



SMART-CORE HOLDINGS LIMITED 芯智控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號：2166

2016 Annual Report 年度報告

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

TIAN Weidong (*Chairman of the Board and Chief Executive Officer*)
WONG Tsz Leung (*Chief Financial Officer*)
LIU Hongbing
XIE Yi

Independent non-executive Directors

TANG Ming Je
ZHENG Gang
WONG Hon Kit

BOARD COMMITTEES

Audit Committee

WONG Hon Kit (*Chairman*)
TANG Ming Je
ZHENG Gang

Remuneration Committee

ZHENG Gang (*Chairman*)
TANG Ming Je
WONG Hon Kit
TIAN Weidong

董事會

執行董事

田衛東
(*董事會主席及行政總裁*)
黃梓良 (*首席財務官*)
劉紅兵
謝藝

獨立非執行董事

湯明哲
鄭鋼
黃漢傑

董事委員會

審核委員會

黃漢傑 (*主席*)
湯明哲
鄭鋼

薪酬委員會

鄭鋼 (*主席*)
湯明哲
黃漢傑
田衛東

Nomination Committee

TIAN Weidong (*Chairman*)
TANG Ming Je
WONG Hon Kit

COMPANY SECRETARY

LO Kai Cheong (*CPA*)

AUTHORISED REPRESENTATIVES

TIAN Weidong
WONG Tsz Leung

REGISTERED OFFICE

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

Hong Kong

30/F, Enterprise Square Two
3 Sheung Yuet Road
Kowloon Bay
Kowloon, Hong Kong

PRC

16/F, Finance & Technology Building
No. 11 Keyuan Road, Nanshan District
Shenzhen, China

提名委員會

田衛東(*主席*)
湯明哲
黃漢傑

公司秘書

盧繼昌(*註冊會計師*)

授權代表

田衛東
黃梓良

註冊辦事處

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

主要營業地點

香港

香港九龍
九龍灣
常悅道3號
企業廣場2期30樓

中國

中國深圳市
南山區科苑路11號
金融科技大廈16樓

Corporate Information

公司資料

AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place
88 Queensway, Hong Kong

LEGAL ADVISOR

As to Hong Kong law

DLA Piper Hong Kong
17th Floor, Edinburgh Tower
The Landmark
15 Queen's Road Central
Hong Kong

As to PRC law

Commerce & Finance Law Offices
27C, Shenzhen Te Qu Bao Ye Building
6008 Shennan Road
Shenzhen, PRC

As to Cayman Islands law

Maples and Calder
53th Floor, The Center
99 Queen's Road Central
Hong Kong

COMPLIANCE ADVISER

Fortune Financial Capital Limited
35/F, Office Tower, Convention Plaza
1 Harbour Road, Wanchai,
Hong Kong

核數師

德勤•關黃陳方會計師行
執業會計師
香港金鐘道88號
太古廣場一期35樓

法律顧問

香港法律

歐華律師事務所
香港
皇后大道中15號
置地廣場
公爵大廈17樓

中國法律

通商律師事務所
中國深圳市
深南大道6008號
深圳特區報業大廈27C

開曼群島法律

Maples and Calder
香港
中環皇后大道中99號
中環中心53樓

合規顧問

富強金融資本有限公司
香港
灣仔港灣道1號
會展廣場辦公大樓35樓

SHARE REGISTRARS

Hong Kong

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai

Cayman Islands

Maples Fund Services (Cayman) Limited
PO Box 1093
Boundary Hall Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

DBS Bank (Hong Kong) Limited
16/F, The Center
99 Queen's Road Central
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
Standard Chartered Bank Building
4–4A Des Voeux Road Central
Hong Kong

LISTING INFORMATION

The Stock Exchange of Hong Kong Limited
Stock Code: 2166

COMPANY WEBSITE

www.smart-core.com.hk

股份過戶登記處

香港

香港中央證券登記有限公司
灣仔
皇后大道東183號
合和中心17樓
1712-1716室

開曼群島

Maples Fund Services (Cayman)Limited
PO Box 1093
Boundary Hall Cricket Square
Grand Cayman, KY1-1102
Cayman Islands

主要往來銀行

香港上海滙豐銀行有限公司
香港
皇后大道中1號

星展銀行(香港)有限公司
香港
皇后大道中99號
中環中心16樓

渣打銀行(香港)有限公司
香港
德輔道中4至4A號
渣打銀行大廈

上市資料

香港聯合交易所有限公司
股份代號：2166

公司網站

www.smart-core.com.hk

Financial Highlights

財務摘要

For the year ended 31 December

截至12月31日止年度

		2016	2015	Change
		USD'000	USD'000	變動
		千美元	千美元	
Revenue	收入	669,896	485,371	38.0%
Gross profit	毛利	31,617	22,226	42.3%
Profit before tax	除稅前利潤	11,921	9,042	31.8%
Profit for the year	年度利潤	9,427	6,902	36.6%
Attributable to :	以下人士應佔：			
Owners of the Company	本公司擁有人	9,279	6,096	52.2%
Earnings per share ("EPS"),	每股盈利，			
– Basic (US cents)	基本(美分)	2.322	1.806	28.6%

As at 31 December

於12月31日

		2016	2015	Change
		USD'000	USD'000	變動
		千美元	千美元	
Total assets	總資產	162,515	125,358	29.6%
Total liabilities	總負債	105,675	102,127	3.5%
Net assets	資產淨額	56,840	23,231	144.7%
Net financial position ⁽¹⁾	淨財務狀況 ⁽¹⁾	5,278	(32,752)	116.1%
Average turnover days of	存貨平均週轉天數			
inventories – days ⁽²⁾	– 天 ⁽²⁾	14	13	7.7%
Average turnover days of trade	貿易應收款項平均			
receivables – days ⁽³⁾	週轉天數 – 天 ⁽³⁾	38	47	-19.1%
Average turnover days of trade	貿易應付款項平均			
payables – days ⁽⁴⁾	週轉天數 – 天 ⁽⁴⁾	33	28	17.9%
Gearing ratio – % ⁽⁵⁾	資本負債率 – % ⁽⁵⁾	39.7	158.8	-75.0%
Current ratio ⁽⁶⁾	流動比率 ⁽⁶⁾	1.4	1.1	27.3%

Financial Highlights

財務摘要

Notes:

- (1) The balance of net financial position is calculated as the sum of bank balances and cash minus bank borrowings.
- (2) Average turnover days of inventories is derived by dividing the arithmetic mean of the opening and closing balances of inventories for the relevant year by cost of sales and multiplying by 365 days.
- (3) Average turnover days of trade receivables is derived by dividing the arithmetic mean of the opening and closing balances of gross trade receivables for the relevant year by revenue and multiplying by 365 days.
- (4) Average turnover days of trade payables is derived by dividing the arithmetic mean of the opening and closing balances of trade payables for the relevant year by cost of sales and multiplying the resulting value by 365 days.
- (5) Gearing ratios were calculated based on the total interest-bearing borrowings as at the respective dates divided by total equity as at the respective dates and multiplied by 100%.
- (6) Current ratios were calculated based on the total current assets as at the respective dates divided by the total current liabilities as at the respective dates.

附註：

- (1) 淨財務狀況餘額乃按銀行結餘及現金總額減去銀行借貸計算。
- (2) 存貨平均週轉天數乃按有關年度的期初及期末存貨結餘之算術平均數除以銷售成本再乘以365天計算得出。
- (3) 貿易應收款項平均週轉天數乃按有關年度的期初及期末貿易應收款項結餘之算術平均數除以收入再乘以365天計算得出。
- (4) 貿易應付款項平均週轉天數乃按有關年度的期初及期末貿易應付款項結餘之算術平均數除以銷售成本再乘以365天計算得出。
- (5) 資本負債率乃按有關日期計息借款總額除以各日期權益總額再乘以100%計算。
- (6) 流動比率乃按有關日期的流動資產總額除以有關日期的流動負債總額計算。

Chairman's Statement 主席報告書



On behalf of the Board of Directors (the “**Board**” or “**Board of Directors**”) of Smart-Core Holdings Limited (the “**Company**”), I am pleased to present the annual report of the Company and its subsidiaries (the “**Group**”) for 2016, which is the first annual report since the listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Hong Kong Stock Exchange**”).

The Group commenced its business since 2005 and has successfully developed into a leading distributor and technical value-added service provider of IC and other electronic components based in the PRC. We have been maintaining over ten years of stable partnership with the biggest supplier of the Group and also have a loyal and diversified customer base. In addition, the application engineering support helps us maintain symbiotic relationship with suppliers and customers.

本人謹代表芯智控股有限公司(「**本公司**」)董事會(「**董事會**」)欣然呈報2016年度本公司及其附屬公司(「**本集團**」)自於香港聯合交易所有限公司(「**香港聯交所**」)主板上市以來首份年報。

本集團的業務由2005年開始，經過十多年的努力經營，時至今日成功成為一家在中國本土領先的集成電路及其他電子元器件分銷商及技術增值服務商。我們與集團最大的供應商保持超過10年的穩定合作關係，亦擁有忠誠與多元化的客戶群。此外，應用工程的支持亦協助我們與供應商及客戶保持共生的關係。

Chairman's Statement

主席報告書

REVIEW OF 2016

The year 2016 marks a breakthrough year for the Group. As the performance indicates, both the sales revenue and the annual profit of the Group achieved a record high, which were US\$670 million and US\$9.4 million respectively, representing an increase of 38.0% and 36.2% over the same period of last year respectively. The Group maintained its leading position in the product lines in display, broadcasting and memory and got started in optical telecommunication, touch screen display, smart automotive electronics, security monitoring and IoT, laying a solid foundation for future development. The Group launched e-commerce platform in 2015, which gradually developed in 2016 and enabled small and medium enterprises to purchase IC and other electronic components with fine quality more easily.

With the remarkable market performance achieved in semiconductor distribution in the PRC and the sizeable market scale, the Company was listed on the Main Board of the Hong Kong Stock Exchange on 7 October 2016. The successful listing, apart from inspiring the whole Company, infused new vitality to the future development of the Group and enhanced our capital resources, and therefore enabled us to fulfill business strategy and expand business more effectively in the future. Due to the listing, the enterprise image of the Group was also polished and the market position was reinforced. On behalf of the Company, I hereby extend my gratitude to each professional team for their assistance and to each employee for their dedication and efforts during the whole listing process.

2016年回顧

2016年，是本集團突破性的一年。從業績來看，集團總銷售收入和年度利潤均創歷史新高，分別達到6.7億美元和9.4百萬美元，與去年同期比較分別增長38.0%和36.2%。集團在顯示、廣播和存儲器這三個產品線保持著行業領先地位，同時在光學通訊、觸控、智能汽車電子、安防監控以及物聯網分部漸漸開始起步，為未來發展奠定了堅實的基礎。我們於2015年推出的電商平台，在2016年亦漸漸成長，使中小企客戶能更容易採購到優質的集成電路及其他電子元器件。

借助在本土半導體分銷領域取得的突出市場業績和所在領域龐大的市場規模，於2016年10月7日，本公司成功在香港聯交所主板掛牌上市。成功上市，除了令公司上下感到鼓舞外，亦為集團的未來發展注入了新的活力，鞏固了我們的資本資源，從而能在未來更有效地達成業務策略和拓展業務。上市提升了本集團的企業形象，市場定位亦得以加強。本人在此代表公司，感謝在整個上市過程中，各個專業的中介團隊的協助，以及每位員工的付出和努力。

Chairman's Statement

主席報告書

OUTLOOK IN 2017

After a fruitful year of 2016, our vision is more widen but this is just a new beginning, we will proceed to march to new milestones. In 2017, with the advancing of industry upgrading strategy in China, positioned as an enterprise bridging cutting-edge technologies and products with high quality, the Group will continue to develop through the following three business strategies:

- To upgrade technical value-added services

The Group will provide comprehensive technical value-added services for customers and seek and reinforce new technical growth points for the Group by exploring and deepening its technical intervention in each areas of semiconductor sales. The Group will reinforce its leading advantage over consumer electronic products, tap into the area of industrial control, artificial intelligence and storage technology, and improve comprehensive capacity in technical value-added services in terms of optical-communication, commercial display, automotive electronics, security monitoring and IoT products, with a view to providing integrated solutions and technical support for more chip companies and creating greater value for customers.

- To expand supply chain value-added services

Leveraging on the advantages of being a listed company, the Group will expand supply chain value-added services and provide one-stop comprehensive component services and efficient component delivery services with high quality for customers via e-commerce platform.

2017年展望

經過了收穫豐富的2016年，我們的視野更開拓，但這只是一個新的開始，我們會繼續努力邁向新的里程碑。2017年，隨著國家產業升級戰略的推進，本集團將秉持作為尖端科技和優質產品橋樑的企業定位，並透過以下三個業務策略來持續發展：

- 提升技術增值服務

集團將挖掘和深化在半導體銷售各領域技術介入度，向客戶提供全面的技術增值服務，尋找和強化企業新的技術增長點。鞏固在消費電子領域的領先優勢，進入工業控制、人工智慧和存儲技術領域，提高在光通信、商業顯示、汽車電子、安防監控和互聯網智慧產品的技術增值服務綜合能力，為更多的晶片公司提供方案整合和技術支援，為客戶創造更大價值。

- 拓展供應鏈增值服務

充分發揮身為上市公司的優勢，集團會拓展供應鏈增值服務並透過電商平台，為客戶提供元器件一站式綜合服務及高效優質的交付服務。

Chairman's Statement 主席報告書

- To be poised in industry resource integration

China's semiconductor sector is blessed with unprecedented development opportunities. As a semiconductor distribution enterprise grown up in PRC, we have accumulated extensive industry experience and explored effective business mode of technology and supply chain value-added services. The Company will start to integrate resources from counterparts, upstream and downstream in the future and strive to build the Group into a semiconductor leading transaction platform in China by such ways as the expansion of international markets, investment and cooperation.

Looking into the future, we brim with confidence; Confronted with challenges, we have high morale. Faced with challenges and opportunities in the new year, we proceed to make arduous efforts in a bid to infuse vigor into the development of the Company and bring more return to shareholders.

In the end, I extend my heartfelt gratitude to each shareholder, business partner, member of the Board of Directors, the management of the Company and all staff for their assistance and support rendered to the development of the Company.

Tian Weidong
Chairman

Hong Kong, 21 March 2017

- 著手行業資源整合

中國半導體領域面臨著前所未有的發展機遇，作為本土成長起來的半導體分銷企業，我們積累了豐富的行業經驗，探索出有效的透過技術和供應鏈增值服務的商業模式。今後公司將著手整合同行及上下游產業資源，透過開拓國際市場，投資合作等多種形式，努力使集團成為中國半導體領域領先的交易平台。

展望未來，我們充滿信心；面對挑戰，我們鬥志昂揚。新的一年，面對挑戰和機遇，我們將繼續努力奮鬥，為公司發展注入力量，為股東帶來更高的回報。

最後，我僅向各位股東、合作夥伴、董事會成員、本公司管理層和所有員工對公司的發展所給予的幫助和支持表示由衷的感謝。

主席
田衛東

香港，2017年3月21日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

For the year ended 31 December 2016, the Group recorded a total revenue of US\$669.9 million, representing an increase of 38% as compared with previous financial year, which was mainly attributable to the increase in sales of smart-TV, efficient management in market segments, the progress made in intelligent broadcasting terminal business line and the revenue generated from some new products. Revenue in 2016 was mainly derived from the consumer market, which is constantly evolving and always competitive and subject to industrial technological shifts, nonetheless the Group responded to overall challenges and dramatic changes of the market by maintaining its steady business strategy, striving to provide technical support and value added services and appropriate inventories management, as well as effectively utilizing business and management strategies. In addition, such increase in revenue in 2016 was also attributed by the rapid growth of TV differentiated market and IPTV set-top box industry. Meanwhile, the rising demand for DRAM and NAND flash memory also contributed to the increase in revenue of the Group. In 2016, the Group was also dedicated to further enhancing its long term business relationships with suppliers and customers, and has received full support from suppliers so as to effectively satisfy demands from customers.

The Group operated a number of product types, which included smart media display, intelligent broadcasting terminal and memory. Initial differentiated operation success of smart media display products plus stable and balanced support from major customers enabled a solid growth of smart media display product lines. Upon the integration of the industry, its customers grew steadily and in particular in the second quarter of 2016, the Group recorded a year-on-year increase of near 100%. Benefiting from substantial growth of IPTV box of China's three major operators, the intelligent broadcast terminal product exceeded its operation objectives and realised doubled growth. The aforementioned two product types turned second quarter of 2016 into an unusual peak season that is different from previous years with a year-on-year increase of about 100%. Furthermore, due to the shortage of inventories, the memory product recorded a slight decrease in its overall sales, but with the team's effort in adjusting customer structure, with the demand and supply optimising risk control and improving operation indicators, a better overall performance was achieved.

業務回顧

2016年財政年度的集團總銷售額達669.9百萬美元，較去年取得了38%增長，增長主要來源於智能電視機的增長、細分市場的經營、智能廣播終端產品線的成長和新產品線的經營開始有產出。2016年銷售額大部分來源於消費類市場，該市場充滿變化及競爭，且行業內新技術不斷轉變，但集團持續維持穩健的業務策略並且極力做好技術支持及技術增值以及適當的存貨管理，有效利用業務及管理策略應對整體挑戰及急速轉變的市場。除此之外，2016年銷售還受惠於TV差異化市場、IPTV盒子等行業的快速成長，以及DRAM、NAND閃存業務的市場需求上升。2016年集團也致力於進一步提升與供應商及客戶的長遠和緊密的業務關係，並已獲得供應商的全力支持，以便有效滿足客戶的需要。

集團擁有豐富的產品線，特別是在智能媒體顯示產品線、智能廣播終端產品線和存儲器產品線，其中智能媒體顯示產品線因為智能產品差異化運作初見成效，以及大客戶支撐點穩定均衡，整個行業整合後，我們服務的客戶穩健成長，特別在第二季同比增長接近百分之百；智能廣播終端產品線受益於國內三大運營商的IPTV盒子大幅增長，超額完成經營指標，實現翻倍成長；以上這兩個產品線讓公司在第二季形成一個不同於往年的旺季現象，同比增長接近百分之百。此外，存儲器產品線由於缺貨影響，總體業績略低於上一年度，但團隊利用供需關係不斷調整客戶結構，優化風險管控，改善經營指標，整體表現略好於上一年度。

Management Discussion and Analysis 管理層討論及分析

The Group's development of and investment in new products and new product types in the past years have paid off in 2016. In particular, mobile terminal, touch screen display and optical communication product type experienced a tremendous growth; IoT and security monitoring divisions finished their product positioning and market layout, thus laying a desirable foundation for subsequent development; the smart projector segment that the Company had been interested in for two years also made great progress this year. In the future, the Company will insist on investing in one new product line every year, constantly cultivate it for two to three years to fully learn about and participate in the segment and work intensively on it for in-depth exploration and developing technology value-added services, in order to become a professional distributor and service provider and identify next emerging target for the Company.

The Group adopts an OAO (online and offline) business model and operates an e-commerce platform together with a physical sales network of seven sales offices set up in selected areas within the PRC for the distribution of IC and other electronic components. Our e-commerce platform is an online front-end customer interaction interface made up of SMC Cloud, SuperIC Community and SuperIC Navigator. Our sales offices, sales representatives and application engineers represent the offline part of our OAO business model. In 2016, we were committed to improve the efficiency of service, expand the market shares and achieve sustainable development through the e-commerce platform. Smart-Core Planet targeted to provide services for small and medium enterprises, entrepreneurship and innovation customers and smart appliance incubators, based on the introduction of more qualified suppliers to diversify our electronic component materials and provide technical solutions on more areas, in order to offer one station supply chain services to more customers and boost the mutual business development between customers and suppliers and Smart-Core Planet.

The Company was honoured to be listed on the Main Board of the Stock Exchange on 7 October 2016, and was awarded with the Top Ten Local Distributors Award presented by ESM, a renowned media within the industry the same month, which indicated a recognition of the Company's performance and efforts in 2016.

集團過去幾年在新產品新線上的開拓和投入，於2016年逐見成效，其中移動終端、觸控及光通訊產品線業績大幅成長，物聯網和安防監控也完成了產品的定位、市場的佈局，為後續的發展奠定了良好的基礎；公司在兩年前窺探的智能投影儀方向今年也取得較大進展。未來，我們會堅持每年投入一個新的其他產品線，持續培育兩到三年，全面了解和參與到該行業中去，精耕細作，深挖行業，提成技術增值服務，成為該行業的專業代理商和服務商，也為公司尋找下一個快速成長的目標。

我們採用OAO(線上與線下)業務模式，經營一個電商平台以及由七個設立於中國選定區域內的銷售辦事處所組成的實體銷售網絡，用於分銷集成電路與其他電子元器件。我們的電商平台是一個線上前端客戶互動界面，由芯智雲城、SuperIC社區和SuperIC導航組成。線下由銷售辦事處、銷售代表及應用工程師組成。2016年，我們致力於通過電商平台來提升我們的服務效率，擴大市場佔有率並實現可持續的增長。芯球項目以中、小企業、雙創客戶和智能硬件孵化器為主要服務目標，立足於引入更多合格的供應商，豐富我們的電子元器件物料品類和提供更多領域的技術方案，為更廣泛的客戶群體提供一站式的供應鏈服務，讓客戶和供應商的業務與芯球一起成長。

公司很榮幸於2016年10月7日在聯交所主板成功掛牌上市後，於同月榮獲由行業知名媒體《國際電子商情》頒發的「十大本土分銷商獎」，對2016年公司驕人的業績和努力帶來了肯定。

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管理層討論及分析

OUTLOOK

Based on the development in 2016, the Group will continue specialising in smart media display, intelligent broadcasting terminal and memory products, and intend to promote customer loyalty and secure more purchases from customers. We will enhance the Group's technology value-added services, customer service, and order fulfillment and delivery capabilities to ensure our general solutions are more reliable and shorten the product cycle for our customer and to facilitate the bulk sales of customers' products. In 2017, the Group intends to focus on projector, automobile electronics, security and protection and small-size display products as the Group's strategic targets, meanwhile reinforce the introduction and operation of new product lines and keep focusing on facilitating operation efficiency, costs saving and conducting strict risk management on uncertain economic factors.

We will further enhance our e-commerce platform with the aim to improve our customers' online procurement experience with us. We plan to continue our investment in technologies and infrastructure to support our growing e-commerce platform by acquiring software and equipment to strengthen our e-commerce platform and ERP system and expanding our e-commerce platform operation team. We intend to further improve our infrastructure so that our e-commerce platform can fully integrate with our ERP system for better logistics, inventory control and sales data analysis. We believe that data on customer behaviour and transactions will provide us with valuable insights to help us and our suppliers to improve our product offering and services.

Looking forward to 2017, despite the uncertainties and competition, the Group will continue to actively explore market opportunities and strive for new developments. To reach the long-term goal of being sustainably profitable, we will continue to expand the market share of our existing product types, implement strictly cost control and strengthen capital position. It's believed that our profitability will be further boosted and favourable returns and long-term values will be brought to the shareholders of the Company (the "Shareholders").

展望

基於2016年的發展，集團將持續專業化耕耘智能媒體顯示產品、智能廣播終端產品和存儲器產品，計劃持續提升客戶忠誠度，提高客戶的採購量，加強技術增值、客戶服務、訂單履行及交付能力，提升我們的整體方案的可靠度及縮短客戶的產品週期，協助客戶產品快速批量銷售。2017年集團會將投影儀、汽車電子、安防及小尺寸顯示產品作為集團的戰略指標同時，加強新產品線的導入及運營，並將持續專注於改善營運效率，節省成本及面對經濟不明朗因素上的嚴格風險控制。

我們會進一步改善我們的電商平台，以提升客戶通過我們進行線上採購的體驗。我們計劃繼續投資技術和基礎設施，通過購買軟件和設備來強化我們的電商平台及ERP系統，同時擴大我們的電商平台運作團隊，為電商平台的不斷發展提供支持。我們計劃進一步完善基礎設施，以便我們的電商平台與ERP系統全面整合，可更好的控制物流和存貨以及銷售數據分析。我們相信，客戶的消費行為和交易數據將為我們提供有價值的見解，幫助我們和供應商改善產品供應種類和服務。

展望2017年，儘管形勢充滿變數及競爭，集團將繼續積極探索市場機遇，期待新的發展，為實現持續盈利的長期目標，將繼續積極拓展我們現有產品線的市場份額、嚴格控制成本、加強資本運作，相信會進一步促進盈利能力並繼續為本公司股東（「股東」）帶來豐碩的回報及長期價值。

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管理層討論及分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2016, the Group's revenue amounted to US\$669.9 million. There was an increase of US\$184.5 million (+38.0%) as compared with the revenue for the year ended 31 December 2015 (2015: US\$485.4 million). The increase in revenue was mainly contributed by the increase in sales from our intelligent broadcasting terminal products of US\$88.4 million and smart media display products of US\$87.5 million. A new top five customer boosted the sales of the intelligent broadcasting products. In addition, sales to one of our top five customers also increased to cater for improved broadcasting standard of set-top box for sales in the PRC. Sales from smart media display increased as a result of the increase in demand from our major customers to cater for their business need and wider range of products sold to them.

Gross profit

Our gross profit for the year ended 31 December 2016 increased by US\$9.4 million to US\$31.6 million (2015: US\$22.2 million). The increase was in line with our increase in revenue. Our gross profit margin remained relatively stable at 4.72% for the year ended 31 December 2016 (2015: 4.58%).

Research and development expenses

Research and development expenses mainly comprises of staff cost incurred for our research and development department. For the year ended 31 December 2016, research and development expenses amounted to US\$2.4 million, increased by 14.1% as compared with the year ended 31 December 2015 (2015: US\$2.1 million). The increase was in line with the increase in revenue and the need of technical support from the new top five customer also made the expenses increased.

財務回顧

收入

截至2016年12月31日止年度，本集團收入為669.9百萬美元，較截至2015年12月31日止年度增加184.5百萬美元(+38.0%) (2015年：485.4百萬美元)。收入增加乃主要由於智能廣播終端產品銷售額增加88.4百萬美元及智能媒體顯示產品的銷售額增加87.5百萬美元。一名新晉前五大客戶亦促進了智能廣播產品的銷售額。此外，銷售給我們其中一名前五大客戶亦有所增加，以滿足中國對所售機頂盒廣播標準提高的需求。智能媒體顯示產品的銷售額有所增加，乃由於主要客戶因應其業務需要而增加需求且售予該等客戶的產品種類也更為廣泛。

毛利

截至2016年12月31日止年度，我們的毛利增加9.4百萬美元至31.6百萬美元(2015年：22.2百萬美元)。該增加與我們的收入增加一致。截至2016年12月31日止年度，我們的毛利率維持相對穩定，為4.72%(2015年：4.58%)。

研發費用

研發費用主要包括我們的研發部門所產生的員工成本。截至2016年12月31日止年度，研發費用為2.4百萬美元，較截至2015年12月31日止年度增加14.1%(2015年：2.1百萬美元)。該增加與收入增加一致且新晉五大客戶的技術支持需求亦使費用有所增加。

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Administrative, selling and distribution expenses

Administrative, selling and distribution expenses amounted to an aggregate of US\$11.1 million for year ended 31 December 2016 (2015: US\$9.4 million), which accounted for 1.7% of the revenue for the year ended 31 December 2016 (2015: 1.9%). The net increase of US\$1.7 million was mainly due to 1) increase in staff costs as a result of increase in headcounts for the development of the E-commerce platform; 2) increase in rental expenses, in which additional offices were leased in both Hong Kong and the PRC; and 3) increase in product distribution costs which was in line with the increase in revenue.

Interest expense on bank borrowings

The Group's interest expense on bank borrowings for the year ended 31 December 2016 amounted to US\$3.6 million (2015: US\$1.8 million), increased by US\$1.8 million as compared with that in 2015. The significant increase was due to the increase in the average balance of bank borrowings during the year. In addition, as the Group has entered into various factoring arrangements with some of the principal bankers, the increase in revenue also made the costs increased.

Profit for the year

For the year ended 31 December 2016, the Company's profits amounted to US\$9.4 million, representing an increase of US\$2.5 million as compared to US\$6.9 million in 2015, an increment of 36.2%. The net profit margin for year ended 2016 was 1.41%, which was maintained at a similar level with financial year 2015, despite of the listing expenses amounted to US\$2.4 million absorbed in 2016 (2015: US\$1.2 million).

Net profit attributable to the owners of the Company

The net profit attributable to the owners of the Company for 2016 reached US\$9.3 million, representing an increase of 52.2% as compared with 2015.

行政、銷售及分銷費用

截至2016年12月31日止年度，行政、銷售及分銷費用合共為11.1百萬美元(2015年：9.4百萬美元)，佔截至2016年12月31日止年度收入的1.7%(2015年：1.9%)。1.7百萬美元的增加淨額乃主要由於1)就開發電子商務平台而增聘人手導致員工成本增加；2)於香港及中國租賃額外辦公室導致租賃費用增加；及3)產品分銷成本增加(與收入增加一致)。

銀行借貸利息費用

截至2016年12月31日止年度，本集團之銀行借貸利息費用為3.6百萬美元(2015年：1.8百萬美元)，較2015年增加1.8百萬美元。該大幅增加乃由於年內平均銀行借款結餘增加。此外，由於本集團與若干主要往來銀行訂立多項保理安排，收入增加同時成本亦增加。

年度利潤

截至2016年12月31日止年度，本公司利潤為9.4百萬美元，較2015年的6.9百萬美元增加2.5百萬美元，增幅為36.2%。2016年的純利率為1.41%，維持與2015財政年度的相似水平，儘管2016年產生上市開支2.4百萬美元(2015年：1.2百萬美元)。

本公司擁有人應佔淨利潤

於2016年本公司擁有人應佔淨利潤達9.3百萬美元，較2015年增加52.2%。

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管理層討論及分析

Use of proceeds from the global offering

The shares of the Company were listed (the "Listing") on the Stock Exchange on 7 October 2016 (the "Listing Date"). The Company issued 125,000,000 new shares with the nominal value of US\$0.00001 at HK\$1.83 per share. The net proceeds from the Listing received by the Company were approximately HK\$205.8 million after deducting underwriting fees and estimated expenses in connection with the Listing.

The Group has utilised approximately HK\$21.4 million of the net proceeds at 31 December 2016. The unutilised net proceeds have been placed as deposits with banks.

全球發售所得款項用途

本公司股份於2016年10月7日(「上市日期」)在聯交所上市(「上市」)。本公司按每股股份1.83港元發行125,000,000股面值為0.00001美元的新股份。經扣除有關上市之承銷費用及估計開支後，本公司所收取之來自上市的所得款項淨額為約205.8百萬港元。

本集團於2016年12月31日已動用約21.4百萬港元之所得款項淨額。未動用所得款項淨額已作為存款存放於銀行。

Use of proceeds	Net proceeds	Amount utilised as at 31 December 2016 於2016年12月31日 已動用款項	Amount remaining
所得款項用途	(in HK\$ million) (百萬港元)	(in HK\$ million) (百萬港元)	(in HK\$ million) (百萬港元)
1. Hiring additional staff for sales and marketing and business development and improvement of warehouse facilities 招募新員工進行銷售及營銷以及業務發展，並升級倉庫設施	20.6	(0.2)	20.4
2. Advertising and organising marketing activities for the promotion of our e-commerce platform, Smart Core Planet and our new products 為推廣電商平台、芯球計劃及新產品投放廣告及組織營銷活動	41.2	(0.6)	40.6
3. Enhancing, further developing and maintaining our e-commerce platform and improving our technology infrastructure 升級、進一步發展及維護本集團的電商平台以及改良技術基礎設施	41.2	(0.0)	41.2
4. For research and development 用於研發	20.6	(0.1)	20.5
5. Funding potential acquisition of, or investment in business or companies in e-commerce industry or electronics industry 為潛在收購或投資電商行業或電子行業的業務或公司撥資	61.7	(0.0)	61.7
6. General working capital 一般營運資金	20.5	(20.5)	0.0
	205.8	(21.4)	184.4

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Liquidity and financial resources

The Group's primary source of funding included cash generated from operating activities and the credit facilities provided by banks. The cash position was further enhanced by the net proceeds received by the Company from the global offering. For the year ended 31 December 2016, net cash inflow from the operating activities amounted to US\$48.1 million (2015: net cash outflow of US\$9.0 million).

The Group possesses sufficient cash and available banking facilities to meet its commitments and working capital requirements. As at 31 December 2016, the Group maintained bank balances and cash of US\$27.8 million (31 December 2015: US\$4.1 million). As at 31 December 2016, the outstanding bank borrowings of the Group was US\$22.6 million (31 December 2015: US\$36.9 million). The Group's gearing ratio, based on the interest-bearing borrowings and total equity, was decreased from 158.8% as at 31 December 2015 to 39.68% as at 31 December 2016 as a result of the decrease in bank borrowings and increase of net asset value of the Group after the global offering.

As at 31 December 2016, the Group had current assets of US\$151.4 million (31 December 2015: US\$116.3 million) and current liabilities of US\$105.7 million (31 December 2015: US\$102.1 million). The current ratio was 1.43 times as at 31 December 2016 (31 December 2015: 1.14 times).

The Group's debtor's turnover period was 38 days for the year ended 31 December 2016 as compared to 47 days for the year ended 31 December 2015. Since the group has entered into non-recourse factoring agreements with banks in respect of the Group's trade receivables with certain designated customers, the debtors' turnover period was greatly improved.

The creditors' turnover period was 33 days for year ended 31 December 2016 as compared to 28 days for the year ended 31 December 2015. The longer turnover days was the result of an increase in credit line offered by our major suppliers after the Listing.

The inventories' turnover period was 14 days for year ended 31 December 2016 as compared to 13 days for year ended 31 December 2015. Inventory control was always one of the primary tasks of the management to maintain the liquidity and healthy financial position of the Group.

流動資金及財務資源

本集團的主要資金來源包括自其經營業務產生之現金及銀行授出的信貸融資。現金狀況已由本公司自全球發售取得的所得款項淨額進一步提升。截至2016年12月31日止年度，來自經營業務的現金流入淨額為48.1百萬美元(2015年：現金流出淨額9.0百萬美元)。

本集團擁有充足的現金及可用銀行融資以滿足其承擔及營運資金需求。於2016年12月31日，本集團之銀行結餘及現金為27.8百萬美元(2015年12月31日：4.1百萬美元)。於2016年12月31日，本集團之尚未償還銀行借貸為22.6百萬美元(2015年12月31日：36.9百萬美元)。本集團之資本負債率(基於計息借貸及權益總額計算)由於2015年12月31日之158.8%下降至於2016年12月31日的39.68%，原因為於全球發售後本集團銀行借貸下降及資產淨值增加。

於2016年12月31日，本集團擁有流動資產151.4百萬美元(2015年12月31日：116.3百萬美元)及流動負債105.7百萬美元(2015年12月31日：102.1百萬美元)。於2016年12月31日的流動比率為1.43倍(2015年12月31日：1.14倍)。

截至2016年12月31日止年度，本集團之貿易應收賬款週轉期為38日，而截至2015年12月31日止年度則為47日。由於本集團已就本集團若干指定客戶的貿易應收款項與銀行訂立無追索權保理協議，貿易應收賬款週轉期已獲顯著改善。

截至2016年12月31日止年度的貿易應付賬款週轉期為33日，而截至2015年12月31日止年度則為28日。週轉期延長乃由於上市後我們主要供應商提供的授信額度增加。

截至2016年12月31日止年度的存貨週轉期為14日，而截至2015年12月31日止年度則為13日。存貨控制一直為管理的主要任務之一，以維持本集團的流動資金及健康的財務狀況。

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管理層討論及分析

The Group's transactions are principally denominated in US dollars and Renminbi. The Group had not experienced any material difficulties or material adverse impacts on its operation despite the fluctuations in currency exchange rates and the net foreign exchange loss of approximately US\$2.3 million during the year ended 31 December 2016 (31 December 2015: US\$0.7 million). The Group will consider the use of foreign exchange forward contracts to reduce the currency exposures in case the exposures become significant.

Pledge of assets

As at 31 December 2016, available-for-sale investments amounted to US\$7.8 million (31 December 2015: US\$5.8 million) and bank deposits amounted to US\$32.5 million (31 December 2015: US\$6.4 million) had been charged as security for the bank borrowings of the Group.

Capital commitment and contingent liabilities

The Group had no material capital commitment and contingent liabilities in both the year ended 31 December 2016 and 2015.

Significant investment held

Save for the available-for-sale investments, the Group did not hold any significant investments during the period from the Listing Date to 31 December 2016.

Material Acquisition and disposal of subsidiaries and associated companies

The Group has no material acquisitions or disposals of subsidiaries and associated companies during the period from the Listing Date to 31 December 2016.

Employees

As at 31 December 2016, the Group had 292 employees, with majority based in Shenzhen and Hong Kong. Total employee cost for the year ended 31 December 2016, excluding Directors' remuneration were approximately US\$8.1 million (2015: US\$7.5 million). There have been no material changes to the information disclosed in the Prospectus dated 27 September 2016 (the "Prospectus") in respect the remuneration of employees, remuneration policies, share award scheme, share option scheme and staff development.

本集團之交易主要以美元及人民幣計值。截至2016年12月31日止年度，儘管匯率出現波動及錄得匯兌虧損淨額約2.3百萬美元(2015年12月31日：0.7百萬美元)，本集團並無就其經營業務經歷任何重大困難或重大不利影響。本集團將考慮使用外匯遠期合約降低重大外匯風險帶來的貨幣風險。

資產抵押

於2016年12月31日，可供出售投資7.8百萬美元(2015年12月31日：5.8百萬美元)及銀行存款32.5百萬美元(2015年12月31日：6.4百萬美元)已抵押作為本集團銀行借貸的擔保。

資本承擔及或然負債

截至2016年及2015年12月31日止年度，本集團均無重大資本承擔及或然負債。

所持有的重大投資

除可供出售投資外，本集團於上市日期至2016年12月31日期間並無持有任何重大投資。

重大收購及出售附屬公司及聯營公司

本集團於上市日期至2016年12月31日期間並無重大收購或出售附屬公司及聯營公司。

僱員

於2016年12月31日，本集團僱員數目為292名，其中大部分位於深圳及香港。截至2016年12月31日止年度之僱員總成本(不包括董事酬金)為約8.1百萬美元(2015年：7.5百萬美元)。日期為2016年9月27日之招股章程(「招股章程」)所披露之有關僱員薪酬、薪酬政策、股份獎勵計劃、購股權計劃及員工發展之資料並無重大變動。

Directors and Senior Management

董事及高級管理層

The biographical details of the Directors and the senior management of the Company who held office during the Reporting Period and up to the date of this report are as follows:

EXECUTIVE DIRECTORS

Mr. Tian Weidong, aged 50, is the chairman of the Board, an executive Director and chief executive officer of our Company. He is the founder of our Group and has been leading our Group for over 11 years. Mr. Tian was appointed as a Director of our Company on 22 October 2015. He is also the chairman of the Company's nomination committee and a member of the Company's remuneration committee. Mr. Tian is responsible for overseeing the overall business strategy, development of projects, management and operations of our Group. Further, Mr. Tian is currently serving as a director of a number of subsidiaries of the Company, namely Smart-Core International Company Limited, Smart-Core Cloud Limited and Shenzhen Smart-Core Technology Co., Ltd. ("**SMC Technology SZ**"). He is also the sole director and sole shareholder of Smart IC Limited, a controlling shareholder (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) of the Company.

Mr. Tian has more than 20 years' experience in the semiconductor industry and its related distribution. He was the sales director of Shenzhen Dadong Electronics Co., Ltd. (which was principally engaged in sales of semiconductors) from October 1993 to June 1997 where he was in charge of the management of the sales team, formulation of sales and marketing strategies and maintenance of business partnerships with clients and suppliers. He was the sales manager of Trident Multimedia Technologies (Shanghai) Co., Ltd. (which was principally engaged in the design of IC products and the development of associated system software and application software) from December 1999 to March 2002 where he was in charge of sales and marketing.

Mr. Tian obtained a degree of Bachelor of Electronic Engineering from Xiamen University in July 1989 and a degree of Master of Business Administration from the National University of Singapore in March 2000.

報告期內及截至本報告日期止在任的本公司董事及高級管理層的履歷資料如下：

執行董事

田衛東先生，50歲，本公司董事會主席、執行董事及行政總裁，為本集團的創辦人，帶領本集團已超過十一年。田先生於2015年10月22日獲委任為本公司董事。他亦為本公司提名委員會主席及本公司薪酬委員會成員。田先生負責監督本集團的整體業務策略、項目開發、管理及營運。此外，田先生現為本公司若干附屬公司（即芯智國際有限公司、芯智雲有限公司及深圳市芯智科技有限公司（「**芯智科技深圳**」））的董事。彼亦為本公司控股股東（定義見香港聯合交易所有限公司證券上市規則（「**上市規則**」））Smart IC Limited之唯一董事及唯一股東。

田先生在半導體行業及其相關的分銷方面擁有逾20年豐富經驗。在1993年10月至1997年6月期間，他在深圳市大東電子有限公司（主要從事半導體的銷售）擔任銷售總監，負責管理銷售團隊、制定銷售及營銷策略及維護與客戶及供應商的業務關係。在1999年12月至2002年3月期間，他在泰鼎多媒體技術（上海）有限公司（主要從事集成電路產品的設計及相關系統軟件及應用軟件的開發）擔任銷售經理，負責銷售和市場營銷事務。

田先生1989年7月獲廈門大學電氣工程學士學位，2000年3月獲新加坡國立大學工商管理碩士學位。

Directors and Senior Management 董事及高級管理層

Mr. Wong Tsz Leung, aged 53, is an executive Director and chief financial officer of our Company. He was appointed as a Director of our Company on 22 October 2015. Mr. Wong joined our Group in March 2007 and subsequently promoted to the vice general manager. Mr Wong is responsible for overseeing the overall strategy and responsible for the financial operations and management of our Group. He is also the sole director and sole shareholder of Insight Limited, a substantial shareholder (as defined in the Listing Rules) of the Company.

Mr. Wong has more than 20 years of experience in business management. Prior joining our Group, Mr. Wong was the financial controller of OSSIMA Publishing Group Limited (which was engaged in travel media business) from January 1995 to September 2005. Mr. Wong obtained a degree of Master of Business Administration from University of Wales via its distance learning program in December 2011.

Mr. Liu Hongbing, aged 50, is an executive Director of our Company. He was appointed as a Director of our Company on 22 October 2015. Mr. Liu joined SMC Technology SZ in February 2007 and acted as the manager of the development department and was subsequently promoted to vice general manager. Mr. Liu is responsible for overseeing the overall strategy and responsible for the research and development matters of our Group. Further, Mr. Liu is currently serving as an alternate director to Mr. Tian Weidong in Smart-Core International Company Limited, as well as an executive director of Shenzhen Smart-Core Cloud Technology Co., Ltd.. Both Smart-Core International Company Limited and Shenzhen Smart-Core Cloud Technology Co., Ltd. are subsidiaries of the Company.

Mr. Liu has more than 20 years' experience in the electronic engineering industry. Prior to joining our Group, He was the engineer of Hebei Tengfei Electronics Co., Ltd. (which was principally engaged in the design, manufacturing and sales of LCD TVs and other electronic appliances) from October 1993 to May 1999 and was the senior engineer of Shenzhen Zhong Tian Xin Electrical Technologies Co., Ltd. (which was principally engaged in the design, manufacturing and sales of electronic products including LED products, LCD TVs and audio devices) from June 1999 to January 2007. Mr. Liu obtained a degree of Bachelor of Physics from Shandong University in July 1988 and a degree of Executive Master of Business Administration from The Chinese University of Hong Kong in November 2015.

黃梓良先生，53歲，本公司執行董事兼首席財務官，黃先生於2015年10月22日獲委任為本公司董事。於2007年3月加入本集團，隨後升職為副總經理。黃先生負責監督本集團的整體策略並負責財務運作及管理。彼亦為本公司之主要股東(定義見上市規則) Insight Limited之唯一董事及唯一股東。

黃先生在業務管理方面擁有逾20年的經驗。於加入本集團前，黃先生於1995年1月至2005年9月任奧斯瑪有限公司(從事旅遊媒體業務)財務總監。黃先生通過遠程學習計劃於2011年12月獲威爾士大學工商管理碩士學位。

劉紅兵先生，50歲，本公司執行董事。劉先生於2015年10月22日獲委任為本公司董事。劉先生於2007年2月進入芯智科技深圳工作，擔任開發部經理，其後提升為副總經理。劉先生負責監督本集團的整體策略並負責研發事宜。此外，劉先生現為田衛東先生於芯智國際有限公司之替任董事，以及深圳市芯智雲信息技術有限公司之執行董事。芯智國際有限公司及深圳市芯智雲信息技術有限公司均為本公司之附屬公司。

劉先生在電子工程行業擁有逾20年豐富經驗。加入本集團前，在1993年10月至1999年5月期間，他在河北騰飛電子有限公司(主要從事液晶電視及其他電子電器的設計、製造及銷售)擔任工程師，而在1999年6月至2007年1月期間，他在深圳中天信機電科技實業有限公司(主要從事LED產品、液晶電視及音頻設備等電子產品的設計、製造及銷售)擔任高級工程師。劉先生1988年7月獲山東大學物理學士學位，2015年11月獲香港中文大學工商管理碩士學位。

Directors and Senior Management

董事及高級管理層

Mr. Xie Yi, aged 45, is an executive Director of our Company. He was appointed as a Director of our Company on 16 March 2016. Mr. Xie joined SMC Technology SZ in May 2008 and acted as the manager of the mobile phone business division. In September 2012, Mr. Xie was appointed as the assistant to the general manager where he was responsible for assisting the general manager in respect of internal management of the sales centers. Mr. Xie has become the head of the e-commerce platform since August 2015. He is responsible for overseeing the operations of the e-commerce platform of our Group.

Mr. Xie has more than 20 years of experience in the electronic technology industry. He joined Xiixin Electronics Co. Ltd.* (夏新電子股份有限公司) from January 2001 to December 2005. He later joined Kuanda (Xiamen) Communication Technologies Co. Ltd.* (寬大(廈門)通訊技術有限公司) from January 2007 to February 2008. Mr. Xie graduated from the Department of Physics at Xiamen University in July 1995.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Zheng Gang, aged 49, is an independent non-executive Director of our Company. Mr. Zheng has been the executive director of Hua Xia Healthcare Holdings Limited, a company listed on the Stock Exchange (stock code: 8143) since August 2007. Mr. Zheng had also been appointed as the independent non-executive director of China Internet Investment Finance Holdings Limited (formerly known as Opes Asia Development Limited), a company listed on the Stock Exchange (stock code: 810) from July 2012 to May 2013. Mr. Zheng has extensive experience in management in the finance and investment industry. Mr. Zheng obtained a degree of Bachelor of Electronic Engineering from Xiamen University in July 1989 and a degree of Master of Business Administration from University of Wales in April 1994.

謝藝先生，45歲，本公司執行董事。謝先生於2016年3月16日獲委任為本公司董事。謝先生於2008年5月加入芯智科技深圳，任手機事業部經理。2012年9月，謝先生獲委任為總經理助理，負責協助總經理處理有關營銷中心內部管理。謝先生自2015年8月起任電商平台主管，負責監督本集團的電商平台營運。

謝先生在電子技術行業擁有逾20年的經驗。彼於2001年1月至2005年12月任職於夏新電子股份有限公司。彼其後於2007年1月至2008年2月任職於寬大(廈門)通訊技術有限公司。謝先生於1995年7月畢業於廈門大學物理學系。

獨立非執行董事

鄭鋼先生，49歲，本公司獨立非執行董事。鄭先生自2007年8月以來一直擔任華廈醫療有限公司(一家在聯交所上市的公司(股份代碼：8143))執行董事。2012年7月至2013年5月，鄭先生任中國互聯網投資金融集團有限公司(前稱華保亞洲發展有限公司，一家在聯交所上市的公司(股份代碼：810))獨立非執行董事。鄭先生在財務管理及投資行業擁有豐富的經驗。鄭先生於1989年7月獲廈門大學電子工程學士學位，1994年4月獲威爾士大學工商管理碩士學位。

Directors and Senior Management 董事及高級管理層

Mr. Tang Ming Je, aged 63, is an independent non-executive Director of our Company. Mr. Tang was an associate professor of the department of business administration of University of Illinois at Urbana-Champaign from August 1991 to August 1995, a visiting associate professor of Hong Kong University of Science and Technology in 4 January 1994 to January 1995 and a professor of department of industrial administration of Chang Gung University from December 1994 to August 1996. He held various positions in National Taiwan University, including Professor of the department of international business since August 1996, founding executive director of the executive master of business administration program from August 1997 to July 1999, director of the division of professional development from March 1998 to July 2004 and vice president for finance from August 2007 to May 2014. Mr. Tang obtained a degree of Bachelor of Civil Engineering from National Taiwan University in June 1975 and a degree of Doctor of Philosophy from Massachusetts Institute of Technology in September 1985.

Mr. Tang has been an independent director of Fubon Financial Holding Co., Ltd., a company listed on the Taiwan Stock Exchange (stock code: 2881) since June 2014.

Mr. Wong Hon Kit, aged 50, is an independent non-executive Director of our Company. Mr. Wong Hon Kit has been the independent non-executive director of Wanjia Group Holdings Limited, a company listed on the Stock Exchange (stock code: 401), since 11 April 2013. He was also a non-executive director of Shaanxi Northwest New Technology Industry Company Limited, a company listed on the Stock Exchange (stock code: 8258) from September 2012 to August 2014.

Mr. Wong Hon Kit has over 15 years of experience in the corporate finance industry. He has held various positions, including chief financial officer, director and company secretary in different companies in Hong Kong, where he has experience in handling corporate finance transactions such as mergers and acquisitions, capital fund raising and restructuring. He is the responsible officer of Greater China Paxwell Limited, a company providing corporate financial advisory services, from September 2013 to March 2015. Mr. Wong was appointed as a Director of Greater China Paxwell Limited since January 2017 where he was responsible supervising type-6 regulated activities under SFO including corporate finance, internal control and risk management. He was also responsible for overseeing the daily operations of the said company.

湯明哲先生，63歲，為本公司獨立非執行董事。湯先生自1991年8月至1995年8月為伊利諾伊大學厄巴納—香檳分校(University of Illinois at Urbana-Champaign)工商管理學系副教授；於1994年1月4日至1995年1月擔任香港科技大學客座副教授，於1994年12月至1996年8月擔任長庚大學工業管理系教授。湯先生曾在國立台灣大學擔任多個職務，包括自1996年8月起任國際企業學系教授，自1997年8月至1999年7月任EMBA第一任執行長，自1998年3月至2004年7月任進修推廣部主任，自2007年8月至2014年5月任財務副校長。湯先生於1975年6月獲得國立台灣大學土木工程學士學位及於1985年9月獲得麻省理工學院哲學博士學位。

湯先生自2014年6月起為富邦金融控股股份有限公司(一間於台灣交易所上市之公司，股份代號：2881)之獨立董事。

黃漢傑先生，50歲，本公司的獨立非執行董事。黃漢傑先生自2013年4月11日擔任聯交所上市公司萬嘉集團控股有限公司(股份代碼：401)的獨立非執行董事。他也曾於2012年9月至2014年8月擔任聯交所上市公司陝西西北新技術實業股份有限公司(股份代碼：8258)的非執行董事。

黃漢傑先生在企業融資行業擁有逾15年經驗，曾在多家香港公司擔任首席財務官、董事及公司秘書等不同職位，在處理併購、融資及重組等企業金融交易方面擁有豐富經驗。他於2013年9月至2015年3月期間任大中華栢盛有限公司(一家提供企業財務顧問服務的公司)負責人。黃先生於2017年1月獲委任為大中華栢盛有限公司的董事，負責監督證券及期貨條例項下第6類受規管活動(包括企業融資、內部控制及風險管理)。彼亦負責監督該公司的日常營運。

Directors and Senior Management

董事及高級管理層

Mr. Wong obtained a Diploma in Accounting from Hong Kong Shue Yan University in July 1991. Mr. Wong currently is a Certified Public Accountant in Hong Kong and is the member of Hong Kong Institute of Certified Public Accountants.

黃先生於1991年7月獲香港樹仁大學頒授會計文憑。黃先生現為香港執業會計師，並為香港會計師公會會員。

SENIOR MANAGEMENT

Ms. Yin Suqin, aged 34, has been the head of sales and marketing department of our Company since March 2016. Ms. Yin joined SMC Technology SZ in March 2010 and acted as the sales director of the marketing division. She was appointed as the vice general manager of SMC Technology SZ in August 2014 where she was responsible for assisting the general manager in respect of the daily operations of the sales centers.

高級管理層

殷素琴女士，34歲，自2016年3月起擔任本公司營銷中心主管。殷女士2010年3月加入芯智科技深圳，任營銷部銷售主管。彼自2014年8月獲委任為芯智科技深圳副總經理，負責協助總經理處理有關營銷中心日常營運事宜。

Prior to joining our Group, Ms. Yin worked for ASEC International (H.K.) Limited (which was principally engaged as agents of the semiconductor components) and acted as the sales supervisor from May 2004 to September 2007 where she was in charge of the sales and operation of product lines. She joined E-CMOS Corporation (which was principally engaged in the design, manufacturing and sales of IC products and electronics products) and acted as the business manager of the Southern China region from October 2007 to March 2010 and her main responsibilities include the sales and marketing duties in the PRC, managing agents and serving the direct customers. Ms. Yin completed the study of Applied Electronic Technology at HeFei University of Technology in July 2001.

加入本集團前，殷女士於2004年5月至2007年9月任亞矽科技(香港)有限公司(主要從事半導體元件代理)銷售主管，負責產品線的銷售及經營。在2007年10月至2010年3月期間，她任職於飛虹積體電路股份有限公司(主要從事集成電路產品及電子產品的設計、製造及銷售)，並擔任其華南區的業務經理，且其主要職責包括在中國的銷售及營銷工作、管理代理及服務其直接客戶。殷女士於2001年7月在合肥工業大學完成應用電子技術的學習。

Ms. Tang Mei Ling, aged 46, has been the head of finance department of our Company since March 2016. Ms. Tang joined SMC International HK in March 2015 and acted as the financial controller. Ms Tang has over 20 years' experience in accounting and auditing. Prior to joining our Group, Ms. Tang was the financial controller and assistant company secretary of Wo Kee Administration Limited. Ms. Tang obtained a degree of Bachelor of Arts in Accountancy from The Hong Kong Polytechnic University in November 1993. She is a member of the Hong Kong Institute of Certified Public Accountants and the fellow member of Association of Chartered Certified Accountants.

鄧美玲女士，46歲，自2016年3月起擔任本公司財務部主管。鄧女士於2015年3月加入芯智國際香港，擔任財務總監。鄧女士在會計及核數方面擁有逾20年經驗。於加入本集團前，鄧女士於和記管理有限公司擔任財務總監及助理公司秘書。鄧女士於1993年11月獲得香港理工大學會計學文學學士學位；她為香港會計師公會會員及特許公認會計師公會資深會員。

Directors and Senior Management 董事及高級管理層

Mr. Lo Kai Cheong, aged 33, was the company secretary of our Company and was appointed on 16 March 2016. Mr. Lo has over 8 years of experience in auditing. Mr. Lo started his professional career at an accounting firm Thomas Cheng & Company in October 2007 where he handled audit and tax works. He later left the said firm in August 2011 as an Audit Supervisor. He subsequently joined RSM Nelson Wheeler, an accounting firm, as a Senior Auditor in October 2011. In October 2012, he re-joined Thomas Cheng & Company as an Audit Manager. He then worked at ADGS Advisory Limited, a consultancy company, as the assurance and business advisory manager from July 2013 to April 2016. Mr. Lo is currently the principal of an accounting firm Justin Lo & Co.

Mr. Lo obtained a degree of Bachelor of Business (Accounting) from Australian Catholic University in December 2007. He has been a practising member of The Hong Kong Institute of Certified Public Accountants since September 2014 and a member of CPA Australia since November 2011. He was admitted as an Associate of The Taxation Institute of Hong Kong since January 2015 and a member of The Society of Chinese Accountants and Auditors since November 2014.

* denotes an English translation of a Chinese name and is for identification only.

盧繼昌先生，33歲，於2016年3月16日獲委任為本公司公司秘書。盧先生在審計方面擁有逾8年的經驗。盧先生於2007年10月開始職業生涯，任職會計師行鄭創程會計師行，處理審計和稅務工作。彼於2011年8月離任該公司審計總監。彼隨後於2011年10月加入中瑞岳華(香港)會計師事務所任高級核數師。2012年10月，他重新出任鄭創程會計師行審計經理一職。他於2013年7月至2016年4月期間任諮詢公司ADGS Advisory Limited審計及商業諮詢經理。盧先生目前為會計事務所Justin Lo & Co的主要負責人。

盧先生2007年12月獲澳大利亞天主教大學商業(會計)學士學位。彼自2014年9月起一直為香港會計師公會執業會員，自2011年11月起一直為澳大利亞會計師公會會員。盧先生自2015年1月起成為香港稅務協會會員，自2014年11月起成為香港華人會計師公會會員。

* 為中文名的英文翻譯，僅供識別。

Directors' Report

董事會報告

The Directors hereby present the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of the principal subsidiaries are trading of electronic components. The Group have strong capability to provide engineering support, and operate a distinctive e-commerce platform. Through closely co-operating with IC technology vanguards, the Group uses a comprehensive approach in consolidating industry resources and adopt an OAO (online and offline) business model to provide high quality core IC and value-added services to a broad base of customers. Our products include a wide range of IC and other electronic components used in application such as smart media display, intelligent broadcasting terminal, mobile terminal, smart automotive electronics and memory products.

BUSINESS REVIEW

A review of the business of the Group and a discussion on the Group's future business development is set out in the Chairman's Statement on pages 8 to 11 and in the Management Discussion and Analysis on pages 12 to 19 of this annual report.

Compliance with laws and regulations

As far as the Directors are aware, the Group has complied with all the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year.

董事謹此提呈本集團截至2016年12月31日止年度之年報連同經審核綜合財務報表。

主要業務

本集團為一間投資控股公司。主要附屬公司之活動為電子元器件貿易。本集團擁有強大的技術支持能力，運營一個獨具特色的電商平台。通過與集成電路技術源頭的緊密合作，本集團採用全面性的方法整合行業資源，並採用OAO(線上與線下)業務模式，為廣大客戶提供優質核心芯片及增值服務。我們的產品包括用於智能媒體顯示、智能廣播終端、移動終端、智能汽車電子產品和存儲器產品等應用的各種集成電路及其他電子元器件。

業務回顧

有關本集團之業務回顧及本集團未來業務發展之討論載於本年報第8頁至第11頁的主席報告書及第12頁至第19頁的管理層討論與分析。

遵守法律及法規

據董事所知，本集團於本年度已遵守對本集團業務及經營有重大影響的所有相關法律及法規。

Directors' Report

董事會報告

The Group and its activities are subject to requirements under various laws. These include, among others, Company Law of the PRC (《中華人民共和國公司法》), Wholly Foreign-Owned Enterprise Law of the PRC (《中華人民共和國外資企業法》), Detailed Implementing Rules for the "Wholly Foreign-Owned Enterprise Law of the PRC" (《外資企業法實施細則》), Guidance Catalogue for Industrial Structure Adjustment (2011 Version) (《產業結構調整指導目錄》(2011年本)), the State Council promulgated Several Policies on Further Encouraging the Development of the Software and Integrated Circuit Industries (Guo Fa [2011] No. 4) (《國務院關於印發進一步鼓勵軟件產業和集成電路產業發展的若干政策的通知》(國發[2011]4號)), the NDRC promulgated Announcement of NDRC [2013] No. 16 – Guiding Catalogue of Key Products and Services in Strategic Emerging Industries (《國家發展和改革委員會公告2013年第16號 – 戰略性新興產業重點產品和服務指導目錄》), Companies Ordinance (Chapter 622), Business Registration Ordinance (Chapter 310), Inland Revenue Ordinance (Chapter 112) and Employment Ordinance (Chapter 57). and the applicable regulations, guidelines, policies issued or promulgated under or in connection with our business activities. In addition, the Listing Rules also apply to the Company.

The Company seeks to ensure compliance with these requirements through various measures such as internal controls and approval procedures, trainings and oversight of various business units with the designated resources at different levels of the Group. While these measures require considerable internal resources and result in additional operational cost, the Group highly values the importance of ensuring compliance with applicable legal and regulatory requirements.

Environmental policies and performance

The Group considers the importance of environmental affairs and believes business development and environment affairs are highly related. In 2016, the Group implemented certain environmental protection measures to save energy and reduce the consumption of resources. These policies were supported by our staff and were implemented effectively. During the year ended 31 December 2016, we had not been subject to any fines or other penalties due to any non-compliance with health, safety or environmental regulations.

本集團及其活動須受多項法律規定之規限。其包括(其中包括)《中華人民共和國公司法》、《中華人民共和國外資企業法》、《外資企業法實施細則》、《產業結構調整指導目錄》(2011年本)、國務院關於印發進一步鼓勵軟件產業和集成電路產業發展的若干政策的通知(國發[2011]4號)、《國家發展和改革委員會公告2013年第16號 – 戰略性新興產業重點產品和服務指導目錄》、《公司條例》(第622章)、《商業登記條例》(第310章)、《稅務條例》(第112章)及《僱傭條例》(第57章), 以及根據或就我們的業務活動簽發或頒佈的適用法規、指引、政策。此外, 上市規則亦適用於本公司。

本公司透過多種措施(例如本集團不同層面的內部控制及審批程序、通過特定資源對各業務部門進行培訓和監管)以確保遵守該等規定。儘管該等措施需要大量內部資源及引致額外運營成本, 本集團高度重視確保遵守適用法律及監管規定的重要性。

環境政策及表現

本集團認可環境事務的重要性, 並認為業務發展及環境事務高度相關。於2016年, 本集團實行若干環境保護措施以節約能源及減少資源消耗。該等政策已獲得我們僱員的支持並獲有效執行。於截至2016年12月31日止年度, 我們並無因任何不遵守健康、安全或環境法規而遭受任何罰款或處罰。

Directors' Report

董事會報告

To meet stakeholders' expectations in environmental, social and governance (ESG) factors, our ESG report is scheduled to be published within 3 months after the issuance of this annual report.

Relationship with employees

We believe our employees are the most valuable resources in achieving our success. We are committed to offering competitive remuneration package to employees and have implemented a self-appraisal program to provide incentive and motivation to the staff to attain periodic goals. The Company has adopted a share award scheme and a share option scheme to reward our senior management and employees for their hard work, contribution and loyalty.

To ensure the quality of our employees at all levels, we have an intensive and standardised in-house training programmes to train our new joiners, mainly focusing on skills like company introduction and working procedure. The goal of the training programmes is to train our employees and to identify talent, with the aim of providing upward mobility within the Group, fostering employee loyalty and incorporating customized mentoring, coaching and training.

Relationship with suppliers, customers and other stakeholders

The Company understands the importance of maintaining good relationship with its suppliers and customers to meet its goals and to gain further success. We strive to maintain long-term and stable relationship with our major suppliers, which help to ensure our reliable access to their products. Our customer service team enables us to maintain close business relationships with our customers. Our application engineering support helps us to maintain symbiotic relationship with suppliers and customers. We believe that our application engineering support promotes the use of our suppliers' products and streamlines our customers' development process at the same time. Both our suppliers and customers value our capability to provide application engineering support in end-product-development.

為符合權益持有人對環境、社會及管治因素之預期，環境、社會及管治報告計劃於本年報刊發後3個月內刊發。

僱員關係

我們認為僱員乃取得成功最寶貴資源，並致力於向僱員提供具競爭力的薪酬待遇，並已實行自我評估計劃以為僱員實現階段目標提供激勵及動力。本公司採納一套股份獎勵計劃及一套購股權計劃以就我們的高級管理層及僱員的敬業、奉獻及忠誠對彼等進行獎勵。

為保證各層級僱員之質素，我們設有一套嚴格及標準的內部培訓課程為新員工提供培訓，主要專注於公司介紹及工作流程等技能。培訓課程旨在培訓僱員及物色人才，藉以提供內部晉升機會、培養僱員忠心工作及加入切合需要的指導、訓練及培訓。

與供應商、客戶及其他權益持有人之關係

本公司認可與其供應商及客戶維持良好關係對於實現其目標及取得進一步發展的重要性。我們致力於與我們的主要供應商維持長期及穩定的關係，以保證我們穩定的供貨渠道。我們的客戶服務團隊使我們能夠與我們的客戶維持密切的業務關係。我們的應用工程支持有助我們與供應商及客戶保持共生關係。我們認為，我們的應用工程支持可推動供應商產品的使用，同時精簡客戶的開發流程。我們的供應商及主要客戶都很重視我們在終端產品開發中提供應用工程支持的能力。

Directors' Report

董事會報告

Our major suppliers are generally reputable IC and other electronic component companies, and had business relationship with the Group from 4 to 10 years. Our largest supplier is headquartered in Taiwan and has a diverse product portfolio of application specific ICs in various market such as TV, set-up box and LCD monitor. Our major suppliers include IC companies that supply memory and silicon turner ICs as well. The credit period from the major suppliers is 30 to 60 days.

Our major customers include leading brand-name consumer electronic product manufacturing companies, ODMs and OEMs in the electronic product industry in the PRC region. The years of business relationship with the Group ranged from 1 year to 10 years and the credit terms granted to the major customers from 30 to 60 days. The trade receivables from major customers are paid on time and no impairment was provided.

Principal risks and uncertainties

We believe that the following are some of the major risks that may have an adverse effect on our business:

- We are dependent on our major suppliers ("Major Suppliers"). If our distributorship rights with these Major Suppliers are terminated, interrupted, or modified in any way adverse to us, our business, financial condition and results of operations could be adversely affected. We are expanding our supplier base by means such as organic growth of our business, expansion into various product segments which the Major Suppliers are not the supplier and through investment in, acquisition of and strategic cooperation with IC companies and distributors. We have been expanding and will continue to expand our supplier base by exploring co-operation opportunities with new suppliers as well as introducing new product segments that we consider to have growth potential. We have implemented guidelines for selecting and introducing new suppliers and/or new products to our offering.

我們的主要供應商通常是知名的集成電路及其他電子元器件公司，與本集團已有4至10年的業務關係。我們最大供應商的總部設在台灣，擁有多元化專用集成電路產品組合，其應用遍及電視、機頂盒及液晶顯示屏等多個產品市場。我們的主要供應商包括供應存儲器及硅調諧器集成電路的集成電路公司。該等主要供應商的信貸期介乎30至60天。

我們的主要客戶包括中國地區本土電子產品行業內領先的品牌電子產品製造公司以及原始設計製造商和原始設備製造商。與本集團的業務關係年限介乎1年至10年及授予主要客戶的信貸期介乎30至60天。來自主要客戶的貿易應收款項已按時償付，並無作出減值撥備。

主要風險及不確定因素

我們認為下列主要風險可能會對我們的業務造成不利影響：

- 我們倚賴我們的主要供應商（「主要供應商」）。如果我們與這些主要供應商之間的分銷權被終止、中斷或作出不利修訂，則我們的業務、財務狀況及經營業績可能受到不利影響。我們通過自身業務的增長、向主要供應商未有提供的各類產品分部拓展，以及投資、收購和與集成電路公司和分銷商進行戰略合作的方式逐步擴大我們的供應商群體。通過與新供應商探索合作機會和引入我們認為有增長潛力的新產品分部，我們已經並且將繼續擴大我們的供應商群體。我們為選擇及引入新供應商及／或新產品實施綱領。

Directors' Report

董事會報告

- We generally do not enter into long-term agreements with our customers, and some of them may cancel, change or postpone their orders. Furthermore, more than 50% of our revenue during the year was generated from our largest five customers. The concentration of our customers exposes us to risks, and the performance of our major customers may in turn lead to fluctuation or decline in our revenue. We are investing more resources on our advertising and organizing marketing activities for the promotion of our e-commerce platform, Smart-Core Planet and our new products, with the aim of expanding our customer base. Apart from expanding our customer base through Smart-Core Planet, we keep enriching our product portfolio and expanding our supplier base. We have identified a number of strategic product segments which we consider to be fast developing. We will continue to expand our product portfolio and invest in our value added engineering support services in relation to such strategic segments.
- Our profit margins are slim and therefore our profitability could be adversely affected if our profit margins cannot be sustained.
- We are dependent on short-term financing. In the event that our bankers cancel these facilities or the interest rates at which we could obtain such facilities increases, our business operations, revenue and profitability could be adversely affected.
- As a distributor, we do not directly monitor the quality control procedures of our major suppliers. If a product that we distribute has defects or performance problems, our reputation and operation could be adversely affected.
- 我們一般不與客戶訂立長期協議，而部分客戶可能會取消、更改或推遲其訂單。此外，我們於本年度的逾50%的收入來自我們的五大客戶。我們的客戶集中使我們面臨風險，而我們主要客戶的表現可能令我們的收入出現波動或下降。我們投入更多資源於營銷活動的宣傳和組織，以推廣我們的電商平台、芯球計劃和新產品，旨在擴大我們的客戶群。除通過芯球計劃擴大客戶群外，我們將繼續豐富產品組合並擴大供應商群體。我們已物色到多個我們認為將會快速發展的戰略產品分部。我們將會繼續擴大產品組合，投資與這些戰略分部相關的增值工程支持服務。
- 我們的利潤率不高，因此若我們的利潤率不可持續，我們的盈利能力可能會受到不利影響。
- 我們依賴於短期融資。若我們的往來銀行撤銷這些信貸額度或我們獲授這些信貸額度的利率升高，我們的業務經營、收入和盈利能力可能受到不利影響。
- 作為經銷商，我們不會直接監察我們的主要供應商的質量控制程序。如果我們所分銷的產品存在瑕疵或性能問題，我們的聲譽及經營可受到不利影響。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 and the Group's financial position at that date are set out in the Group's consolidated financial statements on pages 71 to 160.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: Nil). No interim dividend was declared during the year.

業績及分配

本集團截至2016年12月31日止年度之業績及本集團於該日之財務狀況載於第71至第160頁之本集團綜合財務報表。

董事不建議就截至2016年12月31日止年度派付末期股息(2015年：無)。於本年度概無宣派中期股息。

FINANCIAL SUMMARY

A summary of the consolidated results and the assets and liabilities of the Group for the last four financial years is set out on page 160.

SEGMENT INFORMATION

Details of the segment information of the Group are set out in note 6 to the consolidated financial statements.

NON-COMPETITION UNDERTAKING

In order to ensure that direct competition does not develop between the Group and each of Mr. Tian and Smart IC Limited (“**Controlling Shareholders**”)’s other activities, our Controlling Shareholders have entered into the Deed of Non-competition. Under the Deed of Non-competition, each of our Controlling Shareholders had undertaken to the Company (for ourselves and for the benefit of our subsidiaries) that, save for the Retained Business (as defined in the Prospectus), they will not, and they will use their best endeavours to procure that their respective close associates (except any members of the Group) will not, whether directly or indirectly (including through anybody corporate, partnership, joint venture or other contractual arrangement and for projects or otherwise) or as principal or agent, and whether on their own account or with each other or in conjunction with or on behalf of any person, firm or company or through any entities (except in or through any member of the Group), carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business (the “**Restricted Business**”) which is in competition with the business of any member of the Group, the details of which are set out in the Prospectus.

財務概要

本集團於過往四個財政年度之綜合業績以及資產及負債之概要載於第160頁。

分部資料

本集團分部資料之詳情載於綜合財務報表附註6。

不競爭承諾

為確保本集團均不會與田先生及Smart IC Limited (「**控股股東**」)的其他業務之間產生直接競爭，控股股東已訂立不競爭契約。根據不競爭契約，控股股東已各自向本公司(為其本身及為其附屬公司的利益)承諾，除保留業務(定義見招股章程)外，其將不會並將盡最大努力促使他們各自的緊密聯繫人(本集團任何成員公司除外)也不會直接或間接(包括通過任何法人團體、合夥、合營企業或其他合約安排及為項目或其他方式)或以負責人或代理身份為其本身利益或聯同或代表任何人士、商號或公司或通過任何實體(於本集團任何成員公司內或通過本集團任何成員公司除外)進行、從事、參與對本集團任何成員公司業務構成競爭的任何業務(「**受限制業務**」)，或持有任何這些業務的任何權益或利益或向其提供任何服務或以其他方式參與任何這些業務(詳情載於招股章程)。

Directors' Report

董事會報告

Under the Deed of Non-competition, our Controlling Shareholders have, among others, (i) undertaken, in the situation when our Controlling Shareholders or their respective close associates identify any new business opportunity relating to the Restricted Business (“**Business Opportunity**”) to refer such Business Opportunity to the Company; (ii) undertaken not to pursue such Business Opportunity unless our independent non-executive Directors decline the Business Opportunity and do not veto the pursuit of such Business Opportunity by our Controlling Shareholders; and (iii) Mr. Tian granted an option for the Company to purchase all of his shareholding interest in SMC Taiwan (as defined in the Prospectus), and/or the assets or other interests of SMC Taiwan and/or any new business similar to our core business which has been developed, operated or owned (whether directly or indirectly) by Mr. Tian, or any companies controlled (whether directly or indirectly) by him. For further details, please refer to the Prospectus – “Relationship with Our Controlling Shareholders”.

Mr. Tian and Smart IC Limited have confirmed their compliance with the Non-Competition Undertaking throughout the period from the Listing Date to 31 December 2016. The independent non-executive Directors have also reviewed the compliance with the Deed of Non-Competition by the Mr. Tian and Smart IC Limited and are satisfied that they have complied with the undertakings.

LOCK-UP UNDERTAKINGS TO HONG KONG STOCK EXCHANGE

The Controlling Shareholders have provided undertakings to the Hong Kong Stock Exchange pursuant to which the shareholdings of the Controlling Shareholders are subject to lock-up undertakings from the Listing Date to the ending on the date which is 12 months from the Listing Date.

Mr. Wong Tsz Leung and Insight Limited have provided undertakings to the Hong Kong Stock Exchange pursuant to which the shareholdings of the Mr. Wong Tsz Leung and Insight Limited are subject to lock-up undertakings from the Listing Date to the ending on the date which is six months from the Listing Date.

根據不競爭契約，控股股東已(其中包括)(i)承諾倘控股股東或彼等各自之緊密聯繫人識別出任何與受限制業務有關的新商業機會(「商機」)，會將有關商機轉介給本公司；(ii)承諾不會把握有關商機，除非我們的獨立非執行董事拒絕有關商機且不行使其權力否決控股股東競逐有關商機；及(iii)田先生向本公司授出選擇權以購買他持有的芯智台灣的全部股權(定義見招股章程)、及/或芯智台灣的資產或其他權益及/或田先生或他所控制(無論直接或間接)的任何公司所開發、經營或擁有(無論直接或間接)的與我們的核心業務相類似的任何新業務，有關詳情請參閱招股章程—「與控股股東的關係」。

田先生及Smart IC Limited已確認，彼等於上市日期起至2016年12月31日期間一直遵守不競爭承諾。獨立非執行董事亦已審閱田先生及Smart IC Limited遵守不競爭契據的情況，並信納彼等已遵守有關承諾。

向香港聯交所作出之禁售承諾

控股股東已向香港聯交所作出承諾，據此控股股東所持股權自上市日期起至上市日期後計滿12個月當日止須受禁售承諾規限。

黃梓良先生及Insight Limited已向香港聯交所作出承諾，據此黃梓良先生及Insight Limited所持股權自上市日期起至上市日期後計滿6個月當日止須受禁售承諾規限。

Further details of the above lock-up undertakings are set out in the section "Underwriting – Underwriting Arrangements and Expenses – Hong Kong Public Offer- Undertakings given to the Stock Exchange pursuant to the Listing Rules" of the Company's Prospectus.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 25 to the consolidated financial statements.

RESERVES

Details of movements in reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity and reserves of the Company on page 73 to 75 and note 31 to the consolidated financial statements of this annual report respectively.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

DONATIONS

During the year, the Group made charitable and other donations in the aggregate amount of approximately US\$129,000.

BANK BORROWINGS

Particulars of the bank borrowings of the Group at 31 December 2016 are set out in note 24 to the consolidated financial statements.

有關上述禁售承諾之進一步詳情載於本公司招股章程「承銷－承銷安排及開支－香港公開發售－根據上市規則向聯交所作出的承諾」一節。

股本

本公司於本年度股本變動之詳情載於綜合財務報表附註25。

儲備

本集團及本公司於本年度儲備變動之詳情分別載於73至75頁之本公司權益及儲備綜合變動表以及本年報之綜合財務報表附註31。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動之詳情載於綜合財務報表附註13。

捐贈

於本年度，本集團作出慈善及其他捐贈合共約129,000美元。

銀行借貸

本集團於2016年12月31日之銀行借貸之詳情載於綜合財務報表附註24。

Directors' Report

董事會報告

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the aggregate amount of purchase from the Group's five largest suppliers was approximately 95.1% of the Group's total purchases, while the purchases from the Group's largest supplier was approximately 77.1% of the Group's total purchases.

During the year, the aggregate amount of sales to the Group's five largest customers was approximately 60.5% of the Group's total revenue, while the sales to the Group's largest customer was approximately 26.1% of the Group's total revenue.

None of the Directors, their close associates, or any shareholder (which to the best knowledge of the Directors owns more than 5% of the Company's issued share capital) had any interests in the Group's five largest supplier or customers.

DIRECTORS

The Directors during period from the Listing Date to 31 December 2016 and up to the date of this Directors' report were:

Executive Directors

Mr. Tian Weidong
Mr. Wong Tsz Leung
Mr. Liu Hongbing
Mr. Xie Yi

Independent non-executive Directors

Mr. Tang Ming Je
Mr. Zheng Gang
Mr. Wong Hon Kit

In accordance with the articles of association of the Company, all the Directors will retire at the forthcoming annual general meeting (the "AGM"), and being eligible, will offer themselves for re-election at the AGM.

主要供應商及客戶

年內，本集團向其前五大供應商的總採購額佔本集團總採購額約95.1%，而向其最大供應商的採購額佔本集團總採購額的約77.1%。

年內，本集團向其前五大客戶的總銷售額佔本集團總收入約60.5%，而向本集團最大客戶的銷售額約佔本集團總收入約26.1%。

概無董事、彼等緊密聯繫人、或任何股東(據董事所知擁有超過5%本公司已發行股本)於本集團前五大供應商或客戶擁有任何權益。

董事

自上市日期至2016年12月31日及直至本董事會報告日期之期間的董事如下：

執行董事

田衛東先生
黃梓良先生
劉紅兵先生
謝藝先生

獨立非執行董事

湯明哲先生
鄭鋼先生
黃漢傑先生

根據本公司組織章程細則，所有董事將於應屆股東週年大會(「股東週年大會」)上退任，並合資格於股東週年大會上膺選連任。

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

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

DIRECTORS' SERVICE CONTRACTS

Executive Directors

Each of the Executive Directors had entered into a service contract with the Company pursuant to which they agreed to act as Executive Directors for a term of three years with effect from 7 October 2016, which shall be renewed as determined by the Board or the Shareholders of the Company. The appointment of each of the Executive Directors may be terminated by either party by giving at least three months' written notice to the other.

Independent Non-Executive Directors

Each of the Independent Non-executive Directors has been appointed for a term of three years commencing from 7 October 2016, which shall be renewed as determined by the Board or the Shareholders of the Company. The appointment of each of the Independent Non-executive Directors may be terminated by either party giving at least three months' written notice to the other.

None of the Directors who is proposed for re-election at the forthcoming AGM has with the Group an unexpired service contract which is not determined by the Group within one year without payment of compensation (other than statutory compensation).

獨立非執行董事的獨立性

截至2016年12月31日止年度，董事會一直遵守上市規則有關委任至少三名獨立非執行董事，須佔董事會三分之一，且其中一人具備適當的專業資格或會計或相關的財務管理專長的規定。

本公司已收到各獨立非執行董事根據上市規則第3.13條所載的獨立指引就其獨立性作出的書面確認。本公司認為全體獨立非執行董事均屬獨立。

董事服務合約

執行董事

各執行董事已與本公司訂立服務合約，據此彼等已同意擔任執行董事，為期三年，自2016年10月7日起生效，並將按董事會或本公司股東所釐定者進行重續。各執行董事的委任可由任何一方透過向另一方發出至少三個月的書面通知予以終止。

獨立非執行董事

各獨立非執行董事已獲委任自2016年10月7日起三年的任期，將按董事會或本公司股東所釐定者進行重續。各獨立非執行執行董事的委任可由任何一方透過向另一方發出至少三個月的書面通知予以終止。

概無建議於應屆股東週年大會上重選連任的董事與本集團訂有不可由本集團於一年內免付賠償(法定賠償除外)予以終止的未到期服務合約。

Directors' Report

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, the interests and short positions of our Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO; or are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange are as follows:

Name of Director 董事姓名	Nature of Interest 權益性質	Number of Shares held 所持股份數目	Approximate shareholding percentage 概約持股比例
Mr. Tian Weidong ⁽¹⁾ 田衛東先生 ⁽¹⁾	Interest in a controlled corporation 受控法團權益	262,500,000 (L)	52.5%
Mr. Wong Tsz Leung ⁽²⁾ 黃梓良先生 ⁽²⁾	Interest in a controlled corporation 受控法團權益	112,500,000 (L)	22.5%

Notes:

(1) Smart IC Limited is wholly owned by Mr. Tian Weidong. Therefore, Mr. Tian is deemed to be interested in all the shares held by Smart IC Limited.

(2) Insight Limited is wholly owned by Mr. Wong Tsz Leung. Therefore, Mr. Wong is deemed to be interested in all the shares held by Insight Limited.

(L) represents long positions.

Saved as disclosed in this report, as at 31 December 2016, none of the Directors nor their associates had any interests or short positions in any share, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

董事於股份及相關股份的權益及淡倉

於2016年12月31日，董事或本公司主要行政人員於本公司或任何相關法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中，擁有記錄於根據證券及期貨條例第352條須備存的登記冊的權益及淡倉；或根據載於上市規則附錄十的上市公司董事進行證券交易的標準守則(「標準守則」)將須知會本公司及聯交所的權益及淡倉如下：

Name of Director 董事姓名	Nature of Interest 權益性質	Number of Shares held 所持股份數目	Approximate shareholding percentage 概約持股比例
Mr. Tian Weidong ⁽¹⁾ 田衛東先生 ⁽¹⁾	Interest in a controlled corporation 受控法團權益	262,500,000 (L)	52.5%
Mr. Wong Tsz Leung ⁽²⁾ 黃梓良先生 ⁽²⁾	Interest in a controlled corporation 受控法團權益	112,500,000 (L)	22.5%

附註：

(1) Smart IC Limited由田衛東先生全資擁。因此，田先生視為擁有Smart IC Limited所持全部股份的權益。

(2) Insight Limited由黃梓良先生全資擁有。因此，黃先生視為擁有Insight Limited所持全部股份的權益。

(L) 指好倉。

除本報告所披露者外，於2016年12月31日，概無董事或彼等聯繫人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)的任何股份、相關股份或債券中擁有任何記錄於根據證券及期貨條例第352條須備存的登記冊的權益或淡倉或根據標準守則須知會本公司及聯交所的權益或淡倉。

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENTS AND CONTRACTS

No transactions, arrangements or contracts of significance, to which the Company, or its holding companies, subsidiaries or fellow subsidiaries was a party and in which the any Director or the Director's connected entity had a material interest, whether directly or indirectly, subsisted at the end or at any time during the year ended 31 December 2016.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save as disclosed under the section headed "Non-Competition Undertaking" on pages 31 to 32 of this report, during the year ended 31 December 2016, none of the Directors has an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

PERMITTED INDEMNITY

Pursuant to the articles of associates of the Company, every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, Auditor or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted.

The company has arranged Directors' liability insurance policy to protect the Directors against potential costs and liability arising from claims brought against the Directors.

EVENTS AFTER THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

Up to the date of this report, the Group has no subsequent event after 31 December 2016 which required disclosure.

PRINCIPAL SUBSIDIARIES

The Group's operations are conducted on a global basis through its direct or indirect subsidiaries. Details of the subsidiaries of the Company as at 31 December 2016 are set out in note 32 to the Consolidated Financial Statements.

董事於交易、安排及合約的權益

於截至2016年12月31日止年度末或任何時間概無存續本公司、或其控股公司、附屬公司或同系附屬公司所訂立而董事或董事之關連實體於其中直接或間接擁有重大權益的主要交易、安排或合約。

董事於競爭業務的權益

除本報告第31頁至第32頁「不競爭承諾」一節所披露者外，截至2016年12月31日止年度，概無董事於直接或間接與本集團業務構成競爭或可能構成競爭的業務中擁有權益。

獲准許彌償

根據本公司組織章程細則，各董事、本公司核數師或其他高級職員均有權就其作為董事、核數師或本公司其他高級職員在勝訴或無罪的任何民事或刑事訴訟中進行抗辯而招致或蒙受的一切損失或責任從本公司的資產中獲得彌償。

本公司已安排董事責任保險以保護董事免於承擔針對董事的索償所產生的潛在成本及責任。

截至2016年12月31日止財政年度後之事件

截至本報告日期，本集團於2016年12月31日後並無發生須予披露的事件。

主要附屬公司

本集團透過其直接或間接附屬公司在全球範圍內開展業務。有關本公司於2016年12月31日的附屬公司詳情載於綜合財務報表附註32。

Directors' Report

董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the period from the Listing Date to 31 December 2016, there was no purchase, sale or redemption by the Company or its subsidiaries of the Company's listed securities.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARE

As at 31 December 2016, so far as the Directors are aware, the following persons (other than a Director or a chief executive of the Company) have interests or short positions in the shares or underlying shares of the Company, as recorded in the register required to be kept by the Company under Section 336 of Part XV of the SFO:

Name of Shareholder 股東名稱	Nature of Interest 權益性質	Number of Shares held 所持股份數目	Approximate shareholding percentage 股權概約百分比
Smart IC Limited ⁽¹⁾	Beneficial owner 實益擁有人	262,500,000 (L)	52.5%
Insight Limited ⁽²⁾	Beneficial owner 實益擁有人	112,500,000 (L)	22.5%

Notes:

- (1) Smart IC Limited is wholly owned by Mr. Tian Weidong. Therefore, Mr. Tian is deemed to be interested in all the shares held by Smart IC Limited.
 - (2) Insight Limited is wholly owned by Mr. Wong Tsz Leung. Therefore, Mr. Wong is deemed to be interested in all the shares held by Insight Limited.
- (L) represents long position

Saved as disclosed above, as at 31 December 2016, the Company had not been notified by any persons who had any interests or short positions in the shares or underlying shares of the Company which would fall under the provisions of Division 2 and 3 of Part XV of the SFO to be disclosed to the Company, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

購買、銷售或贖回上市證券

自上市日期至2016年12月31日止期間，本公司或其附屬公司概無購買、銷售或贖回本公司上市證券。

主要股東於股份及相關股份之權益及淡倉

於2016年12月31日，就董事所知，以下人士（董事或本公司主要行政人員除外）擁有須登記於本公司根據證券及期貨條例第XV部第336條須予備存之登記冊內之股份或相關股份之權益或淡倉：

附註：

- (1) Smart IC Limited由田衛東先生全資擁有，因此田先生視為擁有Smart IC Limited所持全部股份的權益。
 - (2) Insight Limited由黃梓良先生全資擁有，因此黃先生視為擁有Insight Limited所持全部股份的權益。
- (L) 指好倉

除上文所披露者外，於2016年12月31日，概無任何其他人士知會本公司其擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露或記錄於本公司根據證券及期貨條例第336條所須予備存的登記冊的本公司股份或相關股份權益或淡倉。

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There were no contracts of significance (including for the provision of services) with any member of the Group as the contracting party and in which any of the Controlling Shareholders and their respective associates possessed direct or indirect substantial interests, and which was still valid on 31 December 2016 or any time during such year and related to the business of the Group.

CONNECTED TRANSACTIONS

During the year ended 31 December 2016, the Group had conducted continuing connected transactions with Smart-Core Technology Co. Limited ("SMC Taiwan"), a company owned as to 90% by Mr. Tian Weidong, our executive Director and Controlling Shareholder. The Group had supplied to SMC Taiwan IC components and the amount of supply transactions between the Group and SMC Taiwan during the year ended 31 December 2016 were as follows:

控股股東之合約權益

概無與本集團任何成員公司訂立控股股東及彼等各自之聯繫人士於其中直接或間接擁有重大權益、且於2016年12月31日或有關年內任何時間仍生效及與本集團業務相關的任何重要合約(包括有關提供服務的合約)。

關連交易

截至2016年12月31日止年度，本集團與芯智股份有限公司(「芯智台灣」)發生持續關連交易，我們的執行董事兼控股股東田衛東先生擁有該公司90%的權益。本集團向芯智台灣供應元器件，本集團與芯智台灣之間於截至2016年12月31日止年度的供應交易額如下：

	Year ended 31 December 2016 截至2016年 12月31日止年度 USD'000 千美元	Year ended 31 December 2015 截至2015年 12月31日止年度 USD'000 千美元
Amount of supply by the Group 本集團供應額	178	203

The above transactions were carried out on normal commercial terms and the consideration payable was determined based on arms' length negotiations between the parties and with reference to the price offered to independent similar customers. Such transactions were fully exempted under Chapter 14A of the Listing Rules.

上述交易乃按正常商業條款進行，應付代價基於各方之間的公平協商並參考獨立相似客戶的報價而釐定。根據上市規則第14A章，該等交易獲完全豁免。

Directors' Report

董事會報告

RELATED PARTY TRANSACTIONS

Certain related party transactions as disclosed in note 30 to the financial statements prepared under Hong Kong Financial Reporting Standards also constituted connected transactions under the Listing Rules required to be disclosed in accordance with Chapter 14A of the Listing Rule. The Company has complied with the disclosure requirements of Chapter 14A of Listing Rules in respect of the above connected transactions or continuing connected transactions.

EMPLOYEE INCENTIVE SCHEMES

On 19 September 2016, the Company adopted a share award scheme ("**Share Award Scheme**") and conditionally approved and adopted a share option scheme ("**Share Option Scheme**"). As at 31 December 2016, no award or option had been granted or agreed to be granted by the Company pursuant to the Share Award Scheme and Share Option Scheme respectively.

Share Option Scheme

Details of the Share Option Scheme (which became effective on the Listing Date) are set out as follows:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to incentivise and reward the ESOS Eligible Persons (as defined below) for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

(b) Participants of the Share Option Scheme

The Board (including any committee or delegate of the Board appointed by the Board to perform any of its functions pursuant to the rules of the Share Option Scheme) may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to an employee (whether full time or part-time) or a director of a member of the Group or associated companies of the Company ("**ESOS Eligible Persons**").

關連方交易

根據香港財務報告準則編製的財務報表附註30所披露的若干關連方交易亦構成須根據上市規則第14A章披露之關連交易。就上述關連交易或持續關連交易而言，本公司已遵守上市規則第14A章之披露規定。

員工激勵計劃

於2016年9月19日，本公司已採納股份獎勵計劃（「**股份獎勵計劃**」），且有條件批准及採納一項購股權計劃（「**購股權計劃**」）。於2016年12月31日，本公司並無分別根據股份獎勵計劃及購股權計劃授出或同意授出任何獎勵或購股權。

購股權計劃

購股權計劃之詳情（於上市日期生效）載列如下：

(a) 購股權計劃的目的

購股權計劃的目的乃為激勵及獎勵購股權計劃合資格人士（定義見下文）對本集團作出的貢獻及將他們的利益與本公司的利益掛鉤，以鼓勵他們努力提升本公司的價值。

(b) 購股權計劃參與者

董事會（包括董事會根據購股權計劃規則為履行其任何職責而委任的任何委員會或董事會代表）可全權酌情向本集團成員公司或本公司聯營公司的僱員（不論全職或兼職）或董事（「**購股權計劃合資格人士**」）要約授出購股權，以認購董事會可能釐定的有關股份數目。

(c) **Maximum number of Shares in respect of which options may be granted**

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes (the “**Other Schemes**”) of the Company must not in aggregate exceed 50,000,000 shares (representing 10% of the issued share capital of the Company as at the date of this report.) (the “**ESOS Mandate Limit**”). Options lapsed in accordance with the terms of the Share Option Scheme and any Other Schemes of the Company will not be counted for the purpose of calculating the ESOS Mandate Limit.

The Board may, with the approval of the Shareholders in general meeting, refresh the ESOS Mandate Limit provided that the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any Other Schemes of the Company under the ESOS Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date on which the Shareholders approve the refreshment of the Scheme Mandate Limit. Options previously granted under the Share Option Scheme and any Other Schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the terms of the relevant scheme, or exercised options) will not be counted for the purpose of calculating the ESOS Mandate Limit as “**refreshed**”. The Board may, with the approval of the Shareholders in general meeting, grant options to any ESOS Eligible Person or ESOS Eligible Persons specifically identified by them which would cause the ESOS Mandate Limit to be exceeded. The Company shall send to the Shareholders a circular containing the information required under the Listing Rules for the purpose of seeking the approval of the Shareholders.

At any time, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and any Other Schemes of the Company to ESOS Eligible Persons must not exceed 30% of the total number of Shares in issue from time to time.

(c) **可能授出的購股權涉及的股份數目上限**

因根據本公司的購股權計劃及任何其他購股權計劃(「**其他計劃**」)將予授出的購股權獲悉數行使而可能發行的股份上限數目合共不得超過50,000,000股股份(相當於本公司於本報告日期已發行股本之10%)(「**購股權計劃授權上限**」)。根據本公司購股權計劃及任何其他計劃的條款失效的購股權將不會用作計算購股權計劃授權上限。

董事會可在股東於股東大會上批准更新購股權計劃授權上限，惟根據經更新購股權計劃授權上限，因本公司購股權計劃及任何其他計劃授出的所有購股權獲行使而可予以發行的股份總數，不得超過股東批准更新計劃授權上限當日已發行股份的10%。先前根據本公司購股權計劃及任何其他計劃授出(包括尚未行使、已註銷、根據有關計劃條款已失效或已獲行使的購股權)的購股權將不會用作計算「**經更新**」購股權計劃授權上限。董事會可在股東於股東大會上批准後，向其指定的任何購股權計劃合資格人士授出超出購股權計劃授權上限的購股權。本公司將向股東發出載有上市規則項下規定資料的通函，以尋求股東的批准。

根據本公司購股權計劃及任何其他計劃向購股權計劃合資格人士授出所有發行在外而尚未行使的購股權獲行使時可予發行的最高股份數目於任何時候均不得超過不時的已發行股份總數的30%。

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The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or independent financial adviser appointed by the Board shall certify in writing to the Board to be fair and reasonable, in the event of any alteration in the capital structure of the Company whether by way of capitalisation of profits or reserves, rights issue, consolidation or subdivision of shares, or reduction of the share capital of the Company, provided that no such adjustment shall be made in the event of an issue of Shares as consideration in respect of a transaction.

As at the date prior to the issue of this annual report, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme is 50,000,000 Shares, representing 10% of the total number of Shares in issue.

(d) *Maximum Entitlement of Each Individual*

No options shall be granted to any ESOS Eligible Person under the Share Option Scheme which, if exercised, would result in such ESOS Eligible Person becoming entitled to subscribe for such number of Shares as, when aggregated with the total number of Shares already issued or to be issued to him under all options granted to him (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of offer of such options, exceeds 1% of the Shares in issue at such date.

Any further grant of options to an ESOS Eligible Person in excess of this 1% limit shall be subject to the approval of the Shareholders in general meeting with such ESOS Eligible Person and his close associates (or if such ESOS Eligible Person is a connected person, his associates) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the ESOS Eligible Person in question, the number and terms of the options to be granted (and options previously granted to such ESOS Eligible Person) and such other information required under the Listing Rules.

倘本公司的資本架構出現任何變動(不論因溢利或儲備資本化、供股、股份合併或拆細或削減本公司股本),可能授出的購股權所涉及的最高股份數目將以本公司核數師或董事會委任的獨立財務顧問向董事會書面證明屬公平合理的方式調整,惟倘發行股份乃作為交易代價,則不得作出有關調整。

於刊發本年報日期前,根據股權計劃將予授出的全部購股權獲悉數行使而可能發行的股份上限數目為50,000,000股份,相當於已發行股份總數的10%。

(d) *每名人士可獲授權益上限*

倘根據購股權計劃向購股權計劃合資格人士授出的購股權獲行使將導致有關購股權計劃合資格人士有權認購的該等股份數目,加上其於直至有關購股權提呈日期(包括該日)止12個月期間根據其獲授的全部購股權(包括已行使、已註銷及尚未行使的購股權)而向其發行或將予發行的股份總數超過該日已發行股份的1%,則不得授出有關購股權。

倘進一步向購股權計劃合資格人士授出購股權而超出該1%上限,則須經股東於股東大會上批准,該等合資格人士及其緊密聯繫人(若該購股權計劃合資格人士為一名關連人士,則為其聯繫人)須放棄投票。本公司必須向股東發出通函,以披露有關購股權計劃合資格人士的身份、將予授出購股權的數目及條款(及先前授予該等購股權計劃合資格人士的購股權)及上市規則項下規定的有關其他資料。

The number and terms (including the exercise price) of the options to be granted to such ESOS Eligible Person must be fixed before the Shareholders' approval and the date of the Board meeting approving such further grant shall be taken as the date of grant for the purpose of determining the exercise price of the options.

(e) Acceptance of an Offer of Options

An offer of options shall be open for acceptance for such period (not exceeding 30 days inclusive of, and from, the date of offer) as the Board may determine and notify to the ESOS Eligible Persons concerned provided that no such offer shall be open for acceptance after the expiry of the duration of the Share Option Scheme. An offer of options not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of an option and such payment shall not be refundable and shall not be deemed to be a part payment of the exercise price.

(f) Exercise Price

Subject to any adjustment made in respect of alteration of share capital, the exercise price shall be such price as determined by the Board and notified to an option-holder and which shall not be less than the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of offer of the option;
- (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of the option; and
- (iii) the nominal value of the Shares.

向該等購股權計劃合資格人士授出的購股權數目及條款(包括行使價)必須於提呈股東批准前釐定，而批准該進一步授出購股權的董事會會議日期應被視為授出日期，以釐定購股權的行使價。

(e) 接納購股權要約

購股權要約可於董事會可能決定的有關期間(由提呈日期起(包括該日)計30日內)供接納，並須通知有關購股權計劃合資格人士，惟購股權計劃屆滿期後的有關要約將不被接納。該期間內不被接納的購股權要約將告失效。於接納所授出的購股權時須付1.00港元，而該款項將不予退還，且不應被視為行使價的部分款項。

(f) 行使價

待作出有關變更股本的任何調整後，行使價應為董事會釐定的價格，並須通知購股權持有人及不得低於以下之較高者：

- (i) 於購股權要約日期聯交所每日報價表所報股份收市價；
- (ii) 緊接購股權要約日期前五個交易日聯交所每日報價表所報股份平均收市價；及
- (iii) 股份面值。

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(g) Duration of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the Listing Date, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Option Scheme.

(h) Time of Vesting and Exercise of Options

Any option shall be vested on an option-holder immediately upon his acceptance of the offer of options provided that if any vesting schedule and/or conditions are specified in the offer of the option, such option shall only be vested on an option-holder according to such vesting schedule and/or upon the fulfilment of the vesting conditions (as the case may be). Any vested option which has not lapsed and which conditions have been satisfied or waived by the Board in its sole discretion may, unless the Board determines otherwise in its absolute discretion, be exercised at any time from the next business day after the offer of options has been accepted. Any option which remain unexercised shall lapse upon the expiry of the option period, which period shall be determined by the Board and shall not exceed ten years from the offer date of the option (the "Option Period").

An option shall be subject to such terms and conditions (if any) as may be determined by the Board and specified in the offer of the option, including any vesting schedule and/or conditions, any minimum period for which any option must be held before it can be exercised and/or any performance target which needs to be achieved by an option-holder before the option can be exercised. Any terms and conditions determined by the Board must not be contrary to the purpose of the Share Option Scheme and must be consistent with such guidelines (if any) as may be approved from time to time by the Shareholders.

(g) 購股權計劃的期限

購股權計劃應由上市日期起十年期間內有效及生效，該期間後不得授出其他購股權，但購股權計劃的條文仍具十足效力及效用，以致先前授出任何可於當時或其後根據購股權計劃行使的購股權得以行使，或其他方面以致於根據購股權計劃之條文規定有效。

(h) 歸屬及行使購股權的時限

購股權持有人一經接納提呈的購股權後，任何購股權應即時歸屬予購股權持有人。惟倘任何歸屬時間表及／或條件在購股權要約中有所規定，有關購股權僅根據有關歸屬時間表及／或於歸屬條件達成時歸屬予購股權持有人(視乎情況而定)。除董事會按其絕對酌情權另行釐定外，任何已歸屬而未失效的購股權於達成條件或董事會按其全權酌情決定豁免條件後，可於提呈購股權獲接納後的下一個營業日起隨時行使。任何尚未行使的購股權於購股權期限屆滿後將告失效，該期限由董事會釐定，且不得超過購股權要約日期起計十年(「購股權期限」)。

購股權須受董事會可能釐定及購股權要約中規定的有關條款及條件(如有)限制，包括任何歸屬時間表及／或條件、任何購股權於其可獲行使前必須持有的任何最短期限及／或購股權持有人於購股權可獲行使前須達成的任何表現目標。董事會釐定的任何條款及條件不得與購股權計劃的目的抵觸，同時必須符合股東不時可能批准的有關指引(如有)。

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No option may be exercised in circumstances where such exercise would, in the opinion of the Board, be in breach of a statutory or regulatory requirement.

(i) **Restriction on the Time of Grant of Options**

A grant of options may not be made after inside information has come to our knowledge until such inside information has been announced as required under the Listing Rules. In particular, no option may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of the results for any year, or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement. The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

For further details on the Share Award Scheme, please refer to section headed "Appendix IV – Statutory and General Information – D. Employee Incentive Schemes – 2. Share Option Scheme" of the Prospectus.

倘董事會認為行使購股權將違反法定或監管規定，則不得予以行使。

(i) **授出購股權的時間限制**

我們知悉內幕消息後不得授出購股權，直至有關內幕消息根據上市規則的規定作出公佈為止。尤其是，在緊接以下日期前一個月期間(以較早者為準)不得授出購股權：

- (i) 董事會為批准本公司任何年度、半年度、季度或其他中期(不論上市規則有否規定)業績舉行的董事會會議日期(即根據上市規則首先通知聯交所的有關日期)；及
- (ii) 本公司根據上市規則刊發任何年度或半年度，或季度或任何其他中期(不論上市規則有否規定)業績公佈的截止日期，而有關限制於業績公佈當日結束。購股權亦不可於業績公佈延遲刊發的任何期間內授出。

有關股份獎勵計劃之進一步詳情，請參與招股章程「附錄四—法定及一般資料—D.員工激勵計劃—2.購股權計劃」一節。

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Share Award Scheme

Details of the Share Award Scheme (which became effective on 19 September 2016) are set out as follows:

(a) Purpose of the Share Award Scheme

The purpose of the Share Award Scheme is to reward our directors, senior managers and employees of the Group ("Eligible Persons") for their hard work, contribution and loyalty and align their interests with those of the Shareholders.

(b) Duration of the Share Award Scheme

Subject to any early termination as may be determined by the Board pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on 19 September 2016, after which period no further Awards (as defined below) will be granted but the provisions of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Awards granted prior to the expiration of the Share Award Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Award Scheme.

(c) Participants of the Share Award Scheme and Basis for Determining the Eligibility of the Selected Participants

The Board may, from time to time, at its absolute discretion, select any Eligible Persons to participate in the Share Award Scheme ("Selected Participants"), subject to the terms and conditions set out in the Share Award Scheme. In determining the Selected Participants, the Board shall take into consideration matters including, but without limitation, the present and expected contribution of the relevant Selected Participants to the Group.

股份獎勵計劃

有關股份獎勵計劃(自2016年9月19日起生效)之詳情載列如下:

(a) 股份獎勵計劃的目的

股份獎勵計劃旨在嘉許本集團董事、高級管理人員與僱員(「合資格人士」)的辛勤工作、傑出貢獻與高度忠誠，令他們的利益與本公司股東的利益一致。

(b) 股份獎勵計劃的期限

除非董事會根據股份獎勵計劃的有關規定提前終止，否則股份獎勵計劃將自2016年9月19日起計十年內有效並生效。期滿後不會進一步授出獎勵(定義見下文)，惟就股份獎勵計劃屆滿前已授出的任何獎勵可有效歸屬而言實屬必要的情况下或於股份獎勵計劃之條文或會要求的其他情況下，股份獎勵計劃的條款仍具全面效力及生效。

(c) 股份獎勵計劃參與者及釐定合資格經甄選參與者的基準

董事會可不時全權酌情甄選任何合資格人士參與股份獎勵計劃(「經甄選參與者」)，惟須遵守股份獎勵計劃的條款及條件。釐定經甄選參與者時，董事會將考慮各項因素，包括但不限於相關經甄選參與者對本集團的當前及預期貢獻。

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(d) Maximum number of Shares that can be awarded

The Company shall not make any further grant of award under the Share Award Scheme (“Award”) which will result in the number of Shares allotted and issued to or acquired by the Trustee (as defined in the Prospectus) amounting or exceeding 10% of the total number of issued Shares from time to time.

(e) Maximum entitlement of each awardee

The maximum number of Award which may be granted to a awardee but unvested under the Share Award Scheme shall not exceed 1% of the total number of issued Shares from time to time.

(f) Appointment of Trustee

The Company will appoint trustee to assist with the administration and vesting of the Awards granted pursuant to the Share Award Scheme (“Trustee”) and will enter into a trust deed with the Trustee that constitute a trust to service the Share Award Scheme (“Trust”).

(g) Settlement and/or Payment of Award

Upon the satisfaction of conditions including without limitation, the vesting of the Award, the Board may at its absolute discretion to either:

- i. direct and procure the Trustee to release the Award Shares to the Grantees by transferring the number of Award Shares to the Grantees in such manner as determined by the Board in its absolute discretion from time to time; or

(d) 可作為獎勵之股份數目上限

本公司將不會進一步根據股份獎勵計劃(「獎勵」)授出任何獎勵，以致配發及發行予受託人(定義見招股章程)或其將收購之股份數目達到或超過不時已發行股份總數之10%。

(e) 各獲獎人的最高配額

股份獎勵計劃項下可授予一名獲獎人但未歸屬的獎勵最高數目不應超過不時已發行股份總數之1%。

(f) 委任受託人

本公司將委任受託人(「受託人」)協助管理根據股份獎勵計劃授出的獎勵及其歸屬，亦將與受託人訂立一份委託契據，該契據屬於服務股份獎勵計劃的委託(「委託」)。

(g) 獎勵結算及／或付款

達成相關條件(包括但不限於獎勵歸屬)後，董事會可全權酌情：

- i. 指示並促使受託人按董事會不時全權釐定的方式通過向承授人轉讓一定數目的獎勵股份而向承授人發放獎勵股份；或

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- ii. to the extent where it is in the reasonable opinion of the Company not practicable for the Grantee to receive the Award Shares, direct and procure the Trustee to sell the number of Award Shares on such dates and in such manner as the Board shall in its absolute discretion determine and pay the Grantee the proceeds arising from such sale based on the Actual Selling Price of the Shares in cash as set out in the vesting notice (“**Vesting Notice**”) to be sent by the Company to the relevant Grantee prior to any Vesting Date, in accordance with the procedure set out in the Share Award Scheme.

For further details on the Share Award Scheme, please refer to section headed “Appendix IV – Statutory and General Information – D. Employee Incentive Schemes – 1. Share Award Scheme” of the Prospectus.

REMUNERATION POLICY

The remuneration policy of the employees of the Group is set out by the Board of Directors, having regards to the positions, duties and performance of the employees, together with the comparable market practice. The emoluments of the Directors are decided by remuneration committee, having regard to the Company’s operating results, individual performance and comparable market statistics.

PRE-EMPTIVE RIGHTS

The articles of association of the Company and the relevant law of the Cayman Islands do not entitle any Shareholder to any pre-emptive right or other similar rights to subscribe for the new shares on a pro-rata basis.

EQUITY-LINKED AGREEMENTS

Save as disclosed in this report, the Company has not entered into any equity-linked agreements for the year ended 31 December 2016.

- ii. 按本公司於歸屬日前向相關承授人發出的歸屬通告(「歸屬通告」)所載，如果本公司合理認為承授人收取獎勵並不可行，則可根據股份獎勵計劃所載之程序指示並促使受託人於董事全權酌情確定的日期並按董事全權酌情確定的方式出售一定數目的獎勵股份並根據實際售價以現金向承授人支付的出售股份所得款項。

有關股份獎勵計劃的進一步詳情，謹請參閱招股章程「附錄四—法定及一般資料—D. 員工激勵計劃—1. 股份獎勵計劃」一節。

薪酬政策

本集團僱員的薪酬政策乃由董事會經考慮僱員之職位、職責及表現以及可比較市場常規後制訂。董事之酬金乃由薪酬委員會經考慮本公司之經營業績、個人表現及可比較市場數據釐定。

優先購買權

本公司組織章程細則及開曼群島相關法例並無賦予任何股東任何按比例認購新股份的優先購買權或其他相似權利。

股權掛鈎協議

除本報告所披露外，本公司於截至2016年12月31日止年度並無訂立任何股權掛鈎協議。

SUFFICIENCY IN PUBLIC FLOAT

Based on information that is publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times and during the period from the Listing Date to 31 December 2016 and up to the latest practicable date prior to the issue of this annual report.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the Shareholders of the Company are unsure about the tax implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares of the Company, they are advised to consult an expert.

AUDIT COMMITTEE

The audited consolidated financial statements for the year ended 31 December 2016 have been reviewed by the audit committee of the Company.

AUDITOR

The Group's consolidated financial statements have been audited by Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants, who will retire and offer itself for re-appointment at the forthcoming AGM. A resolution will be submitted to the AGM to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Tian Weidong
Chairman

Hong Kong, 21 March 2017

充足的公眾持股量

根據本公司公開可得的資料及就董事所知，於上市日期至2016年12月31日期間及直至本年報刊發前的最後實際可行日期，本公司全部已發行股本的至少25%（聯交所批准及上市規則准許的規定最低公眾持股量）一直由公眾持有。

推薦專業稅務意見

倘本公司股東不能確定購買、持有、出售、處理或行使有關本公司股份的任何權利的稅務影響，彼等應諮詢專家。

審核委員會

截至2016年12月31日止年度之經審核財務報表已獲本公司審核委員會審閱。

核數師

本集團之綜合財務報表已獲德勤•關黃陳方會計師行（執業會計師）審核，其將於應屆股東週年大會上退任並有意膺選連任。股東週年大會上將提呈一項決議案續聘德勤•關黃陳方會計師行為本公司核數師。

代表董事會

主席
田衛東

香港，2017年3月21日

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Board has committed to maintain high corporate governance standards. The Board believes that good corporate governance, by adopting an effective management accountability system and high standard of business ethics, can provide a framework that is essential to the Company's sustainable development and to safeguard the interests of the Shareholders, suppliers, customers, employees and other stakeholders.

The company has adopted the code provision as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules as its own code of corporate governance. Except for code provision A.2.1 as disclosed in this report, the Company has complied with the applicable code provisions of the CG code during the period from the Listing Date to 31 December 2016. The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices as set out in the CG Code.

The Board will review and update the corporate governance policy regularly to ensure the compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as standard for dealings in securities of the Company for the Directors. The Company has made specific query to the Directors, and all Directors confirmed that they had fully complied with the Model Code during the period from the Listing Date to 31 December 2016.

THE BOARD OF DIRECTORS

Board Composition

As at the date of this report, the Board comprises seven members, of whom four are executive Directors and three are independent non-executive Directors. Directors who held office from the Listing Date and up to the date of this report are:

企業管治常規

董事會承諾維持企業管治高標準。董事會認為，透過採納有效的管理問責制度及高標準的商業道德來維持良好企業管治，有利於建立重要框架，以支撐本公司可持續發展及保障股東、供應商、客戶、員工及其他利益相關人士的利益。

本公司已採納上市規則附錄十四所載之《企業管治守則》(「企業管治守則」)之守則條文，作為其本身之企業管治守則。除本報告所披露偏離守則條文A.2.1外，於上市日期起至2016年12月31日止期間，本公司一直遵守企業管治守則所載的適用守則條文。本公司之企業管治常規乃基於企業管治守則所載之原則、守則條文及若干建議最佳常規訂立。

董事會將定期檢討並更新企業管治常規政策，以確保遵守企業管治守則。

證券交易之標準守則

本公司已採納上市規則附錄十所載《上市發行人董事進行證券交易之標準守則》(「標準守則」)作為董事進行本公司證券交易之標準守則。本公司已向董事作出具體查詢，且所有董事已確認彼等於上市日期起至2016年12月31日止期間一直全面遵守標準守則。

董事會

董事會組成

於本報告日期，董事會包括七名成員，其中四名為執行董事及三名為獨立非執行董事。自上市日期起至本報告日期止期間任職的董事如下：

Corporate Governance Report

企業管治報告

Executive Directors

Mr. TIAN Weidong (*Chairman and Chief Executive Officer*)
Mr. WONG Tsz Leung (*Chief Financial Officer*)
Mr. LIU Hongbing
Mr. XIE Yi

Independent non-executive Directors

Mr. TANG Ming Je
Mr. ZHENG Gang
Mr. WONG Hon Kit

The list of Directors and their roles and functions are posted on the websites of the Company and the Stock Exchange. The biographical information of the Directors are set out in the section headed "Directors and senior management" on pages 20 to 25 of this report. None of the Directors has any family, financial or business relations with each other.

During the period from the Listing Date to 31 December 2016 and up to the latest practicable date prior to the issue of this annual report, the Board has complied with Rules 3.10(1) and 3.10(2) of the Listing Rules to have not less than three independent non-executive Directors and at least one of the independent non-executive Directors has the requisite professional qualification in accounting or relevant financial management experience. In addition, the Company has complied with Rule 3.10A of the Listing Rules which stipulates that the number of independent non-executive Directors appointed by a listed company shall not be less than one third of the Board.

The Board is responsible for the overall strategic plans and key policies of the Group; monitor the financial performance; review the effectiveness of internal control system; risk management and ensures good corporate governance and compliance with regulatory requirements. It delegates the daily operations and administration to the senior management with clear directions. The board members are fully committed to their roles and have acted in good faith to maximise the value of the Company and safeguard the interests of the stakeholders.

執行董事

田衛東先生(*主席兼行政總裁*)
黃梓良先生(*首席財務官*)
劉紅兵先生
謝藝先生

獨立非執行董事

湯明哲先生
鄭鋼先生
黃漢傑先生

董事名單及其角色及職能刊於本公司及聯交所網站。董事履歷資料載於本報告第20頁到第25頁「董事及高級管理層」一節。各董事彼此之間概無任何親屬、財務或業務關係。

自上市日期起至2016年12月31日及直至刊發本年報前的最後實際可行日期，董事會一直遵守上市規則第3.10(1)條及3.10(2)條有關委任最少三名獨立非執行董事，且最少一名獨立非執行董事應具備合適審計專業資格或具備相關財務管理專長之規定。同時，本公司亦遵守上市規則第3.10A條有關上市公司須委任佔董事會不少於三分之一的獨立非執行董事之規定。

董事會負責制訂本集團整體戰略規劃及主要政策；監視財務表現；檢討內部監控系統的有效性；負責風險管理及確保良好的企業管治常規並遵守監管規定。董事會作出清晰指示將日常營運及管理事項委任予高級管理層。董事會成員竭誠履行彼等之職責，並真誠行事，為本公司創造最大價值並保障利益相關人士的利益。

Corporate Governance Report

企業管治報告

Board meetings

The Board meets four times each year. Between scheduled regular meetings, Directors may approve various matters by way of the passing of written resolutions and additional meetings may be arranged if required. Notice of each regular Board meeting will be given to all members at least 14 days before the meeting. Agenda and all the relevant information is normally dispatched to the Directors three days in advance of the relevant meetings.

The Company Secretary assists the Chairman in preparing the agenda for the Board meeting and ensures that all applicable rules and regulations regarding Board meetings are complied with. Each director may request the inclusion of items in the agenda. Directors considered having conflict of interests are required to declare their interests and abstain from voting for the relevant resolution.

Minutes of the meetings are recorded in detail and draft minutes are circulated to all Directors for review and comment within a reasonable time after the Board meetings are held. All the minutes of the meeting are properly kept by the Company Secretary after approval and are available to all Directors for inspection.

The attendance records of the Directors at the Board meeting held during the period from the Listing Date and 31 December 2016 are set out below:

董事會會議

董事會每年舉行四次會議。於計劃的定期會議之間，董事可通過書面決議案批准各類事項並在必要時安排額外會議。每次定期董事會會議之通告將在會議舉行前至少14日提前向全體成員發出。會議議程及所有相關資料則通常在相關會議舉行三天前向董事寄發。

公司秘書協助主席擬備各董事會會議議程，並確保有關董事會會議之所有適用規則及規例均獲遵守。每名董事可要求將相關事項列入會議議程內。被視為存在利益衝突的董事須聲明其利益並就相關決議案放棄投票。

會議紀錄將予詳細記錄，而會議紀錄草擬本將在董事會會議舉行之後的合理時間內由全體董事傳閱並提出意見。所有經批准的會議紀錄將由公司秘書保存，並可供全體董事查閱。

自上市日期起至2016年12月31日止期間，各董事會會議的董事出席紀錄如下：

Name of Directors	董事姓名	Board Meetings attended 出席董事會會議次數	General Meeting attended ⁽¹⁾ 出席股東大會次數 ⁽¹⁾
Executive Directors			
Mr. Tian Weidong	田衛東先生	1/1	N/A 不適用
Mr. Wong Tsz Leung	黃梓良先生	1/1	N/A 不適用
Mr. Liu Hongbing	劉紅兵先生	1/1	N/A 不適用
Mr. Xie Yi	謝藝先生	1/1	N/A 不適用
Independent non-executive Directors			
Mr. Tang Ming Je	湯明哲先生	1/1	N/A 不適用
Mr. Zheng Gang	鄭鋼先生	1/1	N/A 不適用
Mr. Wong Hon Kit	黃漢傑先生	1/1	N/A 不適用

(1) From the Listing Date to 31 December 2016, no general meeting was held.

(1) 自上市日期起至2016年12月31日止並無舉行股東大會。

Corporate Governance Report

企業管治報告

Chairman and Chief Executive Officer

Pursuant to code provision A.2.1 of the CG Code set out in Appendix 14 of the Listing Rules, the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual.

The Company deviates from this provision in that Mr. Tian Weidong currently performs these two roles. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Appointment, Re-election and Removal

The procedures for appointing and re-electing Directors are set out in the articles of association of the Company (the “**Articles of Association**”). The appointment of a new director must be approved by the Board. The nomination committee of the Company (the “**Nomination Committee**”) is responsible for making recommendations to the Board on the selection of individuals nominated for directorship taking into account factors such as appropriate professional knowledge, industry experience, personal ethics, integrity, personal skills, gender, age, cultural and educational background.

Pursuant to Article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

主席及行政總裁

根據上市規則附錄十四所載之企業管治守則的守則條文A.2.1，主席與行政總裁的職務應有所區分，並不應由同一人擔任。

本公司偏離該條文，現時田衛東先生兼任這兩個職位。董事會相信，將主席與行政總裁的兩個職能集中於同一人士，可確保本集團內部領導的一致性，並讓本集團的整體策略規劃更有效且更高效。董事會認為，目前的安排將不會削弱權力制衡，而且這個架構將有助於本公司迅速及有效地作出及實行決策。經慮及本集團的整體狀況後，董事會將繼續檢討並考慮於適當時候將董事會主席與本公司行政總裁之職務分開。

委任、重選及罷免

有關委任及重選董事之程序載於本公司組織章程細則(「**組織章程細則**」)。委任新董事必須經董事會批准。本公司提名委員會(「**提名委員會**」)負責考慮適當專業知識、行業經驗、個人道德、誠信、個人技能、性別、年齡、文化及教育背景等因素，就挑選提名董事的個別人士向董事會提出推薦意見。

根據組織章程細則第16.18條，於本公司每屆股東週年大會上，當時三分之一(或如董事人數並非三或三的倍數，則為最接近但不少於三分之一的人數)的董事須輪值退任，惟每名董事(包括有指定任期的董事)應最少每三年輪值退任一次。

Corporate Governance Report

企業管治報告

The Company has entered into service agreements with the executive Director, and appointment letters with the independent non-executive Directors. The tenure of all Directors is 3 years.

Independent non-executive Director

Since the Listing Date, the Company at all times met the requirements of the Listing Rules relating to have independent non-executive Directors who represent at least one-third of the Board, and at least one of whom must have appropriate professional qualifications or accounting or related financial management expertise.

The Company has received from all independent non-executive Directors their confirmation of independence in accordance to the independence guidelines as set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent in accordance with the terms of independence guidelines.

All of the independent non-executive Directors are appointed for a term of three years and are subjected to retirement by rotation once every three years.

Directors' training and development

All Directors should keep abreast of the responsibilities as a director of the Company and of the conduct and business activities of the Company. The Company is responsible for arranging suitable training for its Directors. The Company has arranged for Directors to attend a training session which place emphasis on the roles, functions and duties of a listed company director, as well as the latest development regarding the Listing Rules and other applicable regulatory requirements. All the Directors had also participated in appropriate continuous professional development activities by reading materials regarding regulatory updates and corporate governance matters.

本公司已與每名執行董事訂立服務協議，並與獨立非執行董事訂立委任函。所有董事的委任期為三年。

獨立非執行董事

自上市日期起，本公司一直符合上市規則有關擁有獨立非執行董事人數須至少佔董事會三分之一，且其中至少一人必須具備適當的專業資格或審計或相關財務管理專長。

本公司已收到全體獨立非執行董事根據上市規則第3.13條所載的獨立性指引就彼等之獨立性作出的確認。本公司認為所有獨立非執行董事根據有關獨立性指引條款均屬獨立。

所有獨立非執行董事的任期均為三年，並須每三年輪值退任一次。

董事培訓及發展

全體董事應及時了解擔任本公司董事職務的責任及本公司的行為及業務活動。本公司負責為董事安排適當的培訓。本公司已安排董事參加培訓課程，重點培訓上市公司董事的角色、職能及職責，以及有關上市規則及其他適用監管規定的最新發展。所有董事亦通過閱讀關於監管更新及公司治理事項的材料，參與適當的持續專業發展活動。

Corporate Governance Report

企業管治報告

Board diversity policy

The Board has a board diversity policy and the Company believes that the diversity will support the attainment of the Company's objective and enhance the value of the Company. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural, educational background, professional experience, skills, knowledge and other qualities. Nomination committee of the Company will review the board diversity policy regularly to ensure its continued effectiveness.

CORPORATE GOVERNANCE DUTIES

The Board is responsible for performing the corporate governance duties according to the code provision D.3.1 of the CG Code, which includes:

- (1) developing and reviewing the policies and practices on corporate governance of the Group;
- (2) reviewing and monitoring the training and continuous professional development of Directors and senior management;
- (3) reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements;
- (4) developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to Directors and employees; and
- (5) reviewing the Company's compliance with the Code and disclosure in the corporate governance report of the Company.

BOARD COMMITTEES

The Company has set up three committees, namely the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee") and Nomination Committee for overseeing particular aspect of the Company. The terms of reference of these committees are available on the websites of the Company and the Stock Exchange.

董事會多元化政策

董事會實施董事會多元化政策，本公司相信多元化將有助於達成本公司的目標，並提升本公司的價值。本公司綜合考慮多項因素，包括但不限於性別、年齡、文化、教育背景、專業經驗、技能、知識及其他素質，以促進董事會多元化。本公司提名委員會將定期檢討董事會多元化政策，以確保其持續有效。

企業管治責任

董事會負責根據企業管治守則之守則條文D.3.1履行企業管治職責，包括：

- (1) 發展及檢討本集團企業管治的政策及常規；
- (2) 檢討及監督董事及高級管理人員的培訓及持續專業發展；
- (3) 檢討及監察本集團就遵守法律及法規要求的政策及常規；
- (4) 發展、檢討及監察適用於董事及員工的行為準則及合規手冊(如有)；及
- (5) 檢討本公司就守則的合規性及本公司於企業管治報告的披露。

董事委員會

本公司已設立三個委員會，分別為審計委員會(「審計委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會，以監督本公司特定事宜。此等委員會的職權範圍於本公司及聯交所網站可供查閱。

Corporate Governance Report

企業管治報告

Audit Committee

The Audit Committee comprises all the independent non-executive Directors of the Company (i.e. Mr. Wong Hon Kit, Mr. Zheng Gang and Mr. Tang Ming Je) and Mr. Wong Hon Kit, who has professional qualification in accounting and financial management expertise, is the chairman of the Audit Committee.

The major roles and functions of the Audit Committee are as follows:

1. To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
2. To make recommendations to the Board on the appointment, reappointment and removal of the external auditor;
3. To oversee the internal audit system of the Company and its implementation;
4. To review the Group's financial controls, risk management, internal control systems, financial and accounting policies and practices;
5. To review the external auditor's management letter, any material queries raised by the auditor to Management about accounting records, financial accounts or systems of control and Management's response;
6. To develop and review the Company's policies and practices on corporate governance, and make recommendations to the Board and report to the Board on matters; and
7. To review the corporate governance report disclosed in our annual report.

From the Listing Date to 31 December 2016, no Audit Committee meeting was held.

審計委員會

審計委員會由本公司全體獨立非執行董事(即黃漢傑先生、鄭鋼先生及湯明哲先生)組成，其中黃漢傑先生擁有會計及財務管理專業資格並擔任審計委員會主席。

審計委員會之主要角色及職權包括：

1. 按適用的標準審查及監察外聘審計師是否獨立客觀及審計程序是否有效；
2. 就外聘審計師的委任、重新委任及罷免向董事會提供建議；
3. 監督本公司內部審計制度及其執行；
4. 審查本集團的財務控制、風險管理、內部監控系統、財務及會計政策及實務；
5. 審查外聘審計師致管理層的函件、審計師就會計紀錄、財務賬目或監控系統向管理層提出的任何重大查詢及管理層作出的回應；
6. 制訂及檢討本公司的企業管治政策及常規，並向董事會提供建議及就有關事宜報告董事會；及
7. 審閱本公司年報所載之企業管治報告。

自上市日期起至2016年12月31日止，審計委員會並無舉行任何會議。

Corporate Governance Report

企業管治報告

Remuneration Committee

The Remuneration Committee consists of one executive Director (Mr. Tian Weidong) and three independent non-executive Directors (i.e. Mr. Wong Hon Kit, Mr. Zheng Gang and Mr. Tang Ming Je) and is chaired by Mr. Zheng Gang. The major duties of the Remuneration Committee are as follows:

1. To make recommendations to the Board on the Company's policy and structure for all Directors' and Senior Management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. To review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. To make recommendations to the Board on the remuneration packages of individual Directors and Senior Management;
4. To consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the Directors and Senior Management and employment conditions elsewhere in the Group;
5. To review and approve the compensation for the loss or termination of office or appointment executive directors and senior management;
6. To review and approve the compensation arrangements with regard to the dismissal or removal of Directors due to their misconduct; and
7. To ensure no Director or their contacts determine by themselves, or be involved in determining, their remuneration.

From the Listing Date to 31 December 2016, no Remuneration Committee meeting was held.

薪酬委員會

薪酬委員會由一名執行董事(田衛東先生)及三名獨立非執行董事(即黃漢傑先生、鄭鋼先生及湯明哲先生)組成，並由鄭鋼先生擔任主席。薪酬委員會的主要職責如下：

1. 就本公司全體董事及高級管理層的薪酬政策及架構，以及就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
2. 因應董事會所訂企業方針及目標而審核及批准管理層的薪酬建議；
3. 就個別董事及高級管理層的薪酬待遇向董事會提出建議；
4. 考慮若干因素，諸如同類公司支付的薪酬、董事和高級管理層須付出的時間及職責以及本集團內其他職位的僱用條件；
5. 審核及批准向執行董事及高級管理層就其職務或委任的喪失或終止而應付的賠償；
6. 審核及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排；及
7. 確保任何董事或其任何聯繫人不得釐定或參與釐定其自己的薪酬。

自上市日期起至2016年12月31日止，薪酬委員會並無舉行任何會議。

Corporate Governance Report

企業管治報告

Nomination Committee

The Nomination Committee comprises of three members and is chaired by the executive Director, Mr. Tian Weidong. The remaining two members are all independent non-executive Directors (i.e. Mr. Wong Hon Kit and Mr. Tang Ming Je). The major duties of the Nomination Committee are as follows:

1. To review the structure, size and composition (including the skills, knowledge and experience) required of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy
2. To identify individuals suitably qualified to become Directors and selecting or making recommendations to the Board on the selection of individuals nominated for directorship
3. To make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive
4. To assess the independence of independent non-executive Directors

From the Listing Date to 31 December 2016, no Nomination Committee meeting was held.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Directors acknowledge their responsibility for preparing the consolidated financial statements for the year ended 31 December 2016 to ensure that the financial statements give a true and fair view of the Group's financial position and other financial disclosures. The Company provided all member of the Board with monthly updates on the Group's performance, financial positions and prospects to enable the Board to carry out an informed assessment of the Company's financial statements. The statement by the auditors of the Company regarding their responsibilities on the consolidated financial statements of the Company is set out on the Independence Auditor's Report on pages 63 to 69 of this annual report.

提名委員會

提名委員會包括三名成員，並由執行董事田衛東先生擔任主席。其餘兩名成員均為獨立非執行董事（即黃漢傑先生及湯明哲先生）。提名委員會的主要職責如下：

1. 至少每年一次審核董事會所需的架構、規模和組成（包括技能、知識和經驗），並就任何建議的變更向董事會提供建議，以就本公司的企業策略作出補充
2. 物色具備適當資格擔任董事的人士，並就獲提名擔任董事的人選作出選擇或向董事會提出建議
3. 就董事的委任或重新委任以及董事的繼任計劃向董事會提出建議，尤其是與主席和行政總裁相關者
4. 評估獨立非執行董事的獨立性

自上市日期起至2016年12月31日止，提名委員會並無舉行任何會議。

問責及審計

財務報告

董事承認其負責編製截至2016年12月31日止年度的綜合財務報表，以確保財務報表真實而公平地反映本集團的財務狀況及其他財務披露。本公司每月向全體董事會成員提供有關本集團表現、財務狀況及前景的最新資料，以促使董事會對本公司財務報表作出知情評估。本公司核數師就其對本公司綜合財務報表的責任聲明載於本年報第63頁至69頁之獨立核數師報告內。

Corporate Governance Report

企業管治報告

Auditor's Remuneration

The audit committee monitors the audit and non-audit services rendered to the Group by the external auditor and ensures that the engagement of external auditor in non-audit services will not impair its audit independence or objectivity.

For the year ended 31 December 2016, the fees in respect of the audit and non-audit services provided to the Group by Messrs. Deloitte Touche Tohmatsu, is set out as follows:

核數師酬金

審核委員會監察由外聘核數師向本集團提供的核數及非核數服務，並確保委聘外聘核數師提供非核數服務不會損害其審計的獨立性或客觀性。

截至2016年12月31日止年度，有關德勤•關黃陳方會計師行向本集團提供核數及非核數服務之費用載列如下：

		Fee 費用 US\$'000 千美元
Audit services	核數服務	165
Non-audit services:	非核數服務：	
Reporting accountant for the Company's listing	就本公司上市擔任申報會計師	258
Tax advisory	稅務諮詢	118
Risk management and Internal control review	檢討風險管理及內部監控	35
		576

Risk management and internal control

The main features of the risk management and internal control systems are to provide a clear governance structure, policies and procedures, as well as reporting mechanism to facilitate the Group to manage its risks across business operations.

The Group has established a risk management framework, which consists of the Board of Directors, the Audit Committee and the Senior Management. The Board of Directors shall be responsible for the determination of the nature and extent of risks that shall be taken in achieving the Group's strategic objectives. The Board of Directors acknowledges its overall responsibility for monitoring the Group's risk management and internal control system and reviewing their overall effectiveness.

風險管理及內部監控

風險管理及內部監控系統的主要功能為提供清晰的管治架構、政策及程序以及申報機制，以協助本集團管理其業務營運的風險。

本集團已制定風險管理組織框架，由董事會、審核委員會及高級管理層組成。董事會應負責釐定就達成本集團策略目標應承擔的風險性質及程度。董事會認可其監察本集團之風險管理及內部監控系統，並審閱彼等之整體有效性之整體責任。

Corporate Governance Report

企業管治報告

The Group has an internal audit function and has formulated and adopted Risk Management Policy in providing direction in identifying, evaluating and managing significant risks. At least on an annual basis, the Senior Management identifies risks that would adversely affect the achievement of the Group's objectives, and assesses and prioritizes the identified risks according to a set of standard criteria. Risk mitigation plans and risk owners are then established for those risks considered to be significant.

The Board and the Audit Committee continue to evaluate the adequacy of resources, qualifications and experience of staff in the Group's accounting and financial reporting functions. The Group has engaged an independent professional advisor to assist the Board of Directors and the Audit Committee in ongoing monitoring of the risk management and internal control systems of the Group. Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board of Directors on a timely basis to ensure prompt remediation actions are taken.

Risk management report and internal control report are submitted to the Audit Committee and the Board of Directors at least once a year. The Board of Directors had performed annual review on the effectiveness of the Group's risk management and internal control systems, including but not limited to the Group's ability to cope with its business transformation and changing external environment; the scope and quality of management's review on risk management and internal control systems; result of internal audit work; the extent and frequency of communication with the Board of Directors in relation to result of risk and internal control review; significant failures or weaknesses identified and their related implications; and status of compliance with the Listing Rules. The Board of Directors considers the Group's risk management and internal control systems are effective and adequate.

The risk management and internal control 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.

本集團擁有內部審核職能，亦已制定及採納風險管理政策，提供識別、評估及管理重大風險的指示。高級管理層至少每年一次識別對實現本集團目標造成不利影響的風險，並根據一套標準準則評估及排列所識別風險的優先次序，從而對該等主要風險制定風險緩解計劃及指定風險負責人。

董事會及審核委員會繼續評估本集團之會計及財務匯報職能之資源充足性、僱員資格及經驗。本集團外聘獨立專業顧問以協助董事會及審核委員會持續監督本集團的風險管理及內部監控系統，識別內部監控設計及實施的不足之處並推薦改進建議。重大內部監控缺失會及時向審核委員會及董事會匯報，以確保迅速採取補救行動。

風險管理報告和內部監控報告均至少每年提交予審核委員會及董事會。董事會已就本集團的風險管理及內部監控系統是否有效進行年度檢討，包括但不限於本集團應付其業務轉型及不斷轉變的外在環境的能力、管理層檢討風險管理及內部監控系統的工作範疇及素質、內部審計工作結果、就風險及內部監控檢討結果與董事會通訊的詳盡程度及次數、已識别的重大監控失誤或弱項以及有關影響，以及就上市規則的合規情況。董事會認為本集團的風險管理及內部監控系統有效及充足。

風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，且僅可就重大的失實陳述或損失作出合理而非絕對的保證。

Corporate Governance Report

企業管治報告

Procedures and internal controls for the handling and dissemination of inside information

The Group complies with requirements of Securities & Futures Ordinance (“SFO”) and the Listing Rules. The Group will disclose inside information to the public as soon as reasonably practicable unless the information falls within any of the “safe harbours” provisions under the SFO and satisfy the conditions. Before the information is fully disclosed to the public, the Group will ensure that the information is kept strictly confidential. If the Group believes that the necessary degree of confidentiality cannot be maintained or that confidentiality may have been breached, the Group would immediately disclose the information to the public. The Group is committed to ensure that information contained in announcements are not false or misleading as to a material fact, or false or misleading through the omission of a material fact in view of presenting information in a clear and balanced way, which requires equal disclosure of both positive and negative facts.

COMPANY SECRETARY

Mr. Lo Kai Cheong was appointed as the company secretary of the Company on 16 March 2016. Mr. Lo is responsible for raising corporate governance-related suggestions to the Board, and ensuring compliance with policies and procedures of the Board of Directors, laws, rules and regulations applicable. The biographical details of Mr. Lo is set out in the paragraph headed “Directors and senior management” on page 25 of this annual report.

During the year ended 31 December 2016, Mr. Lo took no less than 15 hours of relevant professional training.

ARTICLES OF ASSOCIATION OF THE COMPANY

The amended and restated Articles of Association was adopted by the Company on 19 September 2016 and effective on the Listing Date. The Articles of Association has not changed since the Listing Date to the year ended 31 December 2016.

處理及發放內幕消息的程序和內部監控措施

本集團遵循證券及期貨條例(「證券及期貨條例」)和上市規則的規定。本集團在合理切實可行的情況下，會盡快向公眾披露內幕消息，除非有關消息屬證券及期貨條例所規定的任何安全港範圍內並符合條件。本集團在向公眾全面披露有關消息前，會確保該消息絕對保密。若本集團認為無法保持所需的機密性，或該消息可能已外泄，會即時向公眾披露該消息。本集團致力確保公告中所載的資料就重大事實而言並不屬虛假或具誤導性，或並不因遺漏重大事實而屬虛假或具誤導性，以清晰及平均呈列資料，此需要作出正面及負面事實相等程度的披露。

公司秘書

盧繼昌先生於2016年3月16日獲委任為本公司的公司秘書。盧先生負責向董事會提出企業管治相關建議，並確保遵循董事會政策及程序以及適用的法律、規則及法規。盧先生的履歷詳情載於本年報第25頁「董事及高級管理層」一段。

截至2016年12月31日止年度，盧先生已參加不少於15小時的相關專業培訓。

本公司組織章程細則

經修訂及重列之組織章程細則已獲本公司於2016年9月19日採納，並於上市日期生效。自上市日期起至截至2016年12月31日止年度，組織章程細則概無任何變動。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Board believes that effective communication with shareholders is essential for enhancing investor relations. The Company also recognizes the importance of transparency of information disclosure and timely communication with shareholders by different channels.

The general meetings of the company provide a direct channel for the shareholders to communicate with the Company. The Company shall in each year hold a general meeting as its annual general meeting and the annual general meeting shall be called by not less than 21 days' notice in writing. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution.

All general meetings other than annual general meetings shall be called extraordinary general meetings ("EGM"). Any two or more members of the Company, at the date of the deposit of written requisition holding not less than one-tenth of the paid up capital of the Company which carries the rights of voting at general meetings, shall at all times have the right to require an EGM to be called by the Board for the transaction of any business specified in such requisition.

The written requisition must be deposited at the Company's principal office in Hong Kong. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the EGM to be held within a further 21 days, the requisitionists themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the EGM, but any EGM shall not be held after the expiration of three months from the date of deposit of the requisition.

Shareholders may, at any time, direct questions or requests for information to the Directors or management through "Contact Us" section in the Company's website (www.smart-core.com.hk) or in writing and sent by post to the Company's principal place of business in Hong Kong or by email to smg@smart-core.com.hk.

The Company will publish the Company's information in an accurate and timely manner to improve the transparency of information disclosure. The latest development, announcements and press in relation to the Company are available on the Company's website (www.smart-core.com.hk) for investors.

與股東的溝通及投資者關係

董事會相信，與股東進行有效溝通對改善投資者關係而言至關重要。本公司亦認可資料披露的透明度及透過不同渠道與股東及時溝通之重要性。

公司股東大會為股東提供與本公司溝通的直接渠道。本公司應每年舉行一次股東大會作為其股東週年大會，股東週年大會應以不少於21日的書面通知召開。召開股東週年大會之通知應註明會議為股東週年大會，而為通過特別決議案而召開之大會之通知則須註明擬提呈決議案為特別決議案。

除股東週年大會以外的所有股東大會均稱為股東特別大會（「股東特別大會」）。本公司任何兩名或以上股東隨時有權書面要求董事會召開股東特別大會，以處理有關要求所載列之任何事務，惟該等股東於送交書面要求之日須持有本公司附帶股東大會投票權不少於十分之一之繳足股本。

書面要求須送交本公司於香港之主要辦事處。倘董事會並未於正式送交要求之日起計21日內召開將予在其後之21日內舉行之股東特別大會，則請求人本人或擁有所有請求人全部投票權二分之一以上之任何請求人可召開股東特別大會，惟於送交要求當日起計三個月屆滿後不得召開任何股東特別大會。

股東可隨時透過本公司網站 (www.smart-core.com.hk)「留言建議」一欄或以書信郵寄至本公司於香港之主要營業地點或將電郵發送至 smg@smart-core.com.hk 向董事或管理層提出質詢或查詢資料。

本公司將以準確及時方式發佈公司資料，以改進資料披露的透明度。投資者可於本公司網站 (www.smart-core.com.hk) 查閱有關本公司的最新發展、公告及報導。

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF
SMART-CORE HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

致芯智控股有限公司列位股東
(於開曼群島註冊成立的有限公司)

OPINION

We have audited the consolidated financial statements of Smart-Core Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 70 to 159, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

意見

吾等已審計第70至159頁所載芯智控股有限公司（「**貴公司**」）及其附屬公司（統稱「**貴集團**」）之綜合財務報表，包括於2016年12月31日之綜合財務狀況表，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（包括重要會計政策概要）。

吾等認為，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2016年12月31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其綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

意見基準

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**」）進行審計。吾等根據該等準則須承擔的責任已於本報告「核數師就審計綜合財務報表須承擔之責任」部分中作進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則（「**守則**」）。吾等獨立於貴集團，並已履行守則中之其他道德責任。吾等相信，吾等所取得之憑證屬充足及適當以為我們的意見提供基準。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS

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

Key audit matter 關鍵審計事項

Recoverability of trade receivables 貿易應收款項的可收回性

We identified the recoverability of the trade receivables as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the judgment associated with assessing their recoverability.

吾等已將貿易應收款項之可收回性識別為關鍵審計事項，此乃由於結餘對綜合財務報表之整體重要性以及評估其可收回性涉及之判斷。

As at 31 December 2016, the carrying amount of the Group's trade receivables was US\$56,500,000. Details relating to the Group's trade receivables are set out in note 16 to the consolidated financial statements.
於2016年12月31日，貴集團貿易應收款項之賬面值為56,500,000美元。有關貴集團貿易應收款項之詳情載於綜合財務報表附註16。

At the end of each reporting period, management assessed the recoverability of such balance based on the financial position of the customers and identified any impairment indicators. Where the expectation is different from the original estimate, such difference will affect the carrying amounts of receivables and material impairment loss may arise.

於各報告期末，管理層基於客戶之財務狀況評估有關結餘之可收回性及識別任何減值跡象。當預期與原定估計有差異時，有關差異將影響應收款項之賬面值，則可能會出現重大減值虧損。

關鍵審計事項

關鍵審計事項乃根據吾等之專業判斷，認為對吾等審計本期綜合財務報表最為重要之事項。該等事項於吾等審計整體綜合財務報表及據此達致意見時進行處理，吾等不就該等事項提供單獨意見。

How our audit addressed the key audit matter 吾等進行審計時如何處理關鍵審計事項

Our procedures in relation to the recoverability of trade receivables included:

吾等就貿易應收款項之可收回性執行之程序包括：

- Testing the key controls on management approval on granting credit to third parties and the processes that the management performed in relation to the impairment assessment of trade receivables;
檢測管理層審批向第三方授信之主要監控措施及管理層就評估貿易應收款項減值所執行之程序；
- Making inquiries with management on their bases and assessment in relation to the recoverability of trade receivables;
就估計貿易應收款項之可收回性之基準向管理層作出查詢；
- Performing company and litigation search of debtors with material balances to identify any additional indicators on financial difficulties; and
就拖欠重大結餘之債務人進行公司及訴訟搜索，以識別財務困難之任何其他跡象；及
- Evaluating management's assessment by taking into account many factors such as any overdue receivables, financial information of individual debtors and any subsequent settlement received.
考慮任何逾期應收款項、個別債務人之財務資料及任何其後已收清償款等諸多因素，就管理層之估計進行評估。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

How our audit addressed the key audit matter

吾等進行審計時如何處理關鍵審計事項

Valuation of inventories

存貨之估值

We identified the valuation of inventories as a key audit matter due to its significant balance and the estimation associated with the determination of their net realisable value. As at 31 December 2016, the carrying amount of the Group's inventory was US\$31,908,000.

吾等已將存貨之估值識別為關鍵審計事項，此乃由於其大額結餘以及釐定其可變現淨值涉及之估計。於2016年12月31日，貴集團存貨之賬面值為31,908,000美元。

Details relating to the Group's inventories and its accounting policies are set out in note 15 to the consolidated financial statements.

有關貴集團存貨及其會計政策之詳情載於綜合財務報表附註15。

There is also judgment involved in assessing the level of inventory provision required in respect of slow moving inventory. Therefore, there is a risk that slow moving inventory has not been adequately provided for.

於評估滯銷存貨所需存貨撥備水平時亦須作出判斷。因此，滯銷存貨存在撥備不足之風險。

Our procedures in relation to the valuation of inventories included:

吾等就存貨之估值執行之程序包括：

- Identifying and assessing aged and obsolete inventories when attending inventory counts; 參與存貨盤點時識別及評估過時及陳舊存貨；
- Checking the historical accuracy of inventory provisioning and the level of inventories write-offs during the year; and 核對過往存貨撥備之準確性及年內存貨撇銷水平；及
- Sample testing the management's assessment of inventory net realisable value and the provision in place for slow moving and obsolete inventory. 抽樣檢測管理層對存貨可變現淨值之評估以及滯銷及陳舊存貨之撥備。

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our 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.

其他資料

貴公司董事須對其他資料承擔責任。其他資料包括載入年報之資料，惟不包括綜合財務報表及吾等就此發出之核數師報告。

吾等對綜合財務報表作出之意見並未涵蓋其他資料，且吾等不對其他資料發表任何形式之核證結論。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION (continued)

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

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

其他資料(續)

就審計綜合財務報表而言，吾等之責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或吾等在審計過程之所悉存在重大不符，或似乎存在重大錯誤陳述。倘若吾等基於已完成之工作認為該其他資料出現重大錯誤陳述，吾等須報告該事實。吾等就此並無任何事項須報告。

董事及管治層就綜合財務報表須承擔之責任

貴公司董事須遵照香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定，負責編製可作出真實而公允呈列之綜合財務報表，並作出董事認為必要之內部控制，以使綜合財務報表之編製不存在因欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營之能力，並披露與持續經營有關之事項(如適用)，除非董事有意將貴集團清盤或停止營運，或除此之外並無其他實際可行之辦法，否則董事須採用以持續經營為基礎之會計處理。

管治層須負責監督貴集團之財務報告程序。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

核數師就審計綜合財務報表須承擔之責任

吾等之目標是合理確定整體上綜合財務報表是否存在由於欺詐或錯誤而導致之重大錯誤陳述並發表包含吾等意見之核數師報告。吾等僅向閣下(作為整體)報告，除此之外，本報告別無其他目的。吾等不會就本報告之內容向任何其他人士負上或承擔任何責任。合理確定屬高層次之核證，惟不能擔保根據香港審計準則進行之審計在某一重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤引起，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出之經濟決定時，被視為重大錯誤陳述。

作為根據香港審計準則進行審計之一部分，吾等運用專業判斷，於整個審計過程中抱持專業懷疑態度。吾等亦：

- 識別及評估綜合財務報表由於欺詐或錯誤而導致之重大錯誤陳述風險，因應此等風險設計及執行審計程序，獲得充足恰當之審計憑證為吾等之意見提供基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕於內部控制之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審計有關之內部控制，以設計恰當之審計程序，但並非旨在對貴集團內部控制之有效性發表意見。
- 評估所用會計政策是否恰當，以及董事所作會計估算及相關披露是否合理。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

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

核數師就審計綜合財務報表須承擔之責任 (續)

- 總結董事採用以持續經營為基礎之會計處理是否恰當，並根據已獲取之審計憑證，總結是否有對貴集團持續經營之能力構成重大疑問之事件或情況等重大不確定因素。倘吾等總結認為存在重大不確定因素，吾等須於核數師報告中提請注意綜合財務報表內之相關披露，或如果有關披露不足，則修訂吾等之意見。吾等之結論以截至核數師報告日期所獲得之審計憑證為基礎。惟未來事件或情況可能導致貴集團不再具有持續經營之能力。
- 評估綜合財務報表(包括披露)之整體列報、架構及內容，以及綜合財務報表是否已公允反映及列報相關交易及事項。
- 就貴集團內各實體或業務活動之財務資料獲得充足之審計憑證，以就綜合財務報表發表意見。吾等須負責指導、監督及執行集團之審計工作。吾等須為吾等之審計意見承擔全部責任。

吾等與管治層溝通(其中包括)計劃之審計範圍、時間安排、重大審計發現等事項，包括吾等在審計期間識別出內部控制之任何重大缺陷。

吾等亦向管治層提交聲明，說明吾等已符合有關獨立性之相關職業道德要求，並與彼等溝通所有可能合理地被認為會影響吾等獨立性之關係及其他事項，以及相關防範措施(如適用)。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

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

The engagement partner on the audit resulting in the independent auditor's report is Au Chun Hing.

Deloitte Touche Tohmatsu
Certified Public Accountants

Hong Kong
21 March 2017

核數師就審計綜合財務報表須承擔之責任 (續)

從與管治層溝通之事項中，吾等釐定哪些事項對本期綜合財務報表之審計最為重要，因而構成關鍵審計事項。吾等會在核數師報告中描述該等事項，惟法例或規例不允許對某事項作出公開披露，或在極端罕見之情況下，若有合理預期在吾等之報告中溝通某事項而造成之負面後果將會超過其產生之公眾利益，吾等將不會在此等情況下在報告中溝通該事項。

出具本獨立核數師報告之審計項目合夥人為歐振興。

德勤•關黃陳方會計師行
執業會計師

香港
2017年3月21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 2016
截至2016年12月31日止年度

		Notes 附註	2016 US\$'000 千美元	2015 US\$'000 千美元
Revenue	收入	6	669,896	485,371
Cost of sales	銷售成本		(638,279)	(463,145)
Gross profit	毛利		31,617	22,226
Other income	其他收入	7	2,171	2,001
Net foreign exchange loss	外匯虧損淨額		(2,337)	(724)
Research and development expenses	研發費用		(2,429)	(2,129)
Administrative expenses	行政費用		(6,209)	(6,817)
Selling and distribution expenses	銷售及分銷費用		(4,874)	(2,608)
Listing expenses	上市費用		(2,432)	(1,157)
Interest expense on bank borrowings	銀行借貸利息費用		(3,586)	(1,750)
Profit before tax	除稅前利潤	8	11,921	9,042
Income tax expense	所得稅費用	10	(2,494)	(2,140)
Profit for the year	年度利潤		9,427	6,902
Other comprehensive (expenses) income	其他全面(費用)收入			
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益的項目：</i>			
Exchange difference arising on translation of foreign operations	換算海外業務的匯兌差額		(82)	15
Fair value loss on available-for-sale investments	可供出售投資的公平值損失		(112)	(267)
Total comprehensive income for the year	年度全面收入總額		9,233	6,650
Profit for the year attributable to:	以下人士應佔年度利潤：			
Owners of the Company	本公司擁有人		9,279	6,096
Non-controlling interests	非控股權益		148	806
			9,427	6,902
Total comprehensive income for the year attributable to:	以下人士應佔年度全面收入：			
Owners of the Company	本公司擁有人		9,088	5,869
Non-controlling interests	非控股權益		145	781
			9,233	6,650
Earnings per share, basic (US cents)	每股盈利，基本(美分)	12	2.322	1.806

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016
於2016年12月31日

		Notes 附註	2016 US\$'000 千美元	2015 US\$'000 千美元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	429	478
Available-for-sale investments	可供出售投資	14	7,772	5,825
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	17	2,869	2,802
			11,070	9,105
CURRENT ASSETS	流動資產			
Inventories	存貨	15	31,908	17,863
Trade receivables	貿易應收款項	16	56,500	84,222
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	17	2,718	1,192
Amounts due from directors	應收董事款項	19	–	381
Amounts due from related companies	應收關聯公司款項	20	–	2,099
Pledged bank deposits	已抵押銀行存款	21	32,488	6,359
Bank balances and cash	銀行結餘及現金	21	27,831	4,137
			151,445	116,253
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	22	68,669	46,281
Other payables and accrued charges	其他應付款項及應計費用	23	13,640	11,264
Amount due to a director	應付一名董事款項	19	–	600
Dividend payable	應付股息		–	4,000
Tax liabilities	稅項負債		813	3,093
Bank borrowings	銀行借貸	24	22,553	36,889
			105,675	102,127
NET CURRENT ASSETS	流動資產淨額		45,770	14,126
			56,840	23,231

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2016

於2016年12月31日

		Notes 附註	2016 US\$'000 千美元	2015 US\$'000 千美元
CAPITAL AND RESERVES	資本及儲備			
Share/paid-in capital	股本／實收資本	25	5	1,269
Reserves	儲備		56,835	19,523
Equity attributable to owners of the Company	本公司擁有人應佔權益		56,840	20,792
Non-controlling interests	非控股權益	33	–	2,439
			56,840	23,231

The consolidated financial statements on pages 70 to 159 were approved and authorised for issue by the Board of Directors on 21 March 2017 and are signed on its behalf by:

載於第70至159頁之綜合財務報於2017年3月21日獲董事會批准及授權刊發，並由下列董事代表簽署：

Tian Weidong
田衛東
Director
董事

Wong Tsz Leung
黃梓良
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016
截至2016年12月31日止年度

Attributable to owners of the Company
本公司擁有人應佔

		Share/ paid-in capital 股本/ 實收資本 US\$'000 千美元	Share premium 股份溢價 US\$'000 千美元	Other reserve 其他儲備 US\$'000 千美元 (note a) (附註a)	Statutory reserves 法定儲備 US\$'000 千美元 (note b) (附註b)	Exchange reserve 外匯儲備 US\$'000 千美元	Investment revaluation reserves 投資 重估儲備 US\$'000 千美元	Retained earnings 留存盈利 US\$'000 千美元	Total 合計 US\$'000 千美元	Non- controlling interests 非控股 權益 US\$'000 千美元	Total 權益總計 US\$'000 千美元
At 1 January 2015	於2015年1月1日	1,269	-	-	12	21	11	17,210	18,523	2,058	20,581
Profit for the year	年度利潤	-	-	-	-	-	-	6,096	6,096	806	6,902
Exchange difference arising on translation	匯兌差額	-	-	-	-	14	-	-	14	1	15
Fair value loss on available-for-sale investments	可供出售投資的公平值損失	-	-	-	-	-	(241)	-	(241)	(26)	(267)
Profit and total comprehensive income recognised for the year	年內確認的利潤及全面收入總額	-	-	-	-	14	(241)	6,096	5,869	781	6,650
Transfer to statutory reserves	轉撥至法定儲備	-	-	-	12	-	-	(12)	-	-	-
Issue of new shares during the year (note c) (note 25)	年內發行新股份 (附註c) (附註25)	-	-	-	-	-	-	-	-	-	-
Dividend recognised as distribution (note 11)	確認作分派的股息 (附註11)	-	-	-	-	-	-	(3,600)	(3,600)	(400)	(4,000)
At 31 December 2015	於2015年 12月31日	1,269	-	-	24	35	(230)	19,694	20,792	2,439	23,231
Profit for the year	年度利潤	-	-	-	-	-	-	9,279	9,279	148	9,427
Exchange difference arising on translation	匯兌差額	-	-	-	-	(80)	-	-	(80)	(2)	(82)
Fair value loss on available-for-sale investments	可供出售投資的公平值損失	-	-	-	-	-	(111)	-	(111)	(1)	(112)

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016

截至2016年12月31日止年度

Attributable to owners of the Company

本公司擁有人應佔

	Share/ paid-in capital	Share premium	Other reserve	Statutory reserves	Exchange reserve	Investment revaluation reserves	Retained earnings	Total	Non- controlling interests	Total equity
	股本/ 實收資本	股份溢價	其他儲備	法定儲備	外匯儲備	投資 重估儲備	留存盈利	合計	非控股 權益	權益總計
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元	千美元
			(note a) (附註a)	(note b) (附註b)						
Profit and total comprehensive income recognised for the year	-	-	-	-	(80)	(111)	9,279	9,088	145	9,233
Transfer to statutory reserve	-	-	-	49	-	-	(49)	-	-	-
Issue of new shares on 24 February 2016 (note 25)	-	20,514	-	-	-	-	-	20,514	-	20,514
Capitalisation issue (note 25)	4	(4)	-	-	-	-	-	-	-	-
Issue of new shares on 7 October 2016 (note 25)	1	29,746	-	-	-	-	-	29,747	-	29,747
Transaction costs attributable to issue of new shares	-	(2,371)	-	-	-	-	-	(2,371)	-	(2,371)
Adjustments arising from the Group Reorganisation	(1,269)	-	1,802	-	-	-	-	533	(2,584)	(2,051)
Deemed distribution to Controlling Shareholders (as defined in note 2)	-	-	-	-	-	-	(18,463)	(18,463)	-	(18,463)
Dividend recognised as distribution (note 11)	-	(3,000)	-	-	-	-	-	(3,000)	-	(3,000)
At 31 December 2016	5	44,885	1,802	73	(45)	(341)	10,461	56,840	-	56,840

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2016
截至2016年12月31日止年度

Notes:

- (a) Other reserve represents (i) the combined share capital of Smart-Core International Company Limited and Smart-Core Cloud Limited acquired by the Company at the time of the Group Reorganisation (as defined in note 2); (ii) the difference between the amounts by which the non-controlling interest was adjusted and the consideration paid to acquire the additional interests in subsidiaries.
- (b) Pursuant to the relevant laws in the People's Republic of China (the "PRC"), the Group's subsidiaries established in the PRC is required to transfer 10% of its profit after tax as per statutory financial statements to the reserve funds (including the general reserve fund and enterprise development fund where appropriate). The general reserve fund is discretionary when the fund balance reaches 50% of the registered capital of the subsidiary and can be used to make up for previous years' losses or, expand the existing operations or can be converted into additional capital of the subsidiary. The enterprise development fund can only be used for development and is not available for distribution to shareholder.
- (c) The amount is presented as zero as rounded to the nearest thousand.

附註：

- (a) 其他儲備為：(i)本公司於集團重組(定義見附註2)時收購的芯智國際有限公司及芯智雲有限公司的合併股本；(ii)非控股權益的調整金額與為收購附屬公司的額外權益而支付的代價之間的差額。
- (b) 根據中華人民共和國(「中國」)相關法律，本集團於中國成立的附屬公司須按法定財務報表將除稅後利潤的10%轉撥至儲備基金(包括一般儲備基金及企業發展基金(倘適用))。一般儲備基金在基金餘額達到附屬公司註冊資本的50%時可酌情用於彌補過往年度的虧損、擴大現有業務經營或轉換為該附屬公司的額外資本。企業發展基金僅可作發展用途，不得分派予股東。
- (c) 該金額經約整至最接近千位數後呈列為零。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016

截至2016年12月31日止年度

		2016 US\$'000 千美元	2015 US\$'000 千美元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前利潤	11,921	9,042
Adjustments for:	就以下各項作出調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	165	257
Interest expense on bank borrowings	銀行借貸利息費用	3,586	1,750
Allowance for doubtful debts	呆賬撥備	14	183
Allowance for inventories	存貨撥備	13	248
Dividend and interest income from available-for-sale investments	可供出售投資的股息及利息收入	(300)	(180)
Interest income from life insurance policies	壽險保單利息收入	(118)	(109)
Bank interest income	銀行利息收入	(14)	(13)
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	15,267	11,178
Increase in inventories	存貨增加	(13,939)	(1,745)
Decrease (increase) in trade receivables	貿易應收款項減少(增加)	29,769	(42,818)
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收款項增加	(1,377)	(116)
Decrease (increase) in amounts due from related companies	應收關聯公司款項減少(增加)	769	(247)
Increase in trade payables	貿易應付款項增加	20,200	21,231
Increase in other payables and accrued charges	其他應付款項及應計費用增加	2,199	4,712
Cash from (used in) operations	經營所得(所用)現金	52,888	(7,805)
Income tax paid	已付所得稅	(4,774)	(1,229)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營活動所得(所用)現金淨額	48,114	(9,034)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016
截至2016年12月31日止年度

		2016 US\$'000 千美元	2015 US\$'000 千美元
INVESTING ACTIVITIES	投資活動		
Placement of pledged bank deposits	置存已抵押銀行存款	(33,108)	(8,705)
Purchase of available-for-sale investments	購買可供出售投資	(2,718)	(4,356)
Purchase of property, plant and equipment	購買物業、廠房及設備	(134)	(162)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	6,979	8,201
Proceeds from disposal of available-for-sale investments	出售可供出售投資所得款項	656	645
Dividend and interest income of available-for-sale investments	可供出售投資的股息及利息收入	300	180
Interest received	已收利息	14	13
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(28,011)	(4,184)
FINANCING ACTIVITIES	融資活動		
Fund arising from trade receivables factored with recourse	附追索權的保理貿易應收款項所籌集資金	265,069	224,728
New bank borrowings raised	新籌集的銀行借貸	170,344	101,389
Proceeds from issuance of new shares	發行新股份所得款項	50,261	-
Advances from directors	來自董事的墊款	5,011	3,657
Advances from related companies	來自關聯公司的墊款	1,375	434
Repayment of trade receivables factored with recourse	償還附追索權的保理貿易應收款項	(285,886)	(211,135)
Repayment of borrowings	償還借款	(163,863)	(96,197)
Deemed distribution to shareholders and payment to acquire additional interest in subsidiaries	視為向股東作出的分派及收購附屬公司額外權益的付款	(20,514)	-
Repayment to directors	向董事還款	(8,230)	(3,195)
Dividend paid	已付股息	(4,000)	-
Interest paid	已付利息	(3,586)	(1,750)
Transaction costs on issue of shares	發行股份的交易成本	(2,371)	-
Repayment to related companies	向關聯公司還款	(45)	(2,328)
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	3,565	15,603

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016

截至2016年12月31日止年度

		2016 US\$'000 千美元	2015 US\$'000 千美元
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	23,668	2,385
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等價物	4,137	1,737
Effect of foreign exchange rate changes	外匯匯率變動的影響	26	15
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年末現金及現金等價物		
Represented by bank balances and cash	即銀行結餘及現金	27,831	4,137

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as combined and revised) of the Cayman Islands on 22 October 2015. The Company changed its name from “Smart-Core Cloud Group Limited” to “Smart-Core Holdings Limited” with effect from the passing of the special resolution by all of the then shareholders of the Company on 8 August 2016. The shares of the Company have been listed on the Main Board of the Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) since 7 October 2016. Its controlling shareholders are Smart IC Limited and Insight Limited, both are private companies incorporated in the British Virgin Islands (“**BVI**”). Its ultimate controlling parties are Mr. Tian Wei Dong (“**Mr. Tian**”) and Mr. Wong Tsz Leung (“**Mr. Wong**”), who are also the Executive Directors of the Company. The addresses of registered office and principal place of business of the Company are disclosed in the corporate information section to the annual report.

The Company is an investment holding company. The Company’s subsidiaries are principally engaged in the trading of electronics components.

The consolidated financial statements is presented in United States Dollar (“**US\$**”), which is the same as the functional currency of the Company.

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

In the preparation for the listing of the Company’s shares on the Stock Exchange, the companies now comprising the Group underwent a group reorganisation (the “**Group Reorganisation**”). Details of the Group Reorganisation are set out in the Prospectus dated 27 September 2016 issued by the Company.

Prior to the group reorganisation, the trading of electronic components was carried out by the subsidiaries of Smart-Core Holdings Limited (“**Smart-Core Samoa**”), the holding company of all entities now comprising the Group which was incorporated in Samoa and beneficially owned by Mr. Tian, Mr. Wong and Mr. Liu Hong Bing (“**Mr. Liu**”) as to 60%, 30% and 10%, respectively. Smart-Core Samoa is jointly controlled by Mr. Tian and Mr. Wong in respect of the Group’s business and all the group entities now comprising the Group historically and throughout the year ended 31 December 2015 (collectively be referred to as the “**Controlling Shareholders**”). Smart-Core Samoa does not form part of the Group.

1. 一般資料

本公司於2015年10月22日根據開曼群島公司法第22章(1961年第3號法例，經綜合及修訂)在開曼群島註冊成立為獲豁免有限公司。本公司將其名稱由「芯智雲集團有限公司」變更為「芯智控股有限公司」，自2016年8月8日本公司全體時任股東通過特別決議案起生效。本公司股份已自2016年10月7日起在香港聯合交易所有限公司(「**聯交所**」)主板上市。其控股股東為Smart IC Limited及Insight Limited，均為在英屬處女群島(「**英屬處女群島**」)註冊成立的私營公司。其最終控股方為田衛東先生(「**田先生**」)及黃梓良先生(「**黃先生**」)，彼等亦為本公司執行董事。本公司註冊辦事處及主要營業地點的地址於年報的公司資料部分披露。

本公司是一家投資控股公司。本公司的附屬公司主要從事電子元器件貿易。

綜合財務報表以美元(「**美元**」)呈報，美元亦是本公司的功能貨幣。

2. 綜合財務報表的呈列基準

於籌備本公司股份於聯交所上市時，本集團現時旗下之公司已進行集團重組(「**集團重組**」)。有關集團重組之詳情載於本公司刊發日期為2016年9月27日之招股章程。

在集團重組前，電子元器件貿易業務由芯智控股有限公司(「**芯智薩摩亞**」)的附屬公司開展。芯智薩摩亞為本集團目前旗下所有實體的控股公司，於薩摩亞註冊成立，由田先生、黃先生及劉紅兵先生(「**劉先生**」)分別實益擁有60%、30%及10%的股權。就本集團的業務而言，芯智薩摩亞及本集團目前旗下所有集團實體以往及於整個截至2015年12月31日止年度期間由田先生及黃先生(統稱「**控股股東**」)共同控制。芯智薩摩亞並不構成本集團的一部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

截至2016年12月31日止年度

2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

Upon completion of the Group Reorganisation, the Company became the holding company of the companies now comprising the Group on 24 February 2016. The Group Reorganisation involved incorporation of the Company and its acquisition from Smart-Core Samoa all shares of Smart-core International Company Limited (“**SMC International HK**”) and Smart-core Cloud Limited (“**SMC Cloud HK**”) from Smart-Core Samoa for a total cash consideration of US\$20,514,049 and US\$1, respectively. This payment is regarded as deemed distribution to the Controlling Shareholders to the extent of the amount attributable of US\$18,463,000 and the remainder as consideration for the acquisition of the non-controlling interest in the subsidiaries. The Group comprising the Company and its subsidiaries resulting from the Group Reorganisation is regarded as a continuing entity, accordingly, the consolidated financial statements have been prepared under the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as if the Company had always been the holding company of the Group throughout the years ended 31 December 2016. The consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 31 December 2016 include the results, changes in equity and cash flows of the companies now comprising the Group as if the current group structure had been in existence throughout the years ended 31 December 2016. The consolidated statements of financial position of the Group at 31 December 2015 have been prepared to present the assets and liabilities of the companies now comprising the Group, as if the current group structure has been in existence at 31 December 2015 taking into account the respective dates of incorporation or establishment, where applicable.

2. 綜合財務報表的呈列基準(續)

集團重組完成後，本公司於2016年2月24日成為現組成本集團各公司的控股公司。集團重組涉及註冊成立本公司及其自芯智薩摩亞收購芯智國際有限公司(「**芯智國際香港**」)及芯智雲有限公司(「**芯智雲香港**」)的全部股份，總現金代價分別為20,514,049美元及1美元。該付款被視為向控股股東作出的不超出其應佔部分的視作分派18,463,000美元，而剩餘部分為收購附屬公司非控股權益的代價。重組之後，由本公司及其附屬公司組成的本集團被視為持續經營實體。因此，根據香港會計師公會(「**香港會計師公會**」)頒佈的會計指引第5號「共同控制合併之合併會計法」規定的合併會計原則編製綜合財務報表時，假設截至2016年12月31日止年度本公司一直為本集團的控股公司。截至2016年12月31日止年度期間的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包括現時組成本集團各公司的業績、權益變動及現金流量，猶如目前的集團架構於整個截至2016年12月31日止年度期間一直存在。已編製本集團於2015年12月31日的綜合財務狀況表，以呈列現時組成本集團各公司的資產及負債，猶如現行集團架構於2015年12月31日已經存在，並經計及有關註冊成立或成立日期(如適用)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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2. BASIS OF PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS (continued)

As SMC International HK and SMC Cloud HK was under the common control of the Controlling Shareholders, equity interest held by Mr. Liu during the year ended 31 December 2015 up to the date of the completion of the Group Reorganisation on 24 February 2016 is presented as non-controlling interest in the consolidated financial statements.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS")

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

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

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

2. 綜合財務報表的呈列基準(續)

由於芯智國際香港及芯智雲香港由控股股東共同控制，劉先生於截至2015年12月31日止年度直至集團重組於2016年2月24日完成期間持有的股權在綜合財務報表內以非控股權益呈列。

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂

於本年度強制生效之香港財務報告準則的修訂

本集團於本年度已首次應用以下由香港會計師公會頒佈之香港財務報告準則的修訂：

香港財務報告準則第11號的修訂	收購合營業務權益之會計處理
香港會計準則第1號的修訂	披露計劃
香港會計準則第16號及香港會計準則第38號的修訂	澄清攤銷及折舊的可接受方法
香港會計準則第16號及香港會計準則第41號的修訂	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號的修訂	投資實體：應用綜合入賬之例外情況
香港財務報告準則的修訂	香港財務報告準則2012年至2014年週期之年度改進

於本年度應用香港財務報告準則的修訂並不會對本集團於本年度及過往年度之財務表現及財務狀況及／或該等綜合財務報表所載之披露產生重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (continued)

New and amendments to HKFRSs in issue but not yet effective

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

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

¹ Effective for annual periods beginning on or after 1 January 2018

² Effective for annual periods beginning on or after a date to be determined

³ Effective for annual periods beginning on or after 1 January 2019

⁴ Effective for annual periods beginning on or after 1 January 2017

HKFRS 9 Financial Instruments

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

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

已頒佈但尚未生效的新訂香港財務報告準則及其修訂

本集團並無採納下列已頒佈但尚未生效的新訂香港財務報告準則及其修訂：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合同收入及相關修訂 ¹
香港財務報告準則第16號	租賃 ³
香港財務報告準則第2號的修訂	以股份為基礎付款交易的分類及計量 ¹
香港財務報告準則第4號的修訂	與香港財務報告準則保險合約一併應用的香港財務報告準則第9號金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號的修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ²
香港會計準則第7號的修訂	披露計劃 ⁴
香港會計準則第12號的修訂	確認未變現虧損之遞延稅項資產 ⁴

¹ 於2018年1月1日或之後開始的年度期間生效

² 於待確定日期或之後開始的年度期間生效

³ 於2019年1月1日或之後開始的年度期間生效

⁴ 於2017年1月1日或之後開始的年度期間生效

香港財務報告準則第9號金融工具

香港財務報告準則第9號引入金融資產及金融負債的分類及計量、一般對沖會計處理及金融資產減值的新規定。

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3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”) (continued)

HKFRS 9 *Financial Instruments* (continued)

Key requirements of HKFRS 9:

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

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第9號金融工具(續)

香港財務報告準則第9號的主要規定：

- 於香港財務報告準則第9號範圍內的所有已確認金融資產其後須按攤銷成本或公平值計量。尤其是對於以收取合約現金流為目的的業務模式持有的債務投資，及擁有僅為支付本金及尚未償還本金利息的合約現金流的債務投資，一般於其後會計期末按攤銷成本計量。於目的為同時收取合約現金流及出售金融資產的業務模式中持有的債務工具，以及金融資產合約條款令於特定日期產生的現金流僅為支付本金及尚未償還本金的利息的債務工具，均按透過其他全面收入按公平值列賬(「透過其他全面收入按公平值列賬」)的方式計量。所有其他債務投資及股本投資於其後會計期末按公平值計量。此外，根據香港財務報告準則第9號，實體可作出不可撤回選擇於其他全面收益呈列股本投資(並非持作買賣)之其後公平值變動，而一般僅於損益內確認股息收入；

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3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (continued)

HKFRS 9 *Financial Instruments* (continued)

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

Based on the Group's financial instruments and risk management policies as at 31 December 2016, application of HKFRS 9 in the future may have a material impact on the classification and measurement of the Group's financial assets. The Group's available-for-sale investments will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria).

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第9號金融工具(續)

- 就按公平值計入損益的金融負債的計量而言，香港財務報告準則第9號規定，除非於其他全面收益確認該負債信貸風險變動的影響，會產生或增加損益的會計錯配，否則，因負債的信貸風險改變而導致金融負債公平值金額的變動乃於其他全面收益呈列。因金融負債的信貸風險而導致其公平值變動其後不會重新分類至損益。根據香港會計準則第39號金融工具：確認及計量，指定為按公平值計入損益的金融負債的全部公平值變動額均於損益中確認；
- 就金融資產的減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損的變動入賬，以反映信貸風險自初始確認以來的變動。換而言之，毋須再待發生信貸事件方確認信貸虧損；及

根據本集團於2016年12月31日的金融工具及風險管理政策，日後應用香港財務報告準則第9號可能會對本集團金融資產的分類及計量產生重大影響。本集團的可供出售投資將按公平值計入損益計量或指定為透過其他全面收入按公平值列賬(可予達成指定標準)。

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3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRS”) (continued)

HKFRS 15 Revenue from Contracts with Customers

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

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

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

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

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第15號「客戶合同收入」

香港財務報告準則第15號已頒佈並建立了一個單一的綜合模型，以供實體將客戶合同收入入賬。當香港財務報告準則第15號生效時，將取代現時沿用的收入確認指引，包括香港會計準則第18號收入，香港會計準則第11號建築合同及相關的詮釋。

香港財務報告準則第15號的核心原則是：實體應確認收入以體現向客戶轉讓承諾貨品或服務的數額，而該數額反映實體預期交換該等貨品或服務而應得的代價。具體而言，該準則引入了五步法來確認收入：

- 第1步：確定與一個客戶的合同
- 第2步：確定合同內的履約義務
- 第3步：釐定交易價格
- 第4步：將交易價格分攤至合同內的履約義務
- 第5步：當實體完成履約義務時確認收入

根據香港財務報告準則第15號，當實體完成履約義務時確認收入，即與特定履約義務相關的商品或服務的「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況的處理加入更規範的指引。此外，香港財務報告準則第15號也要求作出更多的披露。

Notes to the Consolidated Financial Statements

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3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (continued)

HKFRS 15 Revenue from Contracts with Customers (continued)

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

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported (recognition of bulk discount/rebates and sales return) as the timing of revenue recognition may be affected and the amounts of revenue recognised are subject to variable consideration constraints, and more disclosures relating to revenue is required. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the directors of the Company performs a detailed review. In addition, the application of HKFRS 15 in the future may result in more disclosures in the consolidated financial statements.

HKFRS 16 Leases

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

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

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第15號「客戶合同收入」(續)

2016年，香港會計師公會頒佈有關香港財務報告準則第15號確定履約義務、委託人與代理的考量及許可證申請指引之澄清。

本公司董事預期，日後應用香港財務報告準則第15號或會對呈報金額(確認批量折扣/回扣及銷售返還)產生影響，原因為其可能影響收益確認時間，而所確認的收益金額將取決於可變限制因素，且要求作出更多有關收益的披露。然而，本公司董事須在完成詳細審閱後，方可能提供對香港財務報告準則第15號的影響的合理估算。此外，日後應用香港財務報告準則第15號或會導致綜合財務報表內作出更多的披露。

香港財務報告準則第16號「租賃」

香港財務報告準則第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當香港財務報告準則第16號生效時，將取代香港會計準則第17號租賃及相關的詮釋。

香港財務報告準則第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。除短期租賃及低值資產租賃外，經營租賃及融資租賃的差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

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綜合財務報表附註

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3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (continued)

HKFRS 16 Leases (continued)

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

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第16號「租賃」(續)

使用權資產初步按成本計量，隨後按成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債的任何重新計量作出調整。租賃負債初步按租賃款項(非當日支付)之現值計量。隨後，租賃負債會就(其中包括)利息及租賃款項以及租賃修訂的影響作出調整。就現金流量分類而言，本集團目前將預付租賃款項呈列為與自用租賃土地及分類為投資物業的租賃土地有關的投資現金流量，其他經營租賃款項則呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃款項將分配至本金及利息部分，並以融資現金流量呈列。

根據香港會計準則第17號，本集團已就融資租賃安排及租賃土地(本集團為承租人)的預付租賃款項確認資產及相關融資租賃負債。應用香港財務報告準則第16號將視乎本集團單獨或於倘擁有資產時將呈列的相應有關資產的同一項目內呈列使用權資產而可能導致該等資產的分類發生潛在變動。

相較承租人會計處理而言，香港財務報告準則第16號實質上沿用香港會計準則第17號的出租人會計規定，且繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號也要求作出更多的披露。

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3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (continued)

HKFRS 16 Leases (continued)

As at 31 December 2016, the Group has non-cancellable operating lease commitments of US\$839,000 as disclosed in note 26. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

Amendments to HKAS 7 Disclosure Initiative

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

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

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港財務報告準則第16號「租賃」(續)

於2016年12月31日，本集團擁有不可撤銷經營租賃承擔839,000美元，詳情於附註26披露。初步評估顯示，該等安排將符合香港財務報告準則第16號項下租賃的定義，因此本集團將就所有該等租賃確認使用權資產及相應的負債，除非有關租賃於應用香港財務報告準則第16號後符合低值或短期租賃。此外，應用新規定可能導致上文所述計量、呈列及披露發生變動。然而，本公司董事須在完成詳細審閱後，方可能提供對財務影響的合理估算。

香港會計準則第7號的修訂「披露計劃」

修訂規定實體應作出披露以使財務報表使用者評估融資活動引起的負債變動，包括現金流量引起的變動及非現金變動。尤其是，修訂規定披露以下來自融資活動的負債變動：(i) 來自融資現金流量的變動；(ii) 來自取得或失去附屬公司或其他業務的控制權的變動；(iii) 匯率變動的影響；(iv) 公平值變動；及(v) 其他變動。

修訂應用於2017年1月1日或之後開始的年度期間，並可提早應用。應用修訂將導致有關本集團融資活動的額外披露，尤其是融資活動產生的負債的綜合財務狀況表的期初及期末結餘的對賬，將於應用該等修訂時提供。

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3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRS") (continued)

Amendments to HKAS 7 Disclosure Initiative (continued)

The amendment is not expected to have impact on the results and financial position of the Group. The mandatory effective date is 1 January 2017.

Amendments to HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses

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

The amendment is not expected to have impact on the results and financial position of the Group. The mandatory effective date is 1 January 2017.

The directors of the Company do not anticipate that the application of the other new and revised HKFRSs will have material impact on the consolidated financial statements of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES

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

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

3. 應用新訂香港財務報告準則(「香港財務報告準則」)及其修訂(續)

香港會計準則第7號的修訂「披露計劃」(續)

修訂預期將不會對本集團的業績及財務狀況產生影響。強制生效日期為2017年1月1日。

香港會計準則第12號的修訂「確認未變現虧損之遞延稅項資產」

修訂提供指引，讓實體了解如何根據香港會計準則第12號*所得稅*，在若干特定事實及情況下決定是否就依據香港會計準則第39號獲分類為可供出售金融資產的債務工具的未變現稅項虧損確認遞延稅項資產。

修訂預期將不會對本集團的業績及財務狀況產生影響。強制生效日期為2017年1月1日。

本公司董事預期，應用其他新訂及經修訂香港財務報告準則將不會對本集團的綜合財務報表產生重大影響。

4. 重大會計政策

綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例規定的適用披露。

除各報告期末按公平值計量的若干金融工具外，綜合財務報表以歷史成本基準(於下文所載的會計政策中作出解釋)編製。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

4. 重大會計政策(續)

歷史成本一般基於為交換貨品及服務支付的代價的公平值計算。

公平值為於計量日期市場參與者之間於有序交易中出售資產收取或轉讓負債時支付的價格，而不論該價格為可直接觀察取得或可使用其他估值方法估計所得。若市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。於綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於香港會計準則第17號租賃範圍內的租賃交易，以及與公平值有部分相似但並非公平值的計量（如香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值）除外。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據的可觀察程度及其對整體公平值計量的重要性分為第一、第二或第三層，說明如下：

- 第一層 輸入數據是實體於計量日期可獲取的相同資產或負債於活躍市場的報價（未經調整）；
- 第二層 輸入數據是第一層所包括的報價外資產或負債的可直接或間接觀察的輸入數據；及
- 第三層 輸入數據是資產或負債的不可觀察的輸入數據。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

The principal accounting policies are set out below.

Basis of consolidation

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

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

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

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

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

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

4. 重大會計政策(續)

主要會計政策載列如下。

合併基準

綜合財務報表包括本公司及受本公司控制的實體(其附屬公司)的財務報表。在以下情況下，本公司獲得控制權：

- 可對投資對象行使權力；
- 就其所參與投資對象的浮動回報承受風險或享有權利；及
- 有能力運用其權力影響回報。

若事實及情況表明上文所列控制權的三個要素中其中一個或一個以上要素出現變動，本集團會重新評估其是否控制投資對象。

當本集團獲得附屬公司的控制權時開始將該附屬公司綜合入賬，並於本集團失去該附屬公司的控制權時結束。具體而言，年內所收購或出售附屬公司的收入及開支自本集團取得控制權之日期起計入綜合損益及其他全面收入表，直至本集團不再控制有關附屬公司之日期為止。

損益及其他全面收入項目歸屬於本公司擁有人及非控股權益。即便導致非控股權益結餘虧損，附屬公司的全面收入總額仍歸屬於本公司擁有人及非控股權益。

於必要時，將對附屬公司的財務報表作出調整，令其會計政策與本集團的會計政策一致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

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4. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

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

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

Merger accounting for business combination involving entities under common control

The consolidated financial statements incorporates the financial statements items of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or bargain purchase gain at the time of common control combination.

The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under the common control, where this is a shorter period.

The comparative amounts in the consolidated financial statements are presented as if the businesses had been combined at the end of the previous reporting period or when they first came under common control, whichever is shorter.

4. 重大會計政策(續)

合併基準(續)

集團內公司間的所有資產、負債、權益、收入、開支以及本集團成員公司間交易相關的現金流量於合併時悉數抵銷。

於附屬公司的非控股權益與本集團於其中的權益分開呈列。

共同控制實體業務合併的合併會計處理

綜合財務報表包括發生共同控制合併的合併實體或業務的財務報表項目，猶如該等項目自合併實體或業務首次受控制方控制當日起已合併處理。

從控制方的角度看，合併實體或業務的資產淨值按照現有賬面值綜合。於共同控制合併時，概無就商譽或議價收購收益確認任何金額。

綜合損益及其他全面收入表包括各合併實體或業務自最早呈列日期起或自合併實體或業務首次受共同控制當日起(以較短者為準)的業績。

綜合財務報表中的比較數據按假設業務於上一個報告期末或首次受到共同控制時(以較短者為準)已合併而呈列。

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綜合財務報表附註

For the year ended 31 December 2016
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business and net of discounts and returns.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities.

Revenue from the sales of goods is recognised when goods are delivered and titles have passed.

Technical support services income are recognised when the relevant services are rendered.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Leasing

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

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4. 重大會計政策(續)

收入確認

收入按已收或應收代價的公平值計量，指於日常業務過程中出售貨品應收的款項(扣除折讓及退貨)。

當收入金額能夠可靠計量，未來經濟利益相當可能流入本集團，本集團每項活動均符合特定準則時，則會確認收入。

貨品銷售收入於交付貨品及擁有權移交時確認。

技術支持服務收入於提供相關服務時確認。

投資的股息收入乃於股東收款的權利已確立的情況下予以確認。

利息收入參照尚未償還本金及按適用實際利率(即按金融資產的預計年期準確貼現估計未來現金收入至該資產於初步確認時賬面淨值的利率)以時間基準累計。

租賃

當租賃的條款將所有權所產生的絕大部分風險及回報轉移至承租人時，有關租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為承租人

經營租賃款項於有關租賃年期按直線法確認為開支，惟倘存在另一有系統基準更能代表所消耗租賃資產經濟利益的時間模式則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

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

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. United States dollars) using exchange rate prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under exchange reserve.

4. 重大會計政策(續)

外幣

於編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)進行的交易按於交易日的現行匯率確認。於報告期末，以外幣計值的貨幣項目乃按於該日的現行匯率重新換算。按以外幣計值的公平值列賬的非貨幣項目按釐定公平值當日的現行匯率重新換算。按外幣歷史成本計量的非貨幣項目不予重新換算。

貨幣項目結算及重新換算所產生的匯兌差額在產生期間於損益中確認。

就呈列綜合財務報表而言，本集團海外業務的資產及負債按各報告期末現行匯率換算為本集團的呈列貨幣(即美元)，而其收支項目按期間平均匯率換算，惟期內匯率出現重大波幅除外，在此情況下，則採用交易日期當時的匯率。所產生匯兌差額(如有)均於其他全面收入確認並以匯兌儲備名目於權益中累計。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

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

Retirement benefits costs

Payments to the defined contribution retirement benefit plan and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and 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 each reporting period.

4. 重大會計政策(續)

外幣(續)

於出售海外業務(即出售本集團於海外業務之全部權益,或出售涉及失去包含海外業務的附屬公司的控制權,或出售於包含海外業務的合營安排或聯營公司的部分權益而當中的保留權益成為金融資產)時,就本公司擁有人應佔業務於權益累計的所有匯兌差額重新分類至損益。

退休福利成本

向定額供款退休福利計劃及國家管理退休福利計劃的付款確認為開支,僱員於提供服務後可獲得供款。

稅項

所得稅開支指現時應付稅項及遞延稅項總額。

即期應付稅項乃根據年內的應課稅利潤計算。應課稅利潤與綜合損益及其他全面收入表中呈報的「除稅前利潤」不同,是由於其他年度的應課稅或可扣稅收支項目以及從未課稅或不可扣稅的項目所致。本集團的即期稅項負債以各報告期末已頒佈或實質已頒佈的稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated statement of financial position and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of 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 associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

4. 重大會計政策(續)

稅項(續)

遞延稅項按綜合財務狀況表中資產及負債賬面值與其用於計量應課稅利潤的相應稅基之間的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額予以確認。遞延稅項資產一般於有可能有應課稅利潤可動用以抵銷可扣減暫時差額的情況下，就所有可扣減暫時差額確認。倘暫時差額來自不影響應課稅利潤或會計利潤的交易的資產及負債的初步確認，則不會確認有關遞延稅項資產及負債。

本集團會就與於附屬公司的投資有關的應課稅暫時差額確認遞延稅項負債，惟倘本集團能夠控制暫時差額的撥回及暫時差額很可能於可預見將來不會撥回則除外。與該等投資有關的可扣稅暫時差額產生的遞延稅項資產可予確認，惟僅以很可能有足夠應課稅利潤可抵銷暫時差額的利益且預期於可預見將來撥回者為限。

遞延稅項資產賬面值於各報告期末審閱，並在不再可能有足夠應課稅利潤以供收回全部或部分資產之情況下調減。

遞延稅項資產及負債根據報告期末已頒佈或實質頒佈的稅率(及稅法)，按清償負債或變現資產期間預期應用的稅率計量。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income as directly in equity, respectively.

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

4. 重大會計政策(續)

稅項(續)

遞延稅項資產及負債的計量反映按照本集團預期的方式於各報告期末收回或清償其資產及負債賬面值的稅務結果。

即期及遞延稅項於損益中確認，惟倘即期及遞延稅項關乎於其他全面收入或直接於權益中確認的項目，於此情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益中確認。

物業、廠房及設備

物業、廠房及設備按成本減其後累計折舊及累計減值虧損(如有)於綜合財務狀況表入賬。

折舊使用直線法於估計可使用年期撇銷物業、廠房及設備項目的成本減其剩餘價值確認。估計可使用年期、剩餘價值及折舊方法將會於各報告期末審閱，而任何估計變動的影響會按預期基準入賬。

物業、廠房及設備項目會在出售或預期繼續使用資產不會產生未來經濟利益時終止確認。物業、廠房及設備項目在出售或報廢時產生的任何收益或虧損，按出售所得款項與有關資產賬面值之間的差額釐定，並於損益中確認。

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綜合財務報表附註

For the year ended 31 December 2016

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated of inventories are determined on selling price for inventories less estimated cost necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are classified into the following specified categories: available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

4. 重大會計政策(續)

存貨

存貨按成本及可變現淨值兩者的較低者列賬。成本使用加權平均法計算。可變現淨值為存貨的估計銷售價減估計銷售所需成本確定。

金融工具

當某一集團實體成為工具合約條文的訂約方時，會確認為金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債而直接應佔的交易成本，於初步確認時於該項金融資產或金融負債的公平值中計入或扣除(如適用)。

金融資產

金融資產被分類為下列具體類別：可供出售金融資產以及貸款及應收款項。分類視乎金融資產的性質及用途，於初步確認時釐定。

實際利率法

實際利率法是計算金融資產的攤銷成本及於有關期間分配利息收入的方法。實際利率為按債務工具的預計年期或適用的較短期間，準確貼現估計未來現金收入(包括構成實際利率不可或缺部分所有已付或已收費用及點差、交易成本及其他溢價或折讓)至於初步確認時賬面淨值的利率。

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For the year ended 31 December 2016
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method (continued)

Interest income is recognised on an effective interest basis for debt instruments.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method are recognised in profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

實際利率法(續)

債務工具的利息收入按債務工具實際利率基準確認。

可供出售金融資產

可供出售金融資產為指定為可供出售或並未分類為(a)貸款及應收款項、(b)持有至到期之投資或(c)按公平值計入損益的金融資產的非衍生金融工具。

本集團所持有被分類為可供出售金融資產及於活躍市場上買賣的權益及債務證券按各報告期末的公平值計量。與採用實際利率法計算的利息收入有關的可供出售貨幣金融資產的賬面值變動於損益內確認。可供出售權益工具的股息於本集團收取股息的權利獲確定時在損益內確認。可供出售金融資產賬面值之其他變動於其他全面收益中確認及於投資重估儲備中累計。倘投資被出售或被釐定為已出現減值，先前於投資重估儲備中累計的累計收益或虧損將重新分類至損益(見下文有關金融資產減值虧損的會計政策)。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade receivables, deposits and other receivables, amounts due from directors, amounts due from related companies, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項

貸款及應收款項為具有固定或可釐定付款、且於活躍市場無報價的非衍生金融資產。初步確認後，貸款及應收款項(包括貿易應收款項、存款及其他應收款項、應收董事款項、應收關聯公司款項、已抵押銀行存款、銀行結餘及現金)乃使用實際利率法按攤銷成本減任何減值計量(見下文有關金融資產減值虧損的會計政策)。

利息收入透過應用實際利率確認，惟確認利息屬不重大的短期應收款項則除外。

金融資產減值

金融資產於各報告期末被評估是否有減值跡象。倘有客觀證據證明因金融資產於初步確認後發生的一項或多項事項使金融資產的估計未來現金流量受影響，則金融資產被視為已減值。

可供出售權益投資減值的客觀證據包括證券公平值大幅或持續下跌至低於成本。

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綜合財務報表附註

For the year ended 31 December 2016
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest and principal payments;
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

對於所有其他金融資產，減值的客觀證據可能包括：

- 發行人或對應方出現重大財務困難；或
- 違反合約，如違約或拖欠利息及本金款項；
- 借款人有可能將破產或進行財務重組；或
- 因財務困難導致金融資產失去活躍市場。

就若干金融資產類別（如貿易應收款項）而言，評估為不會個別減值的資產會按整體基準進行減值評估。應收款項組合的客觀減值證據可能包括本集團的過往收款經驗、組合內各自超逾平均信貸期的延遲付款數量增加，以及與應收款項拖欠有關的全國或地方經濟狀況的可觀察改變。

就按攤銷成本計算的金融資產而言，已確認減值虧損的金額為資產賬面值與按金融資產原實際利率貼現的估計未來現金流量現值之間的差額。

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For the year ended 31 December 2016
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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes on the carrying amount of the allowance amount are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

除貿易應收款項的賬面值乃透過使用撥備賬扣減外，金融資產的賬面值均按減值虧損直接扣除。撥備賬的賬面值變動於損益確認。當貿易應收款項被視為不可收回時，即從撥備賬撇銷。其後收回的過往已撇銷款項計入損益內。

當可供出售金融資產視作減值時，先前於其他全面收入內確認的累計損益重新分類至期內損益。

對於以攤銷成本計量的金融資產，倘於往後期間，減值虧損的金額有所減少，而該減少客觀地與於確認減值後發生的事件有關，則過往確認的減值虧損透過損益撥回，惟於減值日期撥回的投資賬面值不得超過在未確認減值的情況下而應有的攤銷成本。

倘於往後期間，減值虧損的金額有所減少，而該減少客觀地與於確認減值虧損後發生的事件有關，則過往確認的減值虧損透過損益撥回，惟於減值日期撥回的資產賬面值不得超過在未確認減值的情況下而應有的攤銷成本。

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綜合財務報表附註

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of available-for-sale debt investments, impairment losses are subsequently reversed through profit or loss if an increase in fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities (including trade payables, other payables and accrued charges, amount due to a director and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

4. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就可供出售股權投資而言，先前已於損益確認的減值虧損不會通過損益撥回。減值虧損後公平值的增加於其他全面收入確認，並累計計入投資重估儲備項下。就可供出售債務投資而言，如果投資的公平值增加與確認減值虧損後發生的事件客觀相關，則減值虧損會於其後通過損益撥回。

金融負債及權益工具

集團實體發行的債務及權益工具根據所訂立合約安排的內容以及金融負債及權益工具的定义分類為金融負債或權益工具。

權益工具

權益工具為證明集團實體於扣除其所有負債後剩餘資產權益的任何合約。集團實體所發行權益工具按於扣減直接發行成本後所收取的所得款項確認。

金融負債

金融負債(包括貿易應付款項、其他應付款項以及應計費用、應付董事款項及銀行借貸其後以實際利率法按攤銷成本計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

4. 重大會計政策(續)

金融工具(續)

金融負債及權益工具(續)

實際利率法

實際利率法為計算金融負債攤銷成本及於有關期間分配利息費用的方法。實際利率為按金融負債的預計年期或適用的較短期間，準確貼現估計未來現金付款(包括構成實際利率不可或缺部分的所有已付或已收費用及點差、交易成本及其他溢價或折讓)至於初步確認時賬面淨值的利率。

利息費用按實際利率基準確認。

終止確認

本集團僅會於從資產取得現金流量的合約權利屆滿時，或在其轉讓金融資產及資產擁有權的絕大部分風險及回報予另一實體時方會終止確認金融資產。倘本集團並未轉移亦未保留擁有權的絕大部分風險及回報並繼續控制已轉讓資產，則本集團確認其於資產的保留權益及可能須支付的相關負債款項。倘本集團保留已轉讓金融資產擁有權的絕大部分風險及回報，則本集團繼續確認該金融資產並將已收所得款項確認為有抵押借款。

於終止確認金融資產時，資產賬面值與已收及應收代價及已於其他全面收入中確認並於權益累計的累計損益的總和之間的差額於損益內確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition (continued)

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Impairment on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

4. 重大會計政策(續)

金融工具(續)

終止確認(續)

只有當本集團的責任解除、取消或屆滿時方終止確認金融負債。終止確認的金融負債賬面值與已付及應付代價之間的差額於損益內確認。

有形資產減值

本集團於報告期末審閱其有形資產賬面值，以釐定該等資產有否任何減值虧損跡象。如有任何有關跡象，則估計該項資產的可收回金額，以釐定減值虧損程度(如有)。倘無法估計個別資產的可收回金額，則本集團會估計該資產所屬現金產生單位的可收回金額。當可確定合理一致的分配基準時，則公司資產亦可分配至個別現金產生單位，否則，公司資產將分配至能確定合理一致分配基準的最小現金產生單位組別。

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，估計未來現金流量會採用稅前貼現率貼現至其現值，而該稅前貼現率可反映對貨幣時間價值及資產(其未來現金流量估計未經調整)特定風險的現時市場評估。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment on tangible assets (continued)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

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 had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Borrowing costs

Borrowing costs which are not capitalised to qualifying assets are recognised in profit or loss in the period in which they are incurred.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

4. 重大會計政策(續)

有形資產減值(續)

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則資產(或現金產生單位)賬面值將減少至其可收回金額。於分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後根據該單位各資產的賬面值按比例分配至其他資產。抵減後的資產賬面值不得低於以下三者之最高者：其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零。因此而導致未能分配的減值虧損金額，按相關單位中其他資產所佔比重進行分攤。減值虧損即時於損益確認。

倘減值虧損其後撥回，則有關資產(或現金產生單位)的賬面值會調高至經修訂的估計可收回金額，惟調高後的賬面值不可超過有關資產(或現金產生單位)於過往年度並無確認減值虧損時應釐定的賬面值。減值虧損撥回即時於損益確認。

借貸成本

未資本化為合資格資產的借貸成本於其產生期間在損益中確認。

研發開支

研究活動的開支於產生期間內確認為開支。

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4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development expenditure (continued)

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets that are acquired separately.

4. 重大會計政策(續)

研發開支(續)

當且僅當以下所有各項得到證明時，開發活動(或內部項目的開發階段)產生的內部產生無形資產予以確認：

- 在技術上可完成該無形資產以使其能使用或出售；
- 有完成該無形資產並使用或出售的意圖；
- 有能力使用或出售該無形資產；
- 該無形資產如何產生潛在未來經濟利益；
- 具有足夠的技術、財務及其他資源，以完成該無形資產的開發，並使用或出售該無形資產；及
- 能夠可靠計量無形資產於開發期間的應佔開支。

內部產生無形資產的初始確認金額是自無形資產首次滿足上述確認標準日期後所產生支出的總額。若並無內部產生無形資產可予確認，開發支出應在其產生期間於損益確認。

在初步確認後，內部產生無形資產按與單獨收購的無形資產相同的基準，以成本減累計攤銷及累計減值虧損(如有)呈報。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 coming twelve months, are described below.

Estimated impairment of trade receivables

Management estimates the recoverability of trade receivables based on objective evidence. When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured at the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate compounded at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

5. 估計不確定因素的主要來源

在應用附註4所述本集團的會計政策時，本公司董事須對未能從其他來源輕易獲得的資產及負債賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及被視為相關的其他因素作出。實際結果可能會有別於該等估計。

估計及相關假設按持續基準檢討。倘會計估計的修訂僅影響估計作出修訂的期間，則在該期間確認，倘修訂同時影響修訂的當前期間及未來期間，則在作出修訂的當前期間及未來期間確認。

下列為於報告期末就未來和其他估計不確定因素的主要來源所作出的主要假設，這些假設具有足以致使未來十二個月內的資產和負債賬面值發生大幅調整的重大風險。

貿易應收款項的估計減值

管理層基於客觀證據估計貿易應收款項的可收回性。倘有客觀證據顯示出現減值虧損，本集團會考慮估計未來現金流量。減值虧損金額按資產賬面值與按金融資產原有實際利率（即首次確認時計算的實際利率）貼現之估計未來現金流量（不包括尚未產生的未來信貸虧損）現值之間的差額計量。若實際未來現金流量低於預期，則可能產生重大減值虧損。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of trade receivables (continued)

At 31 December 2016, the carrying amounts of trade receivables of the Group was approximately US\$56,500,000 (2015: US\$84,222,000), less of allowance of doubtful debts of US\$13,000 (2015: US\$120,000). Details are set out in note 16.

Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated cost necessary to make the sale. These estimates are based on the current market condition and the historical experience in selling goods of similar nature. It could change significantly as a result of changes in market condition. The Group will reassess the estimation at the end of each reporting period.

At 31 December 2016, the carrying amounts of inventories of the Group were approximately US\$31,908,000 (2015: US\$17,863,000), less allowance of US\$323,000 (2015: US\$438,000). Details are set out in note 15.

5. 估計不確定因素的主要來源(續)

貿易應收款項的估計減值(續)

於2016年12月31日，本集團貿易應收款項的賬面值約為56,500,000美元(2015年：84,222,000美元)(扣除13,000美元(2015年：120,000美元)的呆賬撥備)。詳情載於附註16。

存貨的可變現淨值

存貨按成本及可變現淨值兩者的較低者列賬。可變現淨值指存貨的估計售價減銷售所需的所有估計成本。該等估計基於目前市場狀況及銷售類似產品的過往經驗。該等估計可因市場狀況的變化而發生重大改變。本集團於各報告期末重新評估該等估計。

於2016年12月31日，本集團存貨的賬面值約為31,908,000美元(2015年：17,863,000美元)(扣除323,000美元(2015年：438,000美元)的撥備)。詳情載於附註15。

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Income tax provision and corresponding penalty

During the year ended 31 December 2015, the directors of the Company has identified certain errors in the statutory financial statements of a group entity incorporated in Hong Kong for the years ended 31 December 2012 and prior periods and the year ended 31 December 2014, and consequently those statutory financial statements were restated and reissued. The Group then voluntarily submitted the revised tax computations of the relevant group entity to the Inland Revenue Department of Hong Kong ("IRD") for the years of assessment 2012/2013 and 2014/2015 based on the revised assessable profits calculated based on the reissued statutory financial statements. The additional tax provision for the year ended 31 December 2012 and prior periods, and the year ended 31 December 2014 amounted to US\$770,000 and US\$834,000, respectively, was recognised in the consolidated financial statements in the respective years. As the Group may have understated its assessable profits and/or made an incorrect tax returns or statement to the IRD for the relevant years of assessment, it may be liable for penalty, the amount of which accordingly to the penalty policy of the IRD would be at a maximum of (i) a fine of HK\$10,000 (equivalent to US\$1,290) to HK\$50,000 (equivalent to US\$6,450) for each offense; (ii) trebling the amount of tax undercharged or would have been undercharged; and (iii) imprisonment for 6 months to 3 years. However, the penalty may be less than the maximum level if the Group can prove to the satisfaction of the Commissioner of the IRD that there is reasonable excuse for committing the offense and the Company does not have any willful intention to omit/understate the profit in question.

5. 估計不確定因素的主要來源(續)

所得稅撥備及相關罰款

於截至2015年12月31日止年度期間，本公司董事發現在香港註冊成立的一家集團實體於截至2012年12月31日止年度及以前期間以及截至2014年12月31日止年度法定財務報表中存在若干錯誤，隨後那些法定財務報表已經重述並重新刊發。本集團隨後根據基於這些重新刊發的法定財務報表計算的經修訂應課稅盈利自願向香港稅務局（「香港稅務局」）提交2012/2013及2014/2015課稅年度相關集團實體的經修訂稅項計算表。截至2012年12月31日止年度及以前期間以及截至2014年12月31日止年度的額外稅項撥備分別為770,000美元及834,000美元，已於相關年度之綜合財務報表中確認。由於本集團可能少報相關課稅年度的應課稅盈利及／或向香港稅務局提交了不正確的納稅申報表，其可能會受到處罰，根據香港稅務局的處罰政策，最高金額可能為(i)每次違規罰款10,000港元（相當於1,290美元）至50,000港元（相當於6,450美元）；(ii)少交或本可能少交的稅款的三倍；及(iii)6個月至3年的監禁。然而，如果本集團能向稅務局局長證明並令其信納，犯此錯誤有合理理由且本公司並非有意忽略／少報有關盈利，罰款可能會低於最高水平。

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綜合財務報表附註

For the year ended 31 December 2016
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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Income tax provision and corresponding penalty (continued)

In addition to making additional tax provision for the relevant year as discussed above, the directors of the Company have also considered reasonably possible penalty that may be imposed by the IRD on the Group at each of the reporting date, if any, arising from omission or understatement of assessment profits for the years of assessment 2012/2013 and 2014/2015 by the relevant group entity. After seeking professional advice, the directors of the Company understand that the reasonably possible penalty, if any, is likely to be at the level of 30% of the amount of tax undercharged and HK\$10,000 (equivalent to US\$1,290) for each offense, that is, US\$231,000 and US\$250,000 for the year ended 31 December 2012 and 31 December 2014, respectively, and relevant provisions were made and included in administrative expenses in the profit or loss for the relevant years. The directors of the Company believe that adequate provision has been made against the potential penalty. However, the ultimate penalty may be different from the amounts provided, such difference will be charged to profit or loss in the period during which such a determination is made.

6. REVENUE AND SEGMENT INFORMATION

The Group's revenue represents the fair value of the amounts received and receivable from the sales of integrated circuit and other electronic components in Hong Kong ("HK") and the People's Republic of China (the "PRC") net of discounts and returns, during the year.

For the purpose of resource allocation and assessment of segment performance, the executive directors of the Company, collectively being the chief operating decision maker, focuses and reviews on the overall results (i.e. revenue and gross profit) and financial position of the Group as a whole which are prepared based on the same accounting policies set out in note 4. Accordingly, the Group has only one single operating segment and no further analysis of the single segment is presented.

5. 估計不確定因素的主要來源(續)

所得稅撥備及相關罰款(續)

除就上文所述的相關年度計提額外稅項撥備外，本公司董事亦合理考慮到香港稅務局於各報告日期可能就2012/2013及2014/2015課稅年度有關集團實體漏報或低報應課稅盈利事項而對本集團處以罰款(如有)。在徵詢專業意見後，本公司董事獲悉，合理的潛在罰款(如有)可能是少交稅款金額的30%及每次違規10,000港元(相當於1,290美元)，即截至2012年12月31日及2014年12月31日止年度分別為231,000美元及250,000美元，且已經就此作出相關撥備並計入相關年度損益的行政費用內。本公司董事相信已就潛在罰款計提足夠撥備。然而，最終罰款金額可能不同於撥備金額，差額將從作出此項決定的期間的損益中扣除。

6. 收入及分部資料

本年內，本集團的收入為在香港(「香港」)及中華人民共和國(「中國」)銷售集成電路及其他電子元器件的已收款項及應收款項的公平值扣除折扣及退貨賬額後的金額。

為資源分配和進行分部業績評估，本公司的執行董事(作為主要經營決策者)重點審閱本集團根據附註4所載會計政策而編製的整體業績(即收入和毛利)及財務狀況。因此，本集團只有一個單一經營分部，並無呈報該單一分部的更多分析。

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6. REVENUE AND SEGMENT INFORMATION (continued)

Geographical information

The Group principally operates in HK and the PRC.

The following table provides an analysis of the Group's sales by geographical market based on the jurisdictions where the relevant group entities were set up, which are also their place of operations during the year, irrespective of the origin of goods/services.

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

Revenue from external customers based on location of operations of the relevant group entities

		2016 US\$'000 千美元	2015 US\$'000 千美元
HK	香港	574,016	433,261
The PRC	中國	95,880	52,110
		669,896	485,371

Property, plant and equipment

		2016 US\$'000 千美元	2015 US\$'000 千美元
HK	香港	204	239
The PRC	中國	225	239
		429	478

6. 收入及分部資料(續)

地區資料

本集團主要在香港及中國經營業務。

下表載列本集團按地域市場(基於相關集團實體成立地點所在的司法權區,也是基於本年度的經營地點,不分商品/服務來源)劃分的銷售額分析。

本集團來自外部客戶的收入及按資產所在地理位置劃分的非流動資產的資料詳情載列如下:

來自外部客戶的收入(基於相關集團實體的經營地點)

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6. REVENUE AND SEGMENT INFORMATION (continued)

Information about major customers

Revenue from customers in respect of sales of goods of the year contributing over 10% of the total revenue of the Group is as follows:

		2016 US\$'000 千美元	2015 US\$'000 千美元
Customer 1	客戶1	174,747	143,993
Customer 2	客戶2	97,108	82,104
Customer 3	客戶3	81,545	N/A ¹ 不適用 ¹

¹ The corresponding revenue did not contribute over 10% of total revenue of the Group in the respective year.

There are no other revenue from transaction with a single external customer amounted to 10% or more of the total revenue of the Group during the years ended 31 December 2016 and 2015.

7. OTHER INCOME

6. 收入及分部資料(續)

有關主要客戶的資料

本年度向客戶銷售商品的收入佔本集團總收入10%以上的客戶如下：

		2016 US\$'000 千美元	2015 US\$'000 千美元
Customer 1	客戶1	174,747	143,993
Customer 2	客戶2	97,108	82,104
Customer 3	客戶3	81,545	N/A ¹ 不適用 ¹

¹ 於有關年度的相應收入並無貢獻本集團總收入的10%以上。

於截至2016年及2015年12月31日止年度，概無其他來自與單一外部客戶之交易收入佔本集團總收入的10%或以上。

7. 其他收入

		2016 US\$'000 千美元	2015 US\$'000 千美元
Dividend and interest income from available-for-sale investments	可供出售投資的股息及 利息收入	300	180
Bank interest income	銀行利息收入	14	13
Technical support services income	技術支持服務收入	885	1,641
Interest income from life insurance policies	壽險保單利息收入	118	109
Written off of trade and other payables	撇銷貿易應付款項及 其他應付款項	768	-
Others	其他	86	58
		2,171	2,001

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8. PROFIT BEFORE TAX

8. 除稅前利潤

		2016 US\$'000 千美元	2015 US\$'000 千美元
Profit before tax has been arrived at after charging:	除稅前利潤已扣除以下各項：		
Directors' emoluments (note 9)	董事酬金(附註9)	583	372
Staff costs	員工成本		
Salaries and other allowances	薪金及其他津貼	4,590	4,016
Discretionary bonus	酌情花紅	2,705	2,831
Retirement benefit scheme contributions	退休福利計劃供款	785	669
Total staff costs	員工成本總額	8,663	7,888
Allowance for doubtful debts (included in administrative expenses)	呆賬撥備(計入行政費用)	14	183
Allowance for inventories recognised (included in cost of sales)	已確認存貨的撥備(計入銷售成本)	13	248
Auditor's remuneration	核數師酬金	165	38
Cost of inventories recognised as an expense	確認為費用的存貨成本	638,279	463,145
Depreciation of property, plant and equipment	物業、廠房及設備折舊	165	257
Minimum lease payments under operating leases in respect of office premises	辦公物業經營租賃下的最低租賃付款	900	805

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綜合財務報表附註

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9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS

Directors

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

9. 董事、主要行政人員及僱員酬金

董事

根據適用之上市規則及公司條例所披露董事及主要行政人員於本年度之酬金如下：

		Fee	Salaries and other allowance	Discretionary bonus	Retirement benefit scheme contributions	Total
		袍金	薪金及其他津貼	酌情花紅	退休福利計劃供款	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Year ended 31 December 2016	截至2016年12月31日止年度					
Executive directors:	執行董事：					
Mr. Tian (note b)	田先生(附註b)	–	135	26	2	163
Mr. Wong (note c)	黃先生(附註c)	–	106	26	2	134
Mr. Liu (note c)	劉先生(附註c)	–	89	26	5	120
Mr. Xie Yi (note d)	謝藝先生(附註d)	–	46	36	3	85
Independent non-executive directors:	獨立非執行董事：					
Mr. Zheng Gang (note e)	鄭鋼先生(附註e)	27	–	–	–	27
Mr. Tang Ming Je (note e)	湯明哲先生(附註e)	27	–	–	–	27
Mr. Wong Hon Kit (note e)	黃漢傑先生(附註e)	27	–	–	–	27
		81	376	114	12	583

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9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Directors (continued)

Year ended 31 December 2015	截至2015年12月31日止年度	Fee	Salaries and other allowance	Discretionary bonus	Retirement benefit scheme contributions	Total
		袍金	薪金及其他津貼	酌情花紅	退休福利計劃供款	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive directors:	執行董事:					
Mr. Tian	田先生	-	119	31	11	161
Mr. Wong	黃先生	-	78	25	2	105
Mr. Liu	劉先生	-	71	31	4	106
		-	268	87	17	372

The executive directors' emoluments shown above were mainly for their services as directors and the chief executive in connection with the management of the affairs of the Group.

Notes:

- The discretionary bonus is determined by reference to the duties and responsibilities of the relevant individual within the Group and the Group's performance.
- Mr. Tian was appointed as the executive director of the Company on 22 October 2015 and he is also the chief executive of the Company and his emoluments disclosed above included those services rendered by him as the chief executive.
- Mr. Wong and Mr. Liu were appointed as the executive directors of the Company on 22 October 2015.
- Mr. Xie Yi was appointed as the executive director of the Company on 16 March 2016.
- Mr. Zheng Gang, Mr. Tang Ming Je and Mr. Wong Hon Kit were appointed as independent non-executive directors on 16 March 2016.

9. 董事、主要行政人員及僱員酬金 (續)

董事(續)

Year ended 31 December 2015	截至2015年12月31日止年度	Fee	Salaries and other allowance	Discretionary bonus	Retirement benefit scheme contributions	Total
		袍金	薪金及其他津貼	酌情花紅	退休福利計劃供款	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive directors:	執行董事:					
Mr. Tian	田先生	-	119	31	11	161
Mr. Wong	黃先生	-	78	25	2	105
Mr. Liu	劉先生	-	71	31	4	106
		-	268	87	17	372

上述執行董事的酬金主要為彼等作為董事及主要行政人員就管理本集團事務而提供相關服務所獲得的酬金。

附註:

- 酌情花紅根據本集團內部有關人士的職務及責任以及本集團的業績而釐定。
- 田先生於2015年10月22日獲委任為本公司執行董事，彼亦為本公司的主要行政人員，上文所披露其酬金包含彼作為主要行政人員提供服務所獲的酬金。
- 黃先生及劉先生於2015年10月22日獲委任為本公司執行董事。
- 謝藝先生於2016年3月16日獲委任為本公司執行董事。
- 鄭鋼先生、湯明哲先生及黃漢傑先生於2016年3月16日獲委任為獨立非執行董事。

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9. DIRECTORS', CHIEF EXECUTIVE'S AND EMPLOYEES' EMOLUMENTS (continued)

Employees

The five highest paid individuals of the Group during the year included three (2015: three) directors, details of their emoluments are set out above. The emoluments of the remaining two (2015: two) individuals are as follows:

		2016 US\$'000 千美元	2015 US\$'000 千美元
Salaries and other allowances	薪金及其他津貼	139	106
Discretionary bonus	酌情花紅	91	57
Retirement benefit scheme contributions	退休福利計劃供款	4	3
		234	166

Their emoluments were fell within the following bands:

		2016 Number of employee 僱員數目	2015 Number of employee 僱員數目
HK\$Nil to HK\$1,000,000 (equivalent to US\$Nil to US\$129,032)	0至1,000,000港元(相當於0至129,032美元)	2	2

During the year ended 31 December 2016, no emoluments were paid by the Group to the directors of the Company or the five highest paid individuals (including directors and employees) as an inducement to joint or upon joining the Group or as compensation for loss of office. No director has waived or agreed to waive any emoluments during the year.

9. 董事、主要行政人員及僱員酬金 (續)

僱員

本集團於本年度的5名最高薪人士包括3名(2015年: 3名)董事, 彼等之酬金詳情載於上文。餘下2名(2015年: 2名)人士的酬金如下:

彼等之酬金在下列範圍內:

截至2016年12月31日止年度, 本集團並無向本公司董事或5名最高薪人士(包括董事及僱員)支付任何酬金, 以作為鼓勵其加入本集團或於其加入本集團時的獎勵, 或作為其離職的補償。概無董事放棄或同意放棄本年度的任何酬金。

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10. INCOME TAX EXPENSE

10. 所得稅費用

		2016 US\$'000 千美元	2015 US\$'000 千美元
Current tax:	即期稅項：		
Hong Kong Profits Tax	香港利得稅	2,375	2,125
PRC Enterprise Income Tax ("PRC EIT")	中國企業所得稅 (「中國企業所得稅」)	101	15
		2,476	2,140
Underprovision in prior year PRC EIT	過往年度撥備不足 中國企業所得稅	18	-
		2,494	2,140

The Company was incorporated in the Cayman Islands and is exempted from income tax.

本公司在開曼群島註冊成立並獲豁免繳納所得稅。

The applicable tax rate of the subsidiaries in HK is 16.5% (2015: 16.5%).

附屬公司在香港的適用稅率為16.5%(2015年：16.5%)。

Under the Law of the PRC on Enterprise Income tax (the "EIT Law") and Implementation Regulation of The EIT Law, the tax rate of entities established in the PRC is 25% (2015: 25%) during the year. As 深圳市芯智科技有限公司 ("SMC Technology SZ") has been accredited as a "High and New Technology Enterprise" by the relevant authorities in Shenzhen, it is entitled to a reduced tax rate of 15% (2015: 15%) for PRC EIT during the year. Accordingly, the PRC EIT is calculated at 15% (2015: 15%) on the assessable profit of SMC Technology SZ.

根據《中華人民共和國企業所得稅法》(「企業所得稅法」)及企業所得稅法實施條例，在中國成立的實體於本年度的稅率為25%(2015年：25%)。深圳市芯智科技有限公司(「芯智科技深圳」)經深圳有關部門認證為「高新技術企業」，所以於本年度可享受15%(2015年：15%)的中國企業所得稅優惠稅率。因此，芯智科技深圳的應課稅利潤按15%(2015年：15%)的稅率計算中國企業所得稅。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

10. INCOME TAX EXPENSE (continued)

The tax charge for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

10. 所得稅費用(續)

本年度的稅項支出與綜合損益及其他全面收益表內的除稅前利潤對賬如下：

		2016 US\$'000 千美元	2015 US\$'000 千美元
Profit before tax	除稅前利潤	11,921	9,042
Tax charge at Hong Kong Profits Tax Rate of 16.5%	按16.5%的香港利得稅率計算的稅項支出	1,967	1,492
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的稅務影響	614	337
Tax effect of income not taxable for tax purpose	毋須課稅收入的稅務影響	(22)	(53)
Underprovision in respect of prior year	過往年度撥備不足	18	-
Tax effect of tax losses not recognised	未確認的稅項虧損的稅務影響	30	346
Utilisation of tax losses previously not recognised	動用先前未確認的稅項虧損	(111)	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	在其他司法權區經營的附屬公司適用不同稅率的影響	(8)	(2)
Others	其他	6	20
Tax charge for the year	年度稅項費用	2,494	2,140

At 31 December 2016, the Group has unused tax losses of US\$3,753,000 (2015: US\$4,244,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams in the respective entities. Included in unrecognised tax losses are losses of US\$181,000 (2015: US\$640,000) that will expire in 2022 (2015: 2021). Other losses may be carried forward indefinitely.

於2016年12月31日，本集團可用作抵扣未來利潤的未動用稅項虧損為3,753,000美元（2015年：4,244,000美元）。由於難以預測各實體的日後利潤，所以並無確認遞延稅項資產。未確認的稅項虧損為181,000美元（2015年：640,000美元），並將於2022年（2015年：2021年）到期。其他虧損可能無限期結轉。

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綜合財務報表附註

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10. INCOME TAX EXPENSE (continued)

During the year ended 31 December 2015, the directors of the Company have identified certain errors in the statutory financial statements of a group entity incorporated in Hong Kong for the years ended 31 December 2012 and prior periods and for the year ended 31 December 2014, and consequently those statutory financial statements were restated and reissued. The Group then voluntarily submitted the revised tax computations of the relevant group entity to the IRD for the years of assessment 2012/2013 and 2014/2015 based on the revised assessable profits calculated based on the reissued statutory financial statements. The additional tax provision for the years ended 31 December 2012 and prior periods, and the year ended 31 December 2014 amounted to US\$770,000 and US\$834,000, respectively, was recognised in the consolidated financial statements in the respective years.

In addition to making additional tax provision for the relevant year as discussed above, the directors of the Company have also considered reasonably possible penalty that may be imposed by the IRD on the Group at each of the reporting date, if any, arising from omission or understatement of assessment profits for the years of assessment 2012/2013 and 2014/2015 by the relevant group entity. After seeking professional advice, the directors of the Company understand that the reasonably possible penalty, if any, is likely to be at the level of 30% of the amount of tax undercharged and HK\$10,000 (equivalent to US\$1,290) for each offense, that is, US\$231,000 and US\$250,000 for the years ended 31 December 2012 and 31 December 2014, respectively, and relevant provisions were made and included in administrative expenses in the profit or loss for the relevant years. The directors of the Company believe that adequate provision has been made against the potential penalty.

10. 所得稅費用(續)

於截至2015年12月31日止年度期間，本公司董事發現在香港註冊成立的一家集團實體於截至2012年12月31日止年度及以前期間以及截至2014年12月31日止年度法定財務報表中存在若干錯誤，隨後該等法定財務報表已經重述並重新刊發。本集團隨後根據基於該等重新刊發的法定財務報表計算的經修訂應課稅盈利自願向香港稅務局提交2012/2013及2014/2015課稅年度相關集團實體的經修訂稅項計算表。截至2012年12月31日止年度及以前期間以及截至2014年12月31日止年度的額外稅項撥備分別為770,000美元及834,000美元，已於各年度的綜合財務報表中確認。

除就上文所述的相關年度計提額外稅項撥備外，本公司董事亦合理考慮到香港稅務局於各報告日期可能就2012/2013及2014/2015課稅年度相關集團實體漏報或低報應課稅盈利事項而對本集團處以罰款(如有)。在徵詢專業意見後，本公司董事獲悉，合理的潛在罰款(如有)可能是少交稅款金額的30%及每次違規10,000港元(相當於1,290美元)，即截至2012年12月31日及2014年12月31日止年度分別為231,000美元及250,000美元。已經就此作出相關撥備並計入相關年度損益的行政開支內。本公司董事相信本集團已就潛在罰款計提適當撥備。

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綜合財務報表附註

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11. DIVIDENDS

11. 股息

		2016 US\$'000 千美元	2015 US\$'000 千美元
Dividends recognised as distributions for the year	年內已確認為分派之股息	3,000	4,000

Prior to the Group Reorganisation, SMC International HK declared and paid dividends of US\$4,000,000 during the year ended 31 December 2015 to its then shareholders.

在本集團重組前，芯智國際香港於截至2015年12月31日止年度向其當時股東宣派及派付股息4,000,000美元。

In April 2016, the Company declared and paid a dividend of US\$150 per share totalling US\$3,000,000 to its ordinary shareholders whose names appeared on its register of members as at the close of business of 31 March 2016.

於2016年4月，本公司向其於2016年3月31日營業時間結束時名列其股東名冊的普通股股東宣派及派付每股150美元的股息合共3,000,000美元。

The board of directors of the Company do not recommend a payment of final dividend for the year ended 31 December 2016.

本公司董事會並不建議派付截至2016年12月31日止年度的末期股息。

12. EARNINGS PER SHARE

12. 每股盈利

The calculation of the basic earnings per share attributable to the owners of the Company for the year is based on the following data:

年內本公司擁有人應佔基本每股盈利乃按以下數據計算：

		2016 US\$'000 千美元	2015 US\$'000 千美元
Earnings	盈利		
Profit for the year attributable to owner of the Company for the purpose of basic earnings per share	就基本每股盈利而言本公司擁有人應佔年度利潤	9,279	6,096

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12. EARNINGS PER SHARE (continued)

12. 每股盈利(續)

		2016	2015
Number of ordinary shares	普通股數目		
Weighted average number of ordinary shares for the purpose of basic earnings per share	就基本每股盈利而言普通股的加權平均數	399,584,383	337,500,000

The number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 December 2016 and 2015 has been adjusted for the effect of (i) the Group Reorganisation and the capitalisation issue of shares of the Company that are deemed to have become effective since 1 January 2015; and (ii) the capital contributions by shareholders during the year ended 31 December 2016.

No diluted earnings per share are presented for both years as there were no potential ordinary shares in issue for the year ended 31 December 2016 and 2015.

就計算截至2016年及2015年12月31日止年度的基本每股盈利而言，普通股的數目已就以下各項的影響作出調整(i)集團重組及本公司股份的資本化發行(被視為已於2015年1月1日起生效)；及(ii)股東於截至2016年12月31日止年度的注資。

截至2016年及2015年12月31日止年度並無已發行潛在普通股，因此並無就該兩個年度呈列已攤薄每股盈利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Leasehold improvements 租賃物業裝修 US\$'000 千美元	Furniture and fixtures 傢俬及裝置 US\$'000 千美元	Motor vehicles 汽車 US\$'000 千美元	Total 總計 US\$'000 千美元
COST	成本				
At 1 January 2015	於2015年1月1日	28	649	784	1,461
Exchange alignment	匯兌調整	–	(13)	(12)	(25)
Additions	購置	56	106	–	162
At 31 December 2015	於2015年12月31日	84	742	772	1,598
Exchange alignment	匯兌調整	–	(28)	(18)	(46)
Additions	購置	31	91	12	134
Written off	撇銷	–	(9)	–	(9)
At 31 December 2016	於2016年12月31日	115	796	766	1,677
DEPRECIATION	折舊				
At 1 January 2015	於2015年1月1日	8	372	494	874
Exchange alignment	匯兌調整	–	(5)	(6)	(11)
Provided for the year	年內撥備	21	103	133	257
At 31 December 2015	於2015年12月31日	29	470	621	1,120
Exchange alignment	匯兌調整	–	(12)	(16)	(28)
Provided for the year	年內撥備	21	84	60	165
Written off	撇銷	–	(9)	–	(9)
At 31 December 2016	於2016年12月31日	50	533	665	1,248
CARRYING VALUES	賬面值				
At 31 December 2016	於2016年12月31日	65	263	101	429
At 31 December 2015	於2015年12月31日	55	272	151	478

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綜合財務報表附註

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

The property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their residual value, as follows:

Leasehold improvements	5 years or over the lease term, whichever is shorter
Furniture and fixtures	5 years
Motor vehicles	5 years

13. 物業、廠房及設備(續)

物業、廠房及設備經計及其剩餘使用價值後按直線法在預期使用年內進行折舊，詳情如下：

租賃物業裝修	5年或按租期 (以較短者為準)
傢俬及裝置	5年
汽車	5年

14. AVAILABLE-FOR-SALE INVESTMENTS

14. 可供出售投資

	2016 US\$'000 千美元	2015 US\$'000 千美元
Listed investments:		
– Debt securities listed in HK	1,277	1,235
Unlisted investments:		
– Investment fund A (Note i)	1,089	1,060
– Investment fund B (Note ii)	5,406	3,530
	7,772	5,825

Notes:

- (i) The investment fund A represents unit trust investments which invest primarily in Asian bonds and other debt securities.
- (ii) The investment fund B represents unit trust investments which mainly invest Treasury Bonds and mortgage-backed securities in the United States.

附註：

- (i) 投資基金A為主要投資於亞洲債券及其他債務證券的單位信託投資。
- (ii) 投資基金B為主要投資於美國的國庫券及按揭證券的單位信託投資。

At 31 December 2016 and 2015, all the available-for-sale investments of the Group have been pledged as security for the bank borrowings of the Group (note 24).

於2016年及2015年12月31日，本集團所有可供出售投資均已作為本集團銀行借款的擔保進行抵押(附註24)。

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15. INVENTORIES

15. 存貨

		2016 US\$'000 千美元	2015 US\$'000 千美元
Electronic components held for resale	持作轉售的電子元器件	32,231	18,301
Less: Allowance for inventories	減：存貨撥備	(323)	(438)
		31,908	17,863

The movements in the allowance of inventories are as follows:

存貨撥備變動載列如下：

		2016 US\$'000 千美元	2015 US\$'000 千美元
At beginning of year	年初	438	190
Allowance recognised in profit and loss	於損益中確認的撥備	13	248
Written off	撇銷	(128)	-
At end of year	年末	323	438

Cost of inventories recognised as an expense includes the above allowance recognised in profit or loss in respect of write-downs of inventories to net realisable value.

確認為開支的存貨成本包括以上與撇減存貨至可變現淨值有關的於損益中確認的撥備。

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16. TRADE RECEIVABLES

		2016 US\$'000 千美元	2015 US\$'000 千美元
Trade receivables	貿易應收款項	56,513	84,342
Less: Allowance for doubtful debts	減：呆賬撥備	(13)	(120)
		56,500	84,222

The Group entered into factoring agreements with certain banks so as to obtain bank advances. As at 31 December 2016, trade receivables of US\$36,428,000 (2015: Nil) had been transferred to the banks in accordance with the relevant non-recourse factoring agreements. Relevant trade receivables were derecognised as the directors of the Company are of the opinion that the substantial risks and rewards associated with the trade receivables have been transferred and therefore qualified for derecognition.

The Group allows credit period of 0 to 90 days to its customers. The aged analysis of the Group's trade receivables, net of allowance, based on invoice date at the end of each reporting period are as follows:

16. 貿易應收款項

本集團與若干銀行訂立保理協議，以獲得銀行貸款。於2016年12月31日，36,428,000美元(2015年：無)的貿易應收款項已根據相關無追索權保理協議轉讓予銀行。由於本公司董事認為，與貿易應收款項相關的重大風險及回報已轉讓並因此符合終止確認資格，故相關貿易應收款項已予終止確認。

本集團向其客戶授出0至90天的信貸期。於各報告期末，本集團的貿易應收款項(扣除撥備)按發票日期的賬齡分析如下：

		2016 US\$'000 千美元	2015 US\$'000 千美元
0-30 days	0-30天	19,029	57,750
31-60 days	31-60天	16,344	17,727
61-90 days	61-90天	10,971	7,526
91-180 days	91-180天	10,052	953
Over 180 days	超過180天	104	266
		56,500	84,222

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16. TRADE RECEIVABLES (continued)

Included in the Group's trade receivables are debtors with a carrying amount of US\$15,383,000 (2015: US\$20,293,000) at 31 December 2016, which are past due but not impaired at the end of the reporting period. As there has not been a significant change in credit quality and a substantial amount of these debts were subsequently settled, the amounts are still considered recoverable.

16. 貿易應收款項(續)

於2016年12月31日，本集團的貿易應收款項包括於報告期末已逾期但未減值的應收款項，其賬面值為15,383,000美元(2015年：20,293,000美元)。由於信貸質素並無重大變動且這些債項中大部分金額隨後已經結清，所以這些款項被認為仍可收回。

		2016 US\$'000 千美元	2015 US\$'000 千美元
Overdue:	逾期：		
1-30 days	1-30天	11,717	18,894
31-60 days	31-60天	3,129	1,077
Over 60 days	超過60天	537	322
		15,383	20,293

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits by customer. The majority of the Group's trade receivables that are past due but not impaired are from customers with good credit quality with reference to respective settlement history. The Group does not hold any collateral over these balances.

於接納任何新客戶前，本集團會評估潛在客戶的信貸質素，並為客戶界定信貸限額。經參考各自以往的結算記錄，本集團大多數逾期但未減值的貿易應收款項均來自具有良好的信貸質素的客戶。本集團並未對這些款項持有任何抵押品。

In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the end of the of the reporting period.

於釐定貿易應收款項的可收回性時，本集團會考慮貿易應收款項由最初授出信貸時至報告期末信貸質素的任何變化。

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16. TRADE RECEIVABLES (continued)

Movement in the allowance for doubtful debts

		2016 US\$'000 千美元	2015 US\$'000 千美元
At beginning of year	年初	120	346
Impairment losses recognised in profit or loss	於損益內確認的減值虧損	14	183
Amount written off as uncollectible	無法收回的撇銷金額	(121)	(409)
At end of year	年末	13	120

As at 31 December 2016, included in allowance for doubtful debts are individually impaired trade receivables amounting to US\$14,000 (2015: US\$183,000). The management has reviewed the repayment history of these long overdue customers and in consideration of their deteriorating credit quality, no amount is expected to be settled subsequent to the end of the reporting period. Accordingly, full impairment was recognised.

Further, the management of the Group has determined that trade receivables amounting to US\$121,000 (2015: US\$409,000), which had been fully impaired, were written off during the year due to the wound up of or settlement of disputes with customers.

16. 貿易應收款項(續)

呆賬撥備變動

	2016 US\$'000 千美元	2015 US\$'000 千美元
At beginning of year	120	346
Impairment losses recognised in profit or loss	14	183
Amount written off as uncollectible	(121)	(409)
At end of year	13	120

於2016年12月31日，呆賬撥備中計入個別已減值貿易應收款項的金額為14,000美元(2015年：183,000美元)。管理層已審閱此類長期逾期還款客戶的以往還款記錄，考慮到彼等的信貸質素惡化，而於報告期末後預計並無任何款項獲結付，故已就此悉數確認減值。

此外，本集團管理層已確定，為數121,000美元(2015年：409,000美元)的貿易應收款項因客戶清盤或解決與客戶的糾紛已全面減值並於年內撇銷。

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17. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES 17. 按金、預付款項及其他應收款項

		2016 US\$'000 千美元	2015 US\$'000 千美元
Deposits	按金	483	388
Payments for life insurance policies (note)	壽險保單付款(附註)	2,878	2,810
Prepayments	預付款項	212	86
Other receivables	其他應收款項	836	710
Value-added tax recoverable	可收回增值稅	1,178	-
		5,587	3,994
Analysed as:	分析為：		
Non-current	非流動	2,869	2,802
Current	流動	2,718	1,192
		5,587	3,994

Note:

In 2012 and 2014, the Group entered into life insurance policies with an insurance company to insure a director of the Company. Under these policies, the Group is the beneficiary and policy holder and the total insured sum is US\$10,000,000 in aggregate. The Group is required to pay a single premium totalling US\$2,640,000 at inception. The Group can, at any time, withdraw cash based on the account value of the policy ("Account Value") at the date of withdrawal, which is determined by the gross premium paid plus accumulated guaranteed interest earned and minus any charges made in accordance with the terms and conditions of the policy. If withdrawal is made between the 1st to 15th policy year for the first policy and 1st to 18th for the second policy (collectively the "Policy Years"), there is a specified amount of surrender charge deducted from Account Value. This insurance company will pay the Group a guaranteed interest for the first year and a variable return per annum afterwards (with minimum guaranteed interest rate of 2% to 3% per annum) during the effective period of the policies.

At the inception date of the policies, the upfront payment paid by the Group included a fixed policy premium charge and a deposit. Monthly policy expense and insurance charges will be incurred over the insurance period with reference to the terms set out in the life insurance policy. The policy premium, expense and insurance charges are recognised in profit or loss over the expected life of the policies and the deposit placed is carried at amortised cost using the effective interest method. As represented by the directors of the Company, the Group will not terminate the policies nor withdraw cash prior to the Policy Years and the expected life of the policies remained unchanged from the initial recognition.

附註：

於2012年及2014年，本集團為本公司一名董事向一家保險公司購買壽險保單。根據該等保單，本集團為受益人及投保人，投保總額為10,000,000美元。投保時，本集團須支付整付保費合共2,640,000美元。本集團可根據保單於退保日的賬戶價值(「賬戶價值」)隨時提取現金，該賬戶價值根據支付的保費總額加所賺取的累計保證利息及扣除根據保單條款及條件所作出的任何收費釐定。倘於首份保單第一至第十五個保單年度及第二份保單第一至第十八個保單年度(統稱「保單年度」)之間退保，則須從賬戶價值扣除特定金額的退保費用。該保險公司將於第一年向本集團支付保證利息及其後在保單有效期內的每年浮動回報(最低保證利率為每年2%至3%)。

於開始投保日期，本集團支付的首筆費用包括固定保單費用及按金。每月保單開支及保險費用將在投保期間參考壽險保單所載條款而產生。保費、開支及保險費用在保單預期年期內於損益確認，而存放按金則使用實際利率法按攤銷成本列賬。本公司董事表示，本集團不會於保單年度之前終止保單或提取現金，自初次確認以來保單預期年期維持不變。

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18. TRANSFER OF FINANCIAL ASSETS

The following were the Group's trade receivables that were factored to banks on a fully recourse basis for the year ended 31 December 2015. As the Group has not transferred the significant risk and rewards relating to these trade receivables, it continues to recognise the full carrying amount of these trade receivables and has recognised the cash received on the transfer as a secured bank borrowings (note 24). These financial assets are carried at amortised cost in the consolidated statement of financial position.

18. 轉讓金融資產

以下為截至2015年12月31日止年度本集團按全面追索基準在銀行保理貿易應收款項。由於本集團並無轉移此等貿易應收款項之重大風險及回報，故繼續全數確認其賬面值，並將轉讓時收取之現金確認為有抵押銀行借款(附註24)。此等金融資產於綜合財務狀況表內按攤銷成本列賬。

		Trade invoices discounted to banks with full recourse 貼現予銀行並具完全追索權的貿易發票	
		2016 US\$'000 千美元	2015 US\$'000 千美元
Carrying amount of transferred assets	所轉讓資產的賬面值	–	23,002
Carrying amount of associated liabilities	相關負債的賬面值	–	(20,817)
Net position	淨額	–	2,185

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19. AMOUNTS DUE FROM (TO) DIRECTORS

19. 應收(付)董事款項

Directors 董事	Terms 條件	At 31 December 於12月31日		At 1 January 於1月1日		Maximum amount outstanding during the year 年內尚未支付的最高金額 31 December 12月31日	
		2016 US\$'000 千美元	2015 US\$'000 千美元	2015 US\$'000 千美元	2016 US\$'000 千美元	2015 US\$'000 千美元	
Amounts due from directors (non-trade balances) 應收董事款項(非貿易結餘)							
Mr. Tian 田先生	Unsecured, interest-free and repayable on demand 無抵押、免息及按要求償還	–	371	833	371	833	
Mr. Wong 黃先生	Unsecured, interest-free and repayable on demand 無抵押、免息及按要求償還	–	10	10	10	10	
		–	381	843			
Amount due to a director (non-trade balances) 應付一名董事款項(非貿易結餘)							
Mr. Liu 劉先生	Unsecured, interest-free and repayable on demand 無抵押、免息及按要求償還	–	600	600			

The amounts due from (to) directors were fully settled during the year ended 31 December 2016.

應收(付)董事款項已於截至2016年12月31日止年度內結清。

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20. AMOUNTS DUE FROM RELATED COMPANIES 20. 應收關聯公司款項

	At 31 December		At 1 January		Maximum amount outstanding during the year	
	於12月31日		於1月1日		年內尚未支付的最高金額	
	2016	2015	2015	2016	2015	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	千美元	千美元	千美元	千美元	千美元	千美元
Shenzhen Wisdom Fortune Technology 深圳市志鼎科技有限公司 Corporation Limited						
- Trade balance (notes i, iii)	-	619	88	N/A 不適用	N/A 不適用	
- Non-trade balances (notes i, iv)	-	-	49	-	49	
Power-Core Limited 芯力有限公司						
- Non-trade balance (notes i, iv)	-	396	33	396	396	
Wisdom Fortune Corporation Limited 志鼎有限公司						
- Non-trade balance (notes i, iv)	-	-	1	1	1	
Smart-Core Samoa 芯智薩摩亞						
- Non-trade balance (notes i, iv)	-	934	-	934	934	
- Trade balance (notes ii, iii)	-	150	434	N/A 不適用	N/A 不適用	
	-	2,099	605			

Notes:

- (i) Mr. Tian, Mr. Wong and Mr. Liu were the shareholders of these related companies.
- (ii) Mr. Tian was the shareholder of the related company.
- (iii) The amount was of trade nature, unsecured, non-interest bearing and with a credit period of 0 to 60 days. At 31 December 2015, the balance was aged within 30 days. The entities were disposed of to independent third parties during the year ended 31 December 2016 and accordingly, the outstanding balance was included in trade receivable at 31 December 2016.
- (iv) The amounts were of non-trade nature, unsecured, non-interest bearing and repayable on demand. The whole balance are fully settled during the year ended 31 December 2016.

附註：

- (i) 田先生、黃先生及劉先生為該等關聯公司的股東。
- (ii) 田先生為該關聯公司的股東。
- (iii) 有關款項屬貿易性質、無抵押及免息，信貸期為0-60天。於2015年12月31日，結餘賬齡為30天內。各實體於2016年12月31日止年度出售予獨立第三方。因此，尚未支付之餘額歸立於2016年12月31日的貿易應收款。
- (iv) 有關款項屬非貿易性質、無抵押、免息及按的要求償還。全部結餘已於截至2016年12月31日止年度內結清。

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21. PLEDGED BANK DEPOSITS/BANK BALANCES AND CASH

The pledged bank deposits of the Group are pledged to banks for securing bank borrowings (note 24). The bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The pledged bank deposits/bank balances carry interest at market rates as follows:

		2016	2015
Range of interest rate per annum:	年利率範圍：		
Pledged bank deposits	已抵押銀行存款	0.01%–0.5%	0.001%–0.2%
Bank balances and cash	銀行結餘及現金	0.001%–0.05%	0.0017%–0.01%

The carrying amounts of the Group's pledged bank deposits and bank balances and cash denominated in currencies other than functional currency of the relevant group entities at the end of the reporting date are as follows:

		2016 US\$'000 千美元	2015 US\$'000 千美元
HK\$	港元	717	52
RMB	人民幣	221	310

21. 已抵押銀行存款／銀行結餘及現金

為取得銀行借款，本集團的已抵押銀行存款抵押給銀行(附註24)。銀行結餘及現金包括本集團持有的現金及原到期日為三個月或以下的短期銀行存款。已抵押銀行存款／銀行結餘按如下市場利率計息：

於報告日期末，本集團以相關集團實體功能貨幣以外的貨幣計值的已抵押銀行存款和銀行結餘及現金的賬面值如下：

22. TRADE PAYABLES

		2016 US\$'000 千美元	2015 US\$'000 千美元
Trade payables	貿易應付款項	68,669	46,281

The credit period on trade purchases is 0 to 60 days.

22. 貿易應付款項

貿易採購款的信貸期為0-60天。

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22. TRADE PAYABLES (continued)

Ageing analysis of the Group's trade payables based on invoice date at the end of the reporting period is as follows:

		2016 US\$'000 千美元	2015 US\$'000 千美元
0-30 days	0-30天	43,531	45,580
31-60 days	31-60天	24,849	328
61-90 days	61-90天	120	15
Over 90 days	超過90天	169	358
		68,669	46,281

22. 貿易應付款項(續)

於報告期末，根據發票日期計算的本集團貿易應付款項賬齡分析如下：

23. OTHER PAYABLES AND ACCRUED CHARGES

		2016 US\$'000 千美元	2015 US\$'000 千美元
Accrued expenses	應計費用	10,594	5,573
Deposits received from customers	已收客戶按金	1,132	2,497
Other payables	其他應付款項	1,914	3,194
		13,640	11,264

23. 其他應付款項及應計費用

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24. BANK BORROWINGS

The variable-rate bank borrowings are repayable as follows:

24. 銀行借貸

浮動利率銀行借貸的還款情況如下：

		2016 US\$'000 千美元	2015 US\$'000 千美元
Secured bank borrowings	有抵押銀行借貸	490	1,823
Secured import and export loans	有抵押進出口貸款	22,063	14,249
Collateralised bank borrowings on trade receivables factored with recourse	附追索權的保理貿易應收款項的抵押銀行借貸	–	20,817
		22,553	36,889
Carrying amounts of repayable (according to scheduled repayable term):	(按原定還款期)償還的借貸賬面值：		
– within one year	– 一年內	22,266	36,386
– in the second year	– 第二年	204	204
– in the third to fifth years	– 第三至第五年	83	299
		22,553	36,889
Carrying amounts that contain a repayable on demand clause (shown under current liabilities)	按要求償還的借款賬面值 (於流動負債項下列示)	22,553	36,889

The banking facilities contain various covenants which include the maintenance of certain financial ratios and restrictions on the maximum amounts due from a director and related companies. The directors of the Company have reviewed the covenants compliance and represented that they were not aware of any breach during both years.

銀行融資載有若干契諾，包括維持一定的財務比率，並對應收一名董事及關聯公司款項的最高金額設有限制。本公司董事已審閱契諾遵守情況並表示就他們所知，兩個年度內並不存在違規情況。

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24. BANK BORROWINGS (continued)

At 31 December 2016, the secured bank borrowings and secured import and export loans are secured by (i) available-for-sale investments of US\$7,772,000 (note 14), (ii) life insurance policies (note 17); and (iii) pledged bank deposits. At 31 December 2015, the secured bank borrowings and secured import and export loans were secured by (i) personal guarantees from Mr. Tian and his spouse, and Mr. Wong and supported by legal charge over their properties; (ii) available-for-sale investments of US\$5,825,000 (note 14); (iii) life insurance policies (note 17); (iv) pledged bank deposits; and (v) trade receivables.

The effective interest rates (which are also equal to contracted interest rates) of the Group's borrowings are as follows:

		2016	2015
Interest rates per annum – variable rates	年利率 – 浮動利率	3.23%–5.25%	2.68%–5.25%

The carrying amounts of the Group's bank borrowings denominated in currencies other than functional currency of the relevant group entities at the end of the reporting date are as follows:

		2016 US\$'000 千美元	2015 US\$'000 千美元
HK\$	港元	–	1,116

25. SHARE/PAID-IN CAPITAL

At 31 December 2015, the capital represented the aggregate share capital of SMC International HK, SMC Cloud HK and the Company of HK\$10,000,000 (equivalent to US\$1,282,000), HK\$1,000,000 (equivalent to US\$128,000) and US\$0.1, respectively.

24. 銀行借貸(續)

於2016年12月31日，有抵押銀行借貸及有抵押進出口貸款通過以下方式擔保(i)7,772,000美元的可供出售投資(附註14)；(ii)壽險保單(附註17)；及(iii)已抵押銀行存款。於2015年12月31日，有抵押銀行借貸及有抵押進出口貸款通過以下方式擔保(i)田先生及其配偶以及黃先生提供的個人擔保，並輔以他們物業的法定押記；(ii)5,825,000美元的可供出售投資(附註14)；(iii)壽險保單(附註17)；(iv)已抵押銀行存款；及(v)貿易應收款項。

本集團借貸的實際利率(也等同於合同利率)載列如下：

於報告期末，以有關集團實體功能貨幣以外的貨幣計值的本集團銀行借貸賬面值載列如下：

25. 股本／實收資本

於2015年12月31日，股本為芯智國際香港的股本10,000,000港元(相當於1,282,000美元)、芯智雲香港的股本1,000,000港元(相當於128,000美元)及本公司的股本0.1美元的總和。

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25. SHARE/PAID-IN CAPITAL (continued)

The share capital at 31 December 2016 represents the issued share capital of the Company as detailed below.

25. 股本／實收資本(續)

於2016年12月31日，股本為本公司已發行股本，詳情載列如下。

		Number of shares 股份數目	Amount 金額 US\$'000 千美元
Ordinary shares of HK\$0.01 each	每股面值0.01港元的普通股		
Authorised:	法定：		
On date of incorporation on 22 October 2015, 31 December 2015 and 2016	於2015年10月22日(註冊成立日期)、2015年及2016年12月31日	5,000,000,000	50
Issued and fully paid	已發行及繳足		
1 share allotted and issued on the date of incorporation (note a)	於註冊成立日期配發及發行1股股份(附註a)	1	-
Issue of shares on 7 November 2015 pursuant to the Reorganisation (note b)	於2015年11月7日根據重組發行股份(附註b)	9,999	-
At 31 December 2015	於2015年12月31日	10,000	-
Issue of shares on 24 February 2016 (note c)	於2016年2月24日發行股份(附註c)	10,000	-
Capitalisation issue (note d)	資本化發行(附註d)	374,980,000	4
Issue of shares on 7 October 2016 (note e)	於2016年10月7日發行股份(附註e)	125,000,000	1
At 31 December 2016	於2016年12月31日	500,000,000	5

Notes:

- (a) The Company was incorporated in the Cayman Islands on 22 October 2015 with an authorised share capital of US\$50,000 divided into 5,000,000,000 ordinary shares with a par value of US\$0.00001 per share. On the date of incorporation, one share was allotted and issued to the subscriber, which was transferred to Smart IC Limited at par value on the same date.
- (b) On 7 November 2015, the Company allotted and issued 5,999 new shares to Smart IC Limited, 3,000 new shares to Insight Limited and 1,000 new shares to Epart Limited for a total consideration is US\$0.999.
- (c) On 24 February 2016, the Company allotted and issued additional 7,000 shares to Smart IC Limited and 3,000 shares to Insight Limited for a consideration of US\$14,359,834.30 and US\$6,154,214.70, respectively, which were fully paid in cash and a share premium of US\$20,514,000 was resulted accordingly.

附註：

- (a) 本公司於2015年10月22日在開曼群島註冊成立，法定股本為50,000美元(分為5,000,000,000股每股面值0.00001美元的普通股)。於註冊成立日期，向認購人配發及發行一股股份，該股份於同日按面值轉讓予Smart IC Limited。
- (b) 於2015年11月7日，本公司分別向Smart IC Limited、Insight Limited及Epart Limited配發及發行5,999股、3,000股及1,000股新股份，總代價為0.999美元。
- (c) 於2016年2月24日，本公司向Smart IC Limited及Insight Limited分別配發及發行額外7,000股及3,000股股份，代價分別為14,359,834.30美元及6,154,214.70美元，已用現金全部付清，產生股份溢價20,514,000美元。

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For the year ended 31 December 2016
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25. SHARE/PAID-IN CAPITAL (continued)

Notes: (continued)

- (d) Pursuant to the written resolutions passed by the then shareholders of the Company on 19 September 2016, conditional upon the share premium account of the Company being credited as a result of the initial public offering and listing of the Company's shares on the Stock Exchange, the directors of the Company were authorised to capitalise the amount of US\$3,749.80 from the amount standing to the credit of the share premium account of the Company to pay up in full at par a total of 374,980,000 ordinary shares of US\$0.00001 each for allotment and issue to the shareholders as of 30 June 2016, on a pro rata basis.
- (e) On 7 October 2016, the Company issued 125,000,000 new shares at US\$0.00001 per share for a total gross proceeds of approximately US\$29,747,000 by way of initial public offering of the Company on the Stock Exchange.

The shares allotted and issued during the year rank pari passu in all respects with the then existing shares of the Company.

26. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of each of the reporting period, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

		2016 US\$'000 千美元	2015 US\$'000 千美元
Within one year	一年內	790	784
In the second to fifth year inclusive	第二至第五年(包括首尾兩年)	49	227
		839	1,011

The leases are generally negotiated for a lease term of two years at fixed rentals.

25. 股本／實收資本(續)

附註：(續)

- (d) 根據本公司當時股東於2016年9月19日通過的書面決議案，待本公司的股份溢價賬因首次公開發售及本公司股份於聯交所上市而產生進賬後，授權本公司董事將股份溢價賬內的進賬金額3,749.80美元撥充資本，並按面值繳足合共374,980,000股每股面值0.00001美元的普通股，以按比例向於2016年6月30日的股東配發及發行股份。
- (e) 於2016年10月7日，本公司透過本公司在聯交所首次公開發售的方式，發行125,000,000股每股面值0.00001美元的新股份，合共籌集所得款項總額約29,747,000美元。

年內配發及發行的股份與本公司當時現有股份在各方面享有同等權益。

26. 經營租賃承諾

本集團作為承租人

於各報告期末，本集團根據租賃物業的不可撤銷經營租約而尚未履行的未來最低租賃付款承擔的到期情況如下：

租約通常以兩年為期，並以固定租金承租。

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27. RETIREMENT BENEFIT PLANS

HK

The Group operates a scheme under Mandatory Provident Fund Schemes (“MPF Scheme”) for its qualifying employees in HK. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes at the lower of a specified amount or 5% of relevant payroll costs monthly to the MPF Scheme, which contribution is matched by employees. The total contribution to MPF Scheme and charged to profit or loss amounted to US\$23,000 (2015: US\$25,000) for the year ended 31 December 2016.

The PRC

The employees of the Group’s subsidiary in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiary is required to contribute, based on a certain percentage of the payroll costs of its employees, to the retirement benefit scheme and has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The total amount provided by the Group to the scheme in the PRC and charged to profit or loss are US\$774,000 (2015: US\$661,000) for the year ended 31 December 2016.

28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders and maintaining an adequate capital structure. The Group’s overall strategy remained unchanged from prior year.

The capital structure of the Group consists of debts, which include bank borrowings and amount due to a director, net of bank balances and cash and equity attributable to owners of the Company, comprising share capital and reserves.

27. 退休福利計劃

香港

本集團為香港合資格的僱員營辦強制性公積金計劃(「強積金計劃」)。強積金計劃項下的資產與本集團的資產分開持有，存放於受託人控制的基金。本集團以指定金額或以僱員工資成本的5%(兩者較低者)向強積金計劃供款，僱員也作出等額供款。截至2016年12月31日止年度，已計入損益的強積金計劃供款總額為23,000美元(2015年：25,000美元)。

中國

本集團於中國的附屬公司的僱員是中國相關地方政府機構所推行的國家資助退休福利計劃的成員。有關附屬公司須就退休福利計劃按其僱員工資成本的若干百分比供款，且無須就退休金的實際付款或退休後福利承擔年度供款以外的其他責任。截至2016年12月31日止年度，計入損益的向中國計劃撥備的款項總額為774,000美元(2015年：661,000美元)。

28. 資本風險管理

本集團管理其資本以確保本集團可持續經營，同時盡量提高權益持有人的回報及保持合適的資本結構。於上年相較，本集團的整體策略維持不變。

本集團的資本架構由債務(包括銀行借款及應付一名董事款項)扣除銀行結餘及現金以及本公司擁有人應佔權益(包括股本及儲備)組成。

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28. CAPITAL RISK MANAGEMENT (continued)

The management of the Group regularly 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 the payment of dividends and new shares issues as well as the issue of new debts and redemption of existing debts.

29. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2016 US\$'000 千美元	2015 US\$'000 千美元
Financial assets	金融資產		
Loans and receivables (including bank balances and cash)	貸款及應收款項(包括銀行結 餘及現金等值項目)	120,793	100,940
Available-for-sale investments	可供出售投資	7,772	5,825
Financial liabilities	金融負債		
Amortised cost	攤銷成本	94,219	91,733

(b) Financial risk management objectives and policies

The Group's major financial instruments include available-for-sales investments, trade receivables, deposits and other receivables, amounts due from directors, amounts due from related companies, pledged bank deposits, bank balances and cash, trade payables, other payables and accrued charges, amount due to a director and bank borrowings. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

28. 資本風險管理(續)

本集團管理層將持續對資本架構進行定期檢討，並考慮資本的成本及相關風險。本集團將透過派發股息、發行新股以及發行新債項及贖回現有債務平衡其整體資本架構。

29. 金融工具

(a) 金融工具類別

(b) 金融風險管理目標及政策

本集團的主要金融工具包括可供出售投資、貿易應收款項及應收票據、存款及其他應收款項、應收董事款項、應收關聯公司款項、已抵押銀行存款、銀行結餘及現金、貿易應付款項、其他應付款項及應計費用、應付董事款項及銀行借貸。該等金融工具詳情於各附註披露。與該等金融工具有關的風險及緩解該等風險的政策載列於下文。本公司董事管理及監控該等風險，以確保及時有效地實施適當的措施。

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綜合財務報表附註

For the year ended 31 December 2016
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29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk

Currency risk

The group entities have foreign currency denominated monetary assets and monetary liabilities which expose the Group to foreign currency risk. The directors of the Company believe the Group does not have significant foreign exchange exposures and will consider the use of foreign exchange forward contracts to reduce the currency exposures in case the foreign exchange exposures become significant.

The carrying amounts of the foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險

貨幣風險

本集團實體擁有以外幣計值的貨幣資產及負債，所以本集團面臨外幣風險。本公司董事認為本集團沒有重大外匯風險，並將在出現重大外匯風險時，考慮使用外匯遠期合約降低貨幣風險。

各報告期末，本集團以外幣計值的貨幣資產及負債的賬面值如下：

		Assets 資產		Liabilities 負債	
		2016 US\$'000 千美元	2015 US\$'000 千美元	2016 US\$'000 千美元	2015 US\$'000 千美元
Hong Kong Dollar ("HK\$")	港元(「港元」)	717	52	–	1,116
Renminbi ("RMB")	人民幣 (「人民幣」)	221	310	–	–

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綜合財務報表附註

For the year ended 31 December 2016
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29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

For the year ended 31 December 2016, the group entities, of which their functional currency are RMB had amount due from immediate holding company which are denominated in US\$. These intragroup balances are approximately US\$29,909,000 (2015: US\$31,858,000).

Sensitivity analysis

The following table details the Group's sensitivity to a 5% increase and decrease in US\$ against RMB. 5% is the sensitivity rate used which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items including the bank balances, variable-rate pledged bank deposits and bank borrowings and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A negative number below indicates a decrease in post-tax profit where US\$ weaken 5% against RMB. For a 5% strengthening of US\$ against the relevant currency, there would be an equal and opposite impact on the profit.

		2016 US\$'000 千美元	2015 US\$'000 千美元
Profit for the year (note)	年度利潤(附註)	(1,239)	(1,317)

Note: This is mainly attributable to the exposure outstanding on bank balances, variable-rate pledged bank deposits, bank borrowings and intra-group balances at the end of the reporting period.

The directors of the Company considered the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the exposure at the end of the reporting period does not reflect the exposure during the year.

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

截至2016年12月31日止年度，以人民幣為功能貨幣的集團實體擁有以美元計值的應收直接控股公司款項，該等集團內公司間的結餘約為29,909,000美元（2015年：31,858,000美元）。

敏感度分析

下表詳述本集團對於美元兌人民幣匯率上升及下降5%的敏感度。5%的敏感度為管理層對外匯匯率可能合理變動範圍的評估。敏感度分析僅包括以外幣計值的未清償貨幣項目，其中包括：銀行結餘、浮息已抵押銀行存款及銀行借款，並於各報告期末就5%的外匯匯率變動調整其換算。下表中負值表示美元兌人民幣貶值5%時稅後利潤的減少。如果美元兌相關外幣升值5%，將對利潤產生相等但反向的影響。

附註：主要是各報告期末因銀行結餘、浮息已抵押存款、銀行借款以及集團內公司間結餘而面臨的風險。

本公司董事認為，由於各報告期末的風險並不能反映年內的風險，所以敏感度分析並不表示固有外匯風險。

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For the year ended 31 December 2016
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29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Sensitivity analysis (continued)

For the exposure to the fluctuation in United States dollar against Hong Kong dollar, as Hong Kong dollar is pegged to United States dollar, the directors of the Company are of opinion that such exposure is insignificant and no sensitivity analysis is presented.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to its fixed-rate available-for-sale investments.

The Group is exposed to cash flow interest rate risk in relation to payments for life insurance policies, bank balances, variable-rate pledged bank deposits and bank borrowings. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rates on payments for life insurance policies, bank balances and pledged bank deposits and bank borrowings.

The Group's exposure to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate is mainly concentrated on the fluctuation of London Interbank Offered Rate and Hong Kong Interbank Offered Rate arising from the Group's bank borrowings. The Group currently does not have interest rate risk hedging policy. However, the directors of the Company closely monitor the exposure to future cash flow interest rate risk as a result of change on market interest rate and will consider hedging changes in market interest rates should the need arise.

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

敏感度分析(續)

有關美元兌港元匯率波動的風險，由於港元與美元掛鈎，本公司董事認為這一風險並不重大，所以並未進行敏感度分析。

利率風險

本集團面臨有關定息可供出售投資的公平值利率風險。

本集團面臨有關壽險付款、銀行結餘、浮息已抵押存款及銀行借款等現金流量利率風險，而本集團的現金流量利率風險主要集中在壽險付款、銀行結餘、已抵押銀行存款及銀行借款的利率波動。

本集團面臨有關金融負債的利率風險詳情載於本附註流動資金風險管理一節。本集團現金流量利率風險主要集中在本集團銀行借款的倫敦銀行同業拆息及香港銀行同業拆息的波動。本集團目前並無任何利率風險對沖政策。然而，本公司董事將密切監視市場利率變動引致的未來現金流量利率風險並於必要時考慮對沖市場利率風險。

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For the year ended 31 December 2016
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29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

The sensitivity analyses below have been determined based on the exposure to interest rates for payments for life insurance policies, bank balances, variable-rate pledged bank deposits and bank borrowings for the year ended 31 December 2016. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents directors' assessment of the reasonably possible change in interest rates.

	2016 US\$'000 千美元	2015 US\$'000 千美元
Increase (decrease) in profit for the year	211	(92)

If interest rates had been 50 basis point higher/lower and all other variables were held constant, the Group's other comprehensive income for the year ended 31 December 2016 would increase/decrease by US\$6,000 (2015: US\$6,000) mainly as a result of the changes in the fair value of debt securities included in available-for-sale investments.

The directors of the Company considered the sensitivity analysis is unrepresentative of the interest rate risk as the exposure at the end of the reporting period does not reflect the exposure during the year ended 31 December 2016.

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

利率風險(續)

以下敏感度分析是根據壽險付款、銀行結餘、浮息已抵押存款及銀行借款於截至2016年12月31日止年度面臨的利率風險確定，並假設各報告期末未償還的金融工具於報告期末仍未償還而編製。向主要管理人員內部匯報利率風險時使用50個基點的浮息增減，代表董事對有關利率合理可能變動作出的評估。

如果利率上升/下降50個基點，而所有其他變量保持不變，本集團於截至2016年12月31日止年度的其他全面收入將增加/減少6,000美元(2015年：6,000美元)，主要由於可供出售投資中債務證券的公平值變動。

本公司董事認為，各報告期末的風險並不能反映有關期間內的風險，所以敏感度分析不能代表截至2016年12月31日止年度之利率風險。

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For the year ended 31 December 2016
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29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Other price risk

The Group is exposed to price risk through its available-for-sale investments. The directors of the Company manage this exposure by maintaining a portfolio of investments with different risks.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to price risks at the end of the reporting period.

If the prices of the respective available-for-sale investments had been 5% (2015: 5%) higher/lower, other comprehensive income for the year ended 31 December 2016 would increase/decrease by US\$389,000 (2015: US\$291,000) as a result of the changes in fair value of available-for-sale investments.

In the opinion of directors of the Company, the sensitivity analysis is not representative of the Group's price risk as it only reflects the impact of price changes to available-for-sale investments held at the end of the year but not the exposure during the year.

Credit risk

As at 31 December 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

市場風險(續)

其他價格風險

本集團從事可供出售投資而面臨價格風險。本公司董事通過不同風險等級的投資組合來應對該等風險。

敏感度分析

下文所載敏感度分析乃基於報告日期所面臨的價格風險而作出。

截至2016年12月31日止年度，倘各可供出售投資的價格分別上漲/下跌5% (2015年：5%)，則可供出售投資的公平值變動將導致其他全面收入分別增加/減少389,000美元 (2015年：291,000美元)。

本公司董事認為，敏感度分析僅反映價格變動對年末持有的可供出售投資的影響，而非有關年內的影響，所以敏感度分析不能代表本集團的價格風險。

信貸風險

於2016年12月31日，本集團面臨的最大信貸風險是由綜合財務狀況表所列的有關已確認金融資產的賬面值所致，如果交易對方未能履行責任(本集團已就此作出撥備)，將導致本集團產生財務虧損。

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綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group is exposed to concentration of credit risk at 31 December 2016 on trade receivables from the Group's top five major customers amounting to US\$35,004,000 (2015: US\$70,329,000) and accounted for 62% (2015: 84%) of the Group's total trade receivables. The major customers of the Group are mainly leading brand-name consumer electronic product manufacturing companies in the PRC.

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the directors of the Company review the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The Group has concentration of credit risk on payments for life insurance policies to an insurance company. The directors of the Company consider the counterparty is financial institution with good reputation and the Group considers that the credit risk is insignificant.

The credit risk on liquid funds of the Group is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

信貸風險(續)

本集團的信貸風險集中，於2016年12月31日，本集團應收五大客戶的貿易應收款項為35,004,000美元(2015年：70,329,000美元)，佔本集團貿易應收款項總額的62%(2015年：84%)。本集團的主要客戶主要為中國領先品牌的消費類電子產品製造公司。

為盡量降低信貸風險，本公司董事已指派一個團隊負責釐定信貸限額、信貸批核及其他監控程序，確保採取跟進行動以收回過期貸款。此外，本公司董事會在報告期末檢討各項貿易債項的可收回金額，確保已就無法收回的金額計提足夠的減值虧損。就此而言，本集團管理層認為本集團的信貸風險已大幅減少。

本集團向保險公司支付壽險保單費用的信貸風險集中。本公司董事認為交易對方為聲譽良好的金融機構，因此本集團所面臨的信貸風險不大。

由於交易對方都是經國際信貸評級機構授出較高信貸評級的銀行，所以本集團面臨的流動資金信貸風險有限。

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綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents as well as undrawn banking facilities deemed adequate by the directors of the Company to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The directors of the Company monitors the utilisation of bank borrowings and amount due to a director.

The following table details the Group's remaining contractual maturity for its financial liabilities which has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are variable rate, the undiscounted amount is derived from weighted average interest rate at the end of the reporting period.

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動資金風險

管理流動資金風險時，本集團監察並維持本公司董事認為充裕水平的現金、現金等價物及尚未動用銀行融資，為本集團的營運提供資金及減輕現金流量波動的影響。本公司董事監察銀行借款及應付董事款項的使用情況。

下表詳述本集團金融負債的剩餘合約期限，是基於本集團可能須償還的最早日期的金融負債的未貼現現金流量編製，當中包括利息及本金現金流量。如果利息流以浮息計算，則未貼現金額按各報告期末的加權平均利率釐定。

		Weighted average effective interest rate	Repayable on demand or less than 3 months 須按要求或三個月以內償還	Total undiscounted cash flows 未貼現金流量總額	Carrying amount
		%	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
At 31 December 2016	於2016年12月31日				
Trade payables	貿易應付款項	-	68,669	68,669	68,669
Other payables and accrued charges	其他應付款項及應計費用	-	2,997	2,997	2,997
Bank borrowings – variable rate	銀行借款 – 浮動利率	4.0	22,553	22,553	22,553
			94,219	94,219	94,219

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綜合財務報表附註

For the year ended 31 December 2016
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29. FINANCIAL INSTRUMENTS (continued)

29. 金融工具(續)

(b) Financial risk management objectives and policies (continued)

(b) 金融風險管理目標及政策(續)

Liquidity risk (continued)

流動資金風險(續)

		Weighted average effective interest rate	Repayable on demand or less than 3 months 須按要求或 三個月以內 償還	Total undiscounted cash flows 未貼現 現金流量 總額	Carrying amount 賬面值
		%	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
At 31 December 2015	於2015年12月31日				
Trade payables	貿易應付款項	–	46,281	46,281	46,281
Other payables and accrued charges	其他應付款項及 應計費用	–	3,963	3,963	3,963
Dividend payables	應付股息	–	4,000	4,000	4,000
Amount due to a director	應付一名董事款項	–	600	600	600
Bank borrowings – variable rate	銀行借貸 – 浮動利率	3.2	36,889	36,889	36,889
			91,733	91,733	91,733

Bank borrowings with a repayment on demand clause is included in the “repayable on demand or less than 3 months” time band in the above maturity analysis. At 31 December 2016, the aggregate carrying amount of these bank borrowings amounted to approximately US\$22,553,000 (2015: US\$36,889,000). Taking into account the Group’s financial position, the directors of the Company do not believe that it is probable that the bank will exercise their discretionary right to demand immediate repayment. The directors of the Company believe that such bank borrowings of the Group will be repaid after the end of reporting period in accordance with the scheduled repayment dates set out in the bank borrowing agreement.

在上表期限分析中，須按要求償還的銀行借貸計入「須按要求或三個月以內償還」時間段內。於2016年12月31日，這些銀行借貸的賬面總值約為22,553,000美元(2015年：36,889,000美元)。考慮到本集團的財務狀況，本公司董事認為銀行不大可能酌情要求即時還款。本公司董事認為，本集團的這些銀行借款將按照銀行借貸協議所載的預定還款日期在報告期結束後償還。

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綜合財務報表附註

For the year ended 31 December 2016
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29. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

For the purpose of managing liquidity risk, the directors of the Company reviews the expected cash flows information of the Group's bank borrowings based on the scheduled repayment dates set out in the bank borrowing agreement as set out in the table below:

	Weighted average effective interest rate	Less than 3 months	3 months to 1 year	1 to 2 years	3 to 5 years	Total undiscounted cash flows	Carrying amount	
	加權平均實際利率	少於3個月	3個月至1年	1至2年	3至5年	未貼現現金流量總額	賬面值	
	%	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
	%	千美元	千美元	千美元	千美元	千美元	千美元	
Bank borrowings	銀行借款							
At 31 December 2016	於2016年12月31日	4.0	22,289	155	207	84	22,735	22,553
At 31 December 2015	於2015年12月31日	3.2	36,527	180	207	304	37,218	36,889

(c) Fair value measurements of financial instruments

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximates their fair values at the end of each reporting period.

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

29. 金融工具(續)

(b) 金融風險管理目標及政策(續)

流動資金風險(續)

為管理流動資金風險，本公司董事已審閱本集團銀行借貸的預期現金流量資料，這些資料基於銀行借貸協議所載的預定還款日期而編製，載列如下：

(c) 金融工具的公平值計量

本公司董事認為，報告期末按攤銷成本計入財務資料的金融資產及金融負債的賬面值與其公平值相若。

本附註載列有關本集團釐定各類金融資產和金融負債的公平值的資料。

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29. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value measurement of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used).

Financial assets 金融資產	Fair value at 公平值於		Fair value hierarchy 公平值層級	Valuation technique(s) and key input(s) 估值方法及關鍵輸入數據
	31 December 2016 2016年12月31日	31 December 2015 2015年12月31日		
1) Listed available-for-sale investments (note 14) 上市可供出售投資(附註14)	Listed debt securities in HK: US\$1,277,000 在香港上市的債務證券：1,277,000美元	Listed debt securities in HK: US\$1,235,000 在香港上市的債務證券：1,235,000美元	Level 1 第一級	Quoted price in active market 活躍市場報價
2) Unlisted available-for-sale investments (note 14) 非上市可供出售投資(附註14)	Unit trust funds US\$6,495,000 單位信託基金 6,495,000美元	Unit trust funds US\$4,590,000 單位信託基金 4,590,000美元	Level 2 第二級	Based on the net asset values of the funds, determined with reference to the observable (quoted) prices of underlying investment portfolio and adjustments of related expenses 基於基金的資產淨值，參考相關投資組合的可觀察(報價)價格及有關費用調整後確定

There were no transfers between Level 1 and 2 during the year.

於本年度，第一級與第二級之間並無任何轉撥。

29. 金融工具(續)

(c) 金融工具的公平值計量(續)

經常以公平值計量的本集團金融資產的公平值的計量

本集團部分金融資產按報告期末的公平值計量。下表載列釐定這些金融資產的公平值的資料(尤其是估值方法以及所使用的輸入數據)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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30. RELATED PARTY DISCLOSURES

30. 關聯方披露

(a) Transactions

The Group had the following transactions with related parties during the year:

(a) 交易

本集團在有關期間與關聯方的交易如下：

Name of related parties 關聯方名稱	Nature of transaction 交易性質	2016 US\$'000 千美元	2015 US\$'000 千美元
Wisdom Fortune Corporation Limited (note i) 志鼎有限公司(附註i)	Sales of goods 商品銷售	–	6
	Purchases of goods 商品採購	–	2,268
Shenzhen Wisdom Fortune Technology Corporation Limited (note i) 深圳市志鼎科技有限公司(附註i)	Sales of goods 商品銷售	–	66
	Technical support services income 技術支持服務收入	–	1,202
Power-Core Limited (note i) 芯力有限公司(附註i)	Sales of goods 商品銷售	–	261
Smart-Core Technology Co., Ltd (note ii) 芯智股份有限公司(附註ii)	Sales of goods 商品銷售	178	203

Notes:

- (i) Mr. Tian, Mr. Wong and Mr. Liu were shareholders of these related companies. The entities were disposed of to independent third parties during the year ended 31 December 2016.
- (ii) Mr. Tian is a shareholder of the related company.

附註：

- (i) 田先生、黃先生及劉先生為以上關聯公司的股東。各實體於截至2016年12月31日止年度出售予獨立第三方。
- (ii) 田先生為關聯公司股東。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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30. RELATED PARTY DISCLOSURES (continued)

(b) Balances and other transactions

Details of balances and other transactions with related parties are set out in notes 19 and 20. Personal guarantees provided by Mr. Tian and Mr. Wong in respect of bank borrowings of the Group for the year ended 31 December 2015 were disclosed in note 24 and the personal guarantee were released during the year ended 31 December 2016.

(c) Compensation of key management personnel

The remuneration of directors of the Company and other members of key management was as follows:

		2016 US\$'000 千美元	2015 US\$'000 千美元
Short term benefits	短期福利	638	518
Post-employment benefits	離職後福利	13	20
		651	538

The remuneration of key management personnel is determined by the management of the Company having regard to the performance of individuals and market trends.

30. 關聯方披露(續)

(b) 結餘及其他交易

與關聯方的結餘及其他交易詳情載於附註19及20。截至2015年12月31日止年度由田先生及黃先生就本集團的借貸提供的個人擔保詳情載於附註24，而個人擔保已於截至2016年12月31日止年度解除。

(c) 主要管理人員薪酬

本公司董事及其他主要管理層成員的酬金如下：

主要管理人員的酬金由本公司管理層根據個人績效和市場趨勢釐定。

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綜合財務報表附註

For the year ended 31 December 2016
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31. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

31. 財務狀況表及本公司儲備

Information about the statement of financial position of the Company at the end of the reporting period is set out below:

有關本公司於報告期末之財務狀況表之資料載列如下：

		2016 US\$'000 千美元	2015 US\$'000 千美元
NON-CURRENT ASSETS	非流動資產		
Investment in a subsidiary	於一間附屬公司之投資	20,514	–
Amount due from a subsidiary	應收一間附屬公司之款項	20,000	–
		40,514	–
CURRENT ASSETS	流動資產		
Prepayments	預付款項	29	49
Amount due from a subsidiary	應收一間附屬公司之款項	4,323	–
Bank balances	銀行結餘	1	–
		4,353	49
CURRENT LIABILITIES	流動負債		
Other payables and accrued charges	其他應付款項及應計費用	852	791
Amounts due to subsidiaries	應付附屬公司款項	–	415
		852	1,206
NET CURRENT ASSETS (LIABILITIES)	流動資產淨值(負債淨額)	3,501	(1,157)
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS (LIABILITIES)	總資產減流動負債及淨資產(負債)	44,015	(1,157)
CAPITAL AND RESERVES	資本及儲備		
Share capital (note 25)	股本(附註25)	5	–
Reserves	儲備	44,010	(1,157)
		44,015	(1,157)

Notes to the Consolidated Financial Statements

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For the year ended 31 December 2016

截至2016年12月31日止年度

31. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Details of movement in reserves of the Company are as below:

31. 財務狀況表及本公司儲備(續)

本公司儲備之變動詳情如下：

		Share capital 股本 US\$'000 千美元	Share premium 股份溢價 US\$'000 千美元	Accumulated losses 累計虧損 US\$'000 千美元	Total 總計 US\$'000 千美元
At 22 October 2015 (date of incorporation)	於2015年10月22日 (註冊成立日期)	-	-	-	-
Issue of new share during the period	於期內發行新股份	-	-	-	-
Loss and total comprehensive expenses for the period	期內虧損及全面開支總額	-	-	(1,157)	(1,157)
At 31 December 2015	於2015年12月31日	-	-	(1,157)	(1,157)
Loss and total comprehensive expenses for the year	年度虧損及全面開支總額	-	-	282	282
Issue of new shares	發行新股份	1	50,260	-	50,261
Capitalisation issue of shares (note 25)	資本化發行股份(附註25)	4	(4)	-	-
Transaction cost attributable to issue of new shares	歸屬於發行新股份的 交易成本	-	(2,371)	-	(2,371)
Dividend recognised as distribution	確認為分派的股息	-	(3,000)	-	(3,000)
At 31 December 2016	於2016年12月31日	5	44,885	(875)	44,015

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綜合財務報表附註

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32. PARTICULAR OF SUBSIDIARIES

Particulars of the Company's subsidiaries as at 31 December 2016 and 2015 are as follows:

32. 附屬公司詳情

本公司於2016年及2015年12月31日之附屬公司詳情載列如下：

Name of subsidiary 附屬公司名稱	Place and date of incorporation, establishment and operations 註冊成立、成立及經營地點及註冊成立日期	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Equity interest and voting power attributable to the Group 本集團應佔股本權益及投票權				Principal activities 主要業務
			Directly 直接		Indirectly 間接		
			2016	2015	2016	2015	
SMC International HK 芯智國際香港	HK 26 April 2005 香港 2005年4月26日	Ordinary shares HK\$10,000,000 普通股 10,000,000港元	100%	90%	–	–	Trading of electronic components 電子元器件貿易
Smart-Core Cloud Limited 芯智雲有限公司	HK 16 June 2014 香港 2014年6月16日	Ordinary shares HK\$1,000,000 普通股 1,000,000港元	100%	90%	–	–	Trading of electronic components 電子元器件貿易
SMC Technology SZ (note) 芯智科技深圳(附註)	The PRC 6 February 2005 中國 2005年2月6日	Registered capital RMB8,500,000 註冊資本 人民幣8,500,000元	–	–	100%	90%	Trading of electronic components 電子元器件貿易
Shenzhen Smart-Core Cloud Technology Co., Limited (note) 深圳市芯智雲信息技術有限公司(附註)	The PRC 4 December 2015 中國 2015年12月4日	Registered capital RMB1,000,000 註冊資本 人民幣1,000,000元	–	–	100%	90%	Trading of electronic components 電子元器件貿易

Note: The companies are registered in the form of wholly owned foreign enterprises.

附註：該等公司乃以外商獨資企業之形式註冊成立。

None of the subsidiaries had issued any debt securities at the end of the reporting period.

於報告期末概無附屬公司發行任何債務證券。

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33. NON-CONTROLLING INTERESTS

During the year ended 31 December 2015, the amount represents the 10% equity interest held by the non-controlling shareholder of SMC International HK and SMC Cloud HK. On 24 February 2016, as part of the Group Reorganisation as disclosed in Note 2, the Company entered into an equity transfer agreement to acquire all shares of SMC International HK and SMC Cloud HK from Smart-Core Samoa for a total cash consideration of US\$20,514,049 and US\$1, respectively. Upon the completion of the equity transfer agreement on the same date, the Company is deemed to acquire the non-controlling interests and therefore, the Company owned the entire equity interest in SMC International HK and SMC Cloud HK since then and as at 31 December 2016.

34. SHARE-BASED PAYMENT TRANSACTIONS

(a) Share Award Scheme

The Company's share award scheme (the "**Share Award Scheme**") was adopted pursuant to the written resolutions of all shareholders of the Company on 19 September 2016 ("**Date of Adoption**") for the primary purpose of rewarding the directors, senior managers and employees ("**Eligible Persons**") of the Group for their hard work, contribution and loyalty and align their interest with those of shareholders of the Company.

33. 非控股權益

截至2015年12月31日止年度，該數額指芯智國際香港及芯智雲香港的非控股股東所持有的10%權益。2016年2月24日，作為附註2所披露的本集團重組的一部分，本公司訂立股權轉讓協議，向芯智薩摩亞收購芯智國際香港及芯智雲香港的全部股份，現金代價總額分別為20,514,049美元及1美元。股權轉讓協議於同日完成後，本公司被視作收購非控股權益，因此，本公司自此及於2016年12月31日擁有芯智國際香港及芯智雲香港的全部股權。

34. 以股份為基礎付款交易

(a) 股份獎勵計劃

本公司之股份獎勵計劃（「**股份獎勵計劃**」）乃根據本公司全體股東於2016年9月19日（「**採納日期**」）通過之書面決議案採納，主要目的為獎勵本集團董事、高級管理層及僱員（「**合資格人士**」）的辛勞、貢獻及忠誠，並使彼等之利益與本公司股東一致。

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綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(a) Share Award Scheme (continued)

An award granted by the Board of the Company to the Eligible Persons is a right of the relevant participant to receive either shares of the Company or the payment of the actual selling price in cash at which the shares under the award are sold, net of relevant selling costs, upon the vesting of such award. Each award may be subject to such other conditions as may be imposed by the Board at its absolute discretion, including without limitation, a vesting period. Share award must be taken up within 7 days of the grant upon payment of HK\$1 per award. The total number of shares in respect of which shares may be granted under the Share Award Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time. The number of shares award which may be granted to any individual but unvested under the Share Award Scheme shall not exceed 1% of the total number of shares of the Company in issue at any point in time.

Subject to any early termination as may be determined by the board of directors pursuant to the rules of the Share Award Scheme, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the Date of Adoption, after which period no further awards will be granted but the provisions of the Share Award Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any awards granted prior to the expiration of the Share Award Scheme, or otherwise to the extent as may be required in accordance with the provisions of the Share Award Scheme.

No awards have been granted since the adoption of the Share Award Scheme to 31 December 2016.

34. 以股份為基礎付款交易(續)

(a) 股份獎勵計劃(續)

本公司董事會向合資格人士授出之獎勵為於相關獎勵歸屬後收取本公司股份或出售獎勵項下之股份之實際售價之現金付款(扣減相關出售成本)之權利。各項獎勵可能受董事會酌情施加的其他條件規限，包括但不限於歸屬期間。股份獎勵須授出後於7日內接納，並就每份獎勵支付1港元。根據股份獎勵計劃可授出的股份總數不可超過本公司於任何時間已發行股份的10%。根據股份獎勵計劃可授予任何個人但未歸屬的股份獎勵數目不應超過本公司於任何時間已發行股份的1%。

在董事根據股份獎勵計劃之規則可釐定任何提前終止的前提下，股份獎勵計劃應於採納日期起10年期間內有效及生效，惟可由董事會根據股份獎勵計劃之規則決定提前終止，於該期間後將不進一步授出獎勵，而股份獎勵計劃之條文應保持十足效力及生效，惟以使於股份獎勵計劃屆滿前授出之任何獎勵之歸屬生效為限，或以根據股份獎勵計劃條文所規定者為準。

自2016年12月31日採納股份獎勵計劃起並無授出獎勵。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(b) Share Option Scheme

The Company's share option scheme (the "**Share Option Scheme**") was adopted pursuant to a written resolutions of all shareholders of the Company passed on 19 September 2016 for the primary purpose of providing incentives and awards to an employee (whether full time or part-time) or a director of a member of the Group or associated companies of the Company for their contribution to the Group and to align their interests with that of the Company ("**ESOS Eligible Person(s)**") so as to encourage them to work towards enhancing the value of the Company.

The Board may, at its absolute discretion, offer to grant an option (the "**Options**") to subscribe for such number of shares in the Company at a price determined by the Board, but shall not be less than the highest of (i) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheet for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares of the Company on the date of grant of the option.

34. 以股份為基礎付款交易(續)

(b) 購股權計劃

本公司之購股權計劃(「**購股權計劃**」)乃根據本公司全體股東於2016年9月19日通過之書面決議案採納，主要目的乃為獎勵本集團之成員公司或本公司之聯營公司之僱員(不論全職或兼職)或董事對本集團貢獻，並使彼等之利益於本公司一致(「**購股權計劃合資格人士**」)，以鼓勵彼等為提升本公司之價值而努力。

董事會可酌情提呈授出購股權(「**購股權**」)認購本公司有關數目之股份，價格由董事會釐定，惟應為以下最高者：(i) 於提呈授出當日(須為交易日)於聯交所每日報價表所載之本公司股份收市價；(ii) 本公司股份於緊接授出要約當日前五個交易日於聯交所每日報價表所報之平均收市價；及(iii) 於授出購股權當日本公司股份之面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
截至2016年12月31日止年度

34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

(b) Share Option Scheme (continued)

The Share Option Scheme shall be valid and effective for a period of ten years commencing on 7 October 2016 (“Listing date”). Options granted must be taken up not later than 30 days after the date of grant. A consideration of HK\$1 is payable on acceptance of the offer of grant of an option. The total number of shares in respect of which shares may be granted under the Share Award Scheme is not permitted to exceed 10% of the shares of the Company as at the Listing Date, without prior approval from the shareholders of the Company. No options shall be granted to any participant under the Share Option Scheme in excess of 1% of the total number of shares of the Company in issue at such date, without prior approval from the shareholders of the Company. Any any time, the maximum number of shares which may be issued upon exercise of all outstanding options granted and not yet exercised under the Share Option Scheme and any other schemes of the Company to ESOS Eligible Persons must not exceed 30% of the total number of shares of the Company from time to time.

The exercisable period of an option, which shall not exceed 10 years from the Listing Date, is determined by the Board at their discretion.

No options have been granted since the adoption of Share Option Scheme to 31 December 2016.

34. 以股份為基礎付款交易(續)

(b) 購股權計劃(續)

購股權計劃應於自2016年10月7日(「上市日期」)起計的十年期間有效及生效。授出之購股權須於授出日期後不多於30日獲接納。於接納授出購股權之要約時須支付1港元之代價。未經本公司股東事先批准，股份獎勵計劃項下可能授出之股份總數不得超過本公司於上市日期股份之10%。未經本公司股東之事先批准，根據購股權計劃授予任何參與者之購股權將不超過本公司於有關日期已發行股份總數的1%。於任何時候，根據本公司購股權計劃及任何其他計劃向購股權計劃合資格人士授出所有發行在外而尚未行使的購股權獲行使時可予發行的最高股份數目均不得超過不時的已發行股份總數的30%。

購股權之行使期間乃由董事全權釐定，惟不超過自上市日期起計10年。

自購股權獲採納起至2016年12月31日並無授出購股權。

Four-Year Financial Summary

四年財務摘要

RESULTS

業績

		Year ended 31 December 截至12月31日止年度			
		2016	2015	2014	2013
		USD'000	USD'000	USD'000	USD'000
		千美元	千美元	千美元	千美元
Revenue	收入	669,896	485,371	398,516	282,552
Profit before tax	除稅前利潤	11,921	9,042	9,089	508
Income tax expenses	所得稅費用	(2,494)	(2,140)	(1,707)	(378)
Profit for the year	年度利潤	9,427	6,902	7,382	130
Attributable to:	以下人士應佔：				
Owners of the Company	本公司擁有人	9,279	6,096	6,644	117
Non-controlling interests	非控股權益	148	806	738	13
		9,427	6,902	7,382	130

ASSETS AND LIABILITIES

資產及負債

		As at 31 December 於12月31日			
		2016	2015	2014	2013
		USD'000	USD'000	USD'000	USD'000
		千美元	千美元	千美元	千美元
Total assets	總資產	162,515	125,358	73,492	55,108
Total liabilities	總負債	(105,675)	(102,127)	(52,911)	(42,088)
Total equity	權益總額	56,840	23,231	20,581	13,020
Attributable to:	以下人士應佔：				
Owners of the Company	本公司擁有人	56,840	20,792	18,523	11,718
Non-controlling interests	非控股權益	-	2,439	2,058	1,302
		56,840	23,231	20,581	13,020

SMART-CORE HOLDINGS LIMITED
芯智控股有限公司

Stock Code 股份代號：2166