄十五之企業管治常規守則(「守則」)所載原則及守則條文。本公司所採納之原則著重高質素之董事會及對股東之透明度及問責性。董事會認為，截至二零一六年十二月三十一日止年度，本公司一直遵守守則，惟以下背離除外：

根據守則條文第A.2.1條，主席及行政總裁的職責應予分開。張聲泰先生為本公司主席兼行政總裁。董事會認為，由同一個人兼任主席與行政總裁之角色，有利於確保本集團貫徹的領導，更有效及有效率地計劃本集團之整體策略。董事會認為，現時的安排不會損害職能及權力兩者間的平衡，而現時由經驗豐富及能力超卓的人才（其中有充足的人數擔任獨立非執行董事）組成的董事會足以確保職能及權力兩者間的平衡。

根據守則條文第A.4.1條，非執行董事須按特定任期委任。非執行董事並無特定委任年期；然而，根據本公司組織章程細則(「細則」)及守則，彼等均須輪值退任。因此，本公司認為已採取足夠措施，處理守則項下有關非執行董事之委任年期之規定。

Corporate Governance Report

企業管治報告

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

(Continued)

Under code provision A.5.1, the Company should establish a nomination committee (“**Nomination Committee**”) comprises a majority of independent non-executive Directors. Following the resignation of Mr. LEUNG Ka Wo (“**Mr. Leung**”) as independent non-executive Director on 15 September 2016, Mr. Leung ceased to be a member of the Nomination Committee, the Nomination Committee failed to comprise a majority of independent non-executive Directors since then until the appointment of Mr. ZHANG Zihua, an independent non-executive Director, as a member of the Nomination Committee on 20 September 2016.

Under code provision D.1.4, the Company should have formal letters of appointment for Directors setting out the key terms and conditions of their appointment. Except for Mr. CHEUNG Sing Tai and Mr. ZHANG Xinyu, the Company did not have formal letters of appointment for Directors. However, the Directors shall be subject to retirement by rotation in accordance with the Articles. In addition, the Directors are required to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-executive Directors” (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statute and common law, the GEM Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

遵守企業管治常規守則 (續)

根據守則條文第A.5.1條，本公司應成立由大部份獨立非執行董事組成的提名委員會（「**提名委員會**」）。梁家和先生（「**梁先生**」）於二零一六年九月十五日辭任獨立非執行董事後，梁先生停止出任提名委員會成員，自此提名委員會未能由大部份獨立非執行董事組成，直至獨立非執行董事張子華* (ZHANG Zihua) 先生於二零一六年九月二十日獲委任為提名委員會成員為止。

根據守則條文第D.1.4條，本公司須為董事提供正式委任書並列明委任之主要條款及條件。除張聲泰先生及張新宇先生之外，本公司未有為董事提供正式委任書。然而，董事須根據細則輪值告退。此外，董事均需參考由公司註冊處發出之「董事責任指引」及由香港董事學會發出之「董事指南」及「獨立非執行董事指南」（倘適用）中列明之指引履行其作為董事之職責及責任。此外，董事須遵守法規及普通法之規定、創業板上市規則、法律及其他監管規定及本公司業務及管治政策。

* for identification purpose only

* 僅供識別

Corporate Governance Report 企業管治報告

INSUFFICIENT NUMBER OF INDEPENDENT NON-EXECUTIVE DIRECTORS DURING THE YEAR

On 15 September 2016, Mr. Leung resigned as independent non-executive Director. Following his resignation, the number of independent non-executive Directors was below the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company also failed to meet the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. In addition, the number of members of audit committee of the Company (“**Audit Committee**”) was below the minimum number required under Rule 5.28 of the GEM Listing Rules. Subsequently on 20 September 2016, Mr. ZHANG Zihua was appointed to fill the vacancies of independent non-executive Directors and the chairman of each of the Audit Committee and the remuneration committee of the Company (“**Remuneration Committee**”) and a member of the Nomination Committee which met the requirements of Rules 5.05(1), 5.05(2) and 5.28 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also had made specific enquiry of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by Directors during the year ended 31 December 2016.

年內獨立非執行董事之人數不 足

於二零一六年九月十五日，梁先生辭任獨立非執行董事。繼彼辭任後，獨立非執行董事之人數少於創業板上市規則第5.05(1)條所規定的最少人數。本公司亦未能符合創業板上市規則第5.05(2)條載列有關至少一名獨立非執行董事必須具備適當的專業資格，或具備適當的會計或相關財務管理專長之規定。此外，本公司審核委員會（「**審核委員會**」）之成員人數少於創業板上市規則第5.28條所規定的最少人數。其後於二零一六年九月二十日，張子華* (ZHANG Zihua) 先生獲委任以填補獨立非執行董事、審核委員會及本公司薪酬委員會（「**薪酬委員會**」）各自之主席及提名委員會成員之空缺，以符合創業板上市規則第5.05(1)、5.05(2)及5.28條之規定。

有關董事進行證券交易之行為 守則

本公司已採納有關董事進行證券交易之行為守則，其條款與創業板上市規則第5.48條至第5.67條所載之交易必守標準同樣嚴格。本公司亦已向全體董事作出特定查詢，而據本公司所知，截至二零一六年十二月三十一日止年度並無出現未能符合交易必守標準及其有關董事進行證券交易之行為守則之情況。

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Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS

The Directors acknowledge their responsibilities for the preparation of accounts, which shall give a true and fair view of the financial position of the Group and of the financial performance and cash flows of the Group for that year. Details of the basis of preparation of financial statements are set out in note 3 to the consolidated financial statements. The Board is also responsible for formulating the Group's long term strategy, determining and approving the Group's significant transactions and supervising the management to ensure thorough implementation of the Group's policies and effective performance of their duties. Other decisions are to be delegated to management. As at 31 December 2016, the Board comprised six Directors, including three executive Directors and three independent non-executive Directors. The executive Directors are Mr. CHEUNG Sing Tai, Mr. ZHANG Xinyu and Mr. XU Gang. The independent non-executive Directors are Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong. Biographies of the existing Directors are set out on pages 16 to 18.

Throughout the year ended 31 December 2016, 14 Board meetings were held. Details of the attendance of Directors are as follows:

董事會

董事深明其職責乃編製真實兼公平反映本集團於該年財務狀況及本集團財務表現及現金流量之賬目。財務報表編製基準之詳情載於綜合財務報表附註3。董事會亦負責制定本集團之長遠策略、決定及批准本集團之重大交易及監控管理層，以確保彼等妥善推行本集團之政策及有效履行其職務。其他決策則授權予管理層處理。於二零一六年十二月三十一日，董事會由六名董事組成，包括三名執行董事及三名獨立非執行董事。執行董事為張聲泰先生、張新宇先生及徐崗先生。獨立非執行董事為張子華* (ZHANG Zihua) 先生、奚麗娜女士及黃志雄先生。現任董事之履歷載於第16至第18頁。

於截至二零一六年十二月三十一日止年度內召開了14次董事會會議。董事出席詳情如下：

Name of the Directors 董事姓名		Directors' Attendance 董事出席率
Executive Directors	執行董事	
Mr. CHEUNG Sing Tai	張聲泰先生	14/14
Mr. ZHANG Xinyu	張新宇先生	13/14
Mr. LIAN Xin (retired on 1 April 2016)	練新先生 (於二零一六年四月一日退任)	5/6
Mr. XU Gang	徐崗先生	14/14
Independent Non-executive Directors	獨立非執行董事	
Mr. LEUNG Ka Wo (resigned on 15 September 2016)	梁家和先生 (於二零一六年九月十五日辭任)	8/11
Mr. CHOU Jianzhong (retired on 1 April 2016)	丑建忠先生 (於二零一六年四月一日退任)	6/6
Ms. XI Lina	奚麗娜女士	14/14
Ms. HUANG Zhixiong	黃志雄先生	13/14
Mr. ZHANG Zihua (appointed on 20 September 2016)	張子華* (ZHANG Zihua) 先生 (於二零一六年九月二十日獲委任)	2/3

* for identification purpose only

* 僅供識別

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (Continued)

Under code provision A.4.1, non-executive Directors should be appointed for specific term. There is no specific term of appointment of the non-executive Directors of the Company, however, they are subject to retirement by rotation in accordance with the Articles. Accordingly the Company considers that sufficient measures have been taken to deal with the requirement in respect of the appointment terms of non-executive Directors as required under the code provision.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines. The Board held a board meeting for each quarter to discuss and approve the Group's results. The then board members attended the meetings.

董事會 (續)

根據守則條文第A.4.1條，非執行董事應按特定任期委任。本公司之非執行董事並無特定委任年期，然而，彼等均須根據細則輪值退任。據此，本公司認為已採取充足措施，處理守則條文有關非執行董事之委任年期之規定。

每名獨立非執行董事已根據創業板上市規則第5.09條就其獨立性作出年度確認。本公司認為，全體獨立非執行董事均符合創業板上市規則第5.09條所載之獨立性指引，並符合指引條款所規定之獨立性。董事會於每季度舉行一次董事會會議以討論及批准本集團之業績。當時之董事會成員已出席會議。

Corporate Governance Report

企業管治報告

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Under code provision A.2.1, the responsibilities between chairman and chief executive officer should be divided. Mr. CHEUNG Sing Tai is the Chairman and the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high calibre individuals with sufficient number thereof being independent non-executive Directors.

DIRECTORS' TRAINING

According to the code provision A.6.5 of the Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2016 to the Company. The Company has also continuously updated Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices.

主席及行政總裁

根據守則條文第A.2.1條，主席及行政總裁的職責應予分開。張聲泰先生為本公司主席兼行政總裁。董事會認為，由同一個人兼任主席與行政總裁之角色，有利於確保本集團貫徹的領導，更有效及有效率地計劃本集團之整體策略。董事會認為，現時的安排不會損害職能及權力兩者間的平衡，而現時由經驗豐富及能力超卓的人才（其中有充足的人數擔任獨立非執行董事）組成的董事會足以確保職能及權力兩者間的平衡。

董事之培訓

根據守則之守則條文第A.6.5條，全體董事均須參加持續專業發展，發展及更新其知識及技能，以確保其在具備全面資訊及切合所需的情況下對董事會作出貢獻。

所有董事均有參加持續專業發展，並向本公司提供彼等於截至二零一六年十二月三十一日止財政年度所接受培訓之記錄。本公司亦不斷向董事提供創業板上市規則及其他適用監管規定最新發展之資料，確保彼等遵守及更清楚了解良好企業管治常規。

Corporate Governance Report 企業管治報告

DIRECTORS' TRAINING (Continued)

The individual training record of each Director received for the year ended 31 December 2016 is summarized below:

董事之培訓(續)

截至二零一六年十二月三十一日止年度，各董事的個人培訓記錄概述如下：

Name of Directors	董事姓名	Attending or participating in seminars/ workshops reading materials relevant to roles, functions, and duties of a listed company director 出席或參加研討會／研習會閱讀有關上市公司董事角色、職能及職責的材料
Executive Directors	執行董事	
Mr. CHEUNG Sing Tai	張聲泰先生	✓
Mr. ZHANG Xinyu	張新宇先生	✓
Mr. XU Gang	徐崗先生	✓
Independent Non-executive Directors	獨立非執行董事	
Mr. ZHANG Zihua	張子華* (ZHANG Zihua) 先生	✓
Ms. XI Lina	奚麗娜女士	✓
Mr. HUANG Zhixiong	黃志雄先生	✓

* for identification purpose only

* 僅供識別

Corporate Governance Report

企業管治報告

GENERAL MEETING

During the year ended 31 December 2016, 1 general meeting, being the 2016 annual general meeting of the Company ("2016 AGM") was held on 1 April 2016.

股東大會

於截至二零一六年十二月三十一日止年度，本公司曾舉行1次股東大會，即於二零一六年四月一日舉行之二零一六年股東週年大會（「二零一六年股東週年大會」）。

Name of the Directors 董事姓名		Directors' Attendance 董事出席率
Executive Directors	執行董事	
Mr. CHEUNG Sing Tai	張聲泰先生	1/1
Mr. ZHANG Xinyu	張新宇先生	1/1
Mr. LIAN Xin (retired on 1 April 2016)	練新先生 (於二零一六年四月一日退任)	0/1
Mr. XU Gang	徐崗先生	0/1
Independent Non-executive Directors	獨立非執行董事	
Mr. LEUNG Ka Wo (resigned on 15 September 2016)	梁家和先生 (於二零一六年九月十五日辭任)	1/1
Mr. CHOU Jianzhong (retired on 1 April 2016)	丑建忠先生 (於二零一六年四月一日退任)	0/1
Ms. XI Lina	奚麗娜女士	0/1
Ms. HUANG Zhixiong	黃志雄先生	0/1
Mr. ZHANG Zihua (appointed on 20 September 2016)	張子華* (ZHANG Zihua) 先生 (於二零一六年九月二十日獲委任)	N/A 不適用

The Board is responsible for maintaining an on-going dialogue with shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation. The executive Directors and the chairmen of the Audit Committee, the Remuneration Committee and the Nomination Committee attended the 2016 AGM to answer questions and collect views of shareholders.

董事會負責與股東保持持續對話，特別是利用股東週年大會或其他股東大會與股東溝通及鼓勵股東參與。執行董事及審核委員會、薪酬委員會及提名委員會主席均有出席二零一六年股東週年大會，以解答股東提問及收集股東意見。

* for identification purpose only

* 僅供識別

Corporate Governance Report 企業管治報告

BOARD COMMITTEES

To assist the Board in discharge of its duties, the Board is supported by three board committees. Each committee has its defined scope of duties and terms of reference and the committee members are empowered to make decisions on matters within the terms of reference of each committee.

1. AUDIT COMMITTEE

The Company has established the Audit Committee with written terms of reference in compliance with Rules 5.28 to 5.33 of the GEM Listing Rules. The primary duties of the Audit Committee are (a) to review the Group's annual reports, interim reports and quarterly reports; (b) to discuss and review with the auditor of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process, risk management and internal control systems of the Group.

The Audit Committee consists of three independent non-executive Directors, namely Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong. The chairman of the Audit Committee is Mr. ZHANG Zihua, who possesses extensive experience in finance and accounting.

The Audit Committee held 5 meetings during the year and reviewed the Group's audited annual results for the year ended 31 December 2015 and the unaudited quarterly and interim results for the year ended 31 December 2016, which is of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made. The Audit Committee also reviewed the internal control systems of the Company and considered the engagement of professionals in relation to the risk management and internal control and environmental, social and governance reporting requirements under the GEM Listing Rules.

董事委員會

為協助董事會履行職務，董事會獲三個董事委員會支援。每個委員會各有已界定之職責範圍及職權範圍，且各委員會成員有權就每個委員會職權範圍以內之事宜作出決策。

1. 審核委員會

本公司已成立審核委員會，其書面職權範圍符合創業板上市規則第5.28至第5.33條。審核委員會之主要職責乃(a)審閱本集團之年度、中期及季度報告；(b)與本公司核數師商討及檢討核數之範疇及結果；及(c)監督本集團之財務申報程序、風險管理及內部監控系統。

審核委員會現由三名獨立非執行董事張子華* (ZHANG Zihua) 先生、奚麗娜女士及黃志雄先生組成。審核委員會之主席為張子華* (ZHANG Zihua) 先生，其擁有豐富的財務及會計經驗。

年內，審核委員會共舉行5次會議並審閱本集團截至二零一五年十二月三十一日止年度之經審核年度業績及截至二零一六年十二月三十一日止年度之未經審核季度及中期業績。審核委員會認為有關業績已根據適用會計準則及規定而編製，並已作出充分披露。審核委員會亦已審閱本公司之內部監控系統並考慮就創業板上市規則項下之風險管理及內部監控以及環境、社會及管治報告規定委聘專業人士。

* for identification purpose only

* 僅供識別

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

1. AUDIT COMMITTEE (Continued)

Details of the members' attendance of the Audit Committee meetings are as follows:

Name of the Members 成員姓名		Members' Attendance 成員出席率
Mr. LEUNG Ka Wo (resigned on 15 September 2016)	梁家和先生 (於二零一六年九月十五日辭任)	2/3
Mr. CHOU Jianzhong (retired on 1 April 2016)	丑建忠先生 (於二零一六年四月一日退任)	1/1
Ms. XI Lina	奚麗娜女士	5/5
Mr. Huang Zhixiong (appointed as a member on 1 April 2016)	黃志雄先生 (於二零一六年四月一日獲委任為成員)	4/4
Mr. ZHANG Zihua (appointed on 20 September 2016)	張子華* (ZHANG Zihua) 先生 (於二零一六年九月二十日獲委任)	2/2

2. REMUNERATION COMMITTEE

The Company has established the Remuneration Committee according to the relevant provisions of the GEM Listing Rules with written terms of reference. Its primary duties are (a) to make recommendation to the Board on the Company's policy and structure for all remuneration of Directors and senior management; (b) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives; and (c) to determine the remuneration packages on individual executive Directors and senior management.

The Remuneration Committee consists of one executive Director and two independent non-executive Directors, namely Mr. ZHANG Zihua (as chairman), Mr. CHEUNG Sing Tai and Ms. XI Lina as members.

董事委員會 (續)

1. 審核委員會 (續)

審核委員會會議的成員出席詳情如下：

2. 薪酬委員會

本公司已按照創業板上市規則之有關規定成立薪酬委員會，並已釐定其書面職權範圍。其主要職責乃(a)就本公司全體董事及高級管理人員之薪酬政策及架構向董事會提供建議；(b)因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；及(c)釐定個別執行董事及高級管理人員的薪酬待遇。

薪酬委員會由一名執行董事及兩名獨立非執行董事組成，即主席張子華* (ZHANG Zihua) 先生、成員張聲泰先生及奚麗娜女士。

* for identification purpose only

* 僅供識別

Corporate Governance Report 企業管治報告

BOARD COMMITTEES (Continued)

董事委員會 (續)

2. REMUNERATION COMMITTEE (Continued)

During the year under review, the Remuneration Committee held 2 meetings and (1) reviewed the remuneration packages of the Directors and senior management, (2) assessed the performance of two executive Directors and discussed and approved their remuneration, and (3) assessed the performance of one independent non-executive Director and discussed and recommended her remuneration.

Details of the members' attendance of the Remuneration Committee meetings are as follows:

2. 薪酬委員會 (續)

於回顧年度內，薪酬委員會已舉行2次會議並(1)檢討董事及高級管理層薪酬待遇，(2)評估兩名執行董事之表現，亦商討及通過其薪酬，及(3)評估一名獨立非執行董事之表現，亦商討及就其薪酬提供建議。

薪酬委員會會議的成員出席詳情如下：

Name of the Members 成員姓名		Members' Attendance 成員出席率
Mr. LEUNG Ka Wo (resigned on 15 September 2016)	梁家和先生 (於二零一六年九月十五日辭任)	1/1
Mr. CHEUNG Sing Tai	張聲泰先生	1/2
Ms. XI Lina	奚麗娜女士	2/2
Mr. ZHANG Zihua (appointed on 20 September 2016)	張子華* (ZHANG Zihua) 先生 (於二零一六年九月二十日獲委任)	1/1

Apart from attending the above meetings, the members of the Remuneration Committee by passing of written resolutions determined the remuneration of the new executive Director.

The executive Directors are considered to be senior management of the Company. The emoluments payable to them are determined by the Remuneration Committee based on their qualifications, experience and the prevailing market conditions. Details of the remuneration of the Directors are set out in note 14 to the consolidated financial statements.

除出席上述會議之外，薪酬委員會成員通過書面決議釐定新執行董事薪酬。

執行董事被認為是本公司的高級管理層。應付彼等之酬金由薪酬委員會基於彼等之資質、經驗及現行市況後釐定。董事酬金的詳情載於綜合財務報表附註14。

* for identification purpose only

* 僅供識別

Corporate Governance Report

企業管治報告

BOARD COMMITTEES (Continued)

3. NOMINATION COMMITTEE

The Company has established a Nomination Committee on 28 March 2013 with written terms of reference in accordance with requirements of the Stock Exchange. The Nomination Committee shall comprise at least three members with a majority of independent non-executive Directors, and the Chairman of the Board or an independent non-executive Director should take up the role of chairman of the Nomination Committee. The Nomination Committee currently consists of one executive Director, Mr. CHEUNG Sing Tai (as chairman), and two independent non-executive Directors, namely, Mr. ZHANG Zihua and Ms. Xi Lina. The terms of reference of the Nomination Committee is currently made available on the websites of the Stock Exchange and the Company.

Terms of reference adopted by the Nomination Committee are aligned with the code provisions set out in the Code.

The functions of the Nomination Committee are to review and monitor the structure, size and composition of the Board and make recommendations on any proposed changes to the Board to complement of the Group's strategy; to identify qualified individuals to become members of the Board; to assess the independence of independent non-executive Directors; and to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive.

The Board adopted on 30 August 2013 a board diversity policy (the "Board Diversity Policy") and delegated certain duties under the Policy to the Nomination Committee. The Nomination Committee and the Board had also reviewed on 26 March 2015 the structure of the Board and is of the opinion the Board consisted of members with different gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, which met the requirements under the terms of the Board Diversity Policy.

董事委員會 (續)

3. 提名委員會

本公司於二零一三年三月二十八日根據聯交所之規定成立提名委員會，並訂定書面職權範圍。提名委員會須由最少三名成員組成，而當中大多數為獨立非執行董事，並由董事會主席或一名獨立非執行董事任提名委員會主席。提名委員會目前包括一名執行董事張聲泰先生（擔任主席）及兩名獨立非執行董事張子華* (ZHANG Zihua) 先生及奚麗娜女士。提名委員會之職權範圍現已刊載於聯交所及本公司網頁。

提名委員會採納之職權範圍符合守則所載守則條文之規定。

提名委員會之職能為檢討及監督董事會之架構、規模及組成、向董事會提出任何更改建議以配合本集團策略、物色合資格人選出任董事會成員、評估獨立非執行董事之獨立性以及就委任或重新委任董事及董事（特別是主席及行政總裁）的繼任計劃向董事會提供建議。

董事會於二零一三年八月三十日採納董事會多元化政策（「董事會多元化政策」）並將政策項下的若干職責委託給提名委員會。提名委員會及董事會亦於二零一五年三月二十六日檢討董事會之架構，並認為董事會由不同性別、年齡、文化及教育背景、種族、專業經驗、技能及知識之成員組成，已符合董事會多元化政策條文之規定。

* for identification purpose only

* 僅供識別

Corporate Governance Report 企業管治報告

BOARD COMMITTEES (Continued)

3. NOMINATION COMMITTEE (Continued)

During the year under review, the Nomination Committee held 1 meeting and (1) reviewed the Board composition, (2) reviewed the independence of the independent nonexecutive Directors and (3) considered the re-election of retiring Directors.

Details of the members' attendance of the Nomination Committee meetings are as follows:

Name of the Members 成員姓名		Members' Attendance 成員出席率
Mr. CHEUNG Sing Tai	張聲泰先生	1/1
Mr. LEUNG Ka Wo (resigned on 15 September 2016)	梁家和先生 (於二零一六年九月十五日辭任)	1/1
Ms. XI Lina	奚麗娜女士	1/1
Mr. ZHANG Zihua (appointed on 20 September 2016)	張子華* (ZHANG Zihua) 先生 (於二零一六年九月二十日獲委任)	N/A 不適用

董事委員會 (續)

3. 提名委員會 (續)

於回顧年度內，提名委員會已舉行1次會議並(1)檢討董事會之組成，(2)檢討獨立非執行董事之獨立性及(3)考慮退任董事之重選連任。

提名委員會會議的成員出席詳情如下：

DIRECTORS' RESPONSIBILITY FOR THE PREPARATION OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group.

The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any matters uncertainly relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

董事有關編製財務報表之責任

董事知悉其負責編製本集團之財務報表，並確保有關財務報表乃根據法定規定及適用會計準則編製。董事亦確保本集團財務報表獲適時公告。

董事確認，經作出一切合理查詢後，就彼等所知、所悉及所信，彼等並不知悉任何可能會對本公司持續經營能力造成重大疑慮之事件或情況之不確定因素。

* for identification purpose only

* 僅供識別

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions were performed by the Board.

The corporate governance functions are to develop and review the Company's policies and practices on corporate governance to comply with the Code and other legal or regulatory requirements, to oversee the Company's orientation program for new Director, to review and monitor the training and continuous professional development of Directors and senior management, to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors, and to review the Company's disclosure in the Corporate Governance Report.

During the financial year ended 31 December 2016, the Board held 1 meeting for reviewing the training and continuous professional development of Directors and reviewed the Company's compliance with the Code for the year ended 31 December 2015 and disclosure in the Corporate Governance Report.

AUDITOR'S REMUNERATION

The responsibility statement of external auditor of the Company, HLB about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditors' Report on pages 62 to 69. During the year, auditor's remuneration for audit services was HK\$1,080,000 and non-audit services for review of financial statements for the six months ended 30 June 2016 was HK\$120,000. Save as disclosed above, there was no other significant non-audit services assignment undertaken by the external auditor during the year.

企業管治職能

企業管治職能由董事會執行。

企業管治職能為制訂及檢討本公司企業管治政策及常規，以符合守則及其他法律或監管規定以監督本公司之新董事入職指引計劃、檢討及監督董事及高級管理人員之培訓及持續專業發展、制訂、檢討及監督僱員及董事適用之行為守則及遵例守則（如有）、以及檢討本公司企業管治報告中之披露資料。

截至二零一六年十二月三十一日止財政年度，董事會曾舉行1次會議，以審閱董事之培訓及持續專業發展，以及審閱本公司於截至二零一五年十二月三十一日止年度遵守守則之情況及於企業管治報告中之披露。

核數師酬金

本公司外聘核數師國衛就本集團財務報表之申報責任作出之責任聲明，載於第62至69頁的獨立核數師報告。年內，核數師就審核服務所收取之酬金為1,080,000港元及就審閱截至二零一六年六月三十日止六個月之財務報表之非審核服務所收取之酬金為120,000港元。除上文所披露者外，年內外聘核數師並無提供其他重大非審核服務。

Corporate Governance Report 企業管治報告

COMPANY SECRETARY

The Company engages an external professional company secretarial services provider, Uni-1 Corporate Services Limited (“Uni-1”), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit difference commercial needs.

Mr. TSE Kam Fai (“Mr. Tse”), the representative of Uni-1, was appointed as the named Company Secretary of the Company.

Mr. CHEUNG Sing Tai, the Chairman of the Company, is the primary point of contact at the Company for the Company Secretary.

According to the requirement of Rule 5.15 of the GEM Listing Rules, Mr. Tse, being a person who was a company secretary of a listed issuer before 31 December 1994, will take no less than 15 hours of relevant professional training for the financial year commenced on 1 January 2017.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communications between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting.

SHAREHOLDERS TO CONVENE AN EXTRAORDINARY GENERAL MEETING

Shareholders may convene an extraordinary general meeting of the Company according to the provisions as set out in the Articles and The Companies Law (2013 Revision) of the Cayman Islands. The procedures shareholders can use to convene an extraordinary general meeting are set out in the document entitled “Procedures for a Shareholder to Propose a Person for Election as a Director”, which is currently available on the Company’s website.

公司秘書

統一企業服務有限公司(「統一」)為本公司外聘提供專業公司秘書服務之公司，為本集團提供合規及全面之公司秘書服務，從而協助本集團應對瞬息萬變之監管環境及迎合不同商業需要。

統一之代表謝錦輝先生(「謝先生」)獲委任為本公司之冠名公司秘書。

張聲泰先生(本公司主席)為公司秘書於本公司的主要聯絡人。

根據創業板上市規則第5.15條之規定，謝先生(於一九九四年十二月三十一日前為上市發行人之公司秘書)將於二零一七年一月一日開始之財政年度參與不少於十五小時之相關專業培訓。

股東權利

本公司股東大會提供股東與董事會溝通之平台。本公司每年均於董事會決定之地點舉行股東週年大會。除股東週年大會外，每次股東大會均為股東特別大會。

股東召開股東特別大會

股東可根據細則及開曼群島公司法(二零一三年修訂本)所載之條文召開本公司之股東特別大會。股東可用以召開股東特別大會之程序載於標題為「股東提名人選參選董事之程序」之文件內。該文件現載於本公司網站。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

PUTTING ENQUIRIES BY SHAREHOLDERS TO THE BOARD

To ensure effective communications between the Board and the shareholders and the investment community at large, the Company's information is communicated to the shareholders and the investment community mainly through the Company's financial reports (quarterly reports, interim reports and annual reports), and its corporate communications and other corporate publications on the Company's website and the Stock Exchange's website. Shareholders and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Any such questions shall be first directed to the Company Secretary at the Company's principal place of business in Hong Kong.

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

- (a) any number of members holding not less than one-twentieth (5%) of the paid-up capital of the Company as at the date of the requisition carrying the right of voting at general meetings of the Company; or
- (b) not less than one hundred members.

股東權利 (續)

股東向董事會查詢

為確保董事會與股東及整體投資社群有效溝通，本公司之資料主要透過本公司財務報告（季度報告、中期報告及年度報告）及公司通訊及發佈於本公司及聯交所網站上的其他公司刊物傳遞予股東及投資社群。股東及投資社群可隨時要求索閱本公司可予公開之資料。任何該等疑問應首先呈遞予公司秘書，地點為本公司香港主要營業地點。

股東於股東大會上提呈議案之程序

於股東大會上請求提呈議案所需股東人數應為：

- (a) 於請求書日期持有賦予權利可於本公司股東大會投票之本公司繳足股本不少於二十分之一(5%)之任何股東人數；或
- (b) 不少於一百名股東。

Corporate Governance Report 企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

PROCEDURES FOR PUTTING FORWARD PROPOSALS BY SHAREHOLDERS AT SHAREHOLDERS' MEETING (Continued)

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:-

- (i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and
- (ii) any other requisition, not less than one week before the meeting.

The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2016.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of good communications with all shareholders. The Company's general meeting is a valuation forum for the Board to communicate directly with the shareholders. The Chairman of the Board as well as the chairman of each of the Audit Committee, the Nomination Committee and the Remuneration Committee together with the external auditor are present to answer shareholders' questions. The annual report together with annual general meeting circular is distributed to all the shareholders at least 20 clear business days before the annual general meeting.

股東權利 (續)

股東於股東大會上提呈議案之程序 (續)

於下列時間，向本公司香港主要營業地點呈遞由所有請求人簽署之請求書副本或多份副本，並應繳交足以滿足本公司發佈有關建議決議案之通告或傳送任何必要聲明所需費用之合理款項：—

- (i) 倘屬要求發出議案通告的請求書，則須於有關會議舉行前不少於六個星期；及
- (ii) 倘屬任何其他請求書，則須於有關會議舉行前不少於一個星期。

本公司將核證有關請求書，一旦確認請求適合及妥當，董事會將着手進行必要程序。

憲章文件

截至二零一六年十二月三十一日止年度，本公司的憲章文件並無變動。

與股東及投資者的溝通

董事會認同與所有股東有良好的溝通至為重要。本公司的股東大會提供寶貴場合讓董事會直接與股東溝通。董事會主席以及審核委員會、提名委員會及薪酬委員會的主席，連同外聘核數師均會出席股東週年大會，解答股東提問。年報連同有關股東週年大會的通函於股東週年大會舉行前最少二十個工作日寄發予所有股東。

Corporate Governance Report

企業管治報告

VOTING BY POLL

Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

以投票方式表決

根據創業板上市規則第17.47(4)條之規定，除主席以誠實信用之原則做出決定，容許純粹有關程序或行政事宜之決議案以舉手方式表決外，在股東大會上，股東所作之任何表決必須以投票方式進行。

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for monitoring the risk management and internal control systems of the Group on an ongoing basis and review their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

風險管理及內部監控

董事會知悉其有責任按持續經營基準監控本集團風險管理及內部監控系統並審閱其成效。該等系統旨在管理而非消除未能達成業務目標的風險，且僅可就重大失實陳述或虧損作出合理而非絕對的保證。

The Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2016, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions are adequate. In this respect, the Audit Committee communicates any material issues to the Board.

截至二零一六年十二月三十一日止年度，董事會透過審核委員會檢討本集團風險管理及內部監控系統的設計及實施成效，涵蓋所有重大控制，包括財務、經營及合規控制，旨在確保本集團在會計、內部審核及財務匯報職能方面之資源、員工資歷及經驗、培訓計劃及有關預算充足。就此而言，審核委員會就任何重大事宜與董事會溝通。

During the Year, the Group appointed Baker Tilly Hong Kong Risk Assurance Limited ("Baker Tilly") to:

年內，本集團委任天職香港內控及風險管理有限公司（「天職」）：

- assist in identifying and assessing the risks of the Group through a series of workshops and interviews; and
- 透過一系列工作坊及訪談，協助識別及評估本集團的風險；及
- independently perform internal control review and assess the effectiveness of the Group's risk management and internal control systems.
- 獨立進行內部監控審閱並評估本集團的風險管理及內部監控系統的有效性。

Corporate Governance Report 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

The results of the independent review and assessment were reported to the Audit Committee and the Board. Moreover, improvements in internal control and risk management measures as recommended by Baker Tilly to enhance the risk management and internal control systems of the Group and mitigate risks of the Group were adopted by the Board. Based on the findings and recommendations of Baker Tilly as well as the comments of the Audit Committee, the Board considered the internal control and risk management systems effective and adequate.

OUR ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Company has established its enterprise risk management framework in 2016. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks facing by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritized and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management – Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

風險管理及內部監控(續)

獨立審閱及評估結果乃呈報予審核委員會及董事會。此外，天職所建議為提高本集團風險管理及內部監控系統及減低本集團風險的內部監控及風險管理措施的改進工作已獲董事會採納。根據天職的調查結果及建議以及審核委員會的意見，董事認為內部監控及風險管理系統具有成效性及屬充足。

企業風險管理框架

本公司已於二零一六年建立其企業風險管理框架。董事會的整體職責是確保維持良好和有效之內部監控，而管理層負責設計及實施內部監控系統以管理本集團所面臨的各種風險。

透過風險識別及評估程序，識別、評估、排序及作出應對風險的措施。我們的風險管理框架遵循COSO企業風險管理－整合框架，讓董事會及管理層能夠有效管理本集團的風險。董事會透過審核委員會定期收取報告，監督風險管理及內部審核職能。

Corporate Governance Report

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

OUR RISK CONTROL MECHANISM

The Group adopts a “three lines of defence” corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance and compliance team and independent internal audit outsourced to and conducted by Baker Tilly. The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management’s action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk owners have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensure that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

The Company will continue to engage external independent professionals to review the Group’s system of internal controls and risk management annually and further enhance the Group’s internal control and risk management systems as appropriate.

風險管理及內部監控(續)

風險監控機制

本集團採納「三道防線」企業管治架構，由營運管理層進行營運管理及監控，連同財務及合規團隊開展的風險管理監控及外包予並由天職進行獨立內部審核。本集團設立風險登記冊以記錄本集團所有已識別主要風險。風險登記冊為董事會、審核委員會及管理層提供其主要風險情況，並記錄管理層為降低相關風險所採取的行動。每種風險乃根據其發生的可能性及對本集團的潛在影響至少每年進行評估。風險登記冊由管理層作為風險擁有人於進行年度風險評估後至少每年更新額外新風險及／或去除現有風險（倘適用）。此檢討程序可確保本集團主動管理其所面臨的風險，所有風險擁有人可查閱風險登記冊並知悉及警覺於彼等責任領域內的該等風險，以使彼等可採取有效跟進行動。

我們的風險管理舉措由管理層持續進行。風險管理框架的成效將至少每年予以評估，並舉行定期管理層會議以更新風險監控工作進度。管理層致力於確保風險管理為日常業務營運程序的一部份，以高效協調風險管理與企業目標一致。

本公司會繼續每年聘請外聘獨立專業人士對本集團內部監控及風險管理系統進行檢討，並於適當時進一步加強本集團的內部監控及風險管理系統。

Corporate Governance Report 企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL (Continued)

風險管理及內部監控(續)

OUR RISK CONTROL MECHANISM (Continued)

風險監控機制(續)

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function.

現時本集團並無內部審核部門。董事已檢討內部審核部門之需要，彼等認為以本集團業務之規模、性質及結構而言，在需要時聘用外聘獨立專業人士為本集團進行內部審核工作，更具成本效益。然而，董事將會繼續最少每年檢討一次是否需要內部審核部門。

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

內幕資料的處理及發佈

The Group regulates the handling and dissemination of inside information according to the “Guidelines on Disclosure of Inside Information” published by the Securities and Future Commission in June 2012 to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company regularly reminds the Directors and employees about due compliance with all policies regarding the inside information. Also, the Company keeps Directors, senior management and employees apprised of the latest regulatory updates. The Company shall prepare or update appropriate guidelines or policies to ensure the compliance with regulatory requirements.

本公司根據證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」規管內幕資料的處理及發佈，以確保內幕資料於獲適當批准予以披露之前維持保密及有關資料以有效及一致的方式發佈。本公司定期提醒董事及僱員妥善遵守所有有關內幕消息的政策。此外，本公司讓董事、高級管理人員及僱員掌握最新之監管最新資料。本公司將編製或更新合適指引或政策以確保遵守監管規定。

Environmental, Social and Governance Report

環境、社會及管治報告

The Company is pleased to present our first Environmental, Social and Governance (“ESG”) Report. The report summarises our performance in ESG during the year ended 31 December 2016.

本公司欣然呈列我們的首份環境、社會及管治（「環境、社會及管治」）報告。本報告概述我們於截至二零一六年十二月三十一日止年度的環境、社會及管治表現。

SECTION A: ENVIRONMENTAL

第A節：環境

EMISSIONS

The Group’s business operations do not involve in production of air, water and land pollutions and hazardous waste. We have implemented eco-friendly measures to reduce carbon footprint in our business operations.

排放物

本集團的經營活動不產生空氣、水及土地污染物及有害廢棄物。我們已實施環保措施，以減少我們業務經營中的碳排放。

USE OF RESOURCES

Green and low-carbon is the only way of sustainable development of our society. The Group has been committed to become a resource-saving and environment-friendly enterprise to promote environmental protection. We have been actively strengthened the energy-saving in order to reduce emission, and adhered to reduce energy consumption as a green data centre.

資源使用

環保及低碳是我們社會可持續發展的必由之路。本集團一直致力於成為節約資源的環保企業，並主動保護環境。我們積極加強節能減排，堅持以節能為環保的核心。

Electricity and Water Saving

Electricity and water saving notices are posted to remind our employees to save energy.

節電及節水

我們發佈節電及節水的通知，提醒員工節約能源。

Paper

The Group encourages our employees to work in a paperless environment. To avoid unnecessary wastage and promote effective usage of paper, our employees are encouraged to use emails instead of hardcopies. If printing is still necessary, we encourage double-sided printings and copying, or to collect and reuse single-sided recycle printings and copying for internal documents.

紙張

本集團鼓勵員工於無紙化的環境下工作。為避免不必要的浪費及促進紙張的有效利用，我們鼓勵員工使用電子郵件代替紙質文件。若仍然需要打印，我們提倡雙面打印及複印，或收集及重複利用回收的單面打印及複印紙，以打印及複印內部文件。

Besides, containers of ink cartridges and toner of printers and copiers are recycled by the suppliers. Envelopes and files are also reused by our employees.

此外，打印機及複印機的墨盒均由供應商回收。我們的員工亦會重複利用信封及文件。

Environmental, Social and Governance Report

環境、社會及管治報告

The Environment and Natural Resources

The Group believes that corporate development should not come at the expense of the environment. Therefore, we adopt environmental friendly practices in various aspects. For example, we use energy saving lighting such as tube lights in office; adopt paperless working environment to reduce unnecessary wastage.

環境及天然資源

本集團認為，企業發展不應以犧牲環境為代價。因此，我們於各方面採取環保的做法。例如，我們在辦公室使用光管等節能照明；打造無紙化工作環境，減少不必要的浪費。

SECTION B: SOCIAL

第B節：社會

EMPLOYMENT

Our Group treats our staffs as the most valuable asset as they help to develop our core values and cultures. Without their continued commitment and contribution, we will not be able to operate or serve our customers. It is therefore our top priority to make sure that our employees work in a fair, safe, healthy and pleasant working environment that facilitate their personal growth and career development.

僱傭

員工有助於發展我們的核心價值觀及文化，故本集團將員工視為最有價值的資產。沒有他們的堅持不懈及敬業奉獻，我們將無法經營或為我們的客戶提供服務。因此，我們首先須確保員工可以在一個公平、安全、健康、愉快並有利於他們個人成長及職業發展的工作環境中工作。

EQUAL EMPLOYMENT OPPORTUNITIES

We are dedicated to promoting equal opportunities for all of our employees in different areas, such as recruitment, compensation and benefits, training and staff promotion. We strongly believe that each individual has his/her unique strengths that adds value to the company and the society. We therefore have comprehensive equal employment opportunities policies in place that protect potential and existing employees from being discriminated because of their backgrounds, gender, age, family status, sexual orientation, disability, race or religion. All employees are assessed based on their ability, performance and contribution to the company. The employment contracts are strictly following the relevant laws and regulations. During the reporting period, there was no discriminatory act reported or complaint received in relation to equal opportunity, transfer, promotion, recruitment, termination, severance, holidays, benefits and training.

平等就業機會

我們致力於在招聘、薪酬福利、培訓及員工晉升等不同方面為全體員工提供平等的機會。我們堅信每個人都有自己獨特的優勢，可為公司及社會帶來價值。因此，我們已實施全面的平等就業機會政策，保護潛在及現有的員工不會由於背景、性別、年齡、家庭狀況、性取向、殘障、種族或宗教信仰而遭受歧視。我們根據員工的能力、表現及對公司貢獻對所有員工進行評估。僱傭合約嚴格遵守有關法律及法規。於報告期內，並無接獲有關平等機會、轉調、晉升、招聘、終止、遣散、假期、福利及培訓方面存在歧視行為的報告或投訴。

Environmental, Social and Governance Report

環境、社會及管治報告

HUMAN RIGHTS

Respecting human rights has been an integral part of our approach to sustainability. We fully comply with labour laws or other relevant legislations that prohibits child labour and forced labour. We do not employ any person below the age of eighteen at our workplace. Our employees' resting time is flexible and well respected and the employees enjoy paid holidays in accordance with the laws. Overtime compensation hours and pays are in line with the local laws and regulations. No employee is made to work against his/her will or work as forced labour, or subject to corporal punishment or coercion of any type related to work. During 2016, we did not identify any breach in legislation related to these areas.

HEALTH AND SAFETY

The Group strives to provide a healthy and safe working environment for our employees. The Group promise that it fully complying with all the regulations regarding occupational health and safety, providing an effective and safe working environment for our employees. Under this mechanism and measures, no death or permanent disability case was noted during 2016.

DEVELOPMENT AND TRAINING

In 2016, the Group provided approximately 130 hours of training to our employees, including training of internal policies of the Group, safety knowledge and environmental protection. All newly recruited employees attended induction training.

In addition, the Government also organizes regular training on occupational safety and environmental awareness, and the Group encourages and requires our employees to attend such training. Finally, the Group's internal policies provide that it is not allowed to detain personal documents and wage of our employees, nor can it be violent or engraved, such as deliberately causing difficulties, threats and corporal punishment, and any person that should be taken to force employees to work.

LABOUR STANDARDS

The Group believes in nurturing and developing top talents regardless of race, gender, age, religious belief, pregnancy, marital status, family status or disability. The Group has policies to ensure all employees and job applicants enjoy equal opportunities and fair treatment.

人權

尊重人權是我們可持續發展措施不可或缺的組成部分。我們充分遵守禁止童工及強制勞工的勞動法規或其他有關法律。我們不會僱用任何十八歲以下的人士為我們工作。我們員工的休息時間靈活，並得到充分保障，且員工依法享有帶薪假期。加班時間及相應支付的工資符合當地法律法規。並無任何員工被迫違反自身意願以強制勞工的形式進行工作，或因工作而受到任何類型的體罰或強迫。於二零一六年，我們並未發現任何違反上述方面相關法律的情況。

健康與安全

本集團力致力於為員工提供健康及安全的工作環境。本集團承諾會充分遵守有關職業健康及安全的法規，為員工提供有效及安全的工作環境。基於上述機制及措施，二零一六年內並無發生死亡或永久性喪失勞動力的情況。

發展及培訓

於二零一六年，本集團為員工提供約130小時的培訓（包括本集團內部政策以及安全知識及環境保護的培訓）。全體新員工亦已參與入職培訓。

此外，政府亦定期舉辦職業安全與環保意識培訓，鼓勵並要求我們的員工參加上述培訓。最後，本集團的內部政策規定，不得扣留員工的個人文件及工資，亦不得使用暴力或克扣工資（如故意刁難、威脅及體罰），且任何人不得強迫員工工作。

勞工準則

本集團堅持培育及發展優秀人才，而不論其種族、性別、年齡、宗教信仰、是否懷孕、婚姻狀況、家庭狀況或是否殘障。本集團已制定政策確保所有員工及求職者享有平等的機會及公平的待遇。

Environmental, Social and Governance Report

環境、社會及管治報告

Appeal Principles and Channels

The Group encourage the management to dialogue with our employees through a variety of ways to collect staff voices, in order to maintain a harmonious relationship with our employees. All of our employees and management of the Group can use multi-communication channels for horizontal or vertical communication, such as e-mail or interviews.

上訴原則及渠道

本集團鼓勵管理層通過各種方式與員工溝通，聽取員工的意見，以維繫與員工的和諧關係。我們的全體員工及本集團管理層均可以透過電子郵件或會面等各種渠道進行橫向或縱向溝通。

SUPPLIERS CHAIN MANAGEMENT

The Group implemented rigorous management of the suppliers. The Group has established a list of approved suppliers, and will review their background (including their recognized qualifications and licenses), pricing and terms and conditions of supply before the supplier is approved for inclusion. The review concerns whether they are still in compliance with our requirements and standards in terms of pricing, product or service quality, performance, reliability, ability to deliver products or services on time, renewal of licenses, and technical capabilities.

供應鏈管理

本集團對供應商實施嚴格的管理。本集團已制定供應商名單，於批准將供應商納入名單之前，我們會審查其背景（包括其獲認可的資質及證照）、定價以及供應條款及條件。該審查會考慮彼等於定價、產品或服務質量、表現、可靠性、按時交付產品或服務的能力、證照重續及技術能力方面是否仍符合我們的要求及標準。

The Group encourage our suppliers to promote corporate social responsibility activities and to comply with corporate social responsibility codes for their business ethics, workplace operations, marketing activities, social contacts and environmental responsibilities. High standards of morality should include total completeness expected in all commercial transactions; bribes or other unfair benefits cannot be provided or accepted; information on business activities, structure, financial status and performance should be disclosed only in accordance with applicable laws and regulations.

本集團鼓勵供應商積極推行企業社會責任活動，並於業務操守、工作場所經營、營銷活動、社會交往及環境責任方面遵守企業社會責任守則。高標準的道德應包括完整履行所有商業交易中預期的責任；不得提供或收受賄賂或其他不公平的利益；還應嚴格根據適用法律及法規披露業務活動、架構、財務狀況及業績的資料。

PRODUCT RESPONSIBILITY

The Group recognises the importance of the quality of the services provided by the Group. To enable to provide customers with the best experience, understanding their needs, the Group has set up various channels for customers to express their comments and recommendations, such as hotline and social networking tools.

產品責任

本集團深明所提供服務的質量十分重要。我們已為客戶建立熱線及社交網絡工具等各種渠道，供彼等表達意見及建議，以為客戶提供最佳體驗並瞭解他們的需求。

Environmental, Social and Governance Report

環境、社會及管治報告

ANTI-CORRUPTION

To promote a good and ethical business culture, we have established the Code of Conduct (“CoC”) for all employees. Our CoC are in reference to the anti-corruption policy published by Hong Kong Independent Commission Against Corruption (“ICAC”) and to the Prevention of Bribery Ordinance (Cap. 201 of HKSAR Law). Our employees are required to comply strictly with applicable laws relating to the above acts.

反貪污

為了促進良好及有道德的商業文化，我們已為全體員工制定行為守則（「行為守則」）。上述行為守則乃以香港廉政公署（「廉政公署」）發佈的反貪污政策及《防止賄賂條例》（香港特別行政區法例第201章）為參考。我們的員工必須嚴格遵守與上述行為有關的適用法律。

COMMUNITY INVESTMENT

INTRODUCTION

The Group always remember the social responsibility during the Group's operation and development process, with actively promoting the social development by Internet science and technology innovation. In view of this, the Group participates in various community charitable activities and encourage the participation of employees. In 2016, the contribution to public charities was approximately HKD27,000. There were 13 employees who participated in such activities for a total of 132 hours.

社區投資

緒言

本集團時刻銘記其於經營發展過程中需要承擔的社會責任，並積極透過進行互聯網科技創新推動社會發展。為此，本集團參與各類社區慈善活動，並鼓勵員工參與。於2016年，我們作出公益慈善捐款約27,000港元。我們的13名員工參加了上述慈善活動，服務時間共132小時。

“ZHUXISHUGU”

E-commerce business development brings new industry direction and entrepreneurial direction to the community. The Group strives to promote social development in the e-commerce business and cooperate with the Jiangmen Government by actively promoting the「珠西數谷」project. Through its extensive experience, we provide incubation services for emerging small and medium-sized enterprises and advancing the development of data trading platforms to serve the social industries.

「珠西數谷」

電子商務的發展為社會帶來新的行業方向及創業方向。本集團力爭透過電子商務領域推動社會發展，並與江門政府展開合作，積極推廣「珠西數谷」項目。憑藉豐富的經驗，我們為新興中小企業提供孵化服務，並推動數據交易平台的發展，以服務社會各行各業。

“DRESS CASUAL DAY”

The Group is heartily involved in the “Dress Casual Day”. Our employees enthusiastically donated in order to their support, and wear casual clothes to work in the “Dress Casual Day”. The Group is hoping to help those in need of the society by participating this event.

「公益金便服日」

本集團熱心參與「公益金便服日」。為支持該活動，我們的員工踴躍捐款，並於「公益金便服日」穿著便服工作。透過參與此次活動，本集團希望可為社會上有需要的人士帶來幫助。

Environmental, Social and Governance Report

環境、社會及管治報告

CARE FOR THE ELDERLY, DELIVER KINDNESS AND WARMTH

In December 2016, the Group sponsored the「善心暖意素宴」hosted by the 東華三院龐永紹長者鄰舍中心, which aims to bring the elderly out of the city area where they live, and intimate to the beauty of nature. About 120 elderly people enjoyed a healthy vegetarian luncheon for a pleasant day.

SUPPORT CHILDREN SUFFER IN HEART DISEASE FROM MAINLAND MOUNTAIN

In September 2016, the Group and our employees actively responded the fundraising activities hosted by the 中國星火基金 by donating books and stationery for the children's daily necessities.

SUPPORT SPECIAL NEEDS

The Group sponsored the physiotherapy services of the 復康資源協會 to provide tailor-made professional physiotherapy services for disabled and needy people who are struggling to live alone or in poverty to help.

In addition, at the beginning of October 2016, some of our employees, on behalf of the Group and 中國星火基金, visited children with congenital heart disease and their families located in the Zhaotong City.

REGULATORY COMPLIANCE

The Group was not aware of any non-compliance with laws and regulations that has a significant impact on the Group relating to emissions, employment, health and safety, labour standards, product responsibility and anti-corruption during the reporting period.

關懷長者，善心暖意

於2016年12月，本集團贊助由東華三院龐永紹長者鄰舍中心主辦的「善心暖意素宴」，該活動旨在組織老人離開其居住的市區，前往欣賞自然之美。約120名老人享用了健康的素食午餐，並度過愉快的一天。

幫助內地山區的心臟病患兒

於2016年9月，本集團及我們的員工積極響應中國星火基金舉辦的籌款活動，為兒童捐贈書籍及文具等日用品。

關愛特殊需求群體

本集團贊助復康資源協會的物理治療服務，該服務為殘疾人士及獨居或生活貧困的有需要人士提供量身定制的專業物理治療服務。

此外，於二零一六年十月初，我們的部分員工代表本集團及中國星火基金訪問了昭通市的先天性心臟病患兒及其家屬。

監管合規

報告期內，本集團並未發現任何不遵守排放、僱傭、健康與安全、勞工準則、產品責任及反貪污相關法律法規且對本集團構成重大影響的情況。

Independent Auditors' Report 獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street Central
Hong Kong

TO THE SHAREHOLDERS OF NEO TELEMEDIA LIMITED
(incorporated in the Cayman Islands with limited liability)

致中國新電信集團有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Neo Telemedia Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 70 to 246, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 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 Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

本核數師(以下簡稱「我們」)已審計列載於第70至246頁的中國新電信集團有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒布的《香港財務報告準則》(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

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

Independent Auditors' Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS

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

關鍵審計事項

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

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 我們的審計如何處理關鍵審計事項
Acquisition of 60% equity interest in 廣州市資拓科技有限公司 (Guangzhou Nowtop Technology Company Limited*) ("Guangzhou Nowtop") 收購廣州市資拓科技有限公司(「廣州資拓」)之60%股本權益	
Refer to notes 3 and 35(a) to the consolidated financial statements. 參閱綜合財務報表附註3及附註35(a)。	
<p>On 4 March 2016, the Group acquired 60% of equity interest in Guangzhou Nowtop for an aggregate consideration of approximately HK\$170,121,000. In determining the fair value of the acquired intangible assets, cash flow forecast has been prepared by the Group with the assistance from an independent external valuers. As a result of the acquisition principally the following intangible assets, customer relationships of approximately HK\$178,399,000 and license of approximately HK\$8,220,000 were recognised respectively.</p> <p>於二零一六年三月四日，貴集團以總代價約170,121,000港元收購廣州資拓之60%股本權益。於釐定所收購無形資產之公平值時，貴集團已於獨立外部估值師的協助下編製現金流量預測。由於主要收購下列無形資產，已分別確認客戶關係約178,399,000港元及授權約8,220,000港元。</p> <p>We focused on this area because accounting for acquisition requires the identification and valuation of intangible assets and the allocation of purchase price to the assets and liabilities acquired, which involves a number of judgements and assumptions. 我們關注此方面的原因為該收購之會計處理需要對無形資產進行識別及估值以及將購買價分配至所收購資產及負債，此涉及大量判斷及假設。</p>	<p>Our audit procedures in this area included, amongst others: 我們在此方面進行之審計程序包括：</p> <ul style="list-style-type: none"> Evaluating of the independent external valuer's competence, capabilities and objectivity; 評估獨立外部估值師之勝任性、能力及客觀性； Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts; 基於我們對相關行業之認識及動用我們的估值專家評估所採用之方法及主要假設之合適性； Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and 根據我們對有關業務及行業之認識審查主要假設是否合理；及 Checking, on sampling basis, the accounting and relevance of the input data used. 抽樣檢查所用輸入數據之會計處理及相關性。 <p>We found the acquisition-date fair values of the identifiable assets acquired supported by the available evidence. 我們認為所收購可識別資產於收購日期之公平值均有可得證據支撐。</p>

* for identification purpose only

* 僅供識別

Independent Auditors' Report (Continued)

獨立核數師報告 (續)

KEY AUDIT MATTERS (Continued)

關鍵審計事項 (續)

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 我們的審計如何處理關鍵審計事項
Impairment assessments on goodwill and intangible assets 商譽及無形資產之減值評估	
Refer to notes 3, 19 and 20 to the consolidated financial statements. 參閱綜合財務報表附註3、19及20。	
<p>The Group has goodwill and intangible assets with carrying amounts of approximately HK\$195,139,000 and HK\$317,058,000 respectively which are allocated to the cash-generating-units of sale of telecommunication products and services and internet finance platform ("CGUs") as at 31 December 2016. Management performed impairment assessment of CGUs and concluded that no impairment on the goodwill and intangible assets is necessary to provide. This conclusion was based on value-in-use model that required management judgment with respect to the discount rate and underlying cashflows, in particular future revenue growth and capital expenditure. Independent external valuation reports were obtained in order to support management's estimates.</p> <p>於二零一六年十二月三十一日，貴集團分配至銷售電信產品及服務以及互聯網金融平台業務之現金產生單位（「現金產生單位」）之商譽及無形資產分別約為195,139,000港元及317,058,000港元。管理層已對現金產生單位進行減值評估並認為毋須就商譽及無形資產計提減值撥備。此結論乃基於使用價值模型作出，該模型需要管理層就折現率及相關現金流作出判斷，尤其是未來收益增長及資本開支。為支持管理層之估計，已進行獨立外部估值。</p>	<p>Our procedures in relation to the management's impairment assessment included:</p> <p>我們就管理層減值評估進行之程序包括：</p> <ul style="list-style-type: none"> Evaluating the independent external valuer's competence, capabilities and objectivity; 評估獨立外部估值師之勝任性、能力及客觀性； Assessing the methodologies used and the appropriateness of the key assumptions based on our knowledge of the relevant industry and using our valuation experts; 基於我們對相關行業之認識及動用我們的估值專家評估所採用之方法及主要假設之合適性； Challenging the reasonableness of key assumptions based on our knowledge of the business and industry; and 根據我們對有關業務及行業之認識審查主要假設是否合理；及 Checking, on sampling basis, the accounting and relevance of the input data used. 抽樣檢查所用輸入數據之會計處理及相關性。 <p>We found the key assumptions were supported by the available evidence. 我們認為主要假設有可得證據支撐。</p>

Independent Auditors' Report (Continued)

獨立核數師報告(續)

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key audit matters 關鍵審計事項	How our audit addressed the key audit matters 我們的審計如何處理關鍵審計事項
Impairment assessments on trade receivables, other receivables and loan receivables 貿易應收賬款、其他應收款項及應收貸款之減值評估	
Refer to note 3, 23, 24 and 25 to the consolidated financial statements. 參閱綜合財務報表附註3、23、24及25。	
<p>The Group has trade receivables, other receivables and loan receivables of approximately HK\$192,956,000, HK\$150,853,000, and HK\$165,000,000, respectively. Management judgement is required in assessing and determining the recoverability of trade receivables, other receivables and loan receivables and adequacy of allowance made.</p> <p>貴集團之貿易應收賬款、其他應收款項及應收貸款分別約為192,956,000港元、150,853,000港元及165,000,000港元。評估及釐定貿易應收賬款、其他應收款項及應收貸款之可收回性以及所作撥備之足夠性需要管理層作出判斷。</p> <p>The judgement mainly includes estimating and evaluating expected future receipts from customers based on past payment trend, age of the debtors, knowledge of the customers' businesses and financial condition.</p> <p>判斷主要包括根據過往付款趨勢、債務賬齡、對客戶業務及財務狀況之了解估計及評估預期未來自客戶收取之款項</p>	<p>Our procedures in relation to the management's impairment assessment on trade receivables, other receivables and loan receivables included:</p> <p>我們就管理層對貿易應收賬款、其他應收款項及應收貸款減值評估進行之程序包括：</p> <ul style="list-style-type: none"> • Discussing the Group's procedures on credit limits and periods given to customers with the management; • 與管理層討論 貴集團給予客戶信貸上限及信貸期之程序； • Evaluating the management's impairment assessment on trade receivables, other receivables and loan receivables; • 評估管理層對貿易應收賬款、其他應收款項及應收貸款之減值評估； • Assessing, validating and discussing with the management and evaluating their assessment on the recoverability of the outstanding debts and the adequacy of allowance made based on the trade and loan receivables ageing analysis, collections subsequent to the end of the reporting period, past collection history and trend analysis and knowledge of the businesses, with focus on long outstanding debts and debts which are past due but not impaired; and • 根據貿易應收賬款及應收貸款之賬齡分析、於報告期結束後之收款情況、過往收款歷史及趨勢分析以及對業務(尤其注重長期未償還債務及已逾期但未減值之債務)之了解評估、核實並與管理層討論及評估彼等對未償還債務之可收回性作出之評估及所作撥備是否充足；及 • Checking on a sample basis, the accuracy and relevance of information included in the impairment assessment of trade receivables, other receivables and loan receivables. • 抽樣檢查貿易應收賬款、其他應收款項及應收貸款減值評估中所載資料的準確性及相關性。 <p>We consider the management conclusion to be consistent with the available information.</p> <p>我們認為管理層之結論與所得資料相符。</p>

Independent Auditors' Report (Continued)

獨立核數師報告（續）

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. ("Other Information").

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

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

RESPONSIBILITIES OF THE DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of the 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

本年報刊載的其他信息

貴公司董事需對其他信息負責。其他信息包括刊載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。（「其他信息」）

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

Independent Auditors' Report (Continued)

獨立核數師報告(續)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

核數師就審計綜合財務報表承 擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外，本報告概無其他用途。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

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

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

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

Independent Auditors' Report (Continued)

獨立核數師報告（續）

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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表中的相關披露。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。
- 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.
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 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.
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with 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.

我們與審核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。

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

我們還向審核委員會提交聲明，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。

Independent Auditors' Report (Continued) 獨立核數師報告(續)

From the matters communicated with 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 MATTERSs. We describe these matters in our auditors' 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 director on the audit resulting in this independent auditors' report is Shek Lui.

HLB Hodgson Impey Cheng Limited

Certified Public Accountants

Shek Lui

Practising Certificate Number: P05895

Hong Kong, 29 March 2017

從與審核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董事是石磊。

國衛會計師事務所有限公司

香港執業會計師

石磊

執業證書編號：P05895

香港，二零一七年三月二十九日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Turnover	營業額	7	2,513,845	1,914,902
Costs of sales	銷售成本		(2,290,382)	(1,813,983)
Gross profit	毛利		223,463	100,919
Other income and gains	其他收入及收益	8	19,873	537
Gain on disposal of subsidiaries	出售附屬公司之收益	36	143,229	–
Changes in fair value of contingent consideration payable	應付或然代價之公平值變動	35(a)	(6,029)	–
Selling and marketing costs	銷售及市場推廣成本		(15,540)	(18,775)
Administrative and other expenses	行政及其他費用		(108,874)	(87,695)
Impairment loss recognised in respect of intangible assets	就無形資產確認之減值虧損	20	–	(6,378)
Impairment loss recognised in respect of promissory note	就承兌票據確認之減值虧損	45	(22,800)	–
Finance costs	融資成本	10	(10,356)	(24,541)
Profit/(loss) before tax	除稅前溢利／（虧損）	12	222,966	(35,933)
Income tax expense	所得稅開支	11	(20,779)	(8,322)
Profit/(loss) for the year	年內溢利／（虧損）		202,187	(44,255)
Other comprehensive loss for the year, net of tax	年內其他全面虧損（扣除稅項）			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>			
Exchange differences arising during the year	年內產生之匯兌差額		(39,599)	(7,435)
Reclassification adjustment relating to foreign operations disposal during the year	年內有關出售海外業務之重新分類調整		(2,353)	–
Reclassification adjustment relating to deregistration of foreign branch during the year	年內有關取消登記海外分公司之重新分類調整		(105)	–
			(42,057)	(7,435)
Total comprehensive income/(loss) for the year	年內全面收入／（虧損）總額		160,130	(51,690)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

綜合損益及其他全面收益表（續）

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit/(loss) for the year attributable to:	以下人士應佔年內溢利／ (虧損)：			
Owners of the Company	本公司擁有人		192,009	(32,227)
Non-controlling interests	非控股權益		10,178	(12,028)
			202,187	(44,255)
Total comprehensive income/(loss) attributable to:	以下人士應佔全面收入／ (虧損)總額：			
Owners of the Company	本公司擁有人		152,333	(38,998)
Non-controlling interests	非控股權益		7,797	(12,692)
			160,130	(51,690)
			HK Cents 港仙	HK Cents 港仙
Earnings/(loss) per share	每股盈利／(虧損)	13		
Basic	基本		2.02	(0.47)
Diluted	攤薄		2.01	(0.47)

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	414,662	28,880
Interests in an associate	於一間聯營公司之權益	18	–	–
Goodwill	商譽	19	195,139	121,741
Intangible assets	無形資產	20	317,058	194,866
			926,859	345,487
Current assets	流動資產			
Inventories	存貨	22	26,033	25,286
Trade receivables	貿易應收賬款	23	192,956	91,235
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	24	239,239	155,613
Promissory note	承兌票據	36(a)	65,200	–
Loan receivables	應收貸款	25	165,000	–
Derivative financial assets	衍生金融資產	31	–	–
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	26	48,631	–
Cash and cash equivalents	現金及現金等價物	27	188,882	1,111,947
			925,941	1,384,081
Current liabilities	流動負債			
Trade payables	貿易應付賬款	28	30,353	46,093
Other payables and accruals	其他應付款項及應計款項	29	59,101	120,971
Receipt in advances	預收賬款		2,029	8,688
Bank borrowings	銀行借款	30	55,897	26,271
Convertible notes	可換股票據	31	–	157,364
Contingent consideration payable	應付或然代價	35(a)	20,000	–
Tax liabilities	稅項負債		39,613	14,584
			206,993	373,971
Net current assets	流動資產淨值		718,948	1,010,110
Total assets less current liabilities	總資產減流動負債		1,645,807	1,355,597

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表（續）

As at 31 December 2016 於二零一六年十二月三十一日

		Note	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Non-current liabilities	非流動負債			
Contingent consideration payable	應付或然代價	35(a)	24,350	–
Deferred tax liabilities	遞延稅項負債	32	73,950	36,737
			98,300	36,737
Net assets	資產淨值		1,547,507	1,318,860
Capital and reserves	資本及儲備			
Share capital	股本	33	952,884	952,884
Reserves	儲備		489,522	337,189
Equity attributable to owners of the Company	本公司擁有人應佔權益		1,442,406	1,290,073
Non-controlling interests	非控股權益		105,101	28,787
Total equity	權益總額		1,547,507	1,318,860

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 March 2017 and signed on its behalf by:

綜合財務報表於二零一七年三月二十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

CHEUNG Sing Tai

張聲泰

DIRECTOR

董事

ZHANG Xinyu

張新宇

DIRECTOR

董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests		Total
		Share capital	Share premium	Share options reserve	Convertible notes reserve	Translation reserve	Statutory reserve	Accumulated losses	Sub-total		
		股本	股份溢價	購股權儲備	可換股票據儲備	換算儲備	法定儲備	累計虧損	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
							(Note)				
							(附註)				
At 1 January 2015	於二零一五年一月一日	275,492	1,043,755	20,657	7,131	1,060	7,375	(1,486,912)	(131,442)	28,373	(103,069)
Loss for the year	年內虧損	-	-	-	-	-	-	(32,227)	(32,227)	(12,028)	(44,255)
Exchange difference on translating of foreign operations	因換算海外業務產生之匯兌差額	-	-	-	-	(6,771)	-	-	(6,771)	(664)	(7,435)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	-	(6,771)	-	(32,227)	(38,998)	(12,692)	(51,690)
Issue of shares in relation to acquisition of subsidiaries	就收購附屬公司發行股份	49,972	208,639	-	-	-	-	-	258,611	-	258,611
Non-controlling interests arising from acquisition of subsidiaries	收購附屬公司產生之非控股權益	-	-	-	-	-	-	-	-	4,685	4,685
Capital contribution by non-controlling interests	非控股權益之注資	-	-	-	-	-	-	-	-	8,421	8,421
Issue of shares upon exercise of share options	因行使購股權發行股份	2,000	16,177	(5,617)	-	-	-	-	12,560	-	12,560
Bonus issue of shares	發行紅股	307,792	(307,792)	-	-	-	-	-	-	-	-
Open offer of shares	公開發售股份	317,628	889,359	-	-	-	-	-	1,206,987	-	1,206,987
Transaction costs attributable to open offer	公開發售應佔交易成本	-	(17,645)	-	-	-	-	-	(17,645)	-	(17,645)
At 31 December 2015	於二零一五年十二月三十一日	952,884	1,832,493	15,040	7,131	(5,711)	7,375	(1,519,139)	1,290,073	28,787	1,318,860

Consolidated Statement of Changes in Equity (Continued)

綜合權益變動表(續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests		Total
		Share capital	Share premium	Share options reserve	Convertible notes reserve	Translation reserve	Statutory reserve	Accumulated losses	Sub-total		
		股本	股份溢價	購股權儲備	可換股票據儲備	換算儲備	法定儲備	累計虧損	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note) (附註)									
At 1 January 2016	於二零一六年一月一日	952,884	1,832,493	15,040	7,131	(5,711)	7,375	(1,519,139)	1,290,073	28,787	1,318,860
Profit for the year	年內溢利	-	-	-	-	-	-	192,009	192,009	10,178	202,187
Other comprehensive (loss)/income	其他全面(虧損)/收入										
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:										
Exchange difference on translating of foreign operations	因換算海外業務產生之匯兌差額	-	-	-	-	(37,218)	-	-	(37,218)	(2,381)	(39,599)
Reclassification adjustment relating to foreign operations disposal during the year	年內有關出售海外業務之重新分類調整	-	-	-	-	(2,353)	-	-	(2,353)	-	(2,353)
Reclassification adjustment relating to deregistration of foreign branch during the year	年內有關取消登記海外分公司之重新分類調整	-	-	-	-	(105)	-	-	(105)	-	(105)
Total comprehensive (loss)/income for the year	年內全面(虧損)/收入總額	-	-	-	-	(39,676)	-	192,009	152,333	7,797	160,130
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	4,155	4,155
Early redemption of convertible notes	提早贖回可換股票據	-	-	-	(713)	-	-	713	-	-	-
Release of reserve upon maturity of convertible notes	於可換股票據到期時解除儲備	-	-	-	(6,418)	-	-	6,418	-	-	-
Capital contribution by non-controlling interests	非控股權益之注資	-	-	-	-	-	-	-	-	4,149	4,149
Non-controlling interests arising from acquisition of a subsidiary	收購附屬公司產生之非控股權益	-	-	-	-	-	-	-	-	60,213	60,213
At 31 December 2016	於二零一六年十二月三十一日	952,884	1,832,493	15,040	-	(45,387)	7,375	(1,319,999)	1,442,406	105,101	1,547,507

Note:

According to the relevant rules and regulations in the People's Republic of China ("PRC"), subsidiaries of the Company established in the PRC are required to transfer 10% of their net profit, as determined in accordance with the PRC accounting standards and regulations, to the statutory surplus reserve until the balance of the reserve reaches 50% of their respective registered capital. The transfer to this reserve must be made before distribution of dividends to owners of these subsidiaries. Statutory surplus reserve can be used to set off previous years' losses, if any, and may be converted into capital in proportion to existing equity owners' equity percentage, provided that the balance after such issuance is not less than 25% of their registered capital.

附註:

根據中華人民共和國(「中國」)相關法例及法規，本公司於中國成立之附屬公司須轉撥其純利之10%(按照有關中國會計準則及規定所釐定)至法定盈餘儲備，直至該儲備之結餘達致其各自之註冊資本之50%。轉撥至該儲備必須於向該等附屬公司之擁有人分派股息前作出。法定盈餘儲備可用作抵銷過往年度之虧損(如有)，並可按現有權益擁有人之權益百分比轉換為股本，惟有關發行後之結餘不得低於其註冊資本之25%。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Operating activities	經營業務		
Profit/(loss) before tax	除稅前溢利／（虧損）	222,966	(35,933)
Adjustments for:	調整項目：		
Finance costs	融資成本	10,356	24,541
Interest income	利息收入	(4,112)	(86)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,177	6,084
Amortisation of intangible assets	無形資產攤銷	35,970	34,613
Gain on disposal of subsidiaries	出售附屬公司之收益	(143,229)	—
Loss on early redemption of convertible notes	提早贖回可換股票據之虧損	54	—
Gain on deregistration of a branch	取消登記一間分公司之收益	(1,277)	—
Fair value change of contingent consideration payable	應付或然代價之公平值變動	6,029	—
Impairment loss recognised in respect of promissory note	就承兌票據確認之減值虧損	22,800	—
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	—	2,366
Impairment loss recognised in respect of intangible assets	就無形資產確認之減值虧損	—	6,378
Impairment loss recognised in respect of other receivables	就其他應收款項確認之減值虧損	—	1,552
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	155,734	39,515
Increase in trade receivables	貿易應收賬款增加	(76,051)	(80,733)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(81,385)	(108,177)
(Increase)/decrease in inventories	存貨（增加）／減少	(1,250)	649
Increase in trade payables	貿易應付賬款增加	(25,814)	20,760
Decrease in other payables and accruals	其他應付款項及應計款項減少	(49,152)	(5,611)
(Decrease)/increase in receipt in advances	預收賬款（減少）／增加	(6,659)	8,612
Cash used in operations	經營業務所用現金	(84,577)	(124,985)
Income tax paid	已付所得稅	(4,207)	(1,350)
Net cash used in operating activities	經營業務所用現金淨額	(88,784)	(126,335)

Consolidated Statement of Cash Flows (Continued)

綜合現金流量表 (續)

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Investing activities	投資活動		
Acquisition of a subsidiary (net of cash and cash equivalent (disposed of)/acquired)	收購附屬公司(經扣除(所出售)/所收購現金及現金等價物)	(124,363)	4,267
Disposal of subsidiaries (net of cash and cash equivalent acquired)	出售附屬公司(經扣除所收購現金及現金等價物)	57,285	—
Deregistration of a branch (net of cash and cash equivalent disposed of)	取消登記一間分公司(經扣除所出售現金及現金等價物)	(11)	—
Purchase of property, plant and equipment	購買物業、廠房及設備	(404,878)	(3,951)
Purchase of intangible assets	購買無形資產	(110)	(7,171)
Purchase of financial assets at fair value through profit of loss	購買按公平值計入損益之金融資產	(50,277)	—
Advances of loans	貸款墊款	(165,000)	—
Deposit paid for acquisition of subsidiaries	收購附屬公司已付按金	—	(20,000)
Interest received	已收利息	2,012	86
Net cash used in investing activities	投資活動所用現金淨額	(685,342)	(26,769)
Financing activities	融資活動		
Net proceeds from issue of shares upon exercise of share options	行使購股權而發行股份之所得款項淨額	—	12,560
Bank borrowings raised	籌集之銀行借款	57,790	26,271
Repayment of bank borrowings	償還銀行借款	(25,428)	—
Loan advanced from a substantial shareholder	主要股東墊付之貸款	—	100,000
Capital contribution from non-controlling interests	非控股權益之注資	4,149	8,421
Net proceeds from open offer of shares	公開發售股份之所得款項淨額	—	1,089,342
Repayment of convertible notes after maturity	到期後償還可換股票據	(144,000)	—
Early redemption of convertible notes	提早贖回可換股票據	(16,000)	—
Interest paid	已付利息	(7,774)	(66)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	(131,263)	1,236,528
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(905,389)	1,083,424
Cash and cash equivalents at the beginning of the year	年初現金及現金等價物	1,111,947	31,668
Effect of foreign exchanges rate changes	匯率變動影響	(17,676)	(3,145)
Cash and cash equivalents at end of the year	年終現金及現金等價物	188,882	1,111,947
Analysis of balances of cash and cash equivalents at the end of the year	年終現金及現金等價物結餘分析		
Bank balances and cash	銀行結餘及現金	188,882	1,111,947
		188,882	1,111,947

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

1. GENERAL INFORMATION

Neo Telemedia Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Growth Enterprise Market (“**GEM**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The address of the registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands, and its principal place of business in Hong Kong is located at Room 1906-8, 19th Floor, Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”). Other than those subsidiaries established in the People’s Republic of China (the “**PRC**”) whose functional currency is Renminbi (“**RMB**”) and some subsidiaries’ functional currency in US Dollars (“**USD**”), the functional currency of the Company and its remaining subsidiaries are HK\$. The reason for selecting HK\$ as its presentation currency is that the Company is a public company listed on the GEM, where most of the investors are located in Hong Kong.

The Company is an investment holding company and the principal activities of its subsidiaries are the provision of transmedia advertising services, sale of telecommunication products and services and operation of peer-to-peer lending platform business.

1. 一般資料

中國新電信集團有限公司(「**本公司**」)乃在開曼群島註冊成立之獲豁免有限公司，其股份於香港聯合交易所有限公司(「**聯交所**」)創業板(「**創業板**」)上市。

本公司的註冊辦事處地址位於Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands，及其香港主要營業地點位於香港灣仔告士打道39號夏慤大廈19樓1906-8室。

綜合財務報表以港元(「**港元**」)呈列。除於中華人民共和國(「**中國**」)成立的附屬公司的功能貨幣為人民幣(「**人民幣**」)及若干附屬公司的功能貨幣為美元(「**美元**」)外，本公司及其剩餘附屬公司的功能貨幣為港元。選擇港元作為其呈列貨幣的原因是本公司乃在創業板上市的公眾公司，而創業板多數投資者居於香港。

本公司為一間投資控股公司，其附屬公司的主要業務為提供跨媒體廣告服務、銷售電訊產品及服務以及營運個人對個人借貸平台業務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

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

HKAS 1 (Amendments)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012 to 2014 Cycle
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本

於本年度強制生效的香港財務報告準則修訂本

本集團已於本年度首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則及香港會計準則（「香港會計準則」）之修訂本。

香港會計準則第1號（修訂本）	披露計劃
香港會計準則第16號及香港會計準則第38號（修訂本）	澄清折舊及攤銷的可接納方法
香港會計準則第16號及香港會計準則第41號（修訂本）	農業：生產性植物
香港會計準則第27號（修訂本）	獨立財務報表的權益法
香港財務報告準則（修訂本）	二零一二年至二零一四年週期香港財務報告準則年度改進
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號（修訂本）	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號（修訂本）	收購合營業務權益的會計方法
香港財務報告準則第14號	監管遞延賬戶

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Continued)

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

AMENDMENTS TO HKFRS 11 ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS

The Group has applied the amendments to HKFRS 11 *Accounting for Acquisitions of Interests in Joint Operations* for the first time in the current year. The amendments to HKFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in HKFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in HKFRS 3 and other standards (for example, HKAS 12 *Income Taxes* regarding the recognition of deferred taxes at the time of acquisition and HKAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

於本年度強制生效的香港財務報告準則修訂本（續）

除下述者外，於本年度應用香港財務報告準則之修訂本對本集團本年度及過往年度的財務表現及狀況及／或該等綜合財務報表所載的披露並無重大影響。

香港財務報告準則第11號之修訂本收購合營業務權益的會計方法

本集團於本年度首次應用香港財務報告準則第11號之修訂本收購合營業務權益的會計方法。香港財務報告準則第11號之修訂本為收購構成香港財務報告準則第3號業務合併所定義業務的合營業務之會計處理方法提供指引。具體而言，該等修訂規定香港財務報告準則第3號及其他準則（例如，香港會計準則第12號*所得稅*（有關於收購時確認遞延稅項）及香港會計準則第36號*資產減值*（有關獲分配收購合營經營所產生商譽之現金產生單位之減值測試））中業務合併會計處理之相關原則應予應用。倘及僅於參與合營業務之其中一方向合營業務注入現有業務時，則成立合營業務亦須應用相同規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKFRS 11 ACCOUNTING FOR ACQUISITIONS OF INTERESTS IN JOINT OPERATIONS (Continued)

A joint operator is also required to disclose the relevant information required by HKFRS 3 and other standards for business combinations.

AMENDMENTS TO HKAS 1 DISCLOSURE INITIATIVE

The Group has applied the amendments to HKAS 1 *Disclosure Initiative* for the first time in the current year. The amendments to HKAS 1 clarify that an entity need not provide a specific disclosure required by an HKFRS if the information resulting from that disclosure is not material, and give guidance on the bases of aggregating and disaggregating information. However, the amendments reiterate that an entity should consider providing additional disclosures when compliance with the specific requirements in HKFRS is insufficient to enable users of financial statements to understand the impact of particular transactions, events and conditions on the entity's financial position and financial performance.

In addition, the amendments clarify that an entity's share of the other comprehensive income of associates and joint ventures accounted for using the equity method should be presented separately from those arising from the Group, and should be separated into the share of items that, in accordance with other HKFRSs: (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

As regards the structure of the financial statements, the amendments provide examples of systematic ordering or grouping of the notes.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第11號之修訂本收購合營業務權益的會計方法（續）

合營經營者亦須披露香港財務報告準則第3號及有關業務合併的其他準則規定的相關資料。

香港會計準則第1號之修訂本披露計劃

本集團於本年度首次應用香港會計準則第1號之修訂本披露計劃。香港會計準則第1號之修訂本澄清，倘所披露之資料並不重大則實體毋須進行香港財務報告準則所規定之具體披露並就合併及分列資料之基準提供指引。然而，該等修訂重申，倘遵守香港財務報告準則之具體規定不足以使財務報表之使用者了解具體交易、事件及條件對實體的財務狀況及財務表現的影響，則實體應考慮作出額外披露。

此外，該等修訂澄清，實體使用權益法進行會計處理之實體分佔聯營公司及合營企業其他全面收益應與自本集團所產生者分開呈列，且根據其他香港財務報告準則列入所分佔之項目：(i) 不會重新分類至損益；及(ii) 當特定條件獲達成後將重新分類至損益。

就財務報表之結構而言，該等修訂為附註的系統化排序及分組提供例子。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKAS 16 AND HKAS 38 CLARIFICATION OF ACCEPTABLE METHODS OF DEPRECIATION AND AMORTISATION

The Group has applied the amendments to HKAS 16 and HKAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* for the first time in the current year. The amendments to HKAS 16 *Property, Plant and Equipment* prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 *Intangible Assets* introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expressed as a measure of revenue, or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

In addition, the amendments also clarify that in choosing an appropriate amortisation method an entity could determine the predominant limiting factor that is inherent in the intangible asset.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港會計準則第16號及香港會計準則第38號之修訂本澄清折舊及攤銷的可接納方法

本集團已於本年度首次應用香港會計準則第16號及香港會計準則第38號之修訂本澄清折舊及攤銷的可接納方法。香港會計準則第16號之修訂本物業、廠房及設備禁止實體就物業、廠房及設備使用收入基礎折舊法。香港會計準則第38號之修訂本無形資產引入一項可推翻假設，即收入並非無形資產攤銷的適當基準。該假設僅在以下兩種有限情況下可被推翻：

- a) 倘無形資產被列為收入之計量，或
- b) 可以顯示收入與無形資產經濟利益的消耗高度相關。

此外，該等修訂亦澄清於選擇適當的攤銷方法時，實體可釐定無形資產本身之主要限制因素。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

AMENDMENTS TO HKAS 16 AND HKAS 41 AGRICULTURE: BEARER PLANTS

The Group has applied the amendments to HKAS 16 and HKAS 41 *Agriculture: Bearer Plants* for the first time in the current year. The amendments to HKAS 16 *Property, Plant and Equipment* and HKAS 41 *Agriculture* define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with HKAS 16, instead of HKAS 41. The produce growing on bearer plants continues to be accounted for in accordance with HKAS 41.

AMENDMENTS TO HKFRS 10, HKFRS 12 AND HKAS 28 INVESTMENT ENTITIES: APPLYING THE CONSOLIDATION EXCEPTION

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 28 *Investment Entities: Applying the Consolidation Exception* for the first time in the current year. The amendments clarify that the exemption from preparing consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all its subsidiaries at fair value in accordance with HKFRS 10. The amendments also clarify that the requirement for an investment entity to consolidate a subsidiary, whose main purpose is to provide services and activities that are related to the investment activities of the investment entity parent, applies only to subsidiaries that are not investment entities themselves.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港會計準則第16號及香港會計準則第41號之修訂本農業：生產性植物

本集團已於本年度首次應用香港會計準則第16號及香港會計準則第41號之修訂本農業：生產性植物。香港會計準則第16號物業、廠房及設備及香港會計準則第41號農業之修訂本為生產性植物下定義，規定符合生產性植物定義之生物性資產須根據香港會計準則第16號，而非香港會計準則第41號，入賬列作物業、廠房及設備。在生產性植物上生長之農作物繼續根據香港會計準則第41號入賬。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂本投資實體：應用綜合入賬之例外情況

本集團已於本年度首次應用香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂本投資實體：應用綜合入賬之例外情況。該等修訂釐清即使投資實體根據香港財務報告準則第10號按公平值計量其所有附屬公司，呈列綜合財務報表之豁免適用於屬投資實體之附屬公司之母公司實體。該等修訂亦釐清，有關投資實體須綜合入賬主要目的為提供涉及投資實體母公司之投資活動之服務及活動的規定，僅適用於本身並非投資實體之附屬公司。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

ANNUAL IMPROVEMENTS TO HKFRSS 2012-2014 CYCLE

The Group has applied the Annual Improvements to HKFRSs 2012-2014 Cycle for the first time in the current year which include a number of amendments to various HKFRSs as summarised below.

The amendments to HKFRS 5 clarify when an entity reclassifies an asset (or a disposal group) from held for sale to held for distribution to owners (or vice versa), such a change should be considered as a continuation of the original plan of disposal and hence requirements set out in HKFRS 5 regarding the change of sale of plan do not apply. The amendments also clarify the guidance for when held-for-distribution accounting is discontinued.

The amendments to HKFRS 7 provide additional guidance to clarify whether a servicing contract constitutes continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets.

The amendments to HKAS 19 clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of a market for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on governments bonds denominated in that currency should be used instead.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則二零一二年至二零一四年週期之年度改進

本集團已於本年度首次應用香港財務報告準則二零一二年至二零一四年週期之年度改進，當中包括對多項香港財務報告準則之若干修訂，概述如下。

香港財務報告準則第5號之修訂本澄清實體將資產（或出售組別）從持作出售重新分類為持作向擁有人分派（反之亦然）時，上述轉變應視為原來出售計劃之延續，因此香港財務報告準則第5號所載有關出售計劃轉變之規定並不適用。該等修訂亦澄清何時終止使用持作分派會計法之指引。

香港財務報告準則第7號之修訂本提供額外指引，澄清就有關資產轉移的規定披露而言服務合約於資產轉移中是否構成持續牽涉。

香港會計準則第19號之修訂本澄清，離職後福利責任所用折現率應參考報告期末優質公司債券的市場收益而釐定。優質公司債券之市場深度應於貨幣（即用於支付福利之同一貨幣）層面進行評估。若相關貨幣並無有關優質公司債券之深度市場，則應轉而使用以該貨幣計值之政府債券於報告期末之市場收益。

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綜合財務報表附註

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

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

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

HKAS 7 (Amendments)	Disclosure Initiative ⁴
HKAS 12 (Amendments)	Recognition of Deferred Tax Assets for Unrealised Losses ⁴
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2014-2016 Cycle ⁵
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions ¹
HKFRS 4 (Amendments)	Applying HKFRS 9, Financial Instruments with HKFRS 4, Insurance Contracts ¹
HKFRS 9	Financial Instruments ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 15 (Amendments)	Clarification to HKFRS 15, Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂本(續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂本

本集團並無提早採納以下已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂本：

香港會計準則第7號	披露計劃 ⁴
(修訂本)	
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 ⁴
香港財務報告準則(修訂本)	香港財務報告準則二零一四年至二零一六年週期之年度改進 ⁵
香港財務報告準則第2號(修訂本)	澄清以股份為基礎付款交易的分類及計量 ¹
香港財務報告準則第4號(修訂本)	於應用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ³
香港財務報告準則第15號	來自客戶合約的收益 ¹
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號來自客戶合約的收益之澄清 ¹
香港財務報告準則第16號	租賃 ²

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

NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE (Continued)

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

HKFRS 9 *FINANCIAL INSTRUMENTS*

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

2. 應用新訂香港財務報告準則(「香港財務報告準則」)及香港財務報告準則之修訂本(續)

已頒佈但尚未生效之新訂香港財務報告準則及香港財務報告準則之修訂本(續)

- ¹ 於二零一八年一月一日或其後開始之年度期間生效。
- ² 於二零一九年一月一日或其後開始之年度期間生效。
- ³ 開始生效年度期間之起始日期待定。
- ⁴ 於二零一七年一月一日或其後開始之年度期間生效。
- ⁵ 於二零一七年一月一日或二零一八年一月一日(視乎情況而定)或其後開始之年度期間生效。

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入有關金融資產、金融負債分類及計量、一般對沖會計處理及金融資產減值規定之新規定。

Notes to the Consolidated Financial Statements

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

HKFRS 9 FINANCIAL INSTRUMENTS (Continued)

Key requirements of HKFRS 9:

- All recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第9號金融工具（續）

香港財務報告準則第9號之主要規定：

- 屬香港財務報告準則第9號範圍內之所有已確認金融資產其後均須按攤銷成本或公平值計量。特別是於目的為收取合約現金流之業務模式內所持有，及合約現金流僅為本金及尚未償還本金之利息付款之債務投資，一般於其後會計期末按攤銷成本計量。於目的為同時收取合約現金流及出售金融資產之業務模式所持有之債務工具，以及合約條款訂明現金流純為於特定日期支付本金及未償還本金之利息之債務工具，一般以按公平值列賬及在其他全面收益處理之方式計量。所有其他債務投資及權益性投資均於其後會計期末按公平值計量。此外，在香港財務報告準則第9號項下，實體可作出不可撤回之選擇，於其他全面收益中呈列權益性投資（並非持作買賣）公平值之其後變動，惟只有股息收入通常於損益中確認。

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綜合財務報表附註

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

HKFRS 9 FINANCIAL INSTRUMENTS (Continued)

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第9號金融工具（續）

- 就指定按公平值列賬及在損益表處理之金融負債而言，香港財務報告準則第9號規定，除非於其他全面收益中確認負債之信貸風險改變之影響，將會於損益表中產生或擴大會計錯配，否則因負債之信貸風險改變而引致金融負債公平值金額之變動乃於其他全面收益中呈列。金融負債之信貸風險變動引致之公平值變動其後不會重新分類至損益。根據香港會計準則第39號，指定按公平值列賬及在損益表處理之金融負債之公平值變動，乃全數於損益表中呈列。
- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體將於各報告日期之預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件方確認信貸虧損。

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

HKFRS 9 FINANCIAL INSTRUMENTS (Continued)

- The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in HKAS 39. Under HKFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the retrospective quantitative effectiveness test has been removed. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that HKFRS 9 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2018 and that the application of the new standard may have a significant impact on amounts reported in respect of Group's financial assets. However, it is not practical to provide a reasonable estimate of that effect until a detailed review has been completed.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第9號金融工具（續）

- 一般對沖會計之新規定保留根據香港會計準則第39號目前可運用之三類對沖會計機制。香港財務報告準則第9號為合資格作對沖會計處理之各類交易提供更大的靈活性，特別是擴闊合資格作為對沖工具之工具類別以及合資格作對沖會計處理的非金融項目之風險成分類別。此外，追溯性定量成效測試已經剔除。新規定同時引入增加披露有關實體風險管理活動之規定。

本公司董事預計將於二零一八年一月一日開始之年度期間在本集團的綜合財務報表採用香港財務報告準則第9號，應用該新訂準則或會對本集團金融資產呈報金額造成重大影響。然而，於完成詳情審閱前，提供該影響之合理估計並不切合實際。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

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

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

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第15號來自客戶合約的收益

香港財務報告準則第15號制定實體入賬來自客戶合約的收益的單一全面模式。香港財務報告準則第15號生效後，將取代香港會計準則第18號收益、香港會計準則第11號建造合約及相關詮釋等現行的收益確認指引。

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

- 第一步：識別與客戶訂立的合約
- 第二步：識別合約中的履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中的履約責任
- 第五步：於（或當）實體完成履約責任時確認收益

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

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

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

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

The directors of the Company do not anticipate that the application of these will have a material effect on the Group’s consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第15號來自客戶合約的收益（續）

根據香港財務報告準則第15號，實體於（或當）完成履約責任時（即於與特定履約責任相關的商品或服務的「控制權」轉讓予客戶時）確認收益。香港財務報告準則第15號已就特別情況的處理方法加入更明確的指引。此外，香港財務報告準則第15號要求作出更詳盡的披露。

於二零一六年，香港會計師公會頒佈香港財務報告準則第15號之澄清，內容有關識別履約責任、委託人與代理的考量及發牌申請指引。

本公司董事預期，於日後應用香港財務報告準則第15號可能導致作出更多披露，然而，本公司董事預期應用香港財務報告準則第15號不會對有關報告期間確認之收益時間及金額有重大影響。

本公司董事預計應用該等修訂將不會對本集團綜合財務報表造成重大影響。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

HKFRS 16 LEASES

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

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

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

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入全面之模式。香港財務報告準則第16號生效後，將取代香港會計準則第17號租賃及相關詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。承租人會計處理中移除區分經營租賃及融資租賃，並以承租人須就所有租賃確認使用權資產及相應負債的模式取代，惟短期租賃及低價值資產租賃除外。

使用權資產初步按成本計量，其後以成本（惟若干例外情況除外）減累計折舊及減值虧損計量，並就租賃負債的任何重新計量而作出調整。租賃負債初步按該日尚未支付的租賃款項現值計量。隨後，租賃負債會就（其中包括）利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將首次預付租賃款項呈列為有關自用租賃土地及分類為投資物業的投資現金流量，而其他經營租賃款項則呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃款項將分配至本金及利息部分，並呈列為融資現金流量。

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綜合財務報表附註

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

HKFRS 16 *LEASES* (Continued)

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第16號租賃（續）

根據香港會計準則第17號，本集團已就融資租賃安排確認一項資產及一項相關融資租賃負債，並就本集團為承租人的租賃土地確認預付租賃款項。應用香港財務報告準則第16號可能導致該等資產之分類出現潛在變化，視乎本集團是否將使用權資產獨立呈報或於相應相關資產倘屬自有而會呈報之相同項目內呈報。

相較承租人會計處理而言，香港財務報告準則第16號基本上沿用香港會計準則第17號有關出租人的會計規定，並繼續要求出租人須將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求作出廣泛之披露。

本公司董事預計應用該等修訂將不會對本集團綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKFRS 2 CLASSIFICATION AND MEASUREMENT OF SHARE-BASED PAYMENT TRANSACTIONS

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payments.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employee's tax obligation to meet the employee's tax liability which is then remitted to the tax authority, i.e. the share-based payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第2號之修訂本澄清以股份為基礎付款交易的分類及計量

該等修訂澄清下列各項：

1. 於估計現金結算以股份為基礎付款的公平值時，歸屬及非歸屬條件影響的會計處理應遵循與股權結算以股份為基礎付款相同的方法。
2. 倘稅法或法規規定實體須預扣相當於僱員稅務責任貨幣價值的特定數目股權工具，以履行其後將匯款予稅務機構的僱員稅務責任，即倘以股份為基礎付款安排具有「淨額結算特徵」，該安排將整體分類為以股權結算，前提是倘該以股份為基礎付款並無淨額結算特徵情況下亦將分類為股權結算。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKFRS 2 CLASSIFICATION AND MEASUREMENT OF SHARE-BASED PAYMENT TRANSACTIONS (Continued)

3. A modification of a share-based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:

- (i) the original liability is derecognised;
- (ii) the equity-settled share-based payment is recognised at the modification date fair value of the equity instrument granted to the extent that services have been rendered up to the modification date; and
- (iii) any difference between the carrying amount of the liability at the modification date and the amount recognised in equity should be recognised in profit or loss immediately.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第2號之修訂本澄清以股份為基礎付款交易的分類及計量（續）

3. 導致交易由現金結算變為股權結算的以股份為基礎付款修訂應按以下方式入賬：

- (i) 取消確認原有負債；
- (ii) 股權結算以股份為基礎付款按所授予權益工具的修訂日公平值確認，並以直至修訂日已提供的服務為限；及
- (iii) 修訂日負債的賬面值與權益中確認的金額之間的差額，應立即在損益中確認。

本公司董事預計應用該等修訂將不會對本集團綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKFRS 10 AND HKAS 28 SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATE OR JOINT VENTURE

The amendments to HKFRS 10 *Consolidated Financial Statements* and HKAS 28 *Investments in Associates and Joint Ventures* deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港財務報告準則第10號及香港會計準則第28號之修訂本投資者與其聯營公司或合營企業之間的資產出售或注資

香港財務報告準則第10號*綜合財務報表*及香港會計準則第28號*於聯營公司及合營企業的投資*之修訂本處理投資者與其聯營公司或合營企業之間出現資產出售或注資的情況。具體而言，該等修訂訂明，因失去與聯營公司或合營企業（以權益法列賬）的交易中並無包含業務之附屬公司之控制權而產生之盈虧，於母公司損益賬確認且僅以非相關投資者於該聯營公司或合營企業之權益為限。類似地，按於成為聯營公司或合營企業（以權益法列賬）之任何前附屬公司所保留之投資公平值重新計量所產生之盈虧於前母公司損益賬確認且僅以非相關投資者於新聯營公司或合營企業之權益為限。

本公司董事預計應用該等修訂將不會對本集團綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

AMENDMENTS TO HKAS 7 DISCLOSURE INITIATIVE

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities including both changes arising from cash flows and non-cash changes. Specially, the amendments require the following changes in liabilities arising from financing activities to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

The amendments apply prospectively for annual periods beginning on or after 1 January 2017 with earlier application permitted. The application of the amendments will result in additional disclosures on the Group's financing activities, specifically reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities will be provided on application.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港會計準則第7號之修訂本 披露計劃

該等修訂規定實體提供使財務報表使用者能夠評估融資活動所產生的負債變動的披露資料，包括現金流量產生的變動及非現金變動。具體而言，該等修訂要求披露融資活動所產生的以下負債變動：(i) 融資現金流量產生的變動；(ii) 取得或喪失子公司或其他業務控制權所導致的變動；(iii) 外匯匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

該等修訂按未來適用基準應用於二零一七年一月一日或之後開始的年度期間，並可提早應用。應用該等修訂將導致須就本集團融資活動作出額外披露，具體是於應用該修訂後須於綜合財務狀況表就融資活動所產生的負債提供期初與期末結餘的對賬。

本公司董事預計應用該等修訂將不會對本集團綜合財務報表造成重大影響。

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

AMENDMENTS TO HKAS 12 RECOGNITION OF DEFERRED TAX ASSETS FOR UNREALISED LOSSES

The amendments provide guidance on how an entity determines, in accordance with HKAS 12 *Income Taxes*, whether to recognise a deferred tax asset in relation to unrealised tax losses of a debt instrument that is classified as an available-for-sale financial asset in accordance with HKAS 39 *Financial Instruments: Recognition and Measurement* under certain specific facts and circumstances.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

2. 應用新訂香港財務報告準則（「香港財務報告準則」）及香港財務報告準則之修訂本（續）

香港會計準則第12號之修訂 本就未變現虧損確認遞延稅 項資產

該等修訂本提供指引，釐定實體如何根據香港會計準則第12號*所得稅*，在若干特定事實及情況下決定是否就依據香港會計準則第39號*金融工具：確認及計量*被分類為可供出售金融資產之債務工具之未變現稅項虧損確認遞延稅項資產。

本公司董事預計應用該等修訂將不會對本集團綜合財務報表造成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with all applicable HKFRSs, which collective term includes all applicable individual HKFRSs, HKASs and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of the Growth Enterprise Market of Securities on The Stock Exchange of Hong Kong Limited (the "GEM Listing rules").

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making 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 assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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 consolidated financial statements and estimates with a significant risk of material adjustments in the next year are discussed in Note 4 to the consolidated financial statements.

3. 重大會計政策

此等綜合財務報表乃根據所有適用香港財務報告準則（包括由香港會計師公會頒佈之所有適用之個別香港財務報告準則、香港會計準則及詮釋、香港公認會計原則及香港公司條例要求以及香港聯合交易所有限公司創業板證券上市規則（「創業板上市規則」）之適用披露條文）編製。

編製符合香港財務報告準則之綜合財務報表時，管理層需作出可影響政策應用及資產、負債、收入及開支之呈報金額之判斷、估計及假設。估計及相關假設乃根據過往經驗及多項被認為在有關情況下屬合理之其他因素而作出，有關結果構成對不易由其他資料來源得出之資產及負債賬面值作出判斷之基礎。實際結果可能與該等估計有所不同。估計及假設持續接受檢討。若會計估計之修訂只影響修訂估計的期間，則有關影響在該期間確認，或若有關修訂影響當前期間及往後期間，則有關影響於作出修訂的期間及往後期間確認。

有關管理層在應用香港財務報告準則時所作出對綜合財務報表有重大影響的判斷，以及具有重大風險可能導致在下一年度作出重大調整的估計的討論，載列於綜合財務報表附註4。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. 重大會計政策 (續)

編製基準

誠如下列會計政策所闡釋，綜合財務報表乃按歷史成本基準編製，惟根據下文載列之會計政策所說明於各報告期末按公平值計量之若干金融工具除外。

歷史成本一般基於為換取貨物及服務而支付代價之公平值。

公平值是市場參與者於計量日期在有序交易中出售資產將收取或轉讓負債將支付之價格，而不論該價格是否可直接觀察或使用其他估值方法作出估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮資產或負債之特點。在該等綜合財務報表中計量及／或披露的公平值均在此基礎上予以確定，惟香港財務報告準則第2號範圍內之以股份為基礎付款的交易、香港會計準則第17號範圍內之租賃交易以及與公平值類似但並非公平值的計量（例如，香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值）除外。

非金融資產的公平值計量計及市場參與者透過最大限度使用該資產達致最佳用途或透過將資產售予將最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BASIS OF PREPARATION (Continued)

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

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

The principal accounting policies are set out below.

BASIS OF CONSOLIDATION

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

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

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

3. 重大會計政策 (續)

編製基準 (續)

此外，就財務報告而言，公平值計量分為第一級、第二級或第三級，此等級別之劃分乃根據公平值計量的輸入數據可觀察程度及輸入數據對公平值計量的整體重要性，詳述如下：

- 第一級輸入數據乃實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）得出；
- 第二級輸入數據乃第一級所載報價以外，就資產或負債直接或間接可觀察的輸入數據；及
- 第三級輸入數據乃資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及本公司控制之實體（其附屬公司）之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響該等回報。

倘有事實或情況顯示上述三項控制因素中，有一項或以上出現變數，本集團會重新評估其是否控制投資對象。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BASIS OF CONSOLIDATION (Continued)

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. 重大會計政策 (續)

綜合基準 (續)

當本集團擁有投資對象之投票權不佔大多數，則於投票權足以為其提供單方面指導投資對象相關活動之實際能力時，本集團擁有對投資對象之權力。於評估本集團於投資對象之投票權是否足以為其提供權力時，本集團會考慮所有相關事實及情況，包括：

- 本集團持有投票權之規模相對於其他投票持有人所持者之規模及分散性；
- 本集團、其他投票持有人或其他各方持有的潛在投票權；
- 其他合同安排產生之權利；及
- 於需要作出決定（包括之前股東大會上之投票模式）時表明本集團當前擁有或並無擁有指導相關活動之能力之任何其他事實及情況。

附屬公司於本集團獲得控制權時綜合入賬，並於本集團失去附屬公司控制權時終止入賬。具體而言，於年內購入或出售之附屬公司之收入及開支，按自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止，計入綜合損益及其他全面收益表內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BASIS OF CONSOLIDATION (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interest even if this results in the non-controlling interests having a deficit balance.

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein.

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the noncontrolling interests even if this results in the non-controlling interests having a deficit balance.

3. 重大會計政策 (續)

綜合基準 (續)

損益及各項其他全面收益項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益出現虧絀結餘亦然。

需要時將會就附屬公司之財務報表作出調整，使其會計政策與本集團之會計政策貫徹一致。

集團內公司間之所有資產及負債、權益、收入、開支及與本集團成員公司間之交易相關之現金流量於綜合賬目時全部對銷。

於附屬公司的非控股權益乃與本集團於當中的權益分開呈列。

將全面收益總額分配至非控股權益

附屬公司之全面收益及開支總額歸屬於本公司擁有人及非控股權益，即使此舉會導致非控股權益產生虧絀結餘亦然。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BASIS OF CONSOLIDATION (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the noncontrolling interests are adjusted after re-attribution of the relevant equity component, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the carrying amount of the assets (including goodwill), and liabilities of the subsidiary attributable to the owners of the Company. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 重大會計政策 (續)

綜合基準 (續)

本集團於現有附屬公司之擁有權權益之變動

本集團於現有附屬公司擁有權權益之變動，在並未導致本集團喪失其對附屬公司之控制權時，會按權益交易入賬。本集團權益與非控股權益之賬面值會作調整，以反映其於附屬公司相對權益之變動。相關權益組成部分重新歸屬後調整非控股權益之金額與已付或已收代價之公平值金額之任何差額直接於權益中確認並歸屬於本公司擁有人。

倘本集團失去對附屬公司之控制權，則於損益中確認收益或虧損，並按(i)已收代價之公平值及任何保留權益之公平值總和與(ii)本公司擁有人應佔附屬公司之資產(包括商譽)及負債賬面值之間的差額釐定。先前在有關該附屬公司之其他全面收益中確認的所有金額按猶如本集團已直接出售該附屬公司之有關資產或負債的方式入賬(即重新分類至損益或轉撥至適用香港財務報告準則所指定／准許之其他權益類別)。根據香港會計準則第39號，於失去控制權日期，於前附屬公司保留之任何投資之公平值在其後會計處理時作為初步確認時之公平值，或(倘適用)初步確認於聯營公司或合營企業之投資之成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BASIS OF CONSOLIDATION (Continued)

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

3. 重大會計政策 (續)

綜合基準 (續)

業務收購乃採用收購法入賬。於業務合併轉讓之代價按公平值計量，而計算方法為本集團所轉讓之資產、本集團對被收購方原擁有人產生之負債及本集團於交換被收購方之控制權所發行之股權於收購日期之公平值之總和。與收購有關之成本一般於產生時在損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其公平值確認，惟：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產，分別根據香港會計準則第12號*所得稅*及香港會計準則第19號*僱員福利*確認及計量；
- 與被收購方以股份為基礎的付款安排有關之負債或股本工具，或與以本集團所訂立的以股份為基礎的付款安排取代被收購方以股份為基礎的付款安排有關之負債或股本工具，乃於收購日期按香港財務報告準則第2號*以股份為基礎的付款*計量（見以下會計政策）；及
- 根據香港財務報告準則第5號*持作出售非流動資產及終止經營業務*被分類為持作出售之資產（或出售組別）乃根據該準則計量。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BUSINESS COMBINATIONS (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net amount of identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 重大會計政策 (續)

業務合併 (續)

商譽是以所轉讓之代價、任何非控股權益於被收購方中所佔金額及收購公司以往持有被收購方之股權之公平值 (如有) 之總和，超出所收購之可識別資產及所承擔之負債於收購日期之淨值部份計算。倘重新評估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於所轉讓之代價、任何非控股權益於被收購方中所佔金額以及收購公司以往持有被收購方之權益之公平值 (如有) 之總和，則超出部份即時於損益中確認為廉價購買收益。

屬現時擁有之權益且於清盤時讓持有人有權按比例分佔實體淨資產之非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類之非控股權益乃按其公平值或 (如適用) 其他香港財務報告準則規定之基準計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，或然代價按其收購日期公平值計量並列作於業務合併中所轉撥代價之一部份。或然代價之公平值變動如適用計量期間調整則進行追溯調整，並就商譽作出相應調整。計量期間調整為於「計量期間」(自收購日期起計不超過一年) 就於收購日期存在之事實及情況獲得之其他資料產生之調整。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BUSINESS COMBINATIONS (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured to fair value at subsequent reporting dates in accordance with HKAS 39 with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3. 重大會計政策 (續)

業務合併 (續)

不適用計量期間調整之或然代價，其公平值變動之隨後入賬取決於或然代價如何分類。分類為權益之或然代價不會於後續報告日期重新計量，而其之後結算於權益內入賬。分類為資產或負債之或然代價根據香港會計準則第39號於後續報告日期重新計量，而相應之收益或虧損於損益中確認。

倘業務合併分階段完成，本集團先前於被收購方持有之股權按收購日期（即本集團獲得控制權當日）之公平值重新計量，而所產生之收益或虧損（如有）於損益中確認。過往於收購日期前於其他全面收益確認之被收購方權益所產生款額重新分類至損益（倘有關處理方法適用於出售權益）。

倘業務合併之初步會計處理於合併發生之報告期末尚未完成，則本集團呈報未完成會計處理之項目臨時數額。該等臨時數額會於計量期間（見上文）予以調整，或確認額外資產或負債，以反映所取得有關收購日期已存在而倘知悉將可能影響該日已確認款額之事實與情況之新資料。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

GOODWILL

Goodwill arising on an acquisition of a business is carried at cost less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

For the purposes of impairment testing, goodwill is allocated to each of the cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or group of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit (or group of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. 重大會計政策 (續)

商譽

收購業務時所產生之商譽按成本減累計減值虧損 (如有) 列賬, 並於綜合財務狀況表內分開呈列。

就減值測試而言, 商譽會被分配予預期會受惠於合併協同效益之各現金產生單位 (或現金產生單位組別), 而該單位或單位組別指就內部管理目的監控商譽的最低水平且不超過經營分部。

獲分配商譽之現金產生單位 (或現金產生單位組別) 會每年或倘有跡象顯示有關單位可能出現減值時更頻繁地進行減值測試。就於報告期間收購產生的商譽而言, 獲分配商譽的現金產生單位 (或現金產生單位組合) 於該報告期間結束前進行減值測試。當現金產生單位 (或現金產生單位組別) 之可收回金額少於賬面值時, 減值虧損會首先分配, 以減少該單位獲分配之任何商譽賬面值, 繼而以該單位 (或現金產生單位組別) 內各資產之賬面值為基準按比例分配至該單位內其他資產。任何商譽減值虧損直接於綜合損益及其他全面收益表之損益內確認。商譽減值虧損不會於其後期間撥回。

於出售有關現金產生單位時, 商譽之應佔金額會計入釐定出售損益金額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

INVESTMENTS IN ASSOCIATES

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case or the portion so classified is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale shall be accounted for using the equity method.

Under equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinued recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

3. 重大會計政策 (續)

於聯營公司之投資

聯營公司為本集團對其擁有重大影響力而並非為附屬公司或合營企業權益之實體。重大影響力乃有權參與被投資公司之財務及經營政策決定而非控制或共同控制該等政策。

聯營公司之業績及資產與負債乃按權益會計法納入此等綜合財務報表內，惟歸類為持作出售的投資或其一部份會根據香港財務報告準則第5號持作出售非流動資產及終止經營業務進行會計處理。並非分類為持作出售的於聯營公司或合營企業之投資的任何保留部分使用權益法入賬。

根據權益法，於聯營公司之投資初始以成本在綜合財務狀況表中確認，隨後進行調整以確認本集團應佔該聯營公司之損益及其他全面收益。當本集團應佔某聯營公司之虧損超出其於該聯營公司之權益（其包括實質上構成本集團於該聯營公司之投資淨額一部份的任何長期權益），則本集團不再確認應佔之進一步虧損。僅於本集團已產生法律或推定責任，或已代表聯營公司支付款項之情況下，方會進一步確認虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

INVESTMENTS IN ASSOCIATES

(Continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell with its carrying amount). Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. 重大會計政策 (續)

於聯營公司之投資 (續)

於聯營公司之投資乃自被投資公司成為聯營公司當日起按權益法入賬。收購於聯營公司之投資時，投資成本超出本集團應佔該被投資公司之可識別資產及負債之公平值淨額之任何數額確認為商譽，並計入該投資之賬面值。本集團應佔之可識別資產及負債的公平值淨額超出投資成本部分，在重新評估後，即時於收購投資期間於損益內確認。

本集團於聯營公司之投資乃按香港會計準則第39號之規定來決定是否需要確認任何減值虧損。於需要時，投資的全部賬面值（包括商譽）會根據香港會計準則第36號以單一資產的方式進行減值測試，方法是比較其可收回金額（即使用價值與公平值減出售成本的較高者）與其賬面值。任何已確認的減值虧損構成投資賬面值的一部份。倘投資之可收回金額其後回升，減值虧損之任何撥回會按照香港會計準則第36號確認。

倘集團實體與其聯營公司進行交易，僅在聯營公司之權益與本集團無關之情況下，方會於本集團綜合財務報表中確認與聯營公司進行交易所產生之溢利及虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

SUBSIDIARIES

A subsidiary is a company in which the Company directly or indirectly controls more than half of the voting power, or controls the composition of the board of directors. Investments in subsidiaries are carried in the Company's financial statements at cost less impairment loss.

REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and title have passed, at which time all the following conditions are satisfied:

Revenue from sales of telecommunication products is recognised when goods are delivered to customers which generally coincides with the time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue is recorded after deduction of any trade discount.

Network and satellite telecommunication services income based on usage of the Group's network and facilities is recognised when the services are rendered.

Telecommunication services provided for fixed periods is recognised on straight-line basis over the applicable fixed period.

Traffic signboard advertising income is recognised when services are provided.

3. 重大會計政策 (續)

附屬公司

附屬公司乃本公司直接或間接控制其超過半數投票權或控制其董事會組成之公司。於附屬公司之投資於本公司之財務報表內按成本減減值虧損列賬。

收入確認

收入按已收或應收代價之公平值計量，是指在日常業務過程中銷售貨品及提供服務所應收並扣除折扣及相關銷售稅項後之金額。

貨品銷售收入於交付貨品及轉移所有權時在符合以下所有條件之情況下確認：

銷售電訊產品之收入於產品交付給客戶時確認，通常對應於客戶接受產品及所有權相關風險及回報的時間。收入於扣除任何交易折扣後入賬。

網絡及衛星通訊服務收入根據本集團網絡及設備的使用量並於提供服務時確認。

於固定期間提供的電訊服務乃於適用固定期間按直線法確認。

交通指示牌廣告收入乃於提供服務時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

REVENUE RECOGNITION (Continued)

Income from licensing and sub-licensing of distribution rights over films is recognised upon delivery of the prerecorded audio visual products and the materials for video features including the master tapes to the customers in accordance with the terms of the contracts.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

PROPERTY, PLANT AND EQUIPMENT

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

3. 重大會計政策 (續)

收入確認 (續)

來自授出及轉授電影發行權之收入乃根據合約之條款將預錄影音產品及錄影帶(包括母帶)交付予客戶時確認。

當經濟利益很有可能流入本集團，且收入金額能可靠計算時，則確認金融資產之利息收入。利息收入乃參照未償還本金額及適用之實際利率，按時間基準累計。適用實際利率指透過金融資產之預期年期將估計未來現金收入準確折現至有關資產於首次確認時賬面淨值之利率。

物業、廠房及設備

持作用於生產或供應貨品或提供服務或作管理用途之物業、廠房及設備(除在建工程(「在建工程」)外)乃按成本扣減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表內列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

PROPERTY, PLANT AND EQUIPMENT

(Continued)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method at the following rate per annum:

Leasehold improvements	25%
Office equipment	25%
Furniture and fixtures	25%
Motor vehicles	25%
Traffic signboards	20%
Buildings	Over the unexpired lease terms of land on which the building is erected

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

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

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

3. 重大會計政策 (續)

物業、廠房及設備 (續)

折舊以直線法按物業、廠房及設備項目之估計可使用年期每年按下列比率撇銷其成本減剩餘價值確認：

租賃物業裝修	25%
辦公室設備	25%
傢俬及裝置	25%
汽車	25%
交通指示牌	20%
樓宇	於其上興建樓宇之土地之未屆滿租賃期間

估計可使用年期、剩餘價值及折舊方法於各報告期末檢討，估計之任何變動影響按預期基準入賬。

根據融資租約持有的資產按與自置資產相同之基準於其預計使用年期折舊。然而，倘未能合理確定是否將在租期末取得擁有權，則資產以其租期及可使用年期之較短者折舊。

物業、廠房及設備項目於出售時或預期持續使用該資產不再帶來未來經濟利益時終止確認。出售或停止使用物業、廠房及設備項目產生之任何收益或虧損按銷售所得款項與資產賬面值間之差額釐定，並於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

LEASING

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

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs (see the accounting policy below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3. 重大會計政策 (續)

租約

凡租約條款將所有權的絕大部份風險及回報轉讓予承租人時，該等租約分類為融資租約。所有其他租約分類為經營租約。

本集團作為承租人

按融資租約持有之資產按租約開始時之公平值或最低租約付款現值之較低者確認為本集團資產。出租人之相應負債於綜合財務狀況表列作融資租約承擔。

租約付款按比例於財務開支及租約承擔減少之間作出分配，而使負債餘額之利率固定。財務開支即時於損益確認，除非直接歸屬於合資格資產，在此情況下，財務開支依據本集團有關借貸成本之政策（見下文會計政策）撥充資本。或然租金於產生期間確認為開支。

經營租賃款項（包括根據經營租賃持有之土地的收購成本）以直線法於租期內確認為開支，除非另有系統基準更能代表消耗租賃資產所產生經濟利益之時間模式。經營租賃所產生之或然租金於產生期間確認為開支。

倘於訂立經營租賃時收取租賃優惠，則有關優惠確認為負債。優惠總利益以直線法確認為租金開支減少，惟另有系統基準更能代表消耗租賃資產所產生經濟利益之時間模式則除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Nonmonetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Nonmonetary items are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gain and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

3. 重大會計政策 (續)

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣以外貨幣（外幣）進行之交易乃按交易日期適用之匯率確認。於報告期末，以外幣列值之貨幣項目以當日適用之匯率重新換算。以外幣列值按公平值列賬之非貨幣項目，乃按釐定公平值當日適用之匯率重新換算。以外幣列值按歷史成本計算之非貨幣項目毋須重新換算。

因貨幣項目結算及因重新換算貨幣項目而產生之匯兌差額，乃於產生期間之損益內確認，惟組成本公司海外業務之投資淨額部份之貨幣項目所產生之匯兌差額除外，在此情況下，有關匯兌差額乃於其他全面收益表中確認並於權益中累計，且於出售海外業務時會從權益重新分類至損益。以公平值列賬之非貨幣項目經重新換算後所產生之匯兌差額於該期間列入損益表，惟倘非貨幣項目的損益直接於其他全面收益中確認，則重新換算產生之匯兌差額亦直接於其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FOREIGN CURRENCIES (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. HK\$) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 July 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in equity under the heading of translation reserve.

3. 重大會計政策 (續)

外幣 (續)

就呈列綜合財務報表而言，本集團海外業務之資產及負債均按各報告期末當前適用之匯率換算為本集團之呈列貨幣（即港元）。收入及開支項目乃按年內平均匯率換算，除非期內匯率出現重大波動，則於此情況下，將採用交易日期適用之匯率。所產生匯兌差額（如有）均於其他全面收益確認及於換算儲備項下之權益（如適用，非控股權益應佔）累計。

於出售海外業務（即出售本集團於該海外業務之全部權益，或涉及失去包括海外業務之附屬公司之控制權之出售）時，就本公司擁有人應佔之業務於權益累計之所有匯兌差額重新分類至損益。

此外，倘部份出售包括海外業務之附屬公司並未導致本集團失去對附屬公司之控制，則按比例將累計匯兌差額重新歸屬於非控股權益，而並不於損益內確認。

於二零零五年七月一日或之後因收購海外業務而產生之所購可識別資產之商譽及公平值調整乃視作該海外業務之資產及負債，並按各報告期末之適用匯率重新換算。所產生匯兌差額乃於匯兌儲備項下之權益確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

EMPLOYEE BENEFITS

Retirement benefit costs

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the “MPF Scheme”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to the profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group’s employer contributions vest fully with the employees when contributed into the MPF Scheme.

3. 重大會計政策 (續)

借貸成本

凡必須經過頗長時間以作擬定用途或銷售之合資格資產之收購、建造或生產直接應佔之借貸成本，均計入該等資產之成本，直至該等資產大致可作擬定用途或銷售之時為止。

特定借貸在用於有關合資格資產支出前作暫時投資所得之投資收入在合資格作資本化之借貸成本中扣減。

所有其他借貸成本均於其產生期間於損益內確認。

僱員福利

退休福利成本

本集團根據強制性公積金計劃條例為本集團所有香港僱員設立一項界定供款強制性公積金退休福利計劃（「強積金計劃」）。根據強積金計劃規定，本集團根據僱員之基本工資之比例作出供款並於應付該等供款時於損益表扣除。強積金計劃之資產於獨立管理基金與本集團之資產分開持有。本集團之僱主供款在向強積金計劃作出供款時全數歸屬於僱員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

EMPLOYEE BENEFITS (Continued)

Retirement benefit costs (Continued)

The employees in the Company's subsidiaries operating in the PRC are members of retirement benefits scheme (the "PRC RB Schemes") operated by the local municipal benefits. The local municipal government undertakes to assume the retirement benefit obligation of all existing and future retired employees of the PRC subsidiaries. The only obligation of the PRC subsidiaries with respect to the PRC RB Scheme is to meet the required contributions under the PRC RB Schemes. The contributions are charged to the profit or loss as they become payable in accordance with the relevant laws and regulations of the PRC.

Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

3. 重大會計政策 (續)

僱員福利 (續)

退休福利成本 (續)

本公司在中國營運之附屬公司之僱員為由當地市政府營運之退休福利計劃(「中國退休福利計劃」)之成員。當地市政府承諾承擔所有現有及日後退休之中國附屬公司僱員之退休福利責任。中國附屬公司有關中國退休福利計劃之唯一責任為作出符合中國退休福利計劃規定之供款。該等供款在根據中國有關法例及法規應付時於損益表扣除。

終止合約福利

本集團通過周詳、正式的計劃(該計劃須並無任何實際撤銷的可能性)明確地表示終止僱用員工或對自願遣散的僱員提供福利時，方會確認終止合約福利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

EMPLOYEE BENEFITS (Continued)

Share options granted to directors and employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to accumulated losses.

Share options granted to consultants

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted.

The fair values of the goods or services received are recognised as expenses, with a corresponding increase in equity (share options reserve), when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

3. 重大會計政策 (續)

僱員福利 (續)

授予董事及僱員之購股權

所獲服務之公平值乃參考購股權於授出日期之公平值釐定，倘所授出之購股權獲即時歸屬，則於授出日期悉數確認為開支，並於權益中（購股權儲備）作相應之增加。

當行使購股權時，過往於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未行使，則過往於購股權儲備確認之金額將轉撥至累計虧損。

授予顧問之購股權

發行以換取貨品或服務之購股權乃按所收到貨品或服務之公平值計量，除非有關公平值不能可靠地計量，則此情況下所收到貨品或服務乃參考所授出購股權之公平值計量。

除非貨品或服務符合資格確認為資產，否則所收到貨品或服務之公平值會於本集團取得貨品或對手方提供服務時確認為開支，並於權益（購股權儲備）作出相應增加。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

TAXATION

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

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

3. 重大會計政策 (續)

稅項

所得稅開支指當期應繳稅項與遞延稅項的總和。

當期應繳稅項乃基於年內應課稅溢利計算。應課稅溢利因不包括其他年度之應課稅或可扣減的收入或開支項目並且亦不包括始終不應課稅或不可扣減之項目，故其與綜合損益及其他全面收益表內列報的溢利並不相同。本集團的即期稅項負債乃採用於報告期末已頒佈或實質已頒佈的稅率計算。

遞延稅項乃基於綜合財務報表內資產及負債之賬面值與計算應課稅溢利所採用的相應稅基之間的暫時性差額確認。遞延稅項負債一般就所有應課稅暫時性差額予以確認。遞延稅項資產一般以可能將存在可供用以與所有可扣減暫時性差額相互抵銷的應課稅溢利為限就該等可扣減暫時性差額予以確認。倘暫時性差額乃因商譽或因於並不影響應課稅溢利或會計溢利的交易中初步確認（業務合併除外）其他資產及負債而產生，則不予確認上述遞延稅項資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

TAXATION (Continued)

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 重大會計政策 (續)

稅項 (續)

遞延稅項負債乃就與於附屬公司投資有關的應課稅暫時性差額予以確認，惟本集團可控制暫時性差額之撥回且暫時性差額於可預見的未來極有可能不會撥回時則除外。僅在可能將存在充足應課稅溢利可供用以與暫時性差額利益相互抵銷且預期其於可預見的將來將會撥回的情況下，方會確認由與上述投資及權益有關的可扣減暫時性差額而產生的遞延稅項資產。

於各報告期末會對遞延稅項資產的賬面值進行評核，並將其減至不再可能存在充足應課稅溢利而使得將收回全部或部分資產的程度。

遞延稅項資產及負債乃按預期於償付負債或變現資產之期間將適用的稅率計量（基於截至報告期末已頒佈或實質已頒佈的稅率（及稅法））。

遞延稅項負債及資產的計量值反映因本集團於報告期末預期將用以收回或償付其資產及負債賬面值的方式將會引致的稅務結果。

即期及遞延稅項於損益內確認，惟與其他全面收益或直接於權益確認的項目有關時則除外，在此情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。倘即期稅項或遞延稅項因業務合併之初步會計處理而產生，則有關稅務影響會計入業務合併之會計處理。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

INTANGIBLE ASSETS

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses, being their fair value at the date of the revaluation less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation for intangible asset with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

3. 重大會計政策 (續)

無形資產

單獨收購之無形資產

單獨收購且具有限定可使用年期之無形資產，按成本減累計攤銷及累計減值虧損列賬。

攤銷乃以直線法於其估計可使用年期內確認。於各報告期末檢討估計可使用年期及攤銷方法，估計變動之影響按預期基準入賬。單獨收購且具有無限定可使用年期之無形資產則按成本減累計減值虧損入賬。

業務合併購入之無形資產

業務合併購入之無形資產與商譽分開確認，初始按其於收購日期之公平值（視為其成本）確認。

於初始確認後，具備有限使用年期的無形資產按成本扣除累計攤銷及任何累計減值虧損（即其於重估日期的公平值扣除其後的累計攤銷及任何累計減值虧損）列賬。有限使用年期的無形資產攤銷按直線基準於估計可使用年期確認。

相反，具無限定可使用年期之無形資產按成本減任何其後累計減值虧損列賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

INTANGIBLE ASSETS (Continued)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IMPAIRMENT LOSSES ON TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

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

3. 重大會計政策 (續)

無形資產 (續)

終止確認無形資產

無形資產於出售時或預期不會從使用或出售獲得未來經濟利益時終止確認。終止確認無形資產產生之收益及虧損按出售所得款項淨額與資產賬面金額之間的差額計量，於終止確認資產時於損益確認。

商譽除外之有形及無形資產減值虧損

於報告期末，本集團對其有形及無形資產的賬面值進行評核，以確定是否存在任何跡象表明該等資產已出現減值虧損。倘存在任何該類跡象，會對資產的可收回金額作出估計以確定減值虧損（如有）的程度。倘無法估計單項資產之可收回金額，則本集團估計資產所屬現金產生單位之可收回金額。倘可識別分配之合理一致基準，則公司資產亦分配至獨立現金產生單位，否則則分配至可識別合理一致基準之現金產生單位最小組別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

IMPAIRMENT LOSSES ON TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL (Continued)

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that they may be impaired.

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

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

3. 重大會計政策 (續)

商譽除外之有形及無形資產減值虧損 (續)

具無限定可使用年期之無形資產及尚未可使用之無形資產至少每年均進行減值測試，並於出現減值跡象時進行減值測試。

可收回金額為公平值減銷售成本與使用價值兩者中之較高者。評估使用價值時，估計未來現金流量會按照可反映現時市場對貨幣時間值及未調整未來現金流量估計之資產特定風險的評估的稅前折現率，折現至其現值。

倘資產（或現金產生單位）之可收回金額估計低於其賬面值，則該資產（或現金產生單位）賬面值減至可收回金額。於分配減值虧損時，減值虧損會首先分配以減少任何商譽賬面值（如適用），繼而以該單位內各資產之賬面值為基準按比例分配至該單位內其他資產。資產賬面值不得減少至低於其公平值減出售成本（如可計量）、其使用價值（如可計量）及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損即時於損益確認。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

IMPAIRMENT LOSSES ON TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately in profit or loss.

INVENTORIES

Inventories, representing finished goods for resale, are stated at the lower of costs and net realisable value. Cost is calculated using first-in, first-out method. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

PROVISIONS

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

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where effect of the time value of money is material).

3. 重大會計政策 (續)

商譽除外之有形及無形資產減值虧損 (續)

倘減值虧損於其後撥回，則資產的賬面值將增至經修訂之估計可收回金額，惟已增加的賬面值不得超過有關資產（或現金產生單位）於過往年度並無確認減值虧損下原應釐定之賬面值。減值虧損撥回即時於損益確認為收入。

存貨

存貨指可供轉售之製成品，乃按成本及可變現淨值之間的較低者列賬。成本以先入先出方法計算。可變現淨值指存貨估計售價減所有估計完成成本及必要銷售成本計算。

撥備

倘本集團因過往事件而須承擔現有責任，而本集團很可能須履行該項責任，且能可靠估計該責任之金額時，則須確認撥備。

撥備乃經考慮責任所附帶的風險及不確定因素後，根據於報告期末為履行現有責任所需代價之最佳估計計算。倘撥備乃按履行現有責任之估計現金流量計量，其賬面值則按有關現金流量之現值（倘貨幣之時間價值影響重大）計值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

PROVISIONS (Continued)

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

CONTINGENT LIABILITIES ACQUIRED IN A BUSINESS COMBINATION

Contingent liabilities acquired in a business combination are initially measured at fair value at the date of acquisition. At the end of the subsequent report periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with HKAS 37 and the amount initially recognised less cumulative amortization recognised in accordance with HKAS 18.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 重大會計政策 (續)

撥備 (續)

倘用以償還撥備之部份或全部經濟利益預期將從第三方收回，則當實質上確認將收到償款且應收金額能可靠計量時，應收款項方確認為資產。

於業務合併中收購之或然負債

於業務合併中收購之或然負債初始於收購日按公平值計量。在其後報告期末，該或然負債以根據香港會計準則第37號確認之金額及根據香港會計準則第18號初始確認之金額減累計攤銷兩者之較高者確認。

金融工具

金融資產及金融負債乃於集團實體成為工具合約條文訂約一方時於綜合財務狀況表內確認。

金融資產及金融負債最初按公平值計量。於最初確認時，可直接歸因於收購或發行金融資產及金融負債（除按公平值計入損益之金融資產或金融負債外）的交易成本乃加入金融資產或金融負債的公平值或從其中扣除（如適用）。收購按公平值計入損益之金融資產或金融負債直接應佔交易成本即時於損益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets

The Group's financial assets are classified into the following specified categories: financial assets at fair value through profit or loss ("FVTPL") and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of asset within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產

本集團的金融資產分類為下列類別：按公平值計入損益（「按公平值計入損益」）之金融資產以及貸款及應收款項。該分類乃根據金融資產之性質及目的於初步確認時釐定。所有按正常途徑購入或出售的金融資產乃按交易日期確認及終止確認。按正常途徑購入或出售指須於依照市場規則或慣例確定的時間段內交付資產的購入或出售金融資產。

實際利率法

實際利率法是計算金融資產的攤銷成本並於有關期間分配利息收入的方法。實際利率是於金融資產整個預期年期或（倘屬適當）較短期間將估計未來現金收入（包括構成實際利率組成部份的所有已付或已收費用、交易成本及其他溢價或折讓）準確折現至初步確認時的賬面淨值之利率。債務工具之利息收入按實際利息基準確認。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading or (ii) it is designated as at FTVPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

按公平值計入損益之金融資產

當金融資產為(i)持作買賣；或(ii)被指定為按公平值計入損益時，分類為按公平值計入損益。

符合下列情況的金融資產歸類為持作買賣：

- 購入目的主要是為於短期內出售；或
- 於初步確認時，其構成本集團合併管理及具有最近實際短期獲利模式之已識別金融工具組合的一部份；或
- 為並非指定及有效作對沖工具之衍生工具。

金融資產（持作買賣之金融資產除外）可於下列情況下於初步確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現的計量或確認方面的一致性；或

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Financial assets at FVTPL (Continued)

- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Fair value is determined in the manner described in note 6.

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

按公平值計入損益之金融資產 (續)

- 該金融資產構成一組金融資產或金融負債或金融資產及金融負債組合之一部分，而根據本集團制定的風險管理或投資策略，該項目乃以公平值為基準進行管理及評估績效，且有關分組之資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分，而香港會計準則第39號允許將整個組合合約（資產或負債）指定為按公平值計入損益。

按公平值計入損益之金融資產按公平值列賬，而重新計量產生之任何收益或虧損在損益內確認。公平值按附註6所述方式釐定。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial assets (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, deposits and other receivables, promissory note, loan receivables and cash and cash equivalents) are carried at amortised cost using the effective interest method, less any identified accumulated impairment losses (see accounting policy on impairment loss of financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項為於交投活躍的市場並無報價且付款額固定或可釐定的非衍生金融資產。於最初確認之後，貸款及應收款項（包括貿易應收賬款、按金及其他應收款項、承兌票據、應收貸款以及現金及現金等價物）乃採用實際利率法按已攤銷成本扣除任何已識別累計減值虧損（參見下文有關金融資產減值虧損的會計政策）列賬。

利息收入採用實際利率確認，惟確認利息將不會重大之短期應收款項除外。

金融資產減值

於各報告期末會就是否存在減值跡象對金融資產進行評估。倘存在客觀證據表明，因於初步確認金融資產之後發生的一項或多項事件，金融資產的估計未來現金流量已受影響，則金融資產視為已減值。

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Impairment of financial assets (Continued)

Objective evidence of impairment could include:

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period ranging from 90 to 180 days, observable changes in national or local economic conditions that correlate with default on receivables.

3. 重大會計政策 (續)

金融工具 (續)

金融資產減值 (續)

減值客觀證據可包括：

- 發行人或對手方出現嚴重的財務困難；或
- 違反合約規定，如欠繳或拖欠支付利息及本金；或
- 借款人可能破產或將進行財務重組；或
- 因財務困難而令該金融資產失去交投活躍之市場。

就若干種類的金融資產（如貿易應收賬款）而言，被評定為不會個別減值的資產其後按集中基準進行減值評估。應收款項組合出現減值的客觀證據可包括本集團的過往收款經驗、相關組合延遲付款超過介乎90天至180天信貸期的數目增加以及國家或地方經濟狀況與應收款項出現拖欠情況存在關連的可觀察變化。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Impairment of financial assets (Continued)

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

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

3. 重大會計政策 (續)

金融工具 (續)

金融資產減值 (續)

就按攤銷成本列賬的金融資產而言，已確認之減值虧損金額為資產賬面值與按該金融資產之原定實際利率折現的估計未來現金流量的現值之間的差額。

就按成本列賬的金融資產而言，減值虧損金額乃按資產賬面值與按類似金融資產的當前市場回報率折現的估計未來現金流量的現值之間的差額計量。該項減值虧損於其後期間不會被撥回。

金融資產的賬面值會直接扣除減值虧損，惟貿易應收賬款的賬面值則採用備抵賬戶扣除相關款項。於貿易應收賬款被認為無法收回時會於備抵賬戶內沖銷。其後收回先前已沖銷的金額則會計入損益。備抵賬戶之賬面值變動乃於損益內確認。

就按攤銷成本計量的金融資產而言，倘減值虧損金額於其後期間出現減少，且減少情況與於確認減值虧損後發生的事件存在客觀聯繫，則先前確認的減值虧損透過損益撥回，惟以資產於撥回減值當日的賬面值不超過倘未確認減值原應計得的攤銷成本金額為限。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments

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

Equity instruments

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

Convertible notes

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into respective items on initial recognition in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具

集團實體發行的金融負債及股本工具根據合約安排的實質以及金融負債及股本工具的釋義分類為金融負債或權益。

股本工具

股本工具是指證明於本集團經扣除其所有負債之後資產的剩餘權益的任何合約。本集團所發行之股本工具按已收所得款項扣減直接發行成本確認。

可換股票據

本集團發行的包括負債及換股權部份的可換股票據，乃根據合同安排的實質及金融負債及股本工具的定義，於初步確認時各自分類為負債及股權部份。將以固定金額現金或另一項可交換本公司本身固定數目股權工具的金融資產方式結清的換股權乃分類為股權工具。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments (Continued)

Convertible notes (Continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the notes into equity, is included in convertible notes reserve.

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes reserve until the embedded option is exercised (in which case the balance stated in convertible notes reserve will be transferred to share premium). Where the option remains unexercised at the expiry date, the balance stated in convertible notes reserve will be released to the accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible notes using the effective interest method.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

可換股票據 (續)

於初步確認時，負債部份的公平值乃按類似不可換股債務的現行市場利率釐定。發行可換股票據的所得款項總額與撥往負債部份的公平值的差額（代表讓持有人將票據轉換為股本的換股權）應列入可換股票據儲備。

於往後期間，可換股票據的負債部份乃以實際利率法按已攤銷成本列賬。股本部份（代表可將負債部份轉換為本公司普通股的換股權）將保留於可換股票據儲備，直至嵌入式換股權獲行使為止（於此情況下，可換股票據儲備的結餘將轉撥至股份溢價）。倘換股權於到期日尚未獲行使，可換股票據儲備的結餘將解除至累計虧損。換股權獲轉換或到期時不會於損益中確認任何盈虧。

發行可換股貸款票據的交易成本，按所得款項總額的分配比例撥往負債及股本部份。股本部份的交易成本會直接於股本中扣除。負債部份的交易成本計入負債部份的賬面值中，並以實際利率法於可換股票據期限內攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liabilities are designated at FVTPL on initial recognition or contingent consideration that may be paid by an acquirer as part of a business combination to which HKFRS 3 applies.

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with changes at fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

按公平值計入損益之金融負債

當金融負債為於初步確認時指定為按公平值計入損益或適用香港財務報告準則第3號的收購方可能支付作為業務合併一部分的或然代價，則該金融負債分類為按公平值計入損益。

除持作買賣之金融負債或收購方可能支付作為業務合併一部分的或然代價之外，金融負債可在下列情況於初步確認時指定為按公平值計入損益：

- 該指定消除或大幅減少可能會出現的計量或確認方面的一致性；或
- 該金融負債構成一組金融資產或金融負債或金融資產及金融負債組合之一部分，而根據本集團制定的風險管理或投資策略，該項目乃以公平值為基準進行管理及評估績效，且有關分組之資料乃按此基準向內部提供；或
- 其構成包含一項或多項嵌入衍生工具的合約之一部分，而香港會計準則第39號允許將整個組合合約（資產或負債）指定為按公平值計入損益。

按公平值計入損益之金融負債按公平值計量，重新計量所產生之公平值變動於產生期間直接在損益中確認。於損益確認之收益或虧損淨額不包括就任何金融負債所支付之利息。

Notes to the Consolidated Financial Statements

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial liabilities classified as at FVTPL, of which the interest expense is excluded in net gains or losses.

Other financial liabilities

Other financial liabilities including trade payables, other payables and accruals, bank borrowings and convertible notes are subsequently measured at amortised cost, using the effective interest method.

3. 重大會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

實際利率法

實際利率法是計算金融負債攤銷成本並於有關期間分配利息開支的方法。實際利率是於金融負債預期年期或（倘屬適當）較短期間將估計未來現金付款（包括構成實際利率組成部份的所有已付或已收費用、交易成本及其他溢價或折讓）準確折現至初步確認時的賬面淨值之利率。

利息開支乃按實際利率基準確認，惟分類為按公平值計入損益之金融負債除外，其利息開支不計入收益或虧損淨額。

其他金融負債

其他金融負債（包括貿易應付賬款、其他應付款項及應計款項、銀行借款及可換股票據）其後採用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

3. 重大會計政策 (續)

金融工具 (續)

終止確認

僅於資產現金流量之合約權利屆滿時，或將金融資產及該資產所有權之絕大部份風險及回報轉讓予其他實體時，本集團方會終止確認金融資產。倘本集團並無轉讓亦無保留所有權之絕大部份風險及回報，並繼續控制轉讓資產，則本集團會繼續以其持續參與該項資產的程度為限確認該項資產及確認相關負債。倘本集團保留轉讓金融資產擁有權之絕大部份風險及回報，本集團會繼續確認金融資產，並就所收取之所得款項確認抵押借款。

於全面終止確認金融資產時，資產賬面值與已收及應收代價以及已於其他全面收益確認及於權益中累計之累計收益或虧損之總和之差額，乃於損益內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

FINANCIAL INSTRUMENTS (Continued)

Derecognition (Continued)

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

GOVERNMENT GRANTS

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

RELATED PARTIES

A related party is considered to be related to the Group if:

- (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 of a parent of the Group.

3. 重大會計政策 (續)

金融工具 (續)

終止確認 (續)

本集團僅於其責任已被解除、註銷或屆滿時方會終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之差額乃於損益內確認。

政府補貼

政府補貼於可合理確定本集團將遵守補貼附帶之條件及收取補貼時方予確認。

作為已產生開支或虧損之補償或向本集團提供即時財務資助(並無日後相關成本)而可收取之政府補貼,乃於其成為可收取之期間於損益賬中確認。

關連人士

倘任何人士符合以下條件,則視為本集團的關連人士:

- (a) 倘一名人士符合以下條件,則該人士或其關係密切家庭成員為本集團的關連人士:
 - (i) 控制或共同控制本集團;
 - (ii) 對本集團擁有重大影響力;或
 - (iii) 為本集團或本集團母公司的主要管理人員。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

RELATED PARTIES (Continued)

A related party is considered to be related to the Group if:
(Continued)

- (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 of a parent, subsidiary or fellow subsidiary of the other entity);
 - (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;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a); and
 - (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 parent of the Group.

3. 重大會計政策 (續)

關連人士 (續)

倘任何人士符合以下條件，則視為本集團的關連人士：(續)

- (b) 倘某一實體符合下列任何一項條件，則為本集團的關連人士：
- (i) 該實體與本集團屬同一集團之成員公司（即意味各母公司、附屬公司及同系附屬公司為其他方的關連人士）；
 - (ii) 一家實體為另一實體之聯營公司或合營企業（或另一家實體之母公司、附屬公司或同系附屬公司）；
 - (iii) 兩家實體均為同一第三方之合營企業；
 - (iv) 一家實體為第三方實體之合營企業，而另一家實體為第三方實體之聯營公司；
 - (v) 該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；
 - (vi) 該實體受(a)定義之人士控制或共同控制；及
 - (vii) (a)(i)定義之人士對該實體有重大影響力或屬該實體（或該實體之母公司）之主要管理人員。
 - (viii) 該實體或其所屬集團任何成員公司向本集團或本集團母公司提供主要管理人員服務。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

RELATED PARTIES (Continued)

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.

SEGMENT REPORTING

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. 重大會計政策 (續)

關連人士 (續)

一名人士之關係密切家庭成員指預期在其與實體進行交易時可能影響該人士或受該人士影響的家庭成員。

分部報告

經營分部及於財務報表中報告的每個分部項目款額，乃從就向本集團各個業務及業務所在地分配資源及評估表現而定期提供予本集團最高級行政管理人員的財務資料中確認。

除非分部的經濟特徵相似且在產品及服務性質、生產工藝性質、顧客類型及分類、用以分銷產品或提供服務的方式及監管環境性質方面均相似，否則個別重大的經營分部不會為編製財務報告而將其合計。倘個別非重大的經營分部共同具有上述大部份的特徵，則可將其合計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, the directors of the Company are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Provision for inventories

Management reviews the ageing analysis of inventories of the Group at the end of each reporting period and makes provision if considered necessary. Management estimate the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. At 31 December 2016, the carrying amount of inventories was approximately HK\$26,033,000 (2015: HK\$25,286,000) after netting off the allowance for inventories of approximately HK\$800,000 (2015: HK\$800,000).

4. 重大會計判斷及估計不明朗因素的主要來源

於應用本集團的會計政策時（載於附註3），本公司董事須就資產及負債的賬面值作出不易由其他來源得出的判斷、估計及假設。估計及有關假設乃基於過往經驗及被認為屬相關的其他因素作出。實際結果可能與該等估計有所不同。

估計及相關假設會持續進行評核。倘對會計估計的修訂倘僅影響對估計作出修訂之期間，則於有關期間內確認，或倘修訂對當前及未來期間均有影響，則於修訂期間及未來期間確認。

估計不明朗因素的主要來源

以下為有關未來的關鍵假設以及於報告期末有關估計不明朗因素的其他主要來源，具有導致下一財政年度資產及負債賬面值作出重大調整的重大風險。

存貨撥備

管理層會於各報告期末審閱本集團存貨之賬齡分析，並在認為有必要時計提撥備。管理層主要依據最近發票價格及當前市況，估計該等存貨之可變現淨值。於二零一六年十二月三十一日，經扣除存貨撥備約800,000港元（二零一五年：800,000港元）後，存貨的賬面值約為26,033,000港元（二零一五年：25,286,000港元）。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Impairment of property, plant and equipment

The recoverable amount of an asset is the greater of its net selling price 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 risk specific to the asset, which required significant judgment relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. At 31 December 2016, the carrying amount of property, plant and equipment was approximately HK\$414,662,000 (2015: HK\$28,880,000) (net of accumulated impairment loss amounted to approximately HK\$2,310,000 (2015: HK\$2,310,000)). Details are disclosed in Note 17.

4. 重大會計判斷及估計不明 朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

物業、廠房及設備減值

資產可收回金額為淨售價及使用價值的較高者。在估計使用價值時，乃將預計未來現金流量貼現至其現值，使用貼現率為可反映現時市場評估之貨幣時間值及該資產特定風險值之稅前貼現率，並需要對收入水準及經營成本作出重大判斷。本集團利用所有現有資料對可收回金額作合理估算，包括合理及有依據的假設以及收入及經營成本的估算。於二零一六年十二月三十一日，物業、廠房及設備的賬面值約為414,662,000港元（二零一五年：28,880,000港元）（扣除累計減值虧損約2,310,000港元（二零一五年：2,310,000港元））。詳情載於附註17。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of goodwill and intangible assets

Determining whether goodwill and intangible assets are impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill has been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2016, the carrying amount of goodwill amounted to approximately HK\$195,139,000 (2015: HK\$121,741,000) (net of accumulated impairment loss amounted to approximately HK\$898,881,000 (2015: HK\$1,104,316,000)) and carrying amount of intangible assets amounted to approximately HK\$317,058,000 (2015: HK\$194,866,000) (net of accumulated amortisation and impairment loss amounted to approximately HK\$347,547,000 (2015: HK\$379,406,000)). Details are disclosed in Note 19 and 20.

4. 重大會計判斷及估計不明 朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

商譽及無形資產的估計減值

釐定商譽及無形資產有否減值時，須要對已獲分配商譽的現金產生單位使用價值作出估計。本集團計算使用價值時，需要估計預期該現金產生單位日後所產生的現金流量及合適折現率，方可計算其現值。若日後的實際現金流量少於預期，則可能出現重大減值虧損。於二零一六年十二月三十一日，商譽之賬面值約為195,139,000港元（二零一五年：121,741,000港元）（經扣除累計減值虧損金額約898,881,000港元（二零一五年：1,104,316,000港元））及無形資產之賬面值約為317,058,000港元（二零一五年：194,866,000港元）（經扣除累計攤銷及減值虧損金額約347,547,000港元（二零一五年：379,406,000港元））。詳情於附註19及20披露。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Determination of fair values of identifiable intangible assets arising from the business combination

The acquired identifiable assets and liabilities had to be measured at their respective fair values as at the date of acquisition. The difference between the cost of acquisition and the fair value of the Group's share of net assets so acquired should be recognised as goodwill at the end of the reporting period or recognised in the consolidated statement of profit or loss and other comprehensive income. In the absence of an active market for the business combination/acquisition transactions undertaken by the Group, in order to determine the fair values of assets acquired and liabilities assumed, the directors of the Company had made their estimates according to the valuation results produced by external valuers. During year ended 31 December 2016, the fair value of identifiable intangible assets arising from the acquisition of 廣州市資拓科技有限公司 (Guangzhou Nowtop Technology Company Limited*) ("Guangzhou Nowtop") is approximately HK\$186,619,000. During year ended 31 December 2015, the fair value of identifiable intangible assets arising from the acquisitions of Bluesea Mobile Group and Million Ace Group are approximately HK\$100,947,000 and HK\$69,749,000 respectively. Details of the identifiable intangible assets are disclosed in Note 20.

4. 重大會計判斷及估計不明 朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

釐定業務合併產生的可識別無 形資產的公平值

所購入可識別資產及負債須按收購日期各自之公平值計量。收購成本與本集團應佔所收購資產淨值的公平值之差額於報告日期末確認為商譽或在綜合損益及其他全面收益表確認。由於本集團所進行業務合併／收購交易並無活躍市場，故釐定所收購資產及所承擔負債的公平值時，本公司董事已根據外界估值師所提供估值結果作出估計。截至二零一六年十二月三十一日止年度，因收購廣州市資拓科技有限公司（「廣州資拓」）所產生之可識別無形資產之公平值約為186,619,000港元。截至二零一五年十二月三十一日止年度，因收購蔚海移動集團及萬成集團所產生之可識別無形資產之公平值分別約為100,947,000港元及69,749,000港元。有關可識別無形資產之詳情於附註20披露。

* for identification purpose only

* 僅供識別

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Estimated impairment of trade receivables and other receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2016, the carrying amount of trade receivables and other receivables are approximately HK\$192,956,000 (2015: HK\$91,235,000) (net of allowance for doubtful debts of approximately HK\$41,000 (2015: HK\$41,000) and HK\$150,853,000 (2015: HK\$100,837,000) (net of allowance for doubtful debt of HK\$19,451,000 (2015: HK\$26,309,000)).

Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimate are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 重大會計判斷及估計不明 朗因素的主要來源 (續)

估計不明朗因素的主要來源 (續)

貿易應收賬款及其他應收款項 的估計減值

倘有客觀證據顯示出現減值虧損，本集團即會考慮估計未來現金流量。減值虧損金額按資產賬面值與估計未來現金流量（不包括尚未產生之日後信貸虧損）按該金融資產原定實際利率（即初步確認時計算之實際利率）折現之現值間之差額計量。倘實際未來現金流量少於預期，則可能產生重大減值虧損。於二零一六年十二月三十一日，貿易應收賬款及其他應收款項之賬面值分別約為192,956,000港元（二零一五年：91,235,000港元）（扣除呆賬撥備約為41,000港元（二零一五年：41,000港元））及150,853,000港元（二零一五年：100,837,000港元）（扣除呆賬撥備19,451,000港元（二零一五年：26,309,000港元））。

所得稅

本集團須繳納若干司法權區的所得稅。釐定所得稅撥備時需要作出重大估計。於日常業務過程中，許多交易及計算所涉及的最終稅項未能明確釐定。倘該等事件的最終稅務結果與初始記錄的金額存在差異，則該等差額將影響作出有關釐定期間的所得稅及遞延稅項撥備。

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綜合財務報表附註

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes bank borrowings and convertible notes disclosed in Notes 30 and 31 respectively, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors of the Company consider the cost of capital and the risks associates with each class of capital. Based on the recommendations of the Directors, the Group will balance its overall capital structure through the new share issues as well as the issue of new debt or the redemption of the existing debt.

5. 資本風險管理

本集團資本管理之目標為保障旗下實體能持續經營業務，並透過實現債務與權益之間的最佳平衡，為股東帶來最大回報。本集團之整體策略與過往年度維持不變。

本集團之資本架構包括債務（包括分別於附註30及31所披露之銀行借款及可換股票據）減去現金及現金等價物及本公司擁有人應佔權益（包括已發行股本及儲備）。

本公司董事定期檢討資本架構。作為此檢討之一部份，本公司董事考慮資本之成本及與各類資本相關之風險。根據董事之建議，本集團將透過發行新股份及發行新債務或贖回現有債務之方式平衡整體資本架構。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS

6. 金融工具

CATEGORIES OF FINANCIAL INSTRUMENTS

金融工具類別

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	金融資產		
At amortised cost	按攤銷成本		
Loan and receivables	貸款及應收款項		
Trade receivables	貿易應收賬款	192,956	91,235
Deposits and other receivables	按金及其他應收款項	172,898	122,553
Promissory note	承兌票據	65,200	–
Loan receivables	應收貸款	165,000	–
Cash and cash equivalents	現金及現金等價物	188,882	1,111,947
		784,936	1,325,735
At fair value through profit or loss	按公平值計入損益		
Derivative financial assets	衍生金融資產	–	–
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	48,631	–
		833,567	1,325,735
Financial liabilities	金融負債		
At amortised cost	按攤銷成本		
Trade payables	貿易應付賬款	30,353	46,093
Other payables and accruals	其他應付款項及應計款項	59,101	120,971
Bank borrowings	銀行借款	55,897	26,271
Convertible notes	可換股票據	–	157,364
		145,351	350,699
At fair value through profit or loss	按公平值計入損益		
Contingent consideration payable	應付或然代價	44,350	–
		189,701	350,699

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's financial instruments include trade receivables, deposits and other receivables, loan and loan interest receivables, promissory notes, financial assets at FVTPL, cash and cash equivalents, derivative financial assets, trade payables, other payables and accruals, deposits received, bank borrowings and convertible notes. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency, interest rates and price risk.

Market risk exposures are further measured by sensitivity analysis. There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk. Details of each type of market risks are described as follows:

6. 金融工具 (續)

金融風險管理目標及政策

本集團之金融工具包括貿易應收賬款、按金及其他應收款項、應收貸款及貸款利息、承兌票據、按公平值計入損益之金融資產、現金及現金等價物、衍生金融資產、貿易應付賬款、其他應付款項及應計款項、已收按金、銀行借款及可換股票據。該等金融工具之詳情於各相關附註披露。有關該等金融工具之風險包括市場風險（貨幣風險、利率風險及價格風險）、信貸風險及流動資金風險。有關降低該等風險之政策乃於下文載列。管理層將管理及監控該等風險，以確保及時有效地實施適當之措施。

市場風險

本集團業務主要面對外幣、利率及價格變動之金融風險。

所面對之市場風險乃以敏感度分析進一步計量。本集團面對之市場風險或其管理及計量風險之方式並無重大改變。各類市場風險詳述如下：

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6. FINANCIAL INSTRUMENTS (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Market risk (Continued)

Currency risk

Several subsidiaries of the Group have certain foreign currency transaction, which expose the Group to foreign currency risk.

The carrying amounts of the Group's USD denominated monetary assets and monetary liabilities at the end of reporting period are as follows:

		Liabilities 負債		Assets 資產	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
USD	美元	-	5,200	206	225

The Group currently does not have a foreign currency hedging policy. However, the management has closely monitored the Group's foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.

6. 金融工具 (續)

金融風險管理目標及政策 (續)

市場風險 (續)

貨幣風險

本集團之若干附屬公司擁有若干外幣交易，令本集團面對外幣風險。

於報告期末，本集團以美元計值之貨幣資產及貨幣負債的賬面值如下：

本集團現時並無任何外幣對沖政策。然而，管理層會嚴密監控本集團之外匯風險，且於必要時將考慮對沖重大外幣風險。

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6. FINANCIAL INSTRUMENTS (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Market risk (Continued)

Currency risk (Continued)

Sensitivity analysis

As HK\$ is pegged to USD, the financial impact on exchange risk is exposed to be insignificant.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to the fixed-rate loan receivables, convertible notes, and cash flow interest rate risk in relation to variable rate bank balances for both years.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest exposure and will consider other necessary actions when significant interest rate exposure is anticipated.

Price risk

The Group did not have investments in equity securities for treasury purpose and therefore is not exposed to equity price risk. The management has a policy to monitor the Group's exposure to price risk by maintaining a portfolio of investments with different risk and return profiles and will consider hedging the risk exposure should the need arises.

6. 金融工具 (續)

金融風險管理目標及政策 (續)

市場風險 (續)

貨幣風險 (續)

敏感度分析

由於港元與美元掛鉤，匯率風險的財務影響並不重大。

利率風險

本集團面對有關兩個年度固定利率應收貸款、可換股票據及有關浮息銀行結餘的現金流利率風險之公平值利率風險。

本集團現時並無利率對沖政策。然而，管理層會監控利息風險，且將於預計有重大利率風險時考慮其他必要的行動。

價格風險

本集團並無就庫務目的投資於股本證券，故並無承受股本價格風險。管理層訂有政策監察本集團價格風險，包括持有風險及回報情況不同的投資組合，並將於有需要時考慮對沖有關風險。

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綜合財務報表附註

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6. FINANCIAL INSTRUMENTS (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Credit risk

As at 31 December 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has concentration of credit risk as 33.6% (As at 31 December 2015: 26.2%) of trade receivables due from the Group's largest customer of the Group. The Group's concentration of credit risk by geographical locations is in South-east Asia (2015: the PRC), which accounted for 33.6% (As at 31 December 2015: 82.6%) of total trade receivables as at 31 December 2016.

In order to minimise the credit risk, the management of the Group has reviewed the recoverable amount of each individual trade receivables, other receivables, promissory note, loan and loan interest receivables at the end of the reporting period to ensure that adequate impairment losses are made to irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group deposited its cash and cash equivalents and invested its other financial assets investments with approved and reputable bank. Bankruptcy and insolvency of the bank may cause the Group's right with respect to cash and cash equivalents held to be delayed or limited. Management of the Group monitors the credit rating of these banks on an ongoing basis, and considers that the Group's exposure to credit risk at 31 December 2016 and 31 December 2015 were minimal.

Further qualitative data in respect of the Group's exposure to credit risk arising from trade receivables disclosed in Note 23 to the consolidated financial statements.

6. 金融工具 (續)

金融風險管理目標及政策 (續)

信貸風險

於二零一六年十二月三十一日，本集團因交易對方未能履行責任（本集團已就此作出撥備）而可能面臨財務虧損的最高信貸風險，乃因綜合財務狀況表中所述各項已確認金融資產的賬面值而產生。

本集團就貿易應收賬款面臨33.6%（於二零一五年十二月三十一日：26.2%）的集中信貸風險，該等貿易應收賬款乃應收本集團的最大客戶之款項。本集團之集中信貸風險（按地域計算）來自東南亞（二零一五年：中國），佔於二零一六年十二月三十一日之貿易應收賬款總額的33.6%（於二零一五年十二月三十一日：82.6%）。

為盡量降低信貸風險，本集團管理層已評估於報告期末的各個別貿易應收賬款、其他應收款項、承兌票據、應收貸款及貸款利率的可收回金額，以確保對不可收回金額作出充分的減值虧損。就此而言，本公司董事認為本集團信貸風險已大幅度下降。

本集團將其現金及現金等價物存入經批准及聲譽良好的銀行並於該銀行投資其他金融資產投資。銀行破產及無償債能力可能令本集團對所持現金及現金等價物的權利被延遲或受限制。本集團管理層持續監控該等銀行的信用評級，並認為本集團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的信貸風險微乎其微。

有關來自貿易應收賬款的本集團信貸風險的進一步量化數據，乃於綜合財務報表附註23中披露。

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6. FINANCIAL INSTRUMENTS (Continued)

FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Liquidity risk

In management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

6. 金融工具 (續)

金融風險管理目標及政策 (續)

流動資金風險

在管理流動資金風險的過程中，本集團會監控並維持管理層認為足夠的現金及現金等價物水平，為本集團的營運提供資金並降低現金流波動的影響。

下表詳細列明本集團非衍生金融負債餘下合約的到期期限。該表乃按金融負債於本集團可能被要求償還的最早日期的未貼現現金流量為基準編製。該表載列了利息及本金現金流量。倘利息流量為浮動息率，則未貼現金額根據於報告期末之利率曲線計算得出。

表格包括利息及本金現金流量。倘利息流量為浮動息率，則未貼現金額根據於報告期末之利率曲線計算得出。

		Weighted average effective interest rate 加權平均 實際利率 %	Within 1 year or on demand 1年內或 按要求 HK\$'000 千港元	More than 1 year but less than 2 years 1年以上 但2年以下 HK\$'000 千港元	More than 2 years but less than 5 years 2年以上 但5年以下 HK\$'000 千港元	More than 5 years 5年以上 HK\$'000 千港元	Total contractual undiscounted cashflow 合約未貼現 金流量總額 HK\$'000 千港元	Total carrying amount 賬面值 總額 HK\$'000 千港元
At 31 December 2016	二零一六年十二月三十一日							
Non-derivative financial liabilities	非衍生金融負債							
Trade payables	貿易應付賬款	-	30,353	-	-	-	30,353	30,353
Other payables and accruals	其他應付款項及應計款項	-	59,101	-	-	-	59,101	59,101
Bank borrowings	銀行借款	5.66%	58,270	-	-	-	58,270	55,897
			147,724	-	-	-	147,724	145,351
At 31 December 2015	二零一五年十二月三十一日							
Non-derivative financial liabilities	非衍生金融負債							
Trade payables	貿易應付賬款	-	46,093	-	-	-	46,093	46,093
Other payables and accruals	其他應付款項及應計款項	-	120,971	-	-	-	120,971	120,971
Bank borrowings	銀行借款	5.52%	26,271	-	-	-	26,271	26,271
Convertible bonds	可換股債券	11.29%	162,937	-	-	-	162,937	157,364
			356,272	-	-	-	356,272	350,699

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial liabilities are determined as follows:

- the fair value of financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively;
- the fair value of financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis;
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives; and
- the fair value of financial guarantee contracts is determined using option pricing models where the main assumptions are the probability of default by the specified counterparty extrapolated from market-based credit information and the amount of loss, given the default.

6. 金融工具 (續)

金融工具之公平值

金融負債之公平值釐定如下：

- 具有標準條款及條件且在活躍流通市場買賣之金融負債之公平值，乃分別參考市場所報的買賣價而釐定；
- 金融負債之公平值（不包括衍生工具）乃按以貼現現金流量分析為基準之公認定價模式而釐定；
- 衍生工具之公平值以報價計算。倘未能獲取有關報價，非期權衍生工具將以該工具有效期適用之孳息曲線進行貼現現金流量分析釐定，而期權衍生工具則採用期權定價模式進行估計；及
- 財務擔保合約之公平值利用期權定價模式釐定，有關模式中之主要假設為按市場信貸資料推斷特定對手方違約之可能性及在違約情況下之虧損金額。

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6. FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Except for the liability component of convertible notes which recorded at amortised cost as below, the directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximately to their fair values.

6. 金融工具 (續)

金融工具之公平值 (續)

除由可換股票據組成的負債部份(如下文以攤銷成本入賬)外,本公司董事認為計入綜合財務報表的金融資產及金融負債的賬面值約等於其公平值。

		2016 二零一六年		2015 二零一五年	
		Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元	Fair value 公平值 HK\$'000 千港元
Convertible notes	可換股票據	-	-	157,364	163,538

The fair value of the liability component is the present value of the contractually determined stream of future cash flows discounted at the interest applied at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without conversion option.

負債部份的公平值乃合約釐定未來現金流量按當時可資比較信用狀況、提供基本相同現金流量、條款相同但無換股權的工具的適用市場利率貼現的現值。

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6. FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE ESTIMATION

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable.

6. 金融工具 (續)

公平值估計

下表提供於初步確認後按公平值計量之金融工具之分析，乃根據公平值可觀察程度分為第一級至第三級。

		Level 1 第一級 HK\$'000 千港元	Level 2 第二級 HK\$'000 千港元	Level 3 第三級 HK\$'000 千港元	Total 總計 HK\$'000 千港元
31 December 2016	二零一六年十二月三十一日				
Assets	資產				
Derivative financial assets	衍生金融資產	-	-	-	-
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	-	48,631	-	48,631
Liabilities	負債				
Contingent consideration payable	應付或然代價	-	-	44,350	44,350
31 December 2015	二零一五年十二月三十一日				
Assets	資產				
Derivative financial assets	衍生金融資產	-	-	-	-

There were no transfer between Level 1, 2 and 3 in both year and period.

於兩個年度及期間，第一級、第二級及第三級之間並無任何轉撥。

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6. FINANCIAL INSTRUMENTS (Continued)

FAIR VALUE ESTIMATION (Continued)

Some of the Group's and the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets and liabilities	Fair value as at 於下列日期之公平值		Fair value hierarchy	Valuation techniques and key inputs 估值技術及主要輸入值	Significant unobservable inputs 重大不可觀察輸入值
	31 December 2016 二零一六年十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年十二月三十一日 HK\$'000 千港元			
Derivative financial assets 衍生金融資產	-	-	Level 2 第二級	Binomial Option Pricing Model 二項式期權定價模式	Risk-free rate, applicable stock price, volatility, dividend yield, credit spread and liquidity risk premium 無風險利率、適用股價、波幅、股息收益率、信貸息差及流動風險溢價
Financial assets at fair value through profit or loss 按公平值計入損益之金融資產	48,631	-	Level 2 第二級	Discounted cash flow method 貼現現金流量法	Expected return of the investment by reference to similar products in the markets 經參考市場類似產品之投資預期回報
Contingent consideration payable 應付或然代價	(44,350)	-	Level 3 第三級	Discounted cash flow method 貼現現金流量法	Derived using discounted cash flow approach at a rate of 18.22% (Note) 按18.22%之比率採用貼現現金流量法得出(附註)

Note:

A slight increase in the discount rate used in isolation would result in a decrease in the fair value measurement of the contingent consideration, and vice versa. A 15% increase/decrease in the discount rate holding all other variables constant would decrease/increase the carrying amount of the contingent consideration by approximately HK\$684,000.

6. 金融工具(續)

公平值估計(續)

本集團及本公司之部份金融資產及金融負債於各報告期末按公平值計量。下表載列關於如何釐定該等金融資產及金融負債之公平值(尤其是所使用的估值技術及輸入值)之資料。

附註：

獨立使用的貼現率輕微增加會導致或然代價的公平值減少，反之亦然。貼現率增加／減少15%而所有其他變量保持不變會導致或然代價賬面值減少／增加約684,000港元。

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6. FINANCIAL INSTRUMENTS (Continued)

6. 金融工具 (續)

RECONCILIATION OF LEVEL 3 FAIR VALUE MEASUREMENTS

第三級公平值計量之對賬

		Contingent Consideration Payable 應付或然代價 HK\$'000 千港元
At 1 January 2016	於二零一六年一月一日	—
Acquisition of a subsidiary	收購附屬公司	38,321
Total loss in profit or loss	損益內之虧損總額	6,029
At 31 December 2016	於二零一六年十二月三十一日	44,350

7. TURNOVER

7. 營業額

Turnover represents the net amounts received and receivable for goods sold or services provided by the Group to outside customers, less returns and discounts and sales related taxes.

營業額指本集團向外部客戶出售貨物或提供服務之已收及應收款項淨額，經扣除退貨、折扣及銷售相關稅項。

An analysis of the Group's turnover for the year is as follows:

本集團年內營業額分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sale of telecommunication products and services	銷售電訊產品及服務	2,429,088	1,842,157
Internet finance platform	互聯網金融平台	72,873	64,064
Others	其他	11,884	8,681
		2,513,845	1,914,902

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8. OTHER INCOME AND GAINS

An analysis of the Group's other income and gains for the years as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank interest income	銀行利息收入	271	86
Gain on deregistration of a branch	取消登記一間分公司收益	1,277	—
Government subsidy	政府津貼	3,648	—
Written back of other payable	撥回其他應付款項	10,080	—
Interest income on other receivables	其他應收款項之利息收入	3,841	—
Loss on early redemption of convertible note	提早贖回可換股票據虧損	(54)	—
Sundry income	雜項收入	810	451
		19,873	537

8. 其他收入及收益

本集團年內其他收入及收益分析如下：

9. SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided. This is also the basis upon which the Group is organised and managed.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- Sale of telecommunication products and services
- Internet finance platform

The Group reportable segments are strategic business units that operate different activities. They are managed separately because each business has different markets and requires different marketing strategies.

9. 分類資料

就資源分配及分類表現評估而向本公司董事會（即主要經營決策者）報告之資料，集中於所交付或提供之貨品或服務之類型。此亦為本集團組織及管理之基準。

具體而言，本集團根據香港財務報告準則第8號之可呈報及經營分類如下：

- 銷售電訊產品及服務
- 互聯網金融平台

本集團之可呈報分類乃經營不同活動之策略性業務單位。由於各業務擁有不同市場，要求不同之市場推廣策略，各可呈報分類乃個別管理。

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9. SEGMENT INFORMATION (Continued)

SEGMENT REVENUES AND RESULTS

The following is an analysis of the Group's turnover and results by reportable and operating segments:

9. 分類資料 (續)

分類收益及業績

按可呈報及經營分類劃分之本集團之營業額及業績分析如下：

		Sale of telecommunication products and services 銷售電訊產品及服務		Internet finance platform 互聯網金融平台		Others 其他		Consolidated 綜合	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Turnover	營業額	2,429,088	1,842,157	72,873	64,064	11,884	8,681	2,513,845	1,914,902
Segment results	分類業績	91,125	(23,814)	43,934	46,428	(1,028)	(14,668)	134,031	7,946
Interest income	利息收入							271	86
Gain on disposal of subsidiaries	出售附屬公司之收益							143,229	-
Impairment loss recognised in respect of promissory note	就承兌票據確認之減值虧損							(22,800)	-
Unallocated corporate expenses	未分配公司開支							(23,543)	(20,223)
Unallocated finance costs	未分配融資成本							(8,222)	(23,742)
Profit/(loss) before tax	除稅前溢利/(虧損)							222,966	(35,933)
Income tax expense	所得稅開支							(20,779)	(8,322)
Profit/(loss) for the year	年內溢利/(虧損)							202,187	(44,255)

Note: Others represent other operating segments that are not reportable segments under HKFRS 8, which include logistics related business, transmedia advertising, loan financing and cross-border e-commerce business.

附註：其他指其他經營分類，根據香港財務報告準則第8號並非為可呈報分類，包括物流相關業務、跨媒體廣告、貸款融資及跨境電子商務。

Segment revenue reported above represents revenue generated from external customers. There was no inter-segment sales in both year. The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3. Segment results represent the profit or loss from each segment without allocation of interest income, central administration costs, directors' emoluments and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

上文呈報之分類收益指來自外部客戶之收益。兩個年度概無分類間銷售。經營分類之會計政策與附註3所述之本集團會計政策相同。分類業績指各分類所承受之溢利或虧損，並無分配利息收入、中央行政費用、董事酬金及融資成本。此乃就資源分配及分類表現評估而向主要經營決策者進行呈報之方法。

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9. SEGMENT INFORMATION (Continued)

SEGMENT ASSETS AND LIABILITIES

The following is an analysis of the Group's assets and liabilities by reportable segment:

		Sale of telecommunication products and services 銷售電訊產品及服務		Internet finance platform 互聯網金融平台		Others 其他		Consolidated 綜合	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Segment assets	分類資產	1,426,302	562,029	130,760	145,617	201,025	5,705	1,758,087	713,351
Unallocated corporate assets	未分配公司資產							94,713	1,016,217
Consolidated assets	綜合資產							1,852,800	1,729,568
Segment liabilities	分類負債	272,828	165,562	23,432	16,963	6,459	2,405	302,719	184,930
Unallocated corporate liabilities	未分配公司負債							2,574	225,778
Consolidated liabilities	綜合負債							305,293	410,708

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments other than unallocated corporate assets (mainly comprising certain of prepayments, deposits and other receivables, and derivative financial assets); and
- all liabilities are allocated to operating segments other than unallocated corporate liabilities (mainly comprising receipts in advances, contingent consideration payable, other payables and accruals, and convertible notes).

9. 分類資料 (續)

分類資產及負債

本集團按可呈報分類之資產及負債分析如下：

為監管分類的表現及分類間之資源分配：

- 除未分配公司資產（主要包括若干預付款項、按金及其他應收款項以及衍生金融資產）外，所有資產均分配予經營分類；及
- 除未分配公司負債（主要包括預收賬款、應付或然代價、其他應付款項及應計款項及可換股票據）外，所有負債均分配予經營分類。

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9. SEGMENT INFORMATION (Continued)

9. 分類資料 (續)

OTHER SEGMENT INFORMATION

其他分類資料

		Sale of telecommunication products and services 銷售電話產品及服務		Internet finance platform 互聯網金融平台		Others 其他		Unallocated 未分配		Consolidated 綜合	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amount included in the measure of segment results	計量分類業績所包括的金額										
Capital expenditure	資本開支	594,063	178,351	1,087	24,721	-	478	2,135	-	597,285	203,550
Depreciation of property, plant and equipment	物業、廠房及設備折舊	4,435	1,664	293	112	-	4,123	1,449	185	6,177	6,084
Amortisation of intangible assets	無形資產攤銷	33,516	32,524	2,454	1,764	-	325	-	-	35,970	34,613
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	-	-	-	-	-	2,366	-	-	-	2,366
Impairment loss recognised in respect of intangible assets	就無形資產確認之減值虧損	-	913	-	-	-	5,465	-	-	-	6,378
Impairment loss recognised in respect of promissory note	就承兌票據確認之減值虧損	-	-	-	-	-	-	22,800	-	22,800	-
Impairment loss recognised in respect of other receivables	就其他應收款項確認之減值虧損	-	-	-	-	-	(1,552)	-	-	-	1,552

Capital expenditure for the year ended 31 December 2016 includes additions resulted from acquisition through business combinations, amounting to approximately HK\$192,297,000 (2015: HK\$172,273,000).

截至二零一六年十二月三十一日止年度的資本開支包括因透過業務合併進行收購而產生的添置，金額約為192,297,000港元（二零一五年：172,273,000港元）。

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment results or segment assets:

定期提供予主要經營決策者但不包含於分類業績或分類資產計量的金額：

		Sale of telecommunication products and services 銷售電話產品及服務		Internet finance platform 互聯網金融平台		Others 其他		Unallocated 未分配		Consolidated 綜合	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest income	利息收入	185	61	49	22	9	2	28	1	271	86
Finance costs	融資成本	2,134	799	-	-	-	-	8,222	23,742	10,356	24,541
Income tax credit/(expense)	所得稅抵免/(開支)	(10,791)	1,396	(9,988)	(9,718)	-	-	-	-	(20,779)	(8,322)

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

9. SEGMENT INFORMATION (Continued)

OTHER SEGMENT INFORMATION (Continued)

Information about major customers

Turnover from major customers of the corresponding year contributing over 10% of the total turnover of the Group are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
¹ Customer A	¹ 客戶 A	501,555	574,212
¹ Customer B	¹ 客戶 B	753,587	348,854
^{1,2} Customer C	^{1,2} 客戶 C	—	198,031
		1,255,142	1,121,097

¹ Sale of telecommunication products and services

² No information on revenue for current year is disclosed for these customers since none of them contributed 10% or more to the Group's revenue for year ended 31 December 2016.

Geographical information

The Group's operations are mainly located in Hong Kong and the PRC.

Information about the Group's revenue from external customers is presented based on the geographical location of the customer, and non-current assets information is presented based on the geographical location of the assets.

9. 分類資料 (續)

其他分類資料 (續)

主要客戶之資料

於相關年度佔本集團總營業額超過10%的來自主要客戶之營業額如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
¹ Customer A	501,555	574,212
¹ Customer B	753,587	348,854
^{1,2} Customer C	—	198,031
	1,255,142	1,121,097

¹ 銷售電訊產品及服務

² 由於截至二零一六年十二月三十一日止年度該等客戶並非佔本集團收益的10%或以上，故本年度並無披露該等客戶的收益資料。

地區資料

本集團之業務主要位於香港及中國。

本集團來自外部客戶之收益資料乃按客戶所處之地區呈列，及非流動資產之資料乃按該資產所處之地區呈列。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

9. SEGMENT INFORMATION (Continued)

OTHER SEGMENT INFORMATION

(Continued)

Geographical information (Continued)

The Group's revenue from external customers and information about its non-current assets by geographical location are detailed below:

9. 分類資料 (續)

其他分類資料 (續)

地區資料 (續)

按地區劃分之本集團來自外部客戶之收益及有關其非流動資產之資料詳述如下：

		Revenue from external customers 來自外部客戶的收入		Non-current assets* 非流動資產*	
		2016	2015	At 31 December 2016 於二零一六年 十二月三十一日	At 31 December 2015 於二零一五年 十二月三十一日
		二零一六年 HK\$'000 千港元	二零一五年 HK\$'000 千港元	二零一六年 HK\$'000 千港元	二零一五年 HK\$'000 千港元
Name of the region	地區名				
Hong Kong	香港	2,105,165	1,730,654	128,123	133,391
The PRC (excluding Hong Kong)	中國 (不包括香港)	343,922	184,248	798,736	212,096
South-east Asia	東南亞	64,758	-	-	-
		2,513,845	1,914,902	926,859	345,487

* Information about the Group's non-current assets, other than interest in an associate, is presented based on the geographical location of the assets.

* 有關本集團之非流動資產 (於一間聯營公司之權益除外) 之資料乃按資產之地區劃分呈列。

10. FINANCE COSTS

10. 融資成本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Effective interest charged on convertible notes (Note 31)	就可換股票據收取之實際利息 (附註31)	2,799	17,362
Interest on other payables	其他應付款項利息	4,292	-
Interest on short-term loans	短期貸款利息	1,131	7,113
Bank loan interest expenses	銀行貸款利息開支	2,134	66
		10,356	24,541

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11. INCOME TAX EXPENSE

11. 所得稅開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current tax:	即期稅項：		
– Hong Kong Profits Tax	– 香港利得稅	10,480	1,800
– PRC Enterprise Income Tax	– 中國企業所得稅	20,086	13,335
– Over-provision for prior year	– 過往年度超額撥備	(1,686)	–
Deferred tax	遞延稅項	(8,101)	(6,813)
Total tax expense	稅項開支總額	20,779	8,322

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years.

香港利得稅乃就兩個年度的估計應課稅溢利按稅率16.5%計算。

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

根據中國企業所得稅法（「企業所得稅法」）及企業所得稅法實施條例，自二零零八年一月一日起，中國附屬公司之稅率為25%。

Pursuant to the relevant laws and regulations in the PRC, certain subsidiaries of the Company, being qualified as a new and high technology enterprise, are eligible for a preferential Enterprise Income Tax rate of 15%.

根據中國相關法例及法規，本公司若干附屬公司被評定為高新技術企業，合資格享有15%的優惠企業所得稅稅率。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

11. INCOME TAX EXPENSE (Continued)

The income tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

11. 所得稅開支 (續)

年內所得稅開支與綜合損益及其他全面收益表內除稅前虧損對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit/(loss) before tax	除稅前溢利／（虧損）	222,966	(35,933)
Tax at domestic income tax rates applicable to profits in the respective jurisdiction (note)	按各自司法權區產生溢利適用的本地所得稅稅率計算的稅項（附註）	35,852	(2,208)
Tax effect of expense not deductible for tax purpose	就稅務而言不可扣除開支之稅務影響	4,662	4,082
Tax effect of income not taxable for tax purpose	就稅務而言毋須課稅收入之稅務影響	(26,056)	(1,763)
Over-provision for prior year/period	過往年度／期間之超額撥備	(1,686)	—
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	7,852	11,646
Tax effect of deductible temporary differences not recognised	未確認可扣稅暫時差額之稅務影響	155	(3,435)
Income tax expense for the year	年內所得稅開支	20,779	8,322

Note: As the Group operates in several different jurisdictions, the tax rate applied in the tax reconciliation represents the weighted average domestic tax rates of the individual tax jurisdiction.

附註：由於本集團於多個不同司法權區經營業務，稅項對賬應用之稅率按單個稅務司法權區之加權平均本地稅率計算。

Details of deferred tax are set out in Note 32.

遞延稅項之詳情載於附註32。

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12. PROFIT/(LOSS) BEFORE TAX

12. 除稅前溢利／（虧損）

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit/(loss) before tax has been arrived at after charging:	除稅前溢利／（虧損）已扣除以下各項：		
Staff costs, including directors' remuneration (Note 14)	員工成本，包括董事酬金（附註14）		
– Salaries, wages and other benefits	– 薪金、工資及其他福利	38,034	29,048
– Contributions to retirement benefits schemes	– 退休福利計劃供款	2,756	1,280
Total staff costs	總員工成本	40,790	30,328
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,177	6,084
Amortisation of intangible assets	無形資產攤銷	35,970	34,613
Impairment loss recognised in respect of intangible assets	就無形資產確認之減值虧損	–	6,378
Impairment loss recognised in respect of promissory note	就承兌票據確認之減值虧損	22,800	–
Impairment loss recognised in respect of other receivables	就其他應收款項確認之減值虧損	–	1,552
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	–	2,366
Exchange difference, net	匯兌差額，淨額	(5)	280
Auditors' remuneration	核數師酬金		
– audit service	– 審核服務	1,080	1,080
– non-audit service	– 非審核服務	120	120
Minimum lease payments under operating lease in respect of rented premises	出租物業之經營租賃的最低租金付款	6,137	5,810
Cost of inventories recognised as expense	已確認為開支之存貨成本	2,100,937	1,721,026

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

13. EARNINGS/(LOSS) PER SHARE

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company for the year is based on the following data:

13. 每股盈利／（虧損）

本公司擁有人應佔年內每股基本及攤薄盈利／（虧損）乃按以下數據計算：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit/(loss) for the year attributable to owners of the Company and profit/(loss) for the purpose of basic and diluted loss per share	本公司擁有人應佔年內溢利／（虧損）及用於計算每股基本及攤薄虧損之溢利／（虧損）	192,009	(32,227)
		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Weighted average number of ordinary shares for the purpose of basic loss per share	用於計算每股基本虧損之普通股加權平均數	9,528,844	6,913,795
Effect of dilutive potential ordinary shares: Share options	潛在攤薄普通股之影響：購股權	37,057	—
Weighted average number of ordinary shares for the purpose of diluted loss per share	用於計算每股攤薄虧損之普通股加權平均數	9,565,901	6,913,795

The computation of diluted earnings per share for the year ended 31 December 2016 does not assume the exercise of certain share options since the exercise prices are higher than the average market share price.

截至二零一六年十二月三十一日止年度之每股攤薄盈利計算並無假設若干購股權獲行使，原因為行使價高於平均市場股價。

The computation of diluted loss per share for the year ended 31 December 2015 did not assume the exercise of share options since it would result in an anti-dilutive effect on the loss per share. In addition, the computation of diluted earnings/(loss) per share does not assume the conversion of the Company's outstanding convertible notes since it would result in an anti-dilutive effect on earnings/(loss) per share.

截至二零一五年十二月三十一日止年度之每股攤薄虧損計算並無假設購股權獲行使，原因為其將對每股虧損產生反攤薄效果。此外，每股攤薄盈利／（虧損）之計算並無假設本公司發行在外之可換股票據獲轉換，原因為其將對每股盈利／（虧損）產生反攤薄效果。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

14. DIRECTORS' REMUNERATIONS

14. 董事薪酬

		2016 二零一六年				2015 二零一五年			
		Fees	Salaries, wages and other benefits 薪金、工資及其他福利	Contributions to retirement benefits schemes 退休福利計劃供款	Total	Fees	Salaries, wages and other benefits 薪金、工資及其他福利	Contributions to retirement benefits schemes 退休福利計劃供款	Total
Names of directors	董事姓名	袍金 HK\$'000 千港元	其他福利 HK\$'000 千港元	計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元	袍金 HK\$'000 千港元	其他福利 HK\$'000 千港元	計劃供款 HK\$'000 千港元	總計 HK\$'000 千港元
Executive directors:		執行董事：							
Mr. Zhang Xinyu (Note a)	張新宇先生（附註a）	60	900	30	990	60	931	18	1,009
Mr. Lian Xin (Note b)	練新先生（附註b）	6	-	-	6	24	-	-	24
Mr. Cheung Sing Tai (Note c)	張聲泰先生（附註c）	240	1,808	30	2,078	211	1,542	18	1,771
Ms. Ye Weiping (Note d)	葉偉平女士（附註d）	-	-	-	-	12	-	-	12
Mr. Xu Gang (Note e)	徐崗先生（附註e）	120	270	6	396	65	-	-	65
Independent non-executive directors:		獨立非執行董事：							
Mr. Leung Ka Wo (Note f)	梁家和先生（附註f）	153	-	-	153	182	-	-	182
Ms. Xi Lina (Note g)	奚麗娜女士（附註g）	138	-	-	138	120	-	-	120
Mr. Chou Jianzhong (Note h)	丑建忠先生（附註h）	42	-	-	42	145	-	-	145
Mr. Huang Zhixiong (Note i)	黃志雄先生（附註i）	120	-	-	120	76	-	-	76
Mr. Zhang Zihua (Note j)	張子華先生（附註j）	47	-	-	47	-	-	-	-
		926	2,978	66	3,970	895	2,473	36	3,404

Notes:

- a) Appointed on 15 June 2012
- b) Appointed on 21 June 2013 and retired on 1 April 2016
- c) Appointed on 21 June 2013
- d) Appointed on 13 May 2015 and resigned on 17 June 2015
- e) Appointed on 17 June 2015
- f) Appointed on 20 March 2014 and resigned on 15 September 2016
- g) Appointed on 16 May 2014
- h) Appointed on 20 March 2014 and retired on 1 April 2016
- i) Appointed on 13 May 2015
- j) Appointed on 20 September 2016

Mr. Cheung Sing Tai was also the chief executive officer of the Company and his emoluments disclosed above include those for service rendered by him as the chief executive officer for the years ended 31 December 2016 and 2015.

Of the five highest paid individuals, two (2015: two) were directors of the Company and remuneration has been disclosed above.

附註：

- a) 於二零一二年六月十五日獲委任
- b) 於二零一三年六月二十一日獲委任及於二零一六年四月一日辭任
- c) 於二零一三年六月二十一日獲委任
- d) 於二零一五年五月十三日獲委任及於二零一五年六月十七日辭任
- e) 於二零一五年六月十七日獲委任
- f) 於二零一四年三月二十日獲委任及於二零一六年九月十五日辭任
- g) 於二零一四年五月十六日獲委任
- h) 於二零一四年三月二十日獲委任及於二零一六年四月一日辭任
- i) 於二零一五年五月十三日獲委任
- j) 於二零一六年九月二十日獲委任

張聲泰先生亦曾為本公司行政總裁，上文所披露之其薪酬包括其於截至二零一六年及二零一五年十二月三十一日止年度擔任行政總裁提供服務的薪酬。

五名最高薪酬個別人士中，兩名(二零一五年：兩名)為本公司董事，薪酬已於上文披露。

* for identification purpose only

* 僅供識別

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14. DIRECTORS' REMUNERATIONS

(Continued)

There was no arrangement under which a director waived or agreed to waive any emoluments in respect of the year ended 31 December 2016 (2015: nil).

During the years ended 31 December 2016 and 2015, no emoluments was paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office.

15. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2015: two) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining three (2015: three) highest paid individuals during the year/period were as follows:

14. 董事薪酬 (續)

截至二零一六年十二月三十一日止年度，概無董事放棄或同意放棄任何酬金之安排 (二零一五年：無)。

截至二零一六年及二零一五年十二月三十一日止年度，本集團並無向本公司董事支付任何酬金，作為加入或在加入本集團時之獎勵或作為離職補償。

15. 最高薪酬個別人士

本集團五名最高薪酬個別人士內，兩名 (二零一五年：兩名) 為本公司董事，彼等之薪酬已於上文披露。年內／期內，其餘三名 (二零一五年：三名) 最高薪酬個別人士之薪酬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries, wages and other benefits	薪金、工資及其他福利	3,307	2,740
Contributions to retirement benefits schemes	退休福利計劃供款	74	54
		3,381	2,794

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15. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emoluments of the remaining three (2015: three) highest paid individuals fell within the following bands:

		2016 二零一六年	2015 二零一五年
Emolument bands	薪酬範圍		
Nil to HK\$1,000,000	零至1,000,000港元	1	1
HK\$1,000,001 to HK\$2,000,000	1,000,001港元至 2,000,000港元	2	2

During the year, no emolument was paid to the five highest paid individuals as an inducement to join, or upon joining the Group, or as compensation for loss of office (2015: Nil).

At 31 December 2016, the directors of the Company held share options under the Company's share option schemes. Details of the share options are disclosed under the paragraph "Share option schemes" in the report of the directors and Note 34.

15. 最高薪酬個別人士 (續)

其餘三名(二零一五年:三名)最高薪酬個別人士之薪酬界乎以下範圍內:

年內,本集團概無向五名最高薪酬個別人士支付任何酬金,作為加入或在加入本集團時之獎勵或作為離職補償(二零一五年:無)。

於二零一六年十二月三十一日,本公司董事根據本公司購股權計劃持有購股權。有關購股權之詳情乃於董事會報告「購股權計劃」一段及附註34中披露。

16. DIVIDENDS

Subsequent to the end of the reporting period, a final dividend in respect of the year ended 31 December 2016 of 0.38 HK cent (2015: nil) per ordinary share, in an aggregate amount of HK\$36,210,000 (2015: nil), has been proposed by the directors of the Company and is subject to approval by the shareholders in the forthcoming general meeting.

16. 股息

於報告期結束後,本公司董事建議就截至二零一六年十二月三十一日止年度派發末期股息每股普通股0.38港仙(二零一五年:無),合共36,210,000港元(二零一五年:無),惟須待股東於即將舉行的股東大會上批准後方可作實。

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for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Traffic signboards 交通指示牌 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本								
At 1 January 2015	於二零一五年一月一日	-	1,207	14,770	7,463	441	24,443	-	48,324
Exchange realignment	匯兌調整	(512)	(32)	(112)	(459)	(21)	(1,153)	-	(2,289)
Additions	添置	21,181	190	1,183	1,833	745	-	-	25,132
Acquired on acquisition of subsidiaries (Note 35)	因收購附屬公司而購入 (附註35)	-	-	146	1,431	-	-	-	1,577
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	20,669	1,365	15,987	10,268	1,165	23,290	-	72,744
Exchange realignment	匯兌調整	(3,615)	(426)	(2,221)	(3,182)	(296)	(1,477)	(7,179)	(18,396)
Additions	添置	70,501	10,750	6,160	90,148	8,237	-	219,082	404,878
Acquired on acquisition of a subsidiary (Note 35)	因收購一間附屬公司而購入 (附註35)	-	-	5,678	-	-	-	-	5,678
Disposal of subsidiaries (Note 36)	出售附屬公司 (附註36)	-	(62)	(876)	(6,324)	-	-	-	(7,262)
At 31 December 2016	於二零一六年十二月三十一日	87,555	11,627	24,728	90,910	9,106	21,813	211,903	457,642
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2015	於二零一五年一月一日	-	1,073	14,543	2,754	377	17,620	-	36,367
Exchange realignment	匯兌調整	(12)	(30)	(68)	(147)	(19)	(677)	-	(953)
Provided for the year	年內撥備	503	204	165	1,084	91	4,037	-	6,084
Impairment loss recognised during the year	年內已確認減值虧損	-	-	7	27	22	2,310	-	2,366
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	491	1,247	14,647	3,718	471	23,290	-	43,864
Exchange realignment	匯兌調整	(61)	(182)	(1,863)	(60)	(28)	(1,477)	-	(3,671)
Provided for the year	年內撥備	950	1,414	2,846	818	149	-	-	6,177
Disposal of subsidiaries (Note 36)	出售附屬公司 (附註36)	-	(62)	(630)	(2,698)	-	-	-	(3,390)
At 31 December 2016	於二零一六年十二月三十一日	1,380	2,417	15,000	1,778	592	21,813	-	42,980
Carrying values	賬面值								
At 31 December 2016	於二零一六年十二月三十一日	86,175	9,210	9,728	89,132	8,514	-	211,903	414,662
At 31 December 2015	於二零一五年十二月三十一日	20,178	118	1,340	6,550	694	-	-	28,880

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17. PROPERTY, PLANT AND EQUIPMENT

(Continued)

Depreciation charge of approximately HK\$3,813,000 (2015: HK\$5,377,000) with respect to office equipment, furniture and fixtures, motor vehicle and traffic signboard has been included in cost of sales and administrative and other expense in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2016.

During the year ended 31 December 2015, the directors conducted a review of the Group's office equipment and determined that a number of these assets were impaired, due to physical damage and technical obsolescence. Accordingly, impairment losses of approximately HK\$7,000, HK\$27,000, HK\$22,000 and HK\$2,310,000 respectively have been recognised in respect of office equipment, furniture and fixtures, motor vehicles and traffic signboard, which were used in the segment of transmedia advertising services.

17. 物業、廠房及設備 (續)

辦公室設備、家私及裝置、汽車及交通指示牌的折舊開支約3,813,000港元(二零一五年: 5,377,000港元)已計入截至二零一六年十二月三十一日止年度之綜合損益及其他全面收益表所列之銷售成本及行政及其他開支。

截至二零一五年十二月三十一日止年度，董事對本集團辦公室設備進行評估並釐定若干該等資產已減值，原因是物理損壞及技術陳舊。因此，已就用於跨媒體廣告服務分部的辦公室設備、傢俬及裝置、汽車及交通指示牌確認減值虧損分別約為7,000港元、27,000港元、22,000港元及2,310,000港元。

18. INTERESTS IN ASSOCIATES

18. 於聯營公司之權益

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Cost of investment in an associate	於一間聯營公司之		
Unlisted	投資成本(非上市)	-	335
Share of post-acquisition loss and	應佔收購後虧損及		
other comprehensive income	其他全面收益	-	(335)
		-	-

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18. INTERESTS IN ASSOCIATES (Continued)

At 31 December 2016 and 2015, the Group had interest in the following associate:

18. 於聯營公司之權益 (續)

於二零一六年及二零一五年十二月三十一日，本集團於以下聯營公司擁有權益：

Name of entity 實體名稱	Class of shares held 持有股份類別	Country of incorporation/ registration 成立/註冊國家	Principal Place of operation 主要營業地點	Nominal value of paid up issued share capital 繳足已發行股本面值	Proportion of nominal value of issued capital held by the Group 本集團持有已發行股本票面值比例		Proportion of voting power held 持有投票權比例		Principal activities 主營業務
					2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年	
China Orient Space Communications Ltd (Note 1)	Ordinary	British Virgin Islands	Hong Kong	USD100	-	33%	-	33%	Investment holding
China Orient Space Communications Ltd (附註1)	普通股	英屬處女群島	香港	100美元					投資控股
廣東浪潮蔚海雲計算有限公司 (Note 2)	Ordinary	PRC	PRC	-	-	-	40%	40%	Applications of Cloud Computing and e-commerce business
廣東浪潮蔚海雲計算有限公司 (附註2)	普通股	中國	中國						雲計算應用及電子商務

Note:

- The associate was disposed of during the year ended 31 December 2016. For details, please refer to Note 36(a).
- 廣東浪潮蔚海雲計算有限公司 was incorporated during the year ended 31 December 2015. Up to the date of this report, the Group has not completed the capital contribution, for details, please refer to Note 38 for the amount of capital commitment.

The summarised financial information in respect of the Group's associate is set out below:

附註：

- 聯營公司於截至二零一六年十二月三十一日止年度出售。有關詳情，請參閱附註36(a)。
- 廣東浪潮蔚海雲計算有限公司於截至二零一五年十二月三十一日止年度註冊成立。截至本報告日期，本集團尚未完成注資，有關資本承擔之金額之詳情，請參閱附註38。

有關本集團聯營公司財務資料之概述載列如下：

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Total assets	總資產	-	2,738
Total liabilities	總負債	-	(10,864)
Net liabilities	負債淨額	-	(8,126)
Group's share of net assets of the associate	本集團應佔聯營公司資產淨值	-	-

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18. INTERESTS IN ASSOCIATES (Continued)

18. 於聯營公司之權益 (續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total revenue	總收入	—	—
Total loss for the year	年內總虧損	—	(2,963)
Total comprehensive loss	全面虧損總額	—	(2,963)
Group's share of loss and other comprehensive loss of associate for the year	年內本集團應佔聯營公司之虧損及其他全面虧損	—	—
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The unrecognised share of loss of the associate	未確認應佔聯營公司虧損	—	978
		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Cumulative share of loss of the associate	累計應佔聯營公司虧損	—	2,182

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19. GOODWILL

19. 商譽

		HK\$'000 千港元
Cost	成本	
At 1 January 2015	於二零一五年一月一日	1,110,719
Arising on acquisition of subsidiaries (Note a)	因收購附屬公司所產生 (附註a)	115,338
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	1,226,057
Arising on acquisition of a subsidiary (Note b)	因收購一間附屬公司所產生 (附註b)	79,801
Disposal of subsidiaries (Note c)	出售附屬公司 (附註c)	(211,838)
At 31 December 2016	於二零一六年十二月三十一日	1,094,020
Accumulated impairment	累計減值	
At 1 January 2015, 31 December 2015 and 1 January 2016	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年一月一日	1,104,316
Disposal of subsidiaries (Note c)	出售附屬公司 (附註c)	(205,435)
At 31 December 2016	於二零一六年十二月三十一日	898,881
Carrying values	賬面值	
At 31 December 2016	於二零一六年十二月三十一日	195,139
At 31 December 2015	於二零一五年十二月三十一日	121,741

Notes:

附註：

- (a) During the year ended 31 December 2015, goodwill amounted to approximately HK\$50,150,000 and HK\$65,188,000 were arisen from the acquisition of 廣東蔚海移動發展有限公司 (Guangdong Bluesea Mobile Development Ltd Co.*) and its subsidiaries ("Bluesea Mobile Group") and Million Ace Limited and its subsidiaries ("Million Ace Group") respectively. For details, please refer to the Notes 35(b) and (d).
- (b) During the year ended 31 December 2016, goodwill amounted to approximately HK\$79,801,000 was arisen from the acquisition of Guangzhou Nowtop. For details, please refer to the Note 35(a).
- (c) During the year ended 31 December 2016, carrying amount of goodwill amounted to approximately HK\$6,403,000 was derecognised upon the disposal of HCH Investment Limited. For details, please refer to the Note 36(a).

- (a) 截至二零一五年十二月三十一日止年度，因收購廣東蔚海移動發展有限公司及其附屬公司（「蔚海移動集團」）以及收購萬成有限公司及其附屬公司（「萬成集團」）分別產生商譽約50,150,000港元及65,188,000港元。有關詳情，請參閱附註35(b)及(d)。
- (b) 截至二零一六年十二月三十一日止年度，因收購廣州資拓產生商譽約79,801,000港元。有關詳情，請參閱附註35(a)。
- (c) 截至二零一六年十二月三十一日止年度，因出售HCH Investment Limited而取消確認商譽之賬面值為約6,403,000港元。有關詳情，請參閱附註36(a)。

* for identification purpose only

* 僅供識別

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20. INTANGIBLE ASSETS

20. 無形資產

		Wireless network platform	Contracted And uncontracted customers relationships	Lottery software development system	Exclusive right on purchase and sales of satellite communication equipment and related services and trademarks	Computer software	Technical know how technology	License	Internet finance Platform	Total
		無線網絡平台	已訂約及未訂約之客戶關係	彩票軟件開發系統	買賣衛星通訊設備以及相關服務及商標之獨家授權	電腦軟件	技術	許可證	互聯網金融平台	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Cost	成本									
At 1 January 2015	於二零一五年一月一日	23,214	217,722	1,002	58,967	26,285	75,163	-	-	402,353
Additions	添置	-	-	-	-	6,325	-	-	846	7,171
Acquired on acquisition of subsidiaries (Note 35)	因收購附屬公司而購入 (附註35)	-	139,975	-	-	-	-	7,662	23,059	170,696
Exchange alignment	匯兌調整	(1,095)	-	(47)	-	(1,240)	(3,546)	-	(20)	(5,948)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	22,119	357,697	955	58,967	31,370	71,617	7,662	23,885	574,272
Additions	添置	-	-	-	-	-	-	-	110	110
Acquired on acquisition of a subsidiary (Note 35)	因收購一間附屬公司而購入 (附註35)	-	178,399	-	-	-	-	8,220	-	186,619
Disposal of subsidiaries (Note 36)	出售附屬公司 (附註36)	-	-	-	(58,967)	(31,527)	-	-	-	(90,494)
Exchange alignment	匯兌調整	(1,402)	-	(61)	-	157	(4,540)	-	(56)	(5,902)
At 31 December 2016	於二零一六年十二月三十一日	20,717	536,096	894	-	-	67,077	15,882	23,939	664,605
Accumulated amortization and impairment	累計攤銷及減值									
At 1 January 2015	於二零一五年一月一日	23,214	217,722	67	31,751	1,159	69,234	-	-	343,147
Provided for the year	年內撥備	-	7,592	-	18,144	6,213	325	575	1,764	34,613
Impairment loss recognised for the period (Note 21)	期內已確認減值虧損 (附註21)	-	-	913	-	-	5,465	-	-	6,378
Exchange alignment	匯兌調整	(1,095)	-	(25)	-	(204)	(3,407)	-	(1)	(4,732)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	22,119	225,314	955	49,895	7,168	71,617	575	1,763	379,406
Provided for the year	年內撥備	-	27,378	-	3,707	1,049	-	1,382	2,454	35,970
Disposal of subsidiaries (Note 36)	出售附屬公司 (附註36)	-	-	-	(53,602)	(8,257)	-	-	-	(61,859)
Exchange alignment	匯兌調整	(1,402)	-	(61)	-	40	(4,540)	-	(7)	(5,970)
At 31 December 2016	於二零一六年十二月三十一日	20,717	252,692	894	-	-	67,077	1,957	4,210	347,547
Carrying values	賬面值									
At 31 December 2016	於二零一六年十二月三十一日	-	283,404	-	-	-	-	13,925	19,729	317,058
At 31 December 2015	於二零一五年十二月三十一日	-	132,383	-	9,072	24,202	-	7,087	22,122	194,866

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20. INTANGIBLE ASSETS (Continued)

The above intangible assets, other than brand name and distribution network, have finite useful lives. Such intangible assets are amortised on a straight-line basis over the following periods:

Wireless network platform	5 years
Contracted and uncontracted customer relationship	4-10 years
Lottery software development system	3 years
Exclusive rights on purchase and sale of satellite communication equipment and related services and trademark	3.25 years
Technical know how technology	10 years
Computer software	3-5 years
License	10 years
Internet finance platform	5-10 years

During the year ended 31 December 2015, in view of the uncertainties and risk factors of the internet lottery and advertising industry in the PRC, such as changing government policy to suspend online lottery sales in the PRC, and restrict or curtail advertising services, fierce competition in outdoor advertising market and rapid changes in technology, the management conducted a review on the recoverable amounts of the Group's lottery software development system and a technical know-how technology. As a result, an impairment loss of HK\$6,378,000 were recognised in respect of the abovementioned assets.

20. 無形資產 (續)

以上無形資產(品牌名稱及分銷網絡除外)之可用年期有限。該等無形資產乃以直線法按以下年期攤銷:

無線網絡平台	5年
已訂約及未訂約之客戶關係	4-10年
彩票軟件開發系統	3年
衛星通信設備、相關服務及商標的獨家購買及出售權	3.25年
技術	10年
電腦軟件	3-5年
許可證	10年
互聯網金融平台	5-10年

截至二零一五年十二月三十一日止年度，鑑於中國互聯網彩票及廣告行業的不明朗因素及風險因素，例如修改政府政策暫停中國的互聯網彩票銷售以及限制或削減廣告服務、戶外廣告市場競爭激烈及技術快速變化，管理層已就本集團彩票軟件開發系統及技術之可收回金額進行審核。因此，就上述資產確認減值虧損6,378,000港元。

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21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS

For the purpose of impairment testing, goodwill and intangible assets with definite useful life set out in note 19 and note 20 has been allocated to the following groups of cash-generating units:

- Transmedia advertising services – Ease Ray Group
- Sale of telecommunication products and services – China Wimetrol Group
- Sale of telecommunication products and services – Smart Long Group
- Sale of telecommunication products and services – CERNET Wifi Group
- Sale of telecommunication products and services – Hughes China Group
- Sale of telecommunication products and services – Bluesea Mobile Group
- Sale of telecommunication products and services – Million Ace Group
- Sale of telecommunication products and services – Guangzhou Nowtop
- Internet finance platform business – Avatar Wealth

21. 商譽及無形資產之減值測試

就減值測試而言，附註19所載具有無限期可使用年期的商譽已分配至以下現金產生單位組別：

- 跨媒體廣告服務－宜亮集團
- 銷售電訊產品及服務－中國無線城市集團
- 銷售電訊產品及服務－智朗集團
- 銷售電訊產品及服務－賽爾無線網絡集團
- 銷售電訊產品及服務－休斯中國集團
- 銷售電訊產品及服務－蔚海移動集團
- 銷售電訊產品及服務－萬成集團
- 銷售電訊產品及服務－廣州資拓
- 互聯網金融平台業務－阿凡達財富

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21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

The carrying amounts of goodwill (net of accumulated impairment losses and effect of de-consolidation of a subsidiary) allocated to these units are as follows:

21. 商譽及無形資產之減值測試 (續)

商譽之賬面值(扣除累計減值虧損及取消綜合入賬一間附屬公司之影響)分配至下列單位:

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Transmedia advertising services	跨媒體廣告服務		
– Ease Ray Group	– 宜亮集團	–	–
Sale of telecommunication products and services – China Wimetro Group	銷售電訊產品及服務 – 中國無線城市集團	–	–
Sale of telecommunication products and services – Smart Long Group	銷售電訊產品及服務 – 智朗集團	–	–
Sale of telecommunication products and services – CERNET Wifi Group (Note)	銷售電訊產品及服務 – 賽爾無線網絡集團 (附註)	–	–
Sale of telecommunication products and services – Hughes China Group (Note)	銷售電訊產品及服務 – 休斯中國集團 (附註)	–	6,403
Sale of telecommunication products and services – Bluesea Mobile Group	銷售電訊產品及服務 – 蔚海移動集團	36,246	36,246
Sale of telecommunication products and services – Million Ace Group	銷售電訊產品及服務 – 萬成集團	65,188	65,188
Internet finance platform – Avatar Wealth	互聯網金融平台 – 阿凡達財富	13,904	13,904
Sale of telecommunication products and services – Guangzhou Nowtop	銷售電訊產品及服務 – 廣州資拓	79,801	–
		195,139	121,741

Note: The cash-generating units were disposed of during the year ended 31 December 2016.

附註: 現金產生單位於截至二零一六年十二月三十一日止年度出售。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

SALES OF TELECOMMUNICATION PRODUCTS AND SERVICES

Bluesea Mobile Group

The recoverable amount of Bluesea Mobile Group has been determined based on value in use calculation. Such calculation is based on 1) profit forecast prepared by Bluesea Mobile Group's management covering a five year period and 2) a discount rate of 16.6% (2015: 16.7%) per annum which reflects current market assessment of the time value of money and the credit risk specific to the cash-generating unit. The cash flows beyond 5-year period are extrapolated using a steady 3% (2015: 3%) growth rate. This growth rate is based on the relevant industry growth forecast and does not exceed the long-term average growth rate for the relevant industry. Other key assumptions for the value in use calculations are related to the estimation of cash inflows/ outflows which include budgeted sales with a compound average growth rate of 3.7% (2015: 8.5%) and stable gross margin, such estimation is based on the CGU's past performance and its management's expectations for the market development. The management believes that any reasonable possible change in any of these assumptions would not cause the aggregate carrying amount of Bluesea Mobile Group to exceed aggregate recoverable amount of Bluesea Mobile Group.

Based on the valuation report issued by Asset Appraisal Limited ("Asset Appraisal"), the recoverable amount exceeds the carrying amount of Bluesea Mobile Group and no impairment charge was necessary.

21. 商譽及無形資產之減值測試 (續)

銷售電訊產品及服務

蔚海移動集團

蔚海移動集團之可收回金額已根據使用價值計算法而釐定。該計算法乃根據1) 蔚海移動集團編製之五年期溢利預測，及2) 每年16.6% (二零一五年：16.7%) 的折現率 (其反映出市場對當時貨幣時間價值的評估以及現金產生單位的特定信貸風險) 而定。5年以上之現金流乃使用3% (二零一五年：3%) 的穩定增長率推斷。該增長率乃根據相關產業增長預測，且並無超出相關產業的長期平均增長率。使用價值計算法之其他主要假設與現金流入／流出估計有關，包括平均複合增長率為3.7% (二零一五年：8.5%) 的預算銷售額及穩定的毛利，該估計乃依據該現金產生單位之過往表現及其管理層就市場發展之預期。管理層相信，任何該等假設下之任何合理可能變動將不會導致蔚海移動集團之總賬面值超過蔚海移動集團之可收回總額。

根據中誠達資產評估顧問有限公司 (「資產評估顧問」) 出具的估值報告，蔚海移動集團的可收回金額超過賬面值，故無需作出減值支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

SALES OF TELECOMMUNICATION PRODUCTS AND SERVICES (Continued)

Million Ace Group

The recoverable amount of Million Ace Group has been determined based on value in use calculation. Such calculation is based on 1) profit forecast prepared by Million Ace Group's management covering a five year period and 2) a discount rate of 15.7% (2015: 15.6%) per annum which reflects current market assessment of the time value of money and the credit risk specific to the cash-generating unit. The cash flows beyond 5-year period are extrapolated using a steady 3% (2015: 3%) growth rate. This growth rate is based on the relevant industry growth forecast and does not exceed the long-term average growth rate for the relevant industry. Other key assumptions for the value in use calculations are related to the estimation of cash inflows/ outflows which include budgeted sales with a compound average growth rate of 3% (2015: 3%) and stable gross margin, such estimation is based on the CGU's past performance and its management's expectations for the market development. The management believes that any reasonable possible change in any of these assumptions would not cause the aggregate carrying amount of Million Ace Group to exceed aggregate recoverable amount of Million Ace Group.

Based on the valuation report issued by Asset Appraisal, the recoverable amount exceeds the carrying amount of Million Ace Group and no impairment charge was necessary.

21. 商譽及無形資產之減值測試 (續)

銷售電訊產品及服務 (續)

萬成集團

萬成集團之可收回金額已根據使用價值計算法而釐定。該計算法乃根據1)萬成集團管理層編製之五年期溢利預測，及2)每年15.7% (二零一五年：15.6%)的折現率 (其反映出市場對當時貨幣時間價值的評估以及現金產生單位的特定信貸風險)而定。5年以上之現金流乃使用3% (二零一五年：3%)的穩定增長率推斷。該增長率乃根據相關產業增長預測，且並無超出相關產業的長期平均增長率。使用價值計算法之其他主要假設與現金流入／流出估計有關，包括平均複合增長率為3% (二零一五年：3%)的預算銷售額及穩定的毛利率，該估計乃依據該現金產生單位之過往表現及其管理層就市場發展之預期。管理層相信，任何該等假設下之任何合理可能變動將不會導致萬成集團之總賬面值超過萬成集團之可收回總額。

根據資產評估顧問出具的估值報告，萬成集團的可收回金額超過賬面值，故無需作出減值支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

SALES OF TELECOMMUNICATION PRODUCTS AND SERVICES (Continued)

Hughes China Group

The recoverable amount of Hughes China Group as at 31 December 2015 has been determined based on value in use calculation. Such calculation is based on 1) profit forecast prepared by Hughes China Group's management covering a five year period and 2) a discount rate of 19.69% per annum which reflects current market assessment of the time value of money and the credit risk specific to the cash-generating unit. The cash flows beyond 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecast and does not exceed the longterm average growth rate for the relevant industry. Other key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which include budgeted sales with a compound average growth rate of 16.91% and stable gross margin, such estimation is based on the CGU's past performance and its management's expectations for the market development. The management believes that any reasonable possible change in any of these assumptions would not cause the aggregate carrying amount of Hughes China Group to exceed aggregate recoverable amount of Hughes China Group.

Based on the valuation report issued by Greater China Appraisal Limited, the recoverable amount exceeds the carrying amount of Hughes China Group and no impairment charge was necessary. Hughes China Group was disposed of by the Group during the year ended 31 December 2016.

21. 商譽及無形資產之減值測試 (續)

銷售電訊產品及服務 (續)

休斯中國集團

休斯中國集團於二零一五年十二月三十一日之可收回金額已根據使用價值計算法而釐定。該計算法乃根據1)休斯中國集團管理層編製之五年期溢利預測，及2)每年19.69%的折現率（其反映出市場對當時貨幣時間價值的評估以及現金產生單位的特定信貸風險）而定。5年以上之現金流乃使用3%的穩定增長率推斷。該增長率乃根據相關產業增長預測，且並無超出相關產業的長期平均增長率。使用價值計算法之其他主要假設與現金流入／流出估計有關，包括平均複合增長率為16.91%的預算銷售額及穩定的毛利率，該估計乃依據該現金產生單位之過往表現及其管理層就市場發展之預期。管理層相信，任何該等假設下之任何合理可能變動將不會導致休斯中國集團之總賬面值超過休斯中國集團之可收回總額。

根據漢華評值有限公司出具的估值報告，休斯中國集團的可收回金額超過賬面值，故無需作出減值支銷。休斯中國集團於截至二零一六年十二月三十一日止年度被本集團出售。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

SALES OF TELECOMMUNICATION PRODUCTS AND SERVICES (Continued)

GUANGZHOU NOWTOP

The recoverable amount of Guangzhou Nowtop has been determined based on value in use calculation. Such calculation is based on 1) profit forecast prepared by Guangzhou Nowtop's management covering a five year period and 2) a discount rate of 18.2% per annum which reflects current market assessment of the time value of money and the credit risk specific to the cash-generating unit. The cash flows beyond 5-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecast and does not exceed the long term average growth rate for the relevant industry. Other key assumptions for the value in use calculations related to the estimation of cash inflow/outflows which include budgeted sales with a compound growth rate of 5.2% and stable gross margin. Such estimation is based on the CGU's past performance and its management's expectations for the market development. The management believes that any reasonable possible change in any of these assumptions would not cause the aggregate carrying amount of Guangzhou Nowtop to exceed aggregate recoverable amount of Guangzhou Nowtop.

Based on the valuation report issued by Asset Appraisal, the recoverable amount exceeds the carrying amount of Guangzhou Nowtop and no impairment charge was necessary.

21. 商譽及無形資產之減值測試 (續)

銷售電訊產品及服務 (續)

廣州資拓

廣州資拓之可收回金額已根據使用價值計算法而釐定。該計算法乃根據1)廣州資拓管理層編製之五年期溢利預測，及2)每年18.2%的折現率(其反映出市場對當時貨幣時間價值的評估以及現金產生單位的特定信貸風險)而定。5年以上之現金流乃使用3%的穩定增長率推斷。該增長率乃根據相關產業增長預測，且並無超出相關產業的長期平均增長率。使用價值計算法之其他主要假設與現金流入／流出估計有關，包括複合增長率為5.2%的預算銷售額及穩定的毛利率，該估計乃依據該現金產生單位之過往表現及其管理層就市場發展之預期作出。管理層相信，任何該等假設下之任何合理可能變動將不會導致廣州資拓之總賬面值超過廣州資拓之可收回總額。

根據資產評值顧問出具的估值報告，廣州資拓的可收回金額超過賬面值，故無需作出減值支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

21. IMPAIRMENT TESTING ON GOODWILL AND INTANGIBLE ASSETS (Continued)

SALES OF TELECOMMUNICATION PRODUCTS AND SERVICES (Continued)

Internet finance platform

Avatar Wealth

The recoverable amount of Avatar Wealth has been determined based on value in use calculation. Such calculation is based on 1) profit forecast prepared by Avatar Wealth's management covering a five year period and 2) a discount rate of 18.6% (2015: 17.7%) per annum which reflects current market assessment of the time value of money and the credit risk specific to the cash-generating unit. The cash flows beyond 5-year period are extrapolated using a steady 3% (2015: 3%) growth rate. This growth rate is based on the relevant industry growth forecast and does not exceed the longterm average growth rate for the relevant industry. Other key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which include budgeted sales with a compound average growth rate of 31.4% (2015: 14.93%) and stable gross margin, such estimation is based on the CGU's past performance and its management's expectations for the market development. The management believes that any reasonable possible change in any of these assumptions would not cause the aggregate carrying amount of Avatar Wealth to exceed aggregate recoverable amount of Avatar Wealth.

Based on the valuation report issued by Asset Appraisal, the recoverable amount exceeds the carrying amount of Avatar Wealth and no impairment charge was necessary.

21. 商譽及無形資產之減值測試 (續)

銷售電訊產品及服務 (續)

互聯網金融平台

阿凡達財富

阿凡達財富之可收回金額已根據使用價值計算法而釐定。該計算法乃根據1)阿凡達財富管理層編製之五年期溢利預測，及2)每年18.6% (二零一五年：17.7%)的折現率 (其反映出市場對當時貨幣時間價值的評估以及現金產生單位的特定信貸風險)而定。5年以上之現金流乃使用3% (二零一五年：3%)的穩定增長率推斷。該增長率乃根據相關產業增長預測，且並無超出相關產業的長期平均增長率。使用價值計算法之其他主要假設與現金流入／流出估計有關，包括平均複合增長率為31.4% (二零一五年：14.93%)的預算銷售額及穩定的毛利率，該估計乃依據該現金產生單位之過往表現及其管理層就市場發展之預期。管理層相信，任何該等假設下之任何合理可能變動將不會導致阿凡達財富之總賬面值超過阿凡達財富之可收回總額。

根據資產評值顧問出具的估值報告，阿凡達財富的可收回金額超過賬面值，故無需作出減值支銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

22. INVENTORIES

22. 存貨

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Finished goods	製成品	26,833	26,086
Less: Accumulated impairment	減：累計減值	(800)	(800)
		26,033	25,286

During the year ended 31 December 2016, the directors of the Company conducted a review of the Group's inventories and no impairment loss has been recognised (2015: HK\$nil).

於截至二零一六年十二月三十一日止年度，本公司董事對本集團的存貨進行檢討，但並無確認任何減值虧損（二零一五年：零港元）。

23. TRADE RECEIVABLES

23. 貿易應收賬款

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收賬款	192,997	91,276
Less: Accumulated allowance for doubtful debts	減：呆賬累計撥備	(41)	(41)
		192,956	91,235

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

23. TRADE RECEIVABLES (Continued)

The Group allows an average credit period of 90 days (2015: 90 days) to its trade customers. The following is an ageing analysis of trade receivables net of accumulated allowance for doubtful debts presented based on the invoice date at the end of the reporting period.

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Within 30 days	30日內	81,395	86,449
31 to 60 days	31至60日	27,574	4,269
61 to 90 days	61至90日	2,571	243
91 to 180 days	91至180日	75,892	–
Over 180 days	超過180日	5,524	274
		192,956	91,235

Included in the Group's trade receivables balances are debtors with aggregate carrying amount of approximately HK\$81,416,000 (2015: HK\$274,000) which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the balances are still considered to be recoverable. The Group does not hold any collateral over these balances. The ageing of these receivables is over 90 days (2015: over 90 days).

23. 貿易應收賬款 (續)

本集團給予其貿易客戶平均90日(二零一五年: 90日)的信貸期。於報告期末根據發票日期所呈列之貿易應收賬款(經扣除呆賬累計撥備)之賬齡分析如下。

本集團貿易應收賬款結餘包含於報告期末賬面總值約為81,416,000港元(二零一五年: 274,000港元)的逾期應收賬款, 本集團並無就其減值虧損作出撥備, 乃由於信貸質素及結餘並無重大改變, 且仍被視為可收回。本集團並無就該等結餘持有任何抵押品。該等應收賬款之賬齡超過90日(二零一五年: 超過90日)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

23. TRADE RECEIVABLES (Continued)

Ageing of trade receivables which are past due but not impaired:

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Overdue by:	逾期：		
Within 90 days	90日內	75,892	—
Over 90 days	超過90日	5,524	274
		81,416	274

Movements in the accumulated allowance for doubtful debts for trade receivables:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	41	41
Impairment loss recognised during the year	年內已確認減值虧損	—	—
At 31 December	於十二月三十一日	41	41

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the report period. The concentration of credit risk is limited due to the customer base being large and unrelated.

23. 貿易應收賬款 (續)

已逾期但未減值的貿易應收賬款之賬齡：

	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Overdue by:		
Within 90 days	75,892	—
Over 90 days	5,524	274
	81,416	274

貿易應收賬款之呆賬累計撥備變動：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	41	41
Impairment loss recognised during the year	—	—
At 31 December	41	41

於確定貿易應收賬款是否可收回時，本集團會考慮自首次授出信貸之日起至報告期末貿易應收賬款之信貸質素的任何變動。由於客戶基數大且不相關，因此集中信貸風險有限。

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綜合財務報表附註

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

23. TRADE RECEIVABLES (Continued)

Included in the Group's accumulated allowance for doubtful debts of trade receivables are individually impaired trade receivables with an aggregated balances of approximately HK\$41,000 as at 31 December 2016 and 2015. The directors of the Company considered that the Group was unlikely to recover these debts as they were long outstanding over one year. The Group does not hold any collateral over these balances.

23. 貿易應收賬款 (續)

於二零一六年及二零一五年十二月三十一日，本集團的貿易應收賬款呆賬累計撥備包含總結餘約41,000港元之已個別減值之貿易應收賬款。本公司董事認為，由於該等債務長期未償還逾一年，本集團可能無法收回該等債務。本集團並無就該等結餘持有任何抵押品。

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

24. 預付款項、按金及其他應收款項

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Current assets	流動資產		
Prepayment	預付款項	66,341	33,060
Deposits	按金	22,045	21,716
Other receivables (Note a)	其他應收款項 (附註a)	170,304	127,146
		258,690	181,922
Less: accumulated allowance for other receivable	減：其他應收款項累計撥備	(19,451)	(26,309)
		239,239	155,613

Notes:

- (a) As at 31 December 2016 and 2015, other receivables include certain amounts advanced to independent third parties. In the opinion of the directors, this amount is fully recoverable and no impairment is considered necessary.

附註：

- (a) 於二零一六年及二零一五年十二月三十一日，其他應收款項包括墊付予獨立第三方之若干款項。董事認為，該款項被悉數收回，並無需考慮減值。

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24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Movements in the accumulated allowance for doubtful debts for prepayments, deposits and other receivables:

24. 預付款項、按金及其他應收款項 (續)

就預付款項、按金及其他應收款項的呆賬累計撥備變動：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	26,309	25,983
Exchange realignment	匯兌調整	(1,036)	(1,226)
Impairment losses recognised during the year	年內已確認減值虧損	—	1,552
Disposal of subsidiaries	出售附屬公司	(5,822)	—
At 31 December	於十二月三十一日	19,451	26,309

Included in the accumulated allowance for doubtful debts are individually impaired receivables with an aggregated balances of HK\$19,451,000 (As at 31 December 2015: HK\$26,309,000) in which the directors of the Company consider that the Group is unlikely to recover these debts as they are long outstanding. The directors of the Company have been taking all reasonable steps such as legal procedures, to recover those outstanding debts. The Group does not hold any collateral over these balances.

Included in the other receivables are interest receivables for the advance to a third party of approximately HK\$2,100,000.

呆賬累計撥備包含總結餘為19,451,000港元(於二零一五年十二月三十一日：26,309,000港元)已個別減值之應收賬款。本公司董事認為，由於該等債務長期未償還，本集團可能無法收回該等債務。本公司董事已採取所有合理措施(例如法律程序)收回該等未償還債務。本集團並無就該等結餘持有任何抵押品。

其他應收款項包括第三方墊款之應收利息約2,100,000港元。

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25. LOAN RECEIVABLES

Short-term loans	短期貸款
– Secured	– 有抵押
– Unsecured	– 無抵押

31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
--	--

75,000	–
90,000	–
165,000	–

The loans receivables carry effective interest ranging from 5% to 12% per annum. A maturity profile of the loans receivables (net of impairment loss recognised, if any) at 31 December 2016, based on the maturity date is as follows:

應收貸款之實際年利率介乎5%至12%。根據到期日之應收貸款(扣除已確認減值虧損(如有))於二零一六年十二月三十一日之到期情況如下:

Current assets	流動資產
Within one year	一年內

31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
--	--

165,000	–
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At 31 December 2016, certain loans amounted to approximately HK\$75,000,000 are secured by personal guarantees and undated share charges.

於二零一六年十二月三十一日，若干貸款約75,000,000港元乃以個人擔保及不限日期股份押記作抵押。

In determining the recoverability of the loans receivables, the Group considers any change in the credit quality of the loan receivables from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated.

於確定應收貸款是否可收回時，本集團會考慮自首次授出信貸之日起至報告期應收貸款之信貸質素的任何變動。由於客戶基數大且不相關，因此集中信貸風險有限。

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26. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 31 December 2016, the Group's other financial assets represents short term wealth management products with principal amount of RMB43,500,000 (equivalent to HK\$48,631,000) issued by certain commercial banks in the PRC, with expected but not guaranteed yield rates from 1.23% to 2.80% per annum. The wealth management products are designated as financial assets at FVTPL at initial recognition and remeasured at fair value at the end of the reporting period. The entire wealth management products have been redeemed subsequent to the date of reporting period.

26. 按公平值計入損益之金融資產

於二零一六年十二月三十一日，本集團之其他金融資產為中國的若干商業銀行發行的本金額為人民幣43,500,000元（相等於48,631,000港元）的短期理財產品，預期（但並非保證）年收益率介乎1.23%至2.80%。理財產品於初始確認時指定為按公平值計入損益入賬之金融資產並於報告期末按公平值重新計量。全部理財產品已於報告日後贖回。

27. CASH AND CASH EQUIVALENTS

27. 現金及現金等價物

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Cash in hand and at bank	手頭及銀行現金		
HKD	港元	90,956	1,073,366
RMB	人民幣	97,720	38,356
USD	美元	206	225
		188,882	1,111,947

Cash and cash equivalents consist of cash on hand and balance with banks.

現金及現金等價物包括手頭及銀行結餘。

Bank balances carry interest at market rates ranged from 0.001% to 0.35% (As at 31 December 2015: 0.001% to 0.46%) per annum at 31 December 2016.

於二零一六年十二月三十一日，銀行結餘按市場年利率介乎0.001%至0.35%（於二零一五年十二月三十一日：0.001%至0.46%）計息。

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27. CASH AND CASH EQUIVALENTS

(Continued)

The RMB is not freely convertible into other currencies; however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Company is permitted to exchange RMB for other currencies through authorised banks to conduct foreign exchange business.

27. 現金及現金等價物 (續)

人民幣不得自由兌換為其他貨幣，然而，根據中國內地的外匯管理條例及結匯、售匯及付匯管理規定，本公司獲准透過授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

28. TRADE PAYABLES

28. 貿易應付賬款

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付賬款	30,353	46,093

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

於報告期末按發票日期呈列的貿易應付賬款的賬齡分析如下：

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Within 30 days	30日內	22,066	25,561
31 to 60 days	31至60日	1,354	—
61 to 90 days	61至90日	194	487
Over 90 days	超過90日	6,739	20,045
		30,353	46,093

The average credit period on purchases of goods is 90 days (As at 31 December 2015: 90 days). The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

購買貨品的平均信貸期為90日（於二零一五年十二月三十一日：90日）。本集團已制定財務風險管理政策，確保於信貸期限內結清所有應付款項。

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29. OTHER PAYABLES AND ACCRUALS

29. 其他應付款項及應計款項

	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Other payables	58,311	79,785
Accruals	790	41,186
	59,101	120,971

Included in other payables as at 31 December 2015 was a short term loan from an independent third party of approximately HK\$27,320,000 to finance the acquisition of subsidiaries.

The loan was unsecured, denominated in HK\$ and carries a fixed interest rate at 1.2% per month and was fully settled during the year ended 31 December 2016.

Included in accruals as at 31 December 2015 are interest payable of approximately HK\$22,635,000 in relation to the convertible notes issued by the Company.

於二零一五年十二月三十一日計入其他應付款項的為來自一名獨立第三方之短期貸款約27,320,000港元，以為收購附屬公司提供資金。

貸款為無抵押，以港元計值，按固定月利率1.2%計息，並已於截至二零一六年十二月三十一日止年度悉數結清。

計入二零一五年十二月三十一日應計款項的為與本公司發行的可換股票據相關的應付利息約22,635,000港元。

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30. BANK BORROWINGS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank borrowings repayable:	應償還銀行借款：		
Within one year or on demand	一年內或於要求時償還	55,897	26,271

At 31 December 2016, the bank borrowings of approximately HK\$55,897,000 (2015: HK\$26,271,000) are denominated in RMB and carry fixed interest at 5.66% per annum (2015: 5.52%) and are repayable within one year from the end of the reporting period.

The Group's banking facilities amounting to approximately HK\$55,897,000 (2015: HK\$35,808,000), of which approximately HK\$55,897,000 (2015: HK\$26,271,000) had been utilised as at the end of the reporting period, are secured by the pledge of certain properties of a company substantially owned by Mr. Lie, a substantial shareholder of the Company.

於二零一六年十二月三十一日，銀行借款約55,897,000港元（二零一五年：26,271,000港元）以人民幣計值，按固定年利率5.66%（二零一五年：5.52%）計息，並將於報告期末後一年內償還。

本集團之銀行融資約55,897,000港元（二零一五年：35,808,000港元），於報告期末已動用約55,897,000港元（二零一五年：26,271,000港元），本集團之銀行融資乃以本公司之主要股東列先生實質擁有之一間公司之若干物業作抵押擔保。

31. CONVERTIBLE NOTES

CONVERTIBLE NOTES DUE 2016 ("CN 2016")

On 5 April 2013, the Company issued convertible notes with a nominal value of HK\$160,000,000 due on 5 April 2016. Each convertible note carries interest at 7% per annum payable semi-annually in arrears with the first interest payment due on 5 October 2013 and the last interest payment is due on 5 April 2016. The CN 2016 entitles holders to convert the notes into new ordinary shares of the Company at a conversion price, subject to adjustment, of HK\$2.5 per share during the period from 5 April 2013 to 31 March 2016. If the CN 2016 have not been converted, they will be redeemed at par on 5 April 2016.

31. 可換股票據

二零一六年到期之可換股票 據（「二零一六年到期之可換 股票據」）

於二零一三年四月五日，本公司發行於二零一六年四月五日期到之面值為160,000,000港元之可換股票據。各可換股票據按年利率7%計息，每半年派息一次，第一期利息於二零一三年十月五日到期，最後一期利息則於二零一六年四月五日期到。二零一六年到期之可換股票據賦予其持有人權利，可於二零一三年四月五日至二零一六年三月三十一日期間以轉換價每股2.5港元（可予調整）將票據轉換為本公司之新普通股。倘若二零一六年到期之可換股票據並未轉換，其將於二零一六年四月五日按票面價贖回。

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31. CONVERTIBLE NOTES (Continued)

CONVERTIBLE NOTES DUE 2016 ("CN 2016") (Continued)

During the year ended 31 December 2015, the conversion price has been adjusted to HK\$1.10 per share following the bonus issue (Note 33(d)) and open offer (Note 33(f)) of the Company's shares.

The CN 2016 is not redeemable at the option of note-holders. In addition, the Company has the right to redeem any portion of the CN 2016 at its principal amount at any time prior to the maturity date.

The CN 2016 contains three components, liability, redemption option derivative and equity component. The equity element is presented in equity heading "convertible notes reserve". The effective interest rate of the liability component is 11.29% per annum. The redemption option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Upon the issue of the CN 2016, an amount of HK\$138,627,000, HK\$6,206,000 and HK\$7,131,000 were recognised as liability, derivative financial asset and equity, respectively.

During the year ended 31 December 2015, no redemption of the CN 2016 was made by the Company. At 31 December 2015, carrying amount of CN 2016 of approximately HK\$157,364,000 (principal amount of HK\$160,000,000) remained outstanding.

During the year ended 31 December 2016, convertible notes with principal amount of HK\$16,000,000 was early redeemed in March 2016. The remaining HK\$144,000,000 has been reclassified to other payables upon maturity on 5 April 2016. Accordingly, the convertible notes reserve has been released to the accumulated losses.

31. 可換股票據 (續)

二零一六年到期之可換股票 據 (「二零一六年到期之可換 股票據」) (續)

截至二零一五年十二月三十一日止年度，於進行紅股發行（附註33(d)）及公開發售（附註33(f)）本公司股份後，轉換價已調整至每股1.10港元。

二零一六年到期之可換股票據不可按票據持有人的意願贖回。此外，本公司有權於到期日之前隨時按本金贖回二零一六年到期之可換股票據之任何部份。

二零一六年到期之可換股票據包括負債、贖回選擇權衍生工具及權益三部份。權益部份按權益呈列於「可換股票據儲備」。負債部份的實際利率為按年11.29%。贖回選擇權衍生工具乃按公平值計算，公平值之變動於損益確認。

於發行二零一六年到期之可換股票據後，138,627,000港元、6,206,000港元及7,131,000港元之金額分別確認為負債、衍生金融資產及權益。

於截至二零一五年十二月三十一日止年度，本公司概無贖回二零一六年到期之可換股票據。於二零一五年十二月三十一日，二零一六年到期之可換股票據賬面值約157,364,000港元（本金額160,000,000港元）仍未轉換。

於截至二零一六年十二月三十一日止年度，本金額為數16,000,000港元的可換股票據已於二零一六年三月提早贖回。餘下144,000,000港元已於二零一六年四月五日到期後重新分類至其他應付款項。故此，可換股票據儲備已解除，計入累計虧損。

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31. CONVERTIBLE NOTES (Continued)

The movements of the liability component and redemption option derivative of the convertible notes during the year are set out below:

31. 可換股票據 (續)

年內，可換股票據的負債部份及贖回選擇權衍生工具的變動載列如下：

		Liability component	Redemption option derivative	Total
		負債部份	贖回選擇權	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	148,768	—	148,768
Effective interest charged (Note 10)	所收取之實際利息 (附註10)	17,362	—	17,362
Coupon interest accrued and included in interest payable	產生並計入應付利息之票面利息	(8,766)	—	(8,766)
Change in fair value of derivative financial assets	衍生金融資產之公平值變動	—	—	—
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	157,364	—	157,364
Effective interest charged (Note 10)	所收取之實際利息 (附註10)	2,799	—	2,799
Coupon interest accrued and included in interest payable	產生並計入應付利息之票面利息	(217)	—	(217)
Early redemption of convertible notes	提早贖回可換股票據	(15,946)	—	(15,946)
Reclassified to other payable upon maturity	到期後重新分類至其他應付款項	(144,000)	—	(144,000)
Change in fair value of derivative financial assets	衍生金融資產之公平值變動	—	—	—
At 31 December 2016	於二零一六年十二月三十一日	—	—	—

The fair values of CN 2016 at 31 December 2015 are based on valuations carried out on those dates by independent valuers.

二零一六年到期之可換股票據於二零一五年十二月三十一日之公平值乃基於獨立估值師於該等日期作出之估值。

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32. DEFERRED TAXATION

Detail of the deferred tax liabilities recognised and movements thereon during the year is as follow:

32. 遞延稅項

年內已確認遞延稅項負債及其變動詳情如下：

		Intangible assets 無形資產 HK\$'000 千港元
At 1 January 2015	二零一五年一月一日	6,804
Acquisition of Bluesea Mobile Group (Note 35(b))	收購蔚海移動集團(附註35(b))	25,237
Acquisition of Million Ace Group (Note 35(d))	收購萬成集團(附註35(d))	11,509
Credited to consolidated statement of profit or loss and other comprehensive income (Note 11)	計入綜合損益及其他全面收益表(附註11)	(6,813)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	36,737
Disposal of HCH Investment Limited (Note 36(a))	出售HCH Investment Limited (附註36(a))	(1,341)
Acquisition of Guangzhou Nowtop (Note 35(a))	收購廣州資拓(附註35(a))	46,655
Credited to consolidated statement of profit or loss and other comprehensive income (Note 11)	計入綜合損益及其他全面收益表(附註11)	(8,101)
At 31 December 2016	於二零一六年十二月三十一日	73,950

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32. DEFERRED TAXATION (Continued)

At the end of the reporting period, the Group has unused tax losses of approximately HK\$223,580,000 (As at 31 December 2015: HK\$182,062,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The tax losses may be carried forward indefinitely.

At 31 December 2016 and 31 December 2015, the Group did not have any deductible temporary differences. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statement in respect of temporary difference attributable to the profits earned by the PRC subsidiaries as the Group is able to control the timing of reversal at the temporary difference and it is probable that will not reverse in the foreseeable future.

32. 遞延稅項 (續)

於報告期末，本集團的未動用稅項虧損約223,580,000港元（於二零一五年十二月三十一日：182,062,000港元）可用於抵銷未來溢利。由於未來溢利流難以預測，故並無確認遞延稅項資產。稅項虧損或可無限期結轉。

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，本集團概無可扣減暫時差額。由於不可能有可扣減暫時差額可供抵銷應課稅溢利，故並無就該等可扣減暫時差額確認遞延稅項資產。

根據中國企業所得稅法，中國附屬公司須自二零零八年一月一日起就其賺取的利潤所宣派的股息繳納預扣稅。由於本集團能夠控制暫時性差額的撥回時間，故並無就綜合財務報表內有關中國附屬公司賺取的利潤應佔暫時性差額作出遞延稅項撥備，而暫時性差額可能不會在可見未來撥回。

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33. SHARE CAPITAL

33. 股本

		Par value per share 每股面值 HK\$ 港元	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：			
At 1 January 2015	二零一五年一月一日	0.1	10,000,000,000	1,000,000
Increase of authorised share capital (note a)	法定股本增加 (附註a)	0.1	10,000,000,000	1,000,000
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年 十二月三十一日、 二零一六年一月一日 及二零一六年 十二月三十一日	0.1	20,000,000,000	2,000,000
Issued and fully paid:	已發行及繳足：			
At 1 January 2015	二零一五年一月一日	0.1	2,754,920,793	275,492
Issue of shares on 1 April 2015 (note b)	於二零一五年四月一日 發行股份(附註b)	0.1	303,000,000	30,300
Exercise of share options (note c)	行使購股權(附註c)	0.1	20,000,000	2,000
Bonus issue of shares (note d)	發行紅股(附註d)	0.1	3,077,920,793	307,792
Issue of shares on 11 September 2015 (note e)	於二零一五年九月十一日 發行股份(附註e)	0.1	196,721,311	19,672
Open offer of shares (note f)	公開發售股份(附註f)	0.1	3,176,281,448	317,628
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年 十二月三十一日、 二零一六年一月一日 及二零一六年 十二月三十一日	0.1	9,528,844,345	952,884

Notes:

- (a) Pursuant to an ordinary resolution passed on the extraordinary general meeting dated 26 November 2015, the authorised share capital was increased to HK\$2,000,000,000 divided into 20,000,000,000 shares of HK\$0.10 each.
- (b) Pursuant to the terms of the agreement dated 30 January 2015 entered into between NEO Mobile Holdings Limited, a wholly owned subsidiary of the Company, and an independent third party in relation to 《關於廣東蔚海校園移動網絡有限公司的協議》(Guangdong Wei Hai Xiao Yuan Mobile Network Company Limited*) (the "Agreement"), the Company issued 303,000,000 ordinary shares on 1 April 2015 upon the completion of transactions contemplated under the Agreement. The fair value of the ordinary shares issued was determined by the available published price of HK\$0.425 each at the completion date of the acquisition on 1 April 2015.

附註：

- (a) 根據在於二零一五年十一月二十六日舉行之股東特別大會上獲通過之普通決議案，法定股本增至2,000,000,000港元，分為20,000,000,000股每股面值0.10港元之股份。
- (b) 根據中國新電信移動控股有限公司(本公司之全資附屬公司)與一名獨立第三方於二零一五年一月三十日訂立的有關《關於廣東蔚海校園移動網絡有限公司的協議》(「協議」)的協議條款，本公司在協議項下擬定交易完成後於二零一五年四月一日發行303,000,000股普通股。所發行普通股的公平值乃由收購完成日期二零一五年四月一日可獲得之公告價格每股0.425港元釐定。

* for identification purpose only

* 僅供識別

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

33. SHARE CAPITAL (Continued)

Notes: (Continued)

- (c) During the year ended 31 December 2015, the Company issued 20,000,000 ordinary shares of par value of HK\$0.10 at the exercise price of HK\$0.628 per ordinary share upon exercise of the share options granted by the Company.
- (d) Pursuant to the ordinary resolution duly passed at the extraordinary general meeting held on 5 June 2015, a bonus issue of 3,077,920,793 new shares were issued and credited as fully paid at par by way of capitalisation of an appropriate amount in the share premium account of the Company on 19 June 2015.
- (e) Pursuant to the terms of the agreement dated 14 August 2015 between NEO Cloud Computing Holdings Limited, a wholly owned subsidiary of the Company, and an independent third party in relation to the acquisition of the entire issued share capital of Million Ace Limited, the Company issued 196,721,311 ordinary shares of par value of HK\$0.10 each on 11 September 2015 as the acquisition consideration. The fair value of the ordinary shares issued was determined by the available published price of HK\$0.66 each at the completion date of the acquisition on 11 September 2015.
- (f) On 30 December 2015, the Company completed an open offer of 3,176,281,448 shares at a subscription price of HK\$0.38 per offer share on the basis of one open offer share for every two shares held on 7 December 2015.

34. SHARE OPTION SCHEMES

Pursuant to a resolution passed at a annual general meeting of the Company held on 19 December 2012, a new share option scheme (the “**New Share Option Scheme**”) was adopted by the Company.

The previous share option scheme of the Company (the “**Old Share Option Scheme**”) was expired on 21 July 2012, no further options can be granted under the Old Share Option Scheme thereafter. All outstanding share options granted under the Old Share Option Scheme remained outstanding until they lapsed in accordance with the terms of the Old Share Option Scheme.

33. 股本 (續)

附註：(續)

- (c) 截至二零一五年十二月三十一日止年度，本公司因應本公司授予之購股權獲行使按每股普通股0.628港元之行使價發行20,000,000股每股面值0.10港元之普通股。
- (d) 根據在於二零一五年六月五日舉行之股東特別大會上獲正式通過之普通決議案，於二零一五年六月十九日透過資本化本公司股份溢價賬中之適當金額進行紅股發行，發行3,077,920,793股新股份並按面值入賬列作繳足股款。
- (e) 根據中國新電信會計算控股有限公司（本公司之全資附屬公司）與一名獨立第三方於二零一五年八月十四日訂立的有關收購萬成集團有限公司之全部已發行股本的協議條款，本公司於二零一五年九月十一日發行196,721,311股每股面值0.10港元的普通股作為收購代價。所發行普通股之公平值乃由收購完成日期二零一五年九月十一日可獲得之公告價格每股0.66港元釐定。
- (f) 於二零一五年十二月三十日，本公司完成按於二零一五年十二月七日每持有兩股股份獲配發一股發售股份之基準以認購價每股發售股份0.38港元公開發售3,176,281,448股股份。

34. 購股權計劃

本公司於二零一二年十二月十九日舉行股東週年大會通過一項決議案，據此，本公司採納一項新購股權計劃（「**新購股權計劃**」）。

本公司之前的購股權計劃（「**舊購股權計劃**」）於二零一二年七月二十一日屆滿，其後概無根據舊購股權計劃進一步授出購股權。根據舊購股權計劃之條款，根據舊購股權計劃授出之所有未行使購股權尚未行使直至失效。

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34. SHARE OPTION SCHEMES (Continued)

The Company operates the New Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the New Share Option Scheme include the Company's directors (including independent non-executive directors), other employees of the Group, and suppliers of goods or services to the Group.

The maximum number of unexercised share options currently permitted to be granted under the New Share Option Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the New Share Option Scheme within any 12 month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the New Share Option Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company's share for five trading days immediately preceding the date of the offer; and (iii) the nominal value of the shares.

34. 購股權計劃 (續)

本公司執行新購股權計劃旨在對本集團經營成功作出貢獻之合資格參與者給予獎勵及回報。新購股權計劃之合資格參與者包括本公司之董事（包括獨立非執行董事）、本集團之其他僱員，以及本集團貨品或服務之供應商。

目前根據新購股權計劃可予授出之未行使購股權最高數目相等於（如獲行使）本公司任何時間已發行股份10%。新購股權計劃各合資格參與者在任何12個月期間內行使購股權可獲發行之最高股份數目不得超逾本公司任何時間已發行股份1%。進一步授出任何超逾該上限之購股權，均須獲股東在股東大會上批准。

授出購股權建議可在建議日期起計28日內接納，承授人在接納購股權時須支付合共1港元名義代價。已授出購股權之行使期由董事釐定，並在若干歸屬期後起計，至建議授出購股權日期起10年內或新購股權計劃到期日（如屬較先發生者）止。

購股權之行使價由董事釐定，惟不得少於下列較高者：(i) 本公司股份於建議授出購股權日期在聯交所所報之收市價；(ii) 本公司股份於緊接建議日期前五個交易日在聯交所所報之平均收市價；及(iii) 股份面值。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

34. SHARE OPTION SCHEMES (Continued)

Share options do not confer rights on the holders to dividends or to vote at shareholder's meeting. The following table discloses details of the Company's share option in issue under the Scheme during the year:

34. 購股權計劃 (續)

購股權並不賦予其持有人收取股息或於股東大會上投票之權利。年內，本公司根據該計劃發行之購股權詳情披露於下表：

Name of category of participant	Date of grant	Exercise period	Exercise price per share (note)	Number of share options				At 31 December 2015, 1 January 2016 and 31 December 2016
				At 1 January 2015	Exercised during the year	Adjustment for bonus issue	Adjustment for open offer	
參與者類別名稱	授出日期	行使期	每股行使價 (附註)	於二零一五年一月一日	於年內行使	紅股發行的調整	公開發售的調整	於二零一五年十二月三十一日、二零一六年一月一日及二零一六年十二月三十一日
Directors 董事	3.4.2013	3.4.2013 to 2.4.2018	0.275	20,000,000	-	20,000,000	5,600,000	45,600,000
	二零一三年四月三日	二零一三年四月三日至二零一八年四月二日						
				20,000,000	-	20,000,000	5,600,000	45,600,000
Employee and others 僱員及其他	8.4.2011	8.4.2011 to 7.4.2021	0.469	3,000,000	-	3,000,000	840,000	6,840,000
	二零一一年四月八日	二零一一年四月八日至二零一八年四月七日						
	3.4.2013	3.4.2013 to 2.4.2018	0.275	50,000,000	(20,000,000)	30,000,000	8,400,000	68,400,000
	二零一三年四月三日	二零一三年四月三日至二零一八年四月二日						
				53,000,000	(20,000,000)	33,000,000	9,240,000	75,240,000
Total 總計				73,000,000	(20,000,000)	53,000,000	14,840,000	120,840,000
Weighted average exercise price (HK\$) 加權平均行使價 (港元)				0.646	0.628	0.327	0.286	0.286

Note: the exercise prices of the share options have been adjusted for bonus issue and open offer that took place on 19 June 2015 and 30 December 2015 respectively.

附註：購股權之行使價已就分別於二零一五年六月十九日及二零一五年十二月三十日進行的紅股發行及公開發售而作出調整。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

34. SHARE OPTION SCHEMES (Continued)

The fair values of options granted under the New Share Option Scheme measured at the date of grant during the year ended 31 December 2013 was approximately HK\$30,490,000. The following significant assumptions were used to derived the fair value using the Binomial Option Pricing Model:

	16 May 2013	3 April 2013
Total number of share option	20,000,000	94,000,000
Option value	HK\$0.2045	HK\$0.2809
Option life	5 years	5 years
Expected Tenor	5 years	5 years
Exercise price	HK\$0.628	HK\$0.628
Stock price at the date of grant	HK\$0.460	HK\$0.600
Expected volatility	87.11%	88.00%
Risk-free rate	0.427%	0.525%

Expected volatility was reference to Bloomberg calculated from the weighted average historical volatility of weekly return of share price of comparable companies and the Company. Risk-free rate represents the yields to maturity of Hong Kong Exchange Fund Note with respective terms to maturity as at the share options granted date. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considers.

During the year ended 31 December 2015, the Company issued 20,000,000 ordinary shares of par value of HK\$0.1 at the exercise price of HK\$0.628 per ordinary share upon exercise of the share options.

No share options were exercised during the year ended 31 December 2016.

34. 購股權計劃 (續)

截至二零一三年十二月三十一日止年度，根據新購股權計劃授出之購股權於授出日期計量之公平值約為30,490,000港元。以下乃以二項式期權定價模式推定公平值時採用之重要假設：

	二零一三年 五月十六日	二零一三年 四月三日
購股權總數	20,000,000	94,000,000
購股權價值	0.2045港元	0.2809港元
購股權年期	5年	5年
預期年期	5年	5年
行使價	0.628港元	0.628港元
於授出日之股價	0.460港元	0.600港元
預期波幅	87.11%	88.00%
無風險利率	0.427%	0.525%

預期波幅乃參照彭博資訊計算可資比較公司及本公司股價每週回報加權平均歷史波幅得出。無風險利率指於授出購股權日期到期之香港外匯基金票據之到期收益率。在管理層慎重估算下，模式中之預期年期已因應購股權之不可轉讓性、行使限制及行為等考慮因素之影響而有所調整。

截至二零一五年十二月三十一日止年度，本公司因購股權獲行使按每股普通股0.628港元之行使價發行每股面值0.1港元的20,000,000股普通股。

概無購股權於截至二零一六年十二月三十一日止年度獲行使。

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

FOR THE YEAR ENDED 31 DECEMBER 2016

(a) Acquisition of Guangzhou Nowtop

On 4 March 2016, 廣東蔚海移動發展有限公司 (Guangdong Bluesea Mobile Development Company Limited*) (“Bluesea Mobile”), an indirect wholly-owned subsidiary of the Company through structured contracts, entered into an agreement (the “Agreement”) with 王坤 (Wang Kun*) (the “Vendor”) pursuant to which the Vendor conditionally agreed to sell Bluesea Mobile 60% of equity interest in Guangzhou Nowtop. Guangzhou Nowtop is principally engaged in providing Internet Data Center (“IDC”) services in the PRC. The acquisition was completed on 24 March 2016.

The fair value of the net identifiable assets acquired and the goodwill arising are as follows:

35. 收購附屬公司

截至二零一六年十二月三十一日止年度

(a) 收購廣州資拓

於二零一六年三月四日，本公司透過立結構性合約間接全資擁有之附屬公司廣東蔚海移動發展有限公司(「蔚海移動」)與王坤(「賣方」)訂立一項協議(「該協議」)，據此，賣方有條件同意向蔚海移動出售於廣州資拓之60%股本權益。廣州資拓主要從事於中國提供互聯網數據中心(「IDC」)服務之業務。該項收購已於二零一六年三月二十四日完成。

所收購可識別淨資產之公平值及產生之商譽如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	5,678
Intangible assets	無形資產	186,619
Trade receivable	貿易應收賬款	26,733
Prepayments and other receivables	預付款項及其他應收款項	1,891
Cash and cash equivalents	現金及現金等價物	7,437
Trade payable	貿易應付賬款	(27,770)
Accruals and other payables	應計款項及其他應付款項	(3,323)
Tax liabilities	稅項負債	(77)
Deferred taxation	遞延稅項	(46,655)
Non-controlling interest	非控股權益	(60,213)
Total identifiable net assets acquired	所收購可識別淨資產總額	90,320
Goodwill on acquisition	收購產生之商譽	79,801
		170,121

* for identification purpose only

* 僅供識別

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35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

(a) Acquisition of Guangzhou Nowtop (Continued)

The non-controlling interests recognised at the acquisition date were measured by reference to the proportionate share of fair values of Guangzhou Nowtop's net assets at the acquisition date and amounted to HK\$60,213,000. Goodwill arose in the above acquisition because the cost of acquisition included a control premium, in addition, the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Guangzhou Nowtop. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purpose.

35. 收購附屬公司 (續)

截至二零一六年十二月三十一日止年度 (續)

(a) 收購廣州資拓 (續)

於收購日期確認之非控股權益乃參考於收購日期所佔廣州資拓淨資產之公平值之比例計量，為60,213,000港元。因為收購成本包括控制權溢價，故上述收購事項產生商譽。此外，已付收購代價實際上包括有關預期協同效應、收入增長、未來市場發展及廣州資拓的整合勞力所帶來利益的金額。該等利益不與商譽分開確認，原因是其並不符合可識別無形資產的確認標準。

預期此項收購所產生的商譽就稅務目的而言不可扣減。

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35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

(a) Acquisition of Guangzhou Nowtop (Continued)

The consideration of the acquisition is satisfied by cash of no more than HK\$180,000,000.

35. 收購附屬公司 (續)

截至二零一六年十二月三十一日止年度 (續)

(a) 收購廣州資拓 (續)

收購代價乃以不多於180,000,000港元之現金支付。

		Fair value 公平值 HK\$'000 千港元
Consideration satisfied by:	以下列方式支付之代價：	
Cash	現金	131,800
Contingent consideration payable (Note)	應付或然代價 (附註)	38,321
		170,121
Net Cash outflow arising on the acquisition:	收購產生之現金流出淨額：	
Consideration paid in cash	已付現金代價	(131,800)
Less: Cash and cash equivalent balances acquired	減：所收購現金及現金等價物結餘	7,437
		(124,363)

Note: According to the Agreement, the Vendor has guaranteed to Bluesea Mobile that the audited net profit after tax for the years ended 31 December 2016 and 2017 will not be less than HK\$25,000,000 ("2016 Guaranteed Profit") and HK\$40,000,000 ("2017 Guaranteed Profit") respectively. Cash of HK\$20,000,000 and HK\$30,000,000 shall be payable to the Vendor provided that the 2016 Guaranteed Profit and 2017 Guaranteed Profit have been met, respectively. The fair value of the amount payable of HK\$38,321,000 at the date of acquisition was estimated by applying the discounted cash flow approach at a discount rate of 18.10%. During the year ended 31 December 2016, a loss of HK\$6,029,000 was recognised in the profit or loss for the changes in fair values of the contingent consideration payable, with reference to the valuation report issued by Asset Appraisal.

附註：根據該協議，賣方向蔚海移動保證截至二零一六年及二零一七年十二月三十一日止年度之經審核除稅後淨利潤分別不少於25,000,000港元（「二零一六保證利潤」）及40,000,000港元（「二零一七保證利潤」）。倘達成二零一六保證利潤及二零一七保證利潤，則分別須向賣方支付20,000,000港元及30,000,000港元之現金。應付款項38,321,000港元於收購日期之公平值按貼現率18.10%以貼現現金流量法估計。於截至二零一六年十二月三十一日止年度，經參考資產評估顧問出具的估值報告，已就應付或然代價之公平值變動於損益確認虧損6,029,000港元。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2016 (Continued)

(a) Acquisition of Guangzhou Nowtop (Continued)

Acquisition related costs were insignificant and have been excluded from the cost of acquisition and have been recognised directly as an expense in the period and included in the “administrative and other expenses” line item in the consolidated statement of profit or loss for the year ended 31 December 2016.

Since the acquisition, Guangzhou Nowtop has contributed approximately HK\$121,448,000 and HK\$12,324,000 to the Group’s revenue and profit, respectively, for the year ended 31 December 2016.

Had the acquisition of Guangzhou Nowtop been effected at the beginning of the year, the total amount of revenue of the Group for the year ended 31 December 2016 would have been HK\$2,544,957,000, and the amount of the profit for the year would have been HK\$202,337,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

In determining the ‘pro-forma’ revenue and profit of the Group had Guangzhou Nowtop been acquired at the beginning of the year, the directors calculated depreciation and amortisation of plant and equipment based on the recognised amounts of plant and equipment at the date of the acquisition.

35. 收購附屬公司 (續)

截至二零一六年十二月三十一日止年度 (續)

(a) 收購廣州資拓 (續)

收購相關成本並不重大，已自收購成本中剔除，並直接確認為期內開支及計入截至二零一六年十二月三十一日止年度之綜合損益表之「行政及其他開支」內。

自收購以來，廣州資拓已為本集團截至二零一六年十二月三十一日止年度之收入及溢利貢獻分別約121,448,000港元及12,324,000港元。

倘收購廣州資拓於年初已進行，本集團截至二零一六年十二月三十一日止年度之收入總額將為2,544,957,000港元，而年內溢利則將為202,337,000港元。備考資料僅供說明用途，未必表示倘收購事項於年初完成情況下本集團業務實際將達到的收入及業績，亦不旨在作為未來業績的預測。

於釐定倘廣州資拓於年初被收購情況下本集團的「備考」收入及溢利時，董事乃根據廠房及設備於收購日期的已確認金額計算廠房及設備的折舊及攤銷。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015

(b) Acquisition of Bluesea Mobile Group

On 1 April 2015, the Group acquired the 100% equity interest in 廣東蔚海移動發展有限公司 (Guangdong Bluesea Mobile Development Ltd Co.)* (“**Bluesea Mobile**”) through structured contracts with a total consideration at fair value of HK\$128,775,000. Bluesea Mobile and its subsidiaries (collectively referred to as “**Bluesea Mobile Group**”) is principally engaged in the operation of a mobile and Internet commercial WIFI platform and a cross-border e-commerce platform. And through its 70% owned subsidiary 廣東阿凡達財富投資管理有限公司 (Guangdong Avatar Wealth Investment Management Co., Ltd*) (“**Avatar Wealth**”), Bluesea Mobile Group also operates a Internet finance platform business.

The fair value of the identifiable assets and liabilities acquired and the goodwill arising are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	1,401
Intangible assets	無形資產	100,947
Inventory	存貨	849
Trade receivables	貿易應收賬款	3,980
Other receivables	其他應收款項	1,055
Cash and cash equivalents	現金及現金等價物	2,015
Trade payables	貿易應付賬款	(389)
Other payables	其他應付款項	(917)
Deferred taxation	遞延稅項	(25,237)
Non-controlling interest	非控股權益	(5,079)
Total identifiable net assets acquired	所收購可識別淨資產總額	78,625
Goodwill on acquisition	收購產生之商譽	50,150
		128,775

35. 收購附屬公司 (續)

截至二零一五年十二月三十一日止年度

(b) 收購蔚海移動集團

於二零一五年四月一日，本集團透過結構性合約收購廣東蔚海移動發展有限公司（「蔚海移動」）全部股權，總代價按公平值為128,775,000港元。蔚海移動及其附屬公司（統稱為「蔚海移動集團」）主要從事運營移動與互聯網商用WIFI平台及跨境電子商務平台。蔚海移動集團透過其擁有70%的附屬公司廣東阿凡達財富投資管理有限公司（「阿凡達財富」）亦營運互聯網金融平台業務。

所收購可識別資產及負債之公平值及產生之商譽如下：

* for identification purpose only

* 僅供識別

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued)

(b) Acquisition of Bluesea Mobile Group (Continued)

Goodwill arose in the acquisition of Bluesea Mobile Group because the cost of acquisition included a control premium, in addition, the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Bluesea Mobile Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purpose.

The consideration of the acquisition is satisfied by way of allotment and issue of 303,000,000 new ordinary shares of the Company. The fair value of the ordinary shares issued was determined by referring to the published price of HK\$0.425 per share at 1 April 2015.

35. 收購附屬公司 (續)

截至二零一五年十二月三十一日止年度 (續)

(b) 收購蔚海移動集團 (續)

由於收購成本包括控制溢價，故收購蔚海移動集團產生商譽。此外，已付收購代價實際包括有關預期協同效應、收入增長、未來市場發展及蔚海移動集團的整合勞力的款項。該等利益不與商譽分開確認，原因是其並不符合可識別無形資產的確認標準。

收購所產生的商譽預期概不會就稅務目的而遭扣減。

收購代價以配發及發行本公司303,000,000股新普通股的方式支付。所發行普通股的公平值經參考二零一五年四月一日之公告價格每股0.425港元釐定。

	HK\$'000 千港元
Net Cash outflow arising on acquisition	收購產生之現金流出淨額
Consideration paid in cash	已付現金代價
Less: Cash and cash equivalent balances acquired	減：所收購現金及現金等價物結餘
	2,015
	2,015

Acquisition related costs amounting to HK\$406,000 have been excluded from the cost of acquisition and have been recognised directly as an expense in the year and included in the "administrative and other expenses" line item in the consolidated statement of profit or loss for the year ended 31 December 2015.

收購相關成本406,000港元已自收購成本中剔除，並已直接確認為年內開支及計入截至二零一五年十二月三十一日止年度之綜合損益表中「行政及其他開支」內。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued)

(b) Acquisition of Bluesea Mobile Group (Continued)

Included in the loss for the year ended 31 December 2015 is profit of HK\$42,038,000 attributable to Bluesea Mobile Group. Revenue for the year includes HK\$162,056,000 attributable to Bluesea Mobile Group.

(c) Acquisition of CNCC Logistics

On 25 June 2015, the Group acquired 43% of the entire equity interest of 中集物流裝備有限公司 (CNCC Logistics Equipment Co., Ltd*) ("**CNCC Logistics**") at a consideration of HK\$3,505,000. CNCC logistics is principally engaged in the design, manufacture and sale of logistics equipment, such as containers, road transportation vehicles and emergency rescue equipment, and the provision of relevant technical advisory services.

The fair value of the identifiable assets and liabilities acquired and the goodwill arising are as follows:

35. 收購附屬公司 (續)

截至二零一五年十二月三十一日止年度 (續)

(b) 收購蔚海移動集團 (續)

蔚海移動集團應佔溢利42,038,000港元計入截至二零一五年十二月三十一日止年度之虧損。年內收入包括蔚海移動集團應佔的162,056,000港元。

(c) 收購中集物流

於二零一五年六月二十五日，本集團收購中集物流裝備有限公司（「中集物流」）全部股權的43%，代價為3,505,000港元。中集物流主要從事物流裝備的設計、製造及銷售，例如集裝箱、道路運輸工具及急救設備，及提供相關技術諮詢服務。

所收購可識別資產及負債之公平值及產生之商譽如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	146
Inventory	存貨	5
Other receivables	其他應收款項	51
Cash and cash equivalents	現金及現金等價物	3,024
Other payables	其他應付款項	(115)
Non-controlling interest	非控股權益	394
Total identifiable net assets acquired	所收購可識別淨資產總額	3,505

* for identification purpose only

* 僅供識別

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued)

(c) Acquisition of CNCC Logistics (Continued)

The consideration of the acquisition is satisfied by cash consideration of RMB2,765,000.

Acquisition related costs amounting to HK\$50,000 have been excluded from the cost of acquisition and have been recognised directly as an expense in the year and included in the “administrative and other expenses” line item in the consolidated statement of profit or loss for the year ended 31 December 2015.

Included in the loss for the year ended 31 December 2015 is profit of HK\$702,000 attributable to CNCC Logistics. Revenue for the year includes HK\$8,255,000 attributable to CNCC Logistics.

35. 收購附屬公司 (續)

截至二零一五年十二月三十一日止年度 (續)

(c) 收購中集物流 (續)

收購代價以人民幣2,765,000元之現金代價支付。

收購相關成本50,000港元已自收購成本中剔除，並已直接確認為年內開支及計入截至二零一五年十二月三十一日止年度之綜合損益表之「行政及其他開支」內。

中集物流應佔溢利702,000港元計入截至二零一五年十二月三十一日止年度之虧損。年內收入包括中集物流應佔的8,255,000港元。

		HK\$'000 千港元
Net Cash outflow arising on acquisition	收購產生之現金流出淨額	
Consideration paid in cash	已付現金代價	(3,505)
Less: Cash and cash equivalent balances acquired	減：所收購現金及現金等價物結餘	3,024
		(481)

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued)

(d) Acquisition of Million Ace Group

On 11 September 2015, the Group acquired the 100% equity interest in Million Ace Limited with a total consideration at fair value of HK\$129,836,000. Million Ace Limited and its subsidiaries (collectively referred to as “**Million Ace Group**”) is principally engaged in the trading of mobile phones and tablets.

The fair value of the identifiable assets and liabilities acquired and the goodwill arising are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	30
Intangible assets	無形資產	69,749
Inventory	存貨	24,804
Trade receivables	貿易應收賬款	5,631
Prepayments and other receivables	預付款項及其他應收款項	13,428
Cash and cash equivalents	現金及現金等價物	2,733
Trade payables	貿易應付賬款	(14,618)
Other payables	其他應付款項	(24,246)
Temporary receipts	暫時性收入	(555)
Tax payable	應付稅項	(799)
Deferred tax liabilities	遞延稅項負債	(11,509)
Total identifiable net assets acquired	所收購可識別淨資產總額	64,648
Goodwill on acquisition	收購產生之商譽	65,188
		129,836

Goodwill arose in the acquisition of Million Ace Group because the cost of acquisition included a control premium, in addition, the consideration paid for the acquisition effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development, distribution channels and the assembled workforce of Million Ace Group. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

35. 收購附屬公司 (續)

截至二零一五年十二月三十一日止年度 (續)

(d) 收購萬成集團

於二零一五年九月十一日，本集團收購萬成集團全部股權，代價為129,836,000港元之公平值。萬成集團有限公司及其附屬公司（統稱「**萬成集團**」）主要從事手機和平板電腦貿易。

所收購可識別資產及負債之公平值及產生之商譽如下：

由於收購成本包括控制權溢價，故收購萬成集團產生商譽。此外，已付收購代價實際包括有關預期協同效應、收入增長、未來市場發展、分銷渠道及萬成集團的整合勞力的款項。該等利益不與商譽分開確認，原因是其並不符合可識別無形資產的確認標準。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued)

(d) Acquisition of Million Ace Group (Continued)

None of the goodwill arising on this acquisition is expected to be deductible for tax purpose.

The consideration of the acquisition is satisfied by way of allotment and issue of 196,721,311 new ordinary shares of the Company. The fair value of the ordinary shares issued was determined by referring to the published price of HK\$0.66 per share at 11 September 2015.

35. 收購附屬公司 (續)

截至二零一五年十二月三十一日止年度 (續)

(d) 收購萬成集團 (續)

收購所產生的商譽預期概不會就稅務目的而遭扣減。

收購代價以配發及發行本公司196,721,311股新普通股的方式支付。所發行普通股的公平值經參考二零一五年九月十一日之公告價格每股0.66港元釐定。

	HK\$'000 千港元
Net Cash outflow arising on acquisition	收購產生之現金流出淨額
Consideration paid in cash	已付現金代價
Less: Cash and cash equivalent balances acquired	減：所收購現金及現金等價物結餘
	2,733
	2,733

Acquisition related costs amounting to HK\$310,000 have been excluded from the cost of acquisition and have been recognised directly as an expense in the year and included in the "administrative and other expenses" line item in the consolidated statement of profit or loss for the year ended 31 December 2015.

Included in the loss for the year ended 31 December 2015 is profit of HK\$6,198,000 attributable to Million Ace Group. Revenue for the year includes HK\$1,730,654,000 attributable to Million Ace Group.

收購相關成本310,000港元已自收購成本中剔除，並已直接確認為年內開支及計入截至二零一五年十二月三十一日止年度之綜合損益表中「行政及其他開支」內。

萬成集團應佔溢利6,198,000港元計入截至二零一五年十二月三十一日止年度之虧損。年內收入包括萬成集團應佔的1,730,654,000港元。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

35. ACQUISITION OF SUBSIDIARIES

(Continued)

FOR THE YEAR ENDED 31 DECEMBER 2015 (Continued)

(d) Acquisition of Million Ace Group (Continued)

Had the acquisition of Bluesea Mobile Group, CNCC Logistics and Million Ace Group been effected at the beginning of the year, the total amount of revenue of the Group for the year ended 31 December 2015 would have been HK\$7,609,197,000, and the amount of the profit for the year would have been HK\$143,892,000. The proforma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

In determining the 'pro-forma' revenue and profit of the Group had the above mentioned subsidiaries been acquired at the beginning of the year, the directors calculated depreciation and amortisation of plant and equipment based on the recognised amounts of plant and equipment at the date of the acquisition.

35. 收購附屬公司(續)

截至二零一五年十二月三十一日止年度(續)

(d) 收購萬成集團(續)

倘收購蔚海移動集團、中集物流及萬成集團於年初已進行，本集團截至二零一五年十二月三十一日止年度的收入總額將為7,609,197,000港元，而年內溢利則為143,892,000港元。備考資料僅供說明用途，未必表示倘收購事項於年初完成時本集團業務實際將達到的收入及業績，亦無意作為未來業績的預測。

倘上述附屬公司於年初被收購，則董事於釐定本集團的「備考」收入及溢利時乃根據廠房及設備於收購日期的已確認金額計算廠房及設備的折舊及攤銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

36. DISPOSAL OF SUBSIDIARIES

(a) DISPOSAL OF HCH INVESTMENTS LIMITED

On 19 February 2016, the Company entered into a sale and purchase agreement with OAF (BJ) Limited (as the “**Purchaser**”) and Mr. Chong Hock (Charles) Lau (as the “**Guarantor**”) pursuant to which the Company conditionally agreed to sell the entire equity interest of HCH Investments Limited at a consideration of HK\$156,000,000 to the Purchaser. The principal activities of HCH Investments Limited and its subsidiaries (collectively referred to as the “**Disposal Group**”) are engaged in the development of Internet technology and satellite communication technology as well as the trading of satellite communication system devices.

The ultimate beneficial owner of the Purchaser who is also the Guarantor is a director of a subsidiary of HCH Investments Limited, and therefore was a connected person of the Company at subsidiary level. Accordingly, the disposal constituted a connected transaction of the Company under GEM Listing Rules.

36. 出售附屬公司

(a) 出售HCH INVESTMENTS LIMITED

於二零一六年二月十九日，本公司與OAF (BJ) Limited（作為「**買方**」）及劉宗福先生（作為「**擔保人**」）訂立一項買賣協議，據此，本公司有條件同意向買方出售HCH Investments Limited全部股本權益，代價為156,000,000港元。HCH Investments Limited及其附屬公司（統稱為「**出售集團**」）之主要業務為發展互聯網技術及衛星通信技術及衛星通信系統設備之貿易。

買方之最終實益擁有人（同時為擔保人）為HCH Investments Limited旗下一間附屬公司之董事，故為本公司於附屬公司層面之關連人士。因此，根據創業板上市規則，該出售事項構成本公司之關連交易。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

36. DISPOSAL OF SUBSIDIARIES (Continued)

36. 出售附屬公司(續)

(a) DISPOSAL OF HCH INVESTMENTS LIMITED (Continued)

The disposal was completed on 14 March 2016. Net assets of the Disposal Group at the date of disposal were as follows:

(a) 出售HCH INVESTMENTS LIMITED (續)

該出售事項已於二零一六年三月十四日完成。出售集團於出售日期之淨資產如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	3,872
Intangible assets	無形資產	28,635
Goodwill	商譽	6,403
Inventory	存貨	231
Accounts receivable	應收賬款	410
Prepayments and other receivables	預付款項及其他應收款項	8,539
Cash and cash equivalents	現金及現金等價物	10,549
Accounts payable	應付賬款	(20,461)
Accruals and other payables	應計款項及其他應付款項	(28,119)
Deferred taxation	遞延稅項	(1,341)
		8,718
Less: non-controlling interest	減：非控股權益	4,155
Net assets disposed of	所出售淨資產	12,873
Gain on disposal of subsidiaries:	出售附屬公司之收益：	
Cash consideration received	已收現金代價	68,000
Promissory note (note)	承付票據(附註)	88,000
Net assets disposed of	所出售淨資產	(12,873)
Release of cumulative exchange difference on translation of foreign operations	解除因換算海外業務產生之累計匯兌差額	(58)
		143,069
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash consideration	現金代價	68,000
Cash and cash equivalent disposed of	所出售現金及現金等價物	(10,549)
		57,451

Note: The promissory note is non-interest bearing, transferable and with a 6-month maturity from the date of completion.

附註：承付票據為不計息、可轉讓並於完成日期起計六個月內到期。

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36. DISPOSAL OF SUBSIDIARIES (Continued)

(b) UNWINDING OF STRUCTURED CONTRACT WITH 天一金網科技有限公司 (“A1 NET”)

On 17 February 2016, the Group entered into agreements (the “**Unwinding Agreements**”) with A1 Net, the immediate holding company of CERNET Wifi, which has been de-consolidated from the consolidated financial statements of the Group from 1 January 2014, and a subsidiary of the Company by way of structured contracts (the “**Structured Contracts**”), the shareholders of A1 Net and two independent third parties (the “**Purchasers**”) to unwind the Structured Contracts. Pursuant to the Unwinding Agreements, among others, 1) the Structured Contracts under which the Group had obtained control over CERNET Wifi would be unwound; and 2) the shareholders of A1 Net disposed of their entire interests in A1 Net to the Purchasers.

In addition, upon the unwinding of the Structured Contracts, while the Group will not incur further costs in relation to the legal proceedings, A1 Net has undertaken to repay the Group its share of any claimed amount received by CERNET Wifi if the outcome of the legal proceedings is in favour of CERNET Wifi.

36. 出售附屬公司 (續)

(b) 與天一金網科技有限公司 (「天一金網」) 解除結構性合約

於二零一六年二月十七日，本集團與天一金網（賽爾無線（自二零一四年一月一日起不再併入本集團的綜合財務報表）之直接控股公司及本公司透過結構性合約（「結構性合約」）之附屬公司）、天一金網的股東及兩名獨立第三方（「買方」）訂立協議（「解除協議」）以解除結構性合約。根據解除協議，（其中包括）1) 本集團獲得對賽爾無線的控制權所依據的結構性合約將獲解除；及2) 天一金網的股東將其於天一金網的全部權益出售予買方。

此外，於解除結構性合約後，本集團將不會就法律訴訟產生進一步的費用，而且倘法律訴訟結果利好賽爾無線，天一金網已承諾將向本集團償還其應佔賽爾無線所收取任何索賠款項之部份。

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36. DISPOSAL OF SUBSIDIARIES (Continued)

36. 出售附屬公司(續)

(b) UNWINDING OF STRUCTURED CONTRACT WITH 天一金網科技有限公司 (“A1 NET”)

Upon the unwinding of the Structured Contracts on 17 February 2016, the entity interest in A1 Net was disposed of, and the net assets of A1 Net at the date of unwinding were as follows:

(b) 與天一金網科技有限公司 (「天一金網」) 解除結構性合約

於二零一六年二月十七日解除結構性合約後，於天一金網之股權已獲出售，及天一金網於解除日期之淨資產如下：

		HK\$'000 千港元
Cash and cash equivalents	現金及現金等價物	166
Prepayments	預付款項	324
Other receivables	其他應收款項	1,761
Net assets disposed of	所出售淨資產	2,251
Gain on disposal of subsidiaries:	出售附屬公司之收益：	
Net assets disposed of	所出售淨資產	(2,251)
Release of cumulative exchange difference on translation of foreign operations	解除因換算海外業務產生之累計匯兌差額	2,411
		160
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash and cash equivalent disposed of	所出售現金及現金等價物	(166)

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37. OPERATING LEASES

THE GROUP AS LESSEE

Minimum lease payments paid under operating leases in respect of office premises during the year amounting to approximately HK\$6,137,000 (2015: HK\$5,810,000).

Operating lease payments represent rentals payables by the Group for certain of its office premises. Leases are negotiated for a term of two years (2015: two years) with a fixed rentals during the year ended 31 December 2016. None of the leases included contingent rentals and terms of renewal were established in the leases.

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

37. 經營租賃

本集團作為承租人

年內根據辦公室物業經營租賃已付的最低租金約為6,137,000港元(二零一五年: 5,810,000港元)。

經營租賃款項指本集團就其若干辦公室物業應付的租金。截至二零一六年十二月三十一日止年度,租賃的協定期為兩年(二零一五年: 兩年),租金固定。概無或然租金中的租約及續期年期訂立於租約中。

於報告期末,本集團根據於以下日期到期的不可撤銷經營租約就未來最低租金作出承擔:

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Within one year	一年內	7,885	1,816
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	8,001	4
		15,886	1,820

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綜合財務報表附註

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38. CAPITAL COMMITMENTS

38. 資本承擔

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Commitments contracted for but not provided in the consolidated financial statements in respect of	有關以下各項於綜合財務報表之已訂約但未撥備的承擔		
– Property, plant and equipment	– 物業、廠房及設備	32,451	–
– Capital contribution to an associate (Note)	– 向一間聯營公司注資 (附註)	8,943	9,549

Note:

On 24 April 2015, 廣東蔚海科技發展有限公司 (Guangdong Bluesea Technology Development Company Limited)* (“Guangdong Bluesea Technology”), a wholly owned subsidiary of the Company, entered into a joint venture agreement (the “JV agreement”) with 山東浪潮雲海雲計算產業投資有限公司 (Shandong Inspur Cloud Computing Industry Investment Company Limited) (“Inspur Cloud Computing”) pursuant to which Guangdong Bluesea Technology and Inspur Cloud Computing agreed to establish a joint venture (the “JV Company”) to mainly engage in the applications of cloud computing and e-commerce businesses. Pursuant to the JV agreement, the amount of registered share capital of the JV Company shall be RMB20,000,000 while Inspur Cloud Computing shall account for a capital contribution of RMB12,000,000 and Guangdong Bluesea Technology shall account for a capital contribution of RMB8,000,000. Upon the completion of the capital contribution of the parties, the JV Company shall be owned as to 60% by Inspur Cloud Computing and 40% by Guangdong Bluesea Technology and is accounted for as an associate to the Group.

附註：

於二零一五年四月二十四日，廣東蔚海科技發展有限公司（「廣東蔚海科技」，本公司之全資附屬公司）與山東浪潮雲海雲計算產業投資有限公司（「浪潮雲計算」）訂立合資協議（「合資協議」），據此，廣東蔚海科技及浪潮雲計算同意成立一間合資公司（「合資公司」），主要從事雲計算應用及電子商務之業務。根據合資協議，合資公司之註冊股本將為人民幣20,000,000元，其中浪潮雲計算將認繳人民幣12,000,000元及廣東蔚海科技將認繳人民幣8,000,000元。訂約方完成注資後，合資公司將由浪潮雲計算及廣東蔚海科技分別擁有60%及40%，並入賬列作本集團之聯營公司。

* for identification purpose only

* 僅供識別

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

39. MAJOR NON-CASH TRANSACTION

The Group had the following major non-cash transaction during the year ended 31 December 2016:

As set out in note 36(a), part of the consideration receivable from the disposal of HCH Investments Limited was satisfied by a promissory note with principal amount of HK\$88,000,000.

The Group had the following major non-cash transactions during the year ended 31 December 2015:

- (a) As set out in Note 33(b) and (e) to the consolidated financial statements, the Company issued 303,000,000 and 196,721,311 ordinary shares of HK\$0.10 each at the prices of HK\$0.425 and HK\$0.66, respectively, as the acquisition considerations for Bluesea Mobile Group and Million Ace Group.
- (b) As set out in note 33(d), the Company issued 3,077,920,793 ordinary shares on 19 June 2015 at HK\$0.10 each by way of capitalisation of an appropriate amount in the share premium account of the Company.
- (c) Upon the completion of the Open Offer, the shareholder loan of HK\$100,000,000 was capitalised to settle the subscription of 263,157,894 offer shares by Mr. Lie. For details, please refer to prospectus of the Company dated 8 December 2015.

39. 主要非現金交易

本集團於截至二零一六年十二月三十一日止年度內有以下主要非現金交易：

誠如附註36(a)所載，出售HCH Investments Limited應收之部分代價已透過本金額為88,000,000港元之承兌票據結付。

本集團於截至二零一五年十二月三十一日止年度內有以下主要非現金交易：

- (a) 誠如綜合財務報表附註33(b)及(e)所載，本公司分別按每股0.425港元及0.66港元之價格發行303,000,000股及196,721,311股每股面值0.10港元之普通股作為收購蔚海移動集團及萬成集團之代價。
- (b) 誠如附註33(d)所載，本公司於二零一五年六月十九日透過資本化本公司股份溢價賬中之適當金額發行3,077,920,793股每股面值0.10港元之普通股。
- (c) 於公開發售完成後，將股東貸款100,000,000港元撥作資本以作為列先生就263,157,894股發售股份支付之認購款項。有關詳情，請參閱本公司日期為二零一五年十二月八日之發售章程。

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40. SUBSIDIARIES

Particulars of the principal subsidiaries at 31 December 2016 are as follows:

40. 附屬公司

主要附屬公司於二零一六年十二月三十一日之詳細資料如下：

Name of subsidiary 附屬公司名稱	Class of shares held 所持股份類別	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Nominal value of authorised share capital 法定股本面值	Normal value of paid up issued share capital 已發行股本面值	Attributable equity interests attributable to the Company 本公司應佔實體權益		Principal activities 主要業務
					Directly 直接	Indirectly 間接	
廣東蔚海移動發展有限公司 (note 1, 3)	Ordinary	PRC, limited liability company	RMB50,000,000	RMB50,000,000	–	100%	Operation of commercial WIFI platform, provision of value-added telecommunication services
廣東蔚海移動發展有限公司 (附註1及3)	普通股	中國，有限責任公司	人民幣50,000,000元	人民幣50,000,000元			營運商業WIFI平台及提供增值電訊服務
廣東阿凡達財富投資管理 有限公司 (note 1, 3)	Ordinary	PRC, limited liability company	RMB100,000,000	RMB9,900,000	–	70%	Operation of Internet finance platform business
廣東阿凡達財富投資管理 有限公司 (附註1及3)	普通股	中國，有限責任公司	人民幣100,000,000元	人民幣9,900,000元			營運互聯網金融平台業務
中集物流裝備有限公司 (note 1, 3)	Ordinary	PRC, limited liability company	RMB50,000,000	RMB3,000,000	–	43%	Design, manufacture and sale of logistics equipment
中集物流裝備有限公司 (附註1及3)	普通股	中國，有限責任公司	人民幣50,000,000元	人民幣3,000,000元			物流設備的設計、製造及銷售
深圳市蜜蜂金服互聯網金融服 務有限公司 (note 1)	Ordinary	PRC, limited liability company	RMB30,000,000	RMB7,750,000	–	45%	Operation of Internet finance platform business
深圳市蜜蜂金服互聯網金融服 務有限公司 (附註1)	普通股	中國，有限責任公司	人民幣30,000,000元	人民幣7,750,000元			營運互聯網金融平台業務
廣州市控信資產管理有限 責任公司 (note 1, 3)	Ordinary	PRC, limited liability company	RMB500,000	RMB150,000	–	45%	Operation of Internet finance platform business
廣州市控信資產管理有限 責任公司 (附註1及3)	普通股	中國，有限責任公司	人民幣500,000元	人民幣150,000元			營運互聯網金融平台業務
KSZ Technology (HK) Limited (note 1)	Ordinary	Hong Kong	N/A	HK\$300,000	–	100%	Trading of mobile phones and tablets
KSZ Technology (HK) Limited (附註1)	普通股	香港	不適用	300,000港元			手機及平板電腦貿易
Million Ace Trading (International) Limited (note 1)	Ordinary	Hong Kong	N/A	HK\$1	–	100%	Trading of mobile phones
萬成貿易(國際)有限公司 (附註1)	普通股	香港	不適用	1港元			手機貿易
廣州市資拓科技有限公司 (note 2, 3)	Ordinary	PRC, limited liability company	RMB10,000,000	RMB3,000,000	–	60%	Provision of IDC Services
廣州市資拓科技有限公司 (附註2及3)	普通股	中國，有限責任公司	人民幣10,000,000元	人民幣3,000,000元			提供IDC服務

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the period or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

上表載列本公司之附屬公司，董事認為該等附屬公司對本集團本期間之業績產生主要影響或組成本集團資產淨值之主要部份。董事認為，如載列其他附屬公司之詳情將令篇幅過於冗長。

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40. SUBSIDIARIES (Continued)

Note:

1. Subsidiaries acquired or set up during the year ended 31 December 2015. Further details of acquisitions of subsidiaries are included in note 35.
2. Subsidiaries acquired during the year ended 31 December 2016. Further details of acquisition of subsidiaries are included in note 35.
3. Subsidiaries controlled through certain structured arrangements ("Structured Arrangements"), for details of the Structured Arrangements, please refer to note 41.

Details of non-wholly owned subsidiaries of the Group that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiaries of the Group that have material non-controlling interests:

40. 附屬公司 (續)

附註：

1. 截至二零一五年十二月三十一日止年度收購或成立之附屬公司。有關收購附屬公司之進一步詳情載於附註35。
2. 截至二零一六年十二月三十一日止年度收購之附屬公司。有關收購附屬公司之進一步詳情載於附註35。
3. 透過若干結構性安排（「結構性安排」）控制之附屬公司，有關結構性安排之詳情，請參閱附註41。

本集團擁有重大非控股權益之非全資附屬公司之詳細資料

本集團擁有重大非控股權益之非全資附屬公司之詳細資料載列如下：

Name of subsidiary 附屬公司名稱	Place of incorporation and principal place of business 註冊成立地點及主要營業地點	Proportion ownership interests and voting rights held by non-controlling interest 非控股權益持有之擁有權權益及投票權百分比		Total comprehensive loss/(income) allocated to non-controlling interests 分配至非控股權益之全面虧損/(收益)總額		Accumulated non-controlling interests 累計非控股權益	
		31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日	31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日	31 December 2016 二零一六年十二月三十一日	31 December 2015 二零一五年十二月三十一日
廣東阿凡達財富投資管理有限公司	PRC	30%	30%	(5,705)	(10,658)	24,578	19,265
廣東阿凡達財富投資管理有限公司	中國						
廣州市資拓科技有限公司	PRC	40%	N/A 不適用	(3,932)	N/A 不適用	64,264	N/A 不適用
廣州市資拓科技有限公司	中國						
Individually immaterial subsidiaries with non-controlling interests 擁有非控股權益之個別非重大附屬公司						16,259	9,522
						105,101	28,787

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40. SUBSIDIARIES (Continued)

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

廣東阿凡達財富投資管理有限公司

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Current assets	流動資產	87,055	100,654
Non-current assets	非流動資產	33,753	21,595
Current liabilities	流動負債	(23,463)	(52,421)
Non-current liabilities	非流動負債	(4,756)	(5,332)
Equity attributable to owners of the Company	本公司擁有人應佔權益	68,011	45,231
Non-controlling interests	非控股權益	24,578	19,265

40. 附屬公司 (續)

有關本集團擁有重大非控股權益之各附屬公司之財務資料概要載列如下。以下的財務資料概要指集團內公司間對銷前的金額。

廣東阿凡達財富投資管理有限公司

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Revenue	收益	39,539	60,282
Expenses	開支	(15,954)	(23,411)
Profit for the year	年內溢利	23,585	36,871
Profit attributable to owners of the Company	本公司擁有人應佔溢利	16,516	25,810
Profit attributable to the non-controlling interests	非控股權益應佔溢利	7,069	11,061
Profit for the year	年內溢利	23,585	36,871

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40. SUBSIDIARIES (Continued)

廣東阿凡達財富投資管理有限公司 (Continued)

40. 附屬公司 (續)

廣東阿凡達財富投資管理有限公司 (續)

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Other comprehensive loss attributable to owners of the Company	本公司擁有人應佔其他全面虧損	(3,182)	(941)
Other comprehensive loss attributable to the non-controlling interests	非控股權益應佔其他全面虧損	(1,364)	(403)
Other comprehensive loss for the period	期內其他全面虧損	(4,546)	(1,344)
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收益總額	13,334	24,869
Total comprehensive income attributable to the non-controlling interests	非控股權益應佔全面收益總額	5,705	10,658
Total comprehensive income for the period	期內全面收益總額	19,039	35,527
Net cash inflow/(outflow) from operating activities	來自經營業務之現金流入／(流出)淨額	50,890	(6,572)
Net cash outflow from investing activities	來自投資活動之現金流出淨額	(28,564)	(279)
Net cash inflow from financing activities	來自融資活動之現金流入淨額	12,595	12,038
Net cash inflow	現金流入淨額	34,921	5,187

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

40. SUBSIDIARIES (Continued)

廣州市資拓科技有限公司

40. 附屬公司 (續)

廣州市資拓科技有限公司

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Current assets	流動資產	81,453
Non-current assets	非流動資產	180,513
Current liabilities	流動負債	(57,897)
Non-current liabilities	非流動負債	(43,156)
Equity attributable to owners of the Company	本公司擁有人應佔權益	96,649
Non-controlling interests	非控股權益	64,264

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40. SUBSIDIARIES (Continued)

廣州市資拓科技有限公司 (Continued)

40. 附屬公司 (續)

廣州市資拓科技有限公司 (續)

		2016 二零一六年 HK\$'000 千港元
Revenue	收入	122,421
Expenses	開支	111,247
Profit for the period	期內溢利	11,174
Profit attributable to owners of the Company	本公司擁有人應佔溢利	6,672
Profit attributable to the non-controlling interests	非控股權益應佔溢利	4,502
Profit for the period	期內溢利	11,174
Other comprehensive loss attributable to owners of the Company	本公司擁有人應佔其他全面虧損	(875)
Other comprehensive loss attributable to the non-controlling interests	非控股權益應佔其他全面虧損	(574)
Other comprehensive loss for the period	期內其他全面虧損	(1,449)
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收益總額	5,797
Total comprehensive income attributable to the non-controlling interests	非控股權益應佔全面收益總額	3,928
Total comprehensive income for the period	期內全面收益總額	9,725
Net cash inflow from operating activities	來自經營業務之現金流入淨額	2,306
Net cash outflow from investing activities	來自投資活動之現金流出淨額	(5,018)
Net cash inflow from financing activities	來自融資活動之現金流入淨額	1,017
Net cash outflow	現金流出淨額	(1,695)

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41. STRUCTURED ARRANGEMENTS

The Group has several operating entities controlled through contractual arrangements in Hughes China Group, CERNET Wifi Group and Bluesea Mobile Group (collectively, the “Contractual Arrangements”).

HUGHES CHINA GROUP

Particulars and main business of the operating entity

北京中衛匯通網絡系統技術有限公司 (Beijing China Satcom Unified Network Systems Technology Co., Ltd) (“BUN”) is a limited liability company established under the laws of the PRC and is owned by three individuals namely Mr. ZHU Mao Wei (朱茂偉) (79%), Mr. HONG Cheng Dao (洪成道) (15%) and Mr. LIU Wan (劉皖) (6%) (hereinafter collectively referred to as the “BUN Shareholders”). BUN is controlled by the Group through HughesNet China Co., Ltd (“HNC”) by way of certain structured contracts in relation to controlling the BUN by HNC (the “HCH Structured Contracts”). BUN is principally engaged in the business of VSAT communications.

Major terms of the HCH Structured Contracts

a) Promissory notes

On 5 March 2010, the BUN Shareholders issued three promissory notes with a total amount of USD1,400,000 to China UnifiedNet Holdings Limited (“China UnifiedNet”) which were then assigned to Hughes UnifiedNet Holding (China) Company Limited, the immediate holding company of HNC. The promissory notes are zero coupon notes with a nominal interest rate of 5% per annum and a term of 10 years.

b) Power of attorney

The BUN Shareholders executed an irrevocable power of attorney which enables HNC to exercise all the powers of the shareholders of BUN.

41. 結構性安排

本集團有若干經營實體乃透過合約安排控制於休斯中國集團、賽爾無線集團及蔚海移動集團（統稱「該等合約安排」）。

休斯中國集團

經營實體的詳情及主營業務

北京中衛匯通網絡系統技術有限公司（「北京匯通」）為一間根據中國法律成立之有限責任公司，並由三名人士，即朱茂偉先生(79%)、洪成道先生(15%)及劉皖先生(6%)擁有（以下統稱「北京匯通股東」）。北京匯通為本集團透過休斯網絡技術有限公司（「休斯網絡中國」）以若干有關由休斯網絡中國控制北京匯通之結構性合約（「HCH 結構性合約」）的方式控制。北京匯通主要從事VSAT通信業務。

HCH 結構性合約之主要條款

a) 承付票據

於二零一零年三月五日，北京匯通股東向中國匯通控股有限公司（「中國匯通」）發行三份總金額為1,400,000美元之承付票據，其之後獲轉讓予休斯匯通控股（中國）有限公司（休斯網絡中國之直接控股公司）。該等承付票據為零息票據，其名義年利率為5%及年期為10年。

b) 授權文件

北京匯通股東簽署一份不可撤回之授權函，其令休斯網絡中國行使北京匯通股東之所有權力。

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41. STRUCTURED ARRANGEMENTS

(Continued)

HUGHES CHINA GROUP (Continued)

Major terms of the HCH Structured Contracts (Continued)

c) *Exclusive call option agreement*

The BUN Shareholders irrevocably and without any additional conditions grant an exclusive option to HNC under which HNC shall have the right to require the BUN Shareholders to transfer the BUN Shareholders' equity interest in BUN on demand to HNC or its designated entity or individual.

d) *Exclusive consulting, technical services and equipment supply agreement*

HNC shall serve as the exclusive provider of service to BUN, to provide a variety of consulting and technical support services to BUN for its business, including in the areas of business strategy, management, marketing, operations, technology, procurement, contracting, back office support, and technical support. HNC shall also serve as the exclusive provider of satellite communications system equipment, customer premises equipment and other equipment to BUN and customers of BUN.

In return for the provision of various exclusive consulting and technical services, as well as the satellite communications system equipment, BUN shall pay HNC a monthly service fee equivalent to the monthly gross revenue of BUN less any VAT or service taxes payable.

e) *Equity pledge agreement*

The BUN Shareholders agreed to pledge all equity interests in BUN to HNC as a security for the BUN Shareholders' and BUN's performance of their obligations under the aforesaid agreements.

41. 結構性安排 (續)

休斯中國集團 (續)

經營實體的詳情及主營業務 (續)

c) *獨家購買權協議*

北京匯通股東不可撤回及無任何附加條件授予休斯網絡中國一份獨家選擇權，據此休斯網絡中國將有權要求北京匯通股東根據休斯網絡中國或其指定之實體或人士之要求轉讓北京匯通股東於北京匯通之股權。

d) *獨家諮詢、技術服務及設備供應協議*

休斯網絡中國將作為北京匯通之獨家服務供應商提供予北京匯通多種諮詢及技術支持服務以支持其業務，包括經營策略、管理、營銷、營運、技術、採購、承包、後台支持及技術支持方面。休斯網絡中國將亦作為北京匯通及北京匯通之客戶之衛星通信系統設備、客戶端設備及其他設備之獨家供應商。

作為提供多種獨家諮詢及技術服務以及衛星通信系統設備之回報，北京匯通將支付休斯網絡中國相等於北京匯通每月總收入減去應付增值稅或服務稅之服務月費。

e) *股權質押協議*

北京匯通股東同意質押予休斯網絡中國其於北京匯通中的所有股權，作為北京匯通股東及北京匯通履行彼等於上述協議中的責任之保證。

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41. STRUCTURED ARRANGEMENTS

(Continued)

HUGHES CHINA GROUP (Continued)

Significance of business of BUN to the Group

The HCH Structured Contracts enabled the Group to enter into the broadband satellite communication business and enhance the Group's development in the value-added telecommunication services.

CERNET WIFI GROUP

Particulars and main business of the operating entities

A1 Net Company

北京天一金網科技有限公司 (A1 Net Technology Company Limited*) ("**A1 Net Company**") is a limited liability company established under the laws of the PRC and is owned by Mr. Lian Xin (練新) (2%) and Mr. Zhang Xiaosong (張曉宋) (98%) (hereinafter collectively referred to as "**A1 Net Shareholders**"). A1 Net Company is controlled by 中新賽爾(深圳)網絡通信技術有限公司 ("**Zhongxin**") by way of certain structured contracts (the "**CERNET Structured Contracts**"). A1 Net Company is principally engaged in investment holding.

41. 結構性安排 (續)

休斯中國集團 (續)

北京匯通之業務對本集團之重要性

HCH 結構性合約令本集團進入寬帶衛星通信業務及有助於開展本集團增值電信服務。

賽爾無線網絡集團

經營實體的詳情及主營業務

天一金網公司

北京天一金網科技有限公司 (「**天一金網公司**」) 乃根據中國法律成立之有限公司，並由練新先生 (2%) 及張曉宋先生 (98%) 擁有 (以下統稱「**天一金網股東**」)。天一金網公司由中新賽爾(深圳)網絡通信技術有限公司 (「**中新**」) 以若干結構性合約 (「**賽爾結構性合約**」) 的方式控制。天一金網公司主要從事投資控股。

* for identification purpose only

* 僅供識別

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41. STRUCTURED ARRANGEMENTS

(Continued)

CERNET WIFI GROUP (Continued)

Particulars and main business of the operating entities (Continued)

CERNET Wifi

賽爾無線網絡科技(北京)有限公司 (CERNET Wifi Technology (Beijing) Company Limited*) (“**CERNET Wifi**”) is a limited liability company established under the laws of the PRC. CERNET Wifi is owned as to 75% by A1 Net Company and 25% by 賽爾投資有限公司 (CERNET Investment Company Limited*) (“**CERNET Investment**”) respectively. CERNET Wifi is principally engaged in computer, software and associated equipment sales, technology development, transfer, consultancy and computer system services. CERNET Wifi has entered into asset leasehold and cooperation contracts with CERNET pursuant to which CERNET Wifi is entitled to the economic benefits generated by the assets owned by CERNET in relation to the personal broadband access services connecting the higher educational institutions of the PRC and the related internet content and value-added telecommunication services (the “**Personal Broadband Access Services**”). CERNET Wifi has obtained an Internet service provider license which enables it to be an Internet service provider in the PRC.

* for identification purpose only

41. 結構性安排 (續)

賽爾無線網絡集團 (續)

經營實體的詳情及主營業務 (續)

賽爾無線

賽爾無線網絡科技(北京)有限公司(「**賽爾無線**」)乃一間根據中國法律成立之有限責任公司。賽爾無線分別由天一金網公司擁有75%及賽爾投資有限公司擁有25%(「**賽爾投資**」)。賽爾無線主要從事電腦、軟件及相關設備的銷售、技術開發、轉讓、諮詢及電腦系統服務。賽爾無線已與賽爾訂立資產租賃及合作合約，據此賽爾無線有權收取賽爾擁有之資產所產生的有關連接中國高等教育機構的個人寬帶接入服務及相關互聯網內容及增值電信服務(「**個人寬帶接入服務**」)的經濟利益。賽爾無線已取得其作為中國之互聯網服務提供商之互聯網服務提供商之許可。

* 僅供識別

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41. STRUCTURED ARRANGEMENTS

(Continued)

CERNET WIFI GROUP (Continued)

Major terms of the CERNET Structured Contracts

a) *Voting agreement*

The A1 Net Shareholders irrevocably agree to authorise individuals as designated by Zhongxin to exercise rights of shareholders of A1 Net Company including voting rights, nomination and appointment rights in legal representative, chairman of the board, general manager and other senior management of A1 Net Company.

b) *Exclusive call option agreement*

The A1 Net Shareholders irrevocably grant an exclusive option to Zhongxin under which Zhongxin or its designated entity or individual shall have the right to acquire the equity interest of A1 Net Company.

41. 結構性安排 (續)

賽爾無線網絡集團 (續)

賽爾結構性合約主要條款

a) *投票協議*

天一金網股東不可撤回地同意授權由中新指定之人士行使天一金網公司股東之權利，包括投票權、天一金網公司之法定代表人、董事長、總經理及其他高層管理人員之提名及委任權。

b) *獨家購買權協議*

天一金網股東不可撤回地授予中新一份獨家選擇權，據此中新或其指定之實體或人士將有權收購天一金網公司之股權。

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41. STRUCTURED ARRANGEMENTS

(Continued)

CERNET WIFI GROUP (Continued)

Major terms of the CERNET Structured Contracts (Continued)

c) *Exclusive business operating agreement*

Zhongxin shall serve as the exclusive provider of service to A1 Net Company, to provide a variety of consulting and technical support services to A1 Net Company for its business, including in the areas of business strategy, management, computer and information technology, website maintenance, staff training, customer services, and technical support.

In return for the provision of various exclusive consulting and technical services, A1 Net Company shall pay Zhongxin a service fee as determined by Zhongxin.

d) *Equity pledge agreement*

The A1 Net Shareholders agreed to pledge all equity interests in A1 Net Company to Zhongxin as a security for the A1 Net Shareholders' and A1 Net Company's performance of their obligations under the aforesaid agreements.

41. 結構性安排 (續)

賽爾無線網絡集團 (續)

賽爾結構性合約主要條款 (續)

c) *獨家業務營運協議*

中新將作為天一金網公司之唯一服務供應商以為天一金網公司之業務經營提供多種諮詢及技術支持服務，包括經營策略、管理、電腦及信息技術、網站維護、員工訓練、客戶服務及技術支持。

作為獨家提供多種諮詢及技術服務之回報，天一金網公司應支付中新由中新釐定之服務費。

d) *股權質押協議*

天一金網股東同意向中新質押其於天一金網公司中的所有股權，作為天一金網股東及天一金網公司履行彼等於上述協議中的責任之保證。

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41. STRUCTURED ARRANGEMENTS

(Continued)

CERNET WIFI GROUP (Continued)

Significance of business of CERNET Wifi to the Group

The CERNET Structured Contracts enabled the Group to enter into the business in the Personal Broadband Access Services connecting the higher educational institutions of the PRC and the related internet content and value-added telecommunication services.

BLUESEA MOBILE GROUP

Particulars and main business of the operating entities

蔚海移動發展有限公司(Bluesea Mobile Development Limited*) (“**Bluesea Mobile**”) is a limited liability company established under the laws of the PRC and is owned by Ms. Ye Weiping (葉偉平) (95%) and Mr. Xu Gang (徐崗) (5%) (hereinafter collectively referred to as “**Bluesea Mobile Shareholders**”). Bluesea Mobile is controlled by 中新賽爾(深圳)網絡科技有限公司 by way of certain structured contracts (the “**Bluesea Mobile Structured Contracts**”). Bluesea Mobile is principally engaged in provision of value-added telecommunication services. Bluesea Mobile has obtained an Internet content provider license which enables it to be an Internet content provider in the PRC.

41. 結構性安排 (續)

賽爾無線網絡集團 (續)

賽爾之業務對本集團之重要性

賽爾結構性合約令本集團進入連接中國高等教育機構的個人寬帶接入服務及相關互聯網內容及增值電信服務之業務。

蔚海移動集團

經營實體的詳情及主營業務

蔚海移動發展有限公司(「蔚海移動」)為一間根據中國法律成立之有限責任公司，並由葉偉平先生(95%)及徐崗先生(5%) (以下統稱「蔚海移動股東」)擁有。蔚海移動為中新賽爾(深圳)網絡科技有限公司以若干結構性合約(「蔚海移動結構性合約」)的方式控制。蔚海移動主要從事提供增值電信服務。蔚海移動已取得互聯網內容提供商牌照，因此成為中國的互聯網內容提供商。

* for identification purpose only

* 僅供識別

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41. STRUCTURED ARRANGEMENTS

(Continued)

BLUESEA MOBILE GROUP (Continued)

Major terms of the Bluesea Mobile Structured Contracts

a) *Equity and Voting agreement*

The Bluesea Mobile Shareholders shall irrevocably grant to the 中新賽爾(深圳)網絡科技有限公司 or the person as designated by the 中新賽爾(深圳)網絡科技有限公司 an exclusive option to purchase, subject to and as permitted by PRC laws, their entire equity interest in Bluesea CMobile by way of one or more times of exercise of the option at any time, at an option price which is nil or nominal, or the minimum price permitted by PRC laws. In addition, the Bluesea Mobile Shareholders shall in attending to the management of and exercising his shareholder's right in Bluesea Mobile, seek and follow the instructions of the 中新賽爾(深圳)網絡科技有限公司.

41. 結構性安排 (續)

蔚海移動集團 (續)

蔚海移動結構性合約之主要條款

a) *股權及投票協議*

蔚海移動股東應不可撤回地向中新賽爾(深圳)網絡科技有限公司或中新賽爾(深圳)網絡科技有限公司指定之人士授出獨家購股權, 以購買(在中國法律之規限下及其許可下)其於蔚海移動之全部股權, 方式為隨時以購股價(為零或象徵性價格或中國法律許可之最低價格)一次或多次行使購股權。此外, 蔚海移動股東應參與管理蔚海移動及行使其於蔚海移動之股東權利時尋求及遵守中新賽爾(深圳)網絡科技有限公司之指示。

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41. STRUCTURED ARRANGEMENTS

(Continued)

BLUESEA MOBILE GROUP (Continued)

Major terms of the Bluesea Mobile Structured Contracts (Continued)

b) *Exclusive service agreement*

Bluesea Mobile shall engage the 中新賽爾(深圳)網絡科技有限公司 as its exclusive service provider. The 中新賽爾(深圳)網絡科技有限公司 shall provide to Bluesea Mobile technology support, business support and relevant consultancy services that relate to the business of Bluesea Mobile including but not limited to (i) license to Bluesea Mobile the right to use the intellectual property rights (including but not limited to patent, trade mark and copyright) owned by the 中新賽爾(深圳)網絡科技有限公司 according to the business needs of Bluesea Mobile; (ii) develop, maintain and update the relevant software required by the business of Bluesea Mobile; (iii) purchase and rent or obtain the right to use on behalf of Bluesea Mobile machinery equipment, storage space, related software and other software facilities required by the business of Bluesea Mobile; (iv) provide to Bluesea Mobile professional technical personnel and provide training to them on behalf of Bluesea Mobile; (v) assist Bluesea Mobile to collect and research technology that is relevant to the business of Bluesea Mobile; (vi) advise on matters relating to the business operations of Bluesea Mobile raised by Bluesea Mobile, and provide to Bluesea Mobile business promotion and market sales services; and (vii) according to the request of Bluesea Mobile and with the consent of the 中新賽爾(深圳)網絡科技有限公司, provide to Bluesea Mobile other recommendations and services relating to the business of Bluesea Mobile.

41. 結構性安排 (續)

蔚海移動集團 (續)

蔚海移動結構性合約之主要條款 (續)

b) *獨家服務協議*

蔚海移動將委聘中新賽爾(深圳)網絡科技有限公司為其獨家服務提供商。中新賽爾(深圳)網絡科技有限公司將向蔚海移動提供有關蔚海移動業務之技術支持、業務支持及相關諮詢服務,包括但不限於(i)根據蔚海移動之業務需要向蔚海移動授予中新賽爾(深圳)網絡科技有限公司所擁有之知識產權(包括但不限於專利、商標及版權)之使用權;(ii)開發、維護及更新蔚海移動之業務所需之相關軟件;(iii)代表蔚海移動購買及租賃或獲取蔚海移動之業務所需之機器設備、儲存空間、相關軟件及其他軟件設施之使用權;(iv)代表蔚海移動向蔚海移動提供專業技術人員並向彼等提供培訓;(v)協助蔚海移動收集及研究有關蔚海移動業務之技術;(vi)就蔚海移動所提出有關蔚海移動業務經營之事宜提供意見,並向蔚海移動提供業務推廣及市場營銷服務;及(vii)根據蔚海移動之要求並經中新賽爾(深圳)網絡科技有限公司同意,向蔚海移動提供有關蔚海移動業務之其他推薦建議及服務。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. STRUCTURED ARRANGEMENTS

(Continued)

BLUESEA MOBILE GROUP (Continued)

Major terms of the Bluesea Mobile Structured Contracts (Continued)

c) Equity pledge agreement

Bluesea Mobile Shareholders shall pledge all their equity interest in Bluesea Mobile to 中新賽爾(深圳)網絡科技有限公司 to guarantee the performance of all the obligations of (i) Bluesea Mobile under the Exclusive Service Agreement, (ii) Bluesea Mobile Shareholders and Bluesea Mobile under the Equity & Voting Agreement.

REVENUE AND ASSETS SUBJECT TO THE CONTRACTUAL ARRANGEMENTS

The revenue and total assets subject to the Contractual Arrangements, in aggregate, are set out below:

41. 結構性安排 (續)

蔚海移動集團 (續)

蔚海移動結構性合約之主要條款 (續)

c) 股權質押協議

蔚海移動股東將向中新賽爾(深圳)網絡科技有限公司質押其於蔚海移動之全部股權,以擔保下列所有責任獲履行:(i)蔚海移動於獨家服務協議下之所有責任,(ii)蔚海移動股東及蔚海移動於股權及投票權協議下之所有責任。

合約安排之收益及資產

合約安排總計之收益及總資產載列如下:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	308,809	171,051
Net Profit	純利	44,223	35,651

		As at 31 December 於十二月三十一日	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Total assets	總資產	1,199,623	360,845

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. STRUCTURED ARRANGEMENTS

(Continued)

REASONS FOR USING AND RISKS ASSOCIATED WITH THE CONTRACTUAL ARRANGEMENTS

Under the prevailing laws and regulations in the PRC, companies with foreign ownership are restricted from engaging in the provision of value-added telecommunication services and manufacturing of telecommunication system equipment for satellites business in the PRC. As such, the Company relies on BUN, CERNET Wifi and Bluesea Mobile (“OPCOs” and each an “OPCO”) to conduct certain parts of the Group’s businesses in the PRC. The Company manages to maintain an effective control over the financial and operational policies of the OPCOs through the Contractual Arrangements which effectively transfer the economic benefits and pass the risks associated therewith of the OPCO to the Company, and as a result, the OPCOs have been consolidated as subsidiaries of the Group. The Board wishes to emphasise that the Group relies on the Contractual Arrangements to control and obtain the economic benefits from the OPCOs, which may not be as effective in providing operational control as direct ownership. The Company may have to rely on the PRC legal system to enforce the Contractual Arrangements, which remedies may be less effective than those in other developed jurisdictions. Any conflicts of interest or deterioration of the relationship between the registered holders of the equity interest in the OPCOs and our Group may materially and adversely affect the overall business operations of the Group. The pricing arrangement under the Contractual Arrangements may be challenged by the PRC tax authority. If the Group chooses to exercise the option to acquire all or part of the equity interests in any of the OPCOs under the respective option agreements under the Contractual Arrangements, substantial amount of costs

41. 結構性安排 (續)

採用合約安排的原因及相關風險

根據中國現行法律法規，外商公司於中國從事提供增值電信服務及製造衛星電信系統設備業務受到限制。因此，本公司依賴北京匯通、賽爾無線及蔚海移動（「該等OPCO公司」及各自為「OPCO公司」）以於中國從事本集團部分特定業務。本公司透過該等合約安排設法維持對該等OPCO公司之財務及營運政策有效的控制，該等結構性合約轉移予本公司該等OPCO公司之經濟利益及傳遞予本公司相關風險，因此，該等OPCO公司已作為本集團之附屬公司綜合入賬。董事會謹此強調本集團依賴結構性合約控制並從該等OPCO公司取得經濟利益，而此在提供營運控制權方面未必如直接擁有權一樣有效。本公司可能不得不依賴中國法律體系以執行合約安排，其賠償可能會不如其他發達司法管轄區有效。任何該等OPCO公司權益的登記持有人與本集團之間之利益衝突或關係惡化可能對本集團之整體業務營運造成重大不利影響。該等合約安排下的定價安排可

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

41. STRUCTURED ARRANGEMENTS

(Continued)

REASONS FOR USING AND RISKS ASSOCIATED WITH THE CONTRACTUAL ARRANGEMENT

(Continued)

and time may be involved in transferring the ownership of the relevant OPCO held by its registered holder(s) to the subsidiaries equity-owned by the Company. There can be no assurance that the interpretation of the Contractual Arrangements by the PRC legal advisers to the Company is in line with the interpretation of the PRC governmental authorities and that the Contractual Arrangements will not be considered by such PRC governmental authorities and courts to be in violation of the PRC laws. In addition, the PRC governmental authorities may in the future interpret or issue laws, regulations or policies that result in the Contractual Arrangements being deemed to be in violation of the then prevailing PRC laws. Despite the above, as advised by the PRC legal advisers to the Company, the Contractual Arrangements are in compliance with and, to the extent governed by the PRC laws currently in force, are enforceable under, the current PRC laws. The Company will monitor the relevant PRC laws and regulations relevant to the Contractual Arrangements and will take all necessary actions to protect the Company's interest in the OPCOs.

MATERIAL CHANGES

Save as disclosed above, as at the date of this report, there has not been any material change in the Contractual Arrangements and/or the circumstances under which they were adopted.

UNWINDING OF THE STRUCTURED ARRANGEMENTS

Other than that disclosed in note 36, up to the date of this report, there has not been any unwinding of any Structured Arrangements, nor has there been any failure to unwind any Structured Arrangements when the restrictions that led to the adoption of the Structured Arrangements are removed.

41. 結構性安排 (續)

採用合約安排的原因及相關風險 (續)

能獲中國稅務機關質疑。倘本集團選擇行使於合約安排項下之各自購買權協議之選擇權以收購任何該等OPCO公司之全部或部分股本權益，由有關OPCO公司之登記持有人轉移其擁有權予本公司擁有權益之附屬公司可能需要巨額費用及相當多的時間。並無保證本公司之中國法律顧問對合約安排的解釋與中國政府部門的解釋相符，亦並無保證該等合約安排將不被該等中國政府部門及法院認為違反中國法律。另外中國政府部門可能於將來解釋或頒佈法律、法規及政策，導致該等合約安排被視為違反當時現行中國法律。儘管有上文所述，據本公司中國法律顧問告知，該等合約安排遵照現時中國法律并受其監管，且可根據現行中國法律強制執行。本公司將關注有關該等合約安排之中國法律法規並且將採取一切必要措施保護本公司於該等OPCO公司之權益。

重大變化

除上文所披露者外，於本報告日期，並無該等合約安排及／或採用該等合約安排的情況的任何重大變動。

解除結構性安排

除附註36所披露者外，截至本報告日期，該等結構性安排概無被解除或在導致採納該等結構性安排的限制被移除的情況下未能解除該等結構性安排。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

42. STATEMENT OF FINANCIAL POSITION

42. 財務狀況表

		31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	337	54
Investment in subsidiaries	於附屬公司之投資	22,177	120,513
		22,514	120,567
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	618	5,290
Promissory note	承兌票據	65,200	–
Amounts due from subsidiaries	應收附屬公司款項	1,311,691	470,389
Derivative financial assets	衍生金融資產	–	–
Cash and cash equivalents	現金及現金等價物	2,025	1,010,873
		1,379,534	1,486,552
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計款項	2,574	68,414
Amounts due to subsidiaries	應付附屬公司款項	1,063	10,403
Convertible notes	可換股票據	–	157,364
		3,637	236,181
Net current assets	流動資產淨值	1,375,897	1,250,371
Net assets/(liabilities)	資產／（負債）淨額	1,398,411	1,370,938
Capital and reserves	資本及儲備		
Share capital	股本	952,884	952,884
Reserves (Note)	儲備（附註）	445,527	418,054
Total equity	權益總額	1,398,411	1,370,938

The financial statements were approved and authorised for issue by the board of directors on 29 March 2017 and signed on behalf by:

財務報表於二零一七年三月二十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

CHEUNG Sing Tai
張聲泰
DIRECTOR
董事

ZHANG Xinyu
張新宇
DIRECTOR
董事

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

42. STATEMENT OF FINANCIAL POSITION

42. 財務狀況表 (續)

(Continued)

Note:

附註：

The movements of the reserves are as follows:

儲備變動情況如下：

		Share premium	Share options reserve	Convertible notes reserve	Accumulated losses	Total
		股份溢價	購股權儲備	可換股票據 儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	1,043,755	20,657	7,131	(1,367,169)	(295,626)
Total comprehensive loss for the year	年內全面虧損總額	-	-	-	(69,441)	(69,441)
Issue of shares in relation to acquisition of subsidiaries	就收購附屬公司發行股份	208,639	-	-	-	208,639
Issue of shares upon exercise of share options	因行使購股權發行股份	16,177	(5,617)	-	-	10,560
Bonus issue of shares	發行紅股	(307,792)	-	-	-	(307,792)
Open offer of shares	公開發售股份	889,359	-	-	-	889,359
Transaction costs attributable to open offer	公開發售應佔交易成本	(17,645)	-	-	-	(17,645)
At 31 December 2015	於二零一五年 十二月三十一日	1,832,493	15,040	7,131	(1,436,610)	418,054
		Share premium	Share options reserve	Convertible notes reserve	Accumulated losses	Total
		股份溢價	購股權儲備	可換股票據儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	1,832,493	15,040	7,131	(1,436,610)	418,054
Total comprehensive income for the year	年內全面收入總額	-	-	-	27,473	27,473
Early redemption of convertible notes	提早贖回可換股票據	-	-	(713)	713	-
Release of reserve upon maturity of convertible notes	於可換股票據到期時解除 儲備	-	-	(6,418)	6,418	-
At 31 December 2016	於二零一六年 十二月三十一日	1,832,493	15,040	-	(1,402,006)	445,527

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

43. CONNECTED AND RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transaction with connected and related parties during the year.

COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of directors and key executives was stated in Note 14, which is determined by the remuneration committee having regard to the performance of individual and market trends.

ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

廣東蔚海移動發展有限公司 (the “**Purchaser A**”), a wholly-owned subsidiary of the Company, and 佛山源海發展有限公司 (the “**Vendor**”) entered into the property acquisition agreements on 8 April 2016, pursuant to which the Purchaser had agreed to purchase and the Vendor had agreed to sell the ten office units, namely room 1403, room 1404, room 1501, room 1502, room 1503, room 1504, room 1601, room 1602, room 1603 and room 1604 of Block 3, located at Smart City, No. 1 Zhi Hui Road, Chan Cheng District, Foshan, the PRC at the aggregate consideration of RMB62,020,620 (equivalent to approximately HK\$74,424,744). The consideration of RMB62,020,620 (equivalent to approximately HK\$74,424,744) were paid to the Vendor and the acquisition was completed during the year ended 31 December 2016.

43. 關連交易及關連人士交易

除綜合財務報表的其他地方所披露者外，本集團於年內訂立以下重大關連及關連人士交易。

主要管理層人員之薪酬

董事及主要行政人員之薪酬載於附註14，及由薪酬委員會經考慮個人表現及市場趨勢後釐定。

收購物業、廠房及設備

於二零一六年四月八日，本公司全資附屬公司廣東蔚海移動發展有限公司（「**買方A**」）與佛山源海發展有限公司（「**賣方**」）訂立物業購置協議，據此，買方同意購買及賣方同意出售十個辦公單位，即坐落於中國佛山禪城區智慧路1號智慧新城3棟第1403室、第1404室、第1501室、第1502室、第1503室、第1504室、第1601室、第1602室、第1603室及第1604室，總代價為人民幣62,020,620元（相等於約74,424,744港元）。代價人民幣62,020,620元（相等於約74,424,744港元）已付予賣方及該收購已於截至二零一六年十二月三十一日止年度完成。

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綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

43. CONNECTED AND RELATED PARTY TRANSACTIONS (CONTINUED)

ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

中新賽爾(深圳)網絡通信技術有限公司 (the “Purchaser B”), a wholly-owned subsidiary of the Company, and Vendor entered into the property acquisition agreements on 28 August 2014, pursuant to which the Purchaser had agreed to purchase and the Vendor had agreed to sell the four office units, namely room 1601, room 1602, room 1603 and room 1604 of Block 4, Tower 1 located at Smart City, No. 1 Zhi Hui Road, Chan Cheng District, Foshan, the PRC at the aggregate consideration of RMB17,316,880. As at 31 December 2014, deposit of RMB17,316,880 (equivalent to approximately HK\$21,693,000) were paid to the Vendor as deposit for the acquisition of property, plant and equipment. The acquisition was completed during the year ended 31 December 2015.

The Vendor is substantially owned by Mr. Lie, a substantial shareholder of the Company. The Vendor, being an associate of Mr. Lie, is therefore a connected person of the Company under the Rule 20.07(1) of the GEM Listing Rules. Accordingly, the transactions contemplated under the property acquisition agreements constituted a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

43. 關連交易及關連人士交易 (續)

收購物業、廠房及設備(續)

於二零一四年八月二十八日，本公司全資附屬公司中新賽爾(深圳)網絡通信技術有限公司(「買方B」)與賣方訂立物業購置協議，據此，買方同意購買及賣方同意出售四個辦公單位，即坐落於中國佛山禪城區智慧路1號智慧新城1座4棟第1601室、第1602室、第1603室及第1604室，總代價為人民幣17,316,880元。於二零一四年十二月三十一日，按金人民幣17,316,880元(相等於約21,693,000港元)已付予賣方作為收購物業、廠房及設備之按金。該收購已於截至二零一五年十二月三十一日止年度完成。

賣方主要由本公司之主要股東列先生擁有。由於賣方為列先生之聯繫人士，故根據創業板上市規則第20.07(1)條為本公司關連人士。因此，根據創業板上市規則第20章，物業購置協議項下擬進行之交易構成本公司之關連交易。

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43. CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

UNDERWRITING OF OPEN OFFER SHARES

Reference is made to the prospectus of the Company dated 8 December 2015 and the announcement dated 29 December 2015 in relation to the open offer at the subscription price of HK\$0.38 per offer share on the basis of one offer share for every two shares held on 7 December 2015 (the “Open Offer”).

Winner Mind Investments Limited (“**Winner Mind**”), a company incorporated in the British Virgin Islands with limited liability, was the Underwriter to the Open Offer. Winner Mind is wholly-owned by Mr. LIE Haiquan (“**Mr. Lie**”), a substantial shareholder of the Company, is therefore a connected person of the Company. The allotment and issue of 1,425,887,357 untaken shares to Winner Mind and the payment of the underwriting commission HK\$13,478,000 to Winner Mind pursuant to the underwriting agreement dated 11 August 2015 (as supplemented by the supplemental agreements dated 11 and 22 September 2015 and 10 November 2015) entered into between the Company, Mr. Lie and Winner Mind (the “**Underwriting Agreement**”) constituted connected transactions for the Company under the GEM Listing Rules. The allotment and issue of the underwritten shares to the underwriter is exempt from the reporting, announcement and independent shareholders’ approval requirements. However, the payment of the underwriting commission to the underwriter is subject to reporting, announcement and independent shareholders’ approval requirements, which was approved by the independent shareholders of the Company at the adjourned extraordinary general meeting held on 26 November 2015.

43. 關連交易及關連人士交易 (續)

包銷公開發售股份

茲提述本公司日期為二零一五年十二月八日之發售章程及日期為二零一五年十二月二十九日之公告，內容有關按於二零一五年十二月七日每持有兩股股份獲配發一股發售股份之基準按每股發售股份0.38港元之認購價進行公開發售（「**公開發售**」）。

Winner Mind Investments Limited（「**Winner Mind**」，一間於英屬處女群島註冊成立之有限公司）為公開發售之包銷商，由本公司主要股東列海權先生（「**列先生**」）全資擁有，因此為本公司之關連人士。根據本公司、列先生及Winner Mind（「**包銷商**」）於二零一五年八月十一日訂立之包銷協議（經日期為二零一五年九月十一日及二十二日以及二零一五年十一月十日之補充協議補充）（「**包銷協議**」）向Winner Mind配發及發行1,425,887,357股未獲認購股份以及向Winner Mind支付包銷佣金13,478,000港元，構成創業板上市規則項下本公司之一項關連交易。向包銷商配發及發行包銷股份獲豁免遵守申報、公告及獨立股東批准規定。然而，向銷商支付包銷佣金則須遵守申報、公告及獨立股東批准規定，並已於二零一五年十一月二十六日舉行之股東特別大會續會上獲本公司獨立股東批准。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

43. CONNECTED AND RELATED PARTY TRANSACTIONS (Continued)

LOAN FROM A SUBSTANTIAL SHAREHOLDER

On 11 May 2015, the Company entered into a loan agreement (the “**Loan Agreement**”) with Mr. Lie, pursuant to which, Mr. Lie agreed to lend to the Company a loan of HK\$100,000,000 (the “**Loan**”) for a period of one year commencing from the drawdown date of the Loan at an interest rate of 5% per annum. Pursuant to the Underwriting Agreement, Mr. Lie and the Company agreed that the aggregate subscription price required to be paid by Mr. Lie and his associates under their subscription and/or underwriting obligation of the irrevocable undertakings and the Underwriting Agreement would be deemed to be paid by way of the full capitalisation of the Loan in first place and the remaining balance will be settled in cash (the “**Loan Capitalisation**”).

44. CONTINGENT LIABILITIES

The Group did not have any material contingent liabilities as at 31 December 2016.

43. 關連交易及關連人士交易 (續)

一名主要股東提供貸款

於二零一五年五月十一日，本公司與列先生訂立貸款協議（「**貸款協議**」），據此，列先生已同意借予本公司100,000,000港元之貸款（「**該貸款**」），該貸款自提取日期起計一年，年利率為5%。根據包銷協議，列先生及本公司同意列先生及其聯繫人士根據不可撤回承諾及包銷協議下的認購及／或包銷責任而需要支付的總認購價首先將透過悉數資本化該貸款後被視作為已支付，然後以現金支付餘下款項（「**資本化該貸款**」）。

44. 或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

45. EVENTS AFTER THE REPORTING PERIOD

On 28 March 2017, the Company entered into a Deed of Assignment (the “**DoA**”) with an independent third party (the “**Assignee**”) pursuant to which the Company agreed to assign, and the Assignee agreed to accept an assignment of a promissory note (the “**Promissory Note**”) with a principal amount of HK\$88,000,000 and all rights and benefits derived thereon to the Assignee for a consideration of HK\$71,883,000 (comprising the discounted value of the Promissory Note of HK\$65,200,000 and the interest at 5% per annum thereon of HK\$6,683,000 in aggregate for two years from the date of the DoA), payable on or before 28 March 2019. In relation to the DoA, a Deed of Guarantee in favour of the Company was executed by another independent third party (the “**Guarantor**”) pursuant to which the Guarantor agreed to guarantee to the Company the due and timely performance of the Assignee’s obligations under the DoA.

46. APPROVAL FOR CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 March 2017.

45. 報告期後事項

於二零一七年三月二十八日，本公司與一名獨立第三方（「**承讓人**」）訂立轉讓契據（「**轉讓契據**」），據此，本公司同意向承讓人轉讓及承讓人同意接納轉讓本金額為88,000,000港元之承兌票據（「**承兌票據**」）及其所有權利及利益，代價為71,883,000港元（包括承兌票據之貼現價值65,200,000港元及其自轉讓契據日期起計兩年按每年5%計算的利息總額6,683,000港元），須於二零一九年三月二十八日或之前支付。有關轉讓契據，另一名獨立第三方（「**擔保人**」）簽立以本公司為受益人之擔保契據，據此，擔保人同意向本公司擔保承讓人妥善及時履行其於轉讓契據項下之責任。

46. 批准綜合財務報表

綜合財務報表乃由董事會於二零一七年三月二十九日批准及授權刊發。

Financial Summary

財務概要

The following is a summary of the published consolidated results and of the assets and liabilities of the Group:

以下為本集團已刊發之綜合業績、資產及負債概要：

RESULTS

業績

		12 months ended 31 December 2016 截至 二零一六年 十二月 三十一日 止十二個月 HK\$'000 千港元	12 months ended 31 December 2015 截至 二零一五年 十二月 三十一日 止十二個月 HK\$'000 千港元	12 months ended 31 December 2014 截至 二零一四年 十二月 三十一日 止十二個月 HK\$'000 千港元	18 months ended 31 December 2013 截至 二零一三年 十二月 三十一日 止十八個月 HK\$'000 千港元	12 months ended 30 June 2012 截至 二零一二年 六月三十日 止十二個月 HK\$'000 千港元
Turnover	營業額	2,513,845	1,914,902	34,550	61,067	100,180
Cost of sales	銷售成本	(2,290,382)	(1,813,983)	(23,628)	(29,900)	(9,396)
Gross profit	毛利	223,463	100,919	10,922	31,167	90,784
Other income and gains	其他收入及收益	19,873	537	755	20,528	3,180
Selling and marketing costs	銷售及市場推廣成本	(15,540)	(18,775)	(2,718)	(5,270)	(1,741)
Administrative and other expenses	行政及其他費用	(108,874)	(87,695)	(118,345)	(124,706)	(112,489)
Gain on disposal of subsidiaries	出售附屬公司之收益	143,229	-	-	-	-
Impairment loss recognised in respect of goodwill	就商譽確認之減值虧損	-	-	(254,966)	(301,997)	(541,458)
Net loss on de-consolidation of a subsidiary	取消綜合入賬一間附屬公司之虧損淨額	-	-	(174,024)	-	-
Change in fair value of contingent consideration receivable	應收或然代價之公平值變動	-	-	-	-	33,972
Change in fair value of contingent consideration payable	應付或然代價之公平值變動	(6,029)	-	-	93,587	183,415
Impairment loss recognised in respect of intangible asset	就無形資產確認之減值虧損	-	(6,378)	(84,802)	(23,769)	(109,316)
Impairment loss recognised in respect of promissory note	就承兌票據確認之減值虧損	(22,800)	-	-	-	-
Loss on early redemption of convertible notes	提早贖回可換股票據之虧損	-	-	-	-	(1,596)
Change in fair value of derivative financial assets	衍生金融資產之公平值變動	-	-	(711)	(5,495)	-
Change in fair value of convertible notes	可換股票據之公平值變動	-	-	-	-	702
Share of loss of an associate	應佔一間聯營公司虧損	-	-	-	(335)	-
Loss from operation	經營業務虧損	233,322	(11,392)	(623,889)	(316,290)	(454,547)
Finance costs	融資成本	(10,356)	(24,541)	(23,373)	(11,986)	(1,305)
Loss before taxation	除稅前虧損	222,966	(35,933)	(647,262)	(328,276)	(455,852)
Income tax (expense)/credit	所得稅（開支）／抵免	(20,779)	(8,322)	14,770	2,758	35,630
Net profit/(loss) for the year/period	年內／期內溢利／（虧損）淨額	202,187	(44,255)	(632,492)	(325,518)	(420,222)

Financial Summary

財務概要

		At 31 December 於十二月三十一日			At 30 June 於六月三十日	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Non-current assets	非流動資產	926,859	345,487	99,259	628,598	440,054
Current assets	流動資產	925,941	1,384,081	48,516	114,890	254,265
Current liabilities	流動負債	206,993	(373,971)	(95,272)	(58,318)	(73,494)
Net current assets/(liabilities)	流動資產／(負債)淨額	718,948	1,010,110	(46,756)	56,372	180,771
Non-current liability	非流動負債	98,300	(36,737)	(155,572)	(183,606)	(9,772)
Net assets/(liabilities)	資產／(負債)淨額	1,547,507	1,318,860	(103,069)	501,564	611,053



FINAL DIVIDEND

The Directors recommended to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Thursday, 25 May 2017 (“AGM”) a final dividend of HK cent 0.38 per share for the year ended 31 December 2016 to be paid on Thursday, 6 July 2017 to the shareholders whose names appear on the register of members of the Company on Wednesday, 7 June 2017.

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 19 May 2017 to Thursday, 25 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration not later than 4:30 p.m. on Thursday, 18 May 2017.

For determining the entitlement of the shareholders to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 7 June 2017 to Thursday, 8 June 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited for registration not later than 4:30 p.m. on Tuesday, 6 June 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

AUDIT COMMITTEE

The Company has established the audit committee (the “**Audit Committee**”) with written terms of reference in compliance with Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the Audit Committee are (a) to review the Group’s annual reports, interim reports and quarterly reports; (b) to discuss and review with the auditor of the Company on the scope and findings of the audit; and (c) to supervise the financial reporting process, risk management and internal control systems of the Group.

The Audit Committee consists of three independent non-executive Directors, namely Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong. The chairman of the Audit Committee is Mr. ZHANG Zihua, who possesses extensive experience in finance and accounting.

The Audit Committee has reviewed the audited consolidated financial statements of the Company for the year ended 31 December 2016.

By order of the Board
Neo Telemedia Limited
CHEUNG Sing Tai
Chairman

Hong Kong, 29 March 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. CHEUNG Sing Tai (Chairman and Chief Executive Officer), Mr. ZHANG Xinyu and Mr. XU Gang, and three independent non-executive Directors, namely Mr. ZHANG Zihua, Ms. XI Lina and Mr. HUANG Zhixiong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Growth Enterprise Market website at www.hkgem.com for at least seven days from the date of its posting and on the website of the Company at www.neo-telemedia.com.