



中国网络教育集团有限公司

CHINA E-LEARNING GROUP LIMITED

(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：8055

2016

Annual Report

年報



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香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)之特色

創業板的定位，乃為相比起其他在聯交所上市公司帶有較高投資風險的公司提供一個上市的市場。有意投資的人士應了解投資於該等公司的潛在風險，並應經過審慎周詳的考慮後方作出投資決定。創業板的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的性質所然，在創業板買賣的證券可能會較於主板買賣的證券承受較大的市場波動風險，同時無法保證在創業板買賣的證券會有高流通量的市場。

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本報告的資料乃遵照聯交所創業板證券上市規則而刊載，旨在提供有關中國網絡教育集團有限公司(「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。各董事在作出一切合理查詢後，確認就其所知及所信，本報告所載資料在各重要方面均屬準確完備，沒有誤導或欺詐成分，且並無遺漏任何事項，足以令致本報告或其所載任何陳述產生誤導。

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Corporate Information

公司資料

Board of Directors	Executive Director Mr. Yuan Wei Mr. Yang Jilin (resigned on 13 July 2016) Ms. Zhang Jianxin (appointed on 13 July 2016) Mr. Wang Weihua (appointed on 15 December 2016)	董事會	執行董事 袁偉先生 楊季霖先生(於二零一六年七月十三日辭任) 張建新女士(於二零一六年七月十三日上任) 王為華先生(於二零一六年十二月十五日上任)
	Independent Non-Executive Directors Mr. Li Qunsheng Dr. Huang Chung Hsing Ms. Li Ya Ru Nancy		獨立非執行董事 李群盛先生 黃崇興博士 李雅茹女士
Company secretary	Mr. Lam Hoi Lun	公司秘書	林海麟先生
Authorised representatives	Mr. Yuan Wei Mr. Yang Jilin	授權代表	袁偉先生 楊季霖先生
Compliance officer	Mr. Yuan Wei	監督主任	袁偉先生
Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands	註冊辦事處	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business	Unit 2610, 26/F, Office Tower Convention Plaza 1 Harbour Road, Wanchai Hong Kong	總辦事處及主要營業地點	香港 灣仔港灣道1號 會展廣場辦公大樓 26樓2610室
Principal bankers	Agricultural Bank of China Bank of China (Hong Kong) Limited China Construction Bank Industrial and Commercial Bank of China Limited	主要往來銀行	中國農業銀行 中國銀行(香港)有限公司 中國建設銀行 中國工商銀行股份有限公司
Principal share registrar and transfer office in the Cayman Island	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road PO Box 1586 Grand Cayman KY1-1110 Cayman Islands	開曼群島股份登記及過戶總處	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road PO Box 1586 Grand Cayman KY1-1110 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong	香港股份登記及過戶分處	卓佳登捷時有限公司 香港 皇后大道東183號 合和中心22樓
Auditor	McMillan Woods SG CPA Limited	核數師	長青暉勝會計師事務所有限公司
Legal advisers	Conyers Dill & Pearman	法律顧問	Conyers Dill & Pearman
Stock Code	8055	股份代號	8055
Company website	www.irasia.com/listco/hk/chinaelearning/	本公司網站	www.irasia.com/listco/hk/chinaelearning/

Management Discussion and Analysis

管理層論述及分析

FINANCIAL REVIEW

For the year ended 31 December 2016, the Group recorded revenue of approximately HK\$46,277,000 (2015: HK\$45,701,000) representing tuition fee revenue and sales of educational products. Gross profit for the year under review was approximately HK\$19,737,000 (2015: HK\$17,613,000), representing a gross profit margin of 42.7% for the year under review.

During the year, cost of goods sold and services provided amounted to approximately HK\$26,540,000 (2015: HK\$28,088,000) representing the overheads incurred in the distance learning courses.

Other income for the year under review was approximately HK\$138,000 (2015: HK\$310,000) representing an interest income of approximately HK\$53,000 (2015: HK\$74,000) and a sundry income of approximately HK\$85,000 (2015: HK\$20,000).

Administrative expenses for the year under review were approximately HK\$42,955,000 (2015: HK\$28,773,000), of which staff related costs were approximately HK\$35,655,000 (2015: HK\$20,942,000). Legal and professional fees were approximately HK\$10,258,000 (2015: HK\$4,953,000) representing the costs of conducting due diligences and obtaining financial advices with ongoing projects.

For the year ended 31 December 2016, management has assessed the recoverability of other receivables by reference to the subsequent settlement and ageing, current market conditions. Before the date of the approval of the consolidated financial statements, the management is seeking for various ways of recovering and/or utilizing those other receivables for the best interest of the Company, including but not limited to any subsequent disposal in consideration of other assets for the Company. The Company has assessed the possible impairment of any such receivables and an impairment loss of approximately HK\$60,887,000 is provided in the assessment process for the year ended 31 December 2016 taking into account market conditions, subsequent settlement among other things.

財務回顧

截至二零一六年十二月三十一日止年度，本集團錄得收益約46,277,000港元(二零一五年：45,701,000港元)，乃指教學課程之收入以及教學產品之銷售額。回顧年度之毛利約為19,737,000港元(二零一五年：17,613,000港元)，而回顧年度之毛利率則為42.7%。

年內，銷售貨品及提供服務之成本約為26,540,000港元(二零一五年：28,088,000港元)，乃指遠程教育課程所產生之經常性開支。

回顧年度之其他收入約為138,000港元(二零一五年：310,000港元)，乃指利息收入約53,000港元(二零一五年：74,000港元)以及雜項收入約85,000港元(二零一五年：20,000港元)。

回顧年度之行政開支約為42,955,000港元(二零一五年：28,773,000港元)。當中僱員相關成本約為35,655,000港元(二零一五年：20,942,000港元)。法律及專業費用約為10,258,000港元(二零一五年：4,953,000港元)，乃指就持續進行之業務項目開展盡職調查及獲取財務意見之費用。

截至二零一六年十二月三十一日止年度，管理層對其他應收賬款之可收回性進行評估，並參考其後結算及賬齡、現行市況。於批准綜合財務報表日期前，管理層正尋求各種方式收回及／或動用該等其他應收賬款，以使本公司獲得最佳利益，包括但不限於隨後出售本公司其他資產之代價。本公司已評估任何該等應收賬款可能產生之減值虧損，並於截至二零一六年十二月三十一日止年度之評估程序中撥備減值虧損約60,887,000港元，當中考慮(其中包括)市場情況、隨後結算情況。

Other expenses for the year under review were approximately HK\$21,740,000 (2015: HK\$5,170,000), representing, a net realised losses on financial assets at fair value through profit or loss of approximately HK\$10,203,000 (2015: 4,122,000) a net unrealised losses on financial assets at fair value through profit or loss of approximately HK\$8,149,000 (2015: 802,000) and loss on disposal of property, plant and equipment approximately HK\$3,388,000 (2015: Nil).

Finance costs during the year were approximately HK\$569,000 (2015: HK\$630,000).

Capital structure, liquidity and financial resources

The Group financed its business operations mainly by cash revenue generated internally from operating activities and additional funds from exercise of share options. As at 31 December 2016, the Group has current assets of approximately HK\$144,130,000 (2015: HK\$221,691,000), including bank balances and cash of approximately HK\$51,128,000 (2015: HK\$64,061,000). Total non-current assets of the Group amounted to approximately HK\$51,401,000 (2015: HK\$5,500,000), representing property, plant and equipment and investment in an associate. Total assets of the Group amounted to approximately HK\$195,531,000 (2015: HK\$227,191,000) as at 31 December 2016.

As at 31 December 2016, the Group did not have any outstanding bank borrowing. Total current liabilities of the Group were approximately HK\$41,956,000 (2015: HK\$49,483,000), which mainly comprised trade and other payables and convertible notes. Total liabilities of the Group were approximately HK\$41,956,000 (2015: HK\$49,483,000). As at 31 December 2016, the Group had net assets of HK\$153,575,000 (2015: HK\$177,708,000).

Gearing ratio

Gearing ratio of the Group, as expressed as the ratio of total liabilities to total assets, was approximately 0.29 as at 31 December 2016 (2015: 0.22).

回顧年度之其他開支約為21,740,000港元(二零一五年: 5,170,000港元), 乃指透過損益按公平值計量之金融資產之變現虧損淨值約10,203,000港元(二零一五年: 4,122,000)及透過損益按公平值計量之金融資產之未變現虧損淨值約8,149,000港元(二零一五年: 802,000)及出售物業、廠房及設備虧損約3,388,000港元(二零一五年: 無)。

年內融資成本約為569,000港元(二零一五年: 630,000港元)。

資本架構、流動資金及財務資源

本集團主要以內部營運活動產生之現金收入及行使購股權所籌得之額外資金為業務融資。於二零一六年十二月三十一日, 本集團擁有流動資產約144,130,000港元(二零一五年: 221,691,000港元), 包括銀行結餘及現金約51,128,000港元(二零一五年: 64,061,000港元)。本集團之非流動資產總值約為51,401,000港元(二零一五年: 5,500,000港元), 包括物業、廠房及設備及於聯營公司投資。於二零一六年十二月三十一日, 本集團之總資產約為195,531,000港元(二零一五年: 227,191,000港元)。

於二零一六年十二月三十一日, 本集團並無任何未償還之銀行借貸。本集團之流動負債總額約為41,956,000港元(二零一五年: 49,483,000港元), 主要包括貿易及其他應付賬款及可換股票據。本集團之負債總額約為41,956,000港元(二零一五年: 49,483,000港元)。於二零一六年十二月三十一日, 本集團之資產淨額為153,575,000港元(二零一五年: 177,708,000港元)。

負債比率

於二零一六年十二月三十一日, 本集團之負債比率(即總負債對總資產之比率)約為0.29(二零一五年: 0.22)。

Management Discussion and Analysis

管理層論述及分析

Share Capital

As at 1 January 2016, the authorised share capital of the Company was HK\$5,000,000,000 divided into 50,000,000,000 shares of HK\$0.10 each and the issued share capital of the Company was approximately HK\$294,510,000 divided into 2,945,103,196 shares of HK\$0.10 each.

During the year, 169,400,000 shares were issued upon exercise of shares options and 190,476,190 shares were issued for acquisition.

As at 31 December 2016, the authorised share capital of the Company was HK\$5,000,000,000 divided into 50,000,000,000 shares of HK\$0.10 each and the issued share capital of the Company was approximately HK\$330,498,000 divided into 3,304,979,386 shares of HK\$0.10 each

Convertible Notes 2011

The Group had reached several agreements with the holders of the Convertible Notes 2008 which became mature on 28 February 2011, and issued a promissory note for approximately HK\$50 million for a settlement. In order to be able to raise sufficient fund for the settlement, the Group issued two tranches of convertible notes (“Convertible Notes 2011 A”) on 9 May 2011 and (“Convertible Notes 2011 B”) on 11 May 2011.

The aggregate principal of Convertible Notes 2011 A amounted to HK\$89,999,934, bearing an interest of 1% per annum, maturing in 36 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments.

The aggregate principal of Convertible Notes 2011 B amounted to HK\$36,200,000, bearing an interest of 1% per annum, maturing in 6 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments. On 11 November 2011, the maturity date was successfully postponed for another 6 months to 11 May 2012. Upon maturity, the principal amount together with the interests due were fully settled by a promissory note.

股本

於二零一六年一月一日，本公司之法定股本為5,000,000,000港元，分為50,000,000,000股每股面值0.10港元之股份，而本公司已發行股本約為294,510,000港元，分為2,945,103,196股每股面值0.10港元之股份。

年內，因購股權獲行使已發行169,400,000股股份，及因收購而發行190,476,190股股份。

於二零一六年十二月三十一日，本公司之法定股本為5,000,000,000港元，分為50,000,000,000股每股面值0.10港元之股份，而本公司已發行股本約為330,498,000港元，分為3,304,979,386股每股面值0.10港元之股份。

二零一一年可換股票據

本集團已與二零零八年可換股票據（於二零一一年二月二十八日到期）之持有人達成多項協議，及發行一項約50,000,000港元之本票以進行償付。為籌集足夠資金進行償付，本集團分別於二零一一年五月九日以及二零一一年五月十一日發行兩批可換股票據：「二零一一年可換股票據A」以及「二零一一年可換股票據B」。

二零一一年可換股票據A的本金總額為89,999,934港元，利率為每年1%，於發行日期起計36個月到期，並可按每股0.50港元（可予調整）之換股價轉換為普通股。

二零一一年可換股票據B的本金總額為36,200,000港元，利率為每年1%，於發行日期起計6個月到期，並可按每股0.50港元（可予調整）之換股價轉換為普通股。於二零一一年十一月十一日，到期日期順利延後六個月至二零一二年五月十一日。於到期後，本金額連同到期利息乃悉數以本票償付。

On 9 May 2014, the Company and the Subscribers entered into the Subscription Agreements pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to issue, the Convertible Notes (CN2016-1 to CN2016-5) in the aggregate principal amount of HK\$42,399,932, such that the subscription moneys payable in connection with the Subscription of such Convertible Notes would be set-off against the moneys payable by the Company for redeeming the CN2011A in accordance with the Payment Arrangement Deed and against the Indebtedness owing by the Company to the Existing P-note Holders at Completion.

The Convertible Notes 2011 A were fully set-off by the issuance of Convertible Notes (CN2016-3, CN2016-4 and CN2016-5) on 6 June 2014.

On 12 June 2014, the conversion rights attaching to the CN2016-1, CN2016-2 and CN2016-3 have been exercised in full and hence 231,076,922 shares have been issued.

On 13 June 2014, the conversion rights attaching to the CN2016-4 and CN2016-5 have been exercised in full and hence 95,076,399 shares have been issued. Hence, Convertible Notes 2016 (CN2016-1, CN2016-2, CN2016-3, CN2016-4 and CN2016-5) were fully converted.

於二零一四年五月九日，本公司與認購人訂立認購協議，據此，認購人已同意認購及本公司已同意發行本金總額為42,399,932港元之可換股票據(2016-1可換股票據至2016-5可換股票據)。就認購該等可換股票據應付之認購金額將抵銷本公司根據付款安排契據就贖回二零一一年可換股票據A應付之金額及本公司於完成時結欠現有本票持有人之債務。

二零一一年可換股票據A已透過於二零一四年六月六日發行可換股票據(2016-3可換股票據、2016-4可換股票據及2016-5可換股票據)悉數抵銷。

於二零一四年六月十二日，2016-1可換股票據、2016-2可換股票據及2016-3可換股票據所附轉換權獲悉數行使，因此，231,076,922股股份已發行。

於二零一四年六月十三日，2016-4可換股票據及2016-5可換股票據所附轉換權獲悉數行使，因此，95,076,399股股份已發行。因此，二零一六年可換股票據(2016-1可換股票據、2016-2可換股票據、2016-3可換股票據、2016-4可換股票據及2016-5可換股票據)獲悉數轉換。

Management Discussion and Analysis

管理層論述及分析

On 21 July 2011, the Group entered into a subscription agreement with a group of independent subscribers for the issuance of some convertible notes in the aggregate principal amount of HK\$42,000,000, bearing an interest rate of 3% per annum, maturing in 12 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments. Subsequently, the Group issued two tranches of convertible notes (“Convertible Notes 2011 C”) on 25 August 2011 for the principal amount of HK\$19,500,000 and (“Convertible Notes 2011 D”) on 14 September 2011 for the principal amount of HK\$22,500,000. Of which, tranche C was fully converted in 2011. On 10 September 2012, the maturity date of the tranche D was postponed for another 6 months to 7 March 2013. On 7 March 2013, the maturity date of the tranche D was further postponed for 12 months to 6 March 2014. As at 1 January 2014, the outstanding principal amount of the Convertible Notes 2011 D was HK\$12,800,000.

On 6 March 2014, the Company has redeemed one of the Convertible Notes 2011 D with the principal amount of HK\$10,000,000 in accordance with notice from the holder. The Company is contacting the holder of the Convertible Notes 2011 D with the principal amount of HK\$2,800,000 in order to settle the convertible notes. As at 31 December 2016, the Company has not received any reply or notice from the holder and the Company has the funds available for settlement.

Convertible Notes 2012

Pursuant to the acquisition of 100% interest in Everjoy Technology Development Corporation, the Company issued convertible notes (“ETCN”) as partial settlement of the acquisition consideration on 20 December 2012. The aggregate principal of ETCN amounted to HK\$9,611,906, bearing an interest of 1% per annum, maturing in 36 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments.

On 24 April 2014, the conversion rights attaching to ETCN in the principal amount of HK\$7,611,906 have been exercised in full and hence 15,223,812 shares have been issued.

於二零一一年七月二十一日，本集團與一組獨立認購人訂立認購協議，以發行本金總額為42,000,000港元之部份可換股票據，可換股票據之利率為每年3%，於發行日期起計12個月到期，並可按每股0.50港元（可予調整）之換股價轉換為普通股。隨後，本集團分別於二零一一年八月二十五日以及二零一一年九月十四日發行兩批可換股票據：本金額為19,500,000港元之（「二零一一年可換股票據C」）以及本金額為22,500,000港元之（「二零一一年可換股票據D」）。其中，第C批乃於二零一一年獲悉數轉換。於二零一二年九月十日，第D批之到期日期延後六個月至二零一三年三月七日。於二零一三年三月七日，第D批之到期日期進一步延後十二個月至二零一四年三月六日。於二零一四年一月一日，二零一一年可換股票據D之未償還本金額為12,800,000港元。

於二零一四年三月六日，本公司根據持有人通知，贖回本金額10,000,000港元之二零一一年可換股票據D。本公司正在聯絡本金額2,800,000港元之二零一一年可換股票據D之持有人，以償還可換股票據。於二零一六年十二月三十一日，本公司尚未接獲持有人的任何回覆或通知，而本公司已備好償付資金。

二零一二年可換股票據

因收購永樂科技發展有限公司全部股權，本公司於二零一二年十二月二十日發行可換股票據（「永樂科技可換股票據」）以償付收購的部分代價。永樂科技可換股票據之本金總額為9,611,906港元，利率為每年1%，於發行日期起計36個月到期，並可按每股0.50港元（可予調整）之換股價轉換為普通股。

於二零一四年四月二十四日，本金額為7,611,906港元之永樂科技可換股票據所附轉換權獲悉數行使，因此15,223,812股股份已發行。

Pursuant to the acquisition of 100% interest in Everjoy International Media Corporation, the Company issued convertible notes ("EICN") as partial settlement of the acquisition consideration on 20 December 2012. The aggregate principal of EICN amounted to HK\$58,235,956, bearing an interest of 1% per annum, maturing in 36 months from the date of issue, and convertible into ordinary shares at conversion price of HK\$0.50 per share, subject to adjustments.

On 15 August 2014 (after trading hours), the Company and the note holders of ETCN and EICN entered into the Deeds of Amendment, pursuant to which the Company and the note holders of ETCN and EICN agreed to amend certain terms and conditions of the Convertible Notes. Pursuant to the Deeds of Amendment, (i) the Conversion Price of ETCN and EICN will be reduced from HK\$0.50 per Share to HK\$0.35 per Share; and (ii) the interest rate of ETCN and EICN will be reduced from 1% per annum to zero. Save as amended pursuant to the Deeds of Amendment, all other terms of ETCN and EICN shall remain unchanged and valid.

Furthermore, the Company and each of the note holders of ETCN and EICN entered into a supplemental deed to amend certain terms of the Deeds of Amendment on 16 September 2014.

Assuming the conversion rights attaching to ETCN and EICN are exercised in full at the Conversion Price of HK\$0.35, pursuant to ETCN and EICN, 172,102,729 conversion shares will be issued by the Company upon exercise of the conversion rights attaching to ETCN and EICN in full.

On 25 September 2014, an ordinary resolution regarding the proposed Amendment of Terms and the Deeds of Amendment and the transactions contemplated thereunder was proposed to the Company's extraordinary general meeting to be held on 15 October 2014 for independent shareholders' approval by way of poll.

On 15 October 2014, the resolution in relation to the proposed amendment to the terms and conditions of ETCN and EICN was duly passed by the independent shareholders by way of poll at the Company's extraordinary general meeting.

因收購永樂國際傳媒有限公司全部股權，本公司於二零一二年十二月二十日發行可換股票據（「永樂國際可換股票據」）以償付收購的部分代價。永樂國際可換股票據之本金總額為58,235,956港元，利率為每年1%，於發行日期起計36個月到期，並可按每股0.50港元（可予調整）之換股價轉換為普通股。

於二零一四年八月十五日（交易時段後），本公司與永樂科技可換股票據及永樂國際可換股票據票據持有人訂立修訂契據，據此，本公司及永樂科技可換股票據及永樂國際可換股票據票據持有人同意就可換股票據若干條款及條件進行修訂。根據修訂契據，(i)永樂科技可換股票據及永樂國際可換股票據換股價將由每股0.50港元降至每股0.35港元；及(ii)永樂科技可換股票據及永樂國際可換股票據利率由每年1%降至零。除根據修訂契據所作之修訂以外，永樂科技可換股票據及永樂國際可換股票據所有其他條款均維持不變及有效。

此外，本公司及永樂科技可換股票據及永樂國際可換股票據各票據持有人於二零一四年九月十六日訂立補充契據，以就修訂契據若干條款進行修訂。

根據永樂科技可換股票據及永樂國際可換股票據，假設永樂科技可換股票據及永樂國際可換股票據所附轉換權以0.35港元換股價獲悉數行使，本公司將於永樂科技可換股票據及永樂國際可換股票據所附轉換權獲悉數行使後發行172,102,729股換股股份。

於二零一四年九月二十五日，有關擬定條款修訂及修訂契據以及據此擬進行之交易之普通決議案呈交於二零一四年十月十五日召開之本公司股東特別大會，以透過投票方式獲得獨立股東批准。

於二零一四年十月十五日，建議修訂永樂科技可換股票據及永樂國際可換股票據之條款及條件相關之決議案已獲獨立股東於本公司股東特別大會上以投票表決方式正式通過。

Management Discussion and Analysis

管理層論述及分析

On 27 October 2014, the Stock Exchange granted its approval for the Amendment of Terms and the listing of the conversion shares to be issued as a result of the exercise of the conversion rights attaching to ETCN and EICN as amended by the Deeds of Amendment and therefore all the conditions precedent for the Amendment of Terms under the Deeds of Amendment have been fulfilled and the Amendment of Terms has become effective on 27 October 2014.

On 30 October 2014, the conversion rights attaching to ETCN in the principal amount of HK\$2,000,000 have been exercised and hence 5,714,285 shares have been issued. Hence ETCN were fully converted.

On 30 October 2014, the conversion rights attaching to EICN in the principal amount of HK\$35,000,000 have been exercised and hence 99,999,999 shares have been issued. On 16 December 2014, the conversion rights attaching to EICN in the principal amount of HK\$13,235,956 have been exercised and hence 37,817,017 shares have been issued.

As at 1 January 2016, the aggregate outstanding principal amount of EICN was HK\$10,000,000. The exercise in full of the vested conversion rights would result in the issue and allotment of 28,571,428 new shares of the Company.

On 18 December 2015 (after trading hours), the Company entered into the Subscription Agreement with Ms. Li Jing, pursuant to the Subscription Agreement, the Company has agreed to issue, and Ms. Li Jing has agreed to subscribe for the Convertible Notes with an aggregate principal amount of HK\$10,000,000 for a total consideration of HK\$10,000,000, all of which shall be setoff in full against the equivalent amount of indebtedness owing by the Company to Ms. Li Jing under EICN at the Completion. EICN was matured on 20 December 2015. Completion of the issue of the Convertible Notes in the aggregate principal amount of HK\$10,000,000 took place on 13 January 2016.

於二零一四年十月二十七日，聯交所已批准修訂條款及由於行使永樂科技可換股票據及永樂國際可換股票據所附轉換權（經修訂契據修訂）而將予發行之換股股份上市，因此，修訂契據項下之修訂條款的所有先決條件均告達成並且修訂條款已於二零一四年十月二十七日生效。

於二零一四年十月三十日，本金額為2,000,000港元之永樂科技可換股票據所附轉換權獲行使，因此，5,714,285股股份已發行。故永樂科技可換股票據已獲悉數轉換。

於二零一四年十月三十日，本金額為35,000,000港元之永樂國際可換股票據所附轉換權獲行使，因此，99,999,999股股份已發行。於二零一四年十二月十六日，本金額為13,235,956港元之永樂國際可換股票據所附轉換權獲行使，因此37,817,017股股份已發行。

於二零一六年一月一日，永樂國際可換股票據的未償還本金總額為10,000,000港元。倘所附轉換權獲悉數行使，將要發行及配發本公司28,571,428股新股份。

於二零一五年十二月十八日（交易時段後），本公司與李靜女士訂立認購協議，根據認購協議，本公司已同意發行而李靜女士已同意認購本金總額為10,000,000港元之可換股票據，總代價為10,000,000港元，而全部代價將於完成時以本公司於永樂國際可換股票據項下欠付李靜女士之債項之等值數額悉數抵銷。永樂國際可換股票據已於二零一五年十二月二十日到期。已於二零一六年一月十三日完成發行本金總額為10,000,000港元之可換股票據。

Convertible Notes 2018

On 18 December 2015 (after trading hours), the Company entered into the Subscription Agreement with Ms. Li Jing, pursuant to the Subscription Agreement, the Company has agreed to issue, and Ms. Li Jing has agreed to subscribe for the Convertible Notes with an aggregate principal amount of HK\$10,000,000 for a total consideration of HK\$10,000,000, all of which shall be setoff in full against the equivalent amount of indebtedness owing by the Company to Ms. Li Jing under EICN at the Completion.

Completion of the issue of the Convertible Notes 2018 (CN2018) in the aggregate principal amount of HK\$10,000,000 took place on 13 January 2016.

As at 30 September 2016, the aggregate outstanding principal amount of CN2018 was HK\$10,000,000. The exercise in full of the vested conversion rights would result in the issue and allotment of 28,571,428 new shares of the Company.

Foreign exchange exposure

Most of the Group's assets, liabilities and transactions were denominated in Hong Kong dollars and Renminbi. Although the exchange rate between Hong Kong dollars and Renminbi has been moderately changing, it remains relatively stable. As the expenditure in PRC was covered by the sales in PRC, the management considers that the Group has no significant foreign exchange exposures. Foreign exchange risk arising from the normal course of operations is considered as minimal. As at 31 December 2016, the Group has no foreign currency borrowings and has not used any financial instrument for hedging the foreign exchange risk.

二零一八年可換股票據

於二零一五年十二月十八日(交易時段後),本公司與李靜女士訂立認購協議,根據認購協議,本公司已同意發行而李靜女士已同意認購本金總額為10,000,000港元之可換股票據,總代價為10,000,000港元,而全部代價將於完成時以本公司於永樂國際可換股票據項下欠付李靜女士之債項之等值數額悉數抵銷。

已於二零一六年一月十三日完成發行本金總額為10,000,000港元之二零一八年可換股票據(二零一八年可換股票據)。

於二零一六年九月三十日,二零一八年可換股票據的未償還本金總額為10,000,000港元。倘所附轉換權獲悉數行使,將要發行及配發本公司28,571,428股新股份。

外匯風險

本集團大部份資產、負債及交易均以港元及人民幣計值。儘管港元兌人民幣之匯率正溫和變動,但仍保持相對平穩。於中國的支出由中國的銷售額支付,故管理層認為本集團並無重大外匯風險。並認為由正常運營過程所產生之外匯風險乃處於最低水平。於二零一六年十二月三十一日,本集團並無任何外幣借款且並未使用任何金融工具對沖外匯風險。

Management Discussion and Analysis

管理層論述及分析

Significant investments and material acquisition

On 17 November 2014, the Company entered into a strategic cooperation agreement (“Strategic Cooperation Agreement”) with Beijing Beizhong Asset Management Company Limited (北京北中資產管理有限公司) (“Beijing Beizhong”) in relation to the transfer of 49% of the right of income of the Distance Education College of the Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院) from the Beijing University of Chinese Medicine (北京中醫藥大學) to the Company and other cooperation projects (the “Cooperation”).

On 12 February 2015, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another three months.

On 16 May 2015, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another nine months and extend the time limit for the Strategic Cooperation Agreement to lapse and cease to have any legal effect for one more year.

On 16 November 2015, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another six months (that is, a total of 18 months from 17 November 2014).

On 16 May 2016, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another six months.

On 16 November 2016, the Company and Beijing Beizhong are negotiating about extending the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement.

重大投資及重大收購

於二零一四年十一月十七日，本公司就北京中醫藥大學轉讓北京中醫藥大學遠程教育學院49%收益權予本公司及其他合作項目(「合作」)與北京北中資產管理有限公司(「北京北中」)簽署戰略合作協議(「戰略合作協議」)。

於二零一五年二月十二日，本公司與北京北中書面同意延長戰略合作協議合作事宜之採取實質性行動之期限三個月。

於二零一五年五月十六日，本公司與北京北中書面同意延長戰略合作協議合作事宜之採取實質性行動之期限九個月，及延長戰略合作協議自動失效期限一年。

於二零一五年十一月十六日，本公司與北京北中書面同意再延長戰略合作協議合作事宜之採取實質性行動之期限六個月(即自二零一四年十一月十七日起共十八個月)。

於二零一六年五月十六日，本公司與北京北中書面同意延長戰略合作協議合作事宜之採取實質性行動之期限六個月。

於二零一六年十一月十六日，本公司與北京北中正在洽談再延長戰略合作協議合作事宜之採取實質性行動之期限。

On 28 November 2016, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement to 31 December 2016.

During the period from 17 December 2015 to 14 January 2016, the Company purchased a total of 7,427,000 Wai Chi Shares on the Stock Exchange at the prices per Wai Chi Share ranging from HK\$3.33 to HK\$4.00. The total consideration of the Acquisition was approximately HK\$29.4 million. As a result of the Acquisition, the Group held 3.71% of Wai Chi Shares. The Acquisition was made by the Company solely for trading purpose.

On 23 August 2016, the Company entered into a Memorandum of Cooperation with Ms. Zhang Manlin, being holder of Beijing Huada Kanghong iotechnology Co., Ltd. (北京華達康弘生物科技有限责任公司) (the "Target Company I") as to 30%, Mr. Yao Xianguo, being holder of the Target Company I as to 30%, and Mr. Zhujiang, being holder of the Target Company I as to 40%, (collectively hold in aggregate 100% equity interest of the Target Company I), in relation to the possible transfer of not less than 65% of the equity interest of the Target Company I to the Company and other cooperation projects. The Target Company I is a limited company incorporated in the People's Republic of China. It is principally engaged in the business of prepackaged food wholesale and biotechnology development. The consideration has not yet been determined but shall be determined with reference to the value of the Target Company I to be assessed by an independent professional valuer to be appointed by the Parties and may be satisfied by the Company's issue of convertible notes, and the price for issuing such Shares and the conversion price of such convertible notes shall not exceed HK\$0.20 to HK\$0.22 per Share. The reason for the possible transfer was for the Company to develop the health food market. Details of which were disclosed in the announcement of the Company dated 23 August 2016.

於二零一六年十一月二十八日，本公司與北京北中以書面形式協定將戰略合作協議合作事宜之採取實質性行動之期限再延長至二零一六年十二月三十一日。

於二零一五年十二月十七日至二零一六年一月十四日期間，本公司按每股偉志股份介乎3.33港元至4.00港元之價格在聯交所購入合共7,427,000股偉志股份。收購事項之總代價約為29.4百萬港元。於收購事項完成後，本集團持有偉志股份之3.71%。本公司進行收購事項僅作交易用途。

於二零一六年八月二十三日，本公司就潛在轉讓北京華達康弘生物科技有限责任公司(「目標公司一」)不低於65%的股權予本公司及其他合作項目與目標公司一30%股權擁有人張曼琳女士，目標公司一30%股權擁有人么憲國先生及目標公司一40%股權擁有人朱江先生(合共佔100%目標公司一股權)簽署合作備忘錄。目標公司一是中華人民共和國註冊成立的有限公司。該公司主要從事批發預包裝食品以及生物技術開發等業務。轉讓的對價尚未釐定，但應參考由雙方委任的獨立專業估值師對目標公司一的估值進行釐定，並且可以本公司發行可換股債券的方式支付，以及發行該等股份的價格及該等可換股債券的轉換價將不超過每股股份0.20至0.22港元。潛在轉讓的理由為本公司為開拓保健食品市場。有關詳情披露於本公司日期為二零一六年八月二十三日的公告。

Management Discussion and Analysis

管理層論述及分析

On 30 August 2016, Million Forever Limited, a wholly-owned subsidiary of the Company entered into the Sale and Purchase Agreement with Happy Leisure Corp. in relation to the acquisition of 45% equity interest in Business Harbour Inc. Business Harbour Inc. is principally engaged in the compilation and production of the content of online education courses and related business. The maximum consideration was HK\$50,000,000 which will be satisfied by (i) issue and allotment of 190,476,190 ordinary shares at HK\$0.21 per ordinary shares by the Company of HK\$40,000,000 in total; (ii) HK\$10,000,000 to be settled by cash upon fulfillment of profit guarantee. A valuation report was issued by an independent professional valuer on 25 August 2016 and the value of Business Harbour Inc., as at 24 August 2016, was determined as HK\$150,000,000. On 2 November 2016, the acquisition was completed with the terms and conditions of the Sale and Purchase Agreement. Details of which were disclosed in the announcements of the Company dated 30 August 2016, 31 August 2016, 21 September 2016, 30 September 2016 and 2 November 2016.

On 11 October 2016 and 24 October 2016, Beijing Hua Tuo Education Technology Company Limited (北京華拓教育科技有限公司), a wholly-owned subsidiary of the Company, entered into an agreement and a supplementary agreement with Mr. Wang Peng and Mr. Ma Liejun in relation to a possible acquisition of 49% equity interest in Beijing Youli Lianxu Technology Co., Ltd. (北京優力聯旭科技有限公司) (the "Target Company II"), at a consideration of HK\$91,581,000 (subject to adjustment) to be settled by the Company's issue of convertible note with an aggregate principal amount of HK\$91,581,000, which may be converted into 384,794,117 shares at HK\$0.238 per share (subject to adjustment). The reason for the possible acquisition was for the Company to develop the internet platform sale market. Details of which and the major terms of the adjustment were disclosed in the announcements of the Company dated 11 October 2016 and 24 October 2016.

於二零一六年八月三十日，本公司全資附屬公司 Million Forever Limited 與 Happy Leisure Corp. 簽署買賣協議，內容有關收購 Business Harbour Inc. 的 45% 股權。Business Harbour Inc. 主要從事編撰及製作網上教育課程內容及相關業務。最高代價為 50,000,000 港元，將以下列方式結算：(i) 合共 40,000,000 港元將透過本公司按每股普通股 0.21 港元發行及配發 190,476,190 股普通股而結算；(ii) 10,000,000 港元將於溢利保證實現後以現金結算。獨立專業估值師於二零一六年八月二十五日發出估值報告以及 Business Harbour Inc. 於二零一六年八月二十四日的價值釐定為 150,000,000 港元。於二零一六年十一月二日，收購事項按買賣協議的條件及條款完成。有關詳情披露於本公司日期為二零一六年八月三十日、二零一六年八月三十一日、二零一六年九月二十一日、二零一六年九月三十日及二零一六年十一月二日的公告。

於二零一六年十月十一日及二零一六年十月二十四日，本公司全資附屬公司北京華拓教育科技有限公司與王鵬先生及馬列軍先生簽署一份協議及補充協議，內容有關以代價 91,581,000 港元（可予調整）可能收購北京優力聯旭科技有限公司（「目標公司 II」）的 49% 股權，代價以本公司發行的本金總額為 91,581,000 港元的可換股票據（可轉換為 384,794,117 股每股 0.238 港元的股份（可予調整））結算。可能收購的理由為本公司發展互聯網平台銷售市場。有關詳情及調整的主要條款披露於本公司日期為二零一六年十月十一日及二零一六年十月二十四日的公告。

On 1 November 2016, the Company and Legend Japanese Food Limited (嶺進日本食品有限公司) (“LJFL”) signed a memorandum of cooperation for the Company’s possible acquisition of all or part of the equity interest in Shag Mei International Food Limited (正味國際食品有限公司) (“Target Company III”) and/or its related companies (the “Target Companies”) and the other cooperation projects. The Target Company III is a limited company incorporated in Hong Kong which is principally engaged in the business of food processing and sale. LJFL owns the entire issued share capital of the Target Company III. The consideration has not yet been determined but shall be determined with reference to the value of the Target Company III to be assessed by an independent professional valuer to be appointed by the Parties and may be satisfied by the Company’s issue of convertible notes, and the price for issuing such Shares and the conversion price of such convertible notes shall not exceed HK\$0.28 per Share. The reason for the possible acquisition was for the Company to develop the business of food processing and sale. Details of which were disclosed in the announcement of the Company dated 1 November 2016.

On 21 December 2016 Company and LJFL entered into the Agreement in relation to a possible acquisition of all equity interest in Target Company III, at a consideration of HK\$96,000,000 (subject to adjustment) to be settled by the Company’s issue of convertible note with an aggregate principal amount of HK\$96,000,000, which may be converted into 369,230,769 shares at HK\$0.26 per share (subject to adjustment). The reason for the possible acquisition was for the Company to develop the business of food processing and sale market. Details of which and the major terms of the adjustment were disclosed in the announcements of the Company dated 21 December 2016.

於二零一六年十一月一日，本公司與嶺進日本食品有限公司(「嶺進食品」)訂立合作備忘錄，內容有關本公司可能收購正味國際食品有限公司(「目標公司三」)及／或其關連公司(「目標公司」)的全部或部分股權及其他合作項目。目標公司三為於香港註冊成立之有限公司，主要從事食品加工及銷售業務。嶺進食品擁有目標公司三的全部已發行股本。支付代價尚未釐定，但應參考由雙方委任的獨立專業估值師對目標公司三的估值進行釐定，並且可以本公司發行可換股債券的方式支付，以及發行該等股份的價格及該等可換股債券的轉換價將不超過每股股份0.28港元。可能收購的理由為本公司發展食品加工及銷售業務。有關詳情披露於本公司日期為二零一六年十一月一日的公告。

於二零一六年十二月二十一日，本公司與嶺進食品訂立協議，內容有關以代價96,000,000港元(可予調整)可能收購目標公司三之全部股權，代價以本公司發行的本金總額為96,000,000港元的可換股票據(可轉換為369,230,769股每股0.26港元的股份(可予調整))結算。可能收購的理由為本公司發展食品加工及銷售業務。有關詳情及調整的主要條款披露於本公司日期為二零一六年十二月二十一日的公告。

Management Discussion and Analysis

管理層論述及分析

On 15 November 2016 the Company and Joyful Area Worldwide Limited (“JAWL”) entered into the Memorandum of Cooperation for the Company’s possible acquisition of all of the equity interest in the Maxi Trick Investment Limited (the “Target Company IV”) and other cooperation projects. The Target Company IV is a limited company incorporated in Vanuatu. The Target Company and its subsidiaries are principally engaged in internet sales and electric commerce and trading. JAWL owns the entire issued share capital of the Target Company IV. The consideration has not yet been determined but shall be determined with reference to the value of the Target Company IV to be assessed by an independent professional valuer to be appointed by the Parties and may be satisfied by the Company’s issue of convertible notes, and the price for issuing such Shares and the conversion price of such convertible notes shall range from HK\$0.257 to HK\$0.265 per Share. The reason for the possible acquisition was for the Company to develop the internet and electric sales and commerce and trading business. Details of which were disclosed in the announcement of the Company dated 15 November 2016.

On 29 December 2016 Company and JAWL entered into the Agreement in relation to a possible acquisition of all equity interest in Target Company IV, at a consideration of HK\$157,500,000 (subject to adjustment) to be settled by the Company’s issue of convertible note with an aggregate principal amount of HK\$157,500,000, which may be converted into 637,651,821 shares at HK\$0.247 per share (subject to adjustment). The reason for the possible acquisition was for the Company to develop the business of internet sales and electric commerce and trading. Details of which and the major terms of the adjustment were disclosed in the announcements of the Company dated 29 December 2016.

於二零一六年十一月十五日，本公司與Joyful Area Worldwide Limited(「JAWL」)就本公司可能收購Maxi Trick Investment Limited(「目標公司四」)之全部股權及其他合作項目簽署合作備忘錄。目標公司四是於瓦努阿圖註冊成立的有限公司。目標公司四及其附屬公司主要從事互聯網銷售電子商貿。JAWL擁有目標公司四的全部已發行股本。代價尚未釐定，但應參考由雙方委任的獨立專業估值師對目標公司四的估值進行釐定，並且可以本公司發行可換股票據的方式支付，以及發行該等股份的價格及該等可換股票據的轉換價將不超過每股股份0.257至0.265港元。可能收購的理由為本公司開拓互聯網電子銷售商貿業務。有關詳情披露於本公司日期為二零一六年十一月十五日的公告。

於二零一六年十二月二十九日，本公司與JAWL訂立協議，內容有關以代價157,500,000港元(可予調整)可能收購目標公司四之全部股權，代價以本公司發行的本金總額為157,500,000港元的可換股票據(可轉換為637,651,821股每股0.247港元的股份(可予調整))結算。可能收購的理由為本公司開拓互聯網電子銷售商貿業務。有關詳情及調整的主要條款披露於本公司日期為二零一六年十二月二十九日的公告。

On 28 November 2016 the Company and Mr. Ma and Mr. Zhao entered into the Memorandum of Cooperation for the Company's possible acquisition of all of the equity interest in the Beijing Dingtai Technology Co., Ltd. (the "Target Company V") and other cooperation projects. The Target Company V is a limited company incorporated in Beijing. The Target Company is principally engaged in electric commerce and trading and marketing and product research and development business and owns self-developed brands. Mr. Ma and Mr. Zhao own the entire issued share capital of the Target Company V. The consideration has not yet been determined but shall be determined with reference to the value of the Target Company V to be assessed by an independent professional valuer to be appointed by the Parties and may be satisfied by the Company's issue of convertible notes, and the price for issuing such Shares and the conversion price of such convertible notes shall range from HK\$0.264 to HK\$0.266 per Share. The reason for the possible acquisition was for the Company to develop the electric commerce and trading and marketing business. Details of which were disclosed in the announcement of the Company dated 28 November 2016.

On 20 March 2017 the Company and Zhong He Xin Yuan Technology Company Limited* 中核新源科技有限公司 ("ZHXY") entered into a strategic cooperation agreement. ZHXY is a company incorporated with limited liability in the People's Republic of China and is a member of the China Nuclear Industry Group* 中國核工業集團. Zhong He Xin Yuan owns the core technologies in the application of nuclear technologies, including but not limited to the design and setting of the standards of irradiation station, and in the manufacturing and application of irradiation accelerators. The reason for the signing of the Strategic Cooperation Agreement and the cooperation with Zhong He Xin Yuan will enable the Company to venture into in the business of irradiation. Details of which were disclosed in the announcement of the Company dated 20 March 2017.

The Company believed that the above mentioned possible acquisition and/or completed acquisitions, when materialized, will strengthen the positive cash flow and earnings for the Group in the long run.

於二零一六年十一月二十八日，本公司就可能收購北京鼎泰科技有限公司(「目標公司五」)的股權及其他合作項目與馬先生及趙先生簽署合作備忘錄。目標公司五是於中國北京註冊成立的有限公司。目標公司主要從事電子商貿營銷及產品研發業務，且擁有自主品牌。馬先生及趙先生擁有目標公司五之全部已發行股本。代價尚未釐定，但應參考由雙方委任的獨立專業估值師對目標公司五的估值進行釐定，並且可以本公司發行可換股票據的方式支付，以及發行該等股份的價格及該等可換股票據的轉換價將不超過每股股份0.264至0.266港元。可能收購的理由為本公司開拓電子商貿營銷業務。有關詳情披露於本公司日期為二零一六年十一月二十八日的公告。

於二零一七年三月二十日，本公司與中核新源科技有限公司(「中核新源」)訂立一份戰略合作協議。中核新源為於中華人民共和國註冊成立的有限公司及中國核工業集團的成員公司。中核新源擁有應用核技術(包括但不限於設計及設定輻照站標準)以及製造及應用輻照加速器的核心技術。簽署戰略合作協議及與中核新源合作，將令本公司可進軍輻照業務。關詳情披露於本公司日期為二零一七年三月二十日的公告。

本公司相信，上述潛在收購及／或已完成收購，當作實後，長遠而言將增強本集團之正面現金流及盈利。

Management Discussion and Analysis

管理層論述及分析

Significant investments

On 30 August 2016, the Company entered into the Sale and Purchase Agreement with the Vendor in relation to the acquisition of 45% equity interest in Business Harbour Inc.

For detailed information regarding the transaction of Business Harbour Inc., please refer to the announcement of the Company dated 30 August 2016.

On 2 November 2016, the Company was completed with the terms and conditions of the Sale and Purchase Agreement.

For detailed information regarding the completion of transaction, please refer to the announcement of the Company dated 3 November 2016.

Contingent liabilities and charges on the Group's assets

There were no significant contingent liabilities or charges on the Group's assets as at 31 December 2016 (2015: Nil).

OPERATIONAL OVERVIEW

The Group is principally engaged in the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs.

重大投資

於二零一六年八月三十日，本公司就收購Business Harbour Inc.的45%股權與賣方訂立買賣協議。

有關Business Harbour Inc.交易的詳細資料，請參閱本公司日期為二零一六年八月三十日之公告。

於二零一六年十一月二日，本公司完成買賣協議的條款及條件。

有關交易完成的詳細資料，請參閱本公司日期為二零一六年十一月三日之公告。

或然負債及本集團之資產抵押

於二零一六年十二月三十一日，本集團並無重大或然負債或資產抵押(二零一五年：無)。

營運回顧

本集團主要業務是為中醫藥教育項目及其他諮詢及培訓項目提供網絡輔助平台。

On 1 July 2010, the Joint Construction of Network Education College of Beijing University of Chinese Medicine Agreement (共建北京中醫藥大學網路教育學院協議書) (“Joint Construction Agreement”) entered into between Beijing University of Chinese Medicine (北京中醫藥大學) and Hunan IIN Medical Network Technology Development Co., Ltd. (“Hunan IIN Medical”), a subsidiary of IIN Medical (BVI), was successfully renewed. In accordance with the Joint Construction Agreement, Hunan IIN Medical’s entitlement to share 60% of the profits of Distance Education College of Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院) (“Distance Education College”) is reduced to 51% profit-sharing percentage during the year 2010 while all other terms and conditions thereunder are not less favourable than those under the Joint Construction Agreement. This e-learning business remained the core business of the Group in 2016.

On 14 April 2015, Hunan IIN Medical, a wholly-owned subsidiary of the Company, entered into a supplemental agreement (the “Agreement”) with the Beijing University of Chinese Medicine (北京中醫藥大學) (“BUCM”) for amending the agreement dated 29th June 2010 signed between them. Pursuant to the Agreement, Hunan IIN Medical will pass its daily business management and administrative management in respect of the Distance Education College of the Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院) (the “Distance Education College”) to BUCM.

In response to the disclaimer of opinion stated in the annual report for the year ended 31 December 2015, the Company has taken initiative to proceed a voluntary interim audit for the year 2016 in order to improve by providing the auditor with sufficient audit evidence in support of management’s decision with regard to the measurement and disclosure of certain material amount involved in the presentation of consolidated financial statements. The results and work done of the voluntary interim audit performed by the auditors has been incorporated into this Annual Report. All the matter as described in the Basis for Disclaimer of Opinion paragraph of the annual report for the year ended 31 December 2015 were resolved. The auditors expressed an unqualified opinion on the consolidated financial statements for the year ended 31 December 2016 of the Group.

於二零一零年七月一日，北京中醫藥大學與湖南國訊醫藥網絡科技開發有限公司(「湖南國訊醫藥」，國訊醫藥(BVI)之附屬公司)訂立之「共建北京中醫藥大學網路教育學院協議書」(「共建協議」)已順利重續。於二零一零年，根據共建協議，湖南國訊醫藥有權分得北京中醫藥大學遠程教育學院(「遠程教育學院」) 60%溢利之分成比例降至51%，而其下任何其他條款及條件均不遜於共建協議之條款及條件。二零一六年，網絡教育業務仍為本集團核心業務。

於二零一五年四月十四日，本公司全資附屬公司湖南國訊醫藥已與北京中醫藥大學(「北京中醫藥大學」)簽訂補充協議(「該協議」)，以修訂彼等之間簽訂日期為二零一零年六月二十九日之協議。根據該協議，湖南國訊醫藥將其對北京中醫藥大學遠程教育學院(「遠程教育學院」)的日常業務管理及行政管理交給北京中醫藥大學。

為回應於截至二零一五年十二月三十一日止年度之年度報告所載拒絕發表意見，本公司主動進行二零一六年之自願性中期審核以作出改進，就呈列綜合財務報表所涉及的若干重大金額的計量及披露，向核數師提供充分審核憑證以支持管理層之決策。核數師進行之自願性中期審核結果及工作已併入本年報。截至二零一五年十二月三十一日止年度年報拒絕發表意見基準所述一切事項已解決。核數師對本集團截至二零一六年十二月三十一日止年度的綜合財務報表發表無保留意見。

Management Discussion and Analysis

管理層論述及分析

This arrangement is primarily made for the purpose of consolidating the daily business management and administrative management of the Distance Education College, so as to reduce operating costs and increase revenue, fully leverage the advantages of both parties in their respective areas, and lay a solid foundation for overall expansion in the future.

Employee Information

For the year under review, the total staff costs amounted to approximately HK\$35,655,000 (2015: HK\$20,942,000), representing an increase of approximately HK\$14,713,000 over the previous year.

The salaries and benefits of the Group's employees were kept at a market level and employees were rewarded on a performance-related basis within the general framework of the Group's salary and bonus system, which is reviewed annually. Staff benefits include contribution to the mandatory provident fund and share options. Share options were granted to employees of the Group in the current year, whereby comparative details are set out in note 33 to the financial statements.

PROSPECTS

The Group's existing e-learning business will remain the core business and main cash generator in the near future. This business is expected to grow in a rather stable manner.

On 17 November 2014, the Company entered into a strategic cooperation agreement ("Strategic Cooperation Agreement") with Beijing Beizhong Asset Management Company Limited (北京北中資產管理有限公司) ("Beijing Beizhong") in relation to the transfer of 49% of the right of income of the Distance Education College of the Beijing University of Chinese Medicine (北京中醫藥大學遠程教育學院) from the Beijing University of Chinese Medicine (北京中醫藥大學) to the Company and other cooperation projects (the "Cooperation").

On 12 February 2015, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another three months.

是次安排主要為統一遠程教育學院的日常業務管理及行政管理，以降低經營成本及加強收益，充分發揮雙方在各自領域的優勢，為將來全面的拓展奠下基礎。

僱員資料

於回顧年內，僱員總成本約為35,655,000港元(二零一五年：20,942,000港元)，較上一年增加約14,713,000港元。

本集團僱員之薪酬及福利維持於市場水平，僱員在本集團每年檢討之整體薪酬及花紅制度架構下，按其工作表現獲得報酬。僱員福利包括強制性公積金供款及購股權。於本年度，本集團向僱員授出購股權，有關比較詳情載於財務報表附註33。

前景

本集團現有的網絡教育業務於近期未來將繼續成為我們的核心業務及主要現金來源。本業務預期將較為穩定地增長。

於二零一四年十一月十七日，本公司就北京中醫藥大學轉讓北京中醫藥大學遠程教育學院49%收益權予本公司及其他合作項目(「合作」)與北京北中資產管理有限公司(「北京北中」)簽署戰略合作協議(「戰略合作協議」)。

於二零一五年二月十二日，本公司與北京北中書面同意延長戰略合作協議合作事宜之採取實質性行動之期限三個月。

On 16 May 2015, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another nine months and extend the time limit for the Strategic Cooperation Agreement to lapse and cease to have any legal effect for one more year.

On 16 November 2015, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another six months (that is, a total of 18 months from 17 November 2014).

On 16 May 2016, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement for another six months.

As at 28 November 2016, the Company and Beijing Beizhong agreed in writing to extend the time for taking practical actions in respect of the Cooperation under the Strategic Cooperation Agreement to 31 December 2016.

Furthermore, the Group will implement certain cost-effective measures to streamline the operation so as to enhance the profitability and value of this e-learning business. The Company will continue to look for opportunities for our existing business, particularly in developing both vertically and horizontally within the Group's existing medical education platform, expanding further into our service network, increase the shareholders' value and reduce business risk.

In addition, the Company will continue to look for other attractive investments in the PRC and locally in an attempt to diversify into different business areas to reduce the reliance upon existing e-learning business and strengthen the positive cash flow and earnings for the Group in the long run.

於二零一五年五月十六日，本公司與北京北中書面同意延長戰略合作協議合作事宜之採取實質性行動之期限九個月，及延長戰略合作協議自動失效期限一年。

於二零一五年十一月十六日，本公司與北京北中書面同意再延長戰略合作協議合作事宜之採取實質性行動之期限六個月(即自二零一四年十一月十七日起共十八個月)。

於二零一六年五月十六日，本公司與北京北中書面同意延長戰略合作協議合作事宜之採取實質性行動之期限六個月。

於二零一六年十一月二十八日，本公司與北京北中以書面形式協定將戰略合作協議合作事宜之採取實質性行動之期限再延長至二零一六年十二月三十一日。

此外，本集團將實施若干具成本經濟效益的措施，以精簡業務流程，提高網絡教育業務的盈利能力及價值。本公司將繼續為我們現有業務尋找新的機會，特別是同時對本集團的現有醫療教育平台進行橫縱向開發，進一步擴張我們的服務網絡，從而提升股東價值及降低業務風險。

此外，本公司將繼續在中國及本地尋找其他具有吸引力的投資，嘗試擴展至其他業務領域以減少對現有的網絡教育業務的依賴以及提升本集團的長期正現金流量及盈利。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

EXECUTIVE DIRECTOR

Mr. Yuan Wei (“Mr. Yuan”), aged 45, was appointed as an executive director of the Company on 19 November 2013 and further appointed as the authorised representative and compliance officer of the Company on 14 February 2014; Mr. Yuan holds an associate degree in Heilongjiang Academy of Finance and Management for Comrades (黑龍江省財貿幹部管理學院). He joined the Beijing Commercial Bank (北京市商業銀行) in 1993 and worked for 12 years. He left the position of manager at the credit department of the Beijing Commercial Bank in 2005. Mr. Yuan then engaged in the finance-related business and has gained 21 years of experience in the financial and banking sector. Mr. Yuan is mainly responsible for the strategy formulation of the Company. Save as disclosed herein, Mr. Yuan did not hold any directorships in any listed public company in the last three years.

Ms. Zhang Jianxin (“Ms. Zhang”), aged 49, was appointed as an executive Director on 13 July 2016.

Ms. Zhang Jianxin, graduated from the Central Radio and Television University in accounting in 2003, and obtained the Senior International Finance Manager Qualification Certificate from International Financial Management Association and China Association of Chief Financial Officers in 2008. From July 2007 to Aug 2013, Ms. Zhang was the financial controller of Beijing Hua Tuo Education Technology Company Limited, a wholly own subsidiary of the Company. Since September 2013, Ms. Zhang has been the director of Hunan IIN Medical Network Technology Development Company Limited* (湖南國訊醫藥網絡科技開發有限公司), a wholly own subsidiary of the Company. Save as disclosed above, Ms. Zhang does not hold any position with the Company and its subsidiaries and she does not hold any directorship in other listed companies nor has any other major appointment or qualification in the last three years.

執行董事

袁偉先生(「袁先生」), 45歲, 於二零一三年十一月十九日獲委任為本公司執行董事以及於二零一四年二月十四日進一步獲委任為本公司授權代表及監察主任; 袁先生持有黑龍江省財貿幹部管理學院大專文憑。彼於一九九三年加入北京市商業銀行, 並於該銀行任職12年。彼於二零零五年辭任北京市商業銀行信貸部經理。隨後, 袁先生從事金融相關業務, 並在金融及銀行業方面累積了21年經驗。袁先生主要負責制訂本公司之發展策略。除本節所披露者外, 袁先生於過往三年亦無於任何上市公眾公司擔任任何董事職務。

張建新女士(「張女士」), 49歲, 於二零一六年七月十三日獲委任為執行董事。

張女士於二零零三年本科畢業於中央廣播電視大學會計學, 並於二零零八年獲得國際財務管理協會及中國總會計師協會之高級國際財務管理師資格證書。自二零零七年至二零一三年八月, 張女士為本公司全資附屬公司北京華拓教育科技有限公司之財務總監。自二零一三年九月起, 張女士為本公司全資附屬公司湖南國訊醫藥網絡科技開發有限公司之董事。除上文披露者外, 張女士並無於本公司及其附屬公司擔當任何職位, 且於過去三年並無出任其他上市公司之任何董事職務或有其他主要委任或專業資格。

Mr. Wang Weihua (“Mr. Wang”), aged 56, was appointed as executive director of the Company on 15 December 2016.

Mr. Wang graduated from Beijing Institute of Technology with a master’s degree in business administration. Mr. Wang has extensive experience in the management field. Mr. Wang does not hold any position with the Company and its subsidiaries and he does not hold any directorship in other listed companies nor has any other major appointment or qualification in the last three years.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Qunsheng (“Mr. Li”), aged 57, was appointed as an independent non-executive director, the chairman of the audit committee, member of the nomination committee and member of the remuneration committee of the Company on 7 February 2014. Mr. Li was graduated from Dongbei University of Finance and Economics in China in 1982 and is currently a certified public accountant in China. From 1982 to 1993, Mr. Li served in the Ministry of Finance, Investment Department of the National Audit Office and the China Audit Administration. In 1993, he served as vice president of BOT investment & Development Corporation and was in charge of the financial affairs of the company as well as the management of its subsidiaries. He was also involved in planning the investments into high-grade highways and M&A activities. Mr. Li left office in 1997, and then joined Golden Sino (China Infrastructure) Development Holdings Limited as general manager, responsible for project planning, negotiations, project construction management, capital operation etc. In 1999, Mr. Li joined Shenzhen Xiansheng Technology Development Co., Ltd. as chief executive officer, responsible for daily operation and management of the company and capital operation of the company. Mr. Li joined Ever Crown International (HK) Limited in 2002 upon its invitation and served as chief executive officer. After that, Mr. Li joined Guangzhou Huan Long Expressway Co., Ltd. in 2009 as managing director, and has been responsible for managing the Guangzhou City Nansha Port Expressway project since then.

王為華先生(「王先生」)，56歲，於二零一六年十二月十五日獲委任為本公司執行董事。

王先生畢業於北京理工大學，獲工商管理碩士學位。王先生在管理領域具有豐富經驗。王先生並無於本公司及其附屬公司擔任任何職務，且其過往三年並無於其他上市公司擔任任何董事職務或具有任何其他重大委任或資格。

獨立非執行董事

李群盛先生(「李先生」)，57歲，於二零一四年二月七日獲委任為本公司之獨立非執行董事、審核委員會主席、提名委員會成員及薪酬委員會成員。李先生一九八二年畢業於中國東北財經大學，現為中國註冊會計師。從一九八二年至一九九三年，李先生曾工作於中國財政部、審計署投資司及中國審計事務所，並於一九九三年出任北京博拓投資開發公司副總裁，主管財務工作和附屬公司管理工作，並參與策劃投資高等級公路和企業收購兼併工作。李先生於一九九七年離任，並於同年出任華財(中國基建)發展集團有限公司總經理，負責項目策劃、談判、工程施工管理、資金運作等工作。於一九九九年，李先生加入深圳先聲科技發展有限公司，出任執行總裁，負責公司日常經營管理工作及公司資本運作。李先生於二零零二年接受香港永冠國際有限公司之邀請，出任執行總裁。其後，李先生於二零零九年出任廣州環龍高速公路有限公司董事總經理，負責經營管理廣州南沙港快速路項目，並一直工作至今。

Biographical Details of Directors and Senior Management

董事及高級管理人員履歷

On 21 February 2014, Mr. Li has been appointed as an independent non-executive director of Superb Summit International Group Limited (stock code: 1228), whose shares are listed on the Main Board of the Stock Exchange.

Save as disclosed herein, Mr. Li did not hold any other position with the Company or any of its subsidiaries nor did he hold any directorship or any other major appointment or qualification in other listed companies in the last three years.

Dr. Huang Chung Hsing (“Dr. Huang”), aged 63, was appointed as an independent non-executive director and a member of audit committee of the Company on 14 August 2008. Dr. Huang holds a Ph.D. degree in Management Science and Information Systems from the University of Texas at Austin, U.S.A. and a Bachelor’s degree of Science in Electrical Engineering from National Taiwan University. Dr. Huang is the Associate Dean of College of Management, National Taiwan University. He is also the chairman of the Committee of Service Management of Chinese Management Association in Taiwan and the associate researcher of Health Management Center of National Taiwan University Hospital in Taiwan. He has previously held senior positions in various universities and banks such as Beijing University in China and Bank of SinoPac. Dr. Huang has extensive experience in service operation management, business decision making and management of innovation.

Save as disclosed above, Dr. Huang did not hold any other position in the Company or any of its subsidiaries nor did he hold any directorship in any public listed company in the last three years.

於二零一四年二月二十一日，李先生一直獲委任為奇峰國際集團有限公司(股份代號：1228)之獨立非執行董事，該公司之股份在聯交所主板上市。

除本節所披露者外，李先生並無在本公司或其任何附屬公司擔任任何其他職位，並且在過往三年亦無在其他上市公司擔任任何董事職務或有任何其他重要委任或資格。

黃崇興博士(「黃博士」)，63歲，於二零零八年八月十四日獲委任為本公司獨立非執行董事兼審核委員會成員。黃博士持有美國奧斯汀德州大學商學院企業管理博士學位及國立台灣大學電子工程科學學士學位。黃博士為國立台灣大學管理學院副院長。彼亦為台灣之中華民國管理科學學會的服務管理委員會會長及台灣之國立台灣大學醫學院附設醫院健康管理中心副研究員。彼曾經在多間大學和銀行擔任高級職位，例如中國北京大學及永豐銀行。黃博士於服務營運管理、商業決策及創意管理擁有豐富經驗。

除上文所披露者外，黃博士並無於本公司或其任何附屬公司擔任任何其他職位，於過往三年亦無於任何公眾上市公司擔任任何董事職務。

Ms. Li Ya Ru Nancy (“Ms. Li”), aged 53, was appointed as an independent non-executive director, member of the audit committee and member of the remuneration committee of the Company on 19 November 2013. Ms. Li received her Bachelor of Art and Bachelor of Finance in China. She started her first job in Fuji Xerox Co. Ltd in Sydney in 1986 and assigned as the branch manager of National Australia Bank in Taiwan in 1994. Later in 2001, Ms. Li joined as director of Private Wealth Management of Deutsche Bank in Sydney and assigned to Hong Kong as director of Investment Banking Division of Deutsche Bank AG in 2008. Ms. Li left Deutsche Bank AG in 2010 and joined Nomura Securities, Investment Banking Division as executive director. Ms. Li has been the director of Credit Suisse, Hong Kong and China in the last 12 months. Ms. Li has over 16 years experience in corporate finance and IPO with excellent relationship with senior government officials in China, Australia, Taiwan, Cambodia and Burma.

Save as disclosed above, Ms. Li did not hold any other position in the Company or any of its subsidiaries nor did she hold any directorship in any public listed company in the last three years.

李雅茹女士(「李女士」)，53歲，於二零一三年十一月十九日獲委任為本公司之獨立非執行董事、審核委員會成員及薪酬委員會成員。李女士曾於中國獲得文學與金融學學士學位。彼於一九八六年在富士施樂股份有限公司開始其首份工作及於一九九四年獲任命為National Australia Bank台灣分行經理。其後於二零零一年，李女士於悉尼加入德意志銀行，擔任私人財富管理業務總監，並於二零零八年獲委派至香港，擔任德意志銀行投資銀行部門總監。於二零一零年，李女士從德意志銀行離職，並加入野村證券投資銀行部門，擔任執行董事。最近一年，李女士曾任瑞士信貸駐香港及中國之總監。李女士於企業融資及首次公開發售方面擁有逾16年經驗，並與中國、澳洲、台灣、柬埔寨及緬甸之高層政府官員保持良好關係。

除上文所披露者外，李女士並無在本公司或其任何附屬公司擔任任何其他職位，並且在過往三年亦無於任何公眾上市公司擔任任何董事職務。

Report of the Directors

董事會報告

The board (the “Board”) of directors (the “Directors”) of China E-Learning Group Limited (the “Company”) presents herewith the annual report together with the audited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in note 37 to the consolidated financial statements.

RESULTS AND DIVIDEND

The Group’s results for the year ended 31 December 2016 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 63 to 161.

The Directors do not recommend payment of any final dividend in respect of the reporting year (2015: Nil).

SUMMARY FINANCIAL INFORMATION

The following is a summary of the audited consolidated results of the Group for each of the five years ended 31 December 2016 prepared on the basis set out in the note below:

	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	
Revenue from continuing operations	來自持續經營業務之收入	46,277	45,701	47,474	47,066	41,783
Loss before tax from continuing operations	來自持續經營業務之除稅前虧損	140,851	33,187	47,417	22,551	15,213
Loss from discontinued operations	來自已終止經營業務之虧損	-	-	-	63,531	-
Loss after tax	除稅後虧損	140,851	33,187	47,417	86,082	15,213
Total assets	資產總值	195,531	227,191	366,888	134,883	172,201
Total liabilities	負債總額	41,956	49,483	54,001	228,731	195,040

中國網絡教育集團有限公司(「本公司」)董事(「董事」)會(「董事會」)謹此提呈本公司及其附屬公司(「本集團」)截至二零一六年十二月三十一日止年度之年度報告及經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股，本公司附屬公司之主要業務詳情載於綜合財務報表附註37。

業績及股息

本集團截至二零一六年十二月三十一日止年度之業績及本集團於該日之財務狀況載於第63至161頁之綜合財務報表。

董事不建議就報告年度派付任何末期股息(二零一五年：零)。

財務資料概要

以下為按下文附註所載基準編製之本集團截至二零一六年十二月三十一日止五個年度各年經審核綜合業績概要：

PROPERTY, PLANT AND EQUIPMENT

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

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 37 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the Company's share capital and share options during the year are set out in notes 25 and 33 to the consolidated financial statements respectively.

CONVERTIBLE NOTES

Details of movements in the Company's convertible notes during the year are set out in note 27 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity on page 67 and note 26 to the consolidated financial statement respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company did not have any reserve available for cash distribution (2015: Nil). In accordance with the laws of the Cayman Islands and the Company's Articles of Association, the Company's share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debt as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

物業、廠房及設備

物業、廠房及設備之變動載於綜合財務報表附註17。

附屬公司

本公司附屬公司之詳情載於綜合財務報表附註37。

股本及購股權

年內，本公司股本及購股權之詳情分別載於綜合財務報表附註25及33。

可換股票據

年內，本公司可換股票據之變動詳情載於綜合財務報表附註27。

儲備

年內，本集團及本公司儲備之變動詳情分別載於第67頁之綜合權益變動表及綜合財務報表附註26。

可供分派儲備

於二零一六年十二月三十一日，本公司並無任何可作現金分派之儲備(二零一五年：零)。根據開曼群島法例及本公司組織章程細則，倘於緊隨擬分派股息當日後，本公司有能力償還在日常業務中到期之債務，則本公司可向本公司股東分派股份溢價賬。股份溢價亦可以繳足紅股之方式分派。

Report of the Directors

董事會報告

PRE-EMPTIVE RIGHTS

There are no provisions of pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands which oblige the Company to offer new shares on a pro rata basis to existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31 December 2016.

MANAGEMENT CONTRACT

The Group and the Company did not have any management services contract for the years ended 31 December 2016 and 2015.

CHARITABLE DONATIONS

During the year, the Group did not have any charitable donations (2015: HK\$246,000).

MAJOR CUSTOMERS AND SUPPLIERS

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

優先認購權

本公司組織章程細則或開曼群島法例並無有關優先認購權之條文，規定本公司須按比例向現有股東發售新股份。

足夠公眾持股量

於截至二零一六年十二月三十一日止整個年度內，本公司一直維持足夠之公眾持股量。

管理合約

截至二零一六年及二零一五年十二月三十一日止年度，本集團及本公司概無簽訂任何管理服務合約。

慈善捐款

年內，本集團並沒有慈善捐款(二零一五年：246,000港元)。

主要客戶及供應商

本集團之主要客戶及供應商於年內所佔銷售及採購百分比如下：

		2016 二零一六年	2015 二零一五年
Revenue	收入		
– The largest customer	– 最大客戶	n/a 不適用	n/a 不適用
– Five largest customers	– 五大客戶	n/a 不適用	n/a 不適用
Cost of goods sold and services provided	銷售貨品 及提供服務之成本		
– The largest services provider	– 最大服務供應商	21%	26%
– Five largest services providers	– 五大服務供應商	50%	46%

Students are our major customers. It is therefore not applicable to provide the largest and the five largest customers' percentages on our revenue income.

學生為我們的主要客戶，因此不適用於提供最大及五大客戶於本集團收入所佔百分比。

None of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's share capital) had an interest in the major customers or service providers noted above.

DIRECTORS

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

Executive Directors

Mr. Yuan Wei
Ms. Zhang Jianxin
Mr. Wang Weihua

Independent Non-Executive Directors

Mr. Li Qunsheng
Dr. Huang Chung Hsing
Ms. Li Ya Ru Nancy

The Company has received from each of the independent non-executive directors the annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that all independent non-executive directors are independent to the Group in accordance with the terms of the guidelines as set out in Rule 5.09 of the GEM Listing Rules.

In accordance with Article 87 of the Company's Articles of Association, Mr. Yuan Wei and Ms. Li Ya Ru Nancy will retire at the forthcoming annual general meeting of the Company and, being eligible, offer themselves for re-election.

各董事、彼等之聯繫人士或股東(據董事所知持有本公司5%以上之股本)概無於上述主要客戶或服務供應商中擁有任何權益。

董事

本公司於財政年度內及直至本報告日期之董事如下：

執行董事

袁偉先生
張建新女士
王為華先生

獨立非執行董事

李群盛先生
黃崇興博士
李雅茹女士

本公司已收到各獨立非執行董事按照創業板上市規則第5.09條就其獨立性而提交之年度確認函，並認為根據創業板上市規則第5.09條所載指引內之條款，全體獨立非執行董事均獨立於本集團。

根據本公司組織章程細則第87條，袁偉先生及李雅茹女士將於本公司應屆股東週年大會上退任，並符合資格及願意膺選連任。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

Mr. Yuan Wei, the executive director, has entered into service contract with the Company for a term of three years. This service contract may be terminated by either party giving not less than three months' notice to the other party.

Ms. Zhang Jianxin, the executive director, has entered into service contract with the Company for a term of three years. This service contract may be terminated by either parties giving not less than three month's notice to the other party.

Mr. Wang Weihua, the executive director has entered into service contract with the Company for a term of three years. This service contracts may be terminated by either parties giving not less than three months notice to other party.

Mr. Li Qunsheng, the independent non-executive director, has entered into service contract with the Company for a term of two years. This service contract may be terminated by either parties giving not less than three months' notice to the other party.

Dr. Huang Chung Hsing, the independent non-executive director, has entered into service contract with the Company for a term of two years. This service contract may be terminated by either parties giving not less than three months' notice to the other party.

Ms. Li Ya Ru Nancy, the independent non-executive director, has not been appointed for a fixed term of service.

None of the Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance to which the Company or any of its subsidiaries was a party and in which a director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

董事服務合約

執行董事袁偉先生已與本公司訂立服務合約，年期為三年。該服務合約可由其中一方向對方給予不少於三個月通知而終止。

執行董事張建新女士已與本公司訂立服務合約，年期為三年。該服務合約可由其中一方向對方給予不少於三個月通知而終止。

執行董事王為華先生已與本公司訂立服務合約，年期為三年。該服務合約可由其中一方向對方給予不少於三個月通知而終止。

獨立非執行董事李群盛先生已與本公司訂立服務合約，年期為兩年。該等服務合約可由其中一方向對方給予不少於三個月通知而終止。

獨立非執行董事黃崇興博士已與本公司訂立服務合約，年期為兩年。該服務合約可由其中一方向對方給予不少於三個月通知而終止。

獨立非執行董事李雅茹女士之委任並無固定服務期限。

在應屆股東週年大會上建議膺選連任之董事，概無與本公司訂立本公司於一年內不付賠償(法定賠償除外)則不得終止之服務合約。

董事之合約權益

本公司或其任何附屬公司概無訂立董事直接或間接於其中擁有重大權益，且於本年度完結時或年內任何時間有效之重大合約。

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).

DIRECTORS' REMUNERATION AND THE FIVE HIGHEST PAID EMPLOYEES

Details of the remuneration of the Directors and the five highest paid employees in the Group are set out in note 12 to the consolidated financial statements.

REMUNERATION POLICY

The Group remunerates its employees, including its Directors, based on their performance, experience and prevailing market rate. Other employee benefits include insurance and medical cover as well as share option scheme. Details of share option scheme are set out in note 33 to the consolidated financial statements.

The determination of remuneration of the Directors of the Company had taken into consideration of their expertise and job specifications.

SHARE OPTIONS SCHEME

A new share option scheme was approved and adopted in the Annual General Meeting of the Company on 23 May 2011. On 15 December 2016, the Company granted 330,000,000 share options (the "Options") to individuals (the "Grantees") under the Company's share option scheme adopted on 23 May 2011. Details of share option scheme are set out in note 33 to the consolidated financial statements.

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。

董事酬金及五名最高薪僱員

董事酬金及本集團五名最高薪僱員之詳情，載於綜合財務報表附註12。

薪酬政策

本集團根據僱員(包括其董事)之工作表現、經驗及現行市場水平向彼等提供報酬。其他僱員福利包括保險和醫療保障及購股權計劃。購股權計劃之詳情載於綜合財務報表附註33。

決定本公司董事之薪酬時，已考慮彼等之專業知識及詳細職務要求。

購股權計劃

本公司於二零一一年五月二十三日舉行之股東週年大會上批准及採納一項新購股權計劃。於二零一六年十二月十五日，本公司根據於二零一一年五月二十三日採納之本公司購股權計劃，向若干個別人士(「承授人」)授出330,000,000份購股權(「購股權」)。購股權計劃之詳情載於綜合財務報表附註33。

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES AND SHARE OPTIONS

As at 31 December 2016, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

Long positions

董事及主要行政人員於股份及購股權之權益

於二零一六年十二月三十一日，本公司董事或主要行政人員於本公司及其相關法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉；或(b)根據證券及期貨條例第352條規定須記錄於根據該條例所置存之登記冊之權益及淡倉；或(c)根據創業板上市規則第5.46條須知會本公司及聯交所之權益及淡倉如下：

好倉

Name of Directors and Chief Executive	Capacity	Number of shares or underlying shares held			Percentage of issued share capital
		Ordinary shares	Share options	Total	
董事及主要行政人員姓名	身份	普通股	購股權	總計	佔已發行股本百分比
Yuan Wei (Director) 袁偉(董事)	Beneficial owner 實益擁有人	–	30,000,000	30,000,000	0.91%
Zhang Jianxin (Director) 張建新(董事)	Beneficial owner 實益擁有人	–	10,000,000	10,000,000	0.30%
Wang Weihua (Director) 王為華(董事)	Beneficial owner 實益擁有人	168,224,000	33,000,000	201,224,000	6.09%
Wang Hui (Chief Executive Officer) 王慧(行政總裁)	Beneficial owner 實益擁有人	1,000,000	35,377,306	36,377,306	1.07%

Save as disclosed above, as at 31 December 2016, none of the other Directors or chief executive of the Company had any interest or short position in shares, debentures or underlying shares of the Company and its associated corporations which was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred therein; or (c) pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed under the headings “Directors’ and chief executive’s interests in shares and share options” above and “Share option scheme” in note 33, at no time during the year was the Group, or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in the Group or any other body corporate.

INTERESTS DISCLOSABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, so far as known to any Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO:

除上文所披露者外，於二零一六年十二月三十一日，概無本公司董事或主要行政人員於本公司及其相關法團之股份、債權證或相關股份中持有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益或淡倉；或(b)根據證券及期貨條例第352條須記錄於根據該條例所置存之登記冊之權益或淡倉；或(c)根據創業板上市規則第5.46條須知會本公司及聯交所之權益或淡倉。

購買股份或債券之安排

除上文「董事及主要行政人員於股份及購股權之權益」以及附註33「購股權計劃」所披露者外，本集團或其任何附屬公司於年內概無成為任何安排的一方，致使本公司董事可藉收購本集團或任何其他法人團體的股份而取得利益。

根據證券及期貨條例須予披露之權益及主要股東

於二零一六年十二月三十一日，據本公司董事或主要行政人員所知，以下人士(本公司董事及主要行政人員除外)持有根據證券及期貨條例第XV部第2及3分部須予披露及須記入根據證券及期貨條例第336條置存之登記冊之本公司股份及相關股份之權益或淡倉：

Report of the Directors

董事會報告

Long position in shares or underlying shares of the Company

於本公司股份或相關股份之好倉

Name of shareholder	Capacity	Number of shares or underlying shares held	Percentage of issued share capital
股東名稱	身份	所持股份或相關股份數目	佔已發行股本百分比
Atlantis Capital Holdings Limited (note 1) (附註1)	Investment manager 投資經理	393,080,000	11.89%
Liu Yang (note 2) 劉央(附註2)	Interest of a controlled corporation 於受控法團之權益	393,080,000	11.89%
Atlantis Investment Management (Hong Kong) Limited (note 1) (附註1)	Investment manager 投資經理	393,080,000	11.89%
Atlantis Investment Management (Ireland) Limited (note 1) (附註1)	Investment manager 投資經理	210,000,000	6.35%
Riverwood Asset Management (Cayman) Ltd. (note 2) (附註2)	Investment manager 投資經理	196,048,000	5.93%

Notes:

附註：

- Pursuant to the disclosure of interests notices filed by each of Ms. Liu Yang and Atlantis Capital Holdings Limited, Atlantis Investment Management (Hong Kong) Limited ("Atlantis (Hong Kong)") and Atlantis Investment Management (Ireland) Limited ("Atlantis (Ireland)") were disclosed as having interest in 393,080,000 shares and 210,000,000 shares of the Company respectively. Atlantis (Hong Kong) and Atlantis (Ireland) are indirect wholly-owned and direct wholly-owned by Ms. Liu Yang and Atlantis Capital Holdings Limited respectively. Therefore, Ms. Liu Yang and Atlantis Capital Holdings Limited are deemed to be interested in the shares held by Atlantis (Hong Kong) and Atlantis (Ireland).
- Pursuant to the disclosure of interests notices filed by Riverwood Asset Management (Cayman) Ltd, Riverwood Asset Management (Cayman) Ltd was disclosed as having interest in 196,048,000 shares of the Company and was a wholly-owned subsidiary of Ms. Liu Yang. Therefore, Ms. Liu Yang is deemed to be interested in the shares held by Riverwood Asset Management (Cayman) Ltd.

1. 根據劉央女士及Atlantis Capital Holdings Limited、Atlantis Investment Management (Hong Kong) Limited(「Atlantis (Hong Kong)」)及Atlantis Investment Management (Ireland) Limited(「Atlantis (Ireland)」)各自所提交權益披露通知，分別披露於本公司393,080,000股及210,000,000股股份中擁有權益。Atlantis (Hong Kong) and Atlantis (Ireland)分別由劉央女士及Atlantis Capital Holdings Limited間接全資擁有及直接全資擁有。劉央女士及Atlantis Capital被視為於Atlantis (Hong Kong)及Atlantis (Ireland)所持股份中擁有權益。

2. 根據Riverwood Asset Management (Cayman) Ltd、Riverwood Asset Management (Cayman) Ltd所提交權益披露通知，披露於本公司196,048,000股股份中擁有權益及為劉央女士全資擁有附屬公司。因此，劉央女士被視為於Riverwood Asset Management (Cayman) Ltd所持股份中擁有權益。

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any other persons (other than the Directors and chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept under Section 336 of the SFO.

INTEREST IN COMPETING BUSINESS

During the year under review, neither the Directors nor the substantial shareholders of the Company and their respective associates had any interest in business that competes, either directly or indirectly, with the business of the Group.

EVENTS AFTER THE REPORTING PERIOD

Details of significant events occurring after the reporting period are set out in note 34 to the consolidated financial statements.

AUDITORS

The accounts for the year ended 31 December 2016 were audited by McMillan Woods SG CPA Limited whose term of office will expire upon the forthcoming AGM. A resolution for the re-appointment of McMillan Woods SG CPA Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming AGM.

On Behalf of the Board

Yuan Wei

Executive Director

Hong Kong
30 March 2017

除上文所披露者外，於二零一六年十二月三十一日，董事並不知悉任何其他人士（本公司董事及主要行政人員除外）於本公司股份及相關股份中擁有任何根據證券及期貨條例第XV部第2及3分部條文須予披露及須記入根據證券及期貨條例第336條置存之登記冊之權益或淡倉。

競爭業務之權益

於回顧年度內，本公司董事或主要股東及彼等各自之聯繫人士概無擁有任何與本集團業務直接或間接競爭之業務權益。

報告期後事項

於報告期後發生之重大事項之詳情載於綜合財務報表附註34。

核數師

截至二零一六年十二月三十一日止年度之賬目由長青暉勝會計師事務所有限公司審核，彼將於應屆週年股東大會上任滿。將於應屆股東週年大會上提呈決議案，續聘長青暉勝會計師事務所有限公司為本公司來年之核數師。

代表董事會

執行董事

袁偉

香港
二零一七年三月三十日

Corporate Governance Report

企業管治報告

The Company is committed to maintaining a high standard of corporate governance and believes that good corporate governance can (i) enhance management effectiveness and efficiency; (ii) increase the transparency of the Company; (iii) enhance risk management and internal control of the Company and (iv) safeguard the interests of the shareholders and the Company as a whole.

CORPORATE GOVERNANCE CODE COMPLIANCE

Pursuant to the Corporate Governance Code (the “Code”) contained in Appendix 15 to the GEM Listing Rules of the Stock Exchange which sets out the principles of good corporate governance, the provisions of the Code (the “Code Provisions”) and the recommended best practices, the Company has applied the principles and complied with all the Code Provisions as set out in the Code during the year ended 31 December 2016, with the exception of deviation set out below.

Under Code Provision A.2.1, the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. Following the step down of Mr. Chen Hong from the office of chairman and an executive director of the Company on 14 February 2014, the Company has not appointed chairman, and the roles and functions of the chairman have been performed by all the executive directors collectively.

Under Code Provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election while all directors should be subject to retirement by rotation at least once every three years. During the year, the non-executive director and two independent non-executive directors are appointed for a specific term of service and one independent non-executive director is not appointed for a specific term of service. Since each of the independent non-executive directors is subject to rotation and re-election at the annual general meeting in accordance with the articles of association of the Company, as such, the Company considers that sufficient measures have been taken to serve the purpose of the Code Provision A.4.1 of the Code.

本公司致力維持高水準之企業管治，且相信優質企業管治能(i)提升管理效益及效率；(ii)提高本公司之透明度；(iii)改善本公司之風險管理及內部監控；及(iv)保障股東與本公司之整體利益。

遵守企業管治守則

根據聯交所創業板上市規則附錄15所載之企業管治守則(「守則」)所載之優質企業管治之原則、守則條文(「守則條文」)以及最佳建議常規，於截至二零一六年十二月三十一日止年度本公司應用原則及遵守守則所載之全部守則條文，惟下文所載的偏離情況除外。

根據守則條文第A.2.1條，主席與行政總裁應有所區分，並不應由一人同時兼任。於陳宏先生於二零一四年二月十四日辭任本公司主席兼執行董事職務後，本公司並未委任主席，而主席之角色及職能由全體執行董事共同履行。

根據守則之守則條文第A.4.1條，非執行董事須有特定任期及膺選連任，而所有董事至少須每三年輪值退任一次。年內，非執行董事及兩名獨立非執行董事之委任有固定服務期限，以及一名獨立非執行董事之委任並無固定服務期限。由於按照本公司的組織章程細則，各獨立非執行董事須於股東週年大會上輪值退任及膺選連任，因此，本公司認為已採取足夠措施達致守則之守則條文第A.4.1條之目標。

Under Code Provision A.6.7, independent non-executive directors and non-executive director should attend general meetings and develop a balanced understanding of the views shareholders. Dr. Huang Chung Hsing, Ms. Li Ya Ru Nancy and Mr. Li Qunsheng, the non-executive directors of the Company were unable to attend an annual general meeting of the Company held on 12 May 2017 due to their respective commitments elsewhere.

DIRECTORS' SECURITIES TRANSACTIONS

During the year under review, the Group has adopted a code of conduct regarding securities transactions in securities of the Company by directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all directors, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding directors' securities transactions throughout the year ended 31 December 2016.

BOARD OF DIRECTORS AND MEETING

Board Composition

The Board of Directors currently comprises three executive directors, namely Mr. Yuan Wei, Ms. Zhang Jianxin and Mr. Wang Weihua and three independent non-executive directors, namely Mr. Li Qunsheng, Dr. Huang Chung Hsing, and Ms. Li Ya Ru Nancy. The Board is responsible for the overall management of the Group. It focuses on directing the corporate strategies and supervising the business, significant affairs and daily operation of the Group. Biographical details of the Directors are set out on pages 22 to 25 of this annual report.

根據守則條文第A.6.7條，獨立非執行董事及非執行董事應出席股東大會，對股東的意見有公正的了解。本公司獨立非執行董事黃崇興博士、李雅茹女士及李群盛先生因為彼等各自之事務而未能出席本公司於二零一七年五月十二日舉行之股東週年大會。

董事之證券交易

於回顧年度，本集團已就董事就本公司證券進行證券交易採納一套操守守則，其條款不遜於創業板上市規則第5.48至5.67條所規定之買賣標準。經向所有董事作出特定查詢後，本公司並不知悉截至二零一六年十二月三十一日止年度內有任何不遵守董事進行證券交易之操守守則所規定標準之情況。

董事會及會議

董事會組成

董事會目前由三名執行董事袁偉先生、張建新女士及王為華先生以及三名獨立非執行董事李群盛先生、黃崇興博士及李雅茹女士組成。董事會負責本集團之整體管理，主要工作為訂出公司策略並且監督本集團之業務、重大事宜及日常營運。董事詳細履歷載於本年報第22頁至第25頁。

Corporate Governance Report

企業管治報告

Following the step down of Mr. Chen Hong from the office of Chairman and an Executive Director of the Company on 14 February 2014, the Company has not appointed chairman, and the roles and functions of the chairman have been performed by all the executive directors collectively. The Board provide the Group with strategic direction and ensure its effectiveness in a timely manner. Whereas Ms. Wang Hui, the chief executive officer of the Company, is responsible for the strategic planning of its various business units, and day-to-day management of its operation.

Currently the Board of Directors comprises three executive directors and the Code Provision A.2.1 of the Code is not complied. But the Board believes that the Company already has a strong corporate governance structure in place to ensure effective oversight of management. The Board will continually review the effectiveness of the Group's corporate governance structure to assess whether any changes are necessary.

Under Code Provision A.4.1 of the Code, non-executive directors should be appointed for a specific term, subject to re-election while all directors should be subject to retirement by rotation at least once every three years.

Currently the non-executive director and two independent non-executive directors are appointed for a specific term of service and one independent non-executive director is not appointed for a specific term of service. Since each of the independent non-executive directors is subject to rotation and re-election at the annual general meeting in accordance with the articles of association of the Company, as such, the Company considers that sufficient measures have been taken to serve the purpose of the Code Provision A.4.1 of the Code.

於陳宏先生於二零一四年二月十四日辭任本公司主席兼執行董事職務後，本公司並未委任主席，而主席之角色及職能由全體執行董事共同履行。董事會及時向本集團提供策略方向指引及確保其效率。而本公司行政總裁王慧女士則負責各業務單位之策略計劃及日常業務管理。

目前董事會包括三名執行董事且並無遵守守則之守則條文第A.2.1條。但董事會認為本公司已擁有堅實企業管治架構以確保能有效地監管管理層。董事會將繼續檢討本集團企業管治架構之有效性，評估是否需要改變。

根據守則之守則條文第A.4.1條，非執行董事須有特定任期及膺選連任，而所有董事至少須每三年輪值退任一次。

目前，非執行董事及兩名獨立非執行董事之委任有固定服務期限，以及一名獨立非執行董事之委任並無固定服務期限。由於按照本公司的組織章程細則，各獨立非執行董事須於股東週年大會上輪值退任及膺選連任，因此，本公司認為已採取足夠措施達致守則之守則條文第A.4.1條之目標。

Board and General Meetings

The Board meets regularly. During the year ended 31 December 2016, there were 36 board meetings and 1 general meeting held to discuss the overall strategy, the operation and financial performance of the Group, and to approve important matters such as the annual results, quarterly results, interim results and dividends, the Group's businesses and investments, etc. The attendance of each director at the board meetings and general meeting are set out as follows:

董事會會議及股東大會

董事會定期舉行會議。於截至二零一六年十二月三十一日止年度，本公司曾舉行36次董事會會議，1次股東大會以討論整體策略、本集團之營運及財務表現並批准如年度業績、季度業績、中期業績及股息、本集團之業務及投資等重要事項。及一次股東特別大會，更新本公司現有購股權計劃項下現有計劃授權上限至最多各董事出席董事會會議及股東大會之記錄載列如下：

		Attendance of Board Meeting 董事會會議出席記錄	Attendance of General Meeting 股東大會出席記錄
Executive Directors	執行董事		
Mr. Yuan Wei	袁偉先生	36/36	2/2
Mr. Yang Jilin	楊季霖先生	9/11	0/1
Ms. Zhang Jianxin	張建新女士	24/25	0/1
Mr. Wang Wei Hua	王為華先生	0/4	0/0
Non-Executive Director	非執行董事		
Mr. Li Xiangjun	李湘軍先生	3/10	0/1
Independent Non-Executive Directors	獨立非執行董事		
Dr. Huang Chung Hsing	黃崇興博士	2/36	0/2
Ms. Li Ya Ru Nancy	李雅茹女士	2/36	0/2
Mr. Li Qunsheng	李群盛先生	5/36	0/2

The company secretary is responsible to take and keep minutes of all board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection.

公司秘書負責記錄及保管所有董事會會議及轄下委員會會議之會議紀錄。會議紀錄之初稿通常在各會議後一段合理時間內發送董事傳閱，供董事表達意見，而最後定稿可供董事查閱。

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The executive directors and senior management meet regularly to review company business matters and escalate the matters to the board meeting for further discussion if necessary. The Board and the Directors can seek independent professional advice whenever necessary at the Company's expenses. Furthermore, they can have access to the company secretary who is responsible for ensuring that the Board procedures are duly complied with and advising the Board on corporate governance and compliance matters.

In accordance to the Board's current practice and Code Provision A.1.7 of the Code, any material transaction involving a conflict of interests for a substantial shareholder or a Director will be considered and dealt with by the Board by a duly convened Board meeting. It also requires the directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such directors or any of their associates have a material interest.

Independent Non-Executive Directors

In Compliance with Rules 5.05(1) and (2), and 5.05A of the GEM Listing Rules, the Company now has three independent non-executive directors representing half of the Board with one of them having appropriate professional qualifications or accounting or related financial management expertise. Currently it has complied with the relevant Rules. Two independent non-executive directors are appointed for a fixed term of service whereas one independent non-executive director is not appointed for a fixed term of service.

The Company has, through the nomination committee of the Board, reviewed the independence of, and received an appointment and annual confirmation of independence from, each of the independent non-executive directors, and considers all the independent non-executive directors independent in accordance with the guidelines set out in Rule 5.09 of the GEM Listing Rules.

執行董事及高級管理人員定期會面檢討本公司業務事宜以及在有需要時將有關事宜提呈至董事會會議作進一步討論。董事會及董事可於需要時尋求獨立專業建議，費用由本公司支付。此外，董事亦可與公司秘書接洽，而公司秘書乃負責確保充分遵循董事會的程序，並就企業管治及遵守規章事宜向董事會提供意見。

根據董事會目前慣例及守則之守則條文第A.1.7條，涉及主要股東或董事之利益衝突之任何重大交易將由董事會於正式召開之董事會會議上審議及處理。有關規定要求有關董事於批准彼等或其任何聯繫人士擁有重大權益之交易時放棄投票並不計入會議法定人數。

獨立非執行董事

為符合創業板上市規則第5.05(1)及(2)條以及第5.05A條的規定，本公司目前已委任三名獨立非執行董事，佔董事會人數的一半，其中一名具備適當的專業資格或具備會計或有關財務管理專長。本公司目前已遵守相關規則。兩名獨立非執行董事之委任有固定服務期限，而另一名獨立非執行董事之委任並無固定服務期限。

本公司已透過董事會提名委員會檢討各獨立非執行董事的獨立性，並收到各獨立非執行董事就其獨立性提供之約定及年度確認書，且根據創業板上市規則第5.09條所載的指引，認為所有獨立非執行董事均屬獨立人士。

Delegation to Board Committee and Management

The Board has the overall responsibility for business development, leadership, management and control of the Group and is responsible for promoting the success of the Group by directing, supervising and monitoring the Group's affairs. It has established three committees, namely the audit committee, remuneration committee and nomination committee. All of the committees have written terms of reference in accordance with the Code. More details of these committees are set out in separate sections of this report.

The Board delegates necessary powers and authorities to the executive directors and chief executive officer ("CEO") to facilitate the efficient day to day management of the Group's business. In addition, the Board delegates to the remuneration committee authorities to determine remuneration for executive directors and members of senior management.

Continuous Professional Development

All Directors should keep abreast of their collective responsibilities as Directors and of the business and activities of the Group. Directors receive regular updates and presentations on changes and developments to the Group's business and to environments in which the Group operates, as well as their responsibilities under the relevant statutes, laws, rules and regulations to ensure compliance and enhance their awareness of good corporate governance practices. Directors are also encouraged to attend relevant training courses at the Company's expenses.

董事會的權力轉授予轄下委員會及管理層

董事會全權負責業務發展、領導、管理及控制本集團並負責通過指導、監督及監察本集團事務以促使本集團邁向成功。董事會已成立三個委員會，即審核委員會、薪酬委員會及提名委員會。所有委員會均已根據守則訂有書面職權範圍。該等委員會的進一步詳情載於本報告個別有關章節。

董事會將必要的權力及職權轉授予執行董事及行政總裁（「行政總裁」），以便有效率地管理本集團的日常業務。此外，董事會授權薪酬委員會釐定執行董事及高級管理人員的薪酬。

持續專業發展

所有董事均須了解其擔任董事之集體職責及本集團之業務及活動。董事定期收到有關本集團業務及本集團營運環境的變動及發展最新情況及簡介、以及彼等於相關法規、法律、規則及規管項下之責任，以確保合規及增強董事對良好企業管治常規的意識。本公司亦鼓勵董事參加相關培訓課程，費用由本公司支付。

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During the year ended 31 December 2016, the Directors participated in the continuous professional developments in relation to regulatory updates, the duties and responsibilities of the Directors and the business of the Group in the following manner:

截至二零一六年十二月三十一日止年度，董事透過以下方式參與有關監管事宜之最新訊息、董事之職務與職責及本集團業務之持續專業發展活動：

		Training received (Yes/No) 接受培訓(是/否)
Executive Directors		
Mr. Yuan Wei	執行董事 袁偉先生	Yes 是
Ms. Zhang Jianxin	張建新女士	Yes 是
Mr. Wang Weihua	王為華先生	Yes 是
Independent Non-Executive Directors		
Dr. Huang Chung Hsing	獨立非執行董事 黃崇興博士	Yes 是
Ms. Li Ya Ru Nancy	李雅茹女士	Yes 是
Mr. Li Qunsheng	李群盛先生	Yes 是

Training received included:

接受培訓包括：

A attending internal/external briefing/seminar session in relation to corporate governance; or

A 參加有關企業管治的內部／外部簡報會／研討會；或

B reading materials in relation to regulatory update

B 閱讀有關規定更新的材料

BOARD COMMITTEES

董事委員會

Audit Committee

審核委員會

The Company has established an audit committee on 26 November 2001 with written terms of reference for the purpose of reviewing and supervising the Company's financial reporting and internal control procedures in compliance with the GEM Listing Rules. The committee currently comprises three independent non-executive directors, namely Mr. Li Qunsheng (the chairman of the committee), Dr. Huang Chung Hsing and Ms. Li Ya Ru Nancy.

本公司已遵守創業板上市規則於二零零一年十一月二十六日成立審核委員會，並制訂書面職權範圍，負責檢討及監督本公司之財務申報及內部監控程序。委員會現由三名獨立非執行董事李群盛先生(為委員會主席)、黃崇興博士及李雅茹女士組成。

The primary duties of the audit committee are to review and to provide supervision over the financial reporting process, risk management and internal control system of the Group, to review the audit plan, audit findings and independence of the auditors of the Company, to review the Group's financial information and financial statements, annual reports, interim reports and quarterly reports, and to provide advice and recommendation thereon to the Board.

The Board also delegated certain corporate governance functions to the audit committee, including the review and monitoring of (a) the Group's policies and practices on corporate governance and make recommendations to the Board; (b) the training and continuous professional development of Directors and senior management; (c) the Group's policies and practices on compliance with legal and regulatory requirements; (d) the code of conduct of the Group applicable to employees and Directors; and (e) the Group's compliance with the Code and disclosure in the Corporate Governance Report.

During the year ended 31 December 2016, the audit committee held 5 meetings to approve the nature and scope of the statutory audits, and review the annual, interim, quarterly consolidated financial statements of the Group, and details of the attendance of each member of the committee are set out as follows:

審核委員會之主要職責為檢討及監督本集團之財務申報程序、風險管理及內部監控系統、檢討核數計劃、核數發現事項及本公司核數師的獨立性、審閱本集團財務資料以及財務報表、年報、中期報告以及季度報告並就此向董事會提供意見及建議。

董事會亦將若干企業管治職能委派予審核委員會，包括檢討及監督(a)本集團之企業管治政策及慣例，並向董事會提供推薦意見；(b)董事及高級管理人員的培訓及持續專業發展；(c)本集團在遵守法律及監管規定方面的政策及常規；(d)本集團僱員及董事的操守準則；及(e)本集團遵守守則的情況及在企業管治報告內的披露。

截至二零一六年十二月三十一日止年度，審核委員會曾舉行5次會議，以批准法定審核之性質及範圍並審閱本集團之年度、中期、季度綜合財務報表，審核委員會各成員之出席記錄詳情載列如下：

Committee Members

審核委員會成員

Attendance

出席記錄

Dr. Huang Chung Hsing	黃崇興博士	6/6
Ms. Li Ya Ru Nancy	李雅茹女士	6/6
Mr. Li Qunsheng	李群盛先生	3/6

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The minutes of the audit committee meetings are kept by the company secretary. The draft and final versions of the minutes are circulated to all committee members for their comments and records within a reasonable time after each meeting.

The Board has not taken any different view from that of the audit committee regarding the selection, appointment, resignation or dismissal of the external auditor.

The Company's annual audited results for the year ended 31 December 2016 have been reviewed by the audit committee.

REMUNERATION COMMITTEE

The remuneration committee was established on 23 March 2005 with major functions of (i) making recommendations to the Board on the Company's policies and structure for the remuneration of Directors and senior management of the Group; (ii) determining the remuneration packages of all Directors and senior management of the Group; and (iii) reviewing and approving the performance-based remuneration. The remuneration committee's terms of reference are generally aligned with the requirement of Code Provision B.1.2.

The remuneration committee of the Company is currently chaired by Mr. Yuan Wei. Other members include Mr. Li Qunsheng and Ms. Li Ya Ru Nancy. The majority of the members of the remuneration committee are independent non-executive directors.

During the year ended 31 December 2016, one meetings of the remuneration committee was held. All of the members of the remuneration committee, at the time being, attended the meeting. The Company's policy for the remuneration of Directors and senior management was discussed in the meeting and no changes on the policy were recommended by the remuneration committee.

審核委員會之會議記錄由公司秘書保管。會議紀錄之初稿及最後定稿應在會議後一段合理時間內發送予委員會全體成員，初稿供成員表達意見，最後定稿作其紀錄之用。

董事會並無就挑選、委任、辭退或解聘外聘核數師與審核委員會出現任何不一致意見。

審核委員會已審閱本公司截至二零一六年十二月三十一日止年度之年度審核業績。

薪酬委員會

薪酬委員會於二零零五年三月二十三日成立，其主要職能為(i)就本公司關於本集團董事及高級管理層之薪酬政策及架構向董事會提供建議；(ii)釐定本集團全體董事及高級管理層之薪酬待遇；及(iii)審議並批准績效獎金。薪酬委員會之職權範圍整體符合守則條文第B.1.2條之規定。

袁偉先生目前為本公司薪酬委員會主席。其他成員包括李群盛先生及李雅茹女士。薪酬委員會之大多數成員為獨立非執行董事。

截至二零一六年十二月三十一日止年度，薪酬委員會曾舉行一次會議，並得到當時全體薪酬委員會成員出席，會上曾討論本公司對董事及高級管理層薪酬之政策，而薪酬委員會並無建議更改相關政策。

NOMINATION COMMITTEE

The Company has established the nomination committee on 23 March 2012 with major functions of (i) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; (ii) to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; and (iii) to make recommendations to the Board on the appointment or re- appointment of directors and succession planning for directors, in particular the chairman of the Board and the CEO.

The nomination committee of the Company is currently chaired by Mr. Yuan Wei. Other members include Mr. Li Qunsheng and Dr. Huang Chung Hsing. The majority of the members of the nomination committee are independent non-executive directors.

During the year ended 31 December 2016, one meetings of the nomination committee was held. Majority of the members of the nomination committee, at the time being, attended the meeting to perform the aforesaid functions.

AUDITOR'S REMUNERATION

The remuneration of the audit service provided by the auditor of the Group to the Group for the year ended 31 December 2016 was mutually agreed in view of the scope of services, amounting to HK\$600,000.

提名委員會

本公司於二零一二年三月二十三日成立提名委員會，其主要職能為(i)至少每年一次檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；(ii)物色具備合適資格可擔任董事會成員的人士，並就提名出任董事的人士作出挑選或向董事會提供意見；及(iii)就董事委任或重新委任以及董事(尤其是董事會主席及行政總裁)繼任計劃向董事會提出建議。

袁偉先生目前為本公司提名委員會主席。其他成員包括李群盛先生以及黃崇興博士。提名委員會之大多數成員為獨立非執行董事。

截至二零一六年十二月三十一日止年度，提名委員會曾舉行一次會議，並得到當時大部份提名委員會成員出席，以履行上述職能。

核數師酬金

截至二零一六年十二月三十一日止年度，本集團核數師向本集團提供核數服務的薪酬乃基於服務範疇而相互協定，總額為600,000港元。

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INTERNAL CONTROL

The Board has overall responsibilities for the establishment and maintenance of an adequate and effective internal control system to safeguard the Group' assets against unauthorized use or disposition, and to protect the interests of shareholders of the Company (collectively "internal controls").

During the year ended 31 December 2016, the Company has conducted a review, which covered the major control procedures in areas of financial and operations of the Company on the internal control system of the Group and was satisfied with the effectiveness of the Group's internal control procedures.

BUSINESS ETHICS AND PROFESSIONAL CODE OF CONDUCTS

The Group puts high standards on business ethics and professional conducts expected of all employees. Employees are briefed regularly on the code of ethics and on the conducts of keeping confidentiality of the information of business partners and the Group. Briefings on the code of ethics and on the conducts are held for new employees during orientation sessions.

The Group also adopts good employment standards of non-discrimination policy and fair compensation scheme.

FINANCIAL STATEMENTS

The responsibilities of the Directors for preparing the financial statements and the auditor's reporting responsibilities on the financial statements are set out in the auditor's report contained in this annual report.

內部監控

董事會對建立及維持充分及有效的內部監控系統負全部責任，以確保本集團資產不會在未經授權下使用及耗損，並保護本公司股東的利益(統稱為「內部監控」)。

截至二零一六年十二月三十一日止年度，本公司已對本集團的內部監控系統進行檢討，包括本公司財務及營運方面之主要監控程序，並信納本集團之內部監控程序誠屬有效。

業務操守及專業行為守則

本集團注重其全體僱員的商業操守及專業行為。僱員定期獲得指導，遵守操守守則及對業務夥伴及本集團之資料保密。本集團於迎新階段定期為新聘任的僱員安排有關操守守則及行為守則的簡介會。

本集團亦採納不歧視政策及公平薪酬計劃之良好僱用標準。

財務報表

董事編製財務報表之職責及核數師就財務報表發表報告之責任，已載於本年報內之核數師報告。

SHAREHOLDERS' RIGHTS

Convening an extraordinary general meeting

Pursuant to Articles 58 of the Articles of Association, an extraordinary general meeting ("EGM") may be convened by the Board on a written requisition of any one or more shareholders of the Company holding not less than 10% of the paid up capital of the Company carrying the right of voting at general meeting of the Company. The EGM shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene the EGM, the requisitionist(s) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) of the Company.

Enquiries put to the Board

Shareholders may send written enquiries or requests in respect of their rights to the principal place of business of the Company in Hong Kong for the attention of the company secretary.

Procedures for putting forward proposals at shareholders' meeting

There is no provision for shareholders to propose resolutions at a general meeting under the Cayman Islands Companies Law. However, shareholders can follow the above procedure and request to convene an EGM.

Procedures for nominating a new director

- (i) If a shareholder wish to propose a person (the "Candidate") for election as a director of the Company at a general meeting, he/she shall deposit a notice at the Company's head office at Unit 2610, 26th Floor, Office Tower, Convention Plaza, No. 1 Harbour Road, Wanchai, Hong Kong (Attention to the Board of Directors and the company secretary) or the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong;

股東權利

召開股東特別大會

根據組織章程細則第58條，可由董事會應持有賦有於本公司股東大會上投票權之本公司繳足股本不少於十分之一的任何一位或以上股東的書面要求召開股東特別大會（「股東特別大會」）。股東特別大會應於遞呈該要求後兩個月內舉行。倘遞呈後21日內董事會未有召開股東特別大會，則遞呈要求人士可自行以同樣方式召開股東特別大會，而遞呈要求人士因董事會未有召開股東特別大會而合理產生的所有開支應由本公司向遞呈要求人士作出償付。

向董事會提出查詢

股東可將有關彼等權利的書面查詢或要求發送至本公司香港主要營業地點，收件人為公司秘書。

於股東大會上提出建議的程序

開曼群島公司法並無股東於股東大會上提呈決議案的條文。然而，股東可遵循以上程序及要求召開股東特別大會。

提名新董事的程序

- (i) 倘股東有意於股東大會提名某人士（「候選人」）參選本公司董事，該股東須向本公司總辦事處（地址為香港灣仔港灣道1號會展廣場辦公大樓26樓2610室，收件人為董事會及公司秘書）或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）發出通告：

Corporate Governance Report

企業管治報告

- (ii) The notice must (i) include the personal information of the Candidate as required by Rule 17.50 (2) of the GEM Listing Rules; and (ii) be signed by the shareholder concerned and signed also by the Candidate indicating his/her willingness to be elected and consent of publication of his/her personal information;
 - (iii) Where the notice is submitted after the despatch of the notice of the general meeting appointed for such election, the period for lodgment of the notice shall commence on the day after the despatch of the notice of the general meeting and no later than seven days prior to the date of such general meeting. In any case, the minimum length of the period during which any notice to be given shall be at least seven days;
 - (iv) In order to allow the shareholders sufficient time to receive and consider the proposal of election of the Candidate as a director of the Company, shareholders are encouraged to submit and lodge the notice as early as practicable.
- (ii) 通告必須(i)按創業板上市規則第17.50(2)條的規定附有候選人的個人資料；及(ii)必須由相關股東簽署，以及由候選人簽署，表明其參選意願及同意公開其個人資料；
 - (iii) 倘通告是於寄發有關該選舉的股東大會通告後才呈交，則呈交通告的期間由寄發股東大會通告翌日起計至不遲於該股東大會舉行日期前七日。於任何情況下，任何通告須於最少七日的期間發出；
 - (iv) 為讓股東有足夠時間收取及考慮候選人參選本公司董事的建議，本公司鼓勵股東儘早提交及呈交通知。

Articles of Association

There was no change to the Articles of Association to the Company during the year ended 31 December 2016.

INVESTOR RELATIONS

The Company establishes different communication channels with investors to update the latest business development and financial performance including the publication of quarterly, interim and annual reports, the publish and posting of notices, announcements and circulars on the GEM website and the Company's website in a timely manner in order to maintain a high level of transparency, and to ensure there is no selective disclosure of inside information.

組織章程細則

截至二零一六年十二月三十一日止年度，本公司之組織章程細則並沒有任何改動。

投資者關係

本公司與投資者建立不同的通訊途徑，以更新最新業務發展及財務表現，包括及時於創業板網站及本公司網站刊發季度、中期及年度報告、刊發及發佈通告、公告及通函，以維持高度透明，且確保概無選擇性披露內部資料。

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.

SECTION A: ENVIRONMENTAL

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.

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.

Electricity and Water Saving

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

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.

Besides, envelopes and files are also reused by our employees.

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。

第A節：環境

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。

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。

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。

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。

此外，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 adopt paperless working environment to reduce unnecessary wastage.

SECTION B: SOCIAL

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.

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.

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，我們在打造無紙化工作環境，減少不必要的浪費。

第B節：社會

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。

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。

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

The Government 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

政府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.

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.

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.

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.

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。

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。

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。

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 Auditor's Report

獨立核數師報告

To the shareholders of
China E-Learning Group Limited
(Incorporated in the Cayman Islands with limited liability)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of China E-Learning Group Limited and its subsidiaries ("the Group") set out on pages 63 to 161, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 Hong Kong Companies Ordinance.

Basis for Opinion

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

致
中國網絡教育集團有限公司股東
(於開曼群島註冊成立的有限公司)

審計綜合財務報表報告

意見

本核數師已審計中國網絡教育集團有限公司及其附屬公司(「貴集團」)列載於第63至161頁的綜合財務報表,包括於二零一六年十二月三十一日的綜合財務狀況表,以及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

本核數師認為,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」)頒佈的香港財務報告準則真實而中肯地反映 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其綜合現金流量,並已遵照香港公司條例妥為擬備。

意見基準

本核數師已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。本核數師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佈的專業會計師道德守則(「守則」),本核數師獨立於 貴集團,並已履行守則中的其他專業道德責任。本核數師相信,本核數師所獲得的審計憑證能充足和適當地為本核數師的審計意見提供基礎。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters

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

關鍵審計事項

關鍵審計事項是根據本核數師的專業判斷，認為對本期間綜合財務報表的審計最為重要的事項。該等事項是在本核數師審計整體綜合財務報表及出具意見時進行處理的。本核數師不會對該等事項提供單獨意見。

No. Key Audit Matter

編號 關鍵審計事項

How our audit addressed the Key Audit Matter

本核數師的審計如何處理關鍵審計事項

1 Impairment assessment on other receivables

其他應收賬款減值評估

We have identified impairment assessment on other receivables as a key audit matter because of its significance to the consolidated financial statements and the policy for making such impairment involves significant degree of management judgment.

In determining whether impairment on other receivables is required, the Company takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive of which discounted by using the original effective interest rate and its carrying value. For the year ended 31 December 2016, the Group recognized an impairment loss of approximately HK\$61,000,000 on other receivables.

本核數師已將其他應收賬款減值評估識別為一項關鍵審計事項，因其對綜合財務報表屬重大，且作出該等減值的政策涉及重大管理層判斷。

於釐定是否對其他應收款項減值時，貴公司計及現時信譽、過往收款歷史、賬齡狀況及收回的可能性。特別撥備僅對不可能收回應收款項作出，確認通過採用原實際利率折讓預計收取的估計未來現金流與其賬面值間的差額。截至二零一六年十二月三十一日止年度，貴集團確認其他應收款項減值虧損約61,000,000港元。

Our procedures were designed as follows:

- Review management's assessment process;
- Inquire and understand management's basis for recognizing such impairment loss;
- Assess the reasonableness of such judgement by taking into account the ageing of receivables at year end and cash received after year end, as well as the recent creditworthiness of each debtor.

We found the judgements and estimates made by management in assessing the recoverable amount of other receivables to be reasonable based on the evidence obtained.

本核數師的程序設計如下：

- 審閱管理層的評估過程；
- 查詢及了解管理層確認該等減值虧損的基準；
- 通過計及年結日應收賬款賬齡及年結日後的已收現金以及每名債務人的近期信譽，評估該等判斷的合理性。

本核數師發現管理層評估其他應收款項的可收回金額時作出的判斷及估計基於獲取的證明屬合理。

Key Audit Matters (Continued)

關鍵審計事項(續)

No. Key Audit Matter

編號 關鍵審計事項

How our audit addressed the Key Audit Matter

本核數師的審計如何處理關鍵審計事項

2 Share options

購股權

We have identified the measurement of the share options as key audit matter because the measurement of such share options involves significant management judgement on the appropriateness of the assumptions and bases.

本核數師已將購股權計量識別為一項關鍵審計事項，因該等購股權計量涉及對假設及基礎的適當性之重大管理層判斷。

Our procedures were designed as follows:

- understand and challenge the underlying assumptions and bases;
- seek professional advice on the use of assumptions and bases;
- evaluate professional's competence and objectivity.

We found the judgements and estimates made by management in assessing the carrying amount of share options to be reasonable based on the evidence obtained.

本核數師的程序設計如下：

- 了解及檢視基本假設及基礎；
- 就使用假設及基礎尋求專業意見；
- 評估專業人士的能力及客觀性。

本核數師發現管理層評估購股權賬面值時所作判斷及估計基於獲取的證明屬合理。

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

關鍵審計事項(續)

No. Key Audit Matter

編號 關鍵審計事項

How our audit addressed the Key Audit Matter

本核數師的審計如何處理關鍵審計事項

3 Administrative expenses of prior year

去年的行政開支

There are certain material amounts of administrative expenses for the year ended 31 December 2015 to be determined whether they are relevant to the business activities conducted by the Group for the year ended 31 December 2015. We have identified it as a key audit matter because this is relevant and material to the opening balance of the accumulated losses.

截至二零一五年十二月三十一日止年度行政開支若干重大數額獎予釐定是否與 貴集團截至二零一五年十二月三十一日止年度進行的業務活動相關。本核數師識別為一項關鍵審計事項，因其與累計虧損期初結餘相關及屬重大。

Our procedures were designed as follows:

- Inquire management of the expense nature;
- Inspect the underlying supporting documents;
- Challenge management for the cause of incurring such expenditure.

We found the opening balance of the accumulated losses have been fairly stated based on the evidence obtained.

本核數師的程序設計如下：

- 向管理層查詢開支性質；
- 檢查相關證明文件；
- 向管理層檢視構成該等支出的原因。

本核數師發現累計虧損期初結餘基於獲取的證明公平列賬。

Key Audit Matters (Continued)

關鍵審計事項(續)

No. Key Audit Matter

編號 關鍵審計事項

How our audit addressed the Key Audit Matter

本核數師的審計如何處理關鍵審計事項

4 Investment in marketable securities

投資有價證券

We were unable to access to any relevant documentation on the proper authorization procedures related to the management control mechanism on the Group's investment in marketable securities during the audit for the year ended 31 December 2015. As a result, we have identified the measurement of the opening balance of investment in marketable as a key audit matter.

截至二零一五年十二月三十一日止年度審核期間，本核數師按對 貴集團投資有價證券管理控制機制相關的妥為授權程序取得任何相關文件。因此，本核數師已將投資有價證券期初結餘計量識別為一項關鍵審計事項。

Our procedures were designed as follows:

- Inquire and understand management control mechanism on investment in marketable securities
- Obtain and inspect relevant documentation involved in the management control mechanism;
- Determine the opening balance of the investment in marketable securities by taking into account of bank statements and other relevant documents and worksheets.

We found the opening balance of the investment in marketable securities have been fairly stated based on the evidence obtained

本核數師的程序設計如下：

- 查詢及了解對投資有價證券的管理控制機制；
- 取得及檢查涉及管理控制機制的有關文件；
- 通過計及銀行賬單及其他有關文件及工作表釐定投資有價證券的期初結餘基於獲取的證明公平列賬。

本核數師發現投資有價證券期初結餘已

Independent Auditor's Report

獨立核數師報告

Key Audit Matters (Continued)

關鍵審計事項(續)

No. Key Audit Matter

編號 關鍵審計事項

How our audit addressed the Key Audit Matter

本核數師的審計如何處理關鍵審計事項

5 Property, plant and equipment

物業、廠房及設備

We have identified property, plant and equipment as a key audit matter because certain supporting documentation for the movement for the year ended 31 December 2015 have not been obtained during the audit for the year ended 31 December 2015 and thus affect the opening balance of property, plant and equipment.

本核數師已將物業、廠房及設備識別為一項關鍵審計事項，因截至二零一五年十二月三十一日止年度之變動的若干證明文件於截至二零一五年十二月三十一日止年度審核期間尚未取得，因而影響物業、廠房及設備的期初結餘。

Our procedures were designed as follows:

- Obtain understanding of why such documents were not provided during the last audit;
- Obtain and inspect the underlying supporting documents;
- Obtain calculation worksheet and recalculate depreciation.

We found the opening balance of property plant and equipment have been fairly stated based on the evidence obtained

本核數師的程序設計如下：

- 了解過去審計並無提供該等文件的原因；
- 取得及檢查相關證明文件；
- 取得計算工作表及重新計算折舊。

本核數師發現物業、廠房及設備期初結餘基於獲取的證明公平列賬。

Other Information

The directors of the Company are responsible for the Other Information. The Other Information comprises all the information in the Group's 2016 annual report (other than the consolidated financial statements and our auditor's 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 Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

貴公司董事須對其他資料負責。其他資料包括 貴集團二零一六年年報內的所有資料(但不包括綜合財務報表及本核數師的核數師報告)(「其他資料」)。

本核數師對綜合財務報表的意見並不涵蓋其他資料，本核數師亦不對該等其他資料發表任何形式的鑒證結論。

結合本核數師對綜合財務報表的審計，本核數師的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或本核數師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。基於本核數師已執行的工作，倘本核數師認為其他資料存在重大錯誤陳述，本核數師需要報告該事實。就此方面，本核數師並無任何報告。

董事及管理層就綜合財務報表須承擔的責任

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

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。

管理層須負責監督 貴集團的財務報告過程。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional 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.

核數師就審計綜合財務報表承擔的責任

本核數師的目標，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，並出具包括本核數師意見的核數師報告。本核數師根據香港公司條例第405條僅向閣下(作為整體)報告，除此之外本報告別無其他目的。本核數師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滙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，本核數師運用專業判斷，保持專業懷疑態度。本核數師亦：

- 識別及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，以及獲取充足及適當的審計憑證，作為本核數師意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，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監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

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

We communicate with those charged with governance 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.

核數師就審計綜合財務報表承擔的責任(續)

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘本核數師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，則本核數師應當發表非無保留意見。本核數師的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體呈報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。本核數師負責 貴集團審計的方向、監督和執行。本核數師為審計意見承擔全部責任。

除其他事項外，本核數師與管理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括本核數師在審計中識別出內部監控的任何重大缺陷。

Independent Auditor's Report

獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements *(Continued)*

We also provide those charged with governance 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.

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

The engagement partner on the audit resulting in this independent auditor's report is Seto Man Fai.

McMillan Woods SG CPA Limited
Certified Public Accountants

SETO MAN FAI
Practising Certificate Number: P05229

Hong Kong
30 March 2017

核數師就審計綜合財務報表承擔的責任(續)

本核數師亦向管理層提交聲明，說明本核數師已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響本核數師獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與管理層溝通的事項中，本核數師確定哪些事項對財務報表的審計最為重要，因而構成關鍵審計事項。本核數師在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在本核數師報告中溝通某事項造成的負面後果超過產生的公眾利益，本核數師決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是司徒文輝。

長青暉勝會計師事務所有限公司
執業會計師

司徒文輝
執業證書編號：P05229

香港
二零一七年三月三十日

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
Revenue	收益	7	46,277	45,701
Cost of goods sold and services provided	銷售貨品及提供服務之成本		(26,540)	(28,088)
Gross profit	毛利		19,737	17,613
Other income	其他收益	8	138	310
Administrative expenses	行政開支		(42,955)	(28,773)
Impairment losses on other receivables	其他應收賬款減值虧損		(60,887)	–
Equity-settled share-based payment	以股權結算之以股支付款項		(34,575)	(16,537)
Other expenses	其他開支	9	(21,740)	(5,170)
Finance costs, net	融資成本淨額	10	(569)	(630)
Loss before tax	除稅前虧損	11	(140,851)	(33,187)
Income tax	所得稅	13	–	–
Loss for the year	本年度虧損	11	(140,851)	(33,187)
Loss for the year attributable to:	以下人士應佔本年度虧損：			
Owners of the Company	本公司持有人		(149,736)	(41,875)
Non-controlling interests	非控股權益		8,885	8,688
			(140,851)	(33,187)
Loss per share	每股虧損	15		
– Basic	– 基本		(4.96 cents 仙)	(1.36 cents 仙)
– Diluted	– 攤薄		N/A 不適用	N/A 不適用

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
Loss for the year	本年度虧損	(140,851)	(33,187)
Other comprehensive expense	其他全面開支		
<i>Items that may be reclassified subsequently to profit or loss:</i> 其後可重新分類至損益的項目：			
Exchange differences on translating foreign operations	換算境外業務產生之匯兌差額		
Exchange difference arising during the year	年內產生之匯兌差額	311	(2,555)
Reclassification adjustments relating to foreign operations disposed during the year	與年內出售境外業務有關的重新分類調整	-	-
Other comprehensive expense, net of income tax	其他全面開支(扣除所得稅)	311	(2,555)
Total comprehensive expense for the year	本年度全面開支總額	(140,540)	(35,742)
Total comprehensive (expense) income for the year attributable to:	以下人士應佔本年度全面(開支)收益總額：		
Owners of the Company	本公司持有人	(149,425)	(44,430)
Non-controlling interests	非控股權益	8,885	8,688
		(140,540)	(35,742)

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

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Assets and liabilities	資產及負債			
Non-current assets	非流動資產			
Goodwill	商譽	16	–	–
Property, plant and equipment	物業、廠房及設備	17	1,401	5,500
Investment in an associate	投資聯營公司	18	50,000	–
			51,401	5,500
Current assets	流動資產			
Inventories	存貨	19	–	37
Other receivables	其他應收賬款	20	85,050	149,603
Financial assets at fair value through profit or loss	透過損益按公平值列賬之金融資產	21	7,952	7,990
Cash and cash equivalents	現金及現金等值項目	22	51,128	64,061
			144,130	221,691
Total assets	資產總值		195,531	227,191
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付賬款	23	32,560	49,483
Convertible notes	可換股票據	27	9,396	–
			41,956	49,483
Total liabilities	負債總額		41,956	49,483
Net current assets	流動資產淨額		102,174	172,208
Total assets less current liabilities	資產總值減流動負債		153,575	177,708
Net assets	資產淨額		153,575	177,708

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

		Notes	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
		附註		
Capital and reserves	股本及儲備			
Share capital	股本	25	330,498	294,510
Reserves	儲備		(183,219)	(123,387)
Non-controlling interests	非控股權益		6,296	6,585
Total equity	總權益		153,575	177,708

The consolidated financial statement on pages 63 to 161 were approved and authorised for issue by the Board of Directors on 30 March 2017 and are signed on it behalf by:

第63頁至第161頁的綜合財務報表於二零一七年三月三十日獲董事會批准及授權刊發，並由下列董事代表簽署：

Yuan Wei

袁偉

Director

董事

Zhang Jianxin

張建新

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

		Share capital	Share premium	Share-based payment reserve	Exchange fluctuation reserve	Convertible notes equity reserve	PRC staff award fund reserve	Accumulated losses	Total	Non controlling interests	Total equity
		股本	股份溢價	以股支付儲備	匯率波動儲備	可換股權益儲備	中國員工獎勵基金儲備	累計虧損	合計	非控股權益	權益合計
		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
1 January 2015	於二零一五年一月一日	321,427	310,567	14,420	10,896	6,144	4,442	(361,353)	306,543	6,344	312,887
(Loss) profit for the year	本年度(虧損)溢利	-	-	-	-	-	-	(41,875)	(41,875)	8,688	(33,187)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	(2,555)	-	-	-	(2,555)	-	(2,555)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	(2,555)	-	-	(41,875)	(44,430)	8,688	(35,742)
Dividends paid to non-controlling interest	向非控股權益支付之股息	-	-	-	-	-	-	-	-	(8,447)	(8,447)
Issue of employee share option	發行僱員購股權	-	-	16,537	-	-	-	-	16,537	-	16,537
Issue of shares by exercised of share option	因購股權行使而發行股份	1,200	1,229	(413)	-	-	-	-	2,016	-	2,016
Redemption of convertible notes	贖回可換股票據	-	-	-	-	(6,144)	-	6,144	-	-	-
Transfer to PRC staff award fund reserve	轉至中國員工獎勵基金儲備	-	-	-	-	-	2,116	-	2,116	-	2,116
Share repurchased	股份回購	(28,117)	(83,542)	-	-	-	-	-	(111,659)	-	(111,659)
At 31 December 2015	於二零一五年十二月三十一日	294,510	228,254	30,544	8,341	-	6,558	(397,084)	171,123	6,585	177,708
(Loss) profit for the year	本年度(虧損)溢利	-	-	-	-	-	-	(149,736)	(149,736)	8,885	(140,851)
Other comprehensive income for the year	本年度其他全面收益	-	-	-	311	-	-	-	311	-	311
Total comprehensive income (expense) for the year	本年度全面收益(開支)總額	-	-	-	311	-	-	(149,736)	(149,425)	8,885	(140,540)
Dividends paid to non-controlling interest	向非控股權益支付之股息	-	-	-	-	-	-	-	-	(9,174)	(9,174)
Issue of convertible notes	發行可換股票據	-	-	-	-	1,174	-	-	1,174	-	1,174
Issue of employee share option	發行僱員購股權	-	-	34,575	-	-	-	-	34,575	-	34,575
Issue of shares by exercised of share option	因購股權行使而發行股份	16,940	38,541	(8,049)	-	-	-	-	47,432	-	47,432
Transfer to PRC staff award fund reserve	轉至中國員工獎勵基金儲備	-	-	-	-	-	2,400	-	2,400	-	2,400
Issue of new shares	發行新股份	19,048	20,952	-	-	-	-	-	40,000	-	40,000
At 31 December 2016	於二零一六年十二月三十一日	330,498	287,747	57,070	8,652	1,174	8,958	(546,820)	147,279	6,296	153,575

Consolidated Statement of Cash Flow

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
	Notes 附註		
Cash flow from operating activities	經營業務產生之現金流量		
Loss before tax	除稅前虧損	(140,851)	(33,187)
Adjustments for:	以下各項之調整：		
Finance cost, net	融資成本淨額	569	630
Depreciation	折舊	1,289	1,643
Interest income	利息收入	(53)	(74)
Equity-settled share-based payments	以股權結算之以股支付款項	34,575	16,537
Net realised losses on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之變現虧損淨值	10,203	4,122
Net unrealised losses	未變現虧損淨值	8,149	802
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	3,388	-
Dividend income	股息收入	-	(216)
PRC staff award fund	中國員工獎勵基金	2,400	2,116
Impairment loss on other receivables	其他應收賬款減值虧損	60,887	-
Operating cash flows before movements in working capital	營運資金變動前經營業務之現金流量	(19,444)	(7,627)
Decrease/(increase) in inventories	存貨減少/(增加)	37	(13)
Decrease/(increase) in other receivables	其他應收賬款減少/(增加)	3,666	(31,741)
Decrease in trade and other payables	貿易及其他應付賬款減少	(26,923)	(5,148)
Cash used in operations	經營業務所用現金	(42,664)	(44,529)
Overseas taxes paid	已付海外稅項	-	-
Net cash used in operating activities	經營業務現金淨額	(42,664)	(44,529)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
	Notes 附註		
Cash flow from investing activities	投資活動產生之現金流量		
Payment of property, plant and equipment	就物業、廠房及設備支付之款項	(790)	(93)
Proceed from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	200	-
Purchases of financial assets at fair value through profit or loss	購買透過損益按公平值計量之金融資產	(26,448)	(34,726)
Proceed from financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之所得款項	8,134	21,812
Dividend income from financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之股息收入	-	216
Interest received	已收利息	53	74
Dividends paid to non-controlling interest of a subsidiary	向一間附屬公司之非控股權益支付之股息	(9,174)	(8,447)
Deposit refund of establishment of a new subsidiary in PRC	於中國成立一間新附屬公司之按金退款	-	54,500
Net cash (used in) generated from investing activities	投資活動(所用)所得現金淨額	(28,025)	33,336
Cash flow from financing activities	融資活動所得現金流量		
Share repurchased	股份回購	-	(111,113)
Share repurchased expenses paid	已付股份回購開支	-	(546)
Issue of convertible notes	發行可換股票據	10,000	-
Exercised of share option	行使購股權	47,432	2,016
Net cash generated from (used in) financing activities	融資活動所得(所用)現金淨額	57,432	(109,643)
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(13,257)	(120,836)
Cash and cash equivalents at the beginning of the year	年初之現金及現金等值項目	64,061	187,412
Effect of foreign exchange rate changes	匯率變動之影響	324	(2,515)
Cash and cash equivalents at the end of the year	年終之現金及現金等值項目	51,128	64,061
	22		

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

China E-Learning Group Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Revised) of the Cayman Islands on 10 July 2001. The shares of the Company are listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The addresses of the registered office and principal place of business of the Company are disclosed in the section of “Corporate Information” in the annual report.

The consolidated financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 37 to the consolidated financial statements.

1. 一般資料

中國網絡教育集團有限公司(「本公司」)為於二零零一年七月十日在開曼群島根據開曼群島公司法(經修訂)註冊成立之受豁免有限公司。本公司股份在香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。

本公司註冊辦事處及主要營業地點之地址於年報「公司資料」一節披露。

綜合財務報表以港元列值。除另有指明者外，所有數值均四捨五入至最接近之千位數。

本公司為一間投資控股公司。本公司主要附屬公司的主要業務載於綜合財務報表附註37。

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

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time in the current year.

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10	Investment Entities: Applying the Consolidation
HKFRS 12 and HKAS 28	Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

The application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度，本集團首次應用以下由香港會計師公會頒佈之新訂及經修訂香港財務報告準則。

香港財務報告準則第11號之修訂本	收購於共同營運權益之會計處理
香港會計準則第1號之修訂本	披露計劃
香港會計準則第16號及香港會計準則第38號之修訂本	折舊及攤銷可接受方法之澄清
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
香港財務報告準則第10號、	投資實體：應用綜合入賬之例外情況
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	
香港財務報告準則之修訂本	二零一二年至二零一四年週期香港財務報告準則之年度改進

於本年度應用新訂及經修訂香港財務報告準則並無對本集團本年度及過往年度之財務表現及狀況及／或該等綜合財務報表所載披露造成重大影響。

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. ISSUED BUT NOT YET EFFECTIVE HKFRSs

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

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

3. 已頒佈惟尚未生效之香港財務報告準則

本集團並無提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

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15號	來自客戶合約的收益及相關修訂本 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號之修訂本	以股支付交易的分類及計量 ¹
香港財務報告準則第4號之修訂本	在香港財務報告準則第4號保險合約下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公司之間的資產出售或注資 ³
香港會計準則第7號之修訂本	披露計劃 ⁴
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 ⁴

3. ISSUED BUT NOT YET EFFECTIVE HKFRSs (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.

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

4. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated financial statements have been prepared in accordance with HKFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange and the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets which have been measured at fair value, as explained in the accounting policies set out below.

3. 已頒佈惟尚未生效之香港財務報告準則(續)

- ¹ 於二零一八年一月一日或之後開始的年度期間生效。
- ² 於二零一九年一月一日或之後開始的年度期間生效。
- ³ 於待定期或之後開始的年度期間生效。
- ⁴ 於二零一七年一月一日或之後開始的年度期間生效。

董事預計採納以上新準則、對現有準則之修訂及詮釋將不會對本集團之業績及財務狀況構成重大影響。

3. 主要會計政策

合規聲明

綜合財務報表乃按照香港財務報告準則編製而成。此外，綜合財務報表包括聯交所創業板證券上市規則及香港公司條例規定之適用披露資料。

編製基準

綜合財務報表乃按過往成本法編製，惟如下文所載之會計政策所述，若干金融資產乃按公平值計算。

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. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2016. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstance indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

4. 主要會計政策(續)

合併基準

綜合財務報表包括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財務報表。附屬公司的財務報表乃於與本公司相同的報告期間並採納一致的會計政策編製。附屬公司的業績由收購日期(即本集團取得控制權當日)起合併計算，並會繼續合併，直至有關控制權終止。

本集團母公司擁有人及非控股權益應佔損益及其他全面收益各組成部分，即使由此引致非控股權益結餘為負數。本集團成員公司之間交易所產生的所有集團內部資產及負債、權益、收入、支出及現金流均在綜合賬目時全數對銷。

倘事實及情況顯示下文附屬公司會計政策所述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資公司。附屬公司的所有權權益變動(並無失去控制權)，按權益交易入賬。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of consolidation (Continued)

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual arrangements; and
- (c) The Group's voting rights and potential voting rights.

4. 主要會計政策(續)

合併基準(續)

(i)倘本集團失去對附屬公司的控制權，則會終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益的賬面值；及(iii)計入權益的累計匯兌差額；並確認(i)已收代價的公平值；(ii)任何保留投資的公平值；及(iii)因此而計入損益的盈餘或虧蝕。先前已於其他全面收入確認的本集團應佔部分，乃在適當的情況下重新分類至損益或保留溢利，倘本集團已直接出售相關資產或負債則須以同一基準確認。

附屬公司

附屬公司為本公司直接或間接控制的實體(包括結構性實體)。當本集團對涉及投資對象的浮動回報承擔風險或享有權利以及能透過對投資對象的權力(即賦予本集團現有能以主導投資對象相關活動的既存權利)影響該等回報時，即取得控制權。

倘本公司直接或間接擁有少於投資對象大多數投票或類似權利，則本集團於評估其是否對投資對象擁有權力時會考慮一切相關事實及情況，包括：

- (a) 與投資對象其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsidiaries (Continued)

The results of subsidiaries are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investments in subsidiaries that are not classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are stated at cost less any impairment losses.

Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

4. 主要會計政策(續)

附屬公司(續)

附屬公司業績以已收及應收股息為限計入本公司的損益表內。本公司於附屬公司的投資若根據香港財務報告準則第5號分類為持作出售之非流動資產及已終止業務並非分類為持作出售，即以成本減任何減值虧損列賬。

聯營公司

聯營公司指本集團對其有重大影響力而無控制權之實體，通常附帶有20%至50%投票權之股權。於聯營公司之投資以權益會計法入賬。根據權益法，投資初始以成本確認，而賬面值則予以增加或減少，以確認投資者在收購日期後佔被投資方損益之比例。本集團於聯營公司之投資包括收購時已識別之商譽。收購於聯營公司之擁有權權益時，聯營公司成本與本集團應佔聯營公司可識別資產及負債公平值淨額之間的差額，入賬為商譽。

倘於聯營公司的所有權權益減少但仍保留重大影響力，先前於其他全面收益確認的金額僅按比例重新分類至損益(如適用)。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Associates *(Continued)*

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

When the most recently available financial statements of an associate is different from the Group's reporting date, the Group may take advantage of the provision contained in HKAS 28 whereby it is permitted to include the attributable share of associate's results based on the financial statements drawn up to a noncoterminous period end where the difference must be no greater than three months. Adjustments shall be made for the effects of significant transactions or events that occur between that date and the date of the Group's consolidated financial statements.

Unrealised gains and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's investment in an associate, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associate is not individually tested for impairment.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the profit or loss.

4. 主要會計政策 *(續)*

聯營公司 *(續)*

本集團收購後應佔的溢利或虧損於損益內確認，而收購後應佔其他全面收益變動於其他全面收益確認，並就投資賬面值作相應調整。倘本集團應佔聯營公司的虧損等於或超過所持聯營公司的權益（包括任何其他無抵押應收款項），除非本集團承擔法定或推定責任或已代聯營公司付款，否則不會確認進一步虧損。

倘聯營公司最近期可得之財務報表與本集團之報告日期存在差異，本集團可利用香港會計準則第28號所載之條文，據此，其准許根據聯營公司不同截算日期（但差距不得超過三個月）之財務報表計入應佔聯營公司之業績。須就當日及本集團綜合財務報表日期之間發生之重大交易或事件之影響作出調整。

本集團與其聯營公司之間進行之交易產生之未變現收益及虧損須以本集團於聯營公司之投資為限予以對銷，惟倘若未變現虧損可證明獲轉讓資產有所減值時除外。收購聯營公司產生之商譽不予獨立進行減值測試。

本集團在每個報告日期釐定於聯營公司的投資是否存在客觀減值證據。一旦存在減值證據，本集團會按聯營公司可收回金額與其賬面值之間的差額計算減值金額，並於損益內「應佔以權益法入賬之投資溢利」確認有關金額。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Associates (Continued)

Gain or losses on dilution of equity interest in associates are recognised in the profit or loss.

Business combination and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed 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. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

4. 主要會計政策(續)

聯營公司(續)

於聯營公司之股權攤薄收益或虧損於損益內確認。

業務合併及商譽

業務合併採用收購法入賬。轉撥的代價按收購日期公平值計量，而計算方式為本集團轉撥的資產、本集團向被收購方的前擁有人承擔的負債及本集團就交換被收購方的控制權所發行的股權於收購日期的公平值總和。就各項業務合併而言，收購方按公平值或應佔被收購方可識別資產淨值的比例來計算被收購方之非控股權益。非控股權益的所有其他部份以公平值計量。收購相關成本於產生時列作支出。

當本集團收購業務時，須根據合約條款、收購日期的經濟環境及相關條件對涉及的金融資產及承擔的金融負債進行評估，以合理分類及指定，其中包括分離被收購方主合約中的嵌入式衍生工具。

若業務合併是分步驟進行，先前持有的股權按合併日的公平值重新計量，所產生的任何收益或損失於損益內確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combination and goodwill *(Continued)*

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of HKAS 39 is measured at fair value with changes in fair value either recognised in profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of HKAS 39, it is measured in accordance with the appropriate HKFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquire over the net identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets of the subsidiary acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

4. 主要會計政策 *(續)*

業務合併及商譽 *(續)*

收購方將予轉讓的任何或然代價於收購日期按公平值確認。倘或然代價被分類為一項屬於金融工具的資產或負債，且屬於香港會計準則第39號的範疇，則按公平值計量，公平值的變動於損益確認或確認為其他全面收益的變動。倘或然代價不屬於香港會計準則第39號的範疇，則按照適用的香港財務報告準則計量。倘將或然代價分類為權益，則毋須重新計量，後續結算於權益中入賬。

商譽初步按成本計量，即已轉讓代價、非控股權益之已確認金額及本集團之前持有的被收購方股權之任何公平值的總和，超出本集團購得的可識別資產淨值及所承擔負債的數額。倘此代價及其他項目之和低於購得的附屬公司的資產淨值的公平值，則其差額於重新評估後於損益確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽每年進行減值測試，而倘出現顯示賬面值可能減值的事件或情況變動，則會較頻密進行減值測試。本集團於十二月三十一日進行年度商譽減值測試。就減值測試而言，業務合併購入的商譽，由收購日期起分配到本集團各個預期會因合併的協同效應而得益的現金產生單位或現金產生單位組別，不論本集團的其他資產或負債有否分配至該等單位或單位組別。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combination and goodwill (Continued)

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place within the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

4. 主要會計政策(續)

業務合併及商譽(續)

減值乃透過評估與商譽有關的現金產生單位(或一組現金產生單位)的可收回金額釐定。倘現金產生單位(或一組現金產生單位)的可收回金額少於其賬面值,則確認減值虧損。已確認的商譽減值虧損不會於以後期間撥回。

當商譽已分配至一個現金產生單位(或一組現金產生單位)的一部分而該單位的某部分業務被出售時,於釐定出售該業務的收益或虧損時,與出售業務相關的商譽將包括在該業務的賬面值內。在此情況下出售的商譽將根據出售業務及現金產生單位的保留部分的相對價值計量。

公平值計量

公平值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公平值計量乃根據假設出售資產或轉讓負債的交易於資產或負債主要市場或在沒有主要市場情況下,最具優勢資產或負債市場進行而作出。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公平值乃按市場參與者(假設其會以最佳經濟利益行事)於資產或負債定價時所用的假設計量。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

4. 主要會計政策(續)

公平值計量(續)

非金融資產的公平值計量須計及市場參與者能自最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者，所產生的經濟效益。

本集團採納適用於不同情況且具備充分數據以供計量公平值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有於財務報表計量或披露公平值的資產及負債乃基於對公平值計量整體而言屬重大的最低級別輸入數據按以下公平值等級分類：

第一級	–	基於同類資產或負債於活躍市場中的報價(未經調整)
第二級	–	基於對公平值計量而言屬重大的可觀察(直接或間接)最低級別輸入數據的估值方法
第三級	–	基於對公平值計量而言屬重大的不可觀察最低級別輸入數據的估值方法

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value measurement (Continued)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

4. 主要會計政策(續)

公平值計量(續)

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類（基於對公平值計量整體而言屬重大的最低級別輸入數據）確定是否發生不同等級轉移。

無形資產(商譽除外)

單獨購入之無形資產於初次確認時按成本計量。於業務合併中購入之無形資產之成本為收購日期之公平值。無形資產之可使用年期分為有限或無限。可使用年期有限之無形資產其後於可使用經濟年期內攤銷，並在有跡象顯示無形資產可能出現減值時進行減值評估。可使用年期有限之無形資產的攤銷期限及攤銷方法至少於每個財政年度末檢討。

持作出售之非流動資產

倘非流動資產及出售組別之賬面金額將主要透過出售交易（而非透過持續使用）收回，則非流動資產及出售組別分類為持作出售。此條件僅於資產（或出售組別）可以其現況供即時出售，出售條款僅屬出售該資產（或出售組別）之一般慣常條款，且極有可能出售時，方告達成。管理層必須承諾進行出售，即應預期於分類日期起計一年內合資格確認為一項已完成出售。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Non-current assets held for sale

(Continued)

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale. Any retained portion of an investment in an associate or a joint venture that has not been classified as held for sale continues to be accounted for using the equity method. The Group discontinues the use of the equity method at the time of disposal when the disposal results in the Group losing significant influence over the associate or joint control over the joint venture.

After the disposal takes place, the Group accounts for any retained interest in the associate or joint venture in accordance with HKAS 39 unless the retained interest continues to be an associate or a joint venture, in which case the Group uses the equity method (see the accounting policy regarding investments in associates or joint ventures above).

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

4. 主要會計政策 *(續)*

持作出售之非流動資產 *(續)*

當本集團承諾進行涉及喪失一間附屬公司控制權之出售計劃，倘符合上述條件，該附屬公司之所有資產及負債均分類為持作出售，不論本集團會否於出售後保留其前附屬公司之非控股權益。

當本集團承諾進行涉及出售於聯營公司或合資企業之投資或部分投資之出售計劃，倘符合上述條件，將予出售之該項投資或部分投資分類為持作出售，而本集團將由投資(或其部分)分類為持作出售之時起，不再就該分類為持作出售之部分使用權益法。並無分類為持作出售之於聯營公司或合資企業投資之任何保留部分，繼續使用權益法入賬。當出售導致本集團喪失對聯營公司之重大影響力或對合資企業之共同控制權時，本集團於出售時不再使用權益法。

於出售後，本集團按照香港會計準則第39號將於聯營公司或合資企業之任何保留權益入賬，惟倘保留權益仍屬一間聯營公司或合資企業，則本集團將使用權益法(見上文於聯營公司或合資企業投資之會計政策)。

分類為持作出售之非流動資產(及出售組別)按其以往賬面金額與公平值減出售成本之較低者計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods and services, or for administrative purpose are stated at cost less subsequent accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	The shorter of the lease terms or 20%
Furniture, fixtures and office equipment	20%
Motor vehicles	20%

4. 主要會計政策(續)

物業、廠房及設備

就生產或供應貨品及服務或就行政目的而持有之物業、廠房及設備按成本減其後之累計折舊及累計減值虧損列賬。物業、廠房及設備項目之成本包括其購買價及使資產達至擬定用途的運作狀況及地點的任何直接應佔成本。

物業、廠房及設備項目投入運作後所產生之開支，如維修及保養等，一般均會於產生期間自損益扣除。於屬符合確認條件之情況下，大型檢修之開支於資產賬面值中資本化為一項重置。倘物業、廠房及設備之重要部分須分階段重置，則本集團將該等部分確認為具有特定使用年期及折舊之個別資產。

折舊乃就物業、廠房及設備各項目之估計可使用年期以直線法撇銷其成本至其剩餘價值計算。就此採用之主要折舊年率如下：

租賃物業裝修	租期或20% (以較短者為準)
傢俬、裝置辦公設備	20%
汽車	20%

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than trade and other receivables, inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

4. 主要會計政策 *(續)*

物業、廠房及設備 *(續)*

倘物業、廠房及設備項目不同部分之可使用年期不同，則該項目之成本按合理基準於不同部分間分配，而各部分會分開折舊。剩餘價值、可使用年期及折舊方法至少於各財政年度末進行檢討及調整(如適用)。

物業、廠房及設備項目及初步確認之任何重大部分於出售時或預期使用或出售該項目將不會帶來未來經濟利益時取消確認。於資產取消確認之年度於益損內確認之出售或報廢之收益或虧損指相關資產銷售所得款項淨額與賬面值之差額。

非金融資產減值

倘存在減值跡象，或需要對資產(貿易及其他應收賬款、存貨及金融資產除外)進行年度減值測試時，則會估計資產的可收回金額。資產的可收回金額乃以資產或現金產生單位的使用價值與其公平值減出售成本兩者中的較高者為準，並就個別資產作出釐定，惟倘資產並不產生基本上獨立於其他資產或資產組別的現金流入則當別論，在此情況下，可收回金額按資產所屬現金產生單位釐定。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the profit or loss in the period in which it arises.

Financial asset

Initial recognition and measurement

Financial assets of the Group within the scope of HKAS 39 are classified as loans and receivables and available-for-sale financial assets, as appropriate. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or not, directly attributable transaction costs.

4. 主要會計政策(續)

非金融資產減值(續)

僅當資產之賬面值超逾其可收回金額時，方予確認減值虧損。於評估使用價值時，估計未來現金流量會以除稅前折現率折讓至其現值，以反映當時市場對貨幣時間價值及該資產之特定風險的評估。減值虧損於其產生期間在損益中與已減值資產功能一致之支出類別內扣除。

本集團於各報告期末評估是否有任何跡象顯示先前確認之減值虧損可能不再存在或可能已減少。倘出現該跡象，則會估計可收回金額。僅在用於釐定該資產之可收回金額之估計有所變動時，方撥回該資產(除商譽以外)先前確認之減值虧損，但撥回後的數額不得超逾假設於過往年度並無就該項資產確認減值虧損而應釐定的賬面值(扣除任何折舊／攤銷)。減值虧損之撥回乃計入其產生期間之損益。

金融資產

初步確認及計量

香港會計準則第39號所界定之本集團金融資產分類為貸款及應收款項及可供出售金融資產(如適用)。本集團會於初步確認時釐定金融資產之分類。初步確認金融資產時，乃以公平值加(倘屬並非透過損益按公平值計量的金融資產)直接應佔交易成本計量。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial asset *(Continued)*

Initial recognition and measurement *(Continued)*

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include prepayments, deposits and other receivables, financial assets at fair value through profit or loss and cash and cash equivalents.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in interest income in the profit or loss. The loss arising from impairment is recognised in the profit or loss.

4. 主要會計政策 *(續)*

金融資產 *(續)*

初步確認及計量 *(續)*

所有正常情況下買入及出售之金融資產於交易日(即本集團承諾買入或出售資產之日)確認。正常情況下買入或出售指要求於規例或市場慣例一般設定之期間內交付資產之金融資產買入或出售。

本集團之金融資產包括預付款項、按金及其他應收款項、透過損益按公平值計量之金融資產以及現金及現金等值項目。

其後計量

金融資產其後按如下分類計量：

貸款及應收款項

貸款及應收款項指固定或可釐定付款金額而活躍市場中並無報價之非衍生金融資產。於初步計量後，該等資產隨後使用實際利率法在減去任何減值撥備後按攤銷成本計量。攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率組成部分之費用或成本。實際利率攤銷會計入損益之利息收入。減值虧損會於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial asset (Continued)

Subsequent measurement (Continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets in listed and unlisted equity and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale assets valuation reserve until the assets is derecognised, at which time the cumulative gain or loss is recognised in the profit or loss in other income, or until the investment is determined to be impaired, at which time the cumulative gain or loss is recognised in the profit or loss in other operating expenses and removed from the available-for-sale investment valuation reserve. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the profit or loss as other income in accordance with the policies set out for “Revenue recognition” below.

When the fair value of unlisted equity securities cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

4. 主要會計政策(續)

金融資產(續)

其後計量(續)

可供出售金融資產

可供出售金融資產乃屬於上市及非上市股權及債務證券之非衍生金融資產。分類為可供出售之股權投資指既非分類為持作買賣亦非指定為透過損益按公平值列賬之投資。該類別之債務證券指有意無限期待有及可能因應流動資金需求或市況變動而出售之投資。

於初步確認後，可供出售金融資產隨後按公平值計量，未變現盈虧於該資產取消確認前於可供出售資產估值儲備內確認為其他全面收入，屆時累計盈虧乃於損益內確認為其他收入，或直至該投資被釐定為減值，屆時累計盈虧乃於損益內確認為其他經營開支並從可供出售投資估值儲備中移除。所賺取之利息及股息分別以利息收入及股息收入呈報，並按照下文「收益確認」所載政策在損益內確認為其他收入。

倘非上市股本證券因(a)該項投資之公平值合理估計範圍變化重大；或(b)無法合理評估該範圍內各種估計之可能性並用於估計公平值，致令無法可靠計量其公平值時，則有關證券按成本減任何減值虧損列賬。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial asset *(Continued)*

Subsequent measurement (Continued)

Available-for-sale financial assets (Continued)

The Group evaluates its available-for-sale financial assets whether the ability and intention to sell them in the near term are still appropriate. When the Group is unable to trade these financial assets due to inactive markets and management's intent to do so significantly changes in the foreseeable future, the Group may elect to reclassify these financial assets in rare circumstances. Reclassification to loans and receivables is permitted when the financial assets meet the definition of loans and receivables and the Group has the intent and ability to hold these assets for the foreseeable future or to maturity. Reclassification to the held-to-maturity category is permitted only when the entity has the ability and intent to hold until the maturity date of the financial asset.

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the profit or loss.

4. 主要會計政策 *(續)*

金融資產 *(續)*

其後計量 (續)

可供出售金融資產 (續)

本集團會評估近期出售其可供出售金融資產之能力及意向是否仍屬適宜。倘本集團於可見將來因市場不活躍及管理層出售資產之意向出現重大轉變而未能買賣該等金融資產，本集團或會選擇重新分類該等金融資產，惟此情況並不常見。當金融資產符合貸款及應收款項之定義，且本集團有意向及有能力於可見將來持有該等資產或持有至到期日，則該等資產獲准重新分類為貸款及應收款項。僅當實體有能力及有意向持有金融資產至其到期日時，該等資產方獲准重新分類為持有至到期之金融資產。

對於重新分類劃出可供出售類別之金融資產，該資產於權益內確認之任何過往盈虧須在該投資之剩餘年限內按實際利率攤銷入損益。新的已攤銷成本與預期現金流量間之任何差額亦將在該項資產之剩餘年限內按實際利率攤銷。倘該資產隨後釐定為減值，則原已計入權益之金額將重新分類至損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when (i) the rights to receive cash flows from the asset have expired; or (ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4. 主要會計政策(續)

取消確認金融資產

金融資產(或一項金融資產之一部分或一組類似金融資產之一部分,如適用)在下列情況將取消確認:(i)自該項資產獲取現金流量之權利經已屆滿;或(ii)本集團已轉讓其自該項資產獲取現金流量的權利,或已根據一項「轉付」安排承擔責任,在無重大延誤之情況下,將所得現金流量全數付予第三方;及(a)本集團已轉讓該項資產的絕大部分風險及回報;或(b)本集團並無轉讓亦無保留該項資產的絕大部分風險及回報,但已轉讓該項資產的控制權。

本集團凡轉讓其收取一項資產之現金流量的權利或訂立一項轉付安排,及並無轉讓亦無保留該項資產的絕大部分風險及回報,及並無轉讓該項資產的控制權,該項資產將按本集團持續涉及該項資產之程度確認入賬。在此情況下,本集團亦確認相關負債。已轉讓資產及相關負債乃按可反映本集團已保留之權利及義務的基準作計量。

持續涉及指本集團就已轉讓資產作出的一項保證,按該項資產的原賬面值及本集團或須償還的最高代價計算,以較低者為準。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Available-for-sale financial assets

For available-for-sale financial assets, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit or loss, is removed from other comprehensive income and recognised in the profit or loss.

4. 主要會計政策(續)

金融資產減值

本集團於各報告期末評估一項或一組金融資產有否出現任何減值之客觀證據。當且僅當於初步確認一項或一組金融資產後發生一項或多項事件而產生減值之客觀證據(一項已發生之「虧損事件」)，而該項虧損事件對該項或該組金融資產之估計未來現金流量所造成之影響能夠可靠地估計，則該項或該組金融資產會被視作已減值。減值證據可包括一名或一群債務人正面臨重大財務困難、拖欠或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量減損，例如欠款數目變動或出現與違約相關之經濟狀況。

可供出售金融資產

就可供出售金融資產而言，本集團於各報告期末評估是否有客觀證據顯示一項投資或一組投資出現減值。

倘一項可供出售金融資產出現減值，其成本(扣除任何本金付款及攤銷)與其目前公平值之間的差額減去任何先前已於損益確認的減值虧損乃於其他全面收益中移除並於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in first-out basis and comprises, comprises costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

4. 主要會計政策(續)

金融資產減值(續)

按成本列賬之資產

倘有客觀證據顯示，因公平值不能可靠計量而未按公平值列賬之無報價股本工具或與之掛鈎而必須以交收該無報價股本工具結清之衍生資產已發生減值虧損，則虧損之金額乃按該資產之賬面值與將該資產之估計未來現金流量按類似金融資產現時市場回報率折現之現值兩者之差額計算。該等資產之減值虧損不得撥回。

存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。成本以先入先出基準釐定，包括購置成本及令存貨達致其現時位置及狀況所產生之其他成本。可變現淨值按估計售價減完成及出售產生之任何估計成本計算。

現金及現金等值項目

就綜合現金流量表而言，現金及現金等值項目包括手頭現金及短期高流動性投資(可隨時兌換為已知現金金額，價值變動風險不大，且期限短，一般為購入時起計三個月內)，減須按要求償還及構成本集團現金管理一部分的銀行透支。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents *(Continued)*

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value, in case of loans and borrowing, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables and financial derivative.

Subsequent measurement

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

4. 主要會計政策 *(續)*

現金及現金等值項目 *(續)*

就財務狀況表而言，現金及現金等值項目指手頭現金及銀行現金，包括並無使用限制之定期存款及類似現金性質的資產。

金融負債

初步確認及計量

金融負債於初步確認時分類為透過損益按公平值列賬之金融負債，貸款及借款或於有效對沖中指定為對沖工具的衍生工具(如適用)。

所有金融負債初步按公平值確認，倘屬貸款及借款，則扣除直接應佔交易成本確認。

本集團之金融負債包括貿易及其他應付賬款以及金融衍生工具。

其後計量

透過損益按公平值計量之金融負債

透過損益按公平值計量之金融負債包括持作買賣之金融負債及於初步確認時指定為透過損益按公平值計量之金融負債。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss. The net fair value gain or loss recognised in the profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in HKAS 39 are satisfied.

Loans and borrowings

After initial recognition, loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

4. 主要會計政策(續)

金融負債(續)

其後計量(續)

透過損益按公平值計量之金融負債(續)

金融負債如以短期賣出為目的而購買，則分類為持作買賣之金融負債。該分類包括本集團訂立未被指定為香港會計準則第39號所界定對沖關係中對沖工具之衍生金融工具。獨立的嵌入式衍生工具同樣歸類為持作買賣，除非其被指定為有效的對沖工具。持作買賣之負債所產生的收益或虧損在損益內確認。在損益中確認的淨公平值收益或虧損不包括就該等金融負債所收取之任何利息。

於初始確認時指定為透過損益按公平值列賬之金融負債在初始確認日期且僅在符合香港會計準則第39號項下標準時指定。

貸款及借款

初步確認後，貸款及借款其後會以實際利率法按攤銷成本計量，惟倘折現影響並不重大，則會按成本列賬。當負債終止確認及已透過實際利率法攤銷時，收益及虧損會於損益中確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial liabilities *(Continued)*

Subsequent measurement *(Continued)*

Loans and borrowings *(Continued)*

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the profit or loss.

Convertible notes

Convertible notes issued by the Company that contain the liability, conversion option and early redemption option are classified separately into respective items on initial recognition. 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.

At the date of issue, both the liability and early redemption option components are measured at fair value. The difference between the gross proceeds of the issue of the convertible notes and the fair value assigned to the liability and early redemption option components respectively, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The early redemption option is measured at fair value with changes in fair value recognised in the profit or loss.

4. 主要會計政策 *(續)*

金融負債 *(續)*

其後計量 *(續)*

貸款及借款 *(續)*

攤銷成本經計及任何收購折讓或溢價及屬於實際利率之組成部分之費用或成本後計算。實際利率攤銷會計入損益之融資成本。

可換股票據

本公司發行之可換股票據包含負債、換股期權及提早贖回選擇權，並於初步確認時分開歸類於各自之項目。換股期權由固定金額之現金或另一項金融資產轉換為本公司本身固定數目之股本工具交付，即歸類為股本工具。

於發行當日，負債及提早贖回選擇權部分按公平值計量。發行可換股票據所得款項總額與分別歸入負債及提早贖回選擇權部分之公平值（即持有人將貸款票據轉換為權益之換股期權）之差額計入權益（可換股票據權益儲備）。

於往後期間，可換股票據之負債部分採用實際利息法以攤銷成本入賬。提早贖回選擇權按公平值計量，公平值之變動於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Subsequent measurement (Continued)

Convertible notes (Continued)

The equity component, representing the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded conversion option is exercised (in which case the balance stated in convertible notes equity reserve will be transferred to share premium). Where the conversion option remains unexercised at the expiry date, the balance stated in convertible notes equity reserve will be released to retained profits. No gain or loss is recognised in the profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability, 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 component and amortised over the period of the convertible notes using the effective interest method.

When the conversion price is reduced (except for an anti-dilutive adjustment), the incremental consideration which represents the value of additional shares to be converted under the reduced conversion price is recognised in the profit or loss with a corresponding adjustment to other reserve. The amount of incremental consideration is transferred to share premium at the time the conversion price is reduced.

4. 主要會計政策(續)

金融負債(續)

其後計量(續)

可換股票據(續)

股權部分(即將負債部分轉換為本公司普通股之期權)將保留於可換股票據權益儲備內,直至嵌入式換股期權獲行使為止(屆時於可換股票據權益儲備內列示之結存將轉撥至股份溢價)。倘換股期權於到期日仍未獲行使,則於可換股票據權益儲備內呈列之結存將撥入保留溢利。換股期權於獲轉換或到期時之收益或虧損不會於損益確認。

有關發行可換股票據之交易成本乃按所得款項總額之分配比例,分配至負債及股權部分。有關股權部分之交易成本直接於股權扣除。有關負債部分之交易成本則列入負債部分之賬面值內,並於可換股票據之期限內按實際利息法攤銷。

倘換股價下降(反攤薄調整除外),則代價增加(即根據較低換股價將獲兌換之額外股份價值)於損益確認,並相應調整其他儲備。代價增加金額於換股價下降時轉撥至股份溢價。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

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. Provisions are measured at the best estimate of 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 obligations, its carrying amount is the present value of those cash flow (where the effect is material).

4. 主要會計政策(續)

取消確認金融負債

倘負債項下之責任被解除、取消或到期，則會取消確認金融負債。

倘現有金融負債被來自同一貸款人之另一項負債按實質上不相同之條款替代，或現有負債之條款大部分被修訂，該項替代或修訂視作取消確認原有負債及確認新負債處理，各自賬面值之差額於損益內確認。

抵銷金融工具

倘現時存在一項可依法強制執行之權利可抵銷已確認金額，且亦有意以淨額結算或同時變現資產及償付債務時，則金融資產及金融負債可予抵銷，而其淨額於財務狀況表內呈報。

撥備

當本集團因過往事件而存有現行責任及本集團可能需要履行該責任，則確認撥備。撥備以作出於報告期末履行現行責任所需代價之最佳估計計量，並計及履行責任之風險及不明朗因素。倘撥備按履行現行責任估計所需之現金流量計量，則其賬面值為有關現金流量之現值(如影響重大)。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Tuition revenue from educational programs is recognised on a time-proportion basis, using the straight-line method, over the duration of the relevant educational programs.
- (ii) Revenue from sales of educational materials and products is recognised when the products are delivered and title has passed to customers.
- (iii) Interest income is recognised as it accrues using the effective interest method.

Employee benefits

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

The obligations for contributions to defined contribution retirement scheme are recognised as an expense in the profit or loss as incurred. The assets of the scheme are held separately from those of the Group in an independent administered fund.

Employee entitlements to annual leave and long service payments are recognised when they accrue to employees. A provision will be made for the estimated liability for annual leave and long service payments as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

4. 主要會計政策(續)

收入確認

收入於經濟利益將可能流入本集團且能可靠計算有關收入時按下列基準確認：

- (i) 教學課程之收入按時間比例基準以直線法於相關教學課程之期間內確認。
- (ii) 教學材料及產品之銷售收入於送達產品及將擁有權轉交客戶時確認。
- (iii) 利息收入於應計時使用實際利息法確認。

僱員福利

(i) **短期僱員福利及定額供款退休計劃之供款**

定額供款退休計劃之供款責任於產生時在損益確認為開支。該計劃之資產與本集團之資產分開持有，存放於獨立管理之基金。

僱員應得之年假及長期服務金於應計予僱員時確認。本集團將就僱員於報告期末前提供服務所得之年假及長期服務金涉及之估計負債作出撥備。

僱員應得之病假及產假或陪產假於休假時確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Employee benefits *(Continued)*

(ii) Share-based payments

The Group operates equity-settled share-based compensation scheme (“Scheme”) to remunerate its employees.

For share options granted under the Scheme, the fair value of the employees’ services rendered in exchange for the grant of the options is recognised as an expense immediately and credited to the share-based payment reserve under equity. Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting periods. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the profit or loss, and a corresponding adjustment to the share-based payment reserve.

Upon exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price over the nominal value of the shares is recorded by the Company in the share premium account. The equity amount is recognised in the share-based payment reserve until the option is exercised when it is transferred to the share premium account. If the options lapse unexercised, the related share-based payment reserve is transferred directly to retained profits.

4. 主要會計政策 *(續)*

僱員福利 *(續)*

(ii) 以股支付款項

本集團設有以股權結算之以股支付薪酬計劃(「計劃」)，藉以向僱員提供獎賞。

就根據該計劃授出之購股權而言，僱員就獲授購股權而提供之服務之公平值乃即時確認作開支並撥入權益項下之以股支付儲備。如僱員須達到歸屬條件才可享有購股權，本集團將會於歸屬期內確認所授購股權之公平值。於各報告期末，本集團修訂其預期可獲行使之購股權數目之估計。其於損益確認修訂原先估計(如有)之影響，並在以股支付儲備中作出相應調整。

於購股權獲行使後，本公司將把因此發行之股份按股份之面值記錄為額外股本，而行使價超出股份面值之數額則記入本公司股份溢價賬。權益金額於以股支付儲備內確認，直至購股權被行使，在此情況下將轉撥至股份溢價賬內。倘購股權失效而未有行使，相關以股支付儲備則會直接轉撥入保留溢利。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

4. 主要會計政策(續)

租賃

凡將資產所有權之絕大部分回報及風險(法定所有權除外)轉移至本集團之租約,均視作融資租賃。融資租賃開始時,租賃資產之成本即按最低應付租金之現值資本化,並連同負債(不計利息部分)一併記錄,以反映購置及融資。根據已資本化之融資租賃持有之資產(包括融資租賃項下之預付土地租賃款項)會列入物業、廠房及設備,並按該等資產之租賃期限及估計可用年期兩者中之較短者進行折舊。該等租約之融資成本自損益中扣除,以得出一個於租約期間內之固定週期支銷率。

凡根據具備融資性質之租購合約購入之資產皆被列為融資租賃,惟須按彼等估計之可用年期予以折舊。

凡資產所有權之絕大部分回報及風險仍由出租人承擔之租約,均視為經營租賃。倘本集團為出租人,本集團根據經營租賃出租之資產列入非流動資產內,而經營租賃之應收租金乃按租賃期以直線法列入損益;倘本集團為承租人,經營租賃之應付租金於扣除自出租人收取的任何獎勵後在租賃期內乃按直線法計入損益。

經營租賃項下之預付土地租賃款項初步按成本列賬,其後乃在租賃期內按直線法確認。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

All borrowing costs are recognised as and included in finance costs in the profit or loss in the period in which they are incurred.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

4. 主要會計政策 (續)

借貸成本

所有借貸成本乃於其產生之期間於損益確認並計入融資成本。

所得稅

所得稅包括即期及遞延稅項。與於損益外確認之項目有關之所得稅於損益外，在其他全面收益或直接於權益確認。

本期間及過往期間之即期稅項資產及負債乃按預期自稅務機關退回或向稅務機關支付之金額根據於報告期末已頒佈或實際上已頒佈之稅率（及稅法），並計及本集團經營所在國家當前之詮釋及慣例計量。

遞延稅項乃採用負債法，就於報告期末之資產及負債之計稅基準及該等項目就財務申報之賬面值之所有暫時差額作出撥備。

一切應課稅暫時差額均確認為遞延稅項負債，惟：

- 業務合併以外之交易中初步確認之商譽或資產或負債所產生，且於交易時並不應影響會計溢利或應課稅損益之遞延稅項負債除外；及

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income tax (Continued)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

4. 主要會計政策(續)

所得稅(續)

- 就與於附屬公司、聯營公司及合資公司之投資有關之應課稅暫時差額而言，若撥回暫時差額之時間可以控制及暫時差額可能不會在可見之將來撥回除外。

所有可予扣減暫時差額、未動用稅項抵免結轉及未動用稅項虧損於可能獲得應課稅溢利作為抵銷該等可予扣減暫時差額、未動用稅項抵免結轉及未動用稅項虧損之情況下，均確認為遞延稅項資產，惟：

- 關乎業務合併以外之交易中初步確認之資產或負債所產生，且於交易時並不影響會計溢利或應課稅損益之可予扣減暫時差額之遞延稅項資產除外；及
- 就與於附屬公司、聯營公司及合資公司之投資有關之可予扣減暫時差額而言，僅於暫時差額可能會在可見之將來撥回及將有應課稅溢利抵銷暫時差額之情況下，才確認遞延稅項資產除外。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income tax *(Continued)*

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the profit or loss.

4. 主要會計政策 *(續)*

所得稅 *(續)*

遞延稅項資產之賬面值乃於各報告期末進行審閱，並予以相應扣減，直至不可能有足夠應課稅溢利以動用全部或部分遞延稅項資產為止。未確認遞延稅項資產於各報告期末重新評估，並於可能存有足夠應課稅溢利可供收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃根據於報告期末前已頒佈或實質頒佈之稅率（及稅法），按變現資產或清償負債期間預期適用之稅率予以計量。

遞延稅項資產可與遞延稅項負債抵銷，惟必須存在容許將即期稅項資產抵銷即期稅項負債的可合法執行權利，且遞延稅項與同一應課稅實體及同一稅務當局有關，方可實行。

外幣

該等財務報表均以港元呈列，而港元乃本公司之功能及呈報貨幣。本集團旗下各實體自行決定功能貨幣，而各實體財務報表中包含之項目以其功能貨幣計量。本集團之實體記錄之外幣交易按交易日期適用之各自功能貨幣匯率初步入賬。以外幣為單位之貨幣資產及負債以報告期末適用之功能貨幣匯率換算，差額一律記入損益。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies (Continued)

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

For the purpose of the consolidated statement of cash flow, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

4. 主要會計政策(續)

外幣(續)

以歷史成本計量之外幣列值非貨幣項目，按初步交易日期之匯率換算。以外幣公平值計量之非貨幣項目，則以公平值釐定日期之匯率換算。

若干海外附屬公司及聯營公司之功能貨幣乃港元以外貨幣。於報告期末，該等實體之資產及負債以報告期末適用之匯率換算為本公司之呈報貨幣，其損益則以全年加權平均匯率換算為港元。

所產生之匯率差額於其他全面收益內確認並於匯兌波動儲備內累計。出售海外業務時，與該特定海外業務有關之其他全面收入部分，在損益中予以確認。

就綜合現金流量表而言，海外附屬公司之現金流量均按現金流量日期之匯率換算為港元。海外附屬公司在年內經常出現之現金流量均按年內加權平均匯率換算為港元。

4. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

4. 主要會計政策 *(續)*

關連方

在下列情況下，有關方將被視為與本集團有關連

- (a) 有關方直接或間接透過一名或多名中介人(i)控制本集團、受本集團控制，或與本集團受到共同控制；(ii)於本集團擁有的權益足以令其對本集團造成重大影響；或(iii)擁有對本集團的共同控制權；
- (b) 有關方為聯營公司；
- (c) 有關方為共同控制實體；
- (d) 有關方為本集團或其母公司之主要管理層人員；
- (e) 有關方為(a)或(d)項所述任何個人之近親；
- (f) 有關方屬於被(d)或(e)項所述任何個人直接或間接控制、共同控制、或實施重大影響，或對該實體有重大投票權之實體；或
- (g) 有關方為就本集團或屬本集團關連方之任何實體的僱員的利益而設的離職後福利計劃。

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5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their estimated residual value. The Company assesses annually the residual value and the useful lives of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will affect the depreciation charges in the year in which the estimates change.

Estimation uncertainty

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, are discussed below.

5. 關鍵會計判斷及估計

編製本集團財務報表須由管理層於報告期末作出影響收入、開支、資產及負債之報告金額及或然負債之披露之判斷、估計及假設。然而，有關該等假設及估計之不明朗因素會導致可能須對日後受到影響之資產或負債賬面值進行重大調整之後果。

判斷

於應用本集團之會計政策過程中，除涉及估計者外，管理層作出以下對在財務報表中已確認之數額具有重大影響之判斷：

物業、廠房及設備之折舊

物業、廠房及設備於考慮估計剩餘價值後按直線法於彼等之估計使用期限內計提折舊。本公司每年評估物業、廠房及設備之剩餘價值及使用期限，倘預期偏離原先估計，則與原先估計之差異將影響估計改變年度之折舊費用。

估計不明朗因素

具有重大風險而可導致對下一財政年度資產及負債賬面值作出重大調整之有關未來之主要假設及於報告期末估計不明朗因素之其他主要來源，茲論述如下。

5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

(Continued)

Estimation uncertainty (Continued)

Impairment loss on trade and other receivables

Management regularly reviews the recoverability and age of the trade and other receivables. Appropriate impairment for estimated irrecoverable amounts is recognised in the profit or loss when there is objective evidence that the asset is impaired.

In determining whether impairment on trade and other receivables is required, the Company takes into consideration the current creditworthiness, the past collection history, age status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flow expected to receive of which discounted by using the original effective interest rate and its carrying value. If the financial conditions of customers of the Company were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

Valuation of share options granted

The fair value of share options granted was calculated using the Black-Scholes valuation model/Trinomial Option Pricing Model which requires the management's estimates and assumptions on significant calculation inputs, including the estimated life of share options granted, the volatility of share price and expected dividend yield. Change in the subjective input assumptions could materially affect the fair value estimate.

5. 關鍵會計判斷及估計(續)

估計不明朗因素(續)

貿易及其他應收賬款之減值虧損

管理層定期檢討貿易及其他應收賬款之可收回情況及賬齡。當有客觀證據顯示資產減值時，會在損益中確認適當的估計不可收回金額減值。

在決定是否需要計提貿易及其他應收賬款減值時，本公司會考慮客戶當時之信譽、過往收賬記錄、賬齡狀況及收回的可能性。特定撥備只會在不大大可能收回應收款項時作出，並按運用原實際利率對預期可收取估計未來現金流量折現後的金額與其賬面值兩者的差額確認。倘本公司客戶之財政狀況轉壞，以致削弱其付款能力時，則可能須作出額外減值。

已授出購股權之估值

已授出購股權之公平值乃使用柏力克－舒爾斯期權定價模式／三項式期權定價模式計算，該模式要求管理層對重大計算參數作出估計及假設，當中包括已授出購股權之估計期限、股價波幅及預期股息率。倘主觀輸入參數假設有任何改變，可能對公平值估計造成重大影響。

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5. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATIONS

(Continued)

Estimation uncertainty (Continued)

Impairment loss of goodwill

Determining whether goodwill needs impairment 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 entity 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 flow is less than expected, a material impairment loss may arise.

As at 31 December 2016, the carrying amount of goodwill is nil (2015: Nil).

6. OPERATING SEGMENT INFORMATION

Business segments

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group is currently having one continuing operating segment on a single business in a single geographical location, which is the provision of an internet platform for the facilitation of education program in Chinese medicine and other advisory and training programs in the PRC, and all the assets are substantially located in the PRC. Accordingly, there is only one single reportable segment of the Group which is regularly reviewed by the chief operating decision maker.

5. 關鍵會計判斷及估計(續)

估計不明朗因素(續)

商譽減值虧損

釐定商譽是否需要減值時須對獲分配商譽之現金產生單位之使用價值作出估計。計算使用價值時實體須估計預期未來來自現金產生單位之現金流量及適用折現率以計算現值。倘實際未來現金流量較預期少，則會產生重大減值虧損。

於二零一六年十二月三十一日，商譽之賬面值為零(二零一五年：零)。

6. 經營分類資料

業務分類

經營分部以有關本集團的組成部分的內部報告作為基準進行辨識，報告乃定期由主要營運決策者審視，以便對有關分部進行資源分配及評估其表現。

因本集團目前於單一地區擁有一個持續經營業務分部，進行單一業務，即於中國從事提供互聯網平台以促進中醫教育項目及其他諮詢及培訓項目，以及所有資產基本上位於中國，故本集團只有單一報告分部，由主要營運決策者定期審視。

6. OPERATING SEGMENT INFORMATION *(Continued)*

Information about a major customer

No transactions with a single external customer amount to 10% or more of the Group's revenue during the years ended 31 December 2016 and 2015.

7. REVENUE

An analysis of the Group's turnover for the years is as follows:

6. 經營分類資料(續)

主要客戶之資料

於截至二零一六年及二零一五年十二月三十一日止年度，概無單一外部客戶之交易額佔本集團收入10%或以上。

7. 收入

本集團於年內之營業額分析如下

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Tuition fee revenue	教學課程之收入	46,277	45,701
		46,277	45,701

8. OTHER INCOME

8. 其他收入

		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	53	74
Dividend income on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之股息收入	-	216
Sundry income	雜項收入	85	20
		138	310

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9. OTHER EXPENSES

9. 其他開支

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Donations	捐款	-	246
Net realised losses on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之變現虧損淨值	10,203	4,122
Net unrealised losses on financial assets at fair value through profit or loss	透過損益按公平值計量之金融資產之未變現虧損淨值	8,149	802
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	3,388	-
		21,740	5,170

10. FINANCE COSTS, NET

10. 融資成本淨額

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest expenses on financial liabilities measured at amortised cost	按攤銷成本計量之金融負債之利息 開支	569	630
		569	630

11. LOSS FOR THE YEAR

11. 本年度虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loss before tax has been arrived at after charging:	除稅前虧損已扣除下列各項：		
Staff costs (including directors' emoluments)	僱員成本(包括董事酬金)		
– Basic salaries and allowances	– 基本薪金及津貼	12,144	12,340
– Contributions to defined contribution plans	– 定額供款計劃之供款	517	1,169
– Other	– 其他	827	–
– Equity-settled share-based payments	– 以股權結算之以股支付款項	22,167	7,433
Total staff costs	總僱員成本	35,655	20,942
Auditors remuneration:	核數師酬金		
– Audit service	– 核數服務	600	520
Legal and professional fee	法律及專業費用	10,258	4,953
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,289	1,643
Payments under operating lease for land and buildings	土地及樓宇經營租約項下付款	1,982	1,749
Equity-settled share-based payments	以股權結算之以股支付款項	34,575	16,537
Impairment losses on other receivables	其他應收賬款減值虧損	60,887	–

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

12. 董事及僱員酬金

a. Directors' emoluments

a. 董事酬金

		Salaries, allowances and benefits	Fees	Retirement scheme contributions	Equity- settled share-based payments	Performance related bonuses	Payments for termination of service of directors	Total
		薪金、津貼及 袍金	袍金	退休計劃 供款	以股權結算之 以股支付款項	表現 相關花紅	終止董事 服務之付款	總計
		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
For the year ended	截至二零一六年十二月							
31 December 2016	三十一日止年度							
Executive Directors	執行董事							
Mr. Yuan Wei	袁偉先生	690	205	18	1,763	60	-	2,736
Mr. Yang Jilin (note ii)	楊季霖先生(附註ii)	400	-	9	-	-	-	409
Ms. Zhang Jianxin (note iii)	張建新女士(附註iii)	282	-	-	881	-	-	1,163
Mr. Wang Weihua (note iv)	王為華先生(附註iv)	34	-	-	5,818	-	-	5,852
Non-Executive Director	非執行董事							
Mr. Li Xiangjun (note i)	李湘軍先生(附註i)	50	-	-	-	-	-	50
Independent Non-Executive Directors	獨立非執行董事							
Dr. Huang Chung Hsing	黃崇興博士	60	-	-	-	-	-	60
Ms. Li Ya Ru Nancy	李雅茹女士	100	-	-	-	-	-	100
Mr. Li Qunsheng (note ii)	李群盛先生(附註ii)	100	-	-	-	-	-	100
		1,716	205	27	8,462	60	-	10,470

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

12. 董事及僱員酬金(續)

a. Directors' emoluments (Continued)

a. 董事酬金(續)

		Salaries, allowances and benefits	Fees	Retirement scheme contributions	Equity-settled share-based payments	Performance related bonuses	Payments for termination of service of directors	Total
		薪金、津貼及袍金	袍金	退休計劃供款	以股權結算之	表現	終止董事服務之付款	總計
		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
For the year ended 31 December 2015	截至二零一五年十二月三十一日止年度							
Executive Directors	執行董事							
Mr. Yuan Wei	袁偉先生	-	996	18	1,352	-	-	2,366
Mr. Yang Jilin (note ii)	楊季霖先生(附註ii)	-	2,162	18	1,352	-	-	3,532
Non-Executive Director	非執行董事							
Mr. Li Xiangjun (note ii)	李湘軍先生(附註ii)	100	300	-	-	-	-	400
Independent Non-Executive Directors	獨立非執行董事							
Dr. Huang Chung Hsing	黃崇興博士	60	-	-	-	-	-	60
Ms. Li Ya Ru Nancy	李雅茹女士	100	-	-	-	-	-	100
Mr. Li Qunsheng	李群盛先生	100	-	-	-	-	-	100
		360	3,458	36	2,704	-	-	6,558

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12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

a. Directors' emoluments (Continued)

Notes:

- (i) Mr. Li Xiangjun was resigned on 7 July 2016
- (ii) Mr. Yang Jilin was resigned on 13 July 2016.
- (iii) Ms. Zhang Jianxin was appointed on 13 July 2016
- (iv) Mr. Wang Weihua was appointed on 15 December 2016

The amounts of equity-settled share-based payments were measured according to the Group's accounting policies for share-based payment transactions as set out in note 4 to the financial statements.

None of the directors of the Company waived or agreed to waive any emoluments paid by the Company and no incentive payment for joining the Company to any director of the Company during the two years ended 31 December 2016 and 2015.

12. 董事及僱員酬金(續)

a. 董事酬金(續)

附註：

- (i) 李湘軍先生於二零一六年七月七日辭任
- (ii) 楊季霖先生於二零一六年七月十三日辭任。
- (iii) 張建新女士於二零一六年七月十三日獲委任
- (iv) 王為華先生於二零一六年十二月十五日獲委任

以股權結算之以股支付款項乃根據財務報表附註4所載本集團有關以股支付交易之會計政策計量。

截至二零一六年及二零一五年十二月三十一日止兩個年度，概無本公司董事放棄或同意放棄任何由本公司支付之酬金，亦無就加入本公司支付任何獎賞款項予本公司任何董事。

12. DIRECTORS' AND EMPLOYEES' EMOLUMENTS (Continued)

b. Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2015: two) were directors of the Company, whose remunerations are included in the disclosures above. The remunerations of the remaining three (2015: three) individuals were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Salaries allowances and benefits in kind	薪金、津貼及實物利益	300	3,066
Retirement scheme contributions	退休計劃供款	-	18
Equity-settled share-based payments	以股權結算之以股支付款項	8,890	3,718
		9,190	6,802

Their remunerations were within the following band:

彼等之薪酬處於下列範圍內：

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
HK\$ Nil to HK\$1,000,000	零至1,000,000港元	0	0
HK\$1,000,001 to HK\$6,000,000	1,000,001港元至6,000,000港元	5	5

12. 董事及僱員酬金(續)

b. 五位最高薪人士

本集團五位最高薪人士包括本公司兩名(二零一五年：兩名)董事，彼等之薪酬於上文披露。支付予其餘三名(二零一五年：三名)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 allowances and benefits in kind	薪金、津貼及實物利益	300	3,066
Retirement scheme contributions	退休計劃供款	-	18
Equity-settled share-based payments	以股權結算之以股支付款項	8,890	3,718
		9,190	6,802

Their remunerations were within the following band:

彼等之薪酬處於下列範圍內：

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
HK\$ Nil to HK\$1,000,000	零至1,000,000港元	0	0
HK\$1,000,001 to HK\$6,000,000	1,000,001港元至6,000,000港元	5	5

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13. INCOME TAX

During the year ended 31 December 2016, no Hong Kong profits tax has been provided for as the Group did not generate any taxable profits in Hong Kong (2015: Nil).

PRC subsidiaries are subject to PRC Enterprise Income tax at 25% (2015: 25%). Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The tax charge 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:

13. 所得稅

截至二零一六年十二月三十一日止年度，由於本集團並無於香港產生任何應課稅溢利，故並無作出香港利得稅撥備(二零一五年：無)。

中國附屬公司乃按25%(二零一五年：25%)的稅率繳納中國企業所得稅。其他司法權區產生之稅項按各個司法權區之現行稅率計算。

本年度的稅費與綜合損益及其他全面收益表之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
Loss before tax	除稅前虧損	(140,851)	(33,187)
Tax at respective applicable tax rates	按相關適用稅率計算之稅項	(14,499)	(5,291)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支之稅務影響	24,460	15,497
Tax effect of income not taxable for tax purposes	毋須課稅收入之稅務影響	(11,569)	(11,425)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	1,608	1,219
Income tax for the year	本年度的所得稅	-	-

14. DIVIDEND

No dividend was paid or proposed for the year ended 31 December 2016, nor has any dividend been proposed since the end of the reporting period (2015: Nil).

15. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to the owners of the Company of approximately HK\$149,736,000 (2015: HK\$41,875,000), and based on the weighted average number of shares in issue during the year of approximately 3,020,884,000 ordinary shares, as adjusted to reflect the exercise of share options (2015: 3,072,867,000 ordinary shares, as adjusted to reflect the shares by exercise of share options and share repurchased) during the year.

16. GOODWILL

14. 股息

截至二零一六年十二月三十一日止年度並無派付或擬派付任何股息，於報告期末後亦無建議派付任何股息(二零一五年：無)。

15. 每股虧損

每股基本虧損乃根據本年度本公司持有人應佔虧損約149,736,000港元(二零一五年：41,875,000港元)，以及經調整以反映年內行使購股權而發行股份之年內已發行股份加權平均數目約3,020,884,000股普通股(二零一五年：3,072,867,000股普通股，經調整以反映因行使購股權及股份回購)計算。

16. 商譽

		HK\$'000 千港元
Cost	成本	
At 1 January 2015, 31 December 2015 and 31 December 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十二月 三十一日	679,104
Accumulated impairment losses	累計減值虧損	
As at 1 January 2015, 31 December 2015 and 31 December 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十二月 三十一日	(679,104)
Carrying amounts	賬面值	
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	-

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16. GOODWILL (Continued)

Notes:

- i. Goodwill arose on acquisition of subsidiaries New Beida Business Study Net Group Limited is HK\$647,598,000 on 27 February 2008.
- ii. Goodwill arose on acquisition of subsidiaries, IIN Medical (BVI) Group Limited ("IIN Medical (BVI)") and its subsidiaries on 23 April 2009.

Goodwill arose on acquisition of non-controlling interests of Hunan IIN Medical Network Technology Development Company Limited, a subsidiary of IIN Medical (BVI), in May 2009.

Goodwill arose on acquisition of ii and iii is HK\$31,506,000.

Impairment testing of goodwill

i. Acquisition of New Beida Business Study Net Group Limited ("New Beida")

As at the year ended 31 December 2009, the Group had performed an impairment testing of goodwill arose on acquisition of New Beida with reference to a valuation carried out by LCH (Asia – Pacific) Surveyors Limited ("LCH"), an independent qualified valuer. As New Beida sustained a negative cash flow for the year ended 31 December 2009 and such position was expected to continue in the foreseeable future, the directors of the Company were of the opinion that the income approach was inappropriate to reflect the value of New Beida as at 31 December 2009. The asset-based approach had been adopted for the valuation for the year ended 31 December 2009, as opposed to the valuation carried out by LCH for the year ended 31 December 2008 where the income approach was adopted. Based on the business valuation, the Group had recognised an impairment loss of HK\$326,115,000 in relation to goodwill arose on acquisition of New Beida for the year ended 31 December 2009 (2008: HK\$321,483,000). As a result, the goodwill arose on acquisition of New Beida was identified to be fully impaired.

16. 商譽(續)

附註：

- i. 商譽乃於二零零八年二月二十七日收購附屬公司新北大商學網集團有限公司時產生，為647,598,000港元。
- ii. 商譽乃於二零零九年四月二十三日收購附屬公司國訊醫藥(BVI)集團有限公司(「國訊醫藥(BVI)」)及其附屬公司時產生。

商譽乃於二零零九年五月收購國訊醫藥(BVI)之附屬公司—湖南國訊醫藥網絡科技開發有限公司之非控股權益時產生。

商譽乃於收購ii及iii時產生，為31,506,000港元。

商譽減值測試

i. 收購新北大商學網集團有限公司(「新北大」)

截至二零零九年十二月三十一日止年度，本集團參考獨立合資格估值師利駿行測量師有限公司(「利駿行」)所作之估值，進行因收購新北大所產生商譽的減值測試。由於新北大於截至二零零九年十二月三十一日止年度持續錄得負現金流量，而該狀況預期於可見未來仍然持續，本公司董事認為，收入法不適合反映新北大於二零零九年十二月三十一日之價值。資產基準法已採納作為截至二零零九年十二月三十一日止年度之估值方法，而利駿行則於截至二零零八年十二月三十一日止年度採納收入法進行估值。基於上述業務估值，本集團於截至二零零九年十二月三十一日止年度確認有關因收購新北大而產生商譽之減值虧損326,115,000港元(二零零八年：321,483,000港元)。因此，因收購新北大而產生之商譽已視為獲全數減值。

16. GOODWILL (Continued)

Impairment testing of goodwill (Continued)

ii. Acquisition of IIN Medical (BVI)

As at the year ended 31 December 2010, the Group has performed an impairment testing of goodwill arose on acquisition of IIN Medical (BVI) with reference to a valuation carried out by Grant Sherman Appraisal Limited, based on cash flow forecasts derived from the most recent financial budgets for the next five years with a discount rate of 17.83%. The directors of the Company were of the opinion, based on the business valuation, that there the Group had recognised an impairment loss of HK\$31,506,000 in relation to goodwill arose from the acquisition of IIN Medical (BVI) as at 31 December 2010. As a result, the goodwill of HK\$31,506,000 on acquisition of IIN Medical (BVI) was identified to be fully impaired.

The recoverable amount of the goodwill has been determined on the basis of value-in-use calculation. The key factors for the value-in-use calculation are discount rates, growth rates and expected changes in revenue and direct costs. Capital Asset Pricing Model has been adopted to estimate the discount rate by using market data of other companies with business similar to IIN Medical (BVI). The growth rate is based on the historical Consumer Price Index of the PRC. Changes in revenue and direct costs are based on past performance of IIN Medical (BVI) and management's expectation of the market development.

16. 商譽(續)

商譽減值測試(續)

ii. 收購國訊醫藥(BVI)

截至二零一零年十二月三十一日止年度，本集團參照中證評估有限公司作出之估值，就因收購國訊醫藥(BVI)而產生之商譽進行減值測試。有關估值乃根據從最新未來五年財政預算(貼現率17.83%)而進行之現金流量預測進行。本公司董事認為，根據該業務估值，本集團已就於二零一零年十二月三十一日因收購國訊醫藥(BVI)而產生之商譽確認減值虧損31,506,000港元。因此，因收購國訊醫藥(BVI)而產生之商譽31,506,000港元已視為獲全數減值。

商譽之可收回金額已按使用價值計算基準釐定。使用價值計算之主要因素為收益及直接成本之貼現率、增長率及預期變動。資本資產定價模式已獲採納，以採用與國訊醫藥(BVI)從事類似業務之其他公司之市場數據估計貼現率。增長率乃基於中國之過往消費物價指數計算。收益及直接成本之變動乃根據國訊醫藥(BVI)之過往表現及管理層對市場發展之展望而作出。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 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	998	14,535	7,424	22,957
Additions	添置	-	93	-	93
Exchange realignment	匯兌調整	-	(651)	(63)	(714)
At 31 December 2015	於二零一五年十二月三十一日	998	13,977	7,361	22,336
Additions	添置	-	93	696	789
Disposal	出售	-	(36)	(5,952)	(5,988)
Exchange realignment	匯兌調整	-	(291)	(27)	(318)
At 31 December 2016	於二零一六年十二月三十一日	998	13,743	2,078	16,819

17. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

17. 物業、廠房及設備(續)

		Leasehold improvements	Furniture, fixtures and office equipment	Motor vehicles	Total
		租賃物業裝修	傢俬、裝置及 辦公室設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
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	998	14,013	856	15,867
Charge for the year	年內計提	-	203	1,440	1,643
Exchange realignment	匯兌調整	-	(641)	(33)	(674)
At 31 December 2015	於二零一五年十二月三十一日	998	13,575	2,263	16,836
Charge for the year	年內計提	-	128	1,161	1,289
Disposal	出售	-	(20)	(2,381)	(2,401)
Exchange realignment	匯兌調整	-	(284)	(22)	(306)
At 31 December 2016	於二零一六年十二月三十一日	998	13,399	1,021	15,418
Carrying amounts	賬面值				
At 31 December 2016	於二零一六年十二月三十一日	-	344	1,057	1,401
At 31 December 2015	於二零一五年十二月三十一日	-	402	5,098	5,500

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18. INVESTMENT IN AN ASSOCIATE

18. 於一間聯營公司之投資

		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	-	-
Addition	增加	50,000	-
Share of loss	分攤虧損	-	-
At 31 December	於十二月三十一日	50,000	-

Details of the Group's associate as at 31 December 2016 are as follows:

於二零一六年十二月三十一日本集團之聯營公司詳列如下：

Name of entity 企業名稱	Place of business/country of incorporation		% of ownership interest 權益百分比	Measurement method 計量方法
	Principal activities 經營地點／註冊成立地點	Principal activities 主營業務		

Shares held indirectly:
間接持有之權益

Business Harbour INC. 貿港有限公司	BVI, limited liability by share company 英屬處女群島， 股份有限公司	Compilation and production of the content of online education courses and related business. 彙編及製作網上教育課程 內容及相關業務。	45%	Equity 權益法
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Set out below are the summarised financial information of an associate which is accounted for using equity method.

按權益法入賬之一間聯營公司之摘要財務資料如下：

18. INVESTMENT IN AN ASSOCIATE (Continued)

18. 於一間聯營公司之投資(續)

Summarised balance sheet

摘要資產負債表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current	流動		
Cash and cash equivalents	現金及現金等值項目	-	-
Current assets (excluding cash and cash equivalents)	流動資產(不包括現金及現金等值項目)	8	-
Total current assets	總流動資產	8	-
Current liabilities	流動負債	-	-
Non-current	非流動		
Assets	資產	-	-
Net assets	淨資產	8	-
Revenue	收益	-	-
Depreciation	折舊	-	-
Expenses	開支	-	-
Loss for the year	年度虧損	-	-
Other comprehensive loss	其他綜合虧損	-	-
Total loss for the year	總年度虧損	-	-

There were no commitment and contingent liabilities relating to the Group's interests in an associate as at 31 December 2016.

於二零一六年十二月三十一日，本集團於一間合營企業之投資並無承擔及或然負債。

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18. INVESTMENT IN AN ASSOCIATE

(Continued)

Summarised balance sheet (Continued)

As at 31 December 2016, management has conducted an impairment assessment by taking into account, among other things, (i) the business valuation of the associate performed by an independent professional valuer; (ii) the Profit Guarantee in respect of the associated (details of which are set out in the paragraph headed "Profit Guarantee" of the announcement dated 30 August 2016); and (iii) the future prospects of the associate. Based on the results of the assessment, the Company concluded no impairment was recognized.

19. INVENTORY

Cost	成本
Less: impairment losses	減：減值虧損

18. 於一間聯營公司之投資(續)

摘要資產負債表(續)

於二零一六年十二月三十一日，管理層已進行減值評估，計及(其中包括)(i)獨立專業估值師進行的聯營公司業務估值；(ii)有關聯營公司利潤保證(其詳情乃載於日期為二零一六年八月三十日之公告「利潤保證」一段)；及(iii)聯營公司未來前景。根據評估結果，本公司得出結論並無確認減值。

19. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost	成本	131	184
Less: impairment losses	減：減值虧損	(131)	(147)
		-	37

20. OTHER RECEIVABLES

20. 其他應收賬款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deposits and other receivables	按金及其他應收款項	145,225	159,742
Prepayments	預付款項	11,166	1,961
Less: impairment losses	減：減值虧損	(71,341)	(12,100)
		85,050	149,603

At the end of each reporting period, the Group's other receivables were individually determined to be impaired. The individually impaired receivables are recognised based on the credit history of debtors, such as financial difficulties or default in payments, and current market conditions. The Group does not hold any collateral over these balances.

For the year ended 31 December 2016, management has assessed the recoverability of other receivables by reference to the subsequent settlement and ageing, current market conditions. Before the date of the approval of the consolidated financial statements, the management is seeking for various ways of recovering and/or utilizing those other receivables for the best interest of the Company, including but not limited to any subsequent disposal in consideration of other assets for the Company. The Company has assessed the possible impairment of any such receivables and an impairment loss of approximately HK\$60,887,000 is provided in the assessment process for the year ended 31 December 2016 taking into account market conditions, subsequent settlement among other things.

於各報告期末，本集團之其他應收賬款乃個別釐定是否需要減值。個別減值之應收款項乃根據債務人之信貸紀錄（如財政困難或拖欠款項）及現行市況確認。本集團並無就該等結餘持有任何抵押品。

截至二零一六年十二月三十一日止年度，管理層對其他應收賬款之可收回性進行評估，並參考其後結算及賬齡、現行市況。於批准綜合財務報表日期前，管理層正尋求各種方式收回及／或動用該等其他應收賬款，以使本公司獲得最佳利益，包括但不限於隨後出售本公司其他資產之代價。本公司已評估任何該等應收賬款可能產生之減值虧損，並於截至二零一六年十二月三十一日止年度之評估程序中撥備減值虧損約60,887,000港元，當中考慮（其中包括）市場情況、隨後結算情況。

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20. OTHER RECEIVABLES (Continued)

The movement for provision of impairment of other receivables is as follows:

		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	12,100	12,672
Impaired	減值	60,887	-
Exchange realignment	匯兌調整	(1,646)	(572)
At 31 December	於十二月三十一日	71,341	12,100

20. 其他應收賬款(續)

有關其他應收款項減值撥備之變動如下:

21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2016 二零一六年	2015 二零一五年
Listed securities	上市證券		
- Equity securities listed in Hong Kong	- 香港上市的股本證券	7,952	7,990

21. 透過損益按公平值計量之金融資產

22. CASH AND CASH EQUIVALENTS

22. 現金及現金等值項目

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank balances	銀行結餘	51,121	64,046
Cash balances	現金結餘	7	15
Cash and cash equivalents in the consolidated statement of cash flow	綜合現金流量表的現金及現金等值項目	51,128	64,061

Cash and cash equivalents of approximately HK\$12,614,000 (2015: HK\$17,154,000) for the Group are denominated in Renminbi, which is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange control imposed by the PRC government.

本集團之現金及現金等值項目約12,614,000港元(二零一五年：17,154,000港元)乃以人民幣列值，而人民幣並非自由兌換貨幣，向中國國外匯款受到中國政府的外匯管制規限。

Deposits with banks are interest bearing at the prevailing market rates.

銀行存款按現行市場利率計息。

23. TRADE AND OTHER PAYABLES

23. 貿易及其他應付賬款

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade payables	貿易應付賬款	543	1,801
Other payables	其他應付款項	14,040	29,744
Receipt in advance	預收款項	16,042	15,454
Accrued charges	應計費用	1,935	2,484
		32,560	49,483

Included in other payables is contingent consideration payable of HK\$10,000,000 for the acquisition of 45% equity interest of the associate.

計入其他應付款項的為就收購聯營公司45%股權的應付潛在代價10,000,000港元。

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23. TRADE AND OTHER PAYABLES

(Continued)

An aging analysis of the trade payables as at the end of reporting period is as follows:

Within 30 days	30日內
31 to 60 days	31日60至日間
61 to 90 days	61日90至日間
Over 90 days	超過90日

The average credit period on cost of goods sold and services provided is 1-3 months. The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

24. DEFERRED TAXATION

At the end of the reporting date, the Group had estimated the unused tax losses of approximately HK\$59,629,000 (2015: HK\$60,565,000) available for offset against future profits. No deferred tax assets have been recognised in respect of such losses due to the unpredictability of future profit streams. The Group has tax losses arising in Hong Kong of approximately HK\$15,837,000 (2015: HK\$15,837,000) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

The Group also has tax losses arising in the PRC of approximately HK\$43,792,000 (2015: HK\$44,728,000) that will expire in one to five years for offsetting against future taxable profits.

23. 貿易及其他應付賬款(續)

貿易應付賬款於報告期末之賬齡分析如下：

2016	2015
二零一六年	二零一五年
HK\$'000	HK\$'000
千港元	千港元

Within 30 days	30日內	468	1,774
31 to 60 days	31日60至日間	-	-
61 to 90 days	61日90至日間	-	-
Over 90 days	超過90日	75	27
		543	1,801

銷售貨品及提供服務之成本之平均信貸期為1至3個月。本集團已實施財務風險管理政策，以確保全部應付款項於信貸指定期間內清付。

24. 遞延稅項

於報告日期完結時，本集團估計可用作對銷未來溢利之未動用稅項虧損約為59,629,000港元(二零一五年：60,565,000港元)。由於未能預測未來溢利來源，故並無就該等虧損確認遞延稅項資產。本集團於香港產生之稅項虧損約15,837,000港元(二零一五年：15,837,000港元)，可供無限期抵銷產生虧損之公司之未來應課稅溢利。

本集團於中國產生之稅項虧損約43,792,000港元(二零一五年：44,728,000港元)可於一至五年內用作抵銷未來應課稅溢利。

25. SHARE CAPITAL

The Group and the Company

25. 股本

本集團及本公司

		Notes 附註	Number of shares 股份數目	Share capital 股本 HK\$'000 千港元
Authorised:	法定：			
At 1 January 2015, 31 December 2015 and 31 December 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 零一六年十二月三十一日			
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		50,000,000,000	5,000,000
Issued and fully paid:	發行及繳足：			
At 1 January 2015	於二零一五年一月一日			
Ordinary shares of HK\$0.5 each	每股面值0.5港元之普通股		3,214,271,196	321,427
Issue of shares by exercised of of share options share options	因行使購股權而發行股份	a	12,000,000	1,200
Share repurchased and cancelled	已回購及註銷之股份	b	(281,168,000)	(28,117)
At 31 December 2015	於二零一五年十二月三十一日			
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		2,945,103,196	294,510
Issue of shares by exercised of share options	因行使購股權而發行股份		169,400,000	16,940
Issue of shares	發行股份		190,476,190	19,048
At 31 December 2016	於二零一六年十二月三十一日			
Ordinary shares of HK\$0.1 each	每股面值0.1港元之普通股		3,304,979,386	330,498

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25. SHARE CAPITAL (Continued)

Notes:

- (a) During the year ended 31 December 2016, 169,400,000 share options were exercised by holder to subscribe for 169,400,000 shares. Details of the share options during the year are set out in note 33.
- (b) During the year, the Company issued 190,476,190 shares for acquiring 45% interest on Business Harbour Inc..

26. RESERVES

(a) The Group

The amounts of the Group's reserves and movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 67 of the annual report.

25. 股本(續)

附註：

- (a) 於截至二零一六年十二月三十一日止年度，持有人行使169,400,000份購股權認購169,400,000股股份。年內購股權詳情載於附註33。
- (b) 年內，本公司發行190,476,190股股份，以收購貿港有限公司45%權益。

26. 儲備

(a) 本集團

本年度及以往年度本集團儲備之數額及其變動於年報第67頁之綜合權益變動表中呈列。

26. RESERVES (Continued)

(b) The Company

26. 儲備(續)

(b) 本公司

		Notes	Share premium 股份溢價 HK\$'000 千港元	Share-based payment reserve 以股支付儲備 HK\$'000 千港元	Convertible note equity reserve 可換股票據權益儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 合計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日		310,567	14,420	6,144	(264,425)	66,706
Total comprehensive loss for the year	本年度全面虧損總額		-	-	-	(39,535)	(39,535)
Issue of employee Share option	發行僱員購股權	33	-	16,537	-	-	16,537
Issue of shares by exercised of share option	因行使購股權而發行股份	33	1,229	(413)	-	-	816
Redemption of convertible notes	贖回可換股票據	27	-	-	(6,144)	6,144	-
Share repurchased	股份回購		(83,542)	-	-	-	(83,542)
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		228,254	30,544	-	(297,816)	(39,018)
Total comprehensive loss for the year	本年度全面虧損總額		-	-	-	(91,193)	(91,193)
Issue of convertible notes	發行可換股票據	27	-	-	1,174	-	1,174
Issue of share option	發行購股權	33	-	34,575	-	-	34,575
Issue of shares by exercised of share option	因行使購股權而發行股份	33	38,541	(8,049)	-	-	30,492
Issue of new shares	發行新股份		20,952	-	-	-	20,952
At 31 December 2016	於二零一六年十二月三十一日		287,747	57,070	1,174	(389,009)	(43,018)

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26. RESERVES (Continued)

(b) The Company (Continued)

The capital reserve of the Group represents the excess of the nominal value of the share capital and the share premium account of the subsidiaries acquired pursuant to the Group reorganisation over the nominal value of the share capital of the Company issued in exchange therefore.

Pursuant to the Companies Law of the Cayman Islands and the Company's Articles of Association, 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 its debts as they fall due in the ordinary course of business. At 31 December 2016, in the opinion of the directors of the Company, the Company did not have any reserve available for distribution to shareholders (2015: Nil).

The share-based payment reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payment transactions in note 33 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to accumulate losses should the related options expire or be forfeited.

26. 儲備(續)

(b) 本公司(續)

本集團資本儲備指根據集團重組而收購之附屬公司之股本面值及股份溢價賬超逾本公司就此發行之股本面值之差額。

根據開曼群島公司法及本公司組織章程細則，倘於緊隨擬派股息當日後，本公司有能力償還於日常業務中到期之債項，則本公司可向股東分派股份溢價。於二零一六年十二月三十一日，本公司董事認為本公司並無任何可向股東分派之儲備(二零一五年：無)。

以股支付儲備包括已授出但尚未行使之購股權之公平值，詳見財務報表附註33有關以股支付交易之會計政策。若相關購股權獲行使，相關數額將轉撥入股份溢價賬，若相關購股權屆滿或作廢，相關數額將轉撥入累計虧損。

27. CONVERTIBLE NOTES

The movement of the convertible notes for the year is set out below:

27. 可換股票據

可換股票據於年內的變動載於下文:

		Liability component	Equity component	Financial derivative- liability	Total
		負債部分	權益部分	工具－負債	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Carrying amount at 1 January 2015	於二零一五年一月一日 之賬面值	9,382	6,144	8	15,534
Redemption of notes	贖回票據	(10,012)	(6,144)	(8)	(16,164)
Effective interest expense	實際利息開支	630	–	–	630
Carrying amount at 31 December 2015	於二零一五年十二月 三十一日之賬面值	–	–	–	–
Issuance of new notes	發行新票據	8,827	1,174	–	10,001
Effective interest expense	實際利息開支	569	–	–	569
Carrying amount at 31 December 2016	於二零一六年十二月 三十一日之賬面值	9,396	1,174	–	10,570

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27. CONVERTIBLE NOTES (Continued)

2011 D Convertible notes

On 14 September 2011, the Company issued 3% coupon convertible notes (the "CN 2011 D"), the principal terms of the CN 2011 D are as follows:

Date of issue	14 September 2011
Aggregate principal amount	HK\$22,500,000
Interest rate	3%
Conversion price	HK\$0.50
Maturity date	12 months from the date of issue

On 6 March 2014, the Company has redeemed one of the Convertible Notes 2011 D with the principal amount of HK\$10,000,000 in accordance with notice from the holder. The Company is contacting the holder of the Convertible Notes 2011 D with the principal amount of HK\$2,800,000 in order to settle the convertible notes. As at 31 December 2016, the Company has not received any reply or notice from the holder and the Company has the funds available for redemption. Therefore the Company has accrued such amount of HK\$2,800,000 together with its interest accrued at the year ended 31 December 2016.

2012 EICN Convertible notes

On 20 December 2012, the Company issued 1% coupon convertible notes (the "EICN"), the principal terms of the EICN are as follows:

Date of issue	20 December 2012
Aggregate principal amount	HK\$58,235,956
Interest rate	1%
Conversion price	HK\$0.50
Maturity date	36 months from the date of issue

27. 可換股票據(續)

二零一一年可換股票據D

於二零一一年九月十四日，本公司發行票息為3%的可換股票據(「二零一一年可換股票據D」)，二零一一年可換股票據D的主要條款如下：

發行日期	二零一一年九月十四日
本金總額	22,500,000港元
息率	3%
換股價	0.50港元
到期日	自發行日期起12個月

於二零一四年三月六日，本公司根據持有人通知，贖回本金額10,000,000港元之二零一一年可換股票據D。本公司正在聯絡本金額2,800,000港元之二零一一年可換股票據D之持有人，以償還可換股票據。於二零一六年十二月三十一日，本公司尚未接獲持有人的任何回覆或通知，而本公司已備好贖回資金。因此，本公司於截至二零一五年十二月三十一日止年度已產生2,800,000港元連同應計利息。

二零一二年可換股票據永樂國際可換股票據

於二零一二年十二月二十日，本公司發行票息為1%的可換股票據(「永樂國際可換股票據」)，永樂國際可換股票據的主要條款如下：

發行日期	二零一二年十二月二十日
本金總額	58,235,956港元
息率	1%
換股價	0.50港元
到期日	自發行日期起計36個月

27. CONVERTIBLE NOTES (Continued)

2012 EICN Convertible notes (Continued)

On 15 August 2014 (after trading hours), the Company and the note holders of EICN entered into the Deeds of Amendment, pursuant to which the Company and the note holders of EICN agreed to amend certain terms and conditions of EICN. Pursuant to the Deeds of Amendment, (i) the conversion price of EICN will be reduced from HK\$0.50 per Share to HK\$0.35 per share; and (ii) the interest rate of EICN will be reduced from 1% per annum to zero. Save as amended pursuant to the Deeds of Amendment, all other terms of EICN shall remain unchanged and valid.

On 15 October 2014, the resolution in relation to the proposed amendment to the terms and conditions of EICN was duly passed by the independent shareholders by way of poll at the Company's extraordinary general meeting.

On 27 October 2014, the Amendment of Terms has become effective. The updated terms of EICN are as follow:

Date of issue	20 December 2012
Aggregate principal amount	HK\$58,235,956
Aggregate principal amount as at 27 October 2014	HK\$58,235,956
Interest rate	0%
Adjusted conversion price	HK\$0.35
Maturity date	36 months from the date of issue

The incremental consideration resulted from adjustment to conversion price amounting to HK\$26,456,000 have been recognised in profit or loss during the year ended 31 December 2014.

27. 可換股票據(續)

二零一二年可換股票據永樂國際可換股票據(續)

於二零一四年八月十五日(交易時段後),本公司與永樂國際可換股票據票據持有人訂立修訂契據,據此,本公司及永樂國際可換股票據票據持有人同意就永樂國際可換股票據若干條款及條件進行修訂。根據修訂契據,(i)永樂國際可換股票據換股價將由每股0.50港元降至每股0.35港元;及(ii)永樂國際可換股票據利率由每年1%降至零。除根據修訂契據所作之修訂以外,永樂國際可換股票據所有其他條款均維持不變及有效。

於二零一四年十月十五日,建議修訂永樂國際可換股票據之條款及條件相關之決議案已獲獨立股東於本公司股東特別大會上以投票表決方式正式通過。

於二零一四年十月二十七日,修訂條款已生效。永樂國際可換股票據之經更新條款如下:

發行日期	二零一二年十二月二十日
本金總額	58,235,956港元
於二零一四年十月二十七日之本金總額	58,235,956港元
息率	0%
經調整換股價	0.35港元
到期日	自發行日期起計36個月

截至二零一四年十二月三十一日止年度,經調整換股價產生之代價增加26,456,000港元已於損益內確認。

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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

27. CONVERTIBLE NOTES (Continued)

2012 EICN Convertible notes (Continued)

(a) Conversion period

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the note in an amount of not less than HK\$500,000 on each conversion (save that if at any time, the principal outstanding amount of the note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the notes may be converted) into shares in board lot or multiples thereof at any time from the issue date at the initial conversion price of HK\$0.35 per share up to (and excluding) the fifth business day immediately before the maturity date.

(b) Issuer early redemption option

The Company may at its sole and absolute discretion redeem the Notes (or any part thereof) at its principal amount outstanding together with interest at any time and from time to time on or before the notes maturity date.

(c) Valuation of liability component

The fair value of EICN as at 20 December 2012 amounted to HK\$48,872,000. The fair value is calculated using binomial tree models at a rate based on the discount rate of 7.79%.

The noteholders converted EICN in the principal amount of HK\$35,000,000 on 30 October 2014. The noteholder converted EICN in the principal amount of HK\$13,235,956 on 16 December 2014. EICN in the principal amount of HK\$10,000,000 was matured on 20 December 2015.

27. 可換股票據(續)

二零一二年可換股票據永樂國際可換股票據(續)

(a) 兌換期間

票據持有人有權於自發行日期起至緊接到期日期前第五個營業日(不包括該日)任何時間按每股0.35港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份,每次兌換票據的未償還本金額不少於500,000港元, (惟倘於任何時間可換股票據的未償還本金額少於500,000港元,則可兌換可換股票據之全部(而非僅一部分)未償還本金額)。

(b) 發行人提早贖回選擇權

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息全權酌情贖回票據(或任何部分票據)。

(c) 負債部分之估值

於二零一二年十二月二十日,永樂國際可換股票據的公平值為48,872,000港元。公平值乃使用二叉樹模型按7.79%的貼現率計算。

於二零一四年十月三十日,票據持有人兌換永樂國際可換股票據的本金額35,000,000港元。於二零一四年十二月十六日,票據持有人兌換永樂國際可換股票據的本金額13,235,956港元。本金額10,000,000的永樂國際可換股票據已於二零一五年十二月二十日到期。

27. CONVERTIBLE NOTES (Continued)

CN2018 Convertible notes

On 13 January 2016, the Company issued zero coupon convertible notes (the “CN2018”), the principal terms of the CN2018 are as follows:

Date of issue	13 January 2016
Aggregate principal amount	HK\$10,000,000
Interest rate	–
Conversion price	HK\$0.35
Maturity date	24 months from the date of issue

(a) Conversion period

The noteholder shall have the right to convert the whole or any part of the outstanding principal of the note in an amount of not less than HK\$500,000 on each conversion (save that if at time, the principal outstanding amount of the note is less than HK\$500,000, the whole (but not part only) of the principal outstanding amount of the notes may be converted) into shares in board lot or multiples thereof at any time from the issue date at the initial conversion price of HK\$0.35 per share up to (and excluding) the fifth business day immediately before the maturity date.

(b) Issuer early redemption option

The Company may at its sole and absolute discretion redeem the notes (or any part thereof) at its principal amount outstanding together with interest at any time and from time to time on or before the notes maturity date.

27. 可換股票據(續)

二零一八年可換股票據

於二零一六年一月十三日，本公司發行票息為零的可換股票據(「二零一八年可換股票據」)，二零一八年可換股票據的主要條款如下：

發行日期	二零一六年一月十三日
本金總額	10,000,000港元
息率	–
換股價	0.35港元
到期日	自發行日期起計24個月

(a) 兌換期間

票據持有人有權於自發行日期起至緊接到期日期前第五個營業日(不包括該日)任何時間按每股0.35港元的初步換股價將票據之全部或任何部分未償還本金額兌換為一手或多手股份，每次兌換票據的未償還本金額不少於500,000港元，(惟倘於任何時間可換股票據的未償還本金額少於500,000港元，則可兌換可換股票據之全部(而非僅一部分)未償還本金額)。

(b) 發行人提早贖回選擇權

本公司可於票據到期日或之前任何時間及不時以其未償還本金連同利息全權酌情贖回票據(或任何部分票據)。

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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

27. CONVERTIBLE NOTES (Continued)

CN2018A Convertible notes (Continued)

(c) Valuation of liability component

The fair value of CN2018 as at 13 January 2016 amounted to HK\$9,739,776. The fair value is calculated using binomial tree models at a rate based on the discount rate of 9.54%.

28. OPERATING LEASE COMMITMENTS

At the end of the reporting date, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises and other asset, which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	4,302	2,228
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)	1,296	-
		5,598	2,228

Leases are negotiated and rentals are fixed for terms of 1 to 2 years (2015: 1 to 2 years).

27. 可換股票據(續)

二零一八年可換股票據(續)

(c) 負債部分之估值

二零一八年可換股票據於二零一六年一月十三日的公平值為9,739,776港元。公平值乃使用二叉樹模型按9.54%的貼現率計算。

28. 經營租約承擔

於報告日期完結時，本集團就辦公室物業及其他資產之不可撤銷經營租約承擔之未來最低租賃款項到期情況如下：

租約乃按一至二年(二零一五年：一至二年)之年期磋商及定租。

29. CONTINGENT LIABILITIES

The Group did not have materially contingent liabilities at the end of the reporting period (2015: Nil).

30. PLEDGED OF ASSETS

At the end of the reporting period, none of the Group's assets (2015: Nil) were pledged to secure the Group's banking facilities.

31. RELATED PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Unless otherwise disclosed in these consolidated financial statements, the Group did not enter into any material related party transactions during the year and did not have any material balances with related parties at the end of the reporting period.

The remuneration of directors and other members of key management during the year are disclosed in the note 12 to the consolidated financial statements.

29. 或然負債

於報告期末，本集團概無擁有重大或然負債(二零一五年：無)。

30. 資產抵押

於報告期末，本集團概無資產(二零一五年：無)已抵押作為本集團銀行信貸之擔保。

31. 關連方交易

本公司與其附屬公司(其為本公司之關連方)間之結餘及交易於綜合時已對銷，並無於本附註披露。

除該等綜合財務報表所披露者外，本集團於年內並無訂立任何重大關連方交易，且於報告期末與關連方並無任何重大結餘。

年內，本集團董事及主要管理層之其他成員之酬金載於綜合財務報表附註12。

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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

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Group's major financial instruments include trade and other receivables, cash and cash equivalents, trade and other payables, financial derivatives, convertible notes and other borrowings. Details of these financial instruments are disclosed in respective notes.

The main risks arising from the Group's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. The Group's accounting policies in relation to derivatives are set out in note 4 to the financial statements.

Credit risk

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2016 in relation to each class of recognized financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade and other receivables. In order to minimise credit risk, management has certain monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade receivables regularly at each reporting date to ensure that adequate impairment losses are adequately made for irrecoverable amounts. The credit risk on liquid funds is limited because the counterparties are commercial banks with high credit-ratings assigned by international credit-rating agencies. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

32. 財務風險管理宗旨及政策

本集團之主要金融工具包括貿易及其他應收賬款、現金及現金等值項目、貿易及其他應付賬款、金融衍生工具、可換股票據及其他借款。該等金融工具之詳情於有關附註內披露。

本集團金融工具產生之主要風險為信貸風險、利率風險、外匯風險及流動資金風險。董事會檢討及同意此等各項風險之管理政策並於下文概述。本集團有關衍生工具之會計政策載於財務報表附註4。

信貸風險

倘若交易對手方無法履行彼等截至二零一六年十二月三十一日有關每類已確認金融資產之債項，本集團承受之最大信貸風險為綜合財務狀況表內所列示之該等資產之賬面值。本集團承受之信貸風險主要來自貿易及其他應收款項。為盡量降低信貸風險，管理層已設立若干監管程序，確保能採取跟進行動追收逾期債務。此外，於各報告日期，本集團定期檢討每宗個別應收貿易賬款之可收回金額，確保就無法收回金額作出足夠之減值虧損。由於交易對手方為獲國際信貸評級機構評為高信貸評級之商業銀行，故流動資金之信貸風險有限。本集團並無高度集中之信貸風險，風險分佈於數目眾多之交易對手方及客戶。

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Interest rate risk

The Group's interest rate risk arises primarily from the Group's bank deposits. All the deposits are on a floating rate basis.

The Group does not use financial derivatives to hedge against the interest rate risk. However, the interest rate profile of the Group's net deposits (being bank deposits less any interest-bearing financial liabilities) is closely monitored by management.

At 31 December 2016, it is estimated that a general increase/decrease of 50 basis points (2015: 50 basis points) in interest rates, with all other variables held constant, would increase/decrease the Group's loss before tax and accumulated losses by approximately HK\$256,000 (2015: HK\$320,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for the non-derivative financial liabilities in existence at that date. The 50 basis points increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2015.

Foreign currency risk

The Group has transactional currency exposures, primarily with respect to Renminbi ("RMB"), for the years 2016 and 2015. Such exposures arise from provision of an internet platform for the facilitation of education program in Chinese Medicine and other advisory and training programs in currencies other than the Group's functional currency (i.e. Hong Kong dollar). All of the Group's sales are denominated in RMB for the years 2016 and 2015.

32. 財務風險管理宗旨及政策(續)

利率風險

本集團之利率風險主要來自本集團之銀行存款。所有存款均以浮息利率計息。

本集團並無利用金融衍生工具來對沖利率風險。然而，本集團之存款淨額(即銀行存款減去任何計息金融負債)之利率情況由管理層密切監察。

於二零一六年十二月三十一日，估計利率普遍上升/下跌50個基點(二零一五年：50個基點)(所有其他變數保持不變)，將導致本集團除稅前虧損及累計虧損增加/減少約256,000港元(二零一五年：320,000港元)。

上述之敏感度分析乃經假設於報告日期利率出現變動而釐定，且已應用於當日存在之非衍生金融負債之利率風險。利率上升/下跌50個基點顯示出管理層對下年度報告日期前期間內利率之合理可能變動作出之評估。二零一五年按相同基準進行有關分析。

外匯風險

於二零一六年及二零一五年度，本集團面對的交易性貨幣風險主要涉及人民幣(「人民幣」)。該等風險源於為中醫藥教育項目及其他諮詢及培訓項目提供網絡輔助平台以本集團功能貨幣(即港元)以外之貨幣計值。本集團於二零一六年及二零一五年度之全部銷售額均以人民幣計值。

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32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Foreign currency risk (Continued)

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

The Group conducts its business transactions principally in RMB. The exchange rate risk of the Group is not significant.

Liquidity risk

For the management of the Group's liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents considered adequate by management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly.

The following table details the contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates) and the earliest date the Group can be required to pay:

		On demand or within one year 應要求 或一年內 HK\$'000 千港元	More than one year but less than two years 一年以上 但兩年以內 HK\$'000 千港元	More than two years but less than five years 兩年以上 但五年以內 HK\$'000 千港元	Total undiscounted cash flow 未折現現金 流量總額 HK\$'000 千港元	Carrying amount 賬面值 HK\$'000 千港元
At 31 December 2016	於二零一六年十二月三十一日					
Financial liabilities	金融負債					
Trade and other payables	貿易及其他應付賬款	32,560	-	-	32,560	32,560
Convertible notes	可換股票據	-	10,000	-	10,000	9,396
At 31 December 2015	於二零一五年十二月三十一日					
Financial liabilities	金融負債					
Trade and other payables	貿易及其他應付賬款	49,483	-	-	49,483	49,483

32. 財務風險管理宗旨及政策(續)

外匯風險(續)

本集團目前並無外幣對沖政策。然而，管理層密切監察外匯風險，並會於需要時考慮對沖重大外幣風險。

本集團主要以人民幣進行其業務交易。本集團之匯率風險並不重大。

流動資金風險

為管理本集團之流動資金風險，本集團監控及維持現金及現金等值項目於管理層認為足夠之水平，以為本集團業務提供充足資金及減輕現金流量波動之影響。管理層會定期檢討及監控其營運資金需求。

下表詳列本集團於報告期末的金融負債合約到期情況，金融負債根據已訂約未折現現金流量（包括以訂約利率計算之利息付款）與本集團或須支付款項之最早日期計算：

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Financial instruments

Categories of financial instruments

32. 財務風險管理宗旨及政策(續)

金融工具

金融工具之分類

		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
Financial assets			
Fair value through profit or loss			
– Held for trading	金融資產 透過損益按公平值計量 – 持作買賣	7,952	7,990
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等 值項目)	118,595	207,492
Financial liabilities			
Amortised cost	金融負債 攤銷成本	126,547	34,052

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32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Financial instruments (Continued)

Fair value hierarchy on a recurring basis

Financial assets

Held for trading-listed equity
securities

金融資產

持作買賣—上市
股本證券

金融工具(續)

按經常性基準計量之公平值層級

Fair value hierarchy as at 31/12/16

於一六年十二月三十一日之公平值層級

Level 1	Level 2	Level 3	Total
第一級	第二級	第三級	合計
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
千港元	千港元	千港元	千港元

		7,952	-	-	7,952
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Fair value hierarchy as at 31/12/15

於一五年十二月三十一日之公平值層級

Level 1	Level 2	Level 3	Total
第一級	第二級	第三級	合計
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元

Financial assets

Held for trading-listed equity
securities

金融資產

持作買賣—上市
股本證券

		7,990	-	-	7,990
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The fair value of financial derivative is determined using binomial tree model and the inputs used in the fair value measurement are volatility and discount rate.

金融衍生工具的公平值乃使用二叉樹模型釐定，以及公平值計量所用的輸入數據具波動性及為貼現率。

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2015: Nil).

年內，金融資產及金融負債之第一級及第二級之間均無轉移公平值計量，亦無轉入或轉出第三級(二零一五年：無)。

32. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

(Continued)

Financial instruments (Continued)

Fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

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 stakeholders through optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2014.

The capital structure of the Group consists of debt, which mainly includes other borrowings and convertible notes, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on regular basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

33. SHARE-BASED EMPLOYEE COMPENSATION

At annual general meeting of the Company held on 23 May 2011, the Company adopted a new share option scheme ("Share Option Scheme") and the share option scheme adopted on 24 November 2001 (the "Old Scheme") became terminated therefrom. The Share Option Scheme became effective on 23 May 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon termination of Old Scheme, no further Options under the Old Scheme can be granted but the Options which have been granted during the life of the Old Scheme shall continue to be exercisable in accordance with their terms of issue and the provisions of Chapter 23 of the GEM Listing Rules.

32. 財務風險管理宗旨及政策(續)

金融工具(續)

公平值

董事認為，於綜合財務報表確認的金融資產及金融負債的賬面值與其公平值相若。

資本風險管理

本集團管理其資本，確保本集團實體能夠持續經營，同時亦透過適度平衡負債與權益結餘而為利益相關者爭取最高回報。本集團整體策略自二零一四年以來保持不變。

本集團的資本結構包括債項，當中主要包括其他借款及可換股票據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結構。檢討過程中，董事考慮資本成本及各類別資本相關的風險。根據董事的建議，本集團將透過發行新股份及股份購回以及發行新債項或贖回現有債項，平衡整體資本結構。

33. 以股支付僱員薪酬

在本公司於二零一一年五月二十三日舉行之股東週年大會上，本公司採納新的購股權計劃（「購股權計劃」），而於二零一一年十一月二十四日採納之購股權計劃（「舊計劃」）即時終止。購股權計劃由二零一一年五月二十三日起生效，除非獲註銷或修訂，否則將由該日起計十年內有效。待終止舊計劃後，概不得根據舊計劃進一步授出購股權，而於舊計劃有效期內已授出之購股權將繼續根據其發行條款及創業板上規規則第23章之條文可予行使。

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33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme

Pursuant to Share Option Scheme, the Board may grant options to any employee of the Group or any other persons who, in the sole discretion of the Board, have contributed or will contribute to the Group to subscribe for shares of the Company at a price determined by the Board and shall be no less than the highest of (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of offer of the option which must be a business day, (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the options; and (iii) the nominal value of a share on the date of offer of the options.

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of shares of the Company in issue at any time. The maximum number of shares issuable under the share option to each eligible participant in the Scheme Option Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time.

Any grant of options to a participant who is a director, chief executive or substantial shareholder of the Company or their respective associates must be approved by the independent non-executive directors (excluding independent non-executive director who is grantee). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time and with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5,000,000, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

33. 以股支付僱員薪酬(續)

購股權計劃

根據購股權計劃，董事會可向本集團任何僱員或董事會全權酌情認為曾經或將會對本集團作出貢獻之任何其他人士授出可認購本公司股份之購股權，價格由董事會釐訂，惟不得低於下列各項之最高者：(i)授出購股權當日(必須為營業日)股份於聯交所日報表上所報之收市價，(ii)緊接授出購股權當日前五個營業日股份於聯交所日報表上所報之平均收市價；及(iii)授出購股權當日股份之面值。

根據購股權計劃及本公司任何其他購股權計劃將授出之所有購股權獲行使時可予發行之股份總數，合共不得超過於任何時間已發行股份總數10%。於任何十二個月期間內，根據購股權可發行予各購股權計劃的合資格參與者的股份最高數目限於本公司任何時間已發行股份的1%。

向參與者(即本公司董事、最高行政人員或主要股東或彼等各自之聯繫人士)授出購股權，須獲獨立非執行董事(不包括身為承授人之獨立非執行董事)批准。此外，於任何十二個月期間內，向本公司主要股東或獨立非執行董事或彼等之任何聯繫人士授出任何超出本公司任何時間已發行股份0.1%及總值(按本公司股份於授出日期的價格計算)超過5,000,000港元的購股權須獲股東於股東大會上事先批准。

33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

The movements in the share options of the Company during the year ended 31 December 2016 are shown in the following table:

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2016 於 二零一六年 一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	At 31 December 2016 於 二零一六年 十二月三十一日
Directors								
董事								
Yuan Wei 袁偉	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	20,000,000	-	-	-	20,000,000
	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	-	10,000,000	-	-	10,000,000
Zhang Jianxin 張建新	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	5,000,000	-	-	-	5,000,000
	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	-	5,000,000	-	-	5,000,000
Wang Weihua 王為華	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	-	33,000,000	-	-	33,000,000
Subtotal 小計				25,000,000	48,000,000	-	-	73,000,000

33. 以股支付僱員薪酬(續)

購股權計劃(續)

截至二零一六年十二月三十一日止年度，本公司購股權之變動載於下表：

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截至二零一六年十二月三十一日止年度

33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

33. 以股支付僱員薪酬(續)

Share Option Scheme (Continued)

購股權計劃(續)

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2016 於二零一六年一月一日	Granted during the year 年內授出	Exercised during the year 年內行使	Cancelled during the year 年內註銷	At 31 December 2016 於二零一六年十二月三十一日
Others								
其他								
In aggregate 合共	28/08/2008 二零零八年八月二十八日	28/08/2008-27/08/2018 二零零八年八月二十八日至 二零一八年八月二十七日	1.281	9,230,311	-	-	-	9,230,311
In aggregate 合共	09/07/2009 二零零九年七月九日	09/07/2009-08/07/2019 二零零九年七月九日至 二零一九年七月八日	0.652	14,936,322	-	-	-	14,936,322
In aggregate 合共	10/07/2014 二零一四年七月十日	10/07/2014-09/07/2024 二零一四年七月十日至 二零二四年七月九日	0.168	30,000,000	-	-	-	30,000,000
In aggregate 合共	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	289,000,000	-	(169,400,000)	-	119,600,000
In aggregate 合共	15/12/2016 二零一六年十二月十五日	15/12/2016-14/12/2026 二零一六年十二月十五日至 二零二六年十二月十四日	0.311	-	282,000,000	-	-	282,000,000
				368,166,633	330,000,000	(169,400,000)	-	528,766,633
Exercisable at the end of the year 於年末行使								528,766,633
Weighted average exercise price 加權平均行使價				HK\$0.31港元	HK\$0.31港元	HK\$0.28港元	-	HK\$0.32港元

33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

The movements in the share options of the Company during the year ended 31 December 2015 are shown in the following table:

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2015 於 二零一五年一月一日	Granted during the year	Exercised during the year	Cancelled during the year	At 31 December 2015 於 二零一五年十二月三十一日
參與者姓名	授出日期	行使期及歸屬期	每股行使價 HK\$ 港元		年內授出	年內行使	年內註銷	十二月三十一日
Directors								
董事								
Li Xiangjun 李湘軍	28/08/2008 二零零八年八月二十八日	28/08/2008-27/08/2018 二零零八年八月二十八日至 二零一八年八月二十七日	1.281	2,349,534	-	-	-	2,349,534
	09/07/2009 二零零九年七月九日	09/07/2009-08/07/2019 二零零九年七月九日至 二零一九年七月八日	0.652	4,363,420	-	-	-	4,363,420
Yuan Wei 袁偉	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	-	20,000,000	-	-	20,000,000
Yang Jilin 楊季霖	09/09/2015 二零一五年九月九日	09/09/2015-08/09/2025 二零一五年九月九日至 二零二五年九月八日	0.28	-	20,000,000	-	-	20,000,000
Subtotal 小計				6,712,954	40,000,000	-	-	46,712,954

33. 以股支付僱員薪酬(續)

購股權計劃(續)

截至二零一五年十二月三十一日止年度，本公司購股權之變動載於下表：

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33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

33. 以股支付僱員薪酬(續)

Share Option Scheme (Continued)

購股權計劃(續)

Name of the participant	Date of grant	Exercise period and vesting period	Exercise price per share	At 1 January 2015	Granted during the year	Exercised during the year	Cancelled during the year	At 31 December 2015
參與者姓名	授出日期	行使期及歸屬期	每股行使價	於二零一五年一月一日	年內授出	年內行使	年內註銷	於二零一五年十二月三十一日
			HK\$					
			港元					
Others								
其他								
In aggregate	28/08/2008	28/08/2008-27/08/2018	1,281	6,880,777	-	-	-	6,880,777
合共	二零零八年八月二十八日	二零零八年八月二十八日至二零一八年八月二十七日						
In aggregate	09/07/2009	09/07/2009-08/07/2019	0.652	10,572,902	-	-	-	10,572,902
合共	二零零九年七月九日	二零零九年七月九日至二零一九年七月八日						
In aggregate	10/07/2014	10/07/2014-09/07/2024	0.168	42,000,000	-	(12,000,000)	-	30,000,000
合共	二零一三年十二月十一日	二零一三年十二月十一日至二零二三年十二月十日						
In aggregate	09/09/2015	09/09/2015-08/09/2025	0.28	-	274,000,000	-	-	274,000,000
合共	二零一四年七月十日	二零一四年七月十日至二零二四年七月九日						
				66,166,633	314,000,000	(12,000,000)	-	368,166,633
Exercisable at the end of the year								368,166,633
於年末行使								
Weighted average exercise price			HK\$0.43港元	HK\$0.28港元	HK\$0.17港元	-	-	HK\$0.31港元
加權平均行使價								

33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

(a) (Continued)

On 9 September 2015, the Company granted 314,000,000 Options to Grantees under the Company's Share Option Scheme adopted on 23 May 2011.

During the year ended 31 December 2015, the number of share options granted was 314,000,000 (2014: 165,000,000). Of which, 40,000,000 options were granted to the directors of the Company (the "Directors") 70,000,000 Options were granted to the employees of the Company (the "Employees") and 204,000,000 Options were granted to the Company's external consultants (the "Consultants"). The fair value of options granted under the Share Option Scheme, amounted to HK\$16,537,000 of average HK\$0.053 each. The fair values of the outstanding options were derived from Trinomial Option Pricing Model by applying the following assumptions:

Date of grant (dd.mm.yy)	Grantee	Expected volatility	Expected length of employment and services ("Expected life") (in years) 預期僱用及服務期限 (「預期期限」)	Risk-free interest rate	Expected dividend yield
授出日期 (日-月-年)	承授人	預期波幅	(年)	無風險利率	預期股息率
9.9.2015 二零一五年九月九日	Directors 董事	61.35%	1	0.13%	Nil 無
	Employees 僱員	61.35%	1	0.13%	Nil 無
	Consultants 顧問	57.04%	0.5	0.08%	Nil 無

33. 以股支付僱員薪酬(續)

購股權計劃(續)

(a) (續)

於二零一五年九月九日，本公司根據於二零一一年五月二十三日採納之購股權計劃，向承授人授出314,000,000份購股權。

於截至二零一五年十二月三十一日止年度，授出的購股權數目為314,000,000份（二零一四年：165,000,000份）。其中，40,000,000份購股權授予本公司董事（「董事」）、70,000,000份購股權授予本公司僱員（「僱員」）以及204,000,000份購股權授予本公司外聘顧問（「顧問」）。根據購股權計劃所授出購股權的公平值為16,537,000港元，每份購股權平均為0.053港元。尚未行使購股權的公平值以三項式期權定價模式計算，所採用假設如下：

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33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

(a) (Continued)

The Group recognised the total expenses of approximately HK\$16,537,000 in relation to share options granted by the Company.

- (i) the expected volatilities for the Options granted to Directors were using the average 1 years volatility of the Company's share price over the year for the 40,000,000 option granted to Directors as at 9 September 2015.
- (ii) the expected volatilities for the Options granted to Employees were using the average 1 years volatility of the Company's share price over the year for the 70,000,000 options granted to Employees as at 9 September 2015.
- (iii) the expected volatilities for the Options granted to Consultants were using the average 0.5 years volatility of the Company's share price over the year for the 204,000,000 options granted to Consultants as at 9 September 2015.
- (iv) the applicable risk free rates were generated from Bloomberg based on the Hong Kong Government 1 years Bond Yield and 0.5 years Bond Yield, matching the assumed life of the options.
- (v) the expected dividend yields were estimated based on the historical dividend, which was zero.

33. 以股支付僱員薪酬(續)

購股權計劃(續)

(a) (續)

本集團確認有關本公司授出購股權之總開支約為16,537,000港元。

- (i) 授予董事的購股權的預期波幅乃以就於二零一五年九月九日授予董事40,000,000份購股權之年度之本公司1年股價之平均波幅而釐定。
- (ii) 授予僱員的購股權的預期波幅乃以就於二零一五年九月九日授予僱員70,000,000份購股權之年度之本公司1年股價之平均波幅而釐定。
- (iii) 授予顧問的購股權的預期波幅乃以就於二零一五年九月九日授予顧問204,000,000份購股權之年度之本公司0.5年股價之平均波幅而釐定。
- (iv) 適用無風險利率乃自Bloomberg根據香港政府1年期債券孳息率及0.5年期債券孳息率所產生，與購股權之假設年期相配合。
- (v) 預期股息率乃按歷史股息(零)估計。

33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

(a) (Continued)

On 15 December 2016, the Company granted 330,000,000 Options to Grantees under the Company's Share Option Scheme adopted on 23 May 2011.

During the year ended 31 December 2016, the number of share options granted was 330,000,000 (2015: 314,000,000). Of which, 48,000,000 options were granted to the director of the Company (the "Directors"), 148,000,000 Options were granted to the employees of the Company (the "Employees") and 134,000,000 Options were granted to the Company's external consultants (the "Consultants"). The fair value of options granted under the Share Option Scheme, amounted to HK\$34,575,000 of average HK\$0.105 each. The fair values of the outstanding options were derived from Trinomial Option Pricing Model by applying the following assumptions:

Date of grant (dd.mm.yy)	Grantee	Expected volatility	Expected length of employment and services ("Expected life") (in years) 預期僱用及服務期限 (「預期期限」)	Risk-free interest rate	Expected dividend yield
授出日期 (日-月-年)	承授人	預期波幅	(年)	無風險利率	預期股息率
15.12.2016 二零一六年十二月十五日	Directors 董事	82.4%	10	1.84%	Nil 無
	Employees 僱員	82.4%	10	1.84%	Nil 無
	Consultants 顧問	82.4%	10	1.84%	Nil 無

33. 以股支付僱員薪酬(續)

購股權計劃(續)

(a) (續)

於二零一六年十二月十五日，本公司根據於二零一一年五月二十三日採納之購股權計劃，向承授人授出330,000,000份購股權。

於截至二零一六年十二月三十一日止年度，授出的購股權數目為330,000,000份（二零一五年：314,000,000份）。其中，48,000,000份購股權授予本公司董事（「董事」）、148,000,000份購股權授予本公司僱員（「僱員」）以及134,000,000份購股權授予本公司外聘顧問（「顧問」）。根據購股權計劃所授出購股權的公平值為34,575,000港元，每份購股權平均為0.105港元。尚未行使購股權的公平值以三項式期權定價模式計算，所採用假設如下：

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33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

(a) (Continued)

The Group recognised the total expenses of approximately HK\$34,575,000 in relation to share options granted by the Company.

- (i) the expected volatilities for the Options granted to Directors were using the average 1 years volatility of the Company's share price over the year for the 48,000,000 option granted to Directors as at 15 December 2016.
- (ii) the expected volatilities for the Options granted to Employees were using the average 1 years volatility of the Company's share price over the year for the 148,000,000 options granted to Employees as at 15 December 2016.
- (iii) the expected volatilities for the Options granted to Consultants were using the average 1 years volatility of the Company's share price over the year for the 134,000,000 options granted to Consultants as at 15 December 2016.
- (iv) the applicable risk free rates were generated from Bloomberg based on the Hong Kong Government 10 years Bond Yield matching the assumed life of the options.
- (v) the expected dividend yields were estimated based on the historical dividend, which was zero.

33. 以股支付僱員薪酬(續)

購股權計劃(續)

(a) (續)

本集團確認有關本公司授出購股權之總開支約為34,575,000港元。

- (i) 授予董事的購股權的預期波幅乃以就於二零一六年十二月十五日授予董事48,000,000份購股權之年度之本公司1年股價之平均波幅而釐定。
- (ii) 授予僱員的購股權的預期波幅乃以就於二零一六年十二月十五日授予僱員148,000,000份購股權之年度之本公司1年股價之平均波幅而釐定。
- (iii) 授予顧問的購股權的預期波幅乃以就於二零一六年十二月十五日授予顧問134,000,000份購股權之年度之本公司1年股價之平均波幅而釐定。
- (iv) 適用無風險利率乃自Bloomberg根據香港政府10年期債券孳息率所產生，與購股權之假設年期相配合。
- (v) 預期股息率乃按歷史股息(零)估計。

33. SHARE-BASED EMPLOYEE COMPENSATION (Continued)

Share Option Scheme (Continued)

- (b) The values of the Options are subject to the limitations of the Trinomial Option Pricing Model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate.
- (c) The outstanding share options under the Share Option Scheme as at 31 December 2016 was 528,766,633 (2015: 368,166,633) representing 16% (2014: 12.5%) of the shares of the Company in issue at that date.
- (d) If options are forfeited before expiration or lapsed, the related share-based payment will be transferred directly to retained earnings/accumulated losses.

34. EVENTS AFTER THE REPORTING PERIOD

On 20 March 2017 the Company and Zhong He Xin Yuan Technology Company Limited* 中核新源科技有限公司 ("ZHXY") entered into a strategic cooperation agreement. ZHXY is a company incorporated with limited liability in the People's Republic of China and is a member of the China Nuclear Industry Group* 中國核工業集團。Zhong He Xin Yuan owns the core technologies in the application of nuclear technologies, including but not limited to the design and setting of the standards of irradiation station, and in the manufacturing and application of irradiation accelerators. The reason for the signing of the Strategic Cooperation Agreement and the cooperation with Zhong He Xin Yuan will enable the Company to venture into in the business of irradiation. Details of which were disclosed in the announcement of the Company dated 20 March 2017.

33. 以股支付僱員薪酬(續)

購股權計劃(續)

- (b) 購股權的價值受三項式期權定價模式之限制以及多項主觀及難以確定之假設所影響。主觀假設之變動可對公平值估計造成重大影響。
- (c) 於二零一六年十二月三十一日，購股權計劃項下之尚未行使的購股權為528,766,633份(二零一五年：368,166,633份)，佔本公司於當日已發行股份的16%(二零一四年：12.5%)。
- (d) 倘若購股權於期滿或失效前被沒收，有關以股支付款項將直接轉撥至保留盈利／累計虧損。

34. 報告期後事項

於二零一七年三月二十日，本公司與中核新源科技有限公司(「中核新源」)訂立一份戰略合作協議。中核新源為於中華人民共和國註冊成立的有限公司及中國核工業集團的成員公司。中核新源擁有應用核技術(包括但不限於設計及設定輻照站標準)以及製造及應用輻照加速器的核心技術。簽署戰略合作協議及與中核新源合作，將令本公司可進軍輻照業務。關詳情披露於本公司日期為二零一七年三月二十日的公告。

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35. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

35. 比較數據

若干比較數據經已重列，以符合本年度之呈列方式。

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

36. 本公司財務狀況表

本公司於報告期末之財務狀況表資料如下：

	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
Assets and liabilities	資產及負債		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	60	92
Investments in subsidiaries	於附屬公司之投資	-	-
		60	92
Current assets	流動資產		
Other receivables	其他應收賬款	71,541	74,770
Amounts due from subsidiaries	應收附屬公司款項	193,744	155,442
Financial assets fair value through profit or loss	透過損益按公平值計量之金融資產	7,945	7,810
Cash and cash equivalents	現金及現金等值項目	37,349	31,553
		310,579	269,575
Total assets	資產總值	310,639	269,667
Current liabilities	流動負債		
Trade and other payables	貿易及其他應付賬款	13,763	14,015
Amounts due to subsidiaries	應付附屬公司款項	-	160
Convertible notes	可換股票據	9,396	-
		23,159	14,175
Total liabilities	負債總額	23,159	14,175
Net current assets	流動資產淨額	287,420	255,400
Total assets less current liabilities	資產總值減流動負債	287,480	255,492
Net assets	資產淨額	287,480	255,492

36. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

(Continued)

36. 本公司財務狀況表(續)

			2016 二零一六年	2015 二零一五年
		Notes 附註	HK\$' 000 千港元	HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	25	330,498	294,510
Reserves	儲備	26	(43,018)	(39,018)
Total equity	總權益		287,480	255,492

Yuan Wei

袁偉

Director

董事

Zhang Jianxin

張建新

Director

董事

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37. PARTICULARS OF SUBSIDIARIES

Particulars of the principal subsidiaries as at 31 December 2016 are as follows:

37. 附屬公司之詳情

主要附屬公司於二零一六年十二月三十一日之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 註冊/經營地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Proportion interest held by the Company 本公司持有權益比例				Principal activities 主要業務	
			Directly 直接		Indirectly 間接			
			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 E-Learning (Hong Kong) Limited 中國網絡教育(香港)有限公司	Hong Kong 香港	Ordinary shares HK\$1 1港元普通股	100%	100%	-	-	Provision of management services to group companies 向集團公司提供管理服務	
New Beida Business StudyNet Group Limited 新北大商學網集團有限公司	BVI 英屬處女群島	Ordinary shares US\$10,000 10,000美元普通股	100%	100%	-	-	Investment holding 投資控股	
Best Boom Enterprises Limited	BVI	Ordinary shares US\$10 10美元普通股	-	-	100%	100%	Investment holding 投資控股	
Best Boom Enterprises Limited	英屬處女群島	10美元普通股					投資控股	
Beijing Hua Tuo Education Technology Company Limited (note a) 北京華拓教育科技有限公司(附註a)	PRC 中國	Registered capital HK\$40,000,000 40,000,000港元註冊資本	-	-	100%	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育行業認證課程、技能培訓及教育諮詢	
Beijing Ke Xiong Education Company Limited (note a) 北京科雄教育有限公司(附註a)	PRC 中國	Registered capital RMB5,000,000 人民幣5,000,000元註冊資本	-	-	100%	100%	Provision of occupational education, industry certification course, skills training and education consultation 提供職業教育行業認證課程、技能培訓及教育諮詢	
IIN Medical (BVI) Group Limited 國訊醫藥(BVI)集團有限公司	BVI 英屬處女群島	Ordinary shares HK\$13,677,288 13,677,288港元普通股	-	-	100%	100%	Investment holding 投資控股	
IIN Medical Group Limited 國訊醫藥實業有限公司	Hong Kong 香港	Ordinary shares HK\$3,000,000 3,000,000港元普通股	-	-	100%	100%	Investment holding 投資控股	

37. PARTICULARS OF SUBSIDIARIES

(Continued)

37. 附屬公司之詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration/ operations 註冊成立/ 註冊/經營地點	Paid up share capital/ registered capital 繳足股本/註冊資本	Proportion interest held by the Company 本公司持有權益比例				Principal activities 主要業務	
			Directly 直接	2015	Indirectly 間接	2015		
			2016	二零一五年	2016	二零一五年		
			二零一六年	二零一五年	二零一六年	二零一五年		
Hunan IIN Medical Network Technology Development Company Limited (note a)	PRC	Registered capital RMB14,530,808	-	-	100%	100%	Investment holding	
湖南國訊醫藥網絡科技開發 有限公司(附註a)	中國	人民幣14,530,808元 註冊資本					投資控股	
Distance Education College of Beijing University of Chinese Medicine	PRC	Registered capital RMB900,000	-	-	51%	51%	Provision of distance learning program in Chinese medicine	
北京中醫藥大學 遠程教育學院	中國	人民幣900,000元註冊資本					提供中醫藥遠程教育課程	

Note:

a. These are wholly-foreign owned enterprises established in the PRC.

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

附註：

a. 為在中國成立之外商獨資企業。

於年終或年內任何時候，該等附屬公司並無任何債務證券。

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37. PARTICULARS OF SUBSIDIARIES

(Continued)

Details of non-wholly owned subsidiary that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests:

Name of subsidiary	Place of incorporation and principal place of business 註冊地點及主要營業地點	Proportion of interests held by non-controlling interests		Profit allocated to non-controlling interests		Dividend paid to non-controlling interests		Accumulated non-controlling interests	
		31/12/16 一六年 十二月三十一日	31/12/15 一五年 十二月三十一日	31/12/16 一六年 十二月三十一日	31/12/15 一五年 十二月三十一日	31/12/16 一六年 十二月三十一日	31/12/15 一五年 十二月三十一日	31/12/16 一六年 十二月三十一日	31/12/15 一五年 十二月三十一日
				HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元
Distance Education College of Beijing University of Chinese Medicine 北京中醫藥大學遠程教育學院	PRC 中國	49%	49%	8,885	8,688	9,175	8,447	6,296	6,585

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interest is set out below. The summarised financial information below represents amounts before intragroup eliminations.

37. 附屬公司之詳情(續)

非全資附屬公司而有重大非控股權益之詳情

下表顯示本集團非全資附屬公司而有重大非控股權益之詳情：

有關本集團之各附屬公司而有重大非控股權益之概述財務資料載列如下。下列概述財務資料為集團內部對沖前之金額。

37. PARTICULARS OF SUBSIDIARIES (Continued)

37. 附屬公司之詳情(續)

Distance Education College of Beijing University of Chinese
Medicine

北京中醫藥大學遠程教育學院

		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Current assets	流動資產	12,312	36,949
Non-current assets	非流動資產	213	241
Current liabilities	流動負債	(17,330)	(16,746)
Non-current liabilities	非流動負債	-	-
Revenue	收益	46,277	43,701
Other income	其他收益	53	41
Total expenses	開支總額	(28,196)	(28,011)
Profit for the year	年內溢利	18,133	17,731
Total comprehensive income for the year	年內全面收益總額	18,133	17,731
Net cash flow generated from operating activities	經營活動所得之現金流量淨額	18,604	17,495
Net cash flow used in investing activities	投資活動所用之現金流量淨額	(18,679)	(17,197)
Net cash flow generated from financial activities	融資活動所得之現金流量淨額	-	-
Net decrease in cash and equivalents	現金及現金等值項目減少淨額	(75)	(298)



中国网络教育集团有限公司
CHINA E-LEARNING GROUP LIMITED