



Heng Xin China Holdings Limited 恒芯中國控股有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)

(Stock Code 股份代號 : 8046)

2017

Annual Report
年 報

IMPORTANT NOTICE

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重要事項

香港聯合交易所有限公司（「聯交所」）GEM 的特色

GEM 的定位，乃為相比起其他在聯交所上市的公司帶有較高投資風險的中小型公司提供一個上市的市場。有意投資的人士應瞭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。

由於 GEM 上市公司普遍為中小型公司，在 GEM 買賣的證券可能會較於聯交所主板買賣之證券承受較大的市場波動風險，同時無法保證在 GEM 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 GEM 證券上市規則（「GEM 上市規則」）而刊載，旨在提供有關恒芯中國控股有限公司（「本公司」）的資料。本公司各董事（「董事」）願就本報告所載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為準確及完備，沒有誤導或欺詐成份，且並無遺漏其他事項，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 Directors

Tan Sri Dato' Lim Tong Yong (*Chairman*)
Mr. Chen Rongbin (*Vice Chairman and Chief Executive Officer*)
Mr. Gao Yang
Mr. Yuan Gonglin

Independent Non-executive Directors

Mr. Xu Haiou
Mr. Chau Sen Chung

COMPANY SECRETARY

Mr. Tse Kam Fai, *FCIS, FCS, HKIoD*

AUDIT COMMITTEE

Mr. Xu Haiou
Mr. Chau Sen Chung

NOMINATION COMMITTEE

Mr. Chau Sen Chung (*Committee Chairman*)
Mr. Xu Haiou
Mr. Yuan Gonglin

REMUNERATION COMMITTEE

Mr. Xu Haiou (*Committee Chairman*)
Mr. Chen Rongbin
Mr. Chau Sen Chung

COMPLIANCE OFFICER

Mr. Gao Yang

董事會

執行董事

丹斯里拿督林東洋* (*主席*)
陳榮斌先生 (*副主席及行政總裁*)
高揚先生
袁公林先生

獨立非執行董事

許海鷗* 先生
周晨仲先生

公司秘書

謝錦輝先生 · *FCIS, FCS, HKIoD*

審核委員會

許海鷗* 先生
周晨仲先生

提名委員會

周晨仲先生 (*委員會主席*)
許海鷗* 先生
袁公林先生

薪酬委員會

許海鷗* 先生 (*委員會主席*)
陳榮斌先生
周晨仲先生

監察主任

高揚先生

CORPORATE INFORMATION

公司資料

AUTHORISED REPRESENTATIVES

(for the purpose of the GEM Listing Rules)

Mr. Gao Yang

Mr. Tse Kam Fai

授權代表

(就 GEM 上市規則而言)

高揚先生

謝錦輝先生

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註冊辦事處

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STOCK CODE

8046

股份代號

8046

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百慕達主要股份過戶登記處

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Clarendon House
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CORPORATE INFORMATION

公司資料

HONG KONG BRANCH SHARE REGISTRAR

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主要往來銀行

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香港花園道1號

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法律顧問

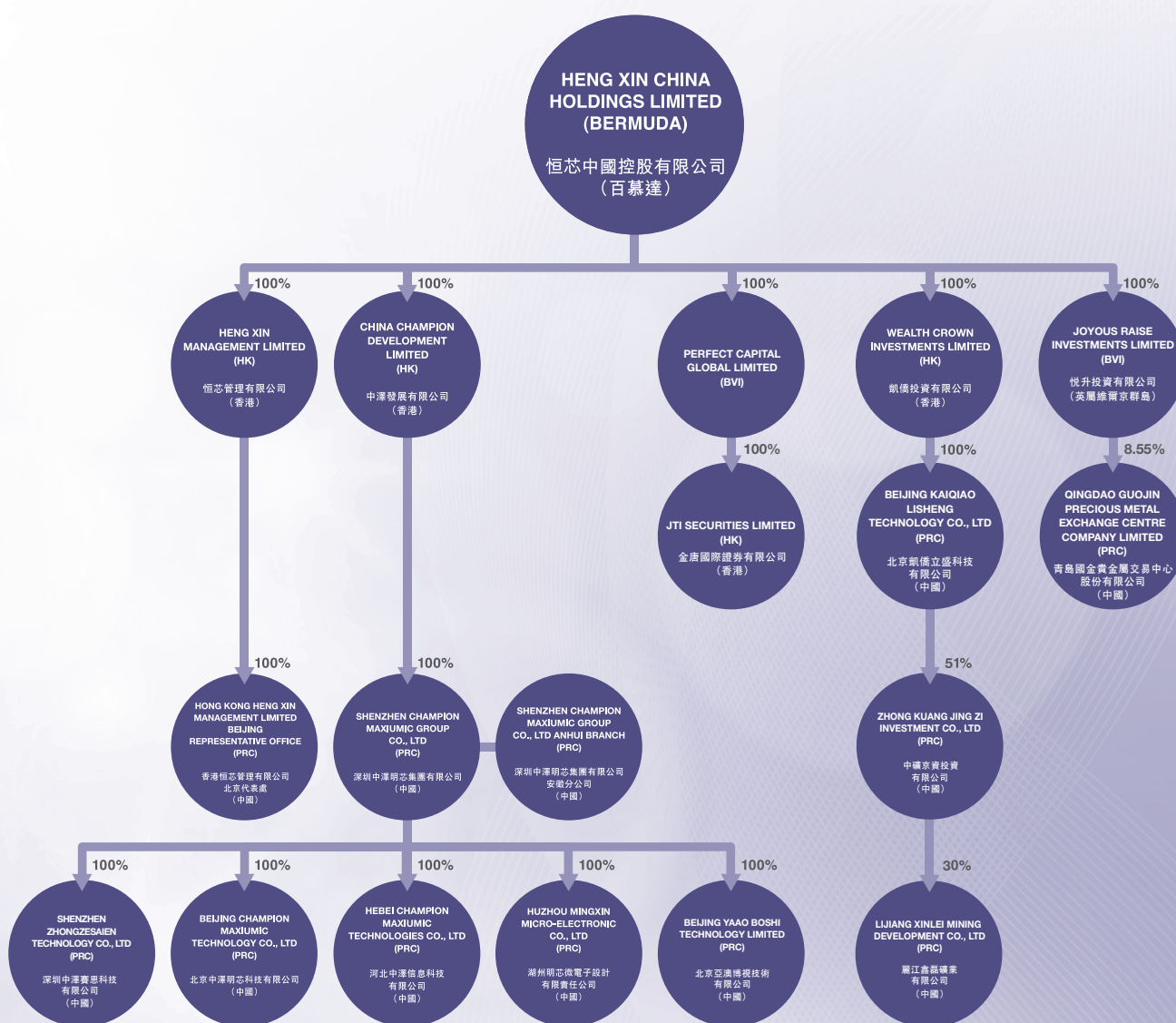
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CORPORATE CHART

公司架構圖

Heng Xin China Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) was incorporated as an exempted company with limited liability in Bermuda on 9 September 2002 under the Companies Act 1981 of Bermuda (as amended). The Company’s shares (the “Shares”) were listed on GEM since 16 April 2003. The following is a corporate chart of the Company and its principal subsidiaries up to the date of this report:

恒芯中國控股有限公司(「本公司」，連同其附屬公司統稱「本集團」)於二零零二年九月九日根據百慕達一九八一年公司法(經修訂)於百慕達註冊成立為獲豁免有限公司。本公司股份(「股份」)自二零零三年四月十六日起於GEM上市。下圖為本公司及其主要附屬公司截至本報告日期之公司架構圖：



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

For the year ended 31 December 2017, the Group recorded a consolidated revenue from continuing operations of approximately HK\$20.2 million (revenue from continued operations was approximately HK\$81.2 million for the year ended 31 December 2016), no consolidated revenue was generated from discontinued operations for the years ended 31 December 2016 and 2017. Loss attributable to owners of the Company was approximately HK\$55 million, as compared to the loss attributable to the owners of approximately HK\$53.8 million for the year ended 31 December 2016. Basic loss per share (including discontinued operations) was approximately HK0.66 cent for the year ended 31 December 2017, as compared to basic loss per share of HK0.70 cent (including discontinued operations) for the year ended 31 December 2016.

Revenue

During the year ended 31 December 2017, the revenue of the Group was principally derived from the following business segments:

(i) Digital cable television business

The revenue for the year ended 31 December 2017 generated from digital cable television business amount to approximately HK\$11.1 million (2016: approximately HK\$17.6 million) or approximately 55% (2016: approximately 22%) of the total revenue, representing operational revenue from basic subscription and other value-added technology and sales of digital cable television business related products.

財務回顧

於截至二零一七年十二月三十一日止年度，本集團錄得來自持續經營業務之綜合收益約20,200,000港元（截至二零一六年十二月三十一日止年度來自持續經營業務之收益約為81,200,000港元），而截至二零一六年及二零一七年十二月三十一日止年度並無已終止經營業務產生的綜合收益。本公司擁有人應佔虧損約55,000,000港元，而截至二零一六年十二月三十一日止年度則錄得擁有人應佔虧損約53,800,000港元。截至二零一七年十二月三十一日止年度之每股基本虧損（包括已終止經營業務）約0.66港仙，而截至二零一六年十二月三十一日止年度則為每股基本虧損0.70港仙（包括已終止經營業務）。

收益

截至二零一七年十二月三十一日止年度，本集團收益主要來自以下業務分部：

(i) 有線數位電視業務

截至二零一七年十二月三十一日止年度來自自有線數位電視業務之收益約11,100,000港元（二零一六年：約17,600,000港元），佔總收益約55%（二零一六年：約22%），指基礎收視費及其他增值技術以及銷售有線數位電視業務相關產品所產生之營運收益。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(ii) *Wireless digital television value-added services business*

No revenue was generated from wireless digital television value-added services business for the year ended 31 December 2017 (2016: approximately HK\$61.5 million or approximately 76% of the total revenue). A cooperation agreement was entered into between the Group and Beijing Qian Tai Bao Xiang Capital Investment Services Co., Ltd. ("Beijing Qian Tai") (formerly known as Beijing Huaxia Innomedia Technology Co., Ltd), in 2011 for the operation and development of advertising business and value-added services of the digital mobile television project and 60,000 electronic displays in Hebei province for 11 years. During the year of 2016, due to the absence of satisfactory progress of the project, the Group's cooperation with Beijing Qian Tai was terminated. As a result of the termination of the cooperation with Beijing Qian Tai, the remaining unamortized cooperation development fee of RMB52,315,000 (equivalent to HK\$61,547,000) has been recognized during the year of 2016.

(iii) *Wireless digital audio integrated circuits*

No revenue was generated from this segment for the year ended 31 December 2017 (2016: approximately HK\$2.1 million or approximately 3% of the total revenue).

(iv) *Securities brokerage business*

The revenue for the year ended 31 December 2017 generated from the securities brokerage business amounted to approximately HK\$9.1 million or approximately 45% of the total revenue. There is no comparative figures as the business was newly introduced to the Group at the end of the first quarter of 2017 and had contributed revenue since the second quarter of 2017.

Gross Profit Margin

Gross profit margin of the Group for the year ended 31 December 2017 was approximately 84% (2016: 87%), excluding the newly introduced securities brokerage business, the gross profit margin for the year ended 31 December 2017 was approximately 71%. The decrease in gross profit margin was due to the revenue recognised from wireless digital television value-added services business for the year ended 31 December 2016 as mentioned above did not occur for the year ended 31 December 2017.

(ii) *無線數位電視增值服務業務*

截至二零一七年十二月三十一日止年度，無線數位電視增值服務業務未產生收益（二零一六年：約61,500,000港元或佔總收益約76%）。本集團於二零一一年就營運及發展於河北省之移動數位電視項目以及60,000塊電子顯示屏之廣告業務及增值服務而與北京謙泰寶象資本投資服務有限公司（「北京謙泰」）（原名稱為北京華夏力通傳媒科技有限公司）訂立為期11年之合作協議。於二零一六年度，由於項目進度不佳，本集團與北京謙泰之合作終止。由於終止與北京謙泰之合作，剩餘未攤銷之合作開發費用人民幣52,315,000元（相當於61,547,000港元）已於二零一六年度確認。

(iii) *無線數位音頻芯片*

截至二零一七年十二月三十一日止年度，該分部未產生收益（二零一六年：約2,100,000港元或佔總收益約3%）。

(iv) *證券經紀業務*

截至二零一七年十二月三十一日止年度來自證券經紀業務之收益約為9,100,000港元或佔總收益約45%。由於本集團於二零一七年第一季度末新引進該業務及該業務自二零一七年第二季度開始貢獻收益，故並無可資比較數據。

毛利率

若不計及新引進之證券經紀業務，本集團截至二零一七年十二月三十一日止年度之毛利率約為84%（二零一六年：87%），而截至二零一七年十二月三十一日止年度之毛利率則約為71%。毛利率減少乃由於於截至二零一七年十二月三十一日止年度並無如截至二零一六年十二月三十一日止年度般確認來自無線數位電視增值服務業務之收益（如上文所述）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other Income

Other income amounted to approximately HK\$2.4 million (2016: approximately HK\$63.2 million), which of approximately HK\$2.4 million (2016: approximately HK\$38.2 million) from continuing operations which included bank interest income, reversal of provision on trade receivable, rental income, waiver of trade payables and other payable during the year.

Administrative and Operating Expenses

Administrative and operating expenses were approximately HK\$50.1 million for the year ended 31 December 2017, compared to approximately HK\$82.1 million for the year ended 31 December 2016.

Impairment losses

Impairment losses on property, plant and equipment

At the end of the reporting period, the Group determined to provide the impairment losses on the property, plant and equipment from continuing operations of approximately HK\$20.1 million (2016: approximately HK\$12.6 million). The property, plant and equipment was acquired by subsidiaries in the People's Republic of China (the "PRC") which the Directors believe that they were probably not applicable and could hardly generate future stream of income. After reviewing the recoverable amounts of these property, plant and equipment, the Group determined to provide such impairment to reflect the ability of generating future income flow.

Impairment losses on intangible assets

After reviewing the recoverable amount of the digital cable television business, the Group determined to provide impairment losses on the intangible assets of HK\$3.2 million (2016: HK\$16.5 million). The Directors believe that these assets could hardly generate future stream of income.

其他收入

其他收入約為2,400,000港元(二零一六年：約63,200,000港元)，其中約2,400,000港元(二零一六年：約38,200,000港元)乃來自持續經營業務，包括年內銀行利息收入、應收賬款撥備撥回、租金收入、獲豁免應付賬款及其他應付款項。

行政及經營開支

截至二零一七年十二月三十一日止年度所錄得之行政及經營開支約為50,100,000港元，而截至二零一六年十二月三十一日止年度則約為82,100,000港元。

減值虧損

物業、廠房及設備減值虧損

於報告期末，本集團決定就來自持續經營業務之物業、廠房及設備計提減值虧損撥備約20,100,000港元(二零一六年：約12,600,000港元)。物業、廠房及設備乃由中華人民共和國(「中國」)附屬公司購入，而董事相信可能不適用及幾乎不能於日後產生任何收入流。經審閱物業、廠房及設備之可收回金額後，本集團決定計提有關減值，以反映其產生未來收入流之能力。

無形資產減值虧損

經審閱有線數位電視業務之可收回金額後，本集團決定就3,200,000港元(二零一六年：16,500,000港元)之無形資產計提減值虧損。董事相信該等資產幾乎不能於日後產生收入流。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Finance costs

Finance costs amounted to approximately HK\$0.5 million (2016: HK\$7.0 million), of which approximately HK\$0.5 million (2016: HK\$1.4 million) represented interest expenses on other loans.

Property, plant and equipment

As at 31 December 2017, the carrying amount of property, plant and equipment of the Group amounted to approximately HK\$0.7 million (2016: HK\$20.3 million), represent a decrease of 97% compared to last year. The decrease was mainly due to the provision of impairment losses of approximately HK\$20.1 million (2016: HK\$12.6 million) after reviewing the recoverable amounts of those property, plant and equipment.

Intangible assets

Intangible assets amounted to approximately HK\$5.4 million representing a decrease of approximately 34% compared to approximately HK\$8.2 million as at 31 December 2016. Details please refer to impairment losses on intangible assets above.

Goodwill

As at 31 December 2017, goodwill of approximately HK\$6.5 million arose from the acquisition of the entire equity interest of JTI securities Limited (“JTI Securities”) on 23 March 2017. No impairment loss related to the Group’s securities brokerage business was provided during the year. There was no goodwill as at 31 December 2016.

融資成本

融資成本約為500,000港元(二零一六年：7,000,000港元)，其中約500,000港元(二零一六年：1,400,000港元)為其他貸款之利息開支。

物業、廠房及設備

於二零一七年十二月三十一日，本集團之物業、廠房及設備之賬面值約為700,000港元(二零一六年：20,300,000港元)，較去年減少97%。減少主要由於經審閱該等物業、廠房及設備之可收回金額後，計提減值虧損撥備約20,100,000港元(二零一六年：12,600,000港元)所致。

無形資產

無形資產約為5,400,000港元，較於二零一六年十二月三十一日的約8,200,000港元減少約34%。詳情請參閱上文無形資產減值虧損。

商譽

於二零一七年十二月三十一日，自二零一七年三月二十三日收購金唐國際證券有限公司(「金唐國際證券」)之全部股權產生商譽約6,500,000港元。本年度並未計提任何與本集團證券經紀業務有關之減值虧損。本集團於二零一六年十二月三十一日並無商譽。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Trade receivables

Total trade receivables (net of allowance for doubtful debts) amounted to approximately HK\$75.4 million, representing an increase of approximately 110% compared to approximately HK\$35.9 million as at 31 December 2016. The increase is mainly due to the consolidated accounts of the JTI Securities for the year ended 31 December 2017.

Prepayments, deposits and other receivables

Prepayments, deposits and other receivables amounted to approximately HK\$5 million as at 31 December 2017, representing an increase of approximately 65% when compared to approximately HK\$3.1 million as at 31 December 2016. As at 31 December 2017, prepayments, deposits and other receivables were not further impaired.

Trade payables

Trade payables amounted to approximately HK\$231.3 million as at 31 December 2017, representing an increase of approximately HK\$209.8 million or 973% when compared to approximately HK\$21.5 million as at 31 December 2016. The increase was mainly due to the result of consolidation of securities brokerage business for the year ended 31 December 2017.

Other payables and accruals

Other payables and accruals amounted to approximately HK\$29.6 million as at 31 December 2017, representing an increase of approximately 36% when compared to approximately HK\$21.7 million as at 31 December 2016. The increase in other payables and accruals was mainly due to an increase in accrued legal and professional fee.

應收賬款

應收賬款(扣除呆賬撥備後)合共約為75,400,000港元,較於二零一六年十二月三十一日的約35,900,000港元增加約110%。該增加主要歸因於金唐國際證券截至二零一七年十二月三十一日止年度之綜合賬目。

預付款項、按金及其他應收款項

於二零一七年十二月三十一日,預付款項、按金及其他應收款項約為5,000,000港元,較二零一六年十二月三十一日的約3,100,000港元增加約65%。於二零一七年十二月三十一日,預付款項、按金及其他應收款項並未進一步作減值。

應付賬款

於二零一七年十二月三十一日,應付賬項約為231,300,000港元,較二零一六年十二月三十一日的約21,500,000港元增加約209,800,000港元或973%。增加主要由於於截至二零一七年十二月三十一日止年度綜合入賬證券經紀業務所致。

其他應付款項及應計費用

於二零一七年十二月三十一日,其他應付款項及應計費用約為29,600,000港元,較二零一六年十二月三十一日的約21,700,000港元增加約36%。其他應付款項及應計費用增加主要由於應計法律及專業費用增加所致。

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The Group

The Group recorded a loss in its overall results for the years ended 31 December 2017 and 2016. In response to the market structure and based on the overall plan of the Group, the Group may determine to discontinue some sectors of operations and will focus and invest its resources in the existing business and the acquisition of new business.

BUSINESS REVIEW

Digital cable television business

During the year of 2017, Beijing Yaa Boshi Technology Limited* (“Beijing Yaa”) had co-operated with local television stations of Xinji, Dongguang and Qing County in Hebei Province to develop the cable television network that covers the three counties. The digital transformation scheme had been implemented for the cable television subscribers in the said three counties.

The Group’s digital cable television business suffered from the global trend of viewers to switch from traditional cable, satellite and broadcasting televisions to internet protocol televisions (IPTV), over-the-top (OTT) and mobile video stream apps. A significant contributor of this segment’s revenue was the initial installation fee charged to new customers. Due to the changing consumer pattern, consumers are swapping from cable television to new media rather than the other way round, causing a decrease in the new installation fee charged by the segment.

Due to the changing consumer pattern and a continuous segment loss resulted from the digital cable television business, the Group decided to undergo a business restructuring involving (i) diminishing the digital cable television business, (ii) laying off the redundant employees of the digital cable television business and (iii) reducing other expenses after diminishing of operations.

本集團

本集團於截至二零一七年及二零一六年十二月三十一日止年度之整體業績錄得虧損。因應市場結構以及本集團之整體規劃，本集團可能決定終止若干業務營運，並投放資源於現有業務及收購新業務。

業務回顧

有線數位電視業務

於二零一七年，北京亞澳博視技術有限公司（「北京亞澳」）與河北省辛集縣、東光縣及青縣當地電視台進行合作，以發展覆蓋上述三縣之有線電視網絡，且一直為上述三縣有線電視用戶進行數位轉換計劃。

本集團之有線數位電視業務受到觀眾由傳統有線、衛星及廣播電視轉往互聯網電視 (IPTV)、機頂盒 (OTT) 及移動串流視像應用程式之全球趨勢的消極影響。本業務分部大部分收益貢獻來自向新客戶收取之首次安裝費。由於消費模式改變，消費者以新媒體而非其他方向替代有線電視，導致本業務分部所收取之新安裝費減少。

由於消費模式改變及有線數位電視業務分部持續虧損，故本集團決定進行業務重組，涉及 (i) 縮減有線數位電視業務，(ii) 裁減有線數位電視業務冗餘之僱員，及 (iii) 於縮減業務後減少其他開支。

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Wireless digital television value-added services business

The Group's wireless digital television value-added services business was essentially the Group's previous cooperation with Beijing Qian Tai for the development and operation of wireless digital mobile television and advertisement display panels in Hebei Province, China. The media and advertising industry of China was changing rapidly in the past few years. As the result of absence of satisfactory progress of the project, the above cooperation was terminated and the remaining unamortized cooperation development fee was already recorded as one-off recognition in the Group's accounts for the year ended 31 December 2016. No further revenue was recorded after the ceasing of cooperation.

Wireless digital integrated circuits business

The wireless digital integrated circuits business of the Group is primarily engaged in the manufacturing, trading, sales and distribution of wireless electronic modules in China, notably bluetooth chips, integrated circuits and electronic signal receivers. In order to diversify the Company's business scope and broaden its income base, the management decided to develop a new business model by utilizing and incorporating its existing technology into the design of products for the potential customers on an original design manufacturing ("ODM").

Similar to the traditional ODM business model, the Group design, develop and sells integrated circuits ("ICs"), modules and devices in connection with the deployment and upgrades of systems by electronic products manufacturer in China. Currently, the major products of the Group, being the wireless WIFI modules, are designed to function as a component of laptops/desktops/MIDs and other wireless devices to implement the wireless network function. As at the date of this report, secured sales orders for ICs modules has been obtained. It is expected that significant turnover can be recorded in the near future.

無線數位電視增值服務業務

本集團之無線數位電視增值服務業務，主要為本集團過往與北京謙泰合作在中國河北省發展及營運無線移動數位電視及廣告顯示屏幕。中國媒體及廣告行業在過去多年急速轉變。由於項目進度不佳，上述合作已經終止，餘下未攤銷之合作開發費用已於截至二零一六年十二月三十一日止年度以一次性確認方式於本集團入賬。終止合作後未再錄得收益。

無線數位芯片業務

本集團無線數位芯片業務主要於中國從事無線電子模組之製造、貿易、銷售及分銷，尤其是藍牙晶片、芯片及電子信號接收器。為使本公司之業務範圍多元化及擴闊其收入基礎，管理層決定在原設計製造("ODM")中利用其現有技術並將其現有技術融入為潛在客戶進行的產品設計，藉以開發新的業務模式。

與傳統ODM業務模式類似，本集團由中國電子產品製造商設計、開發及銷售有關係統開發及升級之芯片("芯片")、模組及設備。現時，本集團主要產品(即無線WIFI模組)設計之功能是為了作為筆記本電腦/台式電腦/移動互聯網設備及其他履行無線網絡功能之無線設備之組件。於本報告日期，芯片模組已取得銷售訂單。預期該等銷售於不久將來能錄得重大營業額。

MANAGEMENT DISCUSSION AND ANALYSIS

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Securities brokerage business

On 23 March 2017, Perfect Capital Global Limited (“Perfect Capital”), an indirect wholly-owned subsidiary of the Company, completed the acquisition of the entire equity interest of JTI Securities. JTI Securities is principally engaged in securities brokerage business and is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“SFO”) to carry out Type 1 (dealing in securities) regulated activities. JTI Securities is also a China Connect Exchange Participant and a Hong Kong Stock Exchange Participant.

Following completion of the acquisition, the Group officially launched the marketing campaign of our securities brokerage segment in the second quarter of 2017. With our marketing efforts, the segment saw a promising growth in terms of customer base, portfolio size, commission charges and profitability from June 2017 onwards. With the improved investors’ sentiment and increased trading turnover of Hong Kong stock market since the second quarter of 2017, the Group is optimistic with the growth of our securities brokerage business. The Group is now exploring possibilities of further development and diversification of the range of financial services to be provided by the Group which may form synergy with our securities brokerage business.

PROSPECTS

The Board will continue to explore and evaluate new businesses and investment opportunities which could be of good potential and/or long-term benefit to the Group and the shareholders of the Company (the “Shareholders”).

The Board will take a cautious and conservative approach in the evaluation and timing of potential projects or investments, including and constantly keep reviewing the Group’s strategies and operations with a view to improve the business performance and Shareholders’ returns.

證券經紀業務

於二零一七年三月二十三日，本公司之間接全資附屬公司 Perfect Capital Global Limited (「Perfect Capital」) 完成收購金唐國際證券全部股權。金唐國際證券主要從事證券經紀業務，並為一間根據證券及期貨條例(香港法例第571章)(「證券及期貨條例」)可進行第一類(證券交易)受規管活動之持牌法團。金唐國際證券亦為中華通交易所參與者及香港聯交所參與者。

收購完成後，本集團於二零一七年第二季度為證券經紀業務分部正式展開行銷活動。努力行銷下，本業務分部自二零一七年六月以來在客戶群、投資組合規模、佣金支出及盈利能力等方面均有可觀增長。香港股票市場自二零一七年第二季度以來投資者情緒改善、成交量上升，本集團對證券經紀業務之增長審慎樂觀。本集團正探尋進一步發展及分散將由本集團提供金融服務之範疇，以與證券經紀業務形成協同效應。

前景

董事會將繼續探尋及評估可能為本集團及本公司股東(「股東」)帶來良好潛在及/或長期利益之新業務及投資機會。

董事會將按穩健原則審慎評估潛在項目或投資及相關進行時間，包括並持續檢討本集團之策略及營運，務求提升其業務表現及股東回報。

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FINANCIAL HIGHLIGHTS

財務摘要

		2017	2016	Percentage
		二零一七年	二零一六年	Change
		HK\$'000	HK\$'000	百分比變動
		千港元	千港元	
Selected financial information				
Recognized Revenue	已確認收益	20,247	81,218	(75%)
Gross profit	毛利	17,000	70,874	(76%)
Loss for the year	年內虧損			
— including non-controlling interests	— 包括非控股股東權益	(55,691)	(58,080)	(4%)
— attributable to equity owners	— 權益擁有人應佔	(54,962)	(53,840)	2%
Selected balance sheet data				
Total assets	總資產	640,652	478,140	34%
Current assets	流動資產	547,829	368,640	49%
Bank balances and cash— general accounts	銀行結餘及現金 — 一般賬戶	39,365	84,411	(53%)
Current liabilities	流動負債	311,710	98,978	215%
Total indebtedness	債項總額	311,710	100,746	209%
Total equity	權益總額	328,942	377,394	(13%)
Equity attributable to equity owners	權益擁有人應佔權益	315,035	366,943	(14%)
Number of issued shares ('000)	已發行股份數目(千股)	8,304,538	8,304,538	Nil
		2017	2016	
		二零一七年	二零一六年	
Selected financial ratios				
Gross profit margin	毛利率	84%	87%	
Net loss margin	淨虧損率	(275%)	(72%)	
Loss per shares (basic)	每股虧損(基本)	(0.66)	(0.70)	
Return on equity ratio	股權回報率	(0.17)	(0.15)	
Current ratio	流動比率	1.76	3.72	
Debt to equity ratio	負債權益比率	0.95	0.27	
Asset turnover ratio	資產周轉率	0.03	0.17	

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EXPLANATIONS TO THE FINANCIAL RATIOS

Gross margin ratio is a profitability ratio that compares the gross margin of a business to the revenue. This ratio measures how profitable a company sells its inventory and merchandise or primary activity. In other words, the gross profit ratio is essentially the percentage markup on merchandise from its cost and cost of prime operating activity. Gross profit margin in 2017 was lower than that of 2016 due to the recognized unamortized cooperation development fee in 2016 under the sector of wireless digital television value-added services business.

Net loss margin measures the amount of net loss with each dollar of revenue generated by comparing the net loss contributable to the equity owners and net revenue of a company. In other words, the net loss margin ratio shows what percentage of revenue left over after all expenses were paid by the Group.

Loss per shares (basic) is a market prospect ratio that measures the amount of net loss attributable to owners of the Group per average number of issued shares during the year. In other words, this is the amount of money each share would receive if all of the loss were distributed to the average number of issued shares during the year.

Return on equity ratio or ROE is a profitability ratio that measures the ability of the Group to generate profit/loss from its shareholders investments in the company. In other words, the return on equity ratio shows how much profit/loss each dollar of common stockholders' equity generates. It measures the loss attributable to the equity owners to the equity attributable to equity owners.

Current ratio is a liquidity and efficiency ratio that measures a group's ability to pay off its short-term liabilities with its current assets. The current ratio is an important measure of liquidity because short-term liabilities are due within the next year.

Debt to equity ratio is a financial, liquidity ratio that compares a company's total debt equity attributable to owners of the Company. The debt to equity ratio shows the percentage of company financing that comes from creditors and shareholders.

Asset turnover ratio is an efficiency ratio that measures the Group's ability to generate revenue from its assets by comparing net revenue with total assets. In other words, this ratio shows how efficiently the Group can use its assets to generate revenue.

財務比率說明

毛利率指業務的毛利對比收入的盈利比率。該比率計量公司出售其存貨及商品或主要業務的盈利水平。換言之，毛利率實質上為商品與其成本及主要經營活動成本的百分比加成。二零一七年毛利率低於二零一六年，原因是二零一六年無線數位電視增值服務業務確認未攤銷合作開發費用所致。

淨虧損率為按權益擁有人應佔淨虧損對比公司銷售淨收入計量的每一元銷售所產生的淨虧損額。換言之，淨虧損率顯示扣除本集團支付的所有開支後剩餘的銷售收入百分比。

每股虧損(基本)為計量年內本集團擁有人應佔淨虧損額/已發行股份平均數的市場預期比率。換言之，即倘年內將全部虧損分攤至已發行股份平均數，每股將可收取的金額。

股權回報率為計量本集團自其於公司的股東投資來獲取盈利/虧損能力的盈利比率。換言之，股權回報率顯示每一元普通股股東權益產生的溢利/虧損水平。其計量權利擁有人應佔虧損對權益擁有人應佔權益比率。

流動比率為計量集團以其流動資產償付其短期負債能力的流動性及效率比率。流動比率為流動性的重要計量指標，因為短期負債將於下一年度到期。

負債權益比率為比較本公司擁有人應佔公司總負債權益的財務及流動性比率。負債權益比率顯示來自債權人及股東的公司融資百分比。

資產周轉率為按淨銷售收入對比總資產計量本集團自其資產獲取銷售收入能力的效率比率。換言之，該比率顯示本集團利用其資產獲取銷售收入的效率水平。

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EMPLOYEE INFORMATION

As at 31 December 2017, the Group has 59 full-time employees in Hong Kong and the PRC (31 December 2016: 127). The total employees' remuneration, including that of the Directors, amounted to approximately HK\$18.1 million (2016: HK\$18.5 million).

The Group continues to provide remuneration packages to employees according to market practices, their experience and performance. Remuneration policy is basically determined with reference to individual performance as well as the final results of the Group. Remuneration to staff will be revised from time to time when warranted considering the performance of staff. Other benefits include medical insurance scheme and contribution of statutory mandatory provident fund for the employees. The Group also has a share option scheme whereby qualified participants may be granted options to acquire Shares. There have been no major changes in staff remuneration policies during year ended 31 December 2017.

LIQUIDITY AND FINANCIAL RESOURCES

The Group primarily financed its operations with internally generated cash flows. As at 31 December 2017, the cash and bank balances of the Group in general accounts amounted to approximately HK\$39.4 million (2016: HK\$84.4 million). The Renminbi denominated balances of approximately HK\$8.3 million (2016: HK\$14.7 million) were placed with licensed bank in the PRC and the conversion of these balances into foreign currencies is subject to the rule and regulation of foreign exchange control promulgated by the PRC government.

As at 31 December 2017, the Group had current assets of approximately HK\$547.8 million (2016: HK\$368.6 million), while its current liabilities were approximately HK\$311.7 million (2016: HK\$99.0 million). The current ratio (current asset to current liabilities) of the Group was approximately 1.76 (2016: 3.72) and its gearing ratio (short term loans over total equity) was nil (2016: 0.01). Net asset value per share was approximately HK\$0.04 as at 31 December 2017 (2016: HK\$0.05).

僱員資料

於二零一七年十二月三十一日，本集團在香港及中國聘有59名全職僱員（二零一六年十二月三十一日：127名）。僱員薪酬總額（包括董事薪酬）約為18,100,000港元（二零一六年：18,500,000港元）。

本集團繼續按市場慣例、僱員經驗及表現提供僱員薪酬福利。薪酬政策主要根據僱員個人表現及本集團最終業績釐定，而僱員薪酬將於僱員有理想表現時，不時作出適當調整。其他福利包括醫療保險計劃及為僱員繳交法定強制公積金供款。本集團亦設有購股權計劃，合資格參與者可據此獲授購股權以購買股份。截至二零一七年十二月三十一日止年度僱員薪酬政策並無重大變動。

流動資金及財務資源

本集團主要以內部產生之現金流量為其業務撥付資本。於二零一七年十二月三十一日，本集團一般賬戶之現金及銀行結餘約為39,400,000港元（二零一六年：84,400,000港元）。以人民幣計值之結餘約8,300,000港元（二零一六年：14,700,000港元）存於中國之持牌銀行，而將該等結餘兌換為外幣須受中國政府頒佈之外匯管制法規所規限。

於二零一七年十二月三十一日，本集團之流動資產約為547,800,000港元（二零一六年：368,600,000港元），而流動負債約為311,700,000港元（二零一六年：99,000,000港元）。本集團之流動比率（流動資產比流動負債）約為1.76（二零一六年：3.72）；而資本負債比率（短期貸款除以權益總額）為0（二零一六年：0.01）。於二零一七年十二月三十一日，每股資產淨值約為0.04港元（二零一六年：0.05港元）。

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CAPITAL STRUCTURE

As at 31 December 2017, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares and the issued share capital of the Company was HK\$83,045,380.10 divided into 8,304,538,010 Shares. There was no movement in issued share capital of the Company during the year ended 31 December 2017.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2017, the majority of the Group's income and expenses were denominated in Renminbi and Hong Kong dollars. Up to 31 December 2017, the management of the Company is of the opinion that the Group has insignificant exposure to foreign exchange risk. As a result, the Group did not use any financial instruments for hedging against fluctuation in foreign exchange for the year ended 31 December 2017. Nevertheless, the management of the Company will closely monitor and from time to time reassess the exchange risk exposures of the Group and enter into non-speculative hedging arrangements if considered necessary.

CHARGES ON GROUP ASSETS

As at 31 December 2017, no assets of the Group have been pledged for loans or borrowings (31 December 2016: property, plant and equipment amounted to HK\$8,341,000 for overdue short term loans amounted to HK\$3,371,000).

資本結構

於二零一七年十二月三十一日，本公司法定股本為100,000,000港元，分為10,000,000,000股股份，而本公司已發行股本83,045,380.10港元，分為8,304,538,010股股份。截至二零一七年十二月三十一日止年度，本公司的已發行股本並無變動。

外匯風險

截至二零一七年十二月三十一日止年度，本集團之大部份收入及開支均以人民幣及港元列值。直至二零一七年十二月三十一日，本公司管理層認為本集團所面對之外匯風險較微。因此，本集團於截至二零一七年十二月三十一日止年度並無運用任何金融工具以對沖外匯波動帶來之影響。然而，本公司管理層將密切監察及不時重估本集團所面對之外匯風險，並在必要時訂立非投機性對沖安排。

本集團資產之抵押

於二零一七年十二月三十一日，本集團並無就貸款或借貸抵押資產(二零一六年十二月三十一日：金額為8,341,000港元之物業、廠房及設備作為金額為3,371,000港元之逾期短期貸款之抵押)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CONTINGENT LIABILITIES

或然負債

Litigations involved with a subsidiary operates in the digital cable television business

涉及一間經營有線數位電視業務之附屬公司之訴訟

In December 2017, Xinji Local Television Station has initiated civil action against Beijing Yaa for outstanding apportionment of revenue of approximately RMB2,957,000 (equivalent to approximately HK\$3,563,000). According to a civil judgment issued by the Hebei Province Xinji City Civil Court on 29 January 2018, Beijing Yaa is liable to pay Xinji Local Television Station approximately RMB2,867,000 (equivalent to approximately HK\$3,454,000) for apportionment of revenue. On 5 February 2018, Beijing Yaa have filed an appeal to the Hebei Province Shijiazhuang Intermediate People's Court.

於二零一七年十二月，辛集縣本地電視台就尚未取得之收益分成約人民幣2,957,000元（相等於約3,563,000港元）向北京亞澳提起民事訴訟。根據河北省辛集市民事法庭於二零一八年一月二十九日發出之民事判決書，北京亞澳須就收益分成向辛集縣本地電視台支付約人民幣2,867,000元（相等於約3,454,000港元）。於二零一八年二月五日，北京亞澳已向河北省石家莊市中級人民法院提起上訴。

In September 2017, a supplier of Beijing Yaa has filed claim to the Beijing Arbitration Commission, demanding for outstanding trade payables and overdue penalty of approximately RMB6,159,000 (equivalent to approximately HK\$7,420,000). As a result of the claim, the bank balances of Beijing Yaa of approximately RMB13,000 (equivalent to approximately HK\$16,000) was frozen by a court in Beijing. According to the verdict issued by the Beijing Arbitration Commission in January 2018, Beijing Yaa is liable to pay approximately RMB 5,786,000 (equivalent to approximately HK\$6,971,000) to the supplier. Beijing Yaa had filed an application to the court on 5 February 2018 for cancellation of the verdict.

於二零一七年九月，北京亞澳之供應商向北京仲裁委員會提出申索，要求其支付尚未支付之應付賬款及逾期罰金約人民幣6,159,000元（相等於約7,420,000港元）。由於該項申索，北京亞澳之銀行結餘約人民幣13,000元（相等於約16,000港元）乃被北京一家法院凍結。根據北京仲裁委員會於二零一八年一月作出之裁定，北京亞澳須向該供應商支付約人民幣5,786,000元（相等於約6,971,000港元）。北京亞澳已於二零一八年二月五日向法院提出申請，申請撤銷有關裁定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENTS HELD

重大收購、出售及持有之重大投資

Acquisition of the entire issued share capital of JTI Securities Limited

收購金唐國際證券有限公司全部已發行股本

On 7 June 2016, Perfect Capital Global Limited (“Perfect Capital”), an indirect wholly-owned subsidiary of the Company, as purchaser and Ace Vantage Investments Limited (an independent third party) as vendor entered into a sale and purchase agreement (as amended by a supplemental agreement dated 23 March 2017), pursuant to which Perfect Capital conditionally agreed to acquire the entire issued and fully-paid share capital of JTI Securities.

於二零一六年六月七日，本公司之間接全資附屬公司Perfect Capital Global Limited（「Perfect Capital」）（作為買方）與獨立第三方Ace Vantage Investments Limited（作為賣方）訂立買賣協議（經日期為二零一七年三月二十三日之補充協議修訂），據此，Perfect Capital已有條件同意收購金唐國際證券全部已發行及全數繳足股本。

On 23 March 2017, balance of consideration of approximately HK\$22,800,000 was paid by Perfect Capital and the acquisition of JTI Securities was completed. JTI Securities has become an indirect wholly-owned subsidiary of the Company. The Group is now principally engaged in securities brokerage business through JTI Securities.

於二零一七年三月二十三日，代價餘額約22,800,000港元已由Perfect Capital支付，金唐國際證券收購事項已完成。金唐國際證券成為本公司之間接全資附屬公司。本集團目前主要透過金唐國際證券從事證券經紀業務。

Relevant disclosure was made in the Company’s announcements dated 7 June 2016 and 23 March 2017.

相關披露載於本公司日期為二零一六年六月七日及二零一七年三月二十三日之公告。

Formation of Joint Venture

成立合資公司

On 26 July 2017, Oriental Thunder Lion Limited (“Oriental Thunder Lion”), a wholly-owned subsidiary of the Company, entered into a joint venture agreement with Mr. Zhong Xuhang (鍾旭航) (“Mr. Zhong”), an independent third party, for the formation of a joint venture company (the “JV Company”) which shall be owned as to 51% and 49% by Oriental Thunder Lion and Mr. Zhong, respectively. Relevant disclosure was made in the Company’s announcement dated 26 July 2017.

於二零一七年七月二十六日，本公司全資附屬公司東方醒獅有限公司（「東方醒獅」）與獨立第三方鍾旭航先生（「鍾先生」）就成立一家合資公司（「合資公司」）訂立一份合資協議，該合資公司將由東方醒獅及鍾先生分別持有51%及49%權益。相關披露已於本公司日期為二零一七年七月二十六日之公告作出。

As at the date of this report, the Group has ceased to proceed with the formation of the JV Company.

於本報告日期，本集團已不再進行成立合資公司之活動。

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries or associated companies and no significant investment held during the year ended 31 December 2017.

除上文所披露者外，本集團於截至二零一七年十二月三十一日止年度並無重大收購及出售附屬公司或聯營公司，且並無持有重大投資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

UPDATE ON THE SUSPECTED MISAPPROPRIATION OF FUNDS IN A DECONSOLIDATED SUBSIDIARY

Reference is made to the Company's announcements dated 14 November 2016 and 23 February 2017 in relation to the suspected misappropriation of funds (the "Suspected Misappropriation") of 山西中澤恒遠生物科技有限公司 (Shanxi Zhongze Heng Yuen Biological Technology Company Limited*) ("Shanxi Zhongze") and the deconsolidation of the financial information of Shanxi Zhongze from the Group's accounts as a result thereof. As disclosed previously, the Company has instructed its legal advisers to pursue after any improper or illegal conducts of any individuals or entities suspected to be involved in the Suspected Misappropriation (the "Suspected Wrongdoers"), including the commencement of civil and criminal actions against the Suspected Wrongdoers. These actions are still ongoing. The Company will make further announcement to update the Shareholders on the progress of these actions as and when appropriate.

UPDATE ON THE PROGRESS OF THE LEGAL ACTION TO RECOVER REFUNDABLE DEPOSIT

Reference is made to the disclosure contained in the 2016 Annual Report regarding the refundable deposit of RMB30,000,000 (equivalent to HK\$36,000,000) (the "Deposit") paid by the Group to Mr. Qu Yong Bo (曲勇波) (the "Vendor") pursuant to the memorandum of understanding dated 1 December 2015 in respect of the possible acquisition of 100% equity interest in 大慶澳瑞生物能源有限公司 (Daqing AORUI Bioenergy Co., Ltd.*), which was eventually aborted on 31 May 2016. As disclosed in the Company's announcement dated 24 March 2017, the Company commenced legal action against the Vendor and Jiashunda Trading Limited (the nominee which was appointed by the Vendor as the recipient to the Deposit) at the Court of First Instance in the High Court of Hong Kong on 24 March 2017 to claim for the return of the Deposit and interest. These Court procedures are still ongoing. The Company will make further announcement to update the Shareholders on the progress of the legal action as and when appropriate.

有關涉嫌挪用一家已取消綜合入賬附屬公司資金之最新消息

茲提述本公司日期為二零一六年十一月十四日及二零一七年二月二十三日之公告，內容有關山西中澤恒遠生物科技有限公司(「山西中澤」)的資金涉嫌被挪用(「涉嫌挪用」)，以及因此本集團之賬目內取消將山西中澤之財務資料綜合入賬。誠如先前之披露，本公司已指示其法律顧問追查涉嫌挪用牽涉之任何個人或實體(「涉嫌過失方」)之任何不當或違法行為，包括針對涉嫌過失方提起民事及刑事訴訟。有關行動仍在進行。本公司將於適當時候就有關行動之進展作進一步公告，以向股東提供最新消息。

有關收回可退還按金之法律行動之最新進展

茲提述二零一六年年報所載之披露資料，內容有關根據可能收購大慶澳瑞生物能源有限公司100%股權(其後已於二零一六年五月三十一日中止)日期為二零一五年十二月一日之諒解備忘錄，本集團向曲勇波先生(「賣方」)支付人民幣30,000,000元(相等於36,000,000港元)之可退回按金(「按金」)。如本公司日期為二零一七年三月二十四日之公告所披露，本公司已於二零一七年三月二十四日於香港高等法院原訟庭對賣方及佳順達貿易有限公司(由賣方指定為收取按金之代理人)展開法律行動，以就收回按金及利息提出索償。法院程序仍在進行。本公司將於適當時候就有關法律行動之進展作進一步公告，以向股東提供最新消息。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

DISCUSSION ON QUALIFIED OPINION

According to the qualified opinion raised in the independent auditor's report, the view of the Group towards the issues as follows:

1) *Corresponding figures*

Due to the suspected misappropriation of certain funds in Shanxi Zhongze, the Directors considered that it would be inappropriate to consolidate the financial statements of Shanxi Zhongze into the Group and since the Group has been unable to obtain reliable financial information of Shanxi Zhongze for the year ended 31 December 2016, the Directors considered that the financial information of Shanxi Zhongze should be de-consolidated with effect from 1 January 2016.

The loss on deconsolidation of this subsidiary of approximately HK\$65,403,000 for the year ended 31 December 2016 has no impact on the financial performance of the Group for the year ended 31 December 2017 as well as the net asset value of the Group as at 31 December 2017.

Details of the aforesaid suspected misappropriation of funds are set out in the Company's announcements dated 14 November 2016 and 23 February 2017.

2) *Disposal group classified as held for sale and associated liabilities*

During the year of 2017, the top management of the Group tried various ways to look for the potential disposal of the sub-group. As the macro-environment was not clear in the year of 2017, the potential purchase was a bit prudent on different business combinations. In the year of 2018, the Group is optimistic there is the higher demand for mineral resources, and the top management of the Group started negotiating with the potential buyers with the consideration not less than the investment cost of the Group.

有關保留意見之討論

根據獨立核數師報告提出之保留意見，本集團對有關問題之意見如下：

1) 比較數字

由於山西中澤涉嫌挪用若干資金，董事認為於本集團綜合入賬山西中澤之財務報表並不適當，而由於本集團無法獲取山西中澤於截至二零一六年十二月三十一日止年度之可靠財務資料，董事認為山西中澤之財務資料應自二零一六年一月一日起取消綜合入賬。

截至二零一六年十二月三十一日止年度，取消綜合入賬該附屬公司之虧損約65,403,000港元並未對本集團截至二零一七年十二月三十一日止年度之財務表現及本集團於二零一七年十二月三十一日之資產淨值產生影響。

有關上述涉嫌挪用資金之詳情，載於本公司日期為二零一六年十一月十四日及二零一七年二月二十三日之公告。

2) 分類為持作出售之出售集團及相關負債

於二零一七年度，本集團高級管理層嘗試各種方法，尋求潛在出售該組別。由於二零一七年度宏觀環境不明朗，本集團對不同業務組合之潛在收購持審慎態度。於二零一八年度，本集團看好礦產資源之需求將會上升，而本集團高級管理層已開始與潛在買家進行協商，代價將不低於本集團之投資成本。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

3) *Deposits for acquisition of non-current assets*

A provision for impairment of HK\$18,000,000 to reflect the recoverability of the Deposit was made during the year of 2016. Actions taken in relation to receive the Deposit are still ongoing.

4) *Other investment*

During the year of 2017, the Group sought legal advice on upholding legal rights for the investment. The Board is still considering appropriate actions to be taken.

5) *Revenue, cost of sales, trade payables and contingent liabilities associated with a subsidiary*

The top management of the Group has been negotiating with the local television station and the supplier to settle the outstanding litigations with these parties. The Group believes that once the litigations have been settled, the operation of the digital cable television business will be under the Group's control.

3) *收購非流動資產之按金*

於二零一六年度，已計提減值18,000,000港元以反映按金之可收回程度。有關收取按金所採取之行動仍在進行中。

4) *其他投資*

於二零一七年度，本集團已就維護投資之合法權利尋求法律意見。董事會仍在考慮採取適當之行動。

5) *與一間附屬公司有關之收益、銷售成本、應付賬款及或然負債*

本集團高級管理層一直與當地電視台及供應商協商，以與該等當事人結有關未決訴訟。本集團相信，一旦有關訴訟結案，本集團將可控制有線數位電視業務的營運。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2017. The Company wishes to highlight the importance of its Board in ensuring high standards of corporate governance in the interests of its Shareholders and is committed to identifying and formalizing best practices appropriate to the needs of the Company.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality board, sound internal controls, transparency and accountability to all Shareholders. The Company has complied with the code provisions as set out in the Corporate Governance Code (“CG Code”) contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance. Except for the deviations from code provision C.1.2 which are explained below, the Company was in compliance with all code provisions set out in the CG Code during the year ended 31 December 2017.

Monthly Updates

Code provision C.1.2 of the CG Code provides that management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the issuer’s performance, position and prospects in sufficient detail to enable the board as a whole and each director to discharge their duties under Rule 5.01 and Chapter 17 of the GEM Listing Rules. During the six months ended 30 June 2017, the management of the Company did not provide monthly update to all members of the Board, but the management keeps providing information and update to the members of the Board quarterly. From July 2017, the Company has provided and will continue to provide all Directors with monthly updates.

董事會欣然提呈截至二零一七年十二月三十一日止年度之企業管治報告。本公司謹此強調，董事會確保良好的企業管治標準以符合其股東利益之重要性，並致力尋求及釐定切合本公司需要的最佳常規。

企業管治常規

本公司之企業管治原則著重高質素的董事會、健全的內部監控，以及對全體股東的透明度及問責性。本公司已遵守載於GEM上市規則附錄十五之企業管治守則（「企業管治守則」）所載之守則條文作為其本身之企業管治守則。除下文闡述有關偏離守則條文第C.1.2條外，截至二零一七年十二月三十一日止年度，本公司已遵守企業管治守則所載的所有守則條文。

每月更新資料

企業管治守則之守則條文第C.1.2條規定，管理層應每月向董事會所有成員提供更新資料，列載有關發行人表現、狀況及前景的公正易懂的詳細評估，讓董事會全體及各董事可履行GEM上市規則第5.01條及第17章項下之相關職務。截至二零一七年六月三十日止六個月，儘管本公司管理層並無向董事會所有成員提供每月更新資料，惟管理層持續每季度向董事會成員提供資料及更新資料。自二零一七年七月起，本公司已經並將繼續向所有董事提供每月更新資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as its code of conduct for securities transactions by Directors throughout the year ended 31 December 2017. Having made specific enquiry of all Directors, the Directors confirmed that they have complied with the required standard of dealings regarding securities transactions by Directors during the year ended 31 December 2017.

BOARD OF DIRECTORS

The Board is responsible for the overall management of the Company and is entitled to delegate its powers to any executive Director, committees of the Board and the management team. The Board is primarily responsible for approving and monitoring the Company's major corporate matters, the evaluation of the performance of the Company and oversight of the management. Specific tasks that the Board delegates to the Company's management include the implementation of strategies approved by the Board, determining the policy for the corporate governance, monitoring of operating budgets, the implementation of internal controls procedures, and ensuring of compliance with relevant statutory requirements and other rules and regulations. The Board is directly accountable to the Shareholders and is responsible for preparing the accounts.

As at the date of this report, the Board comprises six members, consisting of four executive Directors and two independent non-executive Directors.

Executive Directors

Tan Sri Dato' Lim Tong Yong (*Chairman*)
Mr. Chen Rongbin (*Vice Chairman and Chief Executive Officer*)
Mr. Gao Yang
Mr. Yuan Gonglin

董事進行證券交易之操守準則

於截至二零一七年十二月三十一日止整個年度內，本公司已採納GEM上市規則第5.48至5.67條所規定之交易必守標準作為其董事進行證券交易之操守準則。經向全體董事作出具體查詢後，董事確認截至二零一七年十二月三十一日止年度內，彼等已遵守有關董事進行證券交易之交易必守標準。

董事會

董事會負責本公司之整體管理並有權授權予任何執行董事、董事會委員會及管理層團隊代表其行使權力。董事會主要負責批准及監督本公司重大的企業事宜，評估本公司之表現及監察管理層。董事會授權本公司管理層的特定工作包括執行董事會批准的策略、決定企業管治的政策、監察營運預算、執行內部監控程序及確保符合相關法定規定及其他規則與規例。董事會直接對股東負責及負責編製賬目。

於本報告日期，董事會有六名成員，包括四名執行董事及兩名獨立非執行董事。

執行董事

丹斯里拿督林東洋* (*主席*)
陳榮斌先生 (*副主席及行政總裁*)
高揚先生
袁公林先生

CORPORATE GOVERNANCE REPORT

企業管治報告

Independent Non-Executive Directors

Mr. Xu Haiou
Mr. Chau Sen Chung

Each Director has relevant experience, competence and skills appropriate to the business requirements of the Company. The biographical details of the Directors are set out on pages 59 to 61 of this annual report. To the knowledge of the Directors, the Board members have no financial, business, family or other material/relevant relationships with each other.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The chairman of the Board, being Tan Sri Dato' Lim Tong Yong, is responsible for the management of the Board by providing leadership for the Board and has taken primary responsibility for ensuring that good corporate governance practices and procedures are established and that appropriate steps are taken to provide effective communication with Shareholders and that their views are communicated to the Board as a whole, and the chief executive officer of the Company, being Mr. Chen Rongbin, is responsible for the day-to-day management of business of the Group.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors are appointed for a fixed term of one year renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment, and they are subject to retirement and re-election in accordance with the bye-laws of the Company (the "Bye-Laws"). They provide strong support towards the effective discharge of the duties and responsibilities of the Board.

The Company has received written annual confirmation from each of the independent non-executive Directors of his independence pursuant to Rule 5.09 of the GEM Listing Rules and considers that all independent non-executive Directors are independent.

獨立非執行董事

許海鷗*先生
周晨仲先生

每名董事均具有適合本公司業務要求之相關經驗、能力及技能。董事之履歷詳情載於本年報第59至61頁。就董事所知，董事會成員彼此之間並無任何財務、業務、親屬或其他重大／相關關係。

主席與行政總裁

董事會主席丹斯里拿督林東洋*負責帶領董事會，並對其進行管理，主要責任為確保建立良好的企業管治常規及程序，採取適當步驟與股東進行有效溝通並將股東之意見傳達到整個董事會；本公司行政總裁陳榮斌先生負責本集團業務之日常管理。

獨立非執行董事

獨立非執行董事之固定任期為一年，可自當屆任期屆滿後翌日起計自動續期一年，且彼等須根據本公司之公司細則（「公司細則」）輪值退任並膺選連任。彼等對董事會有效履行其職責及責任方面提供有力之支持。

本公司已接獲各獨立非執行董事根據GEM上市規則第5.09條就其獨立性發出之年度書面確認函，並認為全體獨立非執行董事均為獨立。

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NON-COMPLIANCE WITH RULES 5.05(1), 5.05(2) AND 5.28 OF THE GEM LISTING RULES

Following the resignation of Mr. Wong Chi Keung as independent non-executive Director on 19 September 2017, the Company only had two independent non-executive Directors, thus the number of the independent non-executive Directors fell below the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company had also failed to meet the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise. As a result of the insufficient number of independent non-executive Directors, the Company had also failed to comply with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the minimum number of members and the composition of the Audit Committee. Following the appointment of Mr. Tong Tai Alex, who has relevant qualifications and expertise, as independent non-executive Director on 15 January 2018, the number of independent non-executive Directors had satisfied the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company also met the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. In addition, the Company was simultaneously compliance with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the composition of the Audit Committee.

Upon the resignation of Mr. Tong Tai Alex with effect from 20 February 2018, the Company failed to comply with requirements as set out in Rules 5.05(1), 5.05(2) and 5.28 of the GEM Listing Rules.

不符合GEM上市規則第5.05(1)、5.05(2)及5.28條的情況

繼黃之強先生於二零一七年九月十九日辭任獨立非執行董事後，本公司僅有兩名獨立非執行董事，因此獨立非執行董事人數低於GEM上市規則第5.05(1)條所規定的最低人數。本公司亦未能達致GEM上市規則第5.05(2)條之規定，即至少一名獨立非執行董事須擁有適當的專業資格，或具備適當的會計或相關的財務管理專長。由於獨立非執行董事人數不足，本公司亦未能符合GEM上市規則第5.28條有關審核委員會成員最低人數及組成的規定。本公司於二零一八年一月十五日委任湯泰先生為獨立非執行董事（彼擁有相關資格及專長）後，獨立非執行董事人數已符合GEM上市規則第5.05(1)條項下的最低人數規定。本公司亦已符合GEM上市規則第5.05(2)條之規定，即至少一名獨立非執行董事須擁有適當的專業資格，或具備適當的會計或相關的財務管理專長。此外，本公司亦同時符合GEM上市規則第5.28條有關審核委員會的組成的規定。

於湯泰先生自二零一八年二月二十日辭任後，本公司未能遵守GEM上市規則第5.05(1)、5.05(2)及5.28條之規定。

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Following the resignation of Mr. Tong Tai Alex as independent non-executive Director on 20 February 2018, the Company only had two independent non-executive Directors, thus the number of the independent non-executive Directors fell below the minimum number required under Rule 5.05(1) of the GEM Listing Rules. The Company had also failed to meet the requirement set out in Rule 5.05(2) of the GEM Listing Rules with regard to at least one independent non-executive Director must have appropriate professional qualifications or accounting or related financial management expertise. As a result of the insufficient number of independent non-executive Directors, the Company has also failed to comply with the requirements set out in Rule 5.28 of the GEM Listing Rules with regard to the minimum number of members and the composition of the Audit Committee. The Company will use its best endeavour to identify suitable candidate(s) to fill up the vacancy of independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise and in any event within three months from the date of resignation of Mr. Tong Tai Alex as required under Rules 5.06 and 5.33 of the GEM Listing Rules, and will make further announcement(s) as and when appropriate.

BOARD DIVERSITY POLICY

The Board adopted on 10 September 2013 a board diversity policy (the “Board Diversity Policy”) and delegated certain duties under the Board Diversity Policy to the nomination committee of the Company (the “Nomination Committee”). The Company recognizes and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board Diversity Policy aims to build and maintain a Board with a diversity of Directors. The Board diversity would be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skill, knowledge and length of service, and the selection of candidates will also base on the above. The Nomination Committee will review and adopt the above measurements when it reviewed the composition of the Board and it will also review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time. After assessing the suitability of the Directors’ skills and experiences to the Company’s business, the Nomination Committee considered that save for an additional independent non-executive Director with appropriate professional qualifications or accounting or related financial management expertise should be appointed, the existing Board was appropriately structured.

繼湯泰先生於二零一八年二月二十日辭任獨立非執行董事後，本公司僅有兩名獨立非執行董事，因此獨立非執行董事人數低於GEM上市規則第5.05(1)條所規定的最低人數。本公司亦未能達致GEM上市規則第5.05(2)條之規定，即至少一名獨立非執行董事須擁有適當的專業資格，或具備適當的會計或相關的財務管理專長。由於獨立非執行董事人數不足，本公司亦未能符合GEM上市規則第5.28條有關審核委員會成員最低人數及組成的規定。本公司將盡其最大努力物色適當人選填補獨立非執行董事（擁有適當的專業資格，或具備適當的會計或相關的財務管理專長）之空缺，並根據GEM上市規則第5.06條及5.33條在任何情況下於湯泰先生辭任當日起計三個月內符合有關規定，並將於適當時候作進一步公告。

董事會多元化政策

董事會於二零一三年九月十日採納董事會多元化政策（「董事會多元化政策」）並根據董事會多元化政策授予本公司提名委員會（「提名委員會」）若干職責。本公司確認及認可董事會多元化對其表現質量的好處，因此董事會多元化政策旨在建立及維持具備多元化董事之董事會。董事會多元化將考慮多個方面，包括但不限於性別、年齡、文化及教育背景、民族、專業經驗、技術、知識及服務年期，而甄選候選人亦將按照上述方面進行。提名委員會在檢討董事會組成時將審閱及採納上述計量且亦會審閱董事會多元化政策（如適合），以確保其不時保持其效力。評估董事之技能及經驗對本公司業務之適用性後，提名委員會認為，除了須額外委任一名具備適當專業資質或會計或相關財務管理專長之獨立非執行董事外，現時的董事會架構合適。

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BOARD MEETINGS

The Board met regularly during the year with additional meetings arranged if and when required. 12 Board meetings were held during the year ended 31 December 2017 and the attendance record of each Directors is set out in the table on page 34 of this annual report. Directors are appropriately notified in advance of the meetings with proposed agenda and are free to contribute alternative views at meetings. Major decisions are only arrived at after deliberation at Board meetings. Directors who are considered having conflicts of interest or having material interest in the proposed transactions or issues to be discussed will not be counted in the quorum of the relevant meeting and will abstain from voting on relevant resolutions.

Board minutes are kept by the company secretary of the Company (the “Company Secretary”) and are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and has unrestricted access to the advice and services of the Company Secretary, who is responsible for ensuring that the Board procedures are complied with, and in consultation with the compliance officer, advising the Board on compliance matters. Directors also have the liberty to seek external professional advice if so required.

GENERAL MEETING

During the year ended 31 December 2017, 1 general meeting of the Company was held, being the annual general meeting held on 2 June 2017 (the “2017 AGM”). The attendance record of each Directors is set out in the table on page 34 of this annual report.

AUDIT COMMITTEE

The Board established the Audit Committee on 30 September 2002 with written terms of reference in accordance with the GEM Listing Rules. The Audit Committee currently consists of two independent non-executive Directors, namely Mr. Xu Haiou and Mr. Chau Sen Chung and the chairman of the Audit Committee remains vacant.

The terms of reference of the Audit Committee is currently made available on the GEM website and on the Company’s website.

董事會會議

本公司於年內定期舉行董事會會議，如有需要則會安排其他會議。截至二零一七年十二月三十一日止年度，董事會共舉行了十二次會議，各董事之出席記錄載於本年報第34頁之表格內。董事於會議前獲適當通知有關建議議程，並可於會上自由抒發己見。任何重大決策均須經於董事會會議上審議後達致。若任何董事就建議交易事項或待討論事項涉及利益衝突或擁有重大利益，則不得計入相關會議之法定人數內，亦將會就相關決議案放棄投票。

董事會之會議記錄由本公司之公司秘書（「公司秘書」）保存，並可供董事查閱。每位董事會成員均有權查閱董事會文件及相關資料及可在不受限制下獲取公司秘書之意見及享用其服務；公司秘書負責確保董事會程序得以遵守，並於諮詢監察主任後就合規事宜向董事會提供意見。董事亦有權尋求外部專業顧問之意見（如需要）。

股東大會

截至二零一七年十二月三十一日止年度，本公司舉行了一次股東大會，即於二零一七年六月二日舉行之股東週年大會（「二零一七年股東週年大會」）。各董事之出席記錄載於本年報第34頁之表格內。

審核委員會

董事會已於二零零二年九月三十日成立審核委員會，並採納符合GEM上市規則之明文職權範圍。現時審核委員會由兩位獨立非執行董事組成，即許海鷗*先生及周晨仲先生，審核委員會主席仍空缺。

審核委員會之職權範圍現時可於GEM網站及本公司網站查閱。

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The Audit Committee shall meet not less than four times a year in accordance with its terms of reference. The principal duties of the Audit Committee are to review the quarterly, interim and annual reports and the financial statements of the Group and to review significant financial reporting judgements contained in them; oversee and review the financial reporting system, risk management and internal control systems of the Company; to review the financial and accounting policies and practices of the Group; and to make recommendation to the Board on the appointment, re-appointment and removal of the external auditor as well as to ensure independence of the continuing auditor and to report to the Board on the matters set out in the relevant code provisions set out in the CG Code. The Audit Committee also discusses with the management the risk management and internal control systems to ensure effective systems are in place.

The Audit Committee held 4 meetings during the year ended 31 December 2017 and the attendance record of each member of the Audit Committee at the meetings of the Audit Committee is set out in the table on page 34 of this annual report. In addition to the Audit Committee's meetings, the Audit Committee also dealt with matter by way of circulation of written resolutions during the year.

During the year ended 31 December 2017, the Audit Committee had performed the following work:

- reviewed the financial matters, quarterly, interim and annual financial reports, financial statements, financial reporting, internal control and risk management systems, the necessity of setting up an internal control department and audit related matters of the Company;
- made recommendation on the re-appointment of ZHONGHUI ANDA CPA Limited as auditor of the Company and the terms of its engagement;
- reviewed the Company's compliance with the CG Code during the year ended 31 December 2016;
- discussed the above as appropriate with the executive Directors, the management and the auditor of the Company, and made recommendations to the Board;

根據其職權範圍，審核委員會應每年至少舉行四次會議。審核委員會之主要職責為審閱本集團之季度、中期及年度報告以及財務報表並審閱其中所載之重大財務申報判斷；監管並檢討本公司之財務申報系統、風險管理及內部監控系統；檢討本集團之財務及會計政策以及常規；就有關外部核數師之委任、續聘及免職以及確保續任核數師之獨立性，以及就企業管治守則所載之相關守則條文之事宜向董事會報告。審核委員會亦會與管理層討論風險管理及內部監控系統，以確保有效的系統得以運作。

截至二零一七年十二月三十一日止年度，審核委員會共舉行了四次會議，各審核委員會成員出席審核委員會會議之記錄載於本年報第34頁之表格內。除審核委員會舉行之會議外，審核委員會於年內亦透過傳閱書面決議案處理有關事項。

截至二零一七年十二月三十一日止年度，審核委員會已執行以下工作：

- 審閱本公司之財務事宜、季度、中期及年度報告、財務報表、財務報告、內部監控及風險管理系統、制定內部監控部門之必要性及審核相關事宜；
- 就重新委任中匯安達會計師事務所有限公司作為本公司之核數師及其委聘條款作出推薦意見；
- 檢討本公司截至二零一六年十二月三十一日止年度遵守企業管治守則之情況；
- 與執行董事、管理層及本公司之核數師就上述事項(如適用)進行商討，並向董事會作出推薦意見；

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- discussed with the management the risk management and internal control systems to ensure effective systems are in place; and
- recommended to the Board the engagement of ZHONGHUI ANDA CPA Limited to perform a high level review on the consolidated interim financial information of the Company for the six months ended 30 June 2017.

The audited financial statements for the year ended 31 December 2017 have been reviewed by the members of the Audit Committee and approved for issue by the Board.

The members of the Audit Committee also reviewed the existing internal control and risk management systems of the Group and also noted that review of the same will be carried out annually.

REMUNERATION COMMITTEE

The Board established the remuneration committee (the “Remuneration Committee”) on 12 April 2005 with written terms of reference in compliance with the GEM Listing Rules. The Remuneration Committee currently consists of two independent non-executive Directors namely Mr. Xu Haiou (committee chairman) and Mr. Chau Sen Chung, and an executive Director, namely Mr. Chen Rongbin.

The terms of reference of the Remuneration Committee is currently made available on the GEM website and the Company’s website.

According to its terms of reference, the Remuneration Committee shall meet at least once a year. The principal duties of the Remuneration Committee are to make recommendation to the Board on the Company’s policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policy on such remuneration; to approve or make recommendation of remuneration packages for the Directors and the senior management; and to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time. The Remuneration Committee has adopted the approach made under B.1.2(c)(i) of the CG Code to determine with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

- 與管理層討論風險管理及內部監控系統，以確保有效的系統得以運作；及
- 建議董事會委聘中匯安達會計師事務所有限公司就本公司截至二零一七年六月三十日止六個月之綜合中期財務資料進行高層面審閱。

截至二零一七年十二月三十一日止年度之經審核財務報表已經審核委員會成員審閱並由董事會批准刊發。

審核委員會成員亦檢討本集團現有內部監控及風險管理系統及亦須每年就此進行檢討。

薪酬委員會

董事會已於二零零五年四月十二日成立薪酬委員會（「薪酬委員會」），並採納符合GEM上市規則之明文職權範圍。現時薪酬委員會由兩名獨立非執行董事，即許海鷗*先生（委員會主席）及周晨仲先生以及一名執行董事，即陳榮斌先生組成。

薪酬委員會之職權範圍現時可於GEM網站及本公司網站查閱。

根據其職權範圍，薪酬委員會應每年至少舉行一次會議。薪酬委員會之主要職責為就本公司董事及高級管理層的全體薪酬政策及架構以及就設立一個正規而具透明度的程序制訂該等薪酬政策，向董事會提出推薦意見；批准或建議董事及高級管理層之薪酬待遇；及依據董事會不時議決之企業目標及宗旨檢討和批准按表現而釐定薪酬。薪酬委員會已採取企業管治守則第B.1.2(c)(i)條項下之方法，按獲轉授責任釐定個別執行董事及高級管理層之薪酬待遇。

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The Remuneration Committee held 3 meetings during the year ended 31 December 2017 and the attendance record of each member of the Remuneration Committee is set out in the table on page 34 of this annual report. In addition to the Remuneration Committee's meetings, the Remuneration Committee also dealt with matter by way of circulation of written resolution during the year.

During the year ended 31 December 2017, the Remuneration Committee performed the following work:

- reviewed the existing policy and structure of the remuneration for the Directors and senior management; and
- recommended to the Board the remuneration packages of the independent non-executive Directors and the proposed Directors.

The remuneration of the senior management (comprising Directors) of the Company for the year ended 31 December 2017, by band is set out below:

截至二零一七年十二月三十一日止年度，薪酬委員會共舉行了三次會議，各薪酬委員會成員之出席記錄載於本年報第34頁之表格內。除薪酬委員會舉行之會議外，薪酬委員會於年內亦透過傳閱書面決議案處理有關事項。

截至二零一七年十二月三十一日止年度，薪酬委員會已執行以下工作：

- 檢討董事及高級管理層薪酬之現有政策及架構；及
- 向董事會建議獨立非執行董事及建議董事之薪酬待遇。

截至二零一七年十二月三十一日止年度，本公司高級管理層（包括董事）之薪酬等級如下：

Remuneration Band	薪酬等級	Number of individuals	
		2017 二零一七年	2016 二零一六年
Nil	0 港元	—	1
HK\$1 to HK\$1,000,000	1 港元 — 1,000,000 港元	9	19
HK\$1,000,001 — HK\$1,500,000	1,000,001 港元 — 1,500,000 港元	1	1
HK\$1,500,001 — HK\$2,000,000	1,500,001 港元 — 2,000,000 港元	—	—
HK\$2,000,001 — HK\$2,500,000	2,000,001 港元 — 2,500,000 港元	—	—
HK\$2,500,001 — HK\$3,000,000	2,500,001 港元 — 3,000,000 港元	1	—
		11	21

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NOMINATION COMMITTEE

The Board established the Nomination Committee on 12 April 2005 with written terms of reference in compliance with the GEM Listing Rules. The Nomination Committee currently consists of two independent non-executive Directors, namely Mr. Chau Sen Chung (committee chairman) and Mr. Xu Haiou, and an executive Director, namely Mr. Yuan Gonglin.

The terms of reference of the Nomination Committee is currently made available on the GEM website and the Company's website.

According to its terms of reference, the Nomination Committee shall meet at least once a year. The principal duties of the Nomination Committee are to review the structure, size, composition and diversity (including but not limited to skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; assess the independence of independent non-executive Directors; to make recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors; to review the Board Diversity Policy and the measurable objectives that the Board has set for implementing the Board Diversity Policy; to monitor the progress on achieving the objectives; and to make the relevant disclosure in the corporate governance report annually.

The Nomination Committee held 3 meetings during the year ended 31 December 2017 and the attendance record of each member of the Nomination Committee is set out in the table on page 34 of this annual report. In addition to the Nomination Committee's meetings, the Nomination Committee also dealt with matters by way of circulation of written resolutions during the year.

提名委員會

董事會已於二零零五年四月十二日成立提名委員會，並採納符合 GEM 上市規則之明文職權範圍。現時提名委員會由兩名獨立非執行董事，即周晨仲先生(委員會主席)及許海鷗*先生以及一名執行董事，即袁公林先生組成。

提名委員會之職權範圍現時可於 GEM 網站及本公司網站查閱。

根據其職權範圍，提名委員會應至少每年召開一次會議。提名委員會之主要職責包括至少每年檢討董事會之架構、規模、組成及多元化(包括但不限於技能、經驗及背景、地區及行業經驗、種族、性別、知識及服務年資)，並向董事會提出任何改動建議，借以配合本公司的企業策略；物色具備合適資格擔任董事會成員之個別人士，並就挑選提名董事之個別人士向董事會提供推薦意見；評估獨立非執行董事的獨立性；就委任或重新委任董事和董事繼任規劃等相關事宜向董事會提出推薦意見；檢討董事會多元化政策及董事會為實施董事會多元化政策而制定之可計量目標；監察達致目標之進度；以及每年就企業管治報告作出相關披露。

截至二零一七年十二月三十一日止年度，提名委員會共舉行了三次會議，各提名委員會成員之出席記錄載於本年報第 34 頁之表格內。除提名委員會舉行之會議外，提名委員會於年內亦透過傳閱書面決議案處理有關事項。

CORPORATE GOVERNANCE REPORT

企業管治報告

During the year ended 31 December 2017, the Nomination Committee performed the following work:

- reviewed the Board's structure, size, composition and diversity;
- assessed the independence of the independent non-executive Directors;
- made recommendation to the Board on the re-election of retiring Directors at the 2017 AGM;
- made recommendation of new Director candidates to the Board's approval; and
- made recommendation to the Board on the composition of Board committees.

截至二零一七年十二月三十一日止年度，提名委員會已執行以下工作：

- 檢討董事會之架構、規模、組成及多元化；
- 評估獨立非執行董事之獨立性；
- 就於二零一七年股東週年大會上重選退任董事向董事會作出推薦意見；
- 向董事會推薦新董事人選供董事會批准；及
- 就董事委員會之組成向董事會作出推薦意見。

CORPORATE GOVERNANCE FUNCTIONS

The corporate governance functions are performed by the Board.

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

During the year ended 31 December 2017, the Board held 1 meeting for reviewing the training and continuous professional development of Directors, reviewing the Company's compliance with the CG Code and reviewing the Company's disclosure in Corporate Governance Report.

企業管治職能

企業管治職能由董事會執行。

企業管治職能為制定及檢討本公司的企業管治政策及常規以符合企業管治守則及其他法律或監管要求；檢討及監察董事及高級管理層的培訓及持續專業發展；制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及檢討本公司遵守企業管治守則及企業管治報告內的披露情況。

截至二零一七年十二月三十一日止年度，董事會就檢討董事的培訓及持續專業發展、檢討本公司遵守企業管治守則的情況及檢討本公司企業管治報告內的披露情況舉行了一次會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

Attendance records of the Directors and members of the Board committees for the year ended 31 December 2017 are set out below:

截至二零一七年十二月三十一日止年度董事及董事委員會成員出席會議之記錄載列如下：

		General Meeting 股東大會	Board Meeting 董事會會議	Audit Committee Meeting 審核委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Nomination Committee Meeting 提名委員會會議
Total Number of Meetings	會議總次數	1	12	4	3	3
Executive Directors:	執行董事：					
Tan Sri Dato' Lim Tong Yong	丹斯里拿督林東洋*	1/1	12/12	—	—	—
Mr. Chen Rongbin (Note 1)	陳榮斌先生(附註1)	1/1	12/12	—	2/2	N/A 不適用
Mr. Qiu Bin (Note 2)	仇斌先生(附註2)	0/1	1/2	—	—	—
Mr. Gao Yang	高揚先生	1/1	12/12	—	—	—
Mr. Hu Qixian (Note 3)	胡其賢先生(附註3)	0/1	2/2	—	—	1/1
Mr. Chen Xi (Note 4)	陳希先生(附註4)	0/1	2/2	—	1/1	—
Mr. Yuan Gonglin (Note 5)	袁公林先生(附註5)	N/A 不適用	10/10	—	—	2/2
Independent Non-executive Directors:	獨立非執行董事：					
Mr. Wong Chi Keung (Note 6)	黃之強先生(附註6)	1/1	6/6	3/3	—	—
Ms. Chen Yan (Note 7)	陳焰女士(附註7)	N/A 不適用	1/1	1/1	—	1/1
Mr. Xu Haiou	許海鷗*先生	1/1	12/12	4/4	3/3	3/3
Mr. Chau Sen Chung (Note 8)	周晨仲先生(附註8)	1/1	12/12	2/3	3/3	2/2

Notes:

附註：

- Mr. Chen Rongbin has been appointed as a member of the Remuneration Committee and Nomination Committee with effect from 2 June 2017 and 26 June 2017 respectively. He ceased to be a member of the Nomination Committee with effect from 3 July 2017. His attendances at the meetings of the Remuneration Committee and Nomination Committee were stated by reference to the number of meetings held during his tenure.
- Mr. Qiu Bin retired as an executive Director with effect from the conclusion of 2017 AGM. His attendances above were stated by reference to the number of meetings held during his tenure.
- Mr. Hu Qixian resigned as an executive Director and ceased to be a member of the Nomination Committee with effect from 26 June 2017. His attendances above were stated by reference to the number of meetings held during his tenure.

- 陳榮斌先生已獲委任為薪酬委員會及提名委員會成員，分別自二零一七年六月二日及二零一七年六月二十六日起生效。彼於二零一七年七月三日起不再為提名委員會成員。彼之出席薪酬委員會及提名委員會會議之記錄乃參照其任期內舉行會議之數目列示。
- 仇斌先生自二零一七年股東週年大會結束起退任執行董事。上述彼之出席記錄乃參照其任期內舉行會議之數目列示。
- 胡其賢先生辭任執行董事且不再為提名委員會成員，自二零一七年六月二十六日起生效。上述彼之出席記錄乃參照其任期內舉行會議之數目列示。

CORPORATE GOVERNANCE REPORT

企業管治報告

4. Mr. Chen Xi retired as an executive Director and ceased to be a member of the Remuneration Committee with effect from the conclusion of 2017 AGM. His attendances above were stated by reference to the number of meetings held during his tenure.
 5. Mr. Yuan Gonglin has been appointed as an executive Director and a member of the Nomination Committee with effect from 3 July 2017. His attendances above were stated by reference to the number of meetings held during his tenure.
 6. Mr. Wong Chi Keung resigned as an independent non-executive Director and ceased to be the chairman of the Audit Committee with effect from 19 September 2017. His attendances above were stated by reference to the number of meetings held during his tenure.
 7. Ms. Chen Yan resigned as an independent non-executive Director and ceased to be the chairperson of the Nomination Committee and a member of the Audit Committee with effect from 26 April 2017. Her attendances above were stated by reference to the number of meetings held during her tenure.
 8. Mr. Chau Sen Chung has been appointed as the chairman of the Nomination Committee and a member of the Audit Committee with effect from 26 April 2017. His attendances above were stated by reference to the number of meetings held during his tenure.
4. 陳希先生退任執行董事且不再為薪酬委員會成員，自二零一七年股東週年大會結束起生效。上述彼之出席記錄乃參照其任期內舉行會議之數目列示。
 5. 袁公林先生已獲委任為執行董事及提名委員會成員，自二零一七年七月三日起生效。上述彼之出席記錄乃參照其任期內舉行會議之數目列示。
 6. 黃之強先生辭任獨立非執行董事且不再為審核委員會主席，自二零一七年九月十九日起生效。上述彼之出席記錄乃參照其任期內舉行會議之數目列示。
 7. 陳焰女士辭任獨立非執行董事且不再為提名委員會主席及審核委員會成員，自二零一七年四月二十六日起生效。上述彼之出席記錄乃參照其任期內舉行會議之數目列示。
 8. 周晨仲先生已獲委任為提名委員會主席及審核委員會成員，自二零一七年四月二十六日起生效。上述彼之出席記錄乃參照其任期內舉行會議之數目列示。

The Board is responsible for maintaining an on-going dialogue with the Shareholders and in particular, uses annual general meetings or other general meetings to communicate with them and encourage their participation.

董事會負責保持與股東之持續對話，特別是利用股東週年大會或其他股東大會與彼等溝通及鼓勵彼等參與。

TRAINING AND SUPPORT FOR DIRECTORS

Directors must keep abreast of their collective responsibilities. Each newly appointed Director would receive an induction package covering the Group's businesses and the statutory and regulatory obligations of a director of a listed company. According to the code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

董事之培訓及支援

董事必須清楚彼等之整體責任。每名新委任之董事均會獲提供有關本集團業務及上市公司董事法定及監管責任之就任須知。根據企業管治守則之守則條文第A.6.5條，所有董事須持續參與專業發展以獲取及提升彼等之知識及技能，確保彼等對董事會作出知情及相關貢獻。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Group provides briefings and other training where appropriate, to develop and refresh the Directors' knowledge and skills. The Group also continuously updates Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance their awareness of good corporate governance practices. Circulars or guidance notes are issued to Directors and senior management where appropriate, to ensure awareness of best corporate governance practices.

All Directors have participated in continuous professional development and provided a record of training they received for the year ended 31 December 2017 to the Company. The individual training record of each Director received for the year ended 31 December 2017 is set out below:

本集團提供簡介及其他培訓(倘適用)，讓董事學習及更新知識及技能。本集團亦持續提供有關GEM上市規則及其他適用監管規定之最新資訊予董事，以確保董事遵守該等規則及提高彼等對良好企業管治常規之認識，並向董事及高級管理層發出通函或指引(倘合適)，以確保瞭解最佳企業管治常規。

所有董事已參與持續專業發展及向本公司提供彼等於截至二零一七年十二月三十一日止年度接受之培訓記錄。截至二零一七年十二月三十一日止年度每名董事所接受個人培訓之記錄載列如下：

Name of Directors 董事名稱		Type of Trainings 培訓類別 (Notes) (附註)
Tan Sri Dato' Lim Tong Yong (<i>Chairman</i>)	丹斯里拿督林東洋* (<i>主席</i>)	B
Mr. Chen Rongbin (<i>Vice Chairman and Chief Executive Officer</i>)	陳榮斌先生 (<i>副主席及行政總裁</i>)	B
Mr. Gao Yang	高揚先生	B
Mr. Yuan Gonglin	袁公林先生	A,B
Mr. Xu Haiou	許海鷗* 先生	B
Mr. Chau Sen Chung	周晨仲先生	B

Notes:

A: attending seminars and/or conference and/or forums on subjects relating to directors' duties and corporate governance

B: reading newspaper, journals and updates as regards legal and regulatory changes and matters of relevance to the Directors in the discharge of their duties

附註：

A：出席主題為有關董事職責及企業管治之研討會及／或會議及／或答問會

B：閱讀有關董事在法律及監管變動及有關事宜所執行職責之報章、期刊及最新資訊

CORPORATE GOVERNANCE REPORT

企業管治報告

CONFLICT OF INTEREST

If a Director has a conflict of interest in relation to a transaction or proposal to be considered by the Board, the individual is required to declare such interest and to abstain from voting. The matter will be considered at a Board meeting attended by Directors who have no material interest in the transaction.

COMPANY SECRETARY

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

Mr. Tse Kam Fai (“Mr. Tse”), the representative of Uni-1, was appointed as the Company Secretary with effect from 1 January 2014.

Mr. Cheung Chun Yin Alexander, the chief risk officer of the Company, is the primary point of contact at the Company for the Company Secretary.

According to the requirements of Rule 5.15 of the GEM Listing Rules, Mr. Tse has taken no less than 15 hours of relevant professional training during the year ended 31 December 2017.

DIRECTORS’ AND OFFICERS’ INSURANCE

The Company has arranged appropriate insurance cover in respect of potential legal actions against its Directors and officers.

REMUNERATION OF DIRECTORS

The Company adopted a share option scheme on 30 December 2011 (the “Share Option Scheme”). The purpose of the Share Option Scheme is to enable the Group to grant options to participants as incentives or rewards for their contributions to the Group. Details of the Share Option Scheme are set out in the Report of the Directors.

利益衝突

若董事於董事會將予審議之交易或建議中存在利益衝突，該董事須申報有關利益及放棄投票。有關事項將經出席董事會會議之董事審議，彼等於交易中並無任何重大利益。

公司秘書

本公司聘請外部專業公司秘書服務提供商統一企業服務有限公司（「統一」），向本集團提供合規及全方位公司秘書服務，以協助本集團應對不斷變化的監管環境及適應不同商業需求。

統一之代表謝錦輝先生（「謝先生」）已獲委任為公司秘書，自二零一四年一月一日起生效。

本公司首席風控官張鎮彥先生為本公司與公司秘書的主要聯絡人員。

根據GEM上市規則第5.15條之規定，謝先生於截至二零一七年十二月三十一日止年度已參加不少於十五個小時的相關專業培訓。

董事及高級職員之保險

本公司已就其董事及高級職員可能面對之法律行動作出適當之投保安排。

董事酬金

本公司於二零一一年十二月三十日採納購股權計劃（「購股權計劃」）。購股權計劃旨在令本集團可向參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。購股權計劃詳情載於董事會報告。

CORPORATE GOVERNANCE REPORT

企業管治報告

The emoluments payable to the Directors and senior management will depend on their respective contractual terms under the service contracts and is fixed by the Board with reference to the recommendation of the Remuneration Committee and their duties and responsibilities within the Company. Details of the remuneration of the Directors are set out in note 13 to the consolidated financial statements.

向董事及高級管理層支付之酬金視乎服務合約項下彼等各自之合約條款及由董事會參考薪酬委員會之建議以及彼等於本公司之職責及責任後作出決定。董事薪酬詳情載於綜合財務報表附註13。

AUDITOR'S REMUNERATION

For the year ended 31 December 2017, the total fees in respect of audit and non-audit services provided by ZHONGHUI ANDA CPA Limited, the auditor of the Company, are set out as follows:

核數師酬金

截至二零一七年十二月三十一日止年度，就本公司核數師中匯安達會計師事務所有限公司提供的核數及非核數服務總費用載列如下：

Services rendered		Fee paid/payable
服務類別		已付／應付
		HK\$'000
		千港元
Audit Services	核數服務	798
Non-audit services	非核數服務	50

The non-audit services consists of high level review on the consolidated financial information of the Company for the six months ended 30 June 2017 and nine months ended 30 September 2017.

非核數服務包括高層面審閱本公司截至二零一七年六月三十日止六個月及截至二零一七年九月三十日止九個月的綜合財務資料。

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the Shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting. The Board may whenever it thinks fit call special general meetings.

股東權利

本公司股東大會為股東及董事會提供溝通之機會。本公司股東週年大會須每年舉行一次，地點由董事會釐定。股東週年大會以外之各股東大會均稱為股東特別大會。董事會可在其認為適當時召開股東特別大會。

CORPORATE GOVERNANCE REPORT

企業管治報告

Shareholders to convene a special general meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-Laws and the Companies Act of Bermuda. Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in accordance with the provisions of section 74(3) of the Companies Act of Bermuda.

Putting enquiries by Shareholders to the Board

Shareholders may send written enquiries to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

Procedures for putting forward proposals by Shareholders at Shareholders' meeting

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

- (a) any number of members representing not less than one-twentieth of the total voting rights at the date of the requisition; or
- (b) not less than one hundred members.

股東召開股東特別大會

根據公司細則所載之條文及百慕達公司法，股東可召開本公司股東特別大會。於提出開會要求當日有權在本公司股東大會投票之本公司實繳股本不少於十分之一之股東，有權隨時透過向董事會或本公司秘書發出書面要求，要求董事會召開股東特別大會，以處理該書面要求內指定之任何事務；而該會議須於有關要求發出後兩個月內舉行。如董事會未能於接獲有關要求後二十一日內召開有關會議，發出要求者可自行按照百慕達公司法第74(3)條之規定行事。

股東向董事會提出詢問

股東可於本公司之香港主要營業地點向本公司發出書面查詢，以提請公司秘書垂注。

股東於股東大會上提呈決議案之程序

於股東大會上提呈決議案所需之股東人數須為：

- (a) 代表不少於請求書日期總投票權之二十分之一之任何股東人數；或
- (b) 不少於一百名股東。

CORPORATE GOVERNANCE REPORT

企業管治報告

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

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

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

PREPARATION OF FINANCIAL STATEMENTS

The respective responsibilities of the Directors and the auditor for preparing financial statements of the Company are set out in the "Independent Auditor's Report" on pages 79 to 85 of this annual report.

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group and ensure that the financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Directors also ensure the timely publication of the financial statements of the Group. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any matters uncertainly relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

所有請求人簽署之請求書副本或多份副本，連同合理足以支付本公司發出有關建議決議案之通告或傳閱任何必要聲明所需費用之款項，應於下列時間內遞交本公司之註冊辦事處：

- (i) 倘屬需發出決議案通告之請求書，須於有關會議舉行前不少於六個星期；及
- (ii) 倘屬任何其他請求書，須於有關會議舉行前不少於一個星期。

本公司將核實有關請求書，一旦確認有關請求屬合適及妥當，董事會將繼續進行必要之程序。

編製財務報表

董事及核數師各自就編製本公司財務報表之責任載列於本年報第79至85頁之「獨立核數師報告」內。

董事知悉其負責編製本集團之財務報表，並確保有關財務報表乃根據法定規定及適用會計準則編製。董事亦確保本集團財務報表獲適時公佈。董事確認，經作出一切合理查詢後，就彼等所知、所悉及所信，彼等並不知悉任何可能會對本公司持續經營能力造成重大疑慮之事件或情況之不確定因素。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL AND RISK MANAGEMENT

內部監控及風險管理

The Board's Responsibilities for the Risk Management and Internal Control Systems

董事會就風險管理及內部監控制度所承擔之責任

The Board acknowledges its responsibility for overseeing the risk management and internal control systems of the Group and reviewing their effectiveness at least annually through the Audit Committee. However, the Board recognizes that no cost effective internal control and risk management systems will preclude all errors and irregularities, as such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

董事會確認其有責任監察本集團風險管理及內部監控制度，並透過審核委員會至少每年檢討其成效。然而，董事會確認，並無具成本效益又可排除所有錯誤及違規情況之內部監控及風險管理制度。該等制度設定乃為管理未能達致業務目標之風險而非排除該等風險，且僅能為防止重大失實陳述或損失提供合理而非絕對之保證。

The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee, and management has provided a confirmation to the Audit Committee on the effectiveness of these systems for the year ended 31 December 2017.

董事會已將其風險管理及內部監控的職責（與相關權力）轉授予審核委員會，而管理層已向審核委員會確認該等系統於截至二零一七年十二月三十一日止年度的有效性。

Main Features of the Risk Management and Internal Control Systems

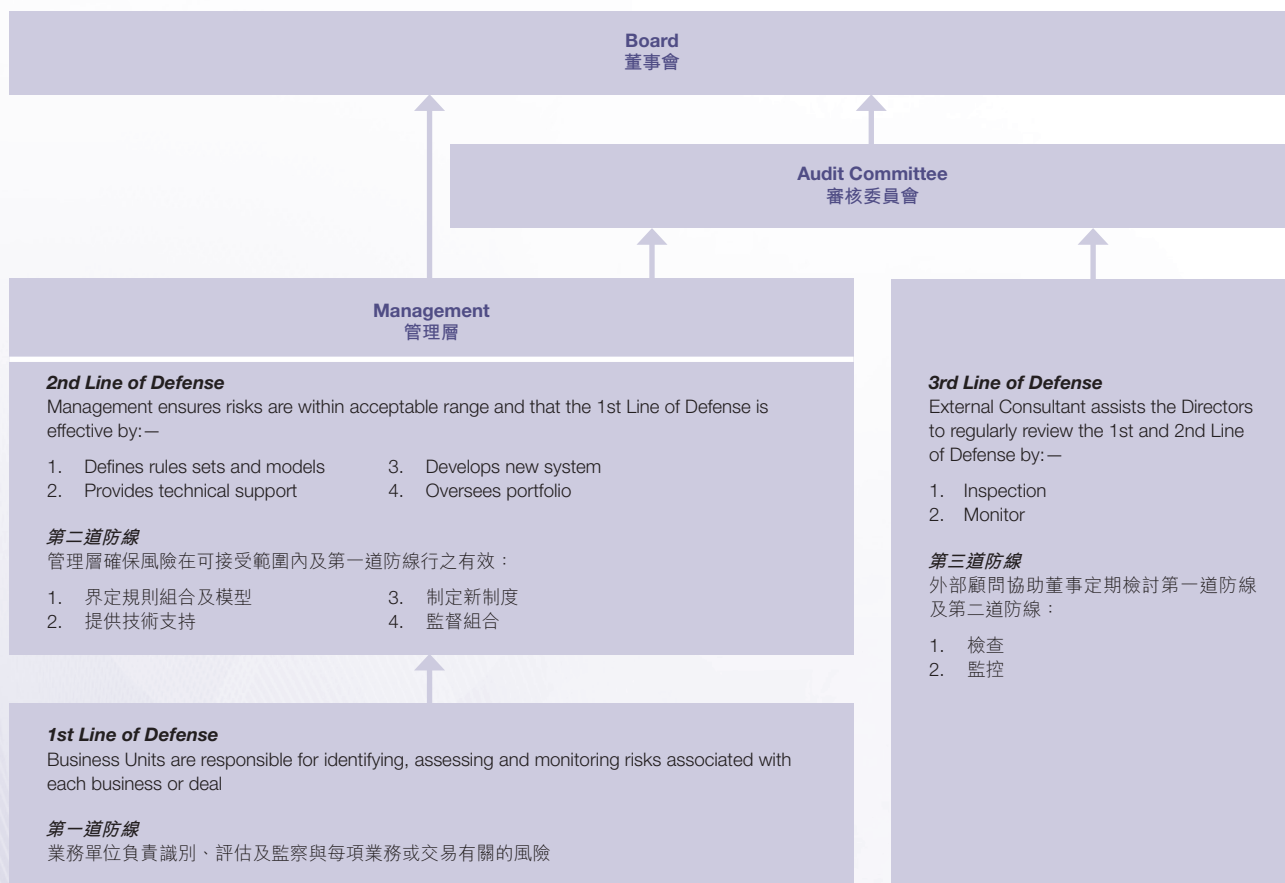
風險管理及內部監控制度之主要特點

The Company recognises that good risk management is essential for the long-term and sustainable growth of a business. The Board puts particular emphasis on determining the risk-tolerance levels in achieving the Group's strategic objectives while the management is responsible for the design, implementation and maintenance of a sound and effect internal control systems under its risk management mechanism. The Company has adopted "Three Lines of Defense" model to identify, assess and mitigate different type of risks, model of which are set out below:

本公司深明良好風險管理對業務的長期可持續發展至為重要。董事會於實現本集團之策略目標時尤其著重釐定風險承受能力。同時管理層負責制定、實施及維持健全有效的內部監控制度，並以之為風險管理框架的基礎。本公司採納「三道防線」模式以識別、評估及降低不同類別風險，該模型載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告



Process used to Identify, Evaluate and Manage Significant Risks

識別、評估及管理重大風險之程序

- | | |
|---|---|
| <p>(1) Establish and update the risk assessment criteria and relevant risk items.</p> <p>(2) Review the existing risk management mechanism, identify areas for enhancement and refine the mechanism if necessary.</p> <p>(3) Identify relevant risks and update the identified risks in the risk register in response to the changes in the Company's business and the external environment.</p> <p>(4) Rating for the impacts and inherent likelihood of each identified risks, priorities the identified risk items and identify the responsible risk owners.</p> | <p>(1) 建立及更新風險評估標準及相關風險項目。</p> <p>(2) 檢討現有風險管理框架，識別可改進之處及在必要情況下優化該框架。</p> <p>(3) 識別相關風險及於風險登記表內更新已識別風險，以應對本公司業務及外部環境變化。</p> <p>(4) 評定各已識別風險之影響及固有可能性，優先處理已識別風險項目及識別責任風險擁有人。</p> |
|---|---|

CORPORATE GOVERNANCE REPORT

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- | | |
|---|--|
| <p>(5) Analyse the counter measures which have been put in the risk response (ranking) table based on risk priorities.</p> <p>All high risk items should be reduced or eliminated by mitigation actions while all medium risk items should be considered for mitigation which subject to a cost benefit analysis.</p> | <p>(5) 根據風險優先處理順序就風險應對(等級)表內之風險分析應對措施。</p> <p>所有高風險項目應透過降低措施減少或消除，而所有中等風險項目應考慮降低，其取決於成本效益分析。</p> |
| <p>(6) Estimate the initial and ongoing costs for mitigation by comparing with the estimate cost of non-mitigation and consider all risk mitigation options.</p> <p>Once the decision to mitigate the risk has been made and the strategy is identified of each risk item, a mitigation plan should be developed.</p> | <p>(6) 透過比較並無降低與考慮降低所有風險兩種選擇之估計成本估計初步及持續降低之成本。</p> <p>一旦作出降低風險之決定，則須制定識別各風險項目之策略及相關降低計劃。</p> |
| <p>(7) Prepare for the risk assessment results, which covers significant risk that have been identified, which have a material impact on the Company's financial performance or condition, and present the same to the Audit Committee.</p> | <p>(7) 編製風險評估結果，其涵蓋已識別的對本公司的財務表現或狀況有重大影響之重大風險，同時將其呈報予審核委員會。</p> |
| <p>(8) Develop the ongoing risk mitigation plan for the top prioritised (significant) risk items based on the risk assessment results.</p> | <p>(8) 根據風險評估結果，就首要(重大)風險項目制定持續風險降低計劃。</p> |

Whistleblowing Policy

All staff are considered to be an informal monitor. The Group relies on each of its employee, at all levels, to monitor quality, ethics and professional and the Group's standards. The Group listens to employee concerns, receives recommendations for improving the Group's practices and controls and announces timely communications on policy changes and other matters of the Group.

舉報政策

所有員工均被視為非正式監控。本集團依賴其僱員從所有層面監控本集團準則之質素、道德性及專業性。本集團積極聆聽僱員的關注，收集建議以提升本集團的實踐及監控，並就本集團政策變動及其他事宜及時刊發通訊。

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In addition, the Audit Committee establishes a whistleblowing policy, whereby employees and those who deal with the Company to raise concerns about possible improprieties in any matter relating to the Company without fear of reprisal or victimization, in a responsible and effective manner. Written complaints can be lodged directly to the chairman of the Audit Committee and/or make a copy to the chief financial controller of the Company (if applicable). The chairman of the Audit Committee will then convene a meeting to decide whether and/or how to carry out any necessary investigation and, depending upon the circumstances, consider to nominate investigating officer or set up a special committee to investigate the matter independently.

Process used to Review the Effectiveness of the Risk Management and Internal Control Systems and to Resolve Material Internal Control Defects

Risk assessment report and internal control review report are submitted to the Audit Committee and the Board annually. The Board, through the Audit Committee, had performed annual review on the effectiveness of the Group's risk management and internal control systems, including, but not limited to, (i) the changes in the nature and extent of significant risks and the Company's ability to respond to changes in its business and the external environment, (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control systems, (iii) the extent and frequency of communication of monitoring results to the Audit Committee and the Board which enables them to assess control of the Company and the effectiveness of risk management, (iv) significant control failings or weaknesses that have been identified, and (v) the effectiveness of the Company's processes for financial reporting and GEM Listing Rules compliance.

此外，審核委員會設立一項舉報政策，據此，僱員及與本公司有往來之人士可毋須畏懼遭報復或迫害以負責任及有效的方式提出對有關本公司的任何可能的不當事宜的關注。書面投訴可直接提交予審核委員會主席及／或將書面投訴之副本提交予本公司財務總裁（倘適用）。審核委員會主席屆時將召開會議決定是否及／或如何展開任何必要之調查及（視具體情況）考慮提名調查人員或設立特別委員會以獨立調查有關事項。

檢討風險管理及內部監控制度有效性之程序及解決重大內部監控缺失之程序

每年向審核委員會及董事會提交風險評估報告及內部監控檢討報告。董事會透過審核委員會對本集團之風險管理及內部監控制度之有效性進行年度檢討，其中包括但不限於(i)重大風險的性質及程度變動及本公司於業務及外部環境出現變動時的應變能力；(ii)管理層持續監控風險及內部監控制度的工作範圍及質素；(iii)向審核委員會及董事會傳達監控結果之詳盡程度及次數，其可令彼等瞭解本公司之監控及風險管理有效性；(iv)已識別的重大監控失誤或缺失；及(v)本公司財務報告及遵守GEM上市規則合規性的程序的有效性。

CORPORATE GOVERNANCE REPORT

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The Board considered the risk management and internal control systems are effective and adequate for the year ended 31 December 2017. No significant areas of concern that might affect the financial, operational, compliance controls, and risk management functions of the Group were identified. The scope of such review covers the adequacy of resources, qualification and experience of staff of the Group's accounting and financial reporting functions and their attitude against internal control of the Group. The Board will continue to work with the management to discuss and follow-up on the status of remediation of the internal control weaknesses and to monitor the risks of the Group in coming years.

Procedure and Internal Controls for the Handling and Dissemination of Inside Information

With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of the relevant obligations under the SFO and the GEM Listing Rules. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- dissemination of information should be absolutely limited to the stated purpose and the core members within the Group who are responsible for or involved with the project or the matter in question. In addition, documents and files containing inside information must be kept in a safe place to which access is restricted to individuals who "need to know" the information.
- a record documenting the distribution of the information including the identity of the recipients and the time of dispatch should be kept.
- transmission of electronic file containing inside information must be made under secure condition. Computer terminals must not be left logged on and unattended where they can be accessed by others.
- unnecessary copying of documents containing inside information must be avoided. Extra copies of such documents must be promptly removed from meeting rooms and work areas after meetings and discussions and destroyed if no longer required.

董事會認為截至二零一七年十二月三十一日止年度風險管理及內部監控制度行之有效及充足。並無已識別之重大關注領域可能影響本集團之財務、營運、合規監控及風險管理職能。此次檢討範圍涵蓋有關本集團會計、財務報告職能方面的資源、員工資質及經驗之充足性以及彼等對本集團內部監控之態度。董事會將繼續攜手管理層討論及跟進改進內部監控薄弱環節之現狀，並監察本集團來年之風險。

處理及發佈內幕信息之程序和內部控制措施

在處理及發佈內幕信息的程序及內部監控方面，本公司知悉證券及期貨條例及GEM上市規則下的相關責任。本公司不時採取若干合理措施，確保存在適當的保障步驟防止違反有關本集團的披露規定，包括：

- 消息的發佈僅僅限於消息所示之目的及本集團負責或參與項目或相關問題的核心成員。此外，載有內幕消息的文件及文檔須妥善存置於安全地方，嚴禁希望獲取有關消息的人士出入。
- 妥善存置記錄收件人身份及寄發時間等有關消息分發的文件。
- 發送載有內幕消息的電子文檔時須確認是否安全。相關人員離開時，不得任由計算機終端處於登錄及無人看護狀態，以防他人接觸。
- 避免在非必需情況下複製載有內幕消息的文件。會議及討論過後，會議室及工作區域必須及時撤走及銷毀（如不再需要）有關文件的多餘副本。

CORPORATE GOVERNANCE REPORT

企業管治報告

Internal Audit Function

Currently, the corporate and operation structure of the Group is not complex and a separate internal audit department may divert resources of the Group. In considering the cost and benefit that may bring to the Group, the Company would consider to set up an internal audit department in case of the dramatic changes of the Group structure and business environment or at any other circumstances that may think fit. During the year, the Group engaged an external internal control consultant, Netis Advisory Limited, to conduct a review on the internal control system of the Group. The review covered certain operational procedures and included recommendations for improvement and strengthening of the internal control system of the Group. There is no significant deficiency and weakness on the internal control system has been identified by Netis Advisory Limited for the year ended 31 December 2017 during the review.

CONSTITUTIONAL DOCUMENTS

There is no change in the Company's constitutional documents during the year ended 31 December 2017.

內部審核職能

目前，本集團之企業及營運架構並不複雜，而一個獨立的內部審核部門可能分薄本集團資源。鑒於可能使本集團耗費之成本及給本集團帶來之利益，本公司會考慮設立內部審核部門，以應對本集團架構及營商環境出現之急劇變動或可能適用之任何其他情況。年內，本集團已委聘弘信顧問有限公司為外聘內部監控顧問，對本集團之內部監控系統作出檢討。該檢討涵蓋若干運作程序，並包括就改善及加強本集團內部監控系統所提出之建議。弘信顧問有限公司於檢視期內概無就截至二零一七年十二月三十一日止年度之內部監控系統識別出任何嚴重缺陷或不足。

組織章程文件

截至二零一七年十二月三十一日止年度，本公司之組織章程文件概無任何變動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

FOREWORD

The Group primarily adopt the principles of the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 20 to the GEM Listing Rules and satisfied the “comply or explain” provisions of the ESG Guide, with an aim to establish a sound environmental, social and governance structure.

This report comprises the review of environment, social and governance areas, which sets out the Group's policies and practices as well as certain major subsidiaries of the Company's policies and practices in respect of three environmental aspects and eight social aspects in accordance with ESG Reporting Guide for the year from 1 January 2017 to 31 December 2017 (the “**Year 2017**”). This report is designed to allow the Company's stakeholders, such as shareholders, investors, customers, suppliers, employees, creditors, regulators and the general public to have a comprehensive understanding of the long-term sustainability information of the Group. The Group seeks to balance the views and interests of these stakeholders through constructive conversation with a view to setting the course for long term prosperity.

The Group is principally engaged in digital cable television business, wireless digital television value-added services, wireless digital audio integrated circuits business and securities brokerage business.

The Group has maintained a head office in Hong Kong, as well as several offices located in Shenzhen, Beijing and Qing County in Hebei Province of the PRC.

The offices in Hong Kong (the “**HK Office**”), a PRC main office in Beijing (the “**BJ Office**”) and branch offices of Shenzhen (the “**SZ Office**”) and a branch office in Qing County (the “**Qing Office**”) considered as the major business locations of the Group.

序言

本集團主要採納GEM上市規則附錄二十所載之環境、社會及管治報告指引(「**環境、社會及管治報告指引**」)之原則及遵守環境、社會及管治報告指引之「不遵守就解釋」條文，旨在構建良好之環境、社會及管治架構。

本報告包括對環境、社會及管治領域之審閱，當中載有本集團於二零一七年一月一日至二零一七年十二月三十一日止年度(「**二零一七年度**」)，根據環境、社會及管治報告指引就三個環境方面及八個社會方面之政策及慣例以及本公司若干主要附屬公司之政策及慣例。本報告旨在讓股東、投資者、客戶、供應商、僱員、債權人、監管機構及一般大眾等本公司利益相關者全面了解本集團之長期可持續發展資訊。本集團致力於通過建設性交流以尋求該等利益相關者之觀點與利益之平衡，旨在為長期繁榮指明方向。

本集團主要從事有線數位電視業務、無線數位電視增值服務、無線數位音頻芯片業務及證券經紀業務。

本集團於香港設有總辦事處，並於中國深圳、北京及河北省青縣設有多個辦事處。

本集團之主要營業地點為位於香港之辦事處(「**香港辦事處**」)、位於北京之中國主要辦事處(「**北京辦事處**」)、深圳分辦事處(「**深圳辦事處**」)及位於青縣之分辦事處(「**青縣辦事處**」)。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

EMISSIONS

As mentioned above, the Group is principally engaged in digital cable television business, wireless digital television value-added services, wireless digital audio integrated circuits business and securities brokerage business. Hence, the emission relating to air and greenhouse gas emissions, discharges into the water and land, as well as generation of hazardous and non-hazardous wastes are minimal as compared to mining or manufacturing business in the Year 2017.

During the Year 2017, the major emissions of the HK Office, BJ Office, SZ Office and Qing Office were: (i) the fuel consumed, kilometres travelled and greenhouse gases generated from use of motor vehicles; (ii) greenhouse gases generated from the electricity consumed; (iii) greenhouse gases generated from the paper waste disposed at landfills; and (iv) greenhouse gases generated from business air travel by employees.

Air pollutants mainly include gaseous sulphur oxides (“SOx”), nitrogen oxides (“NOx”) and particulate matter (“PM”), which have adverse effects on climate, ecosystems, air quality, habitats, agriculture, and human and animal health. The Group generates other air pollutants through the use of its vehicles.

Gaseous Emissions from the Use of Motor Vehicles

排放

如上文所述，本集團主要從事有線數位電視業務、無線數位電視增值服務、無線數位音頻芯片業務及證券經紀業務。因此，於二零一七年度，與採礦或製造業務相比，有關空氣之排放、溫室氣體排放、向水及土地之排放以及產生有害及無害廢棄物甚少。

於二零一七年度，香港辦事處、北京辦事處、深圳辦事處及青縣辦事處之主要排放為：(i) 燃料消耗、行駛里程及使用汽車產生之溫室氣體；(ii) 用電產生之溫室氣體；(iii) 於堆填區處置廢紙產生之溫室氣體；及(iv) 僱員商務航空旅行產生之溫室氣體。

空氣污染物主要包括硫氧化物(「SOx」)、氮氧化物(「NOx」)及懸浮粒子(「PM」)，該等污染物對氣候、生態環境、空氣質素、生物棲息地、農業及人體和動物健康均會造成不利影響。本集團使用汽車會產生其他空氣污染物。

使用汽車產生之氣體排放

Sources	排放源	Unit 單位	Total 總計
Nitrogen oxide (“NOx”)	氮氧化物(「NOx」)	Kg 公斤	25.5
Sulphur oxide (“SOx”)	硫氧化物(「SOx」)	Kg 公斤	0.5
Particulate Matter (“PM”)	懸浮粒子(「PM」)	Kg 公斤	1.9
Direct emission from use of motor vehicles – Carbon dioxide (“CO ₂ ”)	使用汽車產生之直接排放 – 二氧化碳(「CO ₂ 」)	Kg 公斤	92.1

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Greenhouse Gas (“GHG”) Emissions from Operations 營運產生之溫室氣體(「溫室氣體」)排放

Sources	排放源	Unit 單位	Total 總計
Direct emission from use of motor vehicles	使用汽車產生之直接排放	Kg of Carbon dioxide (“CO ₂ ”) 公斤二氧化碳(「CO ₂ 」)	92,118
Indirect emission from electricity consumption*	用電產生之間接排放*	Kg of CO ₂ 公斤 CO ₂	45,654
Indirect emission from water consumption	用水產生之間接排放	Kg of CO ₂ 公斤 CO ₂	717.8
Indirect emission from disposal of paper waste at landfills	於堆填區處置廢紙產生之間接排放	Kg of CO ₂ 公斤 CO ₂	1,078
Total	總計	Kg of CO ₂ 公斤 CO ₂	128,850
GHG intensity	溫室氣體密度	Kg of CO ₂ /M ² of office 公斤 CO ₂ /辦公室平方米	202

* emission factor is sourced from the China Southern Power Grid in 2016. The figures are calculated in accordance with the “Reporting Guidance on Environmental KPIs”.

* 排放因素乃來自二零一六年中國南方電網。數據乃根據「環保關鍵績效指標報告指引」計算。

In order to minimise the fuel consumption, energy consumption, paper wastage and air travel by employees, various sustainable development measures have been enforced to address environmental responsibilities are under normal operating procedures, including but not limited to (i) motor vehicles are restricted to serve for customers’ use and senior management to attend business meeting; (ii) staff were encouraged to switch off the light and air-conditioning after the use of a room; (iii) staff were encouraged to print only when necessary and prior use recycle papers for printing; (iv) use of electronic form of documents to reduce paper out; (v) staff were encouraged to prevent unnecessary overseas business travel; (vi) high speed trains were used to replace flight whenever available; and (vii) conference call was extensively adopted.

為盡量減少燃料消耗、能源消耗、紙張浪費及僱員航空旅行，已實行各種可持續發展措施在一般運營程序中履行環境責任，包括但不限於 (i) 限制客戶使用及高級管理人員參加業務會議使用汽車；(ii) 鼓勵員工在使用房間後關閉燈光及空調；(iii) 鼓勵員工在必要時才會打印，並優先使用回收紙打印；(iv) 使用電子形式之文件減少紙張使用；(v) 鼓勵員工避免不必要之海外商務旅行；(vi) 在可行情況下以高鐵代替飛機；及 (vii) 廣泛採用電話會議。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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Regarding measures to mitigate emissions, the Group closely monitors the level of energy consumption greenhouse gas emissions and waste disposed of its offices. Every year, offices are required to set their respective energy and carbon reduction targets, and come up with feasible measures to achieve them. The details and results achieved are listed as follows:

就降低排放量的措施而言，本機集團密切監察其能源消耗水平、溫室氣體排放量及辦事處廢棄物處置情況。各辦事處每年均須制定其各自的節能減碳目標，及採取可行措施達成目標。詳情及達成情況列示如下：

Projects 計劃	Details and results achieved 詳情及達成情況
Compact fluorescent lamp 節能燈	Lightings in the offices have been installed compact fluorescent lamps which have saved up much electricity as compared with incandescent light lamp. 辦事處已安裝節能燈照明，節能燈較白熾燈更省電。
Water conservation 節約用水	Their staff were strictly control the usage of water resources in the offices, staff were encouraged to save water at pantry. As a result, consumption of water was saved. 辦事處員工嚴格控制用水，本集團鼓勵員工在茶水間節約用水，故而能夠節約用水。
Air-conditioners 空調	The higher efficiency of air conditioners was selected in 2017, the relevant consumption of electricity was reduced. 二零一七年空調使用效率較高，相應用電量減少。
Non-Hazardous Waste 無害廢棄物	Non-hazardous waste from HK Office, BJ Office, SZ Office and Qing Office. included office consumables, household wastes, paper and paper boxes for offices use. The offices were made their best effort to minimise the impact on the environment by using recycle paper and paper boxes. The offices are promoted separation of waste such as cartons and plastic bottles, which were placed in certain areas assigned to recycled suppliers for collection. 香港辦事處、北京辦事處、深圳辦事處及青縣辦事處的無害廢棄物包括辦公耗材、家居廢棄物、辦公用紙及紙箱。辦事處透過使用回收紙及紙箱盡最大努力降低對環境的影響。辦事處提倡將廢棄物分類，如紙箱及塑料瓶存放在分配予回收供應商的若干區域以便回收。

There is no hazardous waste produced from the operations of HK Office, BJ Office, SZ Office and Qing Office. Non-hazardous waste produced from the operations of HK Office, BJ Office, SZ office and Qing Office is mainly comprised of office consumables and household wastes, of which the non-hazardous waste are minimal.

香港辦事處、北京辦事處、深圳辦事處及青縣辦事處之營運並不會產生有害廢棄物。香港辦事處、北京辦事處、深圳辦事處及青縣辦事處之營運產生之無害廢棄物主要包括辦公耗材及家庭垃圾，其中無害廢棄物甚少。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to air and greenhouse gas emissions, discharges into water and land, generation of hazardous and non-hazardous waste of the Group during the Year 2017. In addition, no significant fine or non-monetary sanction for non-compliance with relevant laws and regulations has been reported in the Year 2017.

遵守有關法律法規

於二零一七年度，本集團並不知悉有關本集團空氣及溫室氣體排放、向水及土地之排放以及產生有害及無害廢棄物產生之重大影響之有關法律法規之任何重大違規情況。此外，二零一七年度亦未報告因未遵守有關法律法規而遭受大額罰款或非貨幣制裁之情況。

USE OF RESOURCES

使用資源

Relevant Consumptions from Operation

營運產生之有關消耗

Sources	消耗源	Unit 單位	Total 總計
Energy Consumption			
Electricity consumption	電力消耗	kWh 千瓦時	95,945
CO ₂ equivalent emission for electricity consumption*	就電力消耗的CO ₂ 當量排放*	Kg 公斤	45.7
Electricity consumption intensity	電力消耗密度	kWh/M ² of office 千瓦時／辦公室平方米	150.4
Water Consumption			
Water consumption	水源消耗	Cubic metre ("M ³ ") 立方米(「立方米」)	717.8
Water consumption intensity	水源消耗密度	M ³ /M ² of office 立方米／辦公室平方米	1.13
Paper Consumption			
Disposal of paper waster at landfills	於堆填區處置廢紙	Kg 公斤	224.50
CO ₂ equivalent emission for paper consumption	就紙張消耗的CO ₂ 當量排放	Kg 公斤	1.1
Disposal of paper waster at landfills intensity	於堆填區處置廢紙密度	Kg/M ² of office 公斤／辦公室平方米	0.35

* emission factor is sourced from the China Southern Power Grid in 2016. The figures are calculated in accordance with the "Reporting Guidance on Environmental KPIs".

* 排放因素乃來自二零一六年中國南方電網。數據乃根據「環保關鍵績效指標報告指引」計算。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group is committed to minimise the impact of business activities on the environment, and supporting environmental protection programmes. In particular, a number of initiative measures designed to conserve resources were introduced to promote employee awareness of the need in order to achieve efficient utilisation of resources.

As mentioned in the above “Emission” section, the Group has a series of policies and procedures to minimise the electricity consumed by the employees in the HK Office, BJ Office, SZ Office and Qing Office. In addition, multi-function devices with printing, scanning and photo copies were extensively adopted. Employees were encouraged to switch on the computers only when use and switch off after office hours. For policies on the efficient use of water resources in the offices, staff were encouraged to save water at pantry. The drinking water containers were well maintained to prevent leakage. For policies on packaging material, staff were encouraged to use recycle paper boxes.

THE ENVIRONMENT AND NATURAL RESOURCES

The Group encourages all employees to participate in different kinds of recycling activities and minimising the use of natural resources. In the Year 2017, there is no significant impact on the environment and natural resources from the operations of the Group, in particular, the HK Office, BJ Office, SZ Office and Qing Office.

The impact on the environment and natural resources from the offices of the Group in HK and PRC are minimal in the Year.

本集團致力於減少業務活動對環境之影響，並支持環保活動。具體而言，本集團推出多項旨在節約資源之活動措施，提升僱員之需求意識，以有效利用資源。

如上文「排放」一節所述，本集團設有一系列政策及程序，以減少香港辦事處、北京辦事處、深圳辦事處及青縣辦事處僱員之用電。此外，廣泛採用具有打印、掃描及複印功能之多功能設備。鼓勵僱員僅在使用時打開電腦，下班後關閉電腦。就在辦事處有效利用水資源之政策而言，鼓勵員工在食堂節約用水。保養好飲水機，以防止洩漏。就包裝材料之政策而言，鼓勵員工使用回收紙箱。

環境及自然資源

本集團鼓勵所有僱員參加各種回收活動，減少對自然資源之利用。於二零一七年度，本集團之營運，尤其是香港辦事處、北京辦事處、深圳辦事處及青縣辦事處並無對環境及自然資源造成重大影響。

年內，本集團香港及中國辦事處對環境及自然資源造成的影響甚微。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

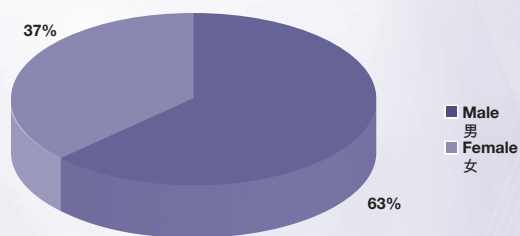
EMPLOYMENT

僱傭

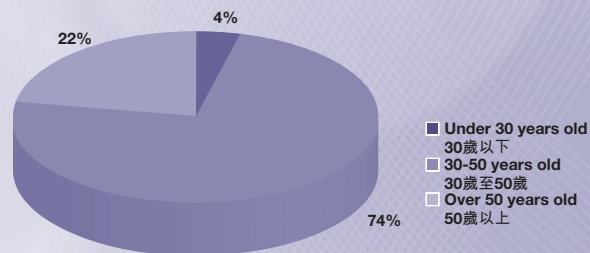
Distribution of workforce classified by Difference Catalogues 按不同類別分類之勞動力分佈

Social Performance	社會表現	Unit	Total
		單位	總額
By Gender	按性別劃分		
Male	男性	No. of people 人數	63%
Female	女性	No. of people 人數	37%
Total	總計	No. of people 人數	100%
By Age Group	按年齡組別劃分		
Under 30	30歲以下	No. of people 人數	4%
30-50	30至50歲	No. of people 人數	74%
51 or above	51歲或以上	No. of people 人數	22%
Total	總計	No. of people 人數	100%

Distribution by gender of 4 offices
四個辦事處男女比例



Distribution by age group of 4 offices
四個辦事處各年齡層比例



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group seriously emphasise on developing human resources and provides competitive remuneration and welfare packages. Promotion opportunities and salary increments are benchmarked against individual performance. Employees are entitled to benefits such as annual leave, sick leave, maternity leave, marriage leave and medical insurance coverage in accordance with local laws and regulations.

The Group emphasises on equal opportunities for all personnel in respect of hiring, pay rates, training and development, promotion and other terms of employment. The Group committed to providing a work environment that is free from any form of discrimination on the basis of ethnicity, gender, religion, age, disability or sexual orientation.

The Group has diversified cultures including the employees with different genders, ages, skills, educational backgrounds, industry experiences and other qualifications in order to achieve the most suitable composition and balance.

The remuneration of the employees of the Group will be adjusted based on the levels of business prospect, the annual operating results, annual performance appraisal, market trend and inflation. A share option scheme was adopted on 30 December 2011. The purpose of the scheme is to enable the Group to grant options to participants as incentives or rewards for their contributions to the Group.

Treatment of employee's misconduct is to be fair and reasonable in all of the circumstances. Misconduct may lead to a warning, and more serious misconduct may lead to a dismissal. Any acts of misconduct are to be reported to the administration department. In addition, the audit committee establishes of whistleblowing policy. Written complaints can be lodged directly to the chairman of the Audit Committee and/or make a copy to the chief financial controller of the Company (if applicable).

本集團非常重視發展人力資源，並提供具競爭力之薪酬及福利待遇。根據個人表現提供晉升機會及加薪。根據當地法律法規，僱員有權享有年假、病假、產假、婚假及醫療保險等福利。

本集團強調所有人員在招聘、薪酬、培訓及發展、晉升及其他就業方面享有平等機會。本集團致力提供一個在種族、性別、宗教、年齡、傷殘或性取向方面不受任何歧視之工作環境。

本集團擁有多元化文化，包括不同性別、年齡、技能、教育背景、行業經驗及其他資歷之僱員，以達到最合適之組成及平衡。

本集團僱員之薪酬將根據業務前景、年度經營業績、年度業績考核、市場趨勢及通脹水平進行調整。本集團於二零一一年十二月三十日採納購股權計劃。該計劃旨在令本集團向參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。

在所有情況下，公平及合理處理僱員之不當行為。不當行為可能會導致警告，更嚴重之不當行為可能導致解僱。任何不當行為均須向行政部門報告。此外，審核委員會設立一項舉報政策，書面投訴可直接提交予審核委員會主席及／或將書面投訴之副本提交予本公司財務總裁（倘適用）。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

HK Office has established a series of policies to ensure compliance with the Employment Ordinance of Hong Kong. For BJ Office and SZ Office, the employees are required to sign employment contracts with relevant subsidiaries. Such employment contracts and a series of policies aim to ensure compliance with Labour Law of the PRC, Labour Contract Law of the PRC and other local laws and regulations. In addition, the employees' wages, overtime pay and related benefits are in accordance with the local minimum wage. The working hours for general employees are normally not more than 8 hours a day and 40 hours a week. Integrated computation of working hours is implemented with reference to the requirements of the Labour Law of the PRC.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare on the Group during the Year 2017. In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Year 2017.

HEALTH AND SAFETY

The Group adopts non-discriminatory employment practices and provides a healthy and safe workplace. All employees are required to keep the office premises in good and cleaning condition. Occupational hazards at workplace are reported to the local regulatory authorities annually.

Smoking is prohibited in office areas. Fire extinguishers, fire alarms and evacuation route are available for the employees located at HK Office, Hengxin BJ Office, SZ Office and Qing Office.

香港辦事處已制定一系列政策，確保遵守香港僱傭條例。就北京辦事處及深圳辦事處而言，僱員須與相關附屬公司簽訂勞動合同。該等勞動合同及一系列政策旨在確保遵守中國勞動法、中國勞動合同法及其他當地法律法規。此外，僱員之工資、加班費及相關福利均符合當地最低工資標準。一般僱員之每天工作時間通常不超過8小時，每週不超過40小時。本集團參照中國勞動法之規定綜合計算工作時間。

遵守有關法律法規

於二零一七年度，本集團並不知悉有關本集團賠償及解僱、招聘及晉升、工作時間、休息時間、平等機會、多元化、反歧視及其他福利及待遇之產生重大影響之有關法律法規之任何重大違規情況。此外，二零一七年度亦未報告因未遵守有關法律法規而遭受大額罰款或制裁之情況。

健康及安全

本集團採納非歧視就業慣例，提供健康及安全之工作場所。所有僱員均須保持辦公場所之良好及清潔。工作場所之職業危害每年向當地監管機構報告。

辦公區域禁止吸煙。於香港辦事處、恒芯北京辦事處、深圳辦事處及青縣辦事處配有滅火器、火警及疏散路線供員工使用。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on providing a safe working environment and protecting employees from occupational hazards of the Group during the Year 2017.

In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Year 2017.

DEVELOPMENT AND TRAINING

The Group has committed to provide on-the-job training of its employees in order to enhance their knowledge and skills. All employees are encouraged to enhance their skills and knowledge in order to perform their duties more efficiently and effectively. During the Year 2017, certain external training expenses recommended to the employees were borne by the Group such as the topics about financial reporting and compliance updates on local laws and regulations.

The Group encourages employees to strike a balance between work and life. All employees are encouraged to participate in the recreation activities in order to enhance the team spirit, employee's sense of belonging and morale. For knowledge management and enhancement of using electronic devices purpose, the HK Office, BJ Office, SZ Office and Qing Office provide free internet connection facilities to all employees.

LABOUR STANDARDS

The Group fully understands that the exploitation of child and forced labour are universally condemned, and therefore take the responsibility against child and forced labour very seriously. The Group strictly comply with all laws and regulations against child labour and forced labour, in particular, for the HK Office, BJ Office, SZ Office and Qing Office.

Employment by the Group is based on the principle of fairness, openness and willingness. All individuals enter into employment contracts without acts of forced labour.

遵守有關法律法規

於二零一七年度，本集團並不知悉有關對提供安全工作環境及保護僱員免受本集團職業危害產生重大影響之有關法律法規之任何重大違規情況。

此外，二零一七年度亦未報告因未遵守有關法律法規而遭受大額罰款或制裁之情況。

發展及培訓

本集團致力為僱員提供在職教育及培訓，以增強其知識及技能。鼓勵所有僱員提升其技能及知識，以更足夠且有效地履行其職責。於二零一七年度，向僱員推薦之若干外部培訓費用由本集團承擔，例如有關財務申報及當地法律法規之合規更新之議題。

本集團鼓勵僱員在工作與生活之間取得平衡。鼓勵所有僱員參與娛樂活動，以提高團隊精神、員工之歸屬感及士氣。就知識管理及加強使用電子設備而言，香港辦事處、北京辦事處、深圳辦事處及青縣辦事處為所有僱員提供免費之互聯網連接設施。

勞工準則

本集團深知僱用童工及強迫勞動嚴重違反普世價值觀，因此承擔責任以竭力反對一切僱用童工及強迫勞動。本集團嚴格遵守所有針對僱用童工及強迫勞動之法律法規，尤其是香港辦事處、北京辦事處、深圳辦事處及青縣辦事處。

本集團本著公平、公開及自願之原則僱用員工。全體僱員均簽訂勞動合同，無強迫勞動行為。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that preventing from employment of child or forced labour by the Group during the Year 2017. In addition, no non-compliance with relevant laws and regulations that resulted in significant fine or sanction has been reported in the Year 2017.

SUPPLY CHAIN MANAGEMENT

The Group has the greatest respect for the laws and regulations that govern its business. The Group always adheres to international best practices and conducts fair and unbiased procurement processes when dealing with suppliers.

The Group adheres to the principle of transparency and implement the values of honesty, integrity and fairness in the supply chain management. The Group's procurement procedures provide directions and guidelines on evaluation and engagement when dealing with suppliers of goods and services to ensure business is conducted legally, financially and technically-sound. In addition, approval procedures are in place to ensure that supplier engagements are monitored and approved by the appropriate level of management.

PRODUCT RESPONSIBILITY

A high priority for the Group is to ensure customer satisfaction in terms of its products and services. Strenuous efforts are made to ensure compliance with the laws and regulations relating to product health and safety, advertising, labelling and privacy matters of the jurisdictions in which the Group operates. The Group requires its employees to comply with applicable governmental and regulatory laws, rules, codes and regulations.

Compliance with relevant laws and regulations

The Group is not aware of any material non-compliance with the relevant laws and regulations that have a significant impact relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress on the Company during the Year 2017. In addition, no significant fine has been reported in the Year 2017.

遵守有關法律法規

於二零一七年度，本集團並不知悉有關禁止本集團僱用童工或強迫勞動之有關法律法規之任何重大違規情況。此外，二零一七年度亦未報告因未遵守有關法律法規而遭受大額罰款或制裁之情況。

供應鏈管理

本集團遵守法律法規，並以此規管其業務。本集團一直以國際最佳慣例及公平公正之採購程序處理與供應商之交易。

在供應鏈管理方面，本集團秉持透明之原則以及執行誠實、正直及公平之價值觀。本集團之採購程序在評估及採用貨品及服務供應商方面提供了方向及指引，以確保以符合法規、財務穩健及技術出眾之方式展開業務。此外，本集團設有審批程序以確保與供應商之合作受到適當之管理層監控與審批。

產品責任

確保客戶滿意其產品及服務是本集團之主要目標。本集團致力確保本集團在產品健康及安全、廣告、標籤及私隱權方面遵守本集團經營所在司法權區之法律法規。本集團要求其僱員遵守適用之政府及監管法律、規則、守則及規例。

遵守有關法律法規

於二零一七年度，本集團並不知悉有關本公司所提供有關產品及服務之健康及安全、廣告、標籤及私隱權方面以及補救方法之產生重大影響之有關法律法規之任何重大違規情況。此外，二零一七年度亦未報告大額罰款之情況。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ANTI-CORRUPTION

Corruption, bribery or fraud in any forms are strictly prohibited. The Group's anti-corruption policies in practice set out standards of conduct to which all employees are required to adhere to promote the integrity environment in the workplace. All employees are prohibited to offer and accept of advantages by using the excuse of work or the authority granted from the Group. The advantages include but not limited to money, gifts, loans, rewards, contracts, services and benefits-in-kind.

The Group encourages the reporting of dishonest acts among the employees. HK Office prohibits all employees to accept bribes, valuables and the embezzlement of funds. BJ Office and SZ Office may terminate the employment with the employee who carries out dishonest acts as stated in the employment contracts.

Compliance with relevant laws and regulations

There is no legal case concerning corruption brought against the Group or its employees for the Year 2017.

COMMUNITY INVESTMENT

The Group is committed to creating sustainable prosperity that brings long-term social and economic benefits for all stakeholders, particularly to maintain the relationship with interest groups which are relevant to business operation. This is realised by first meeting the needs of the employees and then further extending the caring and services to their families and to the surrounding community.

Although the Group has not established and documented a specific community policy, social care is deep-seated in the Group's corporate culture. Employees are encouraged to participate in various charitable events and community service.

反貪污

嚴格禁止任何形式之腐敗、賄賂或欺詐行為。本集團之反貪污政策實際上載有所有僱員須遵守之行為準則，以提升工作場所之誠信環境。所有僱員禁止利用工作之便或本集團授予之權力提供及接受利益。有關利益包括但不限於金錢、禮品、貸款、獎勵、合同、服務及實物福利。

本集團鼓勵僱員報告不誠實行為。香港辦事處禁止所有僱員收受賄賂、貴重物品及挪用資金。北京辦事處及深圳辦事處可與出現勞動合同中訂明之不誠實行為之僱員終止僱傭關係。

遵守有關法律法規

於二零一七年度，本集團或其僱員並無面對有關貪污之任何法律案件。

社區投資

本集團致力創造可持續繁榮為所有利益相關者帶來長期社會及經濟利益，尤其維持與業務營運相關之利益團體之關係。實現此舉需首先滿足僱員之需求，隨後進一步延伸關懷及服務至彼等家庭及周圍社區。

儘管本集團並未建立及記錄特定社區政策，但社會關懷深深植根於本集團之企業文化。本集團鼓勵僱員參與不同慈善活動及社區服務。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTORS

Tan Sri Dato' Lim Tong Yong (“Tan Sri Dato' Lim”), aged 68, was appointed as the chairman of the Board and an executive Director on 17 February 2016. He is also a director of several subsidiaries of the Company. Tan Sri Dato' Lim was conferred an honorary title of Tan Sri by His Majesty the King of Malaysia. He obtained his Bachelor Degree from Nanyang University, Singapore in 1971. Using his knowledge and experience in the palm oil industry, Tan Sri Dato' Lim established Paos Industries Sdn Bhd in 1987 and subsequently, he established Paos Holdings Berhad in 1997. Paos Holdings Berhad has been listed on the main board of Bursa Malaysia Berhad since 2000, which principally engaged in the downstream of the palm oil industry, producing palm oil and value-added products of palm oil, such as finished soap, animal feed, cocoa butter substitute and soap chips. Currently, Paos Industries Sdn Bhd is a wholly-owned subsidiary of Paos Holdings Berhad while Tan Sri Dato' Lim is the substantial shareholder of Paos Holdings Berhad. He was the major shareholder of Pantai Holdings Berhad, the largest chain of private hospital in Malaysia. In addition, Tan Sri Dato' Lim also involved in various industries, such as medical, hemodialysis products, investment bank, chemical products, biodiesel, palm oil refineries, soy lecithin, hotel and tourism.

Mr. Chen Rongbin (“Mr. Chen”), aged 54, was appointed as a vice chairman of the Board, an executive Director and the chief executive officer of the Company on 21 July 2016. He is also a member of the Remuneration Committee and a director of several subsidiaries of the Company. He obtained his bachelor's degree in economics from Hunan College of Finance and Economics (湖南財經學院) (now known as Hunan University (湖南大學)) in 1987. Mr. Chen obtained the Economist qualification (經濟師任職資格) and awarded the Floor Trader qualification (出市代表資格) from the Shenzhen Stock Exchange. He also obtained the practising certificate issued by the Securities Association of China and a license for dealing in securities issued by the Securities and Futures Commission in Hong Kong. Mr. Chen has almost 30 years of experiences in banking and security management and is familiar with financial businesses such as banking, security and third party payment. He served as senior management in several sizeable state-owned financial institutions during 1987 to 2012. From September 2012 to August 2015, Mr. Chen worked with Yue Xiu Securities Holdings Limited, and his last position was marketing director. From October 2015 to June 2016, he served as chief investment officer of Aurum Pacific (China) Group Limited, whose shares are listed on GEM.

執行董事

丹斯里拿督林東洋* (「丹斯里拿督林」)，68歲，於二零一六年二月十七日獲委任為董事會主席兼執行董事。彼亦為本公司若干附屬公司之董事。丹斯里拿督林獲馬來西亞國家元首陛下御封丹斯里拿督勳銜。彼於一九七一年於新加坡南洋大學取得其學士學位。運用其於棕櫚油行業知識及經驗，丹斯里拿督林於一九八七年創立了Paos Industries Sdn Bhd，其後，於一九九七年創立了Paos Holdings Berhad。Paos Holdings Berhad自二零零零年在馬來西亞證券交易所主板上市，主要經營棕櫚油下游工業，生產棕櫚油及棕櫚油增值產品，例如肥皂成品、動物飼料、可脂代用品及皂粒等等。現時，Paos Industries Sdn Bhd為Paos Holdings Berhad之全資附屬公司，而丹斯里拿督林為Paos Holdings Berhad之大股東。彼曾為馬來西亞最大連鎖私人醫院Pantai Holdings Berhad的大股東。此外，丹斯里拿督林亦涉獵多個行業，例如醫療、血液透析產品、投資銀行、化工產品、生物柴油、棕櫚油提煉、大豆卵磷脂、酒店及旅遊等等。

陳榮斌先生 (「陳先生」)，54歲，於二零一六年七月二十一日獲委任為本公司董事會副主席、執行董事兼行政總裁。彼亦為薪酬委員會之成員及本公司若干附屬公司之董事。彼於一九八七年於湖南財經學院(現為湖南大學)取得經濟學學士學位。陳先生取得經濟師任職資格及由深圳證券交易所頒授的出市代表資格。彼亦持有中國證券業協會頒發之中國證券業執業證書及香港證券及期貨事務監察委員會頒發的證券交易牌照。陳先生於銀行及證券管理方面擁有將近三十年經驗，熟悉銀行、證券、第三方支付等金融業務。於一九八七年至二零一二年期間，彼先後在多間中國內地大型國有金融機構擔任高級管理人員。二零一二年九月至二零一五年八月，陳先生任職於越秀證券控股有限公司，最後職位為營銷總監。二零一五年十月至二零一六年六月，彼於奧栢中國集團有限公司(其股份於GEM上市)擔任投資總監。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. Gao Yang (“Mr. Gao”), aged 62, was appointed as an independent non-executive Director on 9 November 2015 and re-designated as an executive Director on 18 December 2015. He is also the compliance officer of the Company and a director of several subsidiaries of the Company. Mr. Gao graduated from 全國法院幹部業餘法律大學 National Judicial Official Amateur Legal University* (the predecessor of National Judges College), majoring in law. He has extensive legal knowledge and has accumulated extensive experience in judgement. Mr. Gao had been worked in the Beijing court system for almost 20 years and has held various positions such as clerk of the court, assistant judge, judge, deputy chief judge of the Criminal Court and chief judge of the Economic Court. He also worked as general manager for several companies during 1991 to 2015.

Mr. Yuan Gonglin (“Mr. Yuan”), aged 47, was appointed as an executive Director on 3 July 2017. He is also a member of the Nomination Committee and a director of a subsidiary of the Company. He obtained his Master of Law from Xiangtan University in 2006 and obtained college teacher’s qualification in 2008. Mr. Yuan passed the qualification examinations for fund practitioners (基金從業人員資格考試) (on fundamental knowledge in securities investments and funds (證券投資基金基礎知識) and regulations of funds, professional ethics and industrial standard and practices (基金法律法規、職業道德與業務規範)) organized by the Asset Management Association of China in 2015 and passed the qualification examinations for practitioners in securities industry (證券業從業人員資格考試) (on fundamental laws and regulations governing the securities market (證券市場基本法律法規) and securities market fundamental knowledge (金融市場基礎知識) organized by the Securities Association of China in 2017. He has been worked for several vocational colleges in China for almost 20 years and worked as chief executive officer for a fund company during April 2015 to May 2017. Mr. Yuan has extensive experience in management, including team building, project management, communication and collaboration and familiar with operations, management and information disclosures of funds and coordination of industry associations.

高揚先生(「高先生」)，62歲，於二零一五年十一月九日獲委任為獨立非執行董事，並於二零一五年十二月十八日獲調任為執行董事。彼亦為本公司的監察主任及本公司若干附屬公司之董事。高先生畢業於全國法院幹部業餘法律大學(國家法官學院的前身)，主修法律。彼具有深厚的法律知識，並積累了相當豐富的審判工作經驗。高先生曾在北京法院系統工作近二十年，曾擔任書記員、助理審判員、審判員、刑事審判庭副庭長、經濟審判庭庭長等職務。於一九九一年至二零一五年期間，彼亦於多間公司擔任總經理之職務。

袁公林先生(「袁先生」)，47歲，於二零一七年七月三日獲委任為執行董事。彼亦為提名委員會之成員及本公司一間附屬公司之董事。彼於二零零六年於湘潭大學取得法學碩士學位，並於二零零八年取得高等學校教師資格。袁先生於二零一五年通過中國證券投資基金業協會舉辦之基金從業人員資格考試(證券投資基金基礎知識及基金法律法規、職業道德與業務規範)及於二零一七年通過中國證券業協會舉辦之證券業從業人員資格考試(證券市場基本法律法規及金融市場基礎知識)。彼曾在中國多間高職院校工作近二十年，並於二零一五年四月至二零一七年五月期間於一間基金公司擔任行政總監。袁先生擁有豐富的管理經驗，包括團隊建設、項目管理及溝通協作，而且熟悉基金運作、管理、信息披露，以及與基金業協會的外聯工作。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Haiou (“Mr. Xu”), aged 50, was appointed as an independent non-executive Director on 15 June 2016. He is also the chairman of the Remuneration Committee and a member of each of the Audit Committee and Nomination Committee. Mr. Xu holds a degree of bachelor of business studies with a major in finance, from Massey University of New Zealand. He has over 10 years’ experience in banking credit and investment management businesses and 10 years’ experience in private equity funds management. Mr. Xu had worked in 深圳市奇納實業發展有限公司 (Shenzhen Qina Industrial Development Co., Ltd.*) during the period of 2010 to September 2013 as deputy general manager and was involved in helping that company to apply for personal SAFE foreign currency exchange franchise business, and the establishment of “Excellent Exchange” currency exchange brand. In 2013, he founded and served as the general manager of 深圳百新貿易有限公司 (Shenzhen G&F Trading Co., Ltd.), which is a company principally engaged in operation of convenience store chain business in Shenzhen port, metro and hospitals.

Mr. Chau Sen Chung (“Mr. Chau”), aged 58, was appointed as an independent non-executive Director on 31 August 2016. He is also the chairman of the Nomination Committee and a member of each of the Audit Committee and Remuneration Committee. Mr. Chau obtained a Bachelor degree from 華東師範大學 (East China Normal University) with a major in Mathematics. He had served as 上海市公共關係協會常務副秘書長 (the Deputy Secretary-General of Shanghai Public Relations Association) in 上海市委統戰部工商處 (the Economic Section of the United Front Work Department of Shanghai Committee of the Chinese People’s Political Consultative Conference) and had also served as the chief representative of the Shanghai representative office of 英國聯合多美集團公司 (Allied Domecq PLC), responsible for managing the wine trading business in provinces in Huadong region. Mr. Chau is currently a director of 暢邑(上海)國際貿易有限公司 (Changyi (Shanghai) International Trade Co., Ltd.). He has extensive experience in wine trading. In addition, Mr. Chau involved in clubhouse catering business since 2014 and entrenched well-developed relationships and network.

獨立非執行董事

許海鷗*先生(「許先生」)，50歲，於二零一六年六月十五日獲委任為獨立非執行董事。彼亦為薪酬委員會之主席，以及審核委員會及提名委員會各自之成員。許先生持有新西蘭梅西大學(Massey University)工商管理學士學位，主修金融。彼有超過十年的銀行信貸、投資管理經驗，以及十年的私募基金管理經驗。許先生於二零一零年至二零一三年九月期間任職於深圳市奇納實業發展有限公司副總經理，幫助該公司申請獲得國家外匯管理局個人本外幣兌換特許經營業務，並創立「匯兌通」外幣兌換品牌。彼於二零一三年創立深圳百新貿易有限公司，任職總經理，該公司專注於在深圳口岸、地鐵、醫院開辦連鎖便利店業務。

周晨仲先生(「周先生」)，58歲，於二零一六年八月三十一日獲委任為獨立非執行董事。彼亦為提名委員會之主席，以及審核委員會及薪酬委員會各自之成員。周先生取得華東師範大學數學系學士學位。彼過去曾於上海市委統戰部工商處擔任上海市公共關係協會常務副秘書長，及曾於英國聯合多美集團公司擔任上海辦事處首席代表，主管華東地區洋酒銷售業務。周先生目前為暢邑(上海)國際貿易有限公司之董事。彼於洋酒貿易擁有豐富經驗。此外，周先生由二零一四年起涉足餐飲會所行業，累積了廣泛的人脈資源。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

COMPANY SECRETARY

Mr. Tse Kam Fai (“Mr. Tse”), aged 54, was appointed as the Company Secretary on 1 January 2014. Mr. Tse is a fellow member of The Institute of Chartered Secretaries and Administrators and a fellow member of The Hong Kong Institute of Company Secretaries. He is also a member of The Hong Kong Institute of Directors. Mr. Tse has more than 25 years’ solid experience in regulatory compliance, corporate governance and corporate secretarial matters of listed and non-listed companies.

公司秘書

謝錦輝先生(「謝先生」)，54歲，於二零一四年一月一日獲委任為公司秘書。謝先生為英國特許秘書及行政人員公會資深會士及香港特許秘書公會資深會士。彼亦為香港董事學會會員。謝先生在上市及非上市公司的監管合規性、企業管治和公司秘書事務方面有超過25年的資深經驗。

REPORT OF THE DIRECTORS

董事會報告

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. The Group is principally engaged in digital cable television business, wireless digital television value-added services business, wireless digital integrated circuits business and securities brokerage business. Details of the principal activities of the principal subsidiaries of the Company are set out in note 21 to the consolidated financial statements.

A detailed review on the Group's business performance and financial position during the year ended 31 December 2017, as well as the development and likely future prospects of the Group's business are provided throughout this annual report and in particular under the following separate sections:

- (a) review of the Group's business and financial position; development and future prospects of the Group's business; and details of financial key performance indicators — "Management Discussion and Analysis" of this annual report;
- (b) the principal risks and uncertainties facing the Group — "Principal Risks and Uncertainties" set out in the following section of this report;
- (c) the Group's environmental policies and performance; and key relationships with employees, customers and suppliers — "Environmental, Social and Governance Report" of this annual report; and
- (d) the Group's compliance with the relevant laws and regulations — "Compliance with Laws and Regulations" set out in the following section of this report and "Environmental, Social and Governance Report" of this annual report.

These discussions form part of this Report of the Directors.

No important events affecting the Group have occurred since the year ended 31 December 2017.

董事欣然提呈彼等之報告以及本公司截至二零一七年十二月三十一日止年度之經審核財務報表。

主要業務回顧

本公司之主要業務為投資控股。本集團主要從事有線數位電視業務、無線數位電視增值服務業務、無線數位芯片業務以及證券經紀業務。有關本公司主要附屬公司之主要業務詳情載於綜合財務報表附註21。

有關截至二零一七年十二月三十一日止年度本集團之業務表現及財務狀況以及本集團業務之發展及未來可能前景之詳細回顧，載列於本年報各節，尤其是以下各章節：

- (a) 本集團之業務及財務狀況回顧；本集團業務之發展及未來前景；及主要財務表現指標詳情 — 本年報「管理層討論及分析」；
- (b) 本集團面臨之主要風險及不確定因素 — 載於本報告下節「主要風險及不確定因素」；
- (c) 本集團之環境政策及表現；以及與僱員、客戶及供應商之主要關係 — 本年報「環境、社會及管治報告」；及
- (d) 本集團遵守有關法律及法規 — 載於本報告下節「遵守法律及監管條例」及本年報「環境、社會及管治報告」。

該等討論為董事會報告之組成部分。

自截至二零一七年十二月三十一日止年度起，概無影響本集團之重大事項發生。

REPORT OF THE DIRECTORS

董事會報告

PRINCIPAL RISKS AND UNCERTAINTIES

Business/Market Risks

北京亞澳博視技術有限公司 (Beijing Yaa Boshi Technology Limited*) had co-operated with local television stations of Xinji, Dongguang and Qing County in Hebei province to develop the cable television network that covers the 3 counties. The digital transformation scheme had been implemented for the cable television subscribers in the said 3 counties. The revenue from this sector form the main and vital source among the other business sectors in the Group.

The functional manager will carefully scrutinize each project for related risks and returns. These include assessment of relevant government policies, market demand, market conditions and economic data. The Management is responsible for supervision, conducting regular operational reviews and keeping the Board fully informed through regular reports (either in written or verbal form), and prompt decisions can therefore be made if changes are required.

Operational Risks

The front-line or functional manager will review key activities of the Group and ensures all material required control procedures, including financial and operational, are functioning implemented. Precautionary and contingency measures are also set up to ensure the Group is protected against major potential loss, damage or impact to the business operations.

Financial Risks

The investment and business operation are exposed to risks from exchange rates, interest rates and liquidity. Amid global and PRC financial uncertainties, the financial risks encountered by the Group had increased accordingly.

主要風險及不確定性因素

業務／市場風險

北京亞澳博視技術有限公司與河北省辛集縣、東光縣及青縣當地電視台進行合作，以發展覆蓋上述三縣之有線電視網絡，且一直為上述三縣有線電視用戶進行數位轉換計劃。來自該行業之收益成為本集團其他業務領域之主要關鍵來源。

職能經理將會細審每個項目涉及之相關風險及回報。其包括評估有關政府政策、市場需求、市況及經濟數據。管理層負責監督、定期進行營運檢討及透過定期報告(以書面或口頭形式)令董事會全面了解有關情況，從而於需要變動時可迅速作出決定。

營運風險

前線或職能經理將檢討本集團之主要活動，並確保所有必需之重大控制程序(包括財務及運營控制)有效運作。本集團亦已制定預防及應急措施以確保業務營運免遭重大潛在虧損、損害或影響。

財務風險

投資及業務營運面臨匯率、利率及流動資金之風險。在全球及中國金融尚不明朗之情況下，本集團面臨之財務風險相應上升。

REPORT OF THE DIRECTORS

董事會報告

The management and head of finance department of the Group closely monitors the financial risks and when appropriate will adopt measures to manage and hedge corresponding risk if necessary and obtained approval from the Directors. The Group's cash and financing are decentrally managed and controlled at the subsidiary level and closely monitored at the corporate level through regularly reporting. To meet the obligations as and when needed, the Group maintains sufficient facilities with various banks in PRC and Hong Kong. The maturity of deposits and loans are planned and managed to reduce liquidity risk.

Compliance Risks

Front-line or functional manager reviews key activities of the Group to ensure the compliance of local rules and regulations from time to time. The responsible persons of each of the major subsidiaries are required to communicate and consult with local legal advisors in daily operations or for material transactions if necessary. The Group has engaged a PRC legal advisor in 2017 for legal services from time to time when in need in PRC and a Hong Kong legal advisor for certain major events in 2017 to reduce the risk of non-compliance of local rules and regulations as well as the requirements of the GEM Listing Rules.

Other Risks

Details of other risks, for example, the foreign currency risk, credit risk, liquidity risk and interest rate risk, is set out in note 5 to the consolidated financial statements.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group's operations are mainly carried out by the Company's subsidiaries in the PRC while the Shares are listed on GEM. Hence, our establishment and operations shall comply with relevant laws and regulations in the PRC, Hong Kong and the respective place of incorporation of the Company and its subsidiaries. In addition, the Company is required to comply with the GEM Listing Rules.

本集團管理層及財務部部長密切監控財務風險，並將於需要時在獲得董事批准之情況下，於適當時候採取措施以管理及對沖相應風險。本集團之現金及融資乃透過定期匯報於附屬公司層面分散管理及監控以及於公司層面密切監控。為履行所需責任，本集團於多家中國及香港銀行備存充足融資額度。本集團計劃及管理存款及貸款之到期日以降低流動資金風險。

合規風險

前線或職能經理檢討本集團之主要活動，以確保不時遵守當地規則及規例。各主要附屬公司之負責人須在日常業務過程中或就重大交易(如需要)進行溝通並諮詢當地法律顧問。本集團已於二零一七年就中國法律服務於需要時不時委聘一名中國法律顧問，並於二零一七年就若干重大事項委聘一名香港法律顧問，以降低不遵守當地規則及規例以及GEM上市規則規定之風險。

其他風險

其他風險(如外幣風險、信貸風險、流動資金風險及利率風險)之詳情，載列於綜合財務報表附註5。

遵守法律及監管條例

本集團的業務主要由本公司於中國的附屬公司進行，而股份於GEM上市。因此，本集團的成立及營運須遵守中國、香港及本公司及其附屬公司各自之註冊地的有關法律及法規。此外，本公司須遵守GEM上市規則。

REPORT OF THE DIRECTORS

董事會報告

During the year ended 31 December 2017 and up to the date of this report, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 86 to 87 of this annual report.

DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 December 2017 (31 December 2016: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year ended 31 December 2017 are set out in note 17 to the consolidated financial statements.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2017, the Group had not entered into any transactions which constituted non-exempt connected transactions or non-exempt continuing connected transactions under the GEM Listing Rules.

截至二零一七年十二月三十一日止年度及截至本報告日期，據本公司所知悉，本集團概無出現對本集團之業務及營運造成嚴重影響之嚴重違反或未有遵守適用法律及法規的情況。

業績及分配

本集團截至二零一七年十二月三十一日止年度之業績載於本年報第86頁至第87頁之綜合損益及其他全面收入表。

股息

董事會並不建議派發截至二零一七年十二月三十一日止年度之末期股息(二零一六年十二月三十一日：無)。

物業、廠房及設備

本集團於截至二零一七年十二月三十一日止年度之物業、廠房及設備變動詳情載於綜合財務報表附註17。

關連交易及持續關連交易

於截至二零一七年十二月三十一日止年度，本集團概無訂立任何構成GEM上市規則項下之不獲豁免關連交易或不獲豁免持續關連交易之交易。

REPORT OF THE DIRECTORS

董事會報告

RELATED PARTY TRANSACTIONS

During the year ended 31 December 2017, the Group had entered into certain transactions with parties regarded as “related parties” under the applicable accounting standards but these transactions were not regarded as connected transactions or continuing connected transactions under the GEM Listing Rules. Details of these related party transactions are disclosed in note 42 to the consolidated financial statements.

SHARE CAPITAL

As at 31 December 2017, the authorised share capital of the Company was HK\$100,000,000 divided into 10,000,000,000 Shares and the issued share capital of the Company was HK\$83,045,380.10 divided into 8,304,538,010 Shares. There was no movement in issued share capital of the Company during the year ended 31 December 2017.

RESERVES

Details of movements in the reserves of the Group during the year ended 31 December 2017 are set out in the consolidated statement of changes in equity on page 90 of this annual report and note 36 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company did not have any reserves available for cash distribution and/or distribution in specie to the Shareholders, as computed in accordance with the Companies Act 1981 of Bermuda (as amended) (31 December 2016: Nil). In addition, the Company's share premium balance of approximately HK\$2,001.4 million as at 31 December 2017 (31 December 2016: approximately HK\$2,001.4 million) may be distributed in the form of fully paid bonus shares.

關連人士交易

於截至二零一七年十二月三十一日止年度，本集團已根據適用會計原則與被視為「關連人士」之各方訂立若干交易，惟該等交易並不被視為GEM上市規則項下之關連交易或持續關連交易。該等關連人士交易之詳情披露於綜合財務報表附註42。

股本

於二零一七年十二月三十一日，本公司法定股本為100,000,000港元，分為10,000,000,000股股份，而本公司已發行股本為83,045,380.10港元，分為8,304,538,010股股份。於截至二零一七年十二月三十一日止年度，本公司已發行股本並無任何變動。

儲備

本集團於截至二零一七年十二月三十一日止年度之儲備變動詳情載於本年報第90頁之綜合權益變動表及綜合財務報表附註36。

可供分派儲備

於二零一七年十二月三十一日，本公司並無任何可向股東作現金分派及／或實物分派之儲備（按照百慕達一九八一年公司法（經修訂）計算）（二零一六年十二月三十一日：無）。此外，本公司於二零一七年十二月三十一日之股份溢價結餘約為2,001,400,000港元（二零一六年十二月三十一日：約2,001,400,000港元），可以繳足紅股形式分派。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

The Directors during the year ended 31 December 2017 and up to the date of this annual report were:

Executive Directors

Tan Sri Dato' Lim Tong Yong (*Chairman*)

Mr. Chen Rongbin (*Vice Chairman and Chief Executive Officer*)

Mr. Qiu Bin (retired on 2 June 2017)

Mr. Gao Yang

Mr. Hu Qixian (resigned on 26 June 2017)

Mr. Chen Xi (retired on 2 June 2017)

Mr. Yuan Gonglin (appointed on 3 July 2017)

Independent non-executive Directors

Mr. Wong Chi Keung (resigned on 19 September 2017)

Ms. Chen Yan (resigned on 26 April 2017)

Mr. Xu Haiou

Mr. Chau Sen Chung

Mr. Tong Tai Alex (appointed on 15 January 2018
and resigned on 20 February 2018)

Pursuant to Bye-Law 87(1) of the Bye-Laws, Tan Sri Dato' Lim Tong Yong and Mr. Gao Yang shall retire from office by rotation at the forthcoming annual general meeting of the Company. In addition, by virtue of Bye-Law 86(2) of the Bye-Laws, Mr. Yuan Gonglin shall retire from office as Director at the forthcoming annual general meeting of the Company. All of the above retiring Directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

As disclosed in the Company's announcement dated 19 September 2017, Mr. Wong Chi Keung ("Mr. Wong") tendered his resignation as an independent non-executive Director with effect from 19 September 2017. In his letter of resignation, Mr. Wong stated that his decision to resign from the Company is due to the differences in management concept and approach with some members of the Board. Mr. Wong confirmed that, notwithstanding to the reason for his resignation as stated above, he has no disagreement with the Board and that there is no other matter in relation to his resignation that needs to be brought to the attention of the Shareholders and the Stock Exchange.

董事

截至二零一七年十二月三十一日止年度及截至本年報日期，董事為：

執行董事

丹斯里拿督林東洋* (*主席*)

陳榮斌先生 (*副主席及行政總裁*)

仇斌先生 (於二零一七年六月二日退任)

高揚先生

胡其賢先生 (於二零一七年六月二十六日辭任)

陳希先生 (於二零一七年六月二日退任)

袁公林先生 (於二零一七年七月三日獲委任)

獨立非執行董事

黃之強先生 (於二零一七年九月十九日辭任)

陳焰女士 (於二零一七年四月二十六日辭任)

許海鷗* 先生

周晨仲先生

湯泰先生 (於二零一八年一月十五日獲委任
並於二零一八年二月二十日辭任)

根據公司細則第87(1)條，丹斯里拿督林東洋* 及高揚先生須於本公司應屆股東週年大會上輪值退任。此外，根據公司細則第86(2)條，袁公林先生須於本公司應屆股東週年大會上輪值退任董事職務。上述所有退任董事均符合資格並願意於本公司應屆股東週年大會上膺選連任。

如本公司日期為二零一七年九月十九日之公告所披露，黃之強先生（「黃先生」）辭任獨立非執行董事，自二零一七年九月十九日起生效。黃先生於其辭任函中指出，彼決定辭去本公司之職務乃由於與若干董事會成員的管理概念及方法存在差異。黃先生已確認，儘管上文所載其辭任之理由，彼與董事會並無意見分歧，且並無有關其辭任之其他事宜須敦請股東及聯交所垂注。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management of the Company are set out on pages 59 to 62 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of Tan Sri Dato' Lim Tong Yong, Mr. Gao Yang, Mr. Xu Haiou and Mr. Chau Sen Chung, has entered into a service contract with the Company for a fixed term of one year renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment.

Each of Mr. Chen Rongbin and Mr. Yuan Gonglin, has entered into a service contract with the Company for a fixed term of three years renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of appointment.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTEREST IN CONTRACTS

No transaction, arrangement or contract of significance (as defined in Rule 18.25 of the GEM Listing Rules) to which the Company or any of its subsidiaries was a party and in which a director or substantial shareholder of the Company has a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2017.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2017.

董事及高級管理層

本公司董事及高級管理層之履歷詳情載於本年報第59至62頁。

董事之服務合約

丹斯里拿督林東洋*、高揚先生、許海鷗*先生及周晨仲先生各自均已與本公司訂立固定任期為一年之服務合約，並可自動續期一年，各續期自當時委任之現有任期屆滿後翌日開始。

陳榮斌先生及袁公林先生各自均已與本公司訂立固定任期為三年之服務合約，並可自動續期一年，各續期自當時委任之現有任期屆滿後翌日開始。

擬於應屆股東週年大會上膺選連任之董事概無與本集團訂立本集團不可在一年內毋須支付補償(法定補償除外)而終止之服務合約。

董事之合約權益

本公司或其任何附屬公司概無訂立任何於年末或截至二零一七年十二月三十一日止年度任何時間存續而董事或本公司主要股東於其中直接或間接擁有重大權益之重大交易、安排或合約(定義見GEM上市規則第18.25條)。

管理合約

於截至二零一七年十二月三十一日止年度內並無訂立或存在有關本公司整體或任何重大部分業務之管理及行政合約。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year under review was the Company or any of its subsidiaries a party to any arrangement to enable the Directors, their respective spouse or children under 18 years of age to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate.

DISCLOSURE PURSUANT TO RULE 17.50A(1) OF THE GEM LISTING RULES

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, changes in the information of the Directors since the date of the Interim Report 2017 of the Company are set out below:

Director's fee of independent non-executive Directors

With effect from 1 January 2018, the Director's fee of each of Mr. Xu Haiou and Mr. Chau Sen Chung, independent non-executive Directors, has been adjusted to HK\$240,000 per annum.

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The Bye-Laws provide that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons.

董事購買股份或債券之權利

於回顧年度內任何時間，本公司或其任何附屬公司並無訂立任何安排，致使董事及彼等各自之配偶或未滿18歲子女藉購買本公司或任何其他公司的股份或債券而獲益。

根據GEM上市規則第17.50A(1)條作出之披露

根據GEM上市規則第17.50A(1)條，自本公司二零一七年年報日期起，董事資料之變更載列如下：

獨立非執行董事之董事袍金

自二零一八年一月一日起，獨立非執行董事許海鷗*先生及周晨仲先生各自之董事袍金已調整至每年240,000港元。

獲准許的彌償條文

本公司已就其董事及高級管理層可能會面對由企業活動產生的法律行動，為董事及高級管理層的職責作適當的投保安排。公司細則規定，董事將可就彼等或彼等任何一人、彼等或彼等任何一人之承繼人、遺囑執行人或遺產管理人因執行彼等各自職務之職責或據稱職責或因就此而作出、贊同作出或沒有作出之任何行動而將會或可能承擔或蒙受之所有訴訟、成本、押記、虧損、損害及開支獲得以本公司之資產及溢利作出之彌償保證及免受損害，惟此彌償保證並不延伸至與上述人士之任何欺詐或不誠實行為有關之任何事項。

REPORT OF THE DIRECTORS

董事會報告

Save as the above, at no time during the year ended 31 December 2017 and up to the date of this annual report, there was or is, any permitted indemnity provision (as defined in section 9 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)) being in force for the benefit at any of the Directors (whether made by the Company or otherwise) or any of the directors of an associated company (if made by the Company).

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Board on the basis of their merits, qualifications and competence.

The emoluments of the Directors are fixed by the Board with reference to the recommendations from the Remuneration Committee having regard to the duties and responsibilities of the Directors.

The Company has adopted the Share Option Scheme as an incentive to Directors and eligible participants, details of the scheme is set out below.

SHARE OPTION SCHEME

The terms of the Share Option Scheme adopted on 30 December 2011 are summarized as follows:

(a) Purpose

The purpose of the Share Option Scheme is to enable the Group to grant options to participants as incentives or rewards for their contributions to the Group.

除上文外，於截至二零一七年十二月三十一日止年度及截至本年報日期內任何時間，概無任何獲准許的彌償條文（定義見香港法例第622D章公司（董事會報告）規例第9條）已或會基於任何董事（不論是否由本公司或其他公司作出）或聯繫公司的任何董事（倘由本公司作出）利益而生效。

薪酬政策

本集團僱員之薪酬政策乃由董事會根據彼等之貢獻、資歷及能力制定。

董事之酬金乃由董事會考慮董事之責任及職責並經參考薪酬委員會之建議而釐定。

本公司已採納購股權計劃作為董事及合資格參與者之獎勵，該計劃之詳情載於下文。

購股權計劃

於二零一一年十二月三十日所採納之購股權計劃之條款概述如下：

(a) 目的

購股權計劃旨在令本集團可向參與者授出購股權，作為彼等對本集團所作貢獻之獎勵或回報。

REPORT OF THE DIRECTORS

董事會報告

(b) Participants

The Directors may, at their discretion, invite any person who is a full time or part time employee or director of any member of the Group, a consultant or agent of or adviser to any member of the Group, to take up options to subscribe for the Shares.

(c) Total number of Shares available for issue

At the annual general meeting of the Company held on 31 May 2016, a resolution relating to the refreshment of the scheme mandate limit under the Share Option Scheme was passed by the Shareholders as an ordinary resolution of the Company. The total number of the Shares available for issue under the Share Option Scheme is 795,670,983 Shares, representing approximately 9.58% of the issued Share as at the date of this annual report.

(d) Maximum entitlement of each participant under the Share Option Scheme

The total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each participant in any 12 months period shall not exceed 1% of the Shares in issue as at the date of grant.

(e) Time of exercise of option

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant of the option.

(b) 參與者

董事可酌情邀請本集團任何成員公司之全職或兼職僱員或董事、本集團任何成員公司之顧問、代理或諮詢師等接納購股權以認購股份。

(c) 可予發行之股份總數

於本公司在二零一六年五月三十一日舉行之股東週年大會上，一項有關更新購股權計劃項下計劃授權限額的決議案已獲股東通過為本公司普通決議案。根據購股權計劃可予發行之股份總數為795,670,983股，佔於本年報日期已發行股份約9.58%。

(d) 各參與者於購股權計劃權利上限

於根據購股權計劃授出之購股權獲行使後向各參與者已發行及將予發行之股份總數，於任何十二個月期間不得超過授出當日已發行股份之1%。

(e) 購股權之行使時間

參與者可於授出購股權要約當日起計28日內接納購股權。待購股權獲接納後，承授人須向本公司支付1.00港元作為獲授該購股權之代價。

REPORT OF THE DIRECTORS

董事會報告

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined and notified by the Board to each grantee, at the time of making an offer of the grant of an option which shall not expire later than 10 years from the date of grant of the option. Unless otherwise determined by the Directors and stated in the offer of the grant of options to a grantee, there is neither any performance target that needs to be achieved before the option can be exercised nor any minimum period for which an option must be held before it can be exercised.

(f) Price of Shares

The subscription price for a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; and (iii) the nominal value of a Share.

(g) Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force before 29 December 2021.

There was no outstanding share options as at 31 December 2016 and 2017. No option was granted, exercised, cancelled or lapsed during the year ended 31 December 2017.

購股權可以根據購股權計劃之條款，在由董事會於建議授出購股權之時釐定並通知各承授人之期限內之任何時間行使，購股權自授出購股權當日起10年內有效。除非董事另有決定並在建議授出購股權予承授人時聲明，否則在可行使購股權前並無需達致之任何績效目標，亦無任何在購股權可予行使前必須持有購股權之最低期限規定。

(f) 股價

根據購股權計劃授出任何特定購股權所涉及及股份之認購價須由董事會全權決定，惟該價格不得低於(以最高者為準)(i)於授出日期(須為營業日)聯交所每日報價表所報股份之收市價；(ii)緊接授出日期前五個營業日聯交所每日報價表所報股份之平均收市價；及(iii)股份面值。

(g) 購股權計劃之剩餘有效期

購股權計劃將於二零二一年十二月二十九日前保持有效。

於二零一六年及二零一七年十二月三十一日，概無尚未行使之購股權。於截至二零一七年十二月三十一日止年度，概無購股權授出、行使、註銷或失效。

REPORT OF THE DIRECTORS

董事會報告

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

As at 31 December 2017, the interests and short positions of the Directors, the chief executive of the Company or their respective associates (as defined in the GEM Listing Rules) in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or pursuant to section 352 of the SFO, to be entered in the register referred to therein; or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors, to be notified to the Company and the Stock Exchange were as follows:

Interests and short position in Shares, underlying shares and debentures of the Company

Name of Director	Capacity	Long position/short position	Number of Shares held	Approximate percentage of interests in the issued share capital of the Company
董事姓名	身份	好倉/淡倉	所持股份數目	佔本公司已發行股本權益之概約百分比
Tan Sri Dato' Lim Tong Yong 丹斯里拿督林東洋*	Beneficial owner 實益擁有人	Long position 好倉	865,596,000	10.42%

Save as disclosed above, none of the Directors and chief executive of the Company nor their associates had any interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules as at 31 December 2017.

董事及主要行政人員於本公司或任何相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一七年十二月三十一日，本公司董事、主要行政人員或彼等各自之聯繫人（定義見GEM上市規則）於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部規定須知會本公司及聯交所之權益及淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉）；或根據證券及期貨條例第352條須記錄於該條所述登記冊內之權益及淡倉；或根據有關董事進行證券交易之GEM上市規則第5.46至5.67條須知會本公司及聯交所之權益及淡倉如下：

於本公司之股份、相關股份及債權證中擁有權益及淡倉

除上文所披露者外，於二零一七年十二月三十一日，本公司董事及主要行政人員及彼等之聯繫人概無於本公司及其相聯法團之股份、相關股份及債權證中擁有任何本公司根據證券及期貨條例第352條存置之登記冊所記錄之權益及淡倉，或根據GEM上市規則第5.46條所述董事進行交易之規定準則須知會本公司及聯交所之權益及淡倉。

REPORT OF THE DIRECTORS

董事會報告

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

As at 31 December 2017, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Long positions in the Shares

Name of shareholders	Type of interests	Number of Shares held/interested in	Approximate percentage of interests in the issued share capital of the Company
股東姓名／名稱	權益類別	持有之股份數目／ 擁有權益之股份數目	佔本公司已發行股本權益之概約百分比
Tang Hanbo 唐漢博	Beneficial owner 實益擁有人	1,000,000,000	12.04%
Sino King Trading (HK) Co., Limited	Beneficial owner 實益擁有人	434,782,608	5.24%
Chan Lai Pan (Note) Chan Lai Pan (附註)	Interest in controlled corporation 受控法團權益	434,782,608	5.24%

Note:

Chan Lai Pan is the legal and beneficial owner of the entire issued share capital of Sino King Trading (HK) Co., Limited. By virtue of the provisions of Part XV of the SFO, Chan Lai Pan is deemed to be interested in these 434,782,608 Shares which Sino King Trading (HK) Co., Limited is interested.

Save as disclosed above, as at 31 December 2017, the Directors were not aware that there was any person (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and was recorded in the register kept by the Company pursuant to section 336 of the SFO.

主要股東／其他人士於本公司之股份及相關股份之權益及淡倉

於二零一七年十二月三十一日，以下人士（本公司之董事及主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置登記冊所記錄之權益或淡倉：

於股份之好倉

附註：

Chan Lai Pan 為 Sino King Trading (HK) Co., Limited 全部已發行股本之合法實益擁有人。根據證券及期貨條例第 XV 部之條文，Chan Lai Pan 被視為於該等 434,782,608 股股份（Sino King Trading (HK) Co., Limited 於其中擁有權益）中擁有權益。

除上文所披露者外，於二零一七年十二月三十一日，董事概不知悉有任何人士（並非本公司董事或主要行政人員）於本公司之股份或相關股份中擁有或被視為擁有根據證券及期貨條例第 XV 部第 2 及第 3 分部之條文須向本公司披露及按本公司根據證券及期貨條例第 336 條須予存置登記冊所記錄之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

主要客戶及供應商

		Approximate Percentage of the Group's 佔本集團概約百分比	
		Revenue 收益	Purchases 採購額
The largest customer	最大客戶	36%	
Five largest customers in aggregate	五大客戶合計	41%	
The largest supplier	最大供應商		9%
Five largest suppliers in aggregate	五大供應商合計		21%

None of the Directors or any of their close associates or any Shareholders (which to the best knowledge of the Directors own more than 5% of the number of issued Shares) had any interest in the Group's five largest customers and suppliers respectively.

概無董事或彼等之任何緊密聯繫人或就董事所知擁有已發行股份數目5%以上之任何股東分別於本集團五大客戶及供應商中擁有任何權益。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Bye-Laws or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

優先購買權

公司細則或百慕達(本公司註冊成立所在之司法管轄區)法例並無有關優先購買權之條文，規定本公司須按比例向現有股東提呈發售新股。

PURCHASES, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the year ended 31 December 2017, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

購買、出售或贖回本公司之上市證券

截至二零一七年十二月三十一日止年度，本公司或其任何附屬公司並無購買、出售或贖回本公司之任何上市證券。

REPORT OF THE DIRECTORS

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this annual report, the Company has maintained sufficient public float as required under the GEM Listing Rules.

COMPETING INTERESTS

None of the Directors or any of their close associates (as defined in the GEM Listing Rules) had an interest in a business, which competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

AUDITOR

Following the resignation of Cheng & Cheng Limited as auditor of the Company on 8 December 2015, ZHONGHUI ANDA CPA Limited was appointed as the auditor of the Company on 18 December 2015 to fill the casual vacancy following the resignation of Cheng & Cheng Limited.

Save as disclosed above, there were no other changes in auditor of the Company during the past three years.

A resolution will be proposed at the forthcoming annual general meeting to re-appoint ZHONGHUI ANDA CPA Limited as auditor of the Company.

足夠公眾持股量

根據本公司公開可得之資料並就董事所知，於本年報日期，本公司維持GEM上市規則規定之足夠公眾持股量。

競爭權益

各董事或彼等之任何緊密聯繫人(定義見GEM上市規則)概無於與本集團業務出現或可能出現競爭或與本集團出現任何其他權益衝突之業務中擁有任何權益。

核數師

隨著鄭鄭會計師事務所有限公司於二零一五年十二月八日辭任本公司核數師，中匯安達會計師事務所有限公司於二零一五年十二月十八日獲委任為本公司核數師以填補鄭鄭會計師事務所有限公司辭任的臨時空缺。

除上述披露外，於過去三年期間，本公司概無其他核數師的變動。

重新委任中匯安達會計師事務所有限公司為本公司之核數師的決議案將於應屆股東週年大會上提呈。

REPORT OF THE DIRECTORS

董事會報告

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the past five financial years is set out on pages 183 to 184.

On behalf of the Board

Lim Tong Yong

Chairman and Executive Director

23 March 2018

** For identification purpose only*

五年財務概要

本集團過往五個財政年度之業績以及資產及負債概要載於第 183 至 184 頁。

代表董事會

主席兼執行董事

林東洋*

二零一八年三月二十三日

** 僅供識別*

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



TO THE SHAREHOLDERS OF HENG XIN CHINA HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Heng Xin China Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 86 to 182, which comprise the consolidated statement of financial position as at 31 December 2017, 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, except for the possible effect of the matters as described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致恒芯中國控股有限公司 各股東

(於百慕達註冊成立之有限公司)

保留意見

本核數師(以下簡稱我們)已審核恒芯中國控股有限公司(「貴公司」)及其附屬公司(統稱為「貴集團」)第86至182頁之綜合財務報表，包括於二零一七年十二月三十一日之綜合財務狀況表，及截至該日止年度之綜合損益及其他全面收入表、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。

我們認為，除本報告保留意見之基礎一節所述事項之可能影響外，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」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平地反映 貴集團於二零一七年十二月三十一日之綜合財務狀況，及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港公司條例之披露規定妥為編製。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

BASIS FOR QUALIFIED OPINION

1. Corresponding figures

Included in the consolidated statement of profit or loss for the year ended 31 December 2016 was an amount of approximately HK\$65,403,000 relating to loss on deconsolidation of a 51% owned subsidiary of the Company, Shanxi Zhongze Heng Yuan Biological Technology Company Limited ("Shanxi Zhongze"). No sufficient evidence has been provided to satisfy ourselves as to whether the Group had lost control of Shanxi Zhongze since 1 January 2016. In addition, no sufficient evidence has been provided to satisfy ourselves as to the amounts of assets and liabilities of this subsidiary deconsolidated. As a result, we are unable to satisfy ourselves that the loss on deconsolidation of this subsidiary of approximately HK\$65,403,000 for the year ended 31 December 2016 was fairly stated.

2. Disposal group classified as held for sale and associated liabilities

We have not yet obtained sufficient appropriate audit evidence to satisfy ourselves as to the carrying amounts of disposal group classified as held for sale of approximately HK\$256,280,000 (2016: HK\$245,268,000) and liabilities associated with disposal group classified as held for sale of approximately HK\$47,393,000 (2016: HK\$43,650,000). There are no other satisfactory audit procedures that we could adopt to satisfy ourselves as to whether these amounts are fairly stated in the consolidated statement of financial position.

3. Deposits for acquisition of non-current assets

As explained in note 24 to the consolidated financial statements, the Group had paid a deposit of HK\$36,000,000 for acquisition of non-current assets, of which an impairment loss of HK\$18,000,000 was recognised during the year ended 31 December 2016. We have not yet obtained sufficient appropriate audit evidence to satisfy ourselves as to amount of impairment loss recognised in the

保留意見之基礎

1. 比較數字

截至二零一六年十二月三十一日止年度之綜合損益表中包括取消綜合入賬一間 貴公司擁有51%權益之附屬公司山西中澤恒遠生物科技有限公司(「山西中澤」)之虧損約65,403,000港元。我們並無獲提供充份證據，令我們信納 貴集團是否已自二零一六年一月一日起失去對山西中澤之控制權。此外，我們並無獲提供充份證據，令我們信納取消綜合入賬該附屬公司之資產及負債金額。因此，我們未能信納截至二零一六年十二月三十一日止年度取消綜合入賬該附屬公司之虧損約65,403,000港元乃已公平地呈列。

2. 分類為持作出售之出售集團及相關負債

我們尚未能取得充份合適之審核憑證，使我們信納分類為持作出售之出售集團及與之相關的負債之賬面值約256,280,000港元(二零一六年：245,268,000港元)及約47,393,000港元(二零一六年：43,650,000港元)。我們並無其他可予採納之令人滿意審核程序，以使我們信納此等款項是否已於綜合財務狀況表中公平地呈列。

3. 收購非流動資產之按金

如綜合財務報表附註24所述， 貴集團已就收購非流動資產支付按金36,000,000港元，其中18,000,000港元之減值虧損已於截至二零一六年十二月三十一日止年度確認。我們尚未能取得充份合適之審核憑證，使我們信納截至二零一六年十二月

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

year ended 31 December 2016 and the recoverability of remaining deposit for acquisition of non-current assets of HK\$18,000,000 as at 31 December 2016 and 2017. There are no other satisfactory audit procedures that we could adopt to determine whether the impairment loss of HK\$18,000,000 made in the year ended 31 December 2016 and the remaining balance of the deposit of HK\$18,000,000 as at 31 December 2016 and 2017 are fairly stated.

4. *Other investment*

We have not yet obtained sufficient appropriate audit evidence to satisfy ourselves as to the impairment test of other investment of HK\$61,750,000 as at 31 December 2016 and 2017. There are no other satisfactory audit procedures that we could adopt to determine whether any impairment on the amounts should be made in the consolidated financial statements.

5. *Revenue, cost of sales, trade payables and contingent liabilities associated with a subsidiary*

As explained in note 39(a) to the consolidated financial statements, Beijing Yao Boshi Technology Limited ("Beijing Yao"), an indirect wholly-owned subsidiary of the Group, has been in disputes with the local television station and a supplier. As a result, the Group has lost control on the operations of two branches of Beijing Yao. We have not yet obtained sufficient appropriate audit evidence to satisfy ourselves as to the revenue of approximately HK\$3,620,000, cost of sales of approximately HK\$1,370,000 for the year ended 31 December 2017 and trade payables of approximately HK\$8,032,000 as at 31 December 2017 recorded by the two branches of Beijing Yao. There are no other satisfactory audit procedures that we could adopt to satisfy ourselves as to whether these amounts are fairly stated in the consolidated statement of profit or loss and consolidated statement of financial position, as well as the impact on the operation of Beijing Yao arising from the litigations initiated by the local television station and the supplier.

三十一日止年度已確認之減值虧損金額及於二零一六年及二零一七年十二月三十一日收購非流動資產之剩餘按金18,000,000港元之可收回性。我們並無其他可予採納之令人滿意審核程序，以釐定截至二零一六年十二月三十一日止年度作出之減值虧損18,000,000港元及於二零一六年及二零一七年十二月三十一日之餘下按金結餘18,000,000港元是否已公平地呈列。

4. *其他投資*

我們尚未取得充份合適之審核憑證，令我們信納於二零一六年及二零一七年十二月三十一日之其他投資61,750,000港元之減值測試。我們並無其他可予採納之令人滿意審核程序，以釐定該款項之任何減值是否應計入綜合財務報表。

5. *與一間附屬公司有關之收益、銷售成本、應付賬款及或然負債*

如綜合財務報表附註39(a)所述，北京亞澳博視技術有限公司（「北京亞澳」，貴集團之間接全資附屬公司）與當地電視台及供應商發生糾紛。因此，貴集團對北京亞澳兩間分辦事處之經營失去控制權。我們尚未取得充份合適之審核憑證，令我們信納北京亞澳該兩間分辦事處錄得之截至二零一七年十二月三十一日止年度之收益約3,620,000港元、銷售成本約1,370,000港元及於二零一七年十二月三十一日之應付賬款約8,032,000港元。我們並無其他可予採納之令人滿意審核程序，以使我們信納該等款項是否已於綜合損益表及綜合財務狀況表中公平地呈列以及由當地電視台及供應商提起之訴訟是否會對北京亞澳之經營產生影響。

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Any adjustments to the figures as described above might have a consequential effect on the Group's financial performance and cash flows for the years ended 31 December 2016 and 2017, the financial positions of the Group as at 31 December 2016 and 2017, and the related disclosures thereof in the consolidated financial statements.

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") 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 qualified opinion.

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. In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

TRADE RECEIVABLES

Refer to Note 25 to the consolidated financial statements

The Group tested the amount of trade receivables for impairment. This impairment test is significant to our audit because the balance of trade receivables of HK\$75,410,000 as at 31 December 2017 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

對上述有關數字作出任何調整均可能對 貴集團截至二零一六年及二零一七年十二月三十一日止年度之財務表現及現金流量、 貴集團於二零一六年及二零一七年十二月三十一日之財務狀況及綜合財務報表內之相關披露造成相應影響。

我們已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審核。我們就該等準則承擔之責任在本報告之核數師就審核綜合財務報表須承擔之責任一節中進一步闡述。根據香港會計師公會之職業會計師道德守則(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他道德責任。我們相信，我們所獲得的審核憑證能夠充足和適當地為我們之保留意見提供基礎。

關鍵審核事項

關鍵審核事項是根據我們之職業判斷，對本期間審核綜合財務報表之最為重要的事項。這些事項是在我們審核整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨之意見。除上述保留意見之基礎部分中提及之事項外，我們已釐定下列事項為報告中溝通之關鍵審核事項。

應收賬款

請參閱綜合財務報表附註25

貴集團對應收賬款之金額進行減值測試。該減值測試對我們的審核而言屬重要，乃由於於二零一七年十二月三十一日，應收賬款之結餘為75,410,000港元，該金額對綜合財務報表而言屬重大。此外， 貴集團之減值測試涉及應用判斷及乃基於估計。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit limits and credit periods to customers;
- Assessing the Group's relationship and transaction history with the customers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers;
- Checking subsequent settlements from the customers; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade receivables is supported by the available evidence.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

我們的審核程序包括(其中包括):

- 評估 貴集團向客戶授出信貸額度及信貸期限之程序;
- 評估 貴集團與客戶之關係及交易歷史;
- 評核 貴集團之減值評估;
- 評估債項之賬齡;
- 評估客戶之信譽度;
- 核查客戶之後續結算情況; 及
- 評估 貴集團於綜合財務報表所面臨之信貸風險之披露。

我們認為 貴集團對應收賬款進行之減值測試得到現有證據支撐。

其他資料

董事須對其他資料負責。其他資料包括載於 貴公司年報之全部資料，惟不包括綜合財務報表及我們就此發出之核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們將不對其他資料發表任何形式的鑒證結論。

在我們審核綜合財務報表時，我們的責任為閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解的情況有重大不一致，或者似乎有重大錯誤陳述。

INDEPENDENT AUDITOR'S REPORT 獨立核數師報告

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. As described in the Basis for Qualified Opinion section above, we were unable to obtain sufficient appropriate evidence about the corresponding figures, disposal group classified as held for sale and associated liabilities, deposit for acquisition of non-current assets, other investment and the revenue, cost of sales, trade payables and contingent liabilities associated with a subsidiary. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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, and for no other purpose. We do not assume responsibility

倘基於我們進行的審核工作，我們認為該其他資料存在重大錯誤陳述，則我們須呈報該事實。如上文保留意見之基礎一節所述，我們未能獲取有關比較數字、分類為持作出售之出售集團及相關負債、收購非流動資產之按金、其他投資及與一間附屬公司有關之收益、銷售成本、應付賬款及或然負債的充足適當憑證，故我們無法就其他資料於此而言是否存在重大錯誤陳述做出結論。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例之披露規定編製真實而公平的綜合財務報表，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事負責評估 貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，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。

核數師就審核綜合財務報表須承擔之責任

我們的目標，是對整體綜合財務報表是否不存在由於欺詐或錯誤而導致之任何重大錯誤陳述取得合理保證，並出具包括我們意見之核數師報告。我們僅向整體股東報告我們之意見，除此之外本報告別無其他目的。我們不會就本報

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

This description forms part of our auditor's report.

ZHONGHUI ANDA CPA Limited

Certified Public Accountants

Sze Lin Tang

Audit Engagement Director

Practising Certificate Number P03614

Hong Kong, 23 March 2018

告之內容向任何其他人士負上或承擔任何責任。合理保證是高水平之保證，但不能保證按香港審計準則進行之審核總能發現存在之某一重大錯誤陳述。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們個別或匯總起來可能影響該等綜合財務報表之基準使用者所作出之經濟決定，則有關之錯誤陳述可被視作重大。

我們就審核綜合財務報表所承擔之責任之進一步描述載於香港會計師公會網站：

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

該描述構成核數師報告之一部分。

中匯安達會計師事務所有限公司

執業會計師

施連燈

審核項目董事

執業證書編號 P03614

香港，二零一八年三月二十三日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
CONTINUING OPERATIONS	持續經營業務			
REVENUE	收益	6	20,247	81,218
Cost of sales	銷售成本		(3,247)	(10,344)
Gross profit	毛利		17,000	70,874
Other income	其他收入	7	2,392	38,227
Selling and distribution costs	銷售及分銷成本		(575)	(893)
Administrative and operating expenses	行政及經營開支		(50,138)	(82,113)
Impairment on various assets	各種資產減值	9	(23,367)	(62,697)
Loss on deconsolidation of a subsidiary	取消綜合入賬一間附屬公司之虧損		—	(65,403)
LOSS FROM OPERATION	經營業務虧損		(54,688)	(102,005)
Finance costs	融資成本	10	(483)	(6,973)
LOSS BEFORE TAX	除稅前虧損		(55,171)	(108,978)
Income tax credit	所得稅抵免	11	967	59,551
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務年內虧損		(54,204)	(49,427)
DISCONTINUED OPERATIONS	已終止經營業務			
LOSS FOR THE YEAR FROM DISCONTINUED OPERATIONS	已終止經營業務年內虧損	14	(1,487)	(8,653)
LOSS FOR THE YEAR	年內虧損	12	(55,691)	(58,080)
Other comprehensive income/ (loss) for the year, net of tax:	年內其他全面收入／(虧損) (扣除稅項)：			
Items that may be reclassified to profit or loss:	可能重新分類至損益之項目：			
Exchange differences on translation of foreign operations	換算海外業務之匯兌差額		7,239	(12,336)
Exchange differences reclassified to profit or loss on deconsolidation of a subsidiary	於取消綜合入賬一間附屬公司時重新分類至損益之匯兌差額		—	3,437
			7,239	(8,899)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	年內全面虧損總額		(48,452)	(66,979)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

	Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
LOSS FOR THE YEAR	以下人士應佔年內虧損：		
ATTRIBUTABLE TO:			
Owners of the Company	本公司擁有人		
Loss from continuing operations	持續經營業務虧損	(54,204)	(49,427)
Loss from discontinued operations	已終止經營業務虧損	(758)	(4,413)
Loss attributable to owners of the Company	本公司擁有人應佔虧損	(54,962)	(53,840)
Non-controlling interests	非控股股東權益		
Loss from continuing operations	持續經營業務虧損	—	—
Loss from discontinued operations	已終止經營業務虧損	(729)	(4,240)
Loss attributable to non-controlling interests	非控股股東權益應佔虧損	(729)	(4,240)
		(55,691)	(58,080)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	以下人士應佔年內全面虧損總額：		
ATTRIBUTABLE TO:			
Owners of the Company	本公司擁有人	(51,908)	(64,966)
Non-controlling interests	非控股股東權益	3,456	(2,013)
		(48,452)	(66,979)
LOSS PER SHARE (HK cents)	每股虧損(港仙)	16	
From continuing and discontinued operations	來自持續及已終止經營業務		
— Basic	— 基本	(0.66)	(0.70)
— Diluted	— 攤薄	(0.66)	(0.70)
From continuing operations	來自持續經營業務		
— Basic	— 基本	(0.65)	(0.64)
— Diluted	— 攤薄	(0.65)	(0.64)
From discontinued operations	來自已終止經營業務		
— Basic	— 基本	(0.01)	(0.06)
— Diluted	— 攤薄	(0.01)	(0.06)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017

於二零一七年十二月三十一日

			2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	725	20,271
Goodwill	商譽	18	6,456	—
Intangible assets	無形資產	19	5,388	8,179
Deferred tax assets	遞延稅項資產	33	67	—
Other assets	其他資產	22	437	—
Deposits for acquisition of non-current assets	收購非流動資產之按金	24	18,000	19,300
Other investment	其他投資	23	61,750	61,750
			92,823	109,500
CURRENT ASSETS	流動資產			
Trade receivables	應收賬款	25	75,410	35,901
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	26	5,047	3,060
Bank balances and cash — held on behalf of customers	銀行結餘及現金 — 代客戶持有	27	171,727	—
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	28	39,365	84,411
			291,549	123,372
Non-current assets held for sale	持作出售之非流動資產	20	256,280	245,268
			547,829	368,640
CURRENT LIABILITIES	流動負債			
Trade payables	應付賬款	29	231,250	21,548
Other payables and accruals	其他應付款項及應計費用	30	29,587	21,715
Receipts in advance	預收賬款	31	3,355	8,684
Short term loans	短期貸款	32	—	3,371
Tax payable	應繳稅項		125	10
			264,317	55,328
Liabilities directly associated with non-current assets held for sale	與持作出售之非流動資產直接相關之負債	20	47,393	43,650
			311,710	98,978
NET CURRENT ASSETS	流動資產淨值		236,119	269,662
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		328,942	379,162

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2017

於二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Deferred tax liabilities	遞延稅項負債	33	—	1,768
			—	1,768
NET ASSETS	資產淨值		328,942	377,394
EQUITY	權益			
Equity attributable to owners of the Company	本公司擁有人應佔權益			
Issued capital	已發行股本	34	83,045	83,045
Reserves	儲備	36	231,990	283,898
			315,035	366,943
Non-controlling interests	非控股股東權益		13,907	10,451
TOTAL EQUITY	權益總額		328,942	377,394

The consolidated financial statements on pages 86 to 182 were approved and authorised for issue by the board of directors on 23 March 2018 and are signed on its behalf by:

第86頁至第182頁之綜合財務報表已於二零一八年三月二十三日經董事會批准及授權刊發且由以下人士代為簽署：

Tan Sri Dato' Lim Tong Yong

丹斯里拿督林東洋*

Director

董事

Gao Yang

高揚

Director

董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

Attributable to owners of the Company

本公司擁有人應佔

		Issued capital	Share premium*	Capital reserve*	Foreign currency translation reserve*	Share option reserve*	Other reserve*	Accumulated losses*	Total	Non-controlling interests	Total equity
		已發行股本	股份溢價*	資本儲備*	外幣換算儲備*	購股權儲備*	其他儲備*	累計虧損*	總計	非控股股東權益	權益總額
		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
At 1 January 2016	於二零一六年一月一日	52,602	1,667,276	2,325	56,679	4,236	(79,992)	(1,635,744)	67,382	59,687	127,069
Total comprehensive loss for the year	年內全面虧損總額	—	—	—	(11,126)	—	—	(53,840)	(64,966)	(2,013)	(66,979)
Issue of new shares	發行新股份	17,400	182,700	—	—	—	—	—	200,100	—	200,100
Issue of shares upon conversion of convertible bonds	因轉換可換股債券而發行之股份	13,043	151,384	—	—	—	—	—	164,427	—	164,427
Share options lapsed during the year	於年內已失效購股權	—	—	—	—	(4,236)	—	4,236	—	—	—
Deconsolidation of a subsidiary	取消綜合入賬一間附屬公司	—	—	—	—	—	—	—	—	(47,223)	(47,223)
At 31 December 2016	於二零一六年十二月三十一日	83,045	2,001,360	2,325	45,553	—	(79,992)	(1,685,348)	366,943	10,451	377,394
At 1 January 2017	於二零一七年一月一日	83,045	2,001,360	2,325	45,553	—	(79,992)	(1,685,348)	366,943	10,451	377,394
Total comprehensive loss for the year	年內全面虧損總額	—	—	—	3,054	—	—	(54,962)	(51,908)	3,456	(48,452)
At 31 December 2017	於二零一七年十二月三十一日	83,045	2,001,360	2,325	48,607	—	(79,992)	(1,740,310)	315,035	13,907	328,942

* These reserve accounts comprise the consolidated reserves in the consolidated statement of financial position.

* 該等儲備賬包括綜合財務狀況表內的綜合儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量		
Loss before tax	除稅前虧損		
From continuing operations	來自持續經營業務	(55,171)	(108,978)
From discontinued operations	來自已終止經營業務	(1,487)	(8,653)
Adjustments for:	就以下各項作出調整：		
Finance costs	融資成本	483	6,973
Interest income	利息收入	(36)	(26)
Loss on deconsolidation of a subsidiary	取消綜合入賬一間附屬公司之虧損	—	65,403
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,956	3,714
Amortisation of intangible assets	無形資產攤銷	5,639	6,783
Property, plant and equipment written off	物業、廠房及設備撇銷	71	4
Reversal of overprovision of costs of sales	銷售成本超額撥備撥回	—	(7,741)
Net gain on settlement with a customer	與一名客戶結算之收益淨額	—	(21,765)
Reversal of provision on trade receivables	應收賬款撥備撥回	(550)	—
Waiver of trade payables	獲豁免應付賬款	(1,182)	—
Fair value loss on initial recognition of convertible bonds	初步確認可換股債券之公平值虧損	—	15,000
Share of loss of an associate	分佔一間聯營公司虧損	190	566
Fair value changes on disposal group classified as held for sale	分類為持作出售之出售集團之公平值變動	(7,459)	(12,068)
Fair value gain on financial derivatives	金融衍生工具之公平值收益	—	(5,451)
Impairment losses on goodwill	商譽減值虧損	—	11,563
Impairment losses on intangible assets	無形資產減值虧損	3,277	16,477
Impairment losses on inventories	存貨減值虧損	—	3,243
Impairment losses on trade receivables	應收賬款減值虧損	—	692
Impairment losses on prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值虧損	—	151
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	20,090	12,571
Impairment losses on deposits for acquisition on non-current assets	收購非流動資產之按金減值虧損	—	18,000
		(33,179)	(3,542)
Change in inventories	存貨變動	—	2,062
Change in trade receivables	應收賬款變動	(35,223)	44,917
Change in prepayments, deposits and other receivables	預付款項、按金及其他應收款項變動	(1,655)	4,907
Change in trade payables	應付賬款變動	205,964	(11,777)
Change in other payables and accruals	其他應付款項及應計費用變動	7,509	(11,883)
Change in receipts in advance	預收賬款變動	(5,329)	(59,956)
Change in cash and bank balances— held on behalf of customers	現金及現金結餘變動— 代客戶持有	(167,968)	—
Cash used in operations	經營所用之現金	(29,881)	(35,272)
Income tax paid	已付所得稅	(48)	(847)
Net cash flows used in operating activities	經營活動所用現金流量淨額	(29,929)	(36,119)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Deposits for investment	投資之按金	—	(1,300)
Acquisition of other investment	收購其他投資	—	(61,750)
Purchase of property, plant and equipment	購買物業、廠房及設備	(1,509)	(2,846)
Net cash outflow on decosolidation of a subsidiary	取消綜合入賬一間附屬公司之現金流出淨額	—	(769)
Net cash outflow on acquisition of a subsidiary	收購一間附屬公司之現金流出淨額	(14,966)	—
Interest received	已收利息	36	26
Net cash flows used in investing activities	投資活動所用現金流量淨額	(16,439)	(66,639)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Net proceeds from issue of shares	股份發行所得款項淨額	—	40,050
Net proceeds from issue of convertible bonds	發行可換股債券所得款項淨額	—	80,000
Repayment of short-term loans	償還短期貸款	(3,371)	(9,000)
Interest on bank loans/other loan	銀行貸款／其他貸款之利息	(483)	(2,668)
Net cash flows (used in)/generated from financing activities	融資活動(所用)／產生之現金流量淨額	(3,854)	108,382
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)／增加淨值	(50,222)	5,624
Cash and cash equivalents at beginning of year	於年初之現金及現金等價物	85,130	88,947
Net foreign exchange difference	匯兌差額淨值	4,501	(9,441)
Cash and cash equivalents at end of year	於年末之現金及現金等價物	39,409	85,130
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物之結餘分析		
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	39,365	84,411
Bank balances and cash — general accounts included in assets held for sale	銀行結餘及現金 — 計入持作出售之資產之一般賬戶	44	719
Total cash and bank balances	現金及銀行結餘總額	39,409	85,130

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

1. GENERAL INFORMATION

Heng Xin China Holdings Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability. Its shares are listed on the GEM of the Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Suite 3604, 36/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 21 to the consolidated financial statements.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

1. 一般資料

恒芯中國控股有限公司(「本公司」)乃於百慕達註冊成立之獲豁免有限公司。其股份於香港聯合交易所有限公司(「聯交所」)GEM上市。本公司註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。其主要營業地點位於香港灣仔港灣道18號中環廣場36樓3604室。

本公司為一間投資控股公司。其附屬公司之主要業務載於綜合財務報表附註21。

2. 採納新訂及經修訂國際財務報告準則

於本年度，本集團已採納與本集團之業務有關且由香港會計師公會頒佈於二零一七年一月一日開始之會計年度生效之所有新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋。採納該等新訂及經修訂香港財務報告準則對本集團之會計政策、本集團財務報表之呈列及就本年度及過往年度所呈報之金額並無造成重大變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS *(continued)*

The Group has not applied the new and revised HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

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

These consolidated financial statements have been prepared under the historical cost convention.

The preparation of the consolidated financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these financial statements, are disclosed in note 4 to the consolidated financial statements.

2. 採納新訂及經修訂國際財務報告準則 *(續)*

本集團並無應用已頒佈惟尚未生效之新訂及經修訂香港財務報告準則。本集團已著手評估此等新訂及經修訂香港財務報告準則之影響，但尚未能確定此等新訂及經修訂香港財務報告準則會否對其經營業績及財務狀況造成重大影響。

3. 重要會計政策

該等綜合財務報表乃根據香港財務報告準則、香港公認會計原則及聯交所GEM證券上市規則與香港公司條例之適用披露規定而編製。

該等綜合財務報表已根據歷史成本慣例編製。

編製符合香港財務報告準則之綜合財務報表須採用若干主要假設及估計，董事在應用會計政策的過程中亦須行使其判斷。牽涉對該等財務報表屬重大判斷及重大之假設及估計之範疇於綜合財務報表附註4披露。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 重要會計政策 (續)

編製該等綜合財務報表時採用之重大會計政策載列於下文。

(a) 綜合

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止之財務報表。附屬公司是指本集團對其擁有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權力賦予其目前掌控有關業務（即大幅影響實體回報的業務）時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。在持有人能實際行使潛在投票權的情況下，方會考慮其權利。

附屬公司在控制權轉移至本集團之日綜合入賬，而在控制權終止之日起停止綜合入賬。

集團內公司間之交易、結餘及未變現溢利均予以對銷。除非交易提供憑證顯示所轉讓資產出現減值，否則未變現虧損亦予以對銷。倘有需要，附屬公司之會計政策會作出調整，以確保符合本集團採納之政策。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(a) Consolidation (continued)

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

3. 重要會計政策 (續)

(a) 綜合 (續)

非控股股東權益是指本公司並非直接或間接應佔之附屬公司權益。非控股股東權益在綜合財務狀況表及綜合權益變動表的權益下呈列。非控股股東權益乃於綜合損益及其他全面收入表中呈列為非控股股東與本公司擁有人之間之年內損益及全面收益總額分配。

溢利或虧損及其他全面收益項目歸屬於本公司擁有人及非控股股東，即使此舉導致非控股股東權益結餘出現虧絀。

本公司並無導致失去附屬公司控制權之擁有人權益變動，按權益交易入賬，即與以擁有人身分進行之擁有人交易。控股及非控股股東權益的帳面款額經調整以反映其於附屬公司相關權益之變動。非控股股東權益數額的調整額與已付或已收代價公平值間差額，直接於權益確認，歸本公司擁有人。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017

截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy (x) below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

3. 重要會計政策 (續)

(b) 業務合併及商譽

本集團採用收購法為業務合併中所收購之附屬公司列賬。收購成本乃按所獲資產收購日期之公平值、所發行之股本工具及所產生之負債以及或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為開支。於收購時，附屬公司之可識別資產及負債均按其於收購日期之公平值計量。

收購成本超出本公司分佔附屬公司可識別資產及負債之公平淨值之差額乃列作商譽。本公司分佔可識別資產及負債之公平淨值超出收購成本之差額乃於綜合損益內確認為本公司應佔議價收購之收益。

商譽會每年進行減值檢測或當事件或情況改變顯示可能出現減值時則更頻繁地進行減值檢測。商譽乃按成本減累計減值虧損計量。商譽減值虧損之計量方法與會計政策(x)所載之其他資產之計量方法相同。商譽之減值虧損於綜合損益確認，且其後不會撥回。就減值檢測而言，商譽被分配至預期將受惠於收購協同效益之現金產生單元。

於附屬公司之非控股股東權益初步按非控股股東於收購日期應佔附屬公司可識別資產及負債之公平淨值比例計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2017

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

3. 重要會計政策 (續)

(c) 聯營公司

聯營公司為本集團對其具有重大影響力之實體。重大影響力為參與該實體財務及營運政策決策之權力，惟無權控制或共同控制該等政策。在評估本集團是否具有重大影響力時現時，會考慮到可行使或可轉換之潛在投票權之存續或影響（包括由其他實體持有之潛在投票權）。在評估潛在投票權是否構成重大影響力時，不會考慮持有之意向以及行使或轉換該權利之財務能力。

於聯營公司之投資乃按權益法記入綜合財務報表，並初步按成本確認。聯營公司於收購日期收購之可辨識資產及負債按其公平價值計量。倘收購成本超出本集團應佔聯營公司之可辨識資產及負債之淨公平值，則差額將以商譽入賬。商譽乃計入投資之賬面值，並於有客觀證據顯示該項投資已減值時於各呈報期末連同該項投資進行減值測試。倘本集團攤分可辨識資產及負債之淨公平價值高於收購成本，則有關差額將於綜合損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Associates (continued)

The Group's share of an associate's post-acquisition profits or losses is recognised in consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against 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 obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's share of the net assets of that associate plus any remaining goodwill relating to that associate and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

3. 重要會計政策 (續)

(c) 聯營公司 (續)

本集團應佔聯營公司收購後溢利或虧損於綜合損益確認，而其應佔收購後儲備變動則於綜合儲備內確認。收購後之累計變動於投資之賬面值作出調整。倘本集團應佔共聯營公司虧損相等於或多於其於聯營公司之權益（包括任何其他無抵押應收款項），則本集團不進一步確認虧損，除非本集團已產生責任或代聯營公司付款。倘聯營公司其後錄得溢利，則本集團僅於其應佔溢利相等於其應佔未確認之虧損後，方會恢復確認其應佔之該等溢利。

出售一間聯營公司（將導致失去重大影響）之收益或虧損指 (i) 該出售代價之公平值加上保留於該聯營公司之任何投資之公平值，以及 (ii) 本集團分佔該聯營公司之資產淨值加上任何有關該聯營公司之餘下商譽及任何相關累計外幣換算儲備間之差額。倘於聯營公司之投資變成於合營公司之投資，本集團會繼續應用權益法且不會重續計量保留利益。

對銷本集團與其聯營公司間交易之未變現溢利乃以本集團於聯營公司之權益為限；而未變現虧損則僅會於交易有證據顯示所轉讓之資產出現減值時方予以對銷。聯營公司之會計政策已於有需要時作出變動，以確保與本集團所採納之政策貫徹一致。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the Company's functional and presentation currency.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

3. 重要會計政策 (續)

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體之財務報表所載列之項目乃採用實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以本公司之功能貨幣及呈列貨幣港元(「港元」)呈列。

(ii) 各實體財務報表之交易及結餘

外幣交易於首次確認時按交易日當時適用之匯率折算為功能貨幣。以外幣計值之貨幣資產及負債按各呈報期末之匯率折算。該折算政策所產生之收益及虧損於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Foreign currency translation (continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

3. 重要會計政策 (續)

(d) 外幣換算 (續)

(iii) 綜合入賬時換算

功能貨幣有別於本公司呈列貨幣之所有本集團實體之業績及財務狀況均會以下列方式換算為本公司之呈列貨幣：

- 所呈列之各份財務狀況表之資產及負債以財務狀況表日期之匯率換算；
- 收支以平均匯率換算（惟倘此平均匯率並非各交易日期適用之匯率累計影響之合理概約值，則收支以交易日期之匯率換算）；及
- 所產生之所有匯兌差額於外幣換算儲備內確認。

於綜合入賬時，換算於海外實體之投資淨額及借貸所產生之匯兌差額乃於外幣換算儲備內確認。於出售海外業務時，有關匯兌差額將於綜合損益中確認為出售收益或虧損之部分。

收購海外實體所產生之商譽及公平值調整視作海外實體之資產及負債處理，並會以收市匯率作出換算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less accumulated depreciation and any 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.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Depreciation begins when the relevant assets are available for use. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

3. 重要會計政策 (續)

(e) 物業、廠房及設備

物業、廠房及設備(在建工程除外)乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目之成本值包括其購買價及任何為使資產達至營運狀況及運抵營運地點作原定用途之任何直接應佔成本。

在建工程包括處於工程階段作生產或自用之物業、廠房及設備。在建工程按成本減任何已確認減值虧損列賬。在建工程於相關資產可用時開始計提折舊。在建工程於竣工及可作擬定用途時分類為物業、廠房及設備之適當類別。

僅於有關項目的未來經濟利益有很大機會流入本集團而該項目成本能可靠計量時，後續成本方會計入資產賬面值中，或確認為個別資產(視適用情況而定)。所有其他維修及保養於產生的期間在損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis at the following rates per annum:

Computer equipment	9-30%
Furniture and fixtures	19%
Leasehold improvements	over the remaining lease term
Motor vehicles	6%
Office equipment	18%
Plant and machinery	6-9%
Transmission and other network equipment	6% or over the contract term, which ever is shorter

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

3. 重要會計政策 (續)

(e) 物業、廠房及設備 (續)

物業、廠房及設備折舊乃採用按足以其估計可使用年期內撇銷其成本減剩餘價值的折舊率以直線法計算，年折舊率如下：

電腦設備	9-30%
傢具及固定裝置	19%
租賃物業裝修	按餘下租約年期
汽車	6%
辦公室設備	18%
廠房及機器	6-9%
傳輸及其他網絡設備	6%或按合約年期 (以較短者為準)

於每個報告期末均會檢討和調整剩餘價值、可使用年期及折舊方法(如適用)。

出售物業、廠房及設備之盈虧指出售所得款項淨額與相關資產賬面值之間的差額，在損益表內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Leases

(i) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. At the commencement of the lease term, a finance lease is capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments, each determined at the inception of the lease.

The corresponding liability to the lessor is included in the statement of financial position as finance lease payable. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets under finance leases are depreciated over the shorter of the lease term and their estimated useful lives.

3. 重要會計政策 (續)

(f) 租賃

(i) 經營租賃

實際上並無向本集團轉讓資產擁有權之所有風險及回報之租賃入賬作為經營租賃。租賃付款(扣除收取出租人的任何獎勵)按直線法於租期確認為開支。

(ii) 融資租賃

融資租賃指將擁有資產之風險及回報基本上全部轉讓予本集團之租賃。融資租賃在開始時按租賃資產之公平值及最低租賃款項現值(兩者均於租賃開始時釐定)之較低者資本化。

出租人之相應債務於財務狀況表中列作應付融資租賃。租賃款項按比例分配為財務費用及削減未償付債務。財務費用在各租期內分攤，以為債務結餘得出一個貫徹之定期利率。

於融資租賃下之資產按租期及其估計可使用年期(以較短者為準)計算折舊。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(g) Intangible assets

(i) Intangible assets acquired separately

On initial recognition, intangible assets acquired separately other than from business combinations are recognised at cost. After initial recognition, intangible assets with indefinite useful lives are carried at cost less any identified impairment loss. Intangible assets with finite useful lives are amortised on a straight-line basis over its useful lives of 10-18 years, and carried at cost less accumulated amortisation and accumulated impairment losses.

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives of 5 to 18 years. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses.

3. 重要會計政策(續)

(g) 無形資產

(i) 獨立收購之無形資產

於初步確認時，獨立收購之無形資產(不包括來自業務合併者)乃按成本值確認。於初步確認後，無限可使用年期之無形資產按成本值減任何已識別減值虧損列賬。有限可使用年期之無形資產乃以直線法就其可使用年期10-18年進行攤銷，並按成本值減累計攤銷及累計減值虧損列賬。

由終止確認無形資產而產生之損益按出售所得款項淨額與資產賬面值兩者之差額計量，當資產終止確認時，於損益中確認。

(ii) 於業務合併中收購之無形資產

於業務合併中收購之無形資產如符合無形資產之定義而其公平值亦能可靠地計量，則與商譽分開確定及確認。有關無形資產之成本值為其於收購日期之公平值。

於初步確認後，有限可使用年期之無形資產乃按成本值減累計攤銷及任何累計減值虧損列賬。有限可使用年期之無形資產乃以直線法就其估計可使用年期5-18年進行攤銷。此外，無限可使用年期之無形資產乃按成本值減任何其後產生之累計減值虧損列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

3. 重要會計政策 (續)

(h) 存貨

存貨按成本值與可變現淨值兩者中的較低者列值。成本值乃按加權平均法釐定。製成品及在製品之成本值包括原料、直接勞工及適當比例的生產間接開支，以及(倘適用)分包費用。可變現淨值為在日常業務運作過程中的估計售價，減估計完成成本及估計作出銷售所必要之成本。

(i) 確認及終止確認金融工具

本集團於成為工具合約條文之訂約方時可在財務狀況表中確認金融資產及金融負債。

於收取資產現金流量之已訂約權利屆滿時；本集團轉讓資產擁有權之絕大部分風險及回報時；或本集團既無轉讓亦不保留資產擁有權之絕大部分風險及回報，但不保留資產之控制權時，將終止確認金融資產。終止確認一項金融資產時，資產賬面值與已收代價以及已於其他全面收益確認之累計盈虧之總和之間之差額於損益內確認。

倘相關合約訂明之責任解除、註銷或失效，則終止確認金融負債。已終止確認之金融負債賬面值與已付代價之差額於損益內確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(j) Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(k) Other investments

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less impairment losses.

3. 重要會計政策 (續)

(j) 應收賬款及其他應收款項

應收賬款及其他應收款項為非衍生工具金融資產，可按固定或可予釐定款項支付，且並無於活躍市場上報價，初步按公平值確認，其後則以實際利率法按經攤銷成本值計算，並須扣除減值撥備。如有客觀證據顯示本集團無法按照應收款項的原來條款收取所有欠款，則須為應收賬款及其他應收款項作出減值撥備。撥備額為應收款項之賬面值與估計未來現金流量按於初始確認時計算的實際利率折算之現值兩者的差額。撥備額於損益中確認。

倘應收款項的可收回金額增加客觀上與確認減值之後發生的事項有聯繫，則減值虧損會於後續期間撥回，並在損益中確認，惟應收款項於減值撥回日期的賬面值不應超過不確認減值情況下的攤銷成本。

(k) 其他投資

於沒有活躍市場報價且公平值不能可靠計量的股本工具以及與有關無報價股本工具掛鉤且須以有關股本工具結算的衍生工具的投資按成本減減值虧損計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(l) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(m) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(n) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

3. 重要會計政策 (續)

(l) 現金及現金等值物

就現金流量表而言，現金及現金等值物指銀行及手頭現金、在銀行及其他財務機構的活期存款，以及期限短、流動性強、可隨時轉換成已知金額的現金、且價值變動風險甚微的投資。須按要求償還並為本集團現金管理組成部分的銀行透支，亦計為現金及現金等值物之一部分。

(m) 金融負債及權益工具

金融負債及權益工具按所訂立合同安排的內容及香港財務報告準則中金融負債及權益工具的定義分類。權益工具指能證明擁有本集團在減除所有負債後的資產中的餘剩權益的合同。就特定金融負債及權益工具所採納的會計政策列載如下。

(n) 借款

借款初始按公平值(扣除所產生的交易費用)確認，其後採用實際利率法按攤銷成本計量。

借款分類為流動負債，除非本集團擁有無條件權利將負債的償還遞延至報告期後最少12個月。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(o) Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

3. 重要會計政策 (續)

(o) 應付賬款及其他應付款項

應付賬款及其他應付款項初始按公平值確認，其後運用實際利率法，以攤銷成本計量，除非貼現影響甚微，在此情況下，則按成本列值。

(p) 權益工具

本公司發行之權益工具按已收所得款項扣除直接發行成本列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

- (i) Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.
- (ii) Commission and brokerage income is recognised when the sales or purchases of securities or future contracts for customers are completed.
- (iii) Service income is recognised in the period when services are rendered.
- (iv) Interest income is recognised on a time-proportion basis using the effective interest method.

(r) Employee benefits

(i) Employee leave entitlements

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

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

3. 重要會計政策 (續)

(q) 收入確認

收入按已收或應收代價的公平值計量，並於經濟利益將流入本集團，且收益金額能可靠地計量時確認。

- (i) 銷售貨品所得收入乃於貨品擁有權之重大風險及回報轉讓時確認。所有權轉讓通常與貨品交付及業權轉讓予客戶之時間相同。
- (ii) 佣金及經紀收入於出售或購買客戶證券或期貨合約完成時確認。
- (iii) 服務收入於提供服務期間列賬。
- (iv) 利息收入按時間比例根據實際利率法確認。

(r) 僱員福利

(i) 僱員應享假期

僱員可享有之年假及長期服務假期乃在其權利產生時確認。本集團為截至報告期末僱員已提供之服務而產生之年假及長期服務假期之估計負債作出撥備。

僱員之病假及產假直至僱員正式休假時方予確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(r) Employee benefits (continued)

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits and when the Group recognises restructuring costs and involves the payment of termination benefits.

(s) Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

3. 重要會計政策 (續)

(r) 僱員福利 (續)

(ii) 退休福利責任

本集團為所有僱員提供定額供款退休計劃。本集團與僱員的供款按僱員基本薪金之百分比計算，在損益表支銷的退休福利計劃成本指本集團應向此基金支付之供款。

(iii) 離職福利

離職福利於本集團不再取消提供該等福利，或本集團確認重組成本並涉及支付離職福利時（以較早者為準）確認。

(s) 以股份支付之款項

本集團向若干僱員發行以股權結算並以股份支付之款項。以股權結算並以股份支付之款項乃按股權工具於授出日期之公平值（非市場歸屬條件之影響除外）計量。以股權結算並以股份支付之款項於授出日期釐定之公平值乃於歸屬期間以直線法，根據本集團估計最終歸屬之股份支銷，並就非市場歸屬條件之影響作出調整。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(t) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

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

3. 重要會計政策 (續)

(t) 借貸成本

因收購、建設或生產合資格資產(需要一段長時間方能達致其擬定用途或出售者)而直接產生之借貸成本乃資本化為該等資產之成本一部分，直至該等資產大致上可準備用作其擬定用途或出售時為止。從特定借貸待支付合資格資產之費用前而作出之短暫投資所賺取之投資收入乃從合資格資本化之借貸成本中扣除。

就於一般情況及用作取得合資格資產而借入之資金而言，合資格資本化之借貸成本金額乃按用於該資產開支之資本化比率計算。資本化比率為適用於本集團該期間內尚未償還借貸(不包括就取得合資格資產而借入之特定借貸)之加權平均借貸成本。

所有其他借貸成本於其產生期間在損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Taxation

Income tax represents the sum of the current tax and deferred tax.

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

3. 重要會計政策 (續)

(u) 稅項

所得稅為即期稅項與遞延稅項之總額。

即期應付稅項乃按本年度之應課稅溢利計算。應課稅溢利與損益中所確認的溢利不同，因應課稅溢利不包括在其他年度應課稅收入或可扣減開支項目，而且不包括永不課稅或不可扣稅的項目。本集團之即期稅項負債乃按於報告期末已實施或實質上已實施之稅率計算。

遞延稅項乃就財務報表所列資產及負債賬面值與計算應課稅溢利所用相應稅基之差異確認。遞延稅項負債一般就所有應課稅暫時差異確認，而遞延稅項資產乃一般於可能出現應課稅溢利對銷可用的可扣稅暫時差異時（未動用稅項虧損或未動用稅項抵免時）就所有可扣稅暫時差異確認。倘若暫時差異由商譽或不影響應課稅溢利及會計溢利的交易中初步確認（業務合併除外）之其他資產及負債所產生，則不會確認該等遞延稅項資產及負債。

遞延稅項負債應就於附屬公司及聯營公司的投資及合營企業權益產生之應課稅暫時差異確認，惟倘本集團可控制暫時差異之撥回而暫時差異於可見將來可能不會撥回之情況除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(u) Taxation (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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3. 重要會計政策 (續)

(u) 稅項 (續)

遞延稅項資產之賬面值於報告期末予以審閱，倘不再可能取得足夠之應課稅溢利以收回全部或部份資產，則賬面值須予以調低。

遞延稅項乃按預期於負債獲償還或資產獲變現期間適用之稅率，以報告期末已實施或實質上已實施之稅率為基準計算。遞延稅項於損益中確認，惟倘有遞延稅項與在其他全面收入或直接於權益確認之項目有關，則亦分別於其他全面收入或直接於權益內確認。

遞延稅項資產及負債之計量反映了本集團於報告期末所預期收回或償還其資產及負債之賬面值的方式所產生的稅務結果。

當有法定可強制執行權利將即期稅項資產與即期稅項負債互相抵銷，且彼等與同一稅務當局徵收的所得稅，及本集團擬按淨額基準結算當期稅項資產及負債，則會將遞延稅項資產與負債互相抵銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(v) Related parties

A related party is a person or entity that is related to the Group.

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

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

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

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.

3. 重要會計政策 (續)

(v) 關連人士

關連人士為與本集團相關之人士或實體。

(a) 倘屬以下人士，則該人士或該人士之近親家庭成員與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本公司或本公司母公司之主要管理人員。

(b) 倘符合下列任何條件，即實體與本集團（申報實體）有關連：

- (i) 該實體與本公司屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
- (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團成員公司之聯營公司或合營企業）。
- (iii) 兩間實體均為同一第三方之合營企業。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) Related parties (continued)

(b) (continued)

- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

3. 重要會計政策 (續)

(w) 關連人士 (續)

(b) (續)

- (iv) 一間實體為第三方實體之合營企業，而另一實體為同一第三方實體之聯營公司。
- (v) 實體為本集團或與本集團有關連之實體就僱員利益而設之離職後福利計劃。倘本集團自身屬於有關計劃，則資助之僱員亦與本集團相關連。
- (vi) 實體受(a)所識別人士控制或受共同控制。
- (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理人員。
- (viii) 實體或實體屬其中一部份之集團之任何成員公司為向本公司或本公司之母公司提供主要管理人員服務。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources to, and assessing the performance of the Group's various lines of business in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

(x) Impairment of assets

Intangible assets that have an indefinite useful life or not yet available for use are reviewed annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount may not be recoverable.

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and other intangible assets except goodwill, inventories, derivatives and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

3. 重要會計政策 (續)

(w) 分部報告

經營分部及綜合財務報表內呈報之每個分部項目之金額，乃根據就分配資源予本集團各項業務及地區分部以及評估其表現而定期提供予本集團最高行政管理層之財務資料而確定。

個別重大之經營分部不會為財務報告目的而合計，除非有關分部具有類似經濟特性，並且具有類似之產品及服務性質、生產工序性質、客戶類型或類別、分銷產品或提供服務方法，以及監管環境性質。個別非重大之經營分部倘符合上述大多數標準可予合計。

(x) 資產減值

對無限期使用的無形資產和尚未使用的無形資產會每年進行重估，亦會於有發生某事件或狀態改變顯示賬面值或未能收回時進行評估，以判斷是否須予減值。

於各報告期末，本集團須審閱其有形及其他無形資產（商譽、存貨、衍生工具及應收款項除外）之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何有關跡象，則估計資產可收回金額，以釐定減值虧損的幅度。當不可能估計個別資產之可收回金額時，本集團會估計該資產所屬現金產生單元之可收回金額。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(x) Impairment of assets (continued)

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

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3. 重要會計政策 (續)

(x) 資產減值 (續)

可收回金額為公平值減出售成本後之金額與使用價值兩者中之較高者。於評估使用價值時，乃使用可反映現時市場對時間值之評估及該資產特有之風險之除稅前折現率，將估計未來現金流量折現至其現值。

倘某項資產(或某現金產生單元)之可收回金額估計低於其賬面值，則該項資產(或該現金產生單元)之賬面值須削減至其可收回金額。減值虧損即時於損益中確認，除非有關資產乃按重估數額列賬則除外，在該情況下，減值虧損會被視為重估減少。

倘日後撥回減值虧損，有關資產或現金產生單元之賬面值須增至其經重新估計之可收回金額，惟增加之賬面值(扣除攤銷或折舊後)不得超出倘有關資產或現金產生單元並無於過往年度確認任何減值虧損所應釐定之賬面值。減值虧損撥回即時於損益中確認，惟倘有關資產按重估金額列賬，則減值虧損撥回會作重估增加處理。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(y) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(z) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. 重要會計政策 (續)

(y) 撥備及或然負債

倘本集團因過往事件負上現有法律或推定責任，而有關責任可能需要以經濟利益流出清償，且能作出可靠估計時，便會就未有確定時間或金額的負債確認撥備。倘金錢時值重大，撥備會以清償責任預期所需支出的現值列賬。

倘需要流出經濟利益的可能性不大，或未能可靠估計有關金額，則除非流出經濟利益的可能性極微，否則有關責任將列作或然負債披露。須視乎某宗或多宗未來事件是否發生才能確定潛在責任存在與否，亦會披露為或然負債，除非經濟利益流出的可能性極低則作別論。

(z) 報告期後事項

提供本集團於報告期末之業務狀況的額外資料或顯示持續經營假設並不適當的報告期後事項為調整事項，並反映於財務報表內。並非調整事項的報告期後事項，倘屬重大時，於綜合財務報表附註內披露。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(aa) Non-current assets held for sale and discontinued operation

Non-current assets or disposal group 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 sale is highly probable and the assets or disposal group are available for immediate sale in their present condition. The Group 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.

Non-current assets or disposal group classified as held for sale are measured at the lower of the assets' or disposal group's previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale in accordance with HKFRS 5, if earlier. It also occurs when the operation is abandoned.

3. 重要會計政策 (續)

(aa) 持作出售非流動資產及已終止經營業務

如非流動資產或出售集團之賬面值主要透過出售交易而非持續使用而收回，非流動資產或出售集團則被分類為持作出售，是項條件僅於出售最有可能進行及資產或出售集團可以以現狀即時出售。本集團須承諾進行出售，預計應可自分類之日起一年內合資格確認為已完成出售。

分類為持作出售之非流動資產或出售集團，以其非流動資產或出售集團之先前賬面值與公平值減出售成本之較低者計算。

已終止經營業務為本集團其中一部分，其營運及現金流量可與本集團其餘部分清晰地劃分，並構成獨立重大業務或營運區域，或屬出售獨立重大業務或營運區域之單一統籌計劃其中部分或為純粹就轉售購入之附屬公司。

根據香港財務報告準則第5號，於出售或業務符合分類為持作銷售之條件(以較早者為準)時，則作出已終止經營業務之分類。另外，亦於廢棄業務時作出此分類。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

(aa) Non-current assets held for sale and discontinued operation (continued)

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss and other comprehensive income, which comprises:

- The post-tax profit or loss of the discontinued operation; and
- The post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group constituting the discontinued operation.

4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Key sources of 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.

(a) Property, plant and equipment and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

3. 重要會計政策 (續)

(aa) 持作出售非流動資產及已終止經營業務 (續)

倘業務分類為已終止，則於損益及其他全面收入表呈報單一數額，當中包括：

- 已終止經營業務除稅後溢利或虧損；及
- 於計量組成已終止經營業務之資產或出售集團之公平值減出售成本或於出售有關資產或出售集團時，確認除稅後收益或虧損。

4. 關鍵會計判斷及估計不確定性之主要來源

估計不確定性之主要來源

可能引致資產及負債賬面值於下個財政年度造成大幅調整之重大風險且有關未來之主要假設，以及於報告期末的估計不確定性之其他主要來源討論如下。

(a) 物業、廠房及設備及折舊

本集團釐定物業、廠房及設備的估計可使用年期、剩餘價值以及相關折舊開支。該估計乃根據性質及功能相近的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗而作出。當可使用年期及剩餘價值與原先估計者不同時，本集團會對折舊開支進行相應調整，或將已報廢或出售之技術過時或非策略資產註銷或撇減。

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4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty

(continued)

(b) Impairment of property, plant and equipment and construction in progress

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is determined with reference to the present value of estimated future cash flows. Where the future cash flows are less than expected or there are unfavourable events and change in facts and circumstance which result in revision of future estimate cash flows, a material impairment loss may arise.

(c) Recoverability of intangible assets

During the year, the Group reconsidered the recoverability of its intangible assets arising from the Group's development, which is included in its consolidated statement of financial position at 31 December 2017 at HK\$5,388,000 (2016: HK\$8,179,000). Detailed sensitivity analysis has been carried out and the Group is confident that the carrying amount of the assets will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if future market activity indicates that such adjustments are appropriate.

4. 關鍵會計判斷及估計不確定性之主要來源 *(續)*

估計不確定性之主要來源 *(續)*

(b) 物業、廠房及設備以及在建工程減值

倘出現事件或情況變動顯示資產賬面值超出其可收回金額，則本集團會就物業、廠房及設備進行減值檢討。可收回金額乃參照估計未來現金流量之現值而釐定。倘未來現金流量低於預期值或不利事件以及事實及情況變動導致修訂估值未來現金流量，則可能產生重大減值虧損。

(c) 無形資產的可收回性

於年內，本集團重新考慮產生自本集團開發活動的無形資產的可收回性，5,388,000港元(二零一六年：8,179,000港元)計入二零一七年十二月三十一日的綜合財務狀況表。本集團已進行詳盡的敏感度分析並深信，即使回報減少，該資產的賬面值將全數收回。本集團將密切監察有關情況，倘未來市場活動顯示該等調整屬適當，則將於未來期間作出調整。

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4. CRITICAL ACCOUNTING JUDGMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty

(continued)

(d) Impairment of deposits for acquisition of non-current assets, trade and other receivables, deposits and prepayments

Impairment of deposits for acquisition of non-current assets, trade and other receivables, deposits and prepayments is made based on an assessment of the recoverability of deposits for acquisition of non-current assets, trade and other receivables, deposits and prepayments. The assessment of impairment of receivables, deposits and prepayments involves the use of estimates and judgments. An estimate for doubtful debts is made when collection of the full amount is no longer probable, as supported by objective evidence using available contemporary and historical information to evaluate the exposure. Bad debts are written off as incurred. Where the actual outcome or expectation in the future is different from the original estimates, such differences will affect the carrying amount of deposits for acquisition of non-current assets, trade and other receivables, deposits and prepayments and thus the impairment loss in the period in which such estimate is changed.

(e) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

4. 關鍵會計判斷及估計不確定性之主要來源 *(續)*

估計不確定性之主要來源 *(續)*

(d) 收購非流動資產之按金、應收賬款及其他應收款項、按金及預付款項之減值

收購非流動資產之按金、應收賬款及其他應收款項、按金及預付款項之減值乃根據收購非流動資產之按金、應收賬款及其他應收款項、按金及預付款項之可收回性而評估應收賬款、按金及預付款項之減值評估包括估值與判斷。當根據當前及過往資料評估風險時，客觀證據顯示不能收回全數款項，則進行呆賬評估。壞賬於產生時撇銷。若未來的實際情況或預計有別於原有估計，則有關差額將影響到改變有關估計的期間內收購非流動資產之按金、應收賬款及其他應收款項、按金及預付款項的賬面值，因而影響減值虧損之數額。

(e) 所得稅

本集團須繳納多個司法管轄區之所得稅。釐定所得稅之撥備金額時須作出重大估計。於日常業務過程中有若干未能準確釐定最終須繳納稅項之交易及計算。若該等事項之最終稅務結果與最初記錄之金額不同，該等差額將影響作出該等釐定期間之所得稅及遞延稅項撥備。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

The carrying amount of the cash and bank balances and trade and other receivables included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

5. 財務風險管理目標及政策

本集團之業務須承受各種財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理項目集中於金融市場無法預測之特性，以及尋求盡量減少對本集團財務表現可能造成之不利影響。

(a) 外幣風險

由於大多數業務交易、資產及負債均以本集團授權之功能貨幣計值，故本集團並無重大外幣風險。本集團目前並無針對外幣交易、資產及負債之對沖政策。本集團將密切監察其外幣風險，並於有需要時考慮對沖重大外幣風險。

(b) 信貸風險

本集團有關金融資產承受的最高信貸風險指於綜合財務狀況表列賬的現金及銀行結餘及應收賬款及其他應收款項。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

5. 財務風險管理目標及政策 *(續)*

(b) Credit risk *(continued)*

(b) 信貸風險 *(續)*

The Group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations at 31 December 2017 in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its trade receivables. In order to minimise credit risk, the directors have delegated a team to be responsible for the determination of credit limits, credit approvals and other monitoring procedures. In addition, the directors review the recoverable amount of each individual trade debt regularly to ensure that adequate impairment losses are recognised for irrecoverable debts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

倘對手方於二零一七年十二月三十一日未能履行其責任，則本集團就每類已確認金融資產而須承受之最高信貸風險為已反映於綜合財務狀況表列賬之資產賬面值。本集團之信貸風險主要來自應收款項。為將有關信貸風險降至最低，董事已指定一個團隊負責釐定信貸額度、信貸審批及其他監控程序。此外，董事審閱每項個別交易債項之可收回金額，以確保就不能收回金額作出足夠減值虧損。因此，董事認為，本集團之信貸風險大大降低。

The Group's concentration of credit risk on trade receivables as at 31 December 2017 is mainly from one major customer which accounted for 36% (2016: 98%) of trade receivables.

於二零一七年十二月三十一日，本集團應收賬款之集中信貸風險主要來自一名主要客戶，彼等佔應收賬款之36%（二零一六年：98%）。

It has policies in place to ensure that sales are made to customers with an appropriate credit history.

本集團已制定政策，確保銷售對象為具有良好信貸記錄的客戶。

The credit risk on cash and bank balances is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

現金及銀行結餘的信貸風險有限，此乃由於對手方均為獲國際信用評級機構給予高信用評級的銀行。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

5. 財務風險管理目標及政策 (續)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis of the Group's financial liabilities is as follows:

(c) 流動資金風險

本集團的政策為定期監察現有及預期的流動資金需要，以確保其維持足以應付短期及較長遠流動資金需要的現金儲備。

本集團金融負債的期限分析如下：

		Carrying amount	Total contractual undiscounted cash flows within 1 year or on demand
		賬面值 HK\$'000 千港元	一年內或 按要求合約 非折現現金 流量總額 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日		
Trade payables	應付賬款	231,250	231,250
Other payables and accruals	其他應付款項及應計費用	29,587	29,587
		260,837	260,837
At 31 December 2016	於二零一六年十二月三十一日		
Trade payables	應付賬款	21,548	21,548
Other payables and accruals	其他應付款項及應計費用	21,715	21,715
Short term loans	短期貸款	3,371	3,371
		46,634	46,634

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

5. 財務風險管理目標及政策 *(續)*

(d) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate financial assets of bank balances. The Group has not used any interest rate swaps to mitigate its exposure associated with fluctuations relating to interest cash flows.

The Group currently does not have interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

In the opinion of the directors of the Company, no interest rate sensitivity is disclosed as the interest rate sensitivity does not give additional value in view of insignificant exposure of interest bearing bank balances as at the end of the reporting period.

(d) 利率風險

本集團承受與浮息銀行結餘金融資產有關之現金流量利率風險。本集團並無採用任何利率掉期合約以降低其所承受與現金流量利率波動有關之風險。

本集團目前並無利率對沖政策。然而，管理層監察利率風險，並將於需要時考慮對沖重大利率風險。

鑒於報告期末計息銀行結餘之利率風險並不重大，利率敏感度並無產生額外價值，故本公司董事認為毋須披露利率敏感度。

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5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

5. 財務風險管理目標及政策 (續)

(e) Categories of financial instruments

(e) 金融工具分類

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Financial assets:	金融資產：		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包括現金及現金等價物)		
— Trade receivables	— 應收賬款	75,410	35,901
— Financial assets included in prepayments, deposits and other receivables	— 金融資產包括預付款項、按金及其他應收款項	3,132	737
— Bank balances and cash — held on behalf of customers	— 銀行結餘及現金 — 代客戶持有	171,727	—
— Bank balances and cash — general accounts	— 銀行結餘及現金 — 一般賬戶	39,365	84,411
— Other investment	— 其他投資	61,750	61,750
		351,384	182,799
Financial liabilities:	金融負債：		
Financial liabilities at amortised cost	攤銷成本之金融負債		
— Trade payables	— 應付款項	231,250	21,548
— Other payables and accruals	— 其他應付款項及應計費用	29,587	21,715
— Short term loans	— 短期貸款	—	3,371
		260,837	46,634

(f) Fair value

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公平值

載於綜合財務狀況表之本集團金融資產及金融負債的賬面值與其各自的公平值相若。

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6. REVENUE

Revenue represents the net amounts received and receivable by the Group from the sale of goods and services rendered to outside customers, net of discounts, returns and sales related taxes are as follows:

6. 收益

收益指本集團向外來客戶銷售貨品及提供服務所收取及應收之淨值(經扣減折扣、退貨及銷售相關稅項後)，分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Continuing operations	持續經營業務		
Digital cable television business	有線數位電視業務	11,112	17,586
Wireless digital television value-added services	無線數位電視增值服務	—	61,547
Wireless digital audio integrated circuits	無線數位音頻芯片	—	2,085
Securities brokerage business	證券經紀業務	9,135	—
		20,247	81,218
Representing:	其中：		
— Continuing operations	— 持續經營業務	20,247	81,218
		20,247	81,218

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7. OTHER INCOME

7. 其他收入

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Bank interest income	銀行利息收入	36	26
Reversal of provision on trade receivables	應收賬款撥備撥回	550	—
Reversal of provision on deposits, prepayments and other receivables	按金、預付款項及 其他應收款項撥備撥回	—	563
Reversal of over-provision on costs of sales	銷售成本超額撥備撥回	—	7,741
Net gain on settlement with a customer	與一名客戶結算之收益淨額	—	21,765
Rental income	租金收入	226	102
Fair value gain on financial derivatives	金融衍生工具之公平值收益	—	5,451
Waiver of other payables	獲豁免其他應付款項	—	25,052
Waiver of trade payables	獲豁免應付賬款	1,182	—
Sundry income	雜項收入	404	2,579
		2,398	63,279
Representing:	其中：		
— Continuing operations	— 持續經營業務	2,392	38,227
— Discontinued operations (note 14)	— 已終止經營業務(附註14)	6	25,052
		2,398	63,279

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8. SEGMENT INFORMATION

The Group has four reportable segments as follows:

- Digital cable television business
- Wireless digital television value-added services
- Wireless digital audio integrated circuits
- Securities brokerage business

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies.

The accounting policies of the operating segments are the same as those described in note 3 to the consolidated financial statements. No operating segments have been aggregated in arriving at the reportable segments of the Group.

8. 分部資料

本集團擁有四個可報告分部，如下：

- 有線數位電視業務
- 無線數位電視增值服務
- 無線數位音頻芯片
- 證券經紀業務

本集團之可報告分部為戰略業務單元，提供不同的產品及服務。其被分開管理是由於業務需要不同的技術及市場營銷策略。

經營分部之會計政策與綜合財務報表附註3所述相同。並無經營分部獲併入本集團之可報告分部。

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8. SEGMENT INFORMATION (continued)

Information about reportable segment profit or loss, assets and liabilities:

8. 分部資料(續)

有關可報告分部溢利或虧損、資產及負債之資料：

		Digital cable television business 有線數位電視業務 HK\$'000 千港元	Wireless digital television value-added services 無線數位電視增值服務 HK\$'000 千港元	Wireless digital audio integrated circuits 無線數位音頻芯片 HK\$'000 千港元	Securities brokerage business 證券經紀業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度					
Revenue from external customers	來自外來客戶之收益	11,112	—	—	9,135	20,247
Segment (loss)/profit	分部(虧損)/溢利	(6,441)	(2,001)	(432)	3,340	(5,534)
Depreciation and amortisation	折舊及攤銷	2,614	21	52	8	2,695
Capital expenditure	資本開支	1,494	—	—	13	1,507
As at 31 December 2017	於二零一七年十二月三十一日					
Reportable segment assets	可報告分部之資產	44,691	891	1,418	244,172	291,172
Reportable segment liabilities	可報告分部之負債	(30,690)	(9,552)	(12,851)	(208,003)	(261,096)
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度					
Revenue from external customers	來自外來客戶之收益	17,586	61,547	2,085	—	81,218
Segment profit/(loss)	分部溢利/(虧損)	3,643	63,692	(4,114)	—	63,221
Depreciation and amortisation	折舊及攤銷	2,521	96	804	—	3,421
Capital expenditure	資本開支	3	—	9	—	12
As at 31 December 2016	於二零一六年十二月三十一日					
Reportable segment assets	可報告分部之資產	113,064	667	1,644	—	115,375
Reportable segment liabilities	可報告分部之負債	(39,914)	(7,544)	(12,471)	—	(59,929)

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8. SEGMENT INFORMATION (continued)

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities:

8. 分部資料(續)

可報告分部收益、溢利或虧損、資產及負債之對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益		
Total revenue of reportable segments	可報告分部之總收益	20,247	81,218
Elimination of discontinued operations	已終止經營業務之對銷	—	—
Consolidated revenue	綜合收益	20,247	81,218
Profit or loss	溢利或虧損		
Total profit or loss of reportable segments	可報告分部之損益總額	(5,534)	63,221
Unallocated income	未分配收入	36	7,182
Loss on deconsolidation of a subsidiary	取消綜合入賬一間附屬公司之虧損	—	(65,403)
Impairment losses on goodwill	商譽減值虧損	—	(11,563)
Impairment losses on intangible assets	無形資產減值虧損	(3,277)	(16,477)
Impairment losses on inventories	存貨減值虧損	—	(3,243)
Impairment losses on trade receivables	應收賬款減值虧損	—	(692)
Impairment losses on prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值虧損	—	(151)
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	(20,090)	(12,571)
Impairment losses on deposits for acquisition on non-current assets	收購非流動資產之按金減值虧損	—	(18,000)
Other unallocated expenses	其他未分配開支	(27,310)	(52,961)
Finance costs	融資成本	(483)	(6,973)
Income tax expenses	所得稅開支	967	59,551
Elimination of discontinued operations	已終止經營業務之對銷	1,487	8,653
Consolidated loss for the year from continuing operations	年內來自持續經營業務之綜合虧損	(54,204)	(49,427)
Assets	資產		
Total assets of reportable segments	可報告分部之總資產	291,172	115,375
Unallocated assets	未分配資產	349,480	362,765
Consolidated total assets	綜合總資產	640,652	478,140
Liabilities	負債		
Total liabilities of reportable segments	可報告分部之總負債	261,096	59,929
Unallocated liabilities	未分配負債	50,614	40,817
Consolidated total liabilities	綜合總負債	311,710	100,746

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8. SEGMENT INFORMATION (continued)

8. 分部資料(續)

Geographical information:

地域資料：

		Revenue		Non-current assets	
		收益		非流動資產	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Continuing operations	持續經營業務				
PRC	中國	11,112	79,132	597	28,450
Hong Kong	香港	9,135	2,086	30,409	19,300
Consolidated total	綜合總計	20,247	81,218	31,006	47,750

In presenting the geographical information, revenue is based on the locations of the customers.

於呈列地域資料時，收益乃基於客戶之所在地。

Revenue from major customers:

來自於主要客戶之收益：

Revenue from customers of the corresponding periods individually contributing over 10% of the total revenue of the Group are as follows:

於相關期間內，來自個別客戶之收益貢獻(佔本集團總收益超過10%)詳情如下：

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Customer A	Wireless digital television value-added services	—	61,547
客戶甲	無線數位電視增值服務		
Customer B	Securities brokerage business	7,273	—
客戶乙	證券經紀業務		

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9. IMPAIRMENT ON VARIOUS ASSETS

9. 多項資產減值

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Impairment losses on goodwill	商譽減值虧損	—	11,563
Impairment losses on inventories	存貨減值虧損	—	3,243
Impairment losses on trade receivables	應收賬款減值虧損	—	692
Impairment losses on prepayments, deposits and other receivables	預付款項、按金及其他應收款項減值虧損	—	151
Impairment losses on intangible assets	無形資產減值虧損	3,277	16,477
Impairment losses on property, plant and equipment	物業、廠房及設備減值虧損	20,090	32,817
Impairment losses on deposits for acquisition on non-current assets	收購非流動資產之按金減值虧損	—	18,000
		23,367	82,943
Representing:	代表：		
— Continuing operations	— 持續經營業務	23,367	62,697
— Discontinued operations (note 14)	— 已終止經營業務(附註14)	—	20,246
		23,367	82,943

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10. FINANCE COSTS

10. 融資成本

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Interest on other loans	其他貸款利息	483	1,356
Interest on redeemable bonds	可贖回債券之利息	—	739
Interest on convertible bonds	可換股債券之利息	—	4,878
		483	6,973
Representing:	其中：		
— Continuing operations	— 持續經營業務	483	6,973
		483	6,973

11. INCOME TAX CREDIT

11. 所得稅抵免

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current — the PRC	即期 — 中國		
— Charge for the year	— 本年度稅項	162	58
— Over-provision in prior years	— 過往年度超額撥備	—	(55,488)
— Deferred tax (note 33)	— 遞延稅項(附註33)	(1,129)	(4,121)
		(967)	(59,551)
Representing:	其中：		
— Continuing operations	— 持續經營業務	(967)	(59,551)

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11. INCOME TAX CREDIT (continued)

Hong Kong Profits Tax has been provided at a rate of 16.5% on the estimated assessable profit for the year ended 31 December 2017.

No provision for Hong Kong Profits Tax has been made for the years ended 2016 as the Group did not generate any assessable profits arising in Hong Kong during that year.

PRC corporate income tax is calculated at a standard rate of 25% (2016: 25%) on the estimated assessable profits arising from its operation in the PRC.

The reconciliation between the income tax credit from continuing and discontinued operations and the product of loss before tax multiplied by the PRC enterprise income tax rate is as follows:

11. 所得稅抵免 (續)

截至二零一七年十二月三十一日止年度，香港利得稅按稅率 16.5% 計提估計應課稅溢利。

由於本集團於截至二零一六年止年度並無於香港產生任何應課稅溢利，故該年內並未就香港利得稅計提撥備。

於中國經營之業務產生之估計應課稅利潤之中國企業所得稅標準稅率為 25% (二零一六年：25%)。

來自持續及已終止經營業務的所得稅抵免與除稅前虧損乘中國企業所得稅稅率之乘積對賬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss before tax	除稅前虧損	(56,658)	(117,631)
Tax calculated at the domestic tax rate of 25% (2016: 25%)	按本地之稅率 25% 計算之稅項 (二零一六年：25%)	(14,165)	(29,408)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法管轄地區經營之附屬公司之不同稅率影響	2,052	3,612
Tax effect of income that is not taxable	繳納不同稅率之稅項影響	(155)	(7,447)
Tax effect of expenses that are not deductible	不能扣除開支之稅項影響	9,865	26,063
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	1,436	16,891
Over-provision in prior years	過往年度超額撥備	—	(55,488)
Utilisation of tax losses not recognised previously	動用先前未確認之稅項虧損	—	(13,774)
Income tax credit	所得稅抵免	(967)	(59,551)

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12. LOSS FOR THE YEAR

The Group's loss for the year is arrived at after charging/(crediting):

12. 年內虧損

本集團年內虧損乃經扣除／(計入)下列各項後列賬：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Staff costs including directors' emoluments: 員工成本包括董事酬金：		
— Salaries, bonus and allowances — 薪金、獎金及津貼	15,883	17,804
— Retirement benefits scheme contributions — 退休福利計劃供款	2,173	732
	18,056	18,536
Auditors' remuneration 核數師酬金	798	1,180
Cost of inventories sold 已出售之存貨成本	660	2,036
Depreciation of items of property, plant and equipment 物業、廠房及設備項目之折舊	2,956	3,714
Amortisation of intangible assets 無形資產之攤銷	5,639	6,783
Fair value loss on initial recognition of convertible bonds 初步確認可換股債券之公平值虧損	—	15,000
Operating lease charges 經營租賃費用	4,358	4,638
Research and development expenditure 研發開支	777	4,433

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS

The emoluments of each director were as follows:

13. 董事及五名最高薪個人之酬金

各董事之酬金載列如下：

	Notes	Fees	Salaries, allowances and other benefits	Retirement benefits scheme contributions	Total emoluments
	附註	袍金	薪金、津貼及其他利益	退休福利計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended					
31 December 2017					
Executive directors:	執行董事：				
Tan Sri Dato' Lim Tong Yong	丹斯里拿督林東洋*	(i)	1,040	—	1,040
Mr. Chen Rongbin	陳榮斌先生	(ii)	1,950	600	2,568
Mr. Gao Yang	高揚先生		883	—	891
Mr. Yuan Gonglin (appointed on 3 July 2017)	袁公林先生 (於二零一七年七月三日獲委任)		538	35	580
Mr. Qiu Bin (retired on 2 June 2017)	仇斌先生 (於二零一七年六月二日退任)		405	—	413
Mr. Hu Qixian (resigned on 26 June 2017)	胡其賢先生 (於二零一七年六月二十六日辭任)		846	—	846
Mr. Chen Xi (retired on 2 June 2017)	陳希先生 (於二零一七年六月二日退任)		405	—	405
Independent non-executive directors:	獨立非執行董事：				
Mr. Wong Chi Keung (resigned on 19 September 2017)	黃之強先生 (於二零一七年九月十九日辭任)		104	—	104
Ms. Chen Yan (resigned on 26 April 2017)	陳焯女士 (於二零一七年四月二十六日辭任)		40	—	40
Mr. Xu Haiou	許海鷗*先生		130	—	130
Mr. Chau Sen Chung	周晨仲先生		130	—	130
			6,471	635	7,147

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

13. 董事及五名最高薪個人之酬金 (續)

Year ended	Notes	Fees	Salaries, allowances and other benefits	Retirement benefits scheme contributions	Total emoluments
31 December 2016	附註	袍金	薪金、津貼及其他利益	退休福利計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended					
31 December 2016					
Executive directors:	執行董事：				
Tan Sri Dato' Lim Tong Yong (appointed on 17 February 2016)	丹斯里拿督林東洋* (於二零一六年二月十七日獲委任)	(i) 906	—	—	906
Mr. Chen Rongbin (appointed on 21 July 2016)	陳榮斌先生 (於二零一六年七月二十一日獲委任)	(ii) 870	100	9	979
Mr. Gao Yang	高揚先生	1,087	—	—	1,087
Mr. Qiu Bin	仇斌先生	832	—	18	850
Mr. Hu Qixian (appointed on 1 June 2016)	胡其賢先生 (於二零一六年六月一日獲委任)	607	169	—	776
Mr. Chen Xi (appointed on 1 June 2016)	陳希先生 (於二零一六年六月一日獲委任)	607	—	—	607
Mr. Tan Xiangdong (appointed on 1 June 2016 and resigned on 24 June 2016)	譚向東先生 (於二零一六年六月一日獲委任並於二零一六年六月二十四日辭任)	144	—	—	144
Mr. Yu Bun (retired on 31 May 2016)	俞斌先生 (於二零一六年五月三十一日退任)	436	—	9	445
Mr. Xiao Yan (retired on 31 May 2016)	肖彥先生 (於二零一六年五月三十一日退任)	378	—	—	378
Mr. Li Nan (retired on 31 May 2016)	李楠先生 (於二零一六年五月三十一日退任)	379	—	—	379
Mr. Li Tao (retired on 31 May 2016)	李濤先生 (於二零一六年五月三十一日退任)	387	—	8	395
Non-executive director:	非執行董事：				
Mr. Wang Kun (resigned on 15 December 2016)	王坤先生 (於二零一六年十二月十五日辭任)	—	—	—	—

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

13. 董事及五名最高薪個人之酬金 (續)

	Notes	Fees	Salaries, allowances and other benefits	Retirement benefits scheme contributions	Total emoluments
	附註	袍金	薪金、津貼及其他利益	退休福利計劃供款	總薪酬
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Independent non-executive directors:	獨立非執行董事：				
Mr. Wong Chi Keung (appointed on 17 October 2016)	黃之強先生 (於二零一六年十月十七日獲委任)	32	—	—	32
Ms. Chen Yan (appointed on 15 June 2016)	陳焯女士 (於二零一六年六月十五日獲委任)	71	—	—	71
Mr. Xu Haiou (appointed on 15 June 2016)	許海鷗*先生 (於二零一六年六月十五日獲委任)	71	—	—	71
Mr. Chau Sen Chung (appointed on 31 August 2016)	周晨仲先生 (於二零一六年八月三十一日獲委任)	44	—	—	44
Mr. Chan Fong Kong Francis (appointed on 1 June 2016 and resigned on 31 August 2016)	陳方剛先生 (於二零一六年六月一日獲委任並於二零一六年八月三十一日辭任)	30	—	—	30
Mr. Leung Wo Ping (resigned on 20 June 2016)	梁和平先生 (於二零一六年六月二十日辭任)	68	—	—	68
Mr. Hu Dingdong (resigned on 20 June 2016)	胡定東先生 (於二零一六年六月二十日辭任)	57	—	—	57
Mr. Lei Yong (resigned on 8 June 2016)	雷勇先生 (於二零一六年六月八日辭任)	53	—	—	53
Mr. Chiu Chi Kong (resigned on 8 June 2016)	趙志剛先生 (於二零一六年六月八日辭任)	88	—	5	93
		7,147	269	49	7,465

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (continued)

Notes

- (i) Tan Sri Dato' Lim Tong Yong was appointed as an executive director and the chairman of the Board with effect from 17 February 2016.
- (ii) Mr. Chen Rongbin was appointed as an executive director, a vice chairman and the chief executive officer of the Company with effect from 21 July 2016.

There was no arrangement under which a director waived or agreed to waive any emoluments during the years ended 31 December 2017 and 2016.

The five highest paid individuals in the Group during the year included four (2016: four) directors whose emoluments are reflected in the analysis presented above. The emoluments of the remaining one (2016: one) individuals are set out below:

13. 董事及五名最高薪個人之酬金(續)

附註

- (i) 丹斯里拿督林東洋*於二零一六年二月十七日獲委任為執行董事及董事會主席。
- (ii) 陳榮斌先生於二零一六年七月二十一日獲委任為本公司執行董事、副主席及行政總裁。

截至二零一七年及二零一六年十二月三十一日止年度，概無任何董事放棄或同意放棄任何酬金之安排。

年內，本集團五名最高薪人士包括四名(二零一六年：四名)董事，彼等之薪酬詳情已於上文呈列。餘下一名(二零一六年：一名)人士之薪酬如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Salaries, allowances and other benefits in kind	薪金、津貼及實物利益	617	1,082
Contributions to pension scheme	退休福利計劃供款	11	9
		628	1,091

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13. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS *(continued)*

13. 董事及五名最高薪個人之酬金 (續)

The emoluments fell within the following bands:

薪金介乎以下範圍之人數如下：

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
Nil to HK\$1,000,000	0港元 — 1,000,000港元	1	—
HK\$1,000,001 — HK\$1,500,000	1,000,001港元 — 1,500,000港元	—	1
		1	1

During the years ended 31 December 2017 and 2016, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

截至二零一七年及二零一六年十二月三十一日止年度，本集團概無向董事或最高薪人士支付酬金，作為吸引彼等加盟或作為彼等加盟本集團後之獎勵或離職補償。

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14. DISCONTINUED OPERATIONS

The Group's discontinued operations for the year ended 31 December 2017 and 2016 represented the investment in mining business operated by Zhong Kuang Jing Zi Investment Co., Limited (the "Zhong Kuang Jing Zi").

- (a) During the year ended 31 December 2015, the directors intended to dispose of the Group's interests in Zhong Kuang Jing Zi. Negotiations with several interested parties had been taken place during the year ended 31 December 2016 and 2017.

The Disposal of Zhong Kuang Jing Zi was planned during year ended 31 December 2015. Up to the date of approval of these consolidated financial statements, the disposal was not yet completed. The results of Zhong Kuang Jing Zi under the business segment of investment in mining business in Lijiang has been presented as discontinued operation during the years ended 31 December 2017 and 2016, and Zhong Kuang Jing Zi was classified as asset/(liabilities) of disposal group held for sale on the consolidated statement of financial position.

14. 已終止經營業務

本集團截至二零一七年及二零一六年十二月三十一日止年度之已終止經營業務為由中礦京資投資有限公司(「中礦京資」)經營的礦業業務投資。

- (a) 截至二零一五年十二月三十一日止年度，董事擬出售本集團於中礦京資之權益，並已於截至二零一六年及二零一七年十二月三十一日止年度與多名有意方進行磋商。

於截至二零一五年十二月三十一日止年度已計劃出售中礦京資。截至該等綜合財務報表批准日期，出售事項尚未完成。中礦京資在麗江採礦投資業務分部下之業績於截至二零一七年及二零一六年十二月三十一日止年度已呈列為已終止經營業務，且中礦京資已於綜合財務狀況表中被分類為持作出售之出售集團資產／(負債)。

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14. DISCONTINUED OPERATIONS (continued)

- (b) The loss for the year from discontinued operations is analysed as follows:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss of discontinued operations 已終止經營業務之虧損	(1,487)	(8,653)

The results of the discontinued operations for the year which have been included in consolidated profit or loss, are as follows:

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other income 其他收入	6	25,052
Administrative expenses 行政開支	(1,303)	(12,893)
Impairment loss on various assets 各種資產減值虧損	—	(20,246)
Share of loss of an associate 分佔一間聯營公司虧損	(190)	(566)
Loss from operations 經營虧損	(1,487)	(8,653)
Finance costs 融資成本	—	—
Loss before tax 除稅前虧損	(1,487)	(8,653)
Income tax expense 所得稅開支	—	—
Loss for the year from discontinued operation 年內已終止經營業務虧損	(1,487)	(8,653)

During the year, the discontinued operation used approximately HK\$9,000 (2016: used approximately HK\$726,000) in respect of operating activities, received approximately HK\$nil (2016: received approximately HK\$nil) in respect of investing activities and paid HK\$nil (2016: HK\$nil) in respect of financing activities.

No tax charge or credit arose on loss on disposal of the discontinued operation.

14. 已終止經營業務(續)

- (b) 年內已終止經營業務虧損之分析如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss of discontinued operations 已終止經營業務之虧損	(1,487)	(8,653)

年內已終止經營業務之業績(已載入綜合損益中)如下：

	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Other income 其他收入	6	25,052
Administrative expenses 行政開支	(1,303)	(12,893)
Impairment loss on various assets 各種資產減值虧損	—	(20,246)
Share of loss of an associate 分佔一間聯營公司虧損	(190)	(566)
Loss from operations 經營虧損	(1,487)	(8,653)
Finance costs 融資成本	—	—
Loss before tax 除稅前虧損	(1,487)	(8,653)
Income tax expense 所得稅開支	—	—
Loss for the year from discontinued operation 年內已終止經營業務虧損	(1,487)	(8,653)

年內，已終止經營業務就經營活動所用約9,000港元(二零一六年：所用約726,000港元)，就投資活動收取約零港元(二零一六年：收取約零港元)及就融資活動支付零港元(二零一六年：零港元)。

出售已終止經營業務之虧損並無產生任何稅項開支或抵免。

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15. DIVIDEND

The Directors do not recommend the payment of any dividend for each of the years ended 31 December 2017 and 2016.

15. 股息

董事會不建議派發截至二零一七年及二零一六年十二月三十一日止各年度之任何股息。

16. LOSS PER SHARE (HK CENTS)

(a) From continuing and discontinued operations

Basic loss per share (HK cents)

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of HK\$54,962,000 (2016: HK\$53,840,000) and the weighted average number of 8,304,538,000 (2016: 7,721,537,000) ordinary shares in issue during the year.

Diluted loss per share (HK cents)

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during the year ended 31 December 2017.

The computation of diluted loss per share for the year ended 31 December 2016 is the same as the basic loss per share as the impact of the convertible bonds outstanding had an anti-dilutive effect.

16. 每股虧損(港仙)

(a) 來自持續及已終止經營業務

每股基本虧損(港仙)

本公司擁有人應佔每股基本虧損是根據本公司擁有人於年內應佔虧損54,962,000港元(二零一六年: 53,840,000港元)及年內已發行普通股加權平均數8,304,538,000股(二零一六年: 7,721,537,000股)計算。

每股攤薄虧損(港仙)

由於截至二零一七年十二月三十一日止年度本公司並無任何攤薄潛在普通股，故並無呈列每股攤薄虧損。

由於尚未轉換可換股債券具反攤薄影響，故計算截至二零一六年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同。

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16. LOSS PER SHARE (continued)

(b) From continuing operations

Basic loss per share (HK cents)

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of HK\$54,204,000 (2016: HK\$49,427,000) and the weighted average number of 8,304,538,000 (2016: 7,721,537,000) ordinary shares in issue during the year.

Diluted loss per share (HK cents)

No diluted loss per share are presented as the Company did not have any dilutive potential ordinary shares during the year ended 31 December 2017.

The computation of diluted loss per share for the year ended 31 December 2016 is the same as the basic loss per share as the impact of the convertible bonds outstanding had an anti-dilutive effect.

16. 每股虧損 (續)

(b) 來自持續經營業務

每股基本虧損 (港仙)

本公司擁有人應佔每股基本虧損是根據本公司擁有人於年內應佔虧損54,204,000港元(二零一六年: 49,427,000港元)及年內已發行普通股加權平均數8,304,538,000股(二零一六年: 7,721,537,000股)計算。

每股攤薄虧損 (港仙)

由於截至二零一七年十二月三十一日止年度本公司並無任何攤薄潛在普通股，故並無呈列每股攤薄虧損。

由於尚未轉換可換股債券具反攤薄影響，故計算截至二零一六年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同。

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16. LOSS PER SHARE (continued)

16. 每股虧損 (續)

(c) From discontinued operation

(c) 來自已終止經營業務

Basic loss per share (HK cents)

每股基本虧損 (港仙)

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of HK\$758,000 (2016: HK\$4,413,000) and the weighted average number of 8,304,538,000 (2016: 7,721,537,000) ordinary shares in issue during the year.

本公司擁有人應佔每股基本虧損是根據本公司擁有人於年內應佔虧損758,000港元(二零一六年: 4,413,000港元)及年內已發行普通股加權平均數8,304,538,000股(二零一六年: 7,721,537,000股)計算。

Diluted loss per share (HK cents)

每股攤薄虧損 (港仙)

No diluted loss per share are presented as the Company did not have any potential ordinary shares during the year ended 31 December 2017.

由於截至二零一七年十二月三十一日止年度本公司並無任何潛在普通股，故並無呈列每股攤薄虧損。

The computation of diluted loss per share for the year ended 31 December 2016 is the same as the basic loss per share as the impact of the convertible bonds outstanding had an anti-dilutive effect.

由於尚未轉換可換股債券具反攤薄影響，故計算截至二零一六年十二月三十一日止年度之每股攤薄虧損與每股基本虧損相同。

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17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Computer equipment	Furniture and fixtures	Leasehold improvements	Motor vehicles	Office equipment	Plant and machinery	Transmission and other network equipment	Construction in progress	Total
		電腦設備 HK\$'000 千港元	傢具及固定裝置 HK\$'000 千港元	租賃物業裝修 HK\$'000 千港元	汽車 HK\$'000 千港元	辦公室設備 HK\$'000 千港元	廠房及機器 HK\$'000 千港元	傳輸及其他網絡設備 HK\$'000 千港元	在建工程 HK\$'000 千港元	總計 HK\$'000 千港元
COST:	成本：									
At 1 January 2016	於二零一六年一月一日	1,040	467	1,066	5,624	1,496	4,016	140,738	19,616	174,063
Additions	添置	—	5	752	—	10	2	2,077	—	2,846
Written off	撇銷	(27)	—	—	—	(7)	—	—	—	(34)
Deconsolidation of a subsidiary	取消綜合入賬一間附屬公司	—	—	—	—	(90)	—	—	—	(90)
Exchange realignment	匯兌調整	(27)	(5)	—	(235)	(69)	(226)	(7,947)	(1,102)	(9,611)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	986	467	1,818	5,389	1,340	3,792	134,868	18,514	167,174
Additions	添置	1	3	—	—	11	—	1,494	—	1,509
Acquisition of a subsidiary	收購一間附屬公司	16	—	—	—	9	—	—	—	25
Written off	撇銷	—	—	—	—	(10)	(455)	—	—	(465)
Exchange realignment	匯兌調整	30	4	—	286	83	274	9,749	1,338	11,764
At 31 December 2017	於二零一七年十二月三十一日	1,033	474	1,818	5,675	1,433	3,611	146,111	19,852	180,007
ACCUMULATED DEPRECIATION AND IMPAIRMENT:	累計折舊及減值：									
At 1 January 2016	於二零一六年一月一日	790	425	1,066	5,226	1,323	1,670	108,381	19,616	138,497
Charge for the year	年度折舊	100	42	146	42	27	810	2,547	—	3,714
Written off	撇銷	(25)	—	—	—	(5)	—	—	—	(30)
Deconsolidation of a subsidiary	取消綜合入賬一間附屬公司	—	—	—	—	(5)	—	—	—	(5)
Impairment loss	減值虧損	—	—	—	—	—	881	11,690	—	12,571
Exchange realignment	匯兌調整	(18)	—	—	(215)	(65)	(170)	(6,274)	(1,102)	(7,844)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	847	467	1,212	5,053	1,275	3,191	116,344	18,514	146,903
Charge for the year	年度折舊	38	—	251	41	14	58	2,554	—	2,956
Written off	撇銷	—	—	—	—	(2)	(392)	—	—	(394)
Impairment loss (note)	減值虧損(附註)	—	—	—	114	24	539	19,413	—	20,090
Exchange realignment	匯兌調整	23	5	—	263	83	215	7,800	1,338	9,727
At 31 December 2017	於二零一七年十二月三十一日	908	472	1,463	5,471	1,394	3,611	146,111	19,852	179,282
CARRYING AMOUNT:	賬面值：									
At 31 December 2017	於二零一七年十二月三十一日	125	2	355	204	39	—	—	—	725
At 31 December 2016	於二零一六年十二月三十一日	139	—	606	336	65	601	18,524	—	20,271

Note: The Group carried out reviews of the recoverable amount of its motor vehicles, office equipment, plant and machinery, transmission and other network equipment for the digital cable television business in 2017. In view of the current market condition and the change in technology, as well as the adverse impact arising from the disputes with the local television station and a supplier as detailed in note 39(a) to the consolidated financial statements, the Group recognised an impairment loss on property, plant and equipment for the digital cable television business of HK\$20,090,000 (2016: HK\$12,571,000) which is expensed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017.

附註：本集團已於二零一七年就有線數位電視業務審閱其汽車、辦公室設備、廠房及機器、傳輸及其他網絡設備的可收回金額。鑒於當前市況及技術變革，以及綜合財務報表附註39(a)所述與當地電視台及供應商發生糾紛帶來的不利影響，本集團就有線數位電視業務確認物業、廠房及設備減值虧損20,090,000港元(二零一六年：12,571,000港元)，已於截至二零一七年十二月三十一日止年度之綜合損益及其他全面收入表中支銷。

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18. GOODWILL

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
COST:	成本：		
Arising on acquisition of a subsidiary and carrying amount at end of the reporting period	收購一間附屬公司及於報告期末的賬面值引起	6,456	—

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

於業務合併中收購之商譽乃於收購時分配至預期將自該業務合併獲益之現金產生單元（「現金產生單元」）。商譽之賬面值已分配如下：

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Securities brokerage business	證券經紀業務	6,456	—

Notes:

The recoverable amount of the cash generating unit in the securities brokerage business has been determined based on value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rate applied to cash flow projections is 21.01%.

The Group management's determined budgeted growth rate and gross profit margin based on past performance and market expectation. Besides the original business sectors, the Group has been investing in its resources in the acquisition of new business and was prepared to enter into new business segments.

No impairment loss related to the Group's securities brokerage business was recognised during the year.

附註：

證券經紀業務之現金產生單元之可收回金額乃以使用價值計算法，根據高級管理層批准之財政預算計算之現金流量預測而釐定，為期五年。用於現金流量預測之折現率為21.01%。

本集團管理層之預算增長率和毛利率乃根據過往表現及市場預期釐定。除原有業務外，本集團已開始投資收購新業務，充分準備開拓新的業務分部。

年內並無就本集團之證券經紀業務確認任何減值虧損。

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19. INTANGIBLE ASSETS

19. 無形資產

		Technology fees for castor business 舊麻業務之技術費用 (note ii) (附註ii) HK\$'000 千港元	Technology fees for digital cable television 有線數位電視之技術費用 (note i) (附註i) HK\$'000 千港元	Development costs 開發成本 HK\$'000 千港元	Patents 專利 (note ii) (附註ii) HK\$'000 千港元	Trading right 交易權 (note iii) (附註iii) HK\$'000 千港元	Securities trading licence 證券交易牌照 (note iv) (附註iv) HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST:	成本：							
At 1 January 2016	於二零一六年一月一日	18,778	80,533	6,310	13,365	—	—	118,986
Written off	撇銷	—	(2,056)	—	—	—	—	(2,056)
Deconsolidation of a subsidiary	取消綜合入賬一間附屬公司	(18,778)	—	—	(13,365)	—	—	(32,143)
Exchange realignment	匯兌調整	—	(2,337)	(354)	—	—	—	(2,691)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	—	76,140	5,956	—	—	—	82,096
Acquisition of a subsidiary	收購一間附屬公司	—	—	—	—	221	5,893	6,114
Exchange realignment	匯兌調整	—	2,690	431	—	—	—	3,121
At 31 December 2017	於二零一七年十二月三十一日	—	78,830	6,387	—	221	5,893	91,331
ACCUMULATED AMORTISATION AND IMPAIRMENT LOSSES:	累計攤銷及減值虧損：							
At 1 January 2016	於二零一六年一月一日	—	48,938	6,310	—	—	—	55,248
Amortisation for the year	年內攤銷	—	6,783	—	—	—	—	6,783
Written off	撇銷	—	(2,056)	—	—	—	—	(2,056)
Impairment loss	減值虧損	—	16,477	—	—	—	—	16,477
Exchange realignment	匯兌調整	—	(2,181)	(354)	—	—	—	(2,535)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	—	67,961	5,956	—	—	—	73,917
Amortisation for the year	年內攤銷	—	4,913	—	—	38	688	5,639
Impairment loss	減值虧損	—	3,277	—	—	—	—	3,277
Exchange realignment	匯兌調整	—	2,679	431	—	—	—	3,110
At 31 December 2017	於二零一七年十二月三十一日	—	78,830	6,387	—	38	688	85,943
CARRYING AMOUNT:	賬面值：							
At 31 December 2017	於二零一七年十二月三十一日	—	—	—	—	183	5,205	5,388
At 31 December 2016	於二零一六年十二月三十一日	—	8,179	—	—	—	—	8,179

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19. INTANGIBLE ASSETS (continued)

Notes

- (i) The Group's intangible assets of technology fees paid for the digital cable television business. The average remaining useful life of the technology fee is 5-18 years. The Group carried out reviews of the recoverable amount of its intangible assets of technology fees paid for the digital cable television business in 2017. In view of the current market condition and the change in technology, as well as the adverse impact arising from the disputes with the local television station and a supplier as detailed in note 39(a) to the consolidated financial statements, the Group recognised an impairment loss on intangible assets of technology fees paid for the digital cable television business of HK\$3,277,000 which is expensed in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017 (2016: HK\$16,477,000).

- (ii) The Group's intangible assets of technology fees paid for the castor business. The average remaining useful life of the technology fee is 5 years. The Group's patents protect the specification of the Group's products in relation to the castor business. The average amortisation period of the patents is 18 years. The Group lost control on the subsidiary which operates the castor products business and the Group has deconsolidated this subsidiary in the consolidated financial statements for the year ended 31 December 2016.

- (iii) The Group's trading rights represent the trading right for dealing in securities and advising on securities in the Stock Exchange.

The trading rights is considered by the management of the Group as having a useful life of 10 years, which will be expired on 12 December 2021.

19. 無形資產 (續)

附註

- (i) 本集團就有線數位電視業務支付無形資產之技術費。技術費之平均餘下可使用年期為5至18年。本集團已於二零一七年審閱就其就有線數位電視業務支付無形資產之技術費之可收回金額。鑒於當前市況及技術變革，以及綜合財務報表附註39(a)所述與當地電視台及供應商發生糾紛帶來的不利影響，本集團就有線數位電視業務支付的技術費確認無形資產減值虧損3,277,000港元(二零一六年：16,477,000港元)，已於截至二零一七年十二月三十一日止年度之綜合損益及其他全面收入表中支銷。

- (ii) 本集團就蓖麻業務支付無形資產之技術費。技術費之平均餘下可使用年期為5年。本集團專利權保障本集團於蓖麻業務之產品規格。專利權之平均攤銷期為18年。本集團失去對從事蓖麻產品業務的附屬公司的控制權，故本集團已於截至二零一六年十二月三十一日止年度的綜合財務報表內終止該附屬公司綜合入賬。

- (iii) 本集團的交易權指有關證券買賣及就聯交所上的證券提供意見的交易權。

本集團管理層認為交易權的使用年期為10年，將於二零二一年十二月十二日屆滿。

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19. INTANGIBLE ASSETS (continued)

Notes (continued)

- (iv) The securities trading licence was acquired in a business combination during the year, details of which are set out in note 37 to the consolidated financial statements. Under the securities brokerage licence, the Group is entitled to carry out Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance. The Type 1 licence carried at cost less accumulated amortisation and impairment losses. The useful life of the Type 1 License is deemed to be the remaining tenor of the existing HKEX Trading Right. The fair value of the license as at date of initial recognition and 31 December 2017 have been arrived at on the basis of a valuation carried out on the acquisition date by DTZ Cushman & Wakefield Limited, an independent qualified professional valuer.

Management assesses impairment of securities brokerage licence annually using the value in use method calculated based on cash flow projections of the business of provision of securities brokerage services to which the intangible asset relates. Based on the impairment assessment, management considers that no impairment loss on the intangible asset is required to be made in the consolidated financial statements.

20. DISPOSAL GROUP HELD FOR SALE

During the year ended 31 December 2015, the directors intended to dispose of one of the Group's mining investment business. Negotiations with several interested parties have been taken place during the year ended 31 December 2016 and 2017. Up to the end of the reporting period, the negotiations were not yet completed. The assets and liabilities attributable to the mining investment business, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position.

19. 無形資產 (續)

附註(續)

- (iv) 證券經紀牌照於年內業務合併時獲得，詳情載於綜合財務報表附註37。根據證券經紀牌照，本集團可進行證券及期貨條例項下第1類(證券交易)受規管活動。第1類牌照按成本值減累計攤銷及減值虧損列賬。第1類牌照的可使用年期被視為現有香港交易所交易權的剩餘期限。該牌照於初步確認日期及二零一七年十二月三十一日的公平值乃基於獨立合資格專業估值師戴德梁行有限公司於收購日期進行的估值而得出。

管理層按使用價值法每年評估證券經紀牌照的減值狀況，基於與無形資產有關的提供證券經紀服務業務的現金流量預測計算。根據減值評估，管理層認為毋須於綜合財務報表就無形資產作出減值虧損。

20. 分類為持作出售之出售集團

截至二零一五年十二月三十一日止年度，董事會擬出售本集團其中一項礦業投資業務。截至二零一六年及二零一七年十二月三十一日止年度已與若干感興趣人士進行多次磋商。截至報告期末，有關磋商仍未完成。屬於礦業投資業務之資產及負債已分類為一個持作出售之出售集團並獨立呈列於綜合財務狀況表，預期將於十二個月內售出。

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20. DISPOSAL GROUP HELD FOR SALE

(continued)

The proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held for sale.

The major classes of assets and liabilities comprising the disposal group classified as held for sale at 31 December 2016 and 31 December 2017 are as follows:

20. 分類為持作出售之出售集團

(續)

出售所得款項預期將超過相關資產及負債之賬面淨值，因此無須為分類該等業務為持作出售而確認任何減值虧損。

資產及負債(包括分類為持作出售之出售集團)於二零一六年十二月三十一日及二零一七年十二月三十一日之主要類別如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	22	26
Interest in an associate	於一間聯營公司之權益	39,444	39,634
Goodwill	商譽	3,760	3,760
Other receivables, deposits and prepayments	其他應收款項、按金 及預付款項	213,010	201,129
Cash and cash equivalents	現金及現金等價物	44	719
Total assets classified as held for sale	分類為持作出售之資產總額	256,280	245,268
Trade and other payables, and total for liabilities associated with assets classified as held for sale	應付賬款及其他應付款項， 以及與分類為持作出售 資產相關之負債總額	(47,393)	(43,650)
Net assets of disposal group	出售集團之資產淨值	208,887	201,618

At 31 December 2017, cumulative income or expense recognised in other comprehensive income relating to the disposal group classified as held for sale amounted to a debit balance of HK\$3,456,000 (2016: credit balance of HK\$828,000).

於二零一七年十二月三十一日，在其他全面收入中確認與分類為持作出售之出售集團相關的累計收入或開支為借方餘額3,456,000港元(二零一六年：貸方餘額828,000港元)。

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21. SUBSIDIARIES

The amounts due from/to subsidiaries are unsecured, interest-free and have no fixed terms of repayment.

A. Particulars of the principal subsidiaries as at 31 December 2017 are as follows:

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營運地點	Issued and paid-up capital 已發行及 繳足股本	Percentage of equity interests attributable to the Company 本公司所持股權 之百分比	Principal activities 主要業務
Directly held:				
直接持有：				
Heng Xin Management Limited	Hong Kong	HK\$1,000,000	100%	Provision for management services
恒芯管理有限公司	香港	1,000,000 港元	100%	提供管理服務
Indirectly held:				
間接持有：				
China Champion Development Limited	Hong Kong	HK\$10,000	100%	Investment holding and trading of electronic parts
中澤發展有限公司	香港	10,000 港元	100%	投資控股及買賣電子零配件
深圳中澤賽恩科技有限公司 (Shenzhen Champion Maxiumic Group Co., Ltd*)	The PRC	RMB200,000,000	100%	Investment holding, digital cable television business, general trading and provision for technical services and related value-added services, technology development and technology consultant
深圳中澤賽恩科技有限公司	中國	人民幣 200,000,000 元	100%	投資控股、有線數位電視業務、一般貿易及提供技術服務及相關增值服務、技術開發及技術顧問

21. 附屬公司

應收／應付附屬公司款項為無抵押、免息且無固定還款期。

A. 主要附屬公司於二零一七年十二月三十一日之詳情如下：

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21. SUBSIDIARIES (continued)

A. Particulars of the principal subsidiaries as at 31 December 2017 are as follows (continued):

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營運地點	Issued and paid-up capital 已發行及 繳足股本	Percentage of equity interests attributable to the Company 本公司所持股權 之百分比	Principal activities 主要業務
Indirectly held: (continued) 間接持有：(續)				
河北中澤信息科技有限公司 (Hebei Champion Maxiumic Technologies Co., Ltd*)	The PRC	RMB10,000,000	100%	Investment holding, digital cable television business, general trading and provision for technical services and related value-added services, technology development and technology consultant
河北中澤信息科技有限公司	中國	人民幣 10,000,000 元	100%	投資控股、有線數位電視業務、一般貿易及提供技術服務及相關增值服務、技術開發及技術顧問
湖州明芯微電子設計有限責任公司 (Huzhou Mingxin Micro-Electronic Co., Ltd*)	The PRC	RMB10,000,000	100%	Research, design, manufacturing and trading of wireless digital audio products and related solutions and services
湖州明芯微電子設計有限責任公司	中國	人民幣 10,000,000 元	100%	研究、設計、製造及買賣無線數位音頻產品及相關解決方案及服務

21. 附屬公司 (續)

A. 主要附屬公司於二零一七年十二月三十一日之詳情如下 (續) :

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21. SUBSIDIARIES (continued)

A. Particulars of the principal subsidiaries as at 31 December 2017 are as follows (continued):

21. 附屬公司 (續)

A. 主要附屬公司於二零一七年十二月三十一日之詳情如下 (續) :

Company name 公司名稱	Place of incorporation/ registration and operation 註冊成立/ 註冊及營運地點	Issued and paid-up capital 已發行及 繳足股本	Percentage of equity interests attributable to the Company 本公司所持股權 之百分比	Principal activities 主要業務
Indirectly held: (continued) 間接持有：(續)				
北京中澤明芯科技有限公司 (Beijing Champion Maxiomic Technology Co., Ltd*)	The PRC	RMB16,550,000	100%	Wireless digital television value-added services, general trading and provision for technical services and related value-added services, technology development and technology consultant
北京中澤明芯科技有限公司	中國	人民幣 16,550,000 元	100%	無線數位電視增值服務、一般貿易及提供技術服務及相關增值服務、技術開發及技術顧問
中礦京資投資有限公司 (Zhong Kuang Jing Zi Investment Co., Ltd*)	The PRC	RMB50,000,000	51%	Project investment, investment management, investment consulting and sale and trading of metal materials and mineral products
中礦京資投資有限公司	中國	人民幣 50,000,000 元	51%	項目投資、投資管理、投資諮詢以及銷售及買賣金屬材料及礦產品

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21. SUBSIDIARIES (continued)

- A. Particulars of the principal subsidiaries as at 31 December 2017 are as follows (continued):

Company name	Place of incorporation/ registration and operation 註冊成立/ 註冊及營運地點	Issued and paid-up capital 已發行及 繳足股本	Percentage of equity interests attributable to the Company 本公司所持股權 之百分比	Principal activities 主要業務
Indirectly held: (continued) 間接持有：(續)				
北京亞澳博視技術有限公司 (Beijing Yao Boshi Technology Limited*)	The PRC	RMB5,000,000	100%	Entrusted to conduct processing of radio and television equipment and communication equipment; technology development, transfer, service, consulting and training of technology products; sale of machinery equipment, electrical appliance equipment and instruments & meters
北京亞澳博視技術有限公司	中國	人民幣5,000,000元	100%	委託加工廣播電視設備、通信設備；科技產品的技術開發、技術轉讓、技術服務、技術諮詢、技術培訓；銷售機械設備、電器設備、儀器儀錶
JTI Securities Limited	Hong Kong	HK\$24,500,000	100%	Securities brokerage business
金唐國際證券有限公司	香港	24,500,000港元	100%	證券經紀業務

* The English names are for identification only

* 英文名稱僅供識別

21. 附屬公司 (續)

- A. 主要附屬公司於二零一七年十二月三十一日之詳情如下(續)：

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21. SUBSIDIARIES (continued)

B. The following table shows information of subsidiaries that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations.

21. 附屬公司 (續)

B. 下表列示對本集團屬重大且擁有非控股股東權益(「非控股股東權益」)之附屬公司資料。所概述之財務資料指公司間抵銷前之金額。

Name	名稱	Zhong Kuang Jing Zi Investment Co., Ltd. 中曠京資投資有限公司	
		2017 二零一七年	2016 二零一六年
Principal place of business and country of incorporation	主要營業地點及 註冊成立國家	the PRC 中國	
% of ownership interests and voting rights held by NCI	非控股股東權益 持有之所有權權益 及投票權百分比	49%	49%
		HK\$'000 千港元	HK\$'000 千港元
At 31 December:	於十二月三十一日：		
Non-current assets	非流動資產	43,226	43,420
Current assets	流動資產	213,054	201,847
Current liabilities	流動負債	(227,898)	(223,938)
Net assets	資產淨值	28,382	21,329
Accumulated NCI	累計非控股股東權益	13,907	10,451
Year ended 31 December:	截至十二月三十一日止年度：		
Revenue	收益	—	—
Loss for the year	年內虧損	(1,487)	(8,653)
Total comprehensive profit/(loss) for the year	年內全面溢利/(虧損)總額	7,053	(7,545)
Profit/(loss) allocated to NCI	分配予非控股股東權益 之溢利/(虧損)	(729)	(4,240)
Net cash used in operation activities	經營活動所用現金淨額	(9,220)	(726)
Net cash used in investing activities	投資活動所用現金淨額	—	—
Net cash generated from financing activities	融資活動產生現金淨額	—	—
Net decrease in cash and cash equivalents	現金及現金等價物 減少淨額	(9,220)	(726)

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21. SUBSIDIARIES (continued)

- C. As at 31 December 2017, the bank and cash balances of the Group' subsidiaries in the PRC denominated in Renminbi ("RMB") amounted to HK\$8,300,000 (2016: HK\$14,700,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

21. 附屬公司 (續)

- C. 於二零一七年十二月三十一日，本集團中國附屬公司以人民幣(「人民幣」)計值之銀行及現金結餘為8,300,000港元(二零一六年：14,700,000港元)。兌換人民幣為外幣須遵守中國外匯管制法規。

22. OTHER ASSETS

22. 其他資產

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Mainland security deposit	內地擔保存款	287	—
Hong Kong Securities Clearing Limited	香港中央結算有限公司		
— Compensation fund	— 賠償基金	50	—
Hong Kong Securities Clearing Limited	香港中央結算有限公司		
— Fidelity fund	— 互保基金	50	—
Hong Kong Securities Clearing Limited	香港中央結算有限公司		
— Admission fee	— 入場費	50	—
		437	—

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23. OTHER INVESTMENT

23. 其他投資

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets:	非流動資產：		
Unlisted equity securities, at cost	非上市股本證券，按成本	61,750	61,750

On 1 February 2016, the Group entered into a sale and purchase agreement with World Dragon Enterprise Limited (“World Dragon”), an independent third party, pursuant to which, World Dragon has conditionally agreed to sell, and the Group has conditionally agreed to acquire 9.5% shareholding interest of the entire issued share capital of Million Fortune International Investment Limited (“Million Fortune”) at a consideration of HK\$61,750,000 (“Acquisition of Million Fortune”). Million Fortune indirectly holds 90% equity interest in 中航國金商品交易中心(青島)有限公司 (formerly known as 青島國金貴金屬交易中心有限公司), a company incorporated in the PRC which headquartered in Qingdao, Shandong Province, the PRC and is primarily engaged in the provision of online platform for trading and deferred spot delivery services of precious metals mainly being silver and copper, and other associated services including transaction settlement management, commodity delivery management and related consulting services to customers nationwide in the PRC. The Acquisition of Million Fortune was completed on 19 February 2016.

Unlisted equity securities with carrying amount of HK\$61,750,000 was carried at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

於二零一六年二月一日，本集團與獨立第三方World Dragon Enterprise Limited (「World Dragon」) 訂立買賣協議，據此，World Dragon 已有條件同意出售而本集團已有條件同意收購Million Fortune International Investment Limited (「Million Fortune」) 全部已發行股本中9.5%股權，代價為61,750,000港元(「Million Fortune 收購事項」)。Million Fortune 間接持有中航國金商品交易中心(青島)有限公司(前稱為青島國金貴金屬交易中心股份有限公司)之90%股本權益，該公司為一家於中國註冊成立之公司，其總部設於中國山東省青島，主要從事為中國國內顧客提供貴金屬(主要為銀及銅)貿易網上平台及現貨延期交收服務以及其他相關服務(包括交易結付管理、商品交付管理及相關諮詢服務)。Million Fortune 收購事項已於二零一六年二月十九日完成。

賬面值為61,750,000港元之非上市股本證券乃按成本值列賬，因為該等證券並無活躍市場報價及其公平值不能可靠地計量。

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24. DEPOSITS FOR ACQUISITION OF NON-CURRENT ASSETS

24. 收購非流動資產之按金

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Deposits for acquisition of subsidiaries:	收購附屬公司之按金：		
– Daqing AORUI Bioenergy Co., Ltd (note i)	— 大慶澳瑞生物能源有限公司 (附註i)	18,000	18,000
– JTI Securities Limited (note ii)	— 金唐國際證券有限公司 (附註ii)	—	1,300
		18,000	19,300

Notes:

- (i) On 1 December 2015, the Group has entered into a non-legally binding memorandum of understanding (“MOU”) with Mr. Qu Yong Bo (the “Vendor”) to purchase 100% equity interest in Daqing AORUI Bioenergy Co., Ltd, a company incorporated in the PRC, at an intended consideration of RMB600,000,000. Pursuant to the terms of the MOU, the Group had paid a refundable deposit of HK\$36,000,000 (equivalent to RMB30,000,000) in cash to the vendor upon signing of the MOU. If the formal agreement has been entered into between the Company and the vendor, the deposit, without interest, shall be applied as partial payment of the consideration for the possible acquisition in accordance with the terms of the formal agreement.

As disclosed in the Company’s announcement dated 31 May 2016, after taking into consideration of, among other factors, the preliminary results of the due diligence review, the directors decided not to proceed with the possible acquisition and accordingly, the Company served a written notification to the Vendor on 31 May 2016 informing the Vendor of its decision not to proceed with the possible acquisition. Pursuant to the terms of the MOU, the Vendor shall, within seven days from the date of the termination of the MOU, refund the deposit to the Company. Interest on the deposit shall accrue at the rate of 1.5% per month calculated on the actual number of days elapsed from the date of termination of the MOU if the Vendor is unable to refund the deposit in accordance with the terms of the MOU within seven days from the date of the termination. As at the date of this report, the Vendor has not yet refunded the deposit to the Company.

Consider the recoverability of the deposit paid is remote, impairment loss of HK\$18,000,000 was recognised during the year ended 31 December 2016. Management has initiated legal action to recover the remaining balance of HK\$18,000,000.

附註：

- (i) 於二零一五年十二月一日，本集團與曲勇波先生（「賣方」）訂立不具法律約束力之諒解備忘錄（「諒解備忘錄」），擬定代價為人民幣600,000,000元以收購一間於中國註冊成立之公司大慶澳瑞生物能源有限公司之100%股本權益。根據諒解備忘錄之條款，本集團將於簽訂諒解備忘錄後以現金向賣方支付36,000,000港元（相當於人民幣30,000,000元）之可退回按金。倘本公司已與賣方訂立正式協議，則按金（不計利息）將用作根據正式協議條款支付可能收購事項之部份代價。

如本公司日期為二零一六年五月三十一日之公告所披露，考慮到（其中包括）相關盡職審查之初步結果，董事決定不進行可能收購事項，故此，本公司於二零一六年五月三十一日向賣方發出書面通知，告知賣方有關其不進行可能收購事項之決定。根據諒解備忘錄之條款，賣方須於終止諒解備忘錄日期起七日內退還按金予本公司。倘賣方未能根據諒解備忘錄之條款於終止日期起七日內退還按金，按金利息將以諒解備忘錄失效之實際日數，按月息1.5%計算。截至本報告日期，賣方尚未退還按金予本公司。

考慮到已付按金之可收回性甚微，故已於截至二零一六年十二月三十一日止年度確認18,000,000港元之減值虧損。管理層已就收回餘下結餘18,000,000港元採取法律行動。

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24. DEPOSITS FOR ACQUISITION OF NON-CURRENT ASSETS *(continued)*

24. 收購非流動資產之按金 *(續)*

Notes: *(continued)*

附註：(續)

- (ii) On 7 June 2016, the Group has entered into a sale and purchase agreement to acquire 100% equity interest in JTI Securities Limited, a company incorporated in Hong Kong which is principally engaged in securities brokerage business and is a licensed corporation under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) regulated activities and is a China Connect Exchange Participant and a Hong Kong Stock Exchange Participant. The consideration for the acquisition will be determined with reference to the net asset value of JTI Securities Limited as at the date as specified in the sale and purchase agreement plus an agreed premium of HK\$13,000,000. Having regard to the net asset value of the JTI Securities Limited as at 31 March 2016, it is expected that the final consideration shall not exceed HK\$25,000,000. Pursuant to the terms of the sale and purchase agreement, the Group had paid a refundable deposit of HK\$1,300,000 in cash to the vendor upon signing of the sale and purchase agreement.

The acquisition was completed on 23 March 2017 at a consideration of HK\$22,800,000.

- (ii) 於二零一六年六月七日，本集團訂立買賣協議，收購一間於香港註冊成立之公司金唐國際證券有限公司之100%股本權益。該公司主要從事證券經紀業務，為一間根據證券及期貨條例從事第一類(證券交易)受規管活動之持牌法團，以及中華通交易所參與者及香港聯交所參與者。收購事項之代價將參考金唐國際證券有限公司截至買賣協議所指明日期之資產淨值，加上協定的溢價13,000,000港元釐定。經考慮金唐國際證券有限公司於二零一六年三月三十一日之資產淨值，最終代價預期不會超過25,000,000港元。根據買賣協議條款，本集團已於簽署買賣協議後向賣方支付可退還現金按金1,300,000港元。

收購事項已於二零一七年三月二十三日完成，代價為22,800,000港元。

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25. TRADE RECEIVABLES

25. 應收賬款

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Trade receivables	應收賬款	394,457	337,130
Less: allowance for doubtful debts	減：呆賬撥備	(319,047)	(301,229)
		75,410	35,901

The settlement terms of accounts receivable attributable to dealing in securities are one or two days after trade date, and those of accounts receivable attributable to dealing in futures are one day after the trade date. All accounts receivable from cash clients are not past due at the reporting dates for which the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are considered fully recoverable.

Accounts receivable from clearing houses, brokers, dealers and corporate finance clients are current.

The Group's trading terms with other customers are mainly on credit. The credit terms generally range from 30 to 180 days.

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

因買賣證券而產生的應收賬款的結算期限為交易日後一或兩日，因買賣期貨而產生的應收賬款結算期限為交易日後一日。於報告日期，應收現金客戶的所有應收賬款均未逾期，管理層認為，由於信貸質素並無重大轉變，而結餘被認為可以全數收回，毋須就該等結餘作出減值撥備。

應收結算所、經紀人、經銷商及企業融資客戶的應收賬款為即期款項。

本集團與其他客戶之貿易條款以信貸為主。信貸期一般為三十日至一百八十日。

應收賬款按發票日期經扣除撥備後之賬齡分析如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 90 days	零至九十日	39,081	820
91 days to 180 days	九十一日至一百八十日	—	—
181 days to 365 days	一百八十一日至三百六十五日	617	—
Over 1 year	一年以上	35,712	35,081
		75,410	35,901

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25. TRADE RECEIVABLES (continued)

Reconciliation of allowance for trade receivables:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	301,229	315,324
Allowance for the year	年度撥備	—	692
Reversal of provision	撥備撥回	(550)	—
Exchange differences	匯兌差額	18,368	(14,787)
		319,047	301,229

The aging of trade receivables which are past due but not impaired are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Over 1 year overdue	逾期一年以上	35,712	35,081

Receivables that were past due but not impaired related to a number of independent customers that have a good track record maintained with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

25. 應收賬款 (續)

應收賬款撥備之對賬：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
At 1 January	於一月一日	301,229	315,324
Allowance for the year	年度撥備	—	692
Reversal of provision	撥備撥回	(550)	—
Exchange differences	匯兌差額	18,368	(14,787)
		319,047	301,229

逾期但並未減值之應收賬款賬齡如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Over 1 year overdue	逾期一年以上	35,712	35,081

逾期但並未減值之應收款項與本集團存有良好交易記錄之多名獨立客戶有關。根據過往經驗，本公司董事認為毋須就該等結餘作出減值撥備，因該等客戶之信貸質素並無重大轉變，而結餘依然被認為可以全數收回。本集團並無就該等結餘持有任何抵押品或其他改善信貸項目。

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26. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

26. 預付款項、按金及其他應收款項

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Advance to suppliers	向供應商墊款	—	838
Other deposits	其他按金	2,356	1,271
Other receivables	其他應收款項	776	951
Prepayments	預付款項	1,915	—
		5,047	3,060

27. BANK BALANCES AND CASH — HELD ON BEHALF OF CUSTOMERS

The Group maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business. The Group has classified the clients' monies as bank trust account balances under the current assets section of the consolidated statement of financial position and recognised the corresponding accounts payable to respective clients on the ground that it is liable for any loss or misappropriation of the client's monies. The Group is not permitted to use the clients' monies to settle its own obligations.

27. 銀行結餘及現金—代客戶持有

本集團於持牌銀行開設獨立信託賬戶，以存放其一般業務過程中產生的客戶款項。本集團已將客戶款項分類為綜合財務狀況表流動資產部分項下的銀行信託賬戶結餘，並在對任何虧損或挪用客戶款項負責的情況下確認應支付予相關客戶的相應賬戶。本集團不得使用客戶款項清償其自身債務。

28. BANK BALANCES AND CASH — GENERAL ACCOUNTS

Bank balances and cash —
general accounts

銀行結餘及現金 —
一般賬戶

28. 銀行結餘及現金 — 一般賬戶

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
		39,365	84,411

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29. TRADE PAYABLES

The aging analysis of trade payables, based on the date of receipt of goods, is as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
0 to 30 days	零至三十日	206,888	3,213
31 days to 60 days	三十一日至六十日	—	1,383
61 days to 90 days	六十一日至九十日	—	58
Over 90 days	九十日以上	24,362	16,894
		231,250	21,548

29. 應付賬款

應付賬款按收取貨品日期之賬齡分析如下：

30. OTHER PAYABLES AND ACCRUALS

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Accrued salaries, wages and benefits	應計薪金、工資及福利	2,496	1,396
Other payables and accruals	其他應付款項及應計費用	27,091	20,319
		29,587	21,715

30. 其他應付款項及應計費用

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31. RECEIPTS IN ADVANCE

31. 預收賬款

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Other receipts in advance	其他預收賬款		
— current portion	— 即期部分	3,355	8,684

32. SHORT TERM LOANS

32. 短期貸款

		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Interest-bearing other loans	計息其他貸款	—	3,371

The interest rates at 31 December 2017 were 24% per annum (2016: 24% per annum).

於二零一七年十二月三十一日之利率為每年24% (二零一六年：每年24%)。

As at 31 December 2016, all the short term loans and related interests were overdue due to a temporary shortage of funds. The directors consider that such matter would not have any material impact on the consolidated financial statements. No provision has therefore been made.

於二零一六年十二月三十一日，所有短期貸款及有關利息已逾期，此乃由於資金臨時短缺所致。董事認為有關事項不會對綜合財務報表產生任何重大影響。概無就此作出撥備。

According to the loan agreements, the Group and the lender agreed to pledge property, plant and equipment amounted to HK\$8,341,000 as at 31 December 2016 for overdue short term loans amounted to HK\$3,371,000. The loans were settled during the year ended 31 December 2017.

根據貸款協議，本集團及貸款人同意以於二零一六年十二月三十一日金額為8,341,000港元之物業、廠房及設備作為金額為3,371,000港元之逾期短期貸款之抵押。於截至二零一七年十二月三十一日止年度有關貸款均已償還。

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33. DEFERRED TAX ASSETS/LIABILITIES

The following are the major deferred tax assets recognised by the Group.

		Temporary difference		Tax losses		Total	
		暫時差異		稅項虧損		總計	
		2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		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
At 1 January	於一月一日	—	—	—	—	—	—
Acquisition of a subsidiary	收購一間附屬公司	67	—	639	—	706	—
Charge to profit and loss	自損益中扣除	—	—	(639)	—	(639)	—
At 31 December	於十二月三十一日	67	—	—	—	67	—

The following are the major deferred tax liabilities recognised by the Group.

		Fair value adjustments arising from acquisition of a subsidiary	
		收購一間附屬公司產生的公平值調整	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	1,768	7,111
Deconsolidation of a subsidiary	取消綜合入賬一間附屬公司	—	(1,222)
Charge to profit and loss	自損益中扣除	(1,768)	(4,121)
At 31 December	於十二月三十一日	—	1,768

At the end of the reporting period the Group has unused tax losses of HK\$207,474,000 (2016: HK\$201,730,000) available for offsetting against future profits. No deferred tax asset has been recognised in respect of the unused tax losses due to the unpredictability of future profit streams.

Temporary differences arising in connection with interests in subsidiaries and associates are insignificant.

本集團確認之主要遞延稅項資產如下。

本集團確認之主要遞延稅項負債如下：

於報告期末，本集團可用以抵銷日後盈利之未使用稅項虧損為207,474,000港元（二零一六年：201,730,000港元）。由於難以預測未來盈利趨勢，故此本集團並無就未動用稅項虧損確認遞延稅項資產。

源於附屬公司及聯營公司權益之暫時性差異屬微不足道。

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34. SHARE CAPITAL

34. 股本

		Number of shares			
		股份數目			
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		'000	'000	HK\$'000	HK\$'000
		千股	千股	千港元	千港元
Authorised:	法定：				
Ordinary shares of	每股面值0.01 港元				
HK\$0.01 each	之普通股	10,000,000	10,000,000	100,000	100,000
Issued and fully paid:	已發行及繳足：				
Ordinary shares of	每股面值0.01 港元				
HK\$0.01 each	之普通股				
At 1 January	於一月一日	8,304,538	5,260,190	83,045	52,602
Issue of shares upon	因股份認購而發行				
share subscription	之股份	—	1,740,000	—	17,400
Conversion of	兌換可換股債券				
convertible bonds		—	1,304,348	—	13,043
At 31 December	於十二月三十一日	8,304,538	8,304,538	83,045	83,045

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 the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes short-term loans and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

The management of the Group reviews the capital structure on a continuous basis taking into account the cost of capital and the risk associated with the capital. The Group will balance its overall capital structure through new share issues, repurchase of shares and the issue of new debt or the redemption of the existing debt.

本集團管理其資金，以確保本集團內的實體將能夠以持續經營方式營運，同時亦透過達致債務與權益之間最佳的平衡而為持份者爭取最大回報。本集團之整體策略自去年以來維持不變。

本集團之資本結構為債務，其中包括短期貸款及本公司股權持有人應佔權益（包括已發行股本及儲備）。

本集團管理層持續檢討資本結構，包括考慮資本之成本及與資本相關之風險。本集團將透過發行新股份、購回股份及發行新債務或贖回現有債務以使其整體資本結構保持平衡。

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35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 35. 本公司財務狀況表

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	356	606
Investments in subsidiaries	於附屬公司之投資	1,000	1,000
Deposits for acquisition of non-current assets	收購非流動資產之按金	18,000	19,300
		19,356	20,906
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	3,111	2,079
Amounts due from subsidiaries	應收附屬公司款項	299,914	282,667
Cash and cash equivalents	現金及現金等價物	9,765	68,723
		312,790	353,469
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	3,830	1,246
		3,830	1,246
Net current assets	流動資產淨值	308,960	352,223
NET ASSETS	資產淨值	328,316	373,129
EQUITY	權益		
Share capital	股本	83,045	83,045
Reserves	儲備	245,271	290,084
TOTAL EQUITY	權益總額	328,316	373,129

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36. RESERVES

(a) Group

The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Company

36. 儲備

(a) 本集團

本集團之儲備及變動金額於綜合損益及其他全面收入表及綜合權益變動表中呈列。

(b) 本公司

		Share premium	Share option reserve	Accumulated losses	Total
		股份溢價	購股權儲備	累計虧損	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	1,667,276	4,236	(1,657,543)	13,969
Total comprehensive loss for the year	年內全面虧損總額	—	—	(57,969)	(57,969)
Issue of new shares	發行新股份	182,700	—	—	182,700
Issue of shares upon conversion of convertible bonds	因轉換可換股債券而發行之股份	151,384	—	—	151,384
Share options lapsed during the year	年內已失效之購股權	—	(4,236)	4,236	—
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	2,001,360	—	(1,711,276)	290,084
Total comprehensive loss for the year	年內全面虧損總額	—	—	(44,813)	(44,813)
At 31 December 2017	於二零一七年十二月三十一日	2,001,360	—	(1,756,089)	245,271

(c) Nature and purpose of reserves

(i) Share premium

The application of the share premium is governed by the Company's Bye-Law and the Companies Act 1981 of Bermuda (as amended).

(c) 儲備性質及用途

(i) 股份溢價

股份溢價之應用受到本公司之公司細則及百慕達一九八一年公司法(經修訂)所規限。

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36. RESERVES (continued)

(c) Nature and purpose of reserves (continued)

(ii) Capital reserve

The capital reserve comprises the difference between the additional registered capital invested by a former non-controlling shareholder of a subsidiary, over the fair value of the intangible assets injected by the former non-controlling shareholder.

(iii) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations.

(iv) Share option reserve

The share option reserve comprises the fair value of the actual or estimated number of unexercised share options granted to directors, employees and advisors of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 3.

(v) Other reserve

During the year ended 30 June 2011, the Group acquired additional interests in Beijing Jinqiao Hengtai Technology Co., Ltd and Shenzhen Zhongzesaien Technology Co., Ltd. As a result of the acquisitions, the difference of HK\$79,992,000 between the consideration paid of HK\$115,194,000 and the amount of non-controlling interests adjusted of HK\$35,202,000 was directly recognised in equity.

36. 儲備 (續)

(c) 儲備性質及用途 (續)

(ii) 資本儲備

資本儲備包括一間附屬公司之一名前非控股股東投入之額外註冊資本超出該名前非控股股東注入無形資產之公平值之差額。

(iii) 外幣換算儲備

外幣換算儲備包括換算海外業務財務報表之所有匯兌差額。

(iv) 購股權儲備

購股權儲備包括根據附註3有關以股份為基礎付款所採用會計政策確認之授予本公司董事、僱員及顧問之實際或估計未行使購股權數目之公平值。

(v) 其他儲備

截至二零一一年六月三十日止年度，本集團已收購北京金橋恒泰科技有限公司及深圳中澤賽恩科技有限公司之額外權益。受該等收購事項之影響，已付代價115,194,000港元與經調整非控股股東權益款項35,202,000港元之間之差額79,992,000港元乃於權益中直接確認。

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37. ACQUISITION OF A SUBSIDIARY

On 7 June 2016, the Group has entered into a sale and purchase agreement to acquire 100% equity interest in JTI Securities Limited, a company incorporated in Hong Kong which is principally engaged in securities brokerage business and is a licensed corporation under the Securities and Futures Ordinance to carry out Type 1 (dealing in securities) regulated activities and is a China Connect Exchange Participant and a Hong Kong Stock Exchange Participant. The consideration for the acquisition will be determined with reference to the net asset value of JTI Securities Limited as at the date as specified in the sale and purchase agreement plus an agreed premium of HK\$13,000,000 ("Premium"). Having regard to the net asset value of the JTI Securities Limited as at 31 March 2016, it is expected that the final consideration shall not exceed HK\$25,000,000. Pursuant to the terms of the sale and purchase agreement, the Group had paid a refundable deposit of HK\$1,300,000 in cash to the vendor upon signing of the sale and purchase agreement.

The acquisition was completed on 23 March 2017. The final consideration at completion was approximately HK\$22,800,000.

37. 收購一間附屬公司

於二零一六年六月七日，本集團訂立買賣協議，收購一間於香港註冊成立之公司金唐國際證券有限公司之100%股本權益。該公司主要從事證券經紀業務，為一間根據證券及期貨條例從事第一類（證券交易）受規管活動之持牌法團，以及中華通交易所參與者及香港聯交所參與者。收購事項之代價將參考金唐國際證券有限公司截至買賣協議所指明日期之資產淨值，加上協定的溢價13,000,000港元（「溢價」）釐定。經考慮金唐國際證券有限公司於二零一六年三月三十一日之資產淨值，最終代價預期不會超過25,000,000港元。根據買賣協議條款，本集團已於簽署買賣協議後向賣方支付可退還現金按金1,300,000港元。

收購事項已於二零一七年三月二十三日完成。完成時之最終代價約為22,800,000港元。

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37. ACQUISITION OF A SUBSIDIARY (continued)

37. 收購一間附屬公司(續)

The fair value of the identifiable assets and liabilities of JTI Securities Limited acquired as at its date of acquisition is as follows:

所收購之金唐國際證券有限公司之可辨識資產及負債於其收購日期之公平值如下：

Net assets acquired:	所收購之資產淨值：	HK\$'000 千港元
Properties, plant and equipment	物業、廠房及設備	25
Securities deposits for financial services business	金融服務業務之證券按金	420
Deferred tax asset	遞延稅項資產	706
Intangible assets	無形資產	6,114
Trade receivables	應收賬款	3,737
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	332
Bank balances and cash	銀行結餘及現金	
— held on behalf of customers	— 代客戶持有	3,759
Bank balances and cash — general accounts	銀行結餘及現金 — 一般賬戶	6,534
Trade payable	應付賬款	(4,920)
Other creditors and accruals	其他應付款項及應計費用	(363)
Net assets acquired	所收購之資產淨值	16,344
Goodwill	商譽	6,456
		22,800
Satisfied by:	支付方式：	
Cash consideration	現金代價	22,800
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：	
Cash consideration paid	已付現金代價	22,800
Deposit paid	已付按金	(1,300)
Cash and cash equivalents acquired	所收購之現金及現金等價物	(6,534)
		14,966

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37. ACQUISITION OF A SUBSIDIARY (continued)

The fair value of the trade and other receivables acquired is HK\$4,069,000. The gross amount due under the contracts is HK\$4,069,000. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

The goodwill arising on the acquisition of JTI Securities Limited is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

Since the acquisition, JTI Securities Limited contributed approximately HK\$9,135,000 and HK\$4,256,000 to the Group's revenue and profit for the year respectively for the period between the date of acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2017, total Group revenue for the year would have been HK\$21,435,000, and loss for the year would have been HK\$55,429,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is intended to be a projection of future results.

37. 收購一間附屬公司 (續)

所收購之應收賬款及其他應收款項之公平值為4,069,000港元。根據合約應付之總額為4,069,000港元。該等應收款項概無出現減值，預期全部合約金額均可予以收回。

收購金唐國際證券有限公司產生之商譽乃歸因於在新市場分銷本集團之產品之預計盈利能力及預計合併將於日後產生之營運協同效應。

自收購以來，金唐國際證券有限公司於收購日期起至報告期末期間分別為本集團之年內收益及溢利貢獻約9,135,000港元及4,256,000港元。

倘收購事項已於二零一七年一月一日完成，則本集團之年內收益總額應為21,435,000港元，而年內虧損應為55,429,000港元。備考資料僅供說明用途，未必表示倘收購事項已於二零一七年一月一日完成時本集團實際可能取得之收益及經營業績，亦非旨在預測未來業績。

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38. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

38. 綜合現金流量表附註

Changes in liabilities arising from financing activities

融資活動產生之負債之變動

The following table shows the Group's changes in liabilities arising from financing activities during the year:

下表列示年內本集團因融資活動產生之負債之變動：

		Short-term loans and total liabilities from financing activities
		短期貸款及 融資活動產生 之負債總額
		HK\$'000
		千港元
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	3,371
Changes in cash flows	現金流量變動	(3,371)
At 31 December 2017	於二零一七年十二月三十一日	—

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39. CONTINGENT LIABILITIES

Litigations involved with a subsidiary operates in the digital cable television business

Beijing Yao Boshi Technology Limited ("Beijing Yao"), an indirect wholly-owned subsidiary of the Group, had co-operated with local television stations of Xinji, Dongguang and Qing County in Hebei province to develop the cable television network that covers the three counties.

During the year, Beijing Yao has disputes on the apportionment of revenue with the Xinji Local Television Station and starting from September 2017, the Xinji Local Television Station no longer provide the cable television network to Beijing Yao. In addition, starting from March 2017, the Dongguang Local Television Station has taken over the operation in the Dongguang area. Beijing Yao can no longer operate the business in Xinji and Dongguang areas since then.

In December 2017, Xinji Local Television Station has initiated civil action against Beijing Yao for outstanding apportionment of revenue of approximately RMB2,957,000 (equivalent to approximately HK\$3,563,000). According to a civil judgment issued by the Hebei Province Xinji City Civil Court on 29 January 2018, Beijing Yao is liable to pay Xinji Local Television Station approximately RMB2,867,000 (equivalent to approximately HK\$3,454,000) for apportionment of revenue. On 5 February 2018, Beijing Yao has filed an appeal to the Hebei Province Shijiazhuang Intermediate People's Court.

39. 或然負債

涉及一間經營有線數位電視業務之附屬公司之訴訟

本集團之間接全資附屬公司北京亞澳博視技術有限公司(「北京亞澳」)與河北省辛集縣、東光縣及青縣當地電視台進行合作，以發展覆蓋上述三縣之有線電視網絡。

年內，北京亞澳與辛集縣本地電視台(Xinji Local Television Station)之間就收益分成存在爭端，故自二零一七年九月起，辛集縣本地電視台不再向北京亞澳提供有線電視網絡。此外，自二零一七年三月起，東光縣本地電視台(Dongguang Local Television Station)已承接東光縣地區的營運。自此，北京亞澳不可再於辛集縣及東光縣地區經營業務。

於二零一七年十二月，辛集縣本地電視台就尚未取得之收益分成約人民幣2,957,000元(相等於約3,563,000港元)向北京亞澳提起民事訴訟。根據河北省辛集市民事法庭於二零一八年一月二十九日發出之民事判決書，北京亞澳須就收益分成向辛集縣本地電視台支付約人民幣2,867,000元(相等於約3,454,000港元)。於二零一八年二月五日，北京亞澳已向河北省石家莊市中級人民法院提起上訴。

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39. CONTINGENT LIABILITIES (continued)

Litigations involved with a subsidiary operates in the digital cable television business (continued)

In September 2017, a supplier of Beijing Yao has filed claim to the Beijing Arbitration Commission, demanding for outstanding trade payables and overdue penalty of approximately RMB6,159,000 (equivalent to approximately HK\$7,420,000). As a result of the claim, the bank balances of Beijing Yao of approximately RMB13,000 (equivalent to approximately HK\$16,000) was frozen by a court in Beijing. According to the verdict issued by the Beijing Arbitration Commission in January 2018, Beijing Yao is liable to pay approximately RMB 5,786,000 (equivalent to approximately HK\$6,971,000) to the supplier. Beijing Yao had filed an application to the court on 5 February 2018 for cancellation of the verdict.

The directors of the Company consider the above legal cases would not have material impact on the consolidated financial statements.

39. 或然負債 (續)

涉及一間經營有線數位電視業務之附屬公司之訴訟 (續)

於二零一七年九月，北京亞澳之供應商向北京仲裁委員會提出申索，要求其支付尚未支付之應付賬款及逾期罰金約人民幣6,159,000元(相等於約7,420,000港元)。由於該項申索，北京亞澳之銀行結餘約人民幣13,000元(相等於約16,000港元)乃被北京一家法院凍結。根據北京仲裁委員會於二零一八年一月作出之裁定，北京亞澳須向該供應商支付約人民幣5,786,000元(相等於約6,971,000港元)。北京亞澳已於二零一八年二月五日向法院提出申請，申請撤銷有關裁定。

本公司董事認為上述案件將不會對綜合財務報表產生任何重大影響。

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40. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Capital expenditure contracted but not provided for in the consolidated financial statements in respect of:	以下各項之已簽署但未於綜合財務報表作出撥備之資本開支：		
— acquisition of subsidiary	— 收購附屬公司	—	21,500

40. 資本承擔

於報告期末，本集團資本承擔如下：

41. LEASE COMMITMENTS

As lessee

At 31 December 2017 the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	3,841	3,643
In the second to fifth years, inclusive	第二至第五年 (首尾兩年包括在內)	1,091	3,624
		4,932	7,267

Operating lease payments represent rentals payable by the Group for its offices and staff quarters. Leases are negotiated for terms ranging from one to two years (2016: one to two years) and rentals are fixed over the lease terms and do not include contingent rentals.

41. 租約承擔

作為承租人

於二零一七年十二月三十一日，本集團根據不可撤銷經營租約應付之未來最低租金總額如下：

經營租約付款指本集團應付之若干辦公室物業及員工住房。租期乃經磋商訂立為一年至兩年(二零一六年：一年至兩年)，而租賃期間租金固定，不包括或有租金。

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41. LEASE COMMITMENTS (continued)

As lessor

The Group leases out certain of its transmission and other network equipment. At the end of reporting period, the future minimum lease payments under non-cancellable leases are receivables as follows:

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Within one year	一年內	—	111
In the second to fifth years, inclusive	第二年至第五年 (首尾兩年包括在內)	—	120
		—	231

Operating lease income represent rentals receivables by the Group for its transmission and network equipment. Leases are negotiated for terms of three years and rentals are fixed over the lease terms and do not include contingent rentals.

作為出租人

本集團出租其若干傳輸及其他網絡設備。於報告期末，根據不可撤銷租約應收之未來最低租金如下：

經營租約收入指本集團應收之傳輸及網絡設備租金。租期乃經磋商訂立為三年，而租賃期間租金固定，不包括或有租金。

42. RELATED PARTY TRANSACTIONS

Key management compensation

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	7,106	8,478
Post-employment benefits	退休後福利		
— defined contribution plans	— 界定供款計劃	41	58
		7,147	8,536

Further details of directors' emoluments are included in note 13 to the consolidated financial statements.

42. 關連人士交易

主要管理人員之薪酬

有關董事酬金之進一步詳情載於綜合財務報表附註13。

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43. APPROVAL OF FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the Board of Directors on 23 March 2018.

43. 財務報表批准

綜合財務報表於二零一八年三月二十三日經董事會批准及授權刊發。

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

A summary of the results and assets and liabilities of the Group for each of the five financial periods is as follows:

本集團五個財政期間各期間之業績以及資產及負債概要如下：

RESULTS

業績

		Period from 1 July 2013 to 31 December 2013 二零一三年 七月一日至 二零一三年 十二月 三十一日 期間 HK\$'000 千港元 (Restated) (經重列)	Year ended 31 December 2014 截至 二零一四年 十二月 三十一日 止年度 HK\$'000 千港元 (Restated) (經重列)	Year ended 31 December 2015 截至 二零一五年 十二月 三十一日 止年度 HK\$'000 千港元 (Restated) (經重列)	Year ended 31 December 2016 截至 二零一六年 十二月 三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2017 截至 二零一七年 十二月 三十一日 止年度 HK\$'000 千港元
CONTINUING OPERATIONS 持續經營業務						
Revenue	收益	227,539	47,338	34,679	81,218	20,247
Loss before taxation	除稅前虧損	(1,013,928)	(640,227)	(313,964)	(108,978)	(55,171)
Income tax expense/(credit)	所得稅開支/(抵免)	(16,698)	(400)	1,391	59,551	967
Loss for the period/year from continuing operations	來自持續經營業務之期/年內虧損	(1,030,626)	(640,627)	(312,573)	(49,427)	(54,204)
DISCONTINUED OPERATIONS 終止經營業務						
Loss for the period/year from discontinued operations	來自終止經營業務之期/年內虧損	(10,933)	(132,348)	(148,286)	(8,653)	(1,487)
Loss for the period/year	期/年內虧損	(1,041,559)	(772,975)	(460,859)	(58,080)	(55,691)
Attributed to:	應佔：					
Owners of the Company	本公司擁有人	(1,039,559)	(768,322)	(452,094)	(53,840)	(54,962)
Non-controlling interests	非控股股東權益	(2,000)	(4,653)	(8,765)	(4,240)	(729)
		(1,041,559)	(772,975)	(460,859)	(58,080)	(55,691)
Basic loss per share (HK cents)	每股基本虧損 (港仙)	(32.15)	(22.33)	(10.17)	(0.70)	(0.66)
Diluted loss per share (HK cents)	每股攤薄虧損 (港仙)	(32.15)	(22.33)	(10.17)	(0.70)	(0.66)

SUMMARY OF FINANCIAL INFORMATION

財務資料概要

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 2013 於二零一三年 十二月 三十一日 HK\$'000 千港元	As at 31 December 2014 於二零一四年 十二月 三十一日 HK\$'000 千港元	As at 31 December 2015 於二零一五年 十二月 三十一日 HK\$'000 千港元	As at 31 December 2016 於二零一六年 十二月 三十一日 HK\$'000 千港元	As at 31 December 2017 於二零一七年 十二月 三十一日 HK\$'000 千港元
Non-current assets	非流動資產	564,847	242,862	159,646	109,500	92,823
Current assets	流動資產	1,182,368	689,166	308,948	123,372	291,549
Disposal group classified as held for sale	分類為持作出售之 出售集團	171,678	—	254,362	245,268	256,280
Current liabilities	流動負債	(705,992)	(497,881)	(467,893)	(55,328)	(264,317)
Liabilities directly associated with the disposal group	與出售集團 直接相關之負債	—	—	(64,246)	(43,650)	(47,393)
Non-current liabilities	非流動負債	(76,098)	(76,406)	(63,748)	(1,768)	—
Net assets	資產淨值	1,136,803	357,741	127,069	377,394	328,942
Equity attributable to owners of the Company	本公司擁有人 應佔權益	1,111,111	336,702	67,382	366,943	315,035
Non-controlling interests	非控股股東權益	25,692	21,039	59,687	10,451	13,907
Total equity	權益總額	1,136,803	357,741	127,069	377,394	328,942



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* For identification purpose only 僅供識別



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