



中國數碼信息有限公司
Sino-i Technology Limited

(於香港註冊成立之有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code 股份代號 : 0250)



2016

Annual Report | 年報

www.sino-i.com

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CORPORATE INFORMATION 公司資料

DIRECTORS

Executive

Mr. Yu Pun Hoi (*Chairman*)
Ms. Chen Dan
Ms. Liu Rong
Mr. Chen Ming Fei

Non-executive

Mr. Lam Bing Kwan

Independent Non-executive

Prof. Jiang Ping
Mr. Fung Wing Lap
Mr. Xiao Sui Ning

COMPANY SECRETARY

Mr. Chiu Ming King

AUDITOR

BDO Limited
Certified Public Accountants
Hong Kong

LEGAL ADVISER

Gerry K.C. Wai & Co., Solicitors

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董事

執行董事

于品海先生 (*主席*)
陳丹女士
劉榮女士
陳鳴飛先生

非執行董事

林秉軍先生

獨立非執行董事

江平教授
馮榮立先生
肖遂寧先生

公司秘書

趙明璟先生

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港

法律顧問

韋智理律師行

註冊辦事處

香港
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嘉達環球中心12樓

CORPORATE INFORMATION 公司資料

SHARE REGISTRAR

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

STOCK CODE

250

PRINCIPAL BANKERS

DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

WEBSITE ADDRESS

<http://www.sino-i.com>

股份過戶登記處

卓佳雅柏勤有限公司
香港
皇后大道東 183 號
合和中心 22 樓

股份代號

250

主要往來銀行

星展銀行(香港)有限公司
香港上海滙豐銀行有限公司

網址

<http://www.sino-i.com>

CHAIRMAN'S STATEMENT 主席報告

On behalf of the board of directors (the "Board") of Sino-i Technology Limited (the "Company"), I present to the shareholders the annual report of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016. In 2016, the Company continued to focus on the development of corporate IT application services business through its key subsidiaries, namely 中企動力科技股份有限公司 (CE Dongli Technology Company Limited) ("CE Dongli") and 北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited) ("Xinnet").

In the past decade, the Group remained adamant about providing corporate IT application services for small and medium enterprises (SMEs) in the PRC and striving for development of information technology. Thanks to its unremitting efforts, the Group has successfully established a second-to-none national business and services network in the industry, so as to address "the last kilometer" problems between service providers and corporate clients. In the meantime, in respect of product development, the Group has successfully launched a series of leading e-commerce products in the industry after long term exploration and promotion.

The coming 10 years will be the golden 10 years for corporate internet applications. To grasp this historic opportunity, the Group is dedicated to establish an internet application industry ecosystem for SMEs in the PRC by leveraging on its advantages established over the years, such as substantial resources, core competencies and extensive operating experience in the enterprise market, thereby becoming a fresh driver of industrial transformation and upgrading with information technology in the PRC.

本人謹代表中國數碼信息有限公司(「本公司」)董事會(「董事會」)向股東呈報本公司及其附屬公司(統稱「本集團」)截至2016年12月31日止年度之年報。2016年，本公司通過旗下核心企業中企動力科技股份有限公司(「中企動力」)和北京新網數碼信息技術有限公司(「新網」)，繼續專注於企業IT應用服務業務的發展。

在過去的十幾年，本集團始終堅持面向中國的中小企業提供IT應用服務、推進其信息化進程。通過長期不懈的努力，本集團已經成功建立了業內首屈一指的全國性的商務和服務網絡，有效解決了服務商到企業客戶的「最後一公里」的問題。同時，在產品發展上，本集團也進行了長期的探索和推進，並成功推出了一系列業內領先的電子商務產品。

未來的十年將是企業級互聯網應用的黃金十年。面對這一歷史機遇，本集團將依託其多年來積累的強大資源優勢、核心能力和企業市場的豐富運營經驗，傾力打造中國中小企業互聯網應用產業生態圈，成為以IT科技推動中國產業轉型和升級的生力軍。



CHAIRMAN'S STATEMENT

主席報告

The Company's management believes that SMEs in the PRC will continue to increase its investment in informatization in the future. Although it still needs some time for market ramp-up and promotion, enterprise-level IT application services business will enjoy diversified market opportunity. The Group continued to focus on the development of corporate IT application services business through its key subsidiaries, namely CE Dongli and Xinnet.

With 17 years' experience in providing services for SMEs in the PRC, CE Dongli has established a corporate e-commerce and product information operating system, providing one-stop integrated corporate information technology solutions for SMEs through its extensive business and services network.

Xinnet continued its internet-based services such as domain name registration business, cloud computing business and synergistic communication business, and actively developed various application and value-added services for SMEs through online direct sales and distributor channels established across the PRC.

Finally, I would like to express my gratitude to the shareholders' concern for and support to the Company, and also to the Board and all staff for their dedication and contribution.

本公司管理層認為，中國的中小企業未來將持續加大信息化的投入，雖然仍需一定的市場培育和推廣時間，但企業級IT應用服務業務將會擁有廣闊的市場機遇。本集團通過旗下核心企業中企動力和新網繼續專注於企業IT應用服務業務的發展。

中企動力基於為中國中小企業服務17年的經驗，為其搭建了運營級的企業電子商務和信息化產品體系，通過龐大的商務和服務網絡，為中小企業提供一條龍式的整體的企業信息化解決方案。

新網繼續通過在線直銷與遍佈全國的代理商渠道，面向中國中小企業開展域名註冊、雲計算、協同通訊等互聯網基礎服務，並積極拓展各類應用及增值服務。

最後，感謝各位股東對本公司的關注與支持，感謝董事會和全體員工的辛勤努力。

Yu Pun Hoi
Chairman

于品海
主席

Hong Kong, 14 March 2017

香港，2017年3月14日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW

Year 2016 was the first year of the implementation of the Thirteenth Five-Year-Plan of China and the eleventh year after implementing SMEs informatization project. With the development of new technologies and emerging industries like cloud computing and mobile internet, SMEs are provided with more flexible and diversified informatization products.

Since calling for the action plan of “Internet +” in the 12th National People’s Congress, SMEs were driven to catch the wave of transformation of internet. Under keen competition, the concept of “Internet +” has made certain founders and SMEs stand out in the competition. However, lots of SMEs are still struggling in the confusing transformation. To deal with the internet transformation issue for 40 million SMEs in the PRC, a three-part solution is required: technology, marketing and services. Hence, enterprises providing informatization services to SMEs encounter difficulties in this aspect. Solving technological problem is the base of informatization for SMEs; solving marketing problem is the key for rising awareness on the internet; while services provided afterwards are the core factor for SMEs earning profits via internet in long term.

During the year, with key subsidiaries, CE Dongli and Xinnet as its main business entities, more effort was continuously put into the corporate IT application services business of the Company by providing comprehensive internet-based services, e-commerce and information application services, and overall solutions to SMEs and individual clients in the PRC. In 2016, revenue of the Group was approximately HK\$818.1 million (2015: HK\$808.3 million), representing a growth of approximately 1.21% over the corresponding period last year. Net profit before income tax was approximately HK\$61.1 million (2015: HK\$59.8 million). Net assets attributable to the owners of the Company were approximately HK\$1,783.3 million (2015: HK\$1,741.2 million), which was basically in line with that of last year.

業務回顧

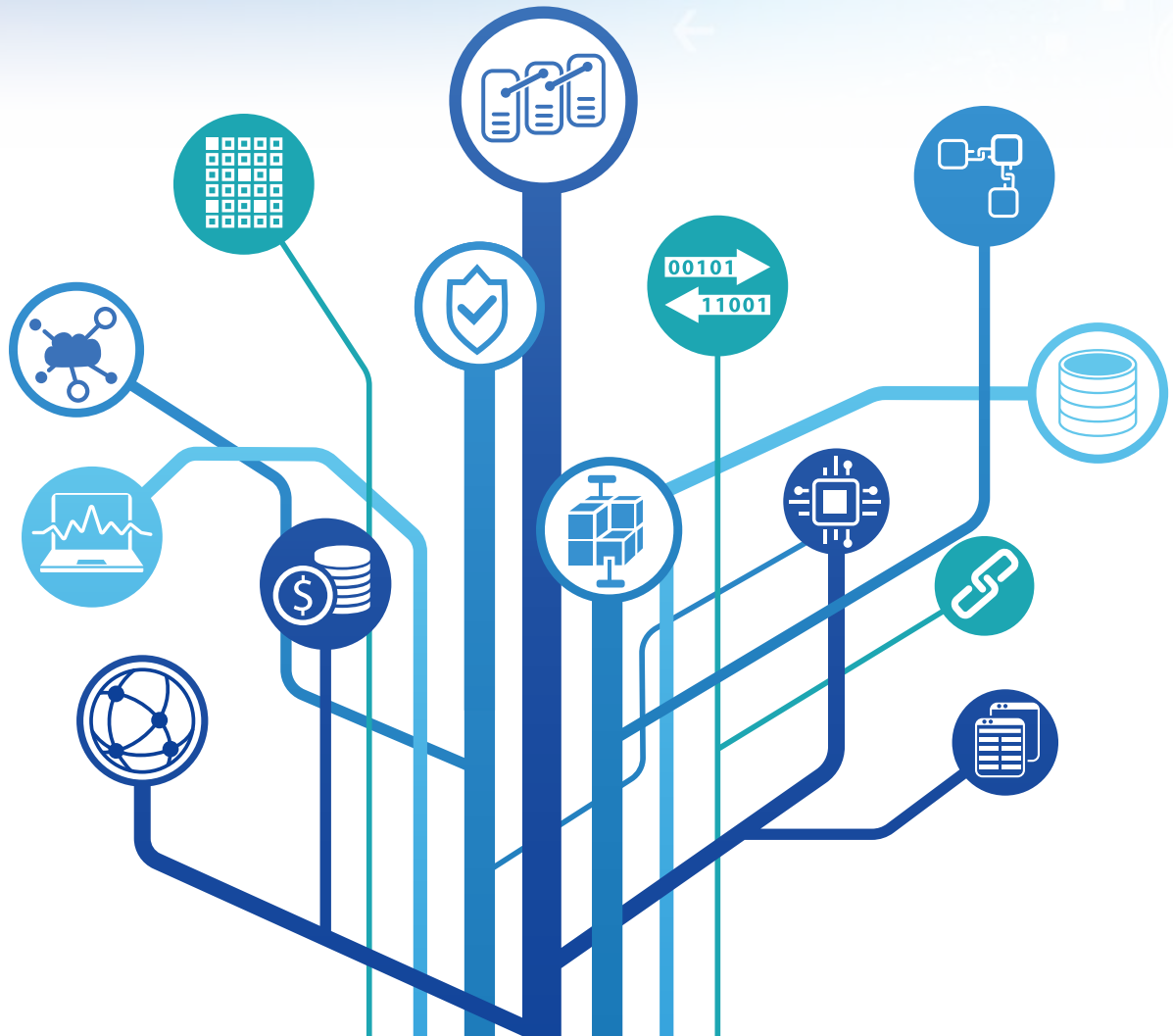
2016年是「十三五」規劃的開局之年，也是中小企業信息化推進工程實施的第11年。隨著雲計算和移動互聯網等新興技術和產業的發展，中小企業信息化有了更靈活多樣的選擇。

自第十二屆全國人民代表大會上提出「互聯網+」的行動計劃，從此中國萬千中小企業迎來了互聯網轉型的大潮。浪潮洶湧之下大浪淘沙，「互聯網+」的概念讓一部分創業者和中小企業從市場競爭中脫穎而出，但更多的中小企業卻仍處在轉型時期的迷茫之中。想要解決中國4,000萬中小企業的互聯網轉型難題，需要從技術、營銷和服務三個角度綜合切入。這就對為中小企業提供信息化服務的企業提出了挑戰。解決技術問題是中小企業互聯網化的基礎，解決營銷問題是企業在互聯網端受關注的關鍵，而隨後的各種服務問題則是中小企業能否長期通過互聯網盈利的核心。

年內，本集團繼續深耕於企業IT應用服務業務，以旗下核心企業中企動力和新網為經營主體，主要向中國的中小企業及個人客戶提供全方位的互聯網基礎服務、電子商務和信息化應用服務及整體解決方案。2016年，本集團的收益約818.1百萬港元(2015年：808.3百萬港元)，同比增長約1.21%，除所得稅前溢利淨額約61.1百萬港元(2015年：59.8百萬港元)。本公司擁有人應佔資產淨值約1,783.3百萬港元(2015年：1,741.2百萬港元)，與去年基本持平。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

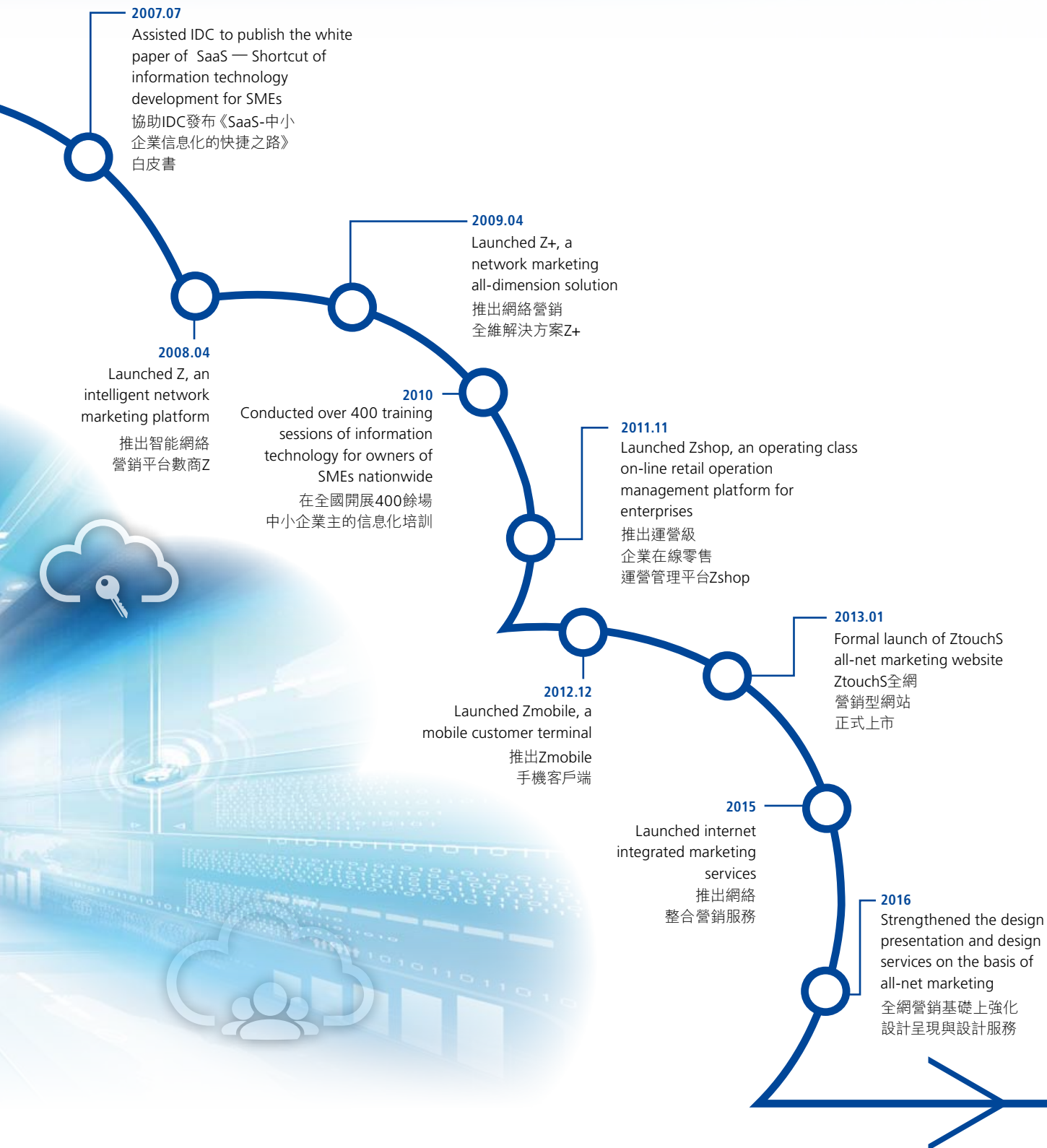
S SEVENTEEN YEARS DEDICATION
TO E-COMMERCE
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S 專心電子商務服務的十七年
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MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析



MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (Continued)

CE Dongli

With 17 years' practical experience, CE Dongli provides comprehensive information service solutions to SMEs and capitalizes on its experience in website construction, marketing and corporate services, which are the three major business fields of CE Dongli focuses on today.

In respect of website construction, CE Dongli is in the process of launching an enterprise portal "NEW Z+", an O2O all-net retail platform "ZshopS", and corporate mobile marketing platform "Vone". Through these platforms, the technical problems in internet-oriented transformation of SMEs can be solved by establishing enterprise portal, seamless inter-connection of online to offline (O2O) services, and barrier-free visits via mobile terminals.

In respect of marketing, "Dabatui Corporate Internet Integrated Marketing Platform (大把推企業互聯網整合營銷平台)" provides marketing services on various commercial websites and search engines at home and abroad for 40 main industries and over 1,000 sub-segment industries by observation of basic searching behavior of users.

With respect to corporate services, CE Dongli optimizes its services by providing corporate domain name registration management services, global corporate email and cloud storage services, and utilizing four major search engines in the world. With outstanding technical measures, CE Dongli is able to solve the global commercial problems, for example, brand protection on internet, corporate domain name registration, global information communication, instant data backup, search engines and commercial marketing. During the year, the internet marketing product "Dabatui", launched by CE Dongli, was awarded "The Best Product of the Year 2016" and "The Brand for IT Users in China 2016", making CE Dongli a dual champion for both products and brand in the internet marketing platform sector.

業務回顧(續)

中企動力

中企動力經過17年的行業實踐，為中小企業提供全方位信息化服務解決方案，將自己的成功經驗總結為網站建設、營銷推廣、企業服務三大方面，這些也成為如今中企動力著重發力的三大主營業務。

在網站建設方面，中企動力推出企業門戶網站—NEW Z+、O2O全網零售平台—ZshopS、企業移動營銷平台—Vone，分別從中小企業門戶網站建設、線上線下O2O服務無縫連接、移動端訪問無障礙等方面解決中小企業互聯網化進程中的各種技術問題。

在營銷推廣方面，「大把推企業互聯網整合營銷平台」共覆蓋了40大行業1,000多個細分行業的海量商貿網站及國內外搜索引擎媒介資源，通過用戶最基本的搜索行為幫助企業進行營銷推廣。

在企業服務方面，中企動力通過企業域名註冊管理服務、全球企業雲郵及雲盤服務、全球4大主流搜索引擎優化服務，憑藉頂尖的技術手段解決企業網絡品牌保護、企業域名註冊、全球信息溝通、實時數據備份、搜索引擎和商貿推廣等全球性商業問題。年內，中企動力所推出的網絡營銷推廣產品「大把推」榮獲「2016年度最佳產品獎」、「2016中國IT用戶滿意品牌」等獎勵，成為網絡營銷推廣平台領域的雙料冠軍。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

BUSINESS REVIEW (Continued)

Xinnet

Adhering to customer-oriented principle, Xinnet paves the way for customers to enter into internet business with product innovation, various marketing channels and efficient operation services.

During the year, Xinnet continued its internet-based services, such as domain name registration business, cloud computing business and synergistic communication business, and actively developed various applications and value-added services for SMEs through online direct sales and distributor channels established across the PRC. In June 2016, Xinnet launched "Global Mail", a strategic email product, which maintained the performance advantage of Xinnet corporate email and focused on optimizing the experience of mobile office, striving to making it the sharpest solution for office operation. In addition, Xinnet launched cloud hosting products with focus on cloud computing, and established platforms for websites construction in the second half of 2016, offering convenient services to SMEs for their own websites setup. In December 2016, Xinnet launched digital asset hosting services designated for group companies and large internet enterprises. Xinnet has entered into contracts with well-known enterprises, reflecting that its services have gained general attention and recognition in the industry.

At the same time, Xinnet entered into agreements with famous cloud computing enterprises to launch Xinnet's products on different platforms such as Baidu Cloud, Huawei Cloud and Jingdong Cloud and will continue to have further cooperation in the future.

PROSPECTS

The Company's management believes that SMEs in the PRC will continue to increase its investment in informatization in the future. Although it still needs some time for market ramp-up and promotion, enterprise-level IT application services business will enjoy extensive market opportunity. As cloud applications becomes widely deployed, enterprise informatization services will rely on "cloud" in the future. If cloud service products is unavailable on current cloud market, the development of informatization of SMEs will encounter great difficulties in terms of costs and technical matters. Based on its 17 years' experience on providing informatization services for SMEs, the Company has acquired the technologies on cloud computing and cloud applications and intends to launch its cloud service products designated for SMEs via platforms to minimize the investment costs for informatization and eliminate technical barriers from "cloud".

業務回顧 (續)

新網

新網堅持以客戶為導向，通過產品創新、多元化營銷渠道和高效的運營服務，為客戶進入互聯網鋪平道路。

年內，新網繼續通過在線直銷與遍佈全國的代理商管道，面向中國中小企業開展域名註冊、雲計算、協同通訊等互聯網基礎服務，並積極拓展各類應用及增值服務。2016年6月，推出了戰略級郵箱產品——「全球郵」，「全球郵」延續了新網企業郵箱一貫的性能優勢，並著重優化移動辦公體驗，傾力打造全新一代辦公利器。此外，新網於2016年下半年推出以雲計算為核心的雲主機產品和建站平台，為中小企業自主建站提供更便利的服務。2016年12月推出面向集團類及大型互聯網企業的數字資產管家式托管服務，已簽約諸多知名企業，受到業內的普遍關注和認可。

與此同時，新網與國內知名雲計算企業簽署協議，在百度雲、華為雲、京東雲等平台上線新網產品，未來將繼續推進與其業務的互補合作。

展望

公司管理層認為，中國的中小企業未來將持續加大信息化的投入，雖然仍需一定的市場培育和推廣時間，但企業級IT應用服務業務將會擁有廣闊的市場機遇。隨著雲應用的廣泛開展，未來的企業信息化服務將依托於「雲」上，而現有的雲市場，沒有中小企業適合的雲服務產品，中小企業在信息化發展中將存在極大的成本投入和技術障礙，而本公司將在原有17年的中小企業信息化服務基礎上，隨著技術和時代的進步，已經儲存了豐富的雲計算、雲應用技術，嘗試通過平台化推出中小企業雲服務產品，降低中小企業信息化投入成本，降低由於「雲」帶來的技術障礙。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

PROSPECTS (Continued)

Looking forward, apart from providing cloud services and cloud applications via platforms, the Group will continue to improve ground services capability by providing supporting ground services to SMEs under different development stages. Meanwhile, the Group will enhance its product platform and customized service capacity to provide the best and most suitable customized solutions with low costs for SMEs in different industries. The Group will also continue to commit more resources on operation services, which allows it to quickly respond to the needs of SMEs and provide timely solution, thus enhancing its overall operational capability and online services capability.

The coming 10 years will be the golden 10 years for corporate internet application industry. To grasp this historic opportunity, the Group is dedicated to establish an internet application industry ecosystem for SMEs in the PRC by leveraging on its advantages established over the years, such as substantial resources, core competencies and extensive operating experience in the enterprise market, thereby becoming a fresh driver of industrial transformation and upgrading with internet information technology in the PRC.

FINANCIAL RESOURCES AND LIQUIDITY

The Group continued to adopt prudent funding and treasury policies. As at 31 December 2016, net assets attributable to the owners of the Company amounted to approximately HK\$1,783.3 million (2015: HK\$1,741.2 million), including cash and bank balances of approximately HK\$85.2 million (2015: HK\$128.4 million) which were mainly denominated in Renminbi, US dollars and Hong Kong dollars. As at 31 December 2016, the Group's aggregate borrowings were approximately HK\$156.8 million (2015: HK\$246.6 million), of which approximately HK\$45.1 million (2015: HK\$108.1 million) were bearing interest at fixed rates while approximately HK\$111.7 million (2015: HK\$138.5 million) were at floating rates. The Group currently has not taken any interest rate hedge.

As at 31 December 2016, the Group's gearing ratio, which is calculated as net debt divided by the total equity plus net debt, was approximately 3.82% (31 December 2015: 6.28%).

As at 31 December 2016, the Group's capital commitment was approximately HK\$36.7 million (31 December 2015: HK\$68.6 million).

As at 31 December 2016, the Group's contingent liabilities were approximately HK\$18.6 million in connection with the guarantees given to secure credit facilities.

展望(續)

展望未來，本集團將在提供平台化雲服務、雲應用的同時，繼續不斷深化自己的地面服務能力，針對不同發展階段的中小企業提供配套的地面服務。同時強化產品平台，提高產品訂制化的能力，為不同行業中的中小企業提供最適合企業行業特性的、使用成本低的最佳的個性化解決方案。並且仍將持續加強運營保障方面的投入，對客戶問題進行快速響應，及時的解決，全面提升運營支撐能力和在線服務能力。

未來的十年將是企業級互聯網應用行業的黃金十年。面對這一歷史機遇，本集團將依托其多年來積累的強大資源優勢、核心能力和企業市場的豐富運營經驗，傾力打造中國中小企業互聯網應用產業生態圈，成為以互聯網信息化科技推動中國產業轉型和升級的生力軍。

財務資源及流動資金

本集團繼續採取審慎之資金及財務政策。於2016年12月31日，本公司擁有人應佔資產淨值約為1,783.3百萬港元(2015年：1,741.2百萬港元)，包括現金及銀行結存約為85.2百萬港元(2015年：128.4百萬港元)，主要以人民幣、美元及港元為單位。於2016年12月31日，本集團之借貸總額約為156.8百萬港元(2015年：246.6百萬港元)，其中約45.1百萬港元(2015年：108.1百萬港元)乃按固定利率計息，而約111.7百萬港元(2015年：138.5百萬港元)則按浮動利率計息。本集團目前並無實行任何利率對沖。

於2016年12月31日，本集團之資本負債比率，即負債淨額除以權益總額加以負債淨額，約為3.82%(2015年12月31日：6.28%)。

於2016年12月31日，本集團之資本承擔約為36.7百萬港元(2015年12月31日：68.6百萬港元)。

於2016年12月31日，本集團之或然負債約為18.6百萬港元，乃就信貸融資提供之擔保所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

FINANCIAL RESOURCES AND LIQUIDITY

(Continued)

As at 31 December 2016, certain interests in leasehold land, buildings and intangible assets with a total net carrying value of approximately HK\$566.4 million were pledged to secure the credit facilities granted to the Group.

Details of the bank and other borrowings of the Group are set out in note 26 and 27 to the financial statements.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES

The majority of the Group's borrowings and transactions were primarily denominated in Renminbi. Both the operating expenses and revenue were primarily denominated in Renminbi. The Renminbi exchange rate is expected to fluctuate due to uncertainties in global economic development. The Group's reported assets, liabilities and results may be affected by the Renminbi exchange rates. During the year under review, fluctuation in Renminbi exchange rates affected the assets and liabilities translation from Renminbi to Hong Kong dollars in financial reporting of the Group, and the Group will keep on reviewing and monitoring the fluctuation in exchange rates between Renminbi and Hong Kong dollars. The Group proactively seeks management measures to minimize the impact arising from risks and uncertainties as far as practicable, and considers using foreign exchange hedging instruments (if appropriate) from time to time, to minimize the risk exposure arising from changes in Renminbi exchange rates. As at the date of this report, the Group has not used any foreign exchange hedging instruments.

EMPLOYEES AND REMUNERATION POLICY

The Company employs and remunerates its employees based on their qualifications, experience and performance. In addition to basic salary payments, other benefits include housing, contributions to mandatory provident fund, group medical insurance, group personal accident insurance and examination leave and etc.. Employees are eligible to be granted share options under the Company's share option scheme at the discretion of the Board. In general, salary review is conducted annually. As at 31 December 2016, the Group had approximately 6,315 employees (2015: 6,138 employees). The salaries of and allowances for the employees for the year ended 31 December 2016 were approximately HK\$606.8 million (2015: HK\$606.0 million).

The Group focuses on providing skill and quality training for various levels of staff, and provides on-the-job capability training to its staff; in respect of staff quality, corresponding training on personal work attitude and work habits is also provided.

財務資源及流動資金 (續)

於2016年12月31日，按若干租賃土地權益、樓宇及無形資產之賬面淨值總額約為566.4百萬港元，已質押作為本集團信貸融資之抵押。

本集團的銀行及其他借貸詳情載於財務報表附註26及27。

匯率波動風險

本集團大部份借貸及交易主要以人民幣為單位。經營開支及收入主要為人民幣，預期全球經濟發展的不確定性導致人民幣匯率會有波動。本集團所錄之資產、負債以及業績可能亦會受人民幣匯率影響。儘管於回顧年內，人民幣匯率波動影響了本集團財務報告中由人民幣匯兌至港元的資產及負債，本集團仍會繼續審視及監察人民幣及港元的匯率變動。本集團尋求積極的管理方法，力求在可行的情況下，減輕風險及不確定因素帶來的影響，將不時考慮利用外匯對沖工具(如適合)，降低人民幣匯率變化帶來的風險。於本報告日期，本集團並無使用任何外匯對沖工具。

僱員及薪酬政策

本公司員工的聘用及薪酬均以員工之學歷、經驗和工作表現為基礎。除基本薪金外，其他福利包括住房、強制性公積金供款、團體醫療保險及團體個人意外保險及考試休假等。員工可根據本公司購股權計劃並按董事會之酌情決定獲授購股權。一般而言，每年均會進行薪金檢討。於2016年12月31日，本集團約有6,315名員工(2015年：6,138名員工)。截至2016年12月31日止年度，員工之薪金及津貼共約為606.8百萬港元(2015年：606.0百萬港元)。

本集團注重對員工技能和素質的培訓，針對不同崗位的需求，對員工進行崗位能力的培訓；在員工素質方面，對個人工作態度及工作習慣等方面也進行相應的培訓。

REPORT OF THE DIRECTORS 董事會報告

The Board herein present their report and the audited financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The subsidiaries of the Company were principally engaged in corporate IT application services during the year.

SEGMENT INFORMATION

Particulars of the Group's revenue and segment information for the year are set out in notes 5 and 6 to the financial statements respectively.

BUSINESS REVIEW

The description of principal risks and uncertainties that the Group may be facing is provided in the Risk Management and Internal Control section on pages 55 to 61 of this annual report, and a fair review of the Group's business during the year, and the probable future business development of each segment of the Company are provided in the Management Discussion and Analysis section on pages 6 to 13 of this annual report. Also, the financial risk management objectives and policies of the Group can be found in note 43 to the financial statements. There is no important events affecting the Group occurred since the end of the financial year ended 31 December 2016. An analysis of the Group's performance during the year using financial key performance indicators is provided in the Five-Year Financial Summary section on page 188 of this annual report. In addition, discussions on the Group's environmental policies, relationships with its consumers and employees and compliance with relevant laws and regulations which have a significant impact on the Group are all contained in the Environmental, Social and Governance Report on pages 62 to 77 of this annual report.

董事會謹此提呈本集團截至2016年12月31日止年度之董事會報告及經審核財務報表。

主要業務

本公司之主要業務為投資控股。年內，本公司旗下附屬公司主要從事企業IT應用服務。

分部資料

本集團於本年度之收益額及分部資料分別載於財務報表附註5及6。

業務審視

有關本集團可能面對之主要風險及不確定因素之描述載於本年報第55頁至61頁之風險管理及內部監控一節；有關本集團年內業務之中肯審視及本公司各分部之可能日後業務發展載於本年報第6至13頁之管理層討論與分析一節。此外，本集團財務風險管理目標及政策可於財務報表附註43閱覽。自2016年12月31日止財政年度結束以來並未發生影響本集團之重要事件。應用財務關鍵表現指標之本集團年內表現分析載於本年報第188頁之五年財務摘要。此外，有關本集團環境政策、與其消費者及僱員之關係以及遵守對本集團有重要影響之相關法例及規例之討論，全部載於本年報第62至77頁之環境、社會及管治報告。

REPORT OF THE DIRECTORS 董事會報告

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 85.

The Board did not recommend the declaration of the payment of a final dividend for the year ended 31 December 2016 (2015: Nil).

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 188.

PROPERTY, PLANT AND EQUIPMENT

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

SUBSIDIARIES AND ASSOCIATES

Particulars of the Company's principal subsidiaries and associates as at 31 December 2016 are set out in notes 16 and 17 to the financial statements respectively.

BANK BORROWINGS

The Group's bank borrowings as at 31 December 2016 are set out in note 26 to the financial statements.

SHARE CAPITAL

During the year, details of the movements in share capital of the Company are set out in note 29 to the financial statements.

業績及利潤分派

本集團於本年度之業績載於第85頁之綜合收益表。

董事會並不建議宣派截至2016年12月31日止年度之末期股息(2015年：無)。

五年財務摘要

本集團過去五個財政年度之業績、資產及負債之摘要載於第188頁。

物業、廠房及設備

年內，本集團之物業、廠房及設備之變動詳情載於財務報表附註13。

附屬及聯營公司

本公司於2016年12月31日之主要附屬及聯營公司之詳情分別載於財務報表附註16及17。

銀行借貸

本集團於2016年12月31日之銀行借貸載於財務報表附註26。

股本

年內，本公司股本之變動詳情載於財務報表附註29。

REPORT OF THE DIRECTORS 董事會報告

RESERVES

During the year, details of the movements in the reserves of the Company and the Group are set out in note 31 to the financial statements and on page 91, respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2016, the amount of Company's reserves available for distribution was approximately HK\$1,056.4 million.

MAJOR CUSTOMERS AND SUPPLIERS

The Group's sales to the five largest customers and purchases from the five largest suppliers for the year ended 31 December 2016 accounted for less than 30% of the Group's total revenue and purchases respectively.

DONATIONS

Charity donation for the Group for the year ended 31 December 2016 amounted to HK\$257,600.

DIRECTORS' EMOLUMENTS

Details of directors' emoluments are set out in note 36 to the financial statements. Mr. Hu Bin agreed to waive emoluments of approximately HK\$12,000 in respect of the year ended 31 December 2016. Save as disclosed above, none of the directors have waived any emoluments in respect of the year ended 31 December 2016.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2016, none of the directors of the Company has an interest in a business which competes or may compete with the business of the Group.

PENSION SCHEME

Details of retirement benefit plans in respect of the year are set out in note 35 to the financial statements.

儲備

年內，本公司及本集團儲備之變動詳情分別載於財務報表附註31及第91頁。

可供分派儲備

本公司於2016年12月31日可供分派儲備約為1,056.4百萬港元。

主要客戶及供應商

本集團五大客戶及五大供應商截至2016年12月31日止年度之銷售及購貨百分比，分別佔本集團總收益額及購貨額少於30%。

捐款

截至2016年12月31日止年度，本集團公益捐款額257,600港元。

董事酬金

董事酬金之詳情載於財務報表附註36。胡濱先生同意放棄截至2016年12月31日止年度之酬金約12,000港元。除上述外，並無任何董事放棄或同意放棄截至2016年12月31日止年度之任何酬金。

董事於競爭業務之權益

於2016年12月31日，本公司之董事概無於與本集團之業務構成競爭或可構成競爭之業務中擁有任何權益。

退休計劃

本年度退休福利計劃之詳情載於財務報表附註35。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS

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

Mr. Yu Pun Hoi (*Chairman*)
 Ms. Chen Dan
 Ms. Liu Rong
 Mr. Chen Ming Fei (*appointed with effect from 9 December 2016*)
 Mr. Lam Bing Kwan[#]
 Mr. Wang Gang[#] (*resigned with effect from 9 December 2016*)
 Prof. Jiang Ping^{*}
 Mr. Fung Wing Lap^{*}
 Mr. Xiao Sui Ning^{*} (*appointed with effect from 27 April 2016*)
 Mr. Hu Bin^{*} (*resigned with effect from 3 February 2016*)

[#] Non-executive directors

^{*} Independent non-executive directors

A full list of the names of the Directors of the Group's subsidiaries can be found in the Company's website at www.sino-i.com under "Investor Information/Corporate Governance".

The Company has received annual confirmation from each of the existing independent non-executive directors confirming his independence to the Company pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company considers that such directors are independent to the Company.

In accordance with Article 94 of the Company's articles of association (the "Articles"), Ms. Liu Rong, Mr. Lam Bing Kwan and Prof. Jiang Ping shall retire from office by rotation at the forthcoming annual general meeting (the "AGM"). In addition, Mr. Chen Ming Fei was appointed by the Board as executive Director on 9 December 2016 and shall hold office until the forthcoming annual general meeting pursuant to Article 87 of Articles. All of the above retiring directors, being eligible, will offer themselves for re-election.

董事

於年內及截至本報告日期，本公司之董事如下：

于品海先生(主席)
 陳丹女士
 劉榮女士
 陳鳴飛先生(自2016年12月9日起獲委任)
 林秉軍先生[#]
 王鋼先生[#](自2016年12月9日起辭任)
 江平教授^{*}
 馮榮立先生^{*}
 肖遂寧先生^{*}(自2016年4月27日起獲委任)
 胡濱先生^{*}(自2016年2月3日起辭任)

[#] 非執行董事

^{*} 獨立非執行董事

詳列本集團附屬公司董事姓名的名錄，可於本公司網頁 www.sino-i.com「投資者信息／公司管治」內查閱。

本公司已接獲各現任獨立非執行董事作出之年度確認書，確認其根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條於本公司之獨立性，而本公司認為該等董事獨立於本公司。

根據本公司之組織章程(「章程」)第94條，劉榮女士、林秉軍先生及江平教授將於應屆股東週年大會上輪值退任。此外，陳鳴飛先生於2016年12月9日獲董事會委任為執行董事，根據章程第87條規定擔任該職務至下一屆股東週年大會。所有上述退任董事都符合資格膺選連任。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical Details of Directors

Executive Directors

Mr. Yu Pun Hoi, aged 58, holding a degree of Doctor of Philosophy conferred by Peking University, was a director of the Company from October 1991 to October 1994, and re-joined the Board in January 1997. Mr. Yu is the chairman of the Board, and the chairman of nomination committee of the Company.

Mr. Yu is also the chairman of the board of directors, controlling shareholder, and the chairman of executive committee and nomination committee of Nan Hai Corporation Limited ("Nan Hai"), the listed holding company of the Company, and a director of a number of subsidiaries of Nan Hai.

Ms. Chen Dan, aged 48, graduated from Beijing Finance & Trade College with a Bachelor degree in Trade & Economics, and obtained a degree of EMBA in China Europe International Business School, and is also a qualified lawyer in the PRC.

Ms. Chen joined the Group in October 2000. In February 2006, Ms. Chen has been appointed as an executive director and general manager of the Company. In March 2012, Ms. Chen has been appointed as a member of nomination committee of the Company. In December 2016, Ms. Chen has stepped down from the role of the general manager of the Company. Ms. Chen is also an executive director, executive committee member, and nomination committee member of Nan Hai, and a director of certain subsidiaries of the Company and Nan Hai.

董事及高級管理人員履歷詳情

董事履歷詳情

執行董事

于品海先生，58歲，持有北京大學哲學博士學位，於1991年10月至1994年10月期間曾擔任本公司董事，並於1997年1月重新加入董事會，于先生現擔任本公司董事會主席及提名委員會主席。

于先生同時為本公司上市控股公司Nan Hai Corporation Limited(南海控股有限公司)(「南海」)之董事會主席、控股股東、執行委員會及提名委員會主席，以及為若干南海附屬公司之董事。

陳丹女士，48歲，持有北京財貿學院貿易經濟專業學士學位、中歐國際工商管理學院高級管理人員工商管理碩士學位及中國律師資格。

陳女士於2000年10月加入本集團，於2006年2月出任本公司執行董事及總經理，並於2012年3月出任本公司提名委員會成員。陳女士於2016年12月退任本公司總經理。陳女士同時為南海之執行董事、執行委員會成員、及提名委員會成員，以及為若干本公司及南海附屬公司之董事。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Biographical Details of Directors (Continued)

Executive Directors (Continued)

Ms. Liu Rong, aged 45, graduated from the Law School of Anhui University with a Bachelor degree in Laws, and got a Master of Laws conferred by the Law Institute of Chinese Academy of Social Science, and is also a qualified lawyer in the PRC. In addition, Ms. Liu graduated from the International MBA School of National School of Development of Peking University in 2013. Prior to joining the Group, Ms. Liu worked in Chinese government departments and law firms.

Ms. Liu joined the Group in April 2002 and has been appointed as an executive director of the Company in March 2009. Ms. Liu is also responsible for the businesses in culture and media services of Nan Hai.

Ms. Liu is also an executive director and executive committee member of Nan Hai, and a director of a number of subsidiaries of Nan Hai.

Mr. Chen Ming Fei, aged 40, has more than 10 years' sales ,and possesses with acute insight in IT business, and has extensive and professional experiences in product creation, business strategy planning and business management. Prior to joining the Group, Mr. Chen worked in Vorwerk of Co. KG, a German company.

In 2000, Mr. Chen joined CE Dongli and was appointed as a national commercial director, sales deputy general manager, executive deputy general manager and business general manager, In January 2012, Mr. Chen was promoted to a general manager, responsible for management of CE Dongli. Mr. Chen was also the general manager of Xinnet, responsible for operation management of Xinnet. Mr. Chen is also a director of a number of subsidiaries of the Company. In December 2016, Mr. Chen has been appointed as the executive director and the general manager of the Company.

Mr. Chen is also a member of executive committee of Nan Hai, and a director of certain subsidiaries of the Company and Nan Hai.

董事及高級管理人員履歷詳情 (續)

董事履歷詳情 (續)

執行董事 (續)

劉榮女士，45歲，持有安徽大學法學學士學位、中國社會科學院法學碩士學位及中國律師資格，並於2013年畢業於北京大學國家發展研究院國際MBA學院。加入本集團前，劉女士曾在中國政府部門及律師事務所工作。

劉女士於2002年4月加入本集團，於2009年3月出任本公司執行董事。劉女士亦負責南海之文化與傳播服務業務。

劉女士同時為南海之執行董事，執行委員會成員，以及為若干南海附屬公司之董事。

陳鳴飛先生，40歲，從事銷售工作逾十年，對於IT行業有著敏銳市場觸覺，在產品創意、商務策略規劃與商務管理方面累積了豐富的實戰經驗。加入本集團前，陳先生曾在德國福維克公司工作。

陳先生於2000年加入中企動力，歷任全國商務總監、銷售副總經理，常務副總經理及業務總經理，於2012年1月晉升為總經理，全面負責中企動力之運營管理，目前陳先生擔任新網總經理，全面負責新網之營運管理，於2016年12月，陳先生被委任為本公司執行董事兼總經理。

陳先生同時為南海執行委員會成員，以及為若干本公司及南海附屬公司之董事。

REPORT OF THE DIRECTORS 董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Biographical Details of Directors (Continued)

Non-executive Director

Mr. Lam Bing Kwan, aged 67, graduated from the University of Oregon in the United States of America with a Bachelor degree in Business Administration in 1974. Prior to joining the Group, Mr. Lam had been in senior management positions in the banking and financial industry for more than 10 years.

Mr. Lam joined the Board in October 1991, and was re-designated as a non-executive director in April 2002. Mr. Lam is also a non-executive director of Nan Hai, and an independent non-executive director of Lai Sun Development Company Limited, Lai Sun Garment (International) Limited, Lai Fung Holdings Limited and eForce Holdings Limited. The securities of the above-mentioned companies are listed on the Stock Exchange.

Independent Non-executive Directors

Prof. Jiang Ping, aged 86, graduated from Moscow University with a Bachelor degree in Laws in 1956. Prof. Jiang is the lifetime professor of China University of Political Science and Law, conducting lectures for doctoral degree class in civil and commercial laws. Prof. Jiang is also the honorary president of China Comparative Law Research Centre, the chairman of Beijing Arbitration Commission, and the honorary arbitrator in China International Economic and Trade Arbitration Commission.

In June 2006, Prof. Jiang joined the Board and has been appointed as a member of audit committee and remuneration committee of the Company. In March 2012, Prof. Jiang has been appointed as a member of nomination committee of the Company.

Mr. Fung Wing Lap, aged 56, graduated from The Hong Kong Polytechnic University in 1992. Mr. Fung is a fellow member of Association of International Accountants, an associate member of The Taxation Institute of Hong Kong, an associate member of Hong Kong Institute of Certified Public Accountants, and a certified public accountant (practising). Mr. Fung is an executive director of FCC and Partners CPA Limited.

Mr. Fung joined the Board in September 2004 and has been appointed as a member of audit committee and remuneration committee of the Company. In March 2012, Mr. Fung has been appointed as a member of nomination committee of the Company. Mr. Fung is also appointed as the chairman of audit committee of the Company in September 2013.

董事及高級管理人員履歷詳情 (續)

董事履歷詳情 (續)

非執行董事

林秉軍先生，67歲，於1974年畢業於美國俄立岡大學，持有工商管理學士學位。加入本集團前，林先生於銀行及金融界任職高級管理層逾十年。

林先生於1991年10月加入董事會，於2002年4月被調任為非執行董事。林先生同時為南海之非執行董事，以及為麗新發展有限公司、麗新製衣國際有限公司、麗豐控股有限公司及意科控股有限公司之獨立非執行董事。上述公司均為於聯交所上市之公司。

獨立非執行董事

江平教授，86歲，於1956年畢業於莫斯科大學法律系，持有法學學士學位。江教授現為中國政法大學終生教授、民商法博士生導師。江教授同時為中國比較法研究會名譽會長、北京仲裁委員會主任以及中國國際經濟貿易仲裁委員會榮譽仲裁員。

江教授於2006年6月加入董事會，並出任審核委員會及薪酬委員會成員，並於2012年3月出任本公司提名委員會成員。

馮榮立先生，56歲，於1992年畢業於香港理工大學。馮先生為國際會計師公會資深會員、香港稅務學會會員、香港會計師公會會員及執業會計師，並為俾僑會計師有限公司之執行董事。

馮先生於2004年9月加入董事會，並出任為本公司審核委員會及薪酬委員會成員，於2012年3月出任本公司提名委員會成員。於2013年9月，馮先生亦獲委任為本公司審核委員會主席。

REPORT OF THE DIRECTORS

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (Continued)

Biographical Details of Directors (Continued)

Independent Non-executive Directors (Continued)

Mr. Xiao Sui Ning, aged 69, graduated from Yunnan Finance and Management College, majoring in enterprise management; senior economist recognised by Bank of Communications. Mr. Xiao is the consultant of Ping An Bank, the independent director of Beijing SPC Environment Protection Tech Co., Ltd., the independent director of Zhongrun Resources Investment Corporation and the independent non-executive director of Haitong Securities Co., Ltd.

Mr. Xiao joined the Board of Directors of the Company in April 2016, and has been the chairman of the remuneration committee, the member of the audit committee and the nomination committee of the Company. Mr. Xiao is also the independent non-executive director, the chairman of the remuneration committee, the member of the audit committee and the nomination committee of Nan Hai.

Biographical Details of Senior Management

Mr. Chen Ming Fei (aged 40)

General Manager

中企動力科技股份有限公司

(CE Dongli Technology Company Limited)

General Manager

北京新網數碼信息技術有限公司

(Beijing Xinnet Cyber Information Company Limited)

General Manager

Sino-i Technology Limited

Biographical details of Mr. Chen are set out in the "Biographical Details of Directors" on page 19.

董事及高級管理人員履歷詳情 (續)

董事履歷詳情 (續)

獨立非執行董事 (續)

肖遂寧先生，69歲，畢業於雲南經濟管理幹部學院，主修企業管理。肖先生獲交通銀行認可為高級經濟師，現任平安銀行股份有限公司之顧問，北京清新環境技術股份有限公司之獨立董事、中潤資源投資股份有限公司之獨立董事及海通證券股份有限公司之獨立非執行董事。

肖先生於2016年4月加入董事會，並出任為本公司薪酬委員會主席兼審核委員會及提名委員會成員。肖先生同時為南海之獨立非執行董事、薪酬委員會主席兼審核委員會及提名委員會成員。

高級管理人員履歷詳情

陳鳴飛先生 (40歲)

總經理

中企動力科技股份有限公司

總經理

北京新網數碼信息技術有限公司

總經理

中國數碼信息有限公司

陳先生之履歷詳情載於第19頁之董事履歷詳情。

REPORT OF THE DIRECTORS

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 the directors and chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("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 for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

The Company

Long position in shares in issue

董事於股份及相關股份之權益及淡倉

於2016年12月31日，本公司董事及主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有須記錄於根據證券及期貨條例第352條存置之登記冊中或已根據上市規則附錄10所載上市發行人董事進行證券交易之標準守則(「標準守則」)或以其他方式知會本公司及聯交所之權益及淡倉如下：

本公司

於已發行股份之好倉

Name of Director	董事姓名	Number of shares				Approximate percentage holding	Notes
		Personal interest	Corporate Interest	Family interest	Total interest		
		個人權益	公司權益	家族權益	權益總額	持股概約百分比	附註
Yu Pun Hoi ("Mr. Yu")	于品海(「于先生」)	-	12,833,065,316	-	12,833,065,316	64.44%	1
Chen Ming Fei	陳鳴飛	-	-	6,120,000	6,120,000	0.031%	
Fung Wing Lap	馮榮立	10,000	-	-	10,000	0.00005%	

Note:

1. Mr. Yu by means of his corporate interest controls the exercise of more than one-third of the voting power at general meetings of Nan Hai, the holding company of the Company. Those 12,833,065,316 shares were collectively held by Goalrise Investments Limited, View Power Investments Limited and Wise Advance Investments Limited, all of which are wholly-owned subsidiaries of Nan Hai. As such, Mr. Yu was taken to be interested in these shares for the purposes of Part XV of the SFO.

附註：

1. 于先生透過其公司權益擁有於本公司控股公司南海之股東大會上控制行使超過三分之一之投票權。該等12,833,065,316股股份分別由南海之全資附屬公司Goalrise Investments Limited、View Power Investments Limited及Wise Advance Investments Limited合共持有。因此，就證券及期貨條例第XV部而言，于先生被視為於該等股份中擁有權益。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (Continued)

Associated Corporations

As disclosed above, Mr. Yu is entitled to control the exercise of more than one-third of the voting power at general meetings of Nan Hai. As such, Mr. Yu is taken to be interested in the shares of the associated corporations of the Company within the meaning of Part XV of the SFO. Nan Hai is a company whose shares are listed on the Stock Exchange, and is an associated corporation of the Company within the meaning of Part XV of the SFO. As at 31 December 2016, the interests of the directors of the Company in shares and underlying shares of Nan Hai were as follows:

Nan Hai

Long position in shares in issue

董事於股份及相關股份之權益及淡倉(續)

相聯法團

如上述所披露，于先生擁有於南海之股東大會上可控制行使超過三分之一之投票權。因此，根據證券及期貨條例第XV部，于先生被視為擁有本公司相聯法團之權益。南海股份於聯交所上市，根據證券及期貨條例第XV部，亦被視為本公司之相聯法團。於2016年12月31日，本公司董事於南海擁有之股份及相關股份之權益如下：

南海

於已發行股份之好倉

Number of shares of HK\$0.01 each
每股面值0.01港元之股份數目

Name of Director	董事姓名	Personal interest 個人權益	Corporate Interest 公司權益	Family interest 家族權益	Total interest 權益總額	Approximate	Notes
						percentage holding 持股概約百分比	
Yu Pun Hoi	于品海	-	36,622,130,679	-	36,622,130,679	53.35%	1
Chen Dan	陳丹	32,000,000	-	-	32,000,000	0.05%	
Chen Ming Fei	陳鳴飛	-	-	2,800,000	2,800,000	0.004%	
Fung Wing Lap	馮榮立	15,756	-	-	15,756	0.00002%	

Note:

- These 36,622,130,679 shares were collectively held by Rosewood Assets Ltd., Pippen Limited, Staverley Assets Limited and First Best Assets Limited, companies indirectly wholly owned by Mr. Yu through Dadi Holdings Limited, a company wholly owned by Mr. Yu.

附註：

- 該等36,622,130,679股股份分別由于先生透過其全資擁有的公司大地控股有限公司持有的Rosewood Assets Ltd.、Pippen Limited、Staverley Assets Limited及First Best Assets Limited間接合共有。

Save as disclosed above, as at 31 December 2016, none of the directors nor chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

除上文所披露者外，於2016年12月31日，本公司董事及主要行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有須記錄於根據證券及期貨條例第352條存置之登記冊中，或已根據上市規則附錄10所載之標準守則或以其他方式知會本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME

On 28 May 2012, the Company adopted a share option scheme (the "Scheme"). Under the Scheme, share options may be granted to directors, employees of the Group and those who have contributed or will contribute to the Group at any time within ten years after its adoption at the discretion of the Board.

Since the adoption of the Scheme and during the year ended 31 December 2016, no share options have been granted under the Scheme by the Company. A summary of the Scheme is as follows:

(1) Purpose

The purpose of the Scheme is to provide incentives or rewards to participants for their contribution or would-be contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which any member of the Group holds any equity interests (the "Invested Entity").

(2) Participants

The participants include:

- a. any employee (whether full time or part time employee, including any executive director but not any non-executive director) of the Company, its subsidiaries and any Invested Entity;
- b. any non-executive director (including independent non-executive director) of the Company, any of its subsidiaries or any Invested Entity;
- c. any supplier of goods or services to any member of the Group or any Invested Entity;
- d. any customer of the Group or any Invested Entity;
- e. any person or entity that provides research, development or technological support or other services to the Group or any Invested Entity;
- f. any shareholder or any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; and

購股權計劃

於2012年5月28日，本公司採納一項購股權計劃（「該計劃」）。根據該計劃，於採納後十年內，董事會可隨時酌情授出購股權予本集團之董事、僱員以及曾為或將為本集團作出貢獻之人士。

自採納該計劃以來及截至2016年12月31日止年度，本公司並無根據該計劃授出購股權。該計劃之概要如下：

(1) 目的

該計劃旨在提供鼓勵或獎賞參與者對本集團作出之貢獻或可能作出之貢獻及／或協助本集團聘請及留任能幹僱員及吸納對本集團與本集團任何成員公司持有其任何股本權益之公司（「所投資公司」）有價值之人才。

(2) 可參與之人士

可參與之人士包括：

- a. 本公司、其附屬公司及任何所投資公司之任何僱員（不論全職或兼職僱員，包括任何執行董事但不包括任何非執行董事）；
- b. 本公司、其任何附屬公司或任何所投資公司之任何非執行董事（包括獨立非執行董事）；
- c. 向本集團任何成員公司或任何所投資公司提供貨物或服務之任何供應商；
- d. 本集團或任何所投資公司之任何客戶；
- e. 向本集團或任何所投資公司提供研究、開發或技術支援或其他服務之任何人士或公司；
- f. 本集團或任何所投資公司之任何股東或任何成員公司，或本集團或任何所投資公司之任何成員公司所發行任何證券之任何持有人；及

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

(2) Participants (Continued)

- g. any ex-employee who has contributed or may contribute to the development and growth of the Group and any Invested Entity.

(3) Maximum Number of Shares

The total number of shares which may be issued upon exercise of all share options to be granted under the Scheme must not in aggregate exceed 10% of the relevant class of shares of the Company in issue as at the date of approval of the Scheme and the limit on the number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other schemes must not exceed 30% of the relevant class of shares of the Company in issue from time to time. No share options may be granted under the Scheme and any other schemes of the Company if this will result in such limit exceeded. As at the date of this report, the number of shares available for issue in respect thereof is 1,991,450,487 shares representing approximately 10% of the total number of shares of the Company in issue.

(4) Maximum Entitlement of Each Participant

The total number of shares issued and to be issued upon exercise of the share options granted to each participant under the Scheme and any other schemes (including both exercised and outstanding options) in any 12-month period must not exceed 1 per cent of the relevant class of shares of the Company in issue. Any further grant of share options above this limit shall be subject to certain requirements as stipulated in the rules of the Scheme and to the relevant rules under the Listing Rules.

(5) the Period within Which the Shares Must be Taken Up under a Share Option

The period within which the shares must be taken up a share option shall be determined by the Board in its absolute discretion at the time of grant, but such period must not exceed 10 years from the date of grant of the relevant share option.

(6) Minimum Period for Exercising a Share Option

The Board may at its discretion determine the minimum period for which a share option must be held before it can be exercised.

購股權計劃 (續)

(2) 可參與之人士 (續)

- g. 對於本集團及任何所投資公司之發展及增長作出貢獻或可能作出貢獻之任何前僱員。

(3) 股份最高數目

根據該計劃授出之購股權在悉數行使時可予發行之股份總數，不得超過該計劃獲採納之日時本公司已發行相關類別股份之10%及因悉數行使根據該計劃及其他計劃已授出但尚未行使之購股權而可予發行之股份數目限額，不得超過本公司不時已發行相關類別股份之30%。不得根據該計劃及本公司任何其他購股權計劃授出可能會導致超出此等限額之購股權。於本報告日期，購股權可予發行之股份數目最多為1,991,450,487股，相當於本公司已發行股份總數約10%。

(4) 各參與者可獲授權益之上限

每名參與者在任何12個月內獲授根據該計劃及任何其他購股權計劃授出之購股權(包括已行使及尚未行使之購股權)予以行使時所發行及將發行之股份總數，不得超過本公司已發行相關類別股份之1%。任何進一步授出超過該限額之購股權將須受該計劃之規則及上市規則項下相關規則所訂明之若干規定所規限。

(5) 購股權項下股份必須接納之期限

購股權涉及之股份必須接納的期限由董事會在授出購股權時全權決定，但該期限不得超過有關購股權授出之日起計十年。

(6) 行使購股權之最短期限

董事會可酌情釐定購股權可獲行使前必須持有之最短期限。

REPORT OF THE DIRECTORS 董事會報告

SHARE OPTION SCHEME (Continued)

(7) Acceptance and Payment on Acceptance

The share option shall be deemed to have been accepted when the duplicate letter duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company. To the extent that the offer is not accepted within 28 days in the manner aforesaid, it will be deemed to have been irrevocable declined and lapsed automatically.

(8) Basis of Determining the Exercise Price

The exercise price for shares under the Scheme shall be a price determined by the directors, but it must be at least the higher of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a business day; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of grant.

(9) Remaining Life of the Scheme

The Scheme will remain in force for a period of 10 years commencing on 29 May 2012 up to 28 May 2022.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Except for the Scheme disclosed above, at no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company.

DIRECTORS' SERVICE CONTRACTS

None of the directors has entered into any service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than the statutory compensation.

購股權計劃(續)

(7) 接納購股權及接納時所付款項

當本公司接獲由承授人簽署接納購股權之函件副本及向本公司繳付1.00港元之代價後，該購股權將被視為已獲承授人接納。倘要約並未以上述方式於28天內獲接納，該要約將被視為已不可撤回地拒絕及自動失效。

(8) 釐定行使價之基準

該計劃項下之股份行使價應由董事釐定，惟不得低於下列三者中的最高者：(i) 股份於授予購股權授出當日(須為營業日)的收市價(以聯交所日報表所載者為準)；及(ii) 股份於授予購股權授出日期前五個營業日的平均收市價(以聯交所日報表所載者為準)。

(9) 該計劃尚餘之有效期

該計劃之有效期為10年，由2012年5月29日起計，直至2022年5月28日止。

購買股份或債券之安排

除上述該計劃所披露外，年內，本公司或其附屬公司從未參與任何安排，致使本公司董事藉收購本公司之股份或債券而獲益。

董事服務合約

概無董事與本公司簽訂本公司不可於一年內免賠償(法定賠償除外)而終止之服務合約。

REPORT OF THE DIRECTORS 董事會報告

MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

PERMITTED INDEMNITY PROVISION

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

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, there was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which any controlling shareholder had a material interest subsisted during the year ended 31 December 2016.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in this annual report, no contract of significance has been entered into among the Company or any of its subsidiaries and the controlling shareholders or any of their subsidiaries during the year ended 31 December 2016.

CHANGE IN THE BOARD OF DIRECTORS

The change in the Board since the date of the Company's 2016 interim report is set out below:

Mr. Chen Ming Fei has been appointed as an executive Director with effect from 9 December 2016 and he has also been appointed as the general manager of the Company on the same day.

Mr. Wang Gang has resigned as a non-executive Director with effect from 9 December 2016.

管理合約

年內，概無訂立或存在任何有關本公司之全部或任何主要部分業務之管理及行政合約。

獲准許的彌償條文

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

控股股東之合約權益

除本年報披露者外，於截至2016年12月31日止年度，本公司或其控股公司或其任何附屬公司概無訂立任何控股股東於當中擁有重大權益的任何重大合約。

與控股股東之合約

除本年報披露者外，於截至2016年12月31日止年度，本公司或其任何附屬公司並無與控股股東或彼等任何附屬公司訂立任何重大合約。

董事會變動

自本公司2016年中期報告日期以來之董事會變動載列如下：

陳鳴飛先生已獲委任為本公司執行董事兼總經理，自2016年12月9日起生效。

王鋼先生已辭任本公司非執行董事，自2016年12月9日起生效。

REPORT OF THE DIRECTORS 董事會報告

CHANGES IN INFORMATION IN RESPECT OF DIRECTORS

During the year ended 31 December 2016, there was no change to information which is required to be disclosed and has been disclosed by the Directors pursuant to rules 13.51(2) of the Listing Rules.

REMUNERATION POLICY

The Company remunerates its employees based on their qualifications, experience and performance. In addition to basic salary payments, other benefits include housing, contributions to mandatory provident fund, group medical insurance, group personal accident insurance and examination leave and etc. Employees are eligible to be granted share options under the Company's share option scheme at the discretion of the Board. In general, salary review is conducted annually.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code").

Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2016.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in notes 25(a), 25(c) and 41 to the financial statements, no transactions, arrangements, or contracts of significance in relation to the Group's business to which the Company, its subsidiaries, its holding companies or its fellow subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the financial year or at the end of the year.

有關董事資料之變動

於截至2016年12月31日止年度，概無根據上市規則第13.51(2)條須予披露及已由董事披露之資料之變動。

薪酬政策

本公司員工的薪酬均以員工之學歷、經驗和工作表現為基礎。除基本薪金外，其他福利包括住房、強制性公積金供款、團體醫療保險及團體個人意外保險及考試休假等。員工可根據本公司購股權計劃並按董事會之酌情決定獲授購股權。一般而言，每年均會進行薪金檢討。

證券交易之標準守則

本公司已採納上市規則附錄10所載之上市發行人董事進行證券交易之標準守則（「標準守則」）。

本公司已向所有董事作出特別查詢，董事們確認，彼等於截至2016年12月31日止年度內一直遵守標準守則。

董事在交易、安排及合約中 之重大權益

除財務報表附註25(a)、25(c)及41所披露者外，本公司、其附屬公司、其控股公司或其同系附屬公司概無訂立任何與本集團業務有關而本公司董事於當中直接或間接擁有重大權益且於財政年度內或年終時生效之重要交易、安排或合約。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

As at 31 December 2016, those persons (other than directors and chief executive of the Company) who had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

主要股東之權益及淡倉

於2016年12月31日，根據本公司按照證券及期貨條例第336條存置之登記冊所記錄，以下人士(本公司董事及主要行政人員除外)於本公司之股份或相關股份中擁有權益或淡倉：

Name of person holding an interest in shares which has been disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO	持有根據證券及期貨條例第XV部第2及3分部已向本公司披露股份權益之人士名稱	Nature of interest 權益性質	Number of shares in issue subject to long position 好倉涉及之已發行股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本之概約百分比	Notes 附註
CITIC Capital Holdings Limited	中信資本控股有限公司	Corporate interest 公司權益	10,200,000,000	51.22%	1
CITIC Capital Credit Limited	中信資本信貸有限公司	Security interest 抵押權益	10,200,000,000	51.22%	1
Nan Hai	南海	Corporate interest 公司權益	12,833,065,316	64.44%	2

Notes:

- CITIC Capital Credit Limited is a wholly-owned subsidiary of CITIC Capital Holdings Limited. CITIC Capital Holdings Limited was taken to be interested in those shares in which CITIC Capital Credit Limited held a security interest.
- Those 12,833,065,316 shares were collectively held by Goalrise Investments Limited, View Power Investments Limited and Wise Advance Investments Limited, all of which are wholly-owned subsidiaries of Nan Hai.

附註：

- 中信資本信貸有限公司為中信資本控股有限公司之全資附屬公司。中信資本控股有限公司被視為於中信資本信貸有限公司持有之該等抵押權益中擁有權益。
- 該等12,833,065,316股股份分別由南海之全資附屬公司Goalrise Investments Limited、View Power Investments Limited及Wise Advance Investments Limited合共持有。

Save as disclosed above, as at 31 December 2016, no person (other than directors and chief executive of the Company) had notified to the Company any interests or short positions in shares or underlying shares of the Company which was required to be recorded in the register kept by the Company under Section 336 of the SFO.

除上文所披露者外，於2016年12月31日，概無人士(本公司董事及主要行政人員除外)知會本公司，其於本公司之股份或相關股份中擁有須記錄於本公司按照證券及期貨條例第336條存置之登記冊之權益或淡倉。

REPORT OF THE DIRECTORS 董事會報告

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group are set out in note 41 to the financial statements.

Save for the transactions mentioned in the below section headed “Connected Transactions” which are subject to announcement, disclosure and shareholders’ approval requirements under Chapter 14A of the Listing Rules, certain transactions mentioned under the note also constituted connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules but are exempt from the disclosure requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

(a) Connected Transaction — Loan Agreement

On 29 May 2009, the Company as lender and Nan Hai, the holding company and connected person of the Company, as borrower entered into a loan agreement (the “Loan Agreement”) in relation to the loan in the principal amount of HK\$1,645,530,000 advanced by the Company and/or its subsidiaries to Nan Hai (the “Loan”). The Loan was advanced for the settlement of the consideration payable to the Company pursuant to the sale and purchase agreement entered into between the Company and Nan Hai on 13 November 2007, in relation to the sale of 51% issued share capital of Listar Properties Limited by the Company to Nan Hai. The Loan Agreement was later supplemented by the first supplemental agreement, the second supplemental agreement, the third supplemental agreement and the fourth supplemental agreement dated 20 May 2011, 31 October 2012, 9 May 2013 and 30 April 2015 respectively, which among other things extended the repayment date for the outstanding principal and varied certain terms and provisions of the Loan Agreement. The repayment date of the Loan is 29 June 2017.

As at 31 December 2016, the outstanding principal and the accrued interests are approximately HK\$1,317,149,000 and HK\$158,780,000 respectively which are being secured by the share mortgage (by way of first fixed charge) dated 7 December 2012 executed by Nan Hai in respect of the 100% issued share capital of Nan Hai Development Limited, a wholly-owned subsidiary of Nan Hai. The Loan is subject to an interest rate of 8.0% per annum accrued daily during the extension period based on a 365-day and shall be paid in arrears when the outstanding principal shall be repaid or prepaid.

關聯方交易

本集團之關聯方交易詳情載於財務報表附註41。

除下文「關連交易」（關連交易須遵守上市規則第14A章項下公告、披露及股東批准規定）一節所述交易外，附註所述若干交易亦構成上市規則第14A章所界定的關連交易或持續關連交易，惟豁免遵守上市規則第14A章項下的披露規定。

關連交易

(a) 關連交易 — 貸款協議

於2009年5月29日，本公司（作為貸方）與本公司控股公司兼關連人士南海（作為借方）訂立貸款協議（「貸款協議」），內容有關本公司及／或其附屬公司向南海墊付本金額為1,645,530,000港元之貸款（「該筆貸款」）。墊付該筆貸款以供用作結價根據本公司與南海於2007年11月13日訂立之買賣協議（內容有關本公司向南海出售Listar Properties Limited之51%已發行股本）應付本公司之代價。貸款協議其後分別經日期為2011年5月20日之第一份補充協議、日期為2012年10月31日之第二份補充協議、日期為2013年5月9日之第三份補充協議補充及日期為2015年4月30日之第四份補充協議，據此（其中包括）順延未償還本金之還款日期及修訂貸款協議若干條款及條文。該筆貸款的還款日期為2017年6月29日。

於2016年12月31日，未償還本金及應計利息分別約為1,317,149,000港元及158,780,000港元，該等款項由南海就其全資附屬公司南海發展有限公司全部已發行股本所簽立日期為2012年12月7日之股份按揭（以第一固定押記形式）作抵押。該筆貸款以一年為365日之基準於順延期間按年利率8.0厘每日累計利息，並於償還或預先償還未償還本金時按後付方式支付。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS (Continued)

(b) Continuing Connected Transaction — Property Leasing Framework Agreement

On 1 August 2016, 數碼慧谷置業管理股份有限公司 (Digital Huigu Property Management Co., Ltd.*) (“Digital Huigu”), a subsidiary of the Company, entered into the Nan Hai Property Leasing Framework Agreement with Nan Hai, pursuant to which, Digital Huigu agreed to lease certain properties to Nan Hai and its subsidiaries (excluding the Group) (“Nan Hai Group”) for a term of three years commencing from 1 January 2016 to 31 December 2018, subject to the entering into of separate leasing agreement pursuant to the Nan Hai Property Leasing Framework Agreement. As Nan Hai is the holding company of the Company, Nan Hai is a connected person of the Company.

The following table sets out the proposed annual caps of the transaction amount in respect of the leasing of properties to Nan Hai Group by Digital Huigu under the Nan Hai Property Leasing Framework Agreement:

Total consideration

總代價

On 1 August 2016, Digital Huigu also entered into the GD Cinema Circuit Property Leasing Framework Agreement with 廣東大地電影院線股份有限公司 (GD Cinema Circuit Company Limited*) (“GD Cinema Circuit”), pursuant to which, Digital Huigu agreed to lease certain properties to GD Cinema Circuit, its shareholders, and its subsidiaries (“GD Cinema Circuit Group”) for a term of three years commencing from 1 January 2016 to 31 December 2018, subject to the entering into of separate leasing agreement pursuant to the GD Cinema Circuit Property Leasing Framework Agreement. As at the date of the GD Cinema Circuit Property Leasing Framework Agreement, Ms. Liu Rong, a director of both the Company and Nan Hai, owns 80% of 大地時代文化傳播(北京)有限公司 (Dadi Century Culture Media (Beijing) Company Limited*) (“Dadi Century Beijing”), which directly owns 85% equity interest of GD Cinema Circuit, and has an effective control of 15% equity interest of GD Cinema Circuit through 北京大地傳奇投資合夥企業 (Beijing Dadi Legend Investment Partnership*), which is an associate of Ms. Liu. In addition, Mr. Yu Cheung Hoi, an associate of Mr. Yu Pun Hoi (a director of the Company), owns 20% of Dadi Century Beijing. Given the foregoing, GD Cinema Circuit is a connected person of the Company.

關連交易 (續)

(b) 持續關連交易 — 物業租賃框架協議

於2016年8月1日，本公司附屬公司數碼慧谷置業管理股份有限公司(「數碼慧谷」)與南海訂立南海物業租賃框架協議，據此，數碼慧谷同意向南海及其附屬公司(不包括本集團)(「南海集團」)出租若干物業，自2016年1月1日起至2018年12月31日止為期三年，惟有待根據南海物業租賃框架協議訂立個別租賃協議。由於南海為本公司之控股公司，故南海屬本公司之關連人士。

下表載列有關數碼慧谷根據南海物業租賃框架協議向南海集團出租物業之交易金額之建議年度上限：

For the year ending 31 December

截止12月31日止之年度

(HK\$'000)

(千港元)

2018 2017 2016

16,000 16,000 5,800

於2016年8月1日，數碼慧谷亦與廣東大地電影院線股份有限公司(「大地電影院線」)訂立大地電影院線物業租賃框架協議，據此，數碼慧谷同意向大地電影院線、其股東及其附屬公司(「大地電影院線集團」)出租若干物業，自2016年1月1日起至2018年12月31日止為期三年，惟有待根據大地電影院線物業租賃框架協議訂立個別租賃協議。於大地電影院線物業租賃框架協議日期，本公司及南海之董事劉榮女士持有大地時代文化傳播(北京)有限公司(「大地時代(北京)」)80%權益，而大地時代(北京)直接持有大地電影院線85%股權，亦透過劉榮女士之連繫人士北京大地傳奇投資合夥企業有效控制大地電影院線15%股權。此外，本公司董事于品海先生之連繫人士于常海先生持有大地時代(北京)20%權益。基於上文所述，大地電影院線屬本公司之關連人士。

REPORT OF THE DIRECTORS

董事會報告

CONNECTED TRANSACTIONS (Continued)

(b) Continuing Connected Transaction — Property Leasing Framework Agreement

(Continued)

The following table sets out the proposed annual caps of the transaction amount in respect of the leasing of properties to GD Cinema Circuit Group by Digital Huigu under the GD Cinema Circuit Property Leasing Framework Agreement:

Total consideration

總代價

All the independent non-executive directors of the Company have reviewed the connected transactions contemplated under each of the Nan Hai Property Leasing Framework Agreement and the GD Cinema Circuit Property Leasing Framework Agreement and confirmed those continuing connected transactions were entered into:

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms or better; and
- (3) according to the agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

In accordance with Rule 14A.56 of the Listing Rules, the Company has engaged its auditors to report on the continuing connected transactions as mentioned above, and the auditor has issued to the Board a letter confirming that nothing has come to their attention that causes them to believe that all such continuing connected transactions:

- (1) have not been approved by the Board;
- (2) were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) were not entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
- (4) exceed the proposed annual caps as determined by the Company.

關連交易 (續)

(b) 持續關連交易 — 物業租賃框架協議 (續)

下表載列有關數碼慧谷根據大地電影院線物業租賃框架協議向大地電影院線出租物業之交易金額之建議年度上限：

For the year ending 31 December

截止 12 月 31 日止之年度

(HK\$'000)

(千港元)

2018 2017 2016

2,000

2,000

1,200

就南海物業租賃框架協議及廣東大地電影院線物業租賃框架協議各自項下擬進行之持續關連交易而言，本公司所有獨立非執行董事已進行審閱，並確認該等持續關連交易乃按以下方式訂立：

- (1) 本公司日常及一般營業過程中；
- (2) 正常或更佳商業條款；及
- (3) 根據規管有關交易的協議，按屬公平合理且符合本公司股東整體利益的條款訂立。

根據上市規則第 14A.56 條，本公司已委聘其核數師彙報上述持續關連交易，而核數師已向董事會發出一封函件，確認彼等並不知悉任何事項導致彼等相信該等持續關連交易：

- (1) 並未獲董事會批准；
- (2) 並無於所有重大方面遵守本集團的定價政策；
- (3) 並非於所有重大方面根據規管交易的相關協議訂立；及
- (4) 超逾由公司釐定的建議年度上限。

REPORT OF THE DIRECTORS 董事會報告

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

PUBLIC FLOAT

Based on the publicly available information and to the best knowledge of the directors, the Company has maintained during the year and up to the date of this report sufficient public float as required under the Listing Rules.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the "Corporate Governance Report" on pages 42 to 61.

AUDIT COMMITTEE

The Audit Committee comprises all the independent non-executive directors of the Company, namely Mr. Fung Wing Lap, Prof. Jiang Ping and Mr. Xiao Sui Ning. The Audit Committee has reviewed with the auditor of the Company and management the accounting principles and practices adopted by the Group, the audited consolidated financial statements of the Group for the year ended 31 December 2016, and discussed the auditing, financial control, internal control and risk management systems.

AUDITOR

The financial statements for the year ended 31 December 2016 were audited by BDO Limited ("BDO"). A resolution will be proposed at the forthcoming AGM of the Company to re-appoint BDO as auditor of the Company.

購買、出售或贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

公眾持股量

按本公司從公眾可取閱資料所得及就董事所深知，本公司於年內及截至本報告日期已維持依據上市規則規定的公眾持股量。

企業管治

本公司企業管治實務之詳情載於第42至61頁之「企業管治報告」。

審核委員會

審核委員會包括本公司全體獨立非執行董事，馮榮立先生、江平教授及肖遂寧先生。審核委員會已與本公司核數師及管理層審閱本集團所採納之會計準則及實務、截至2016年12月31日止年度之經審核綜合財務報表，並檢討核數、財務監控、內部監控及風險管理制度事宜。

核數師

截至2016年12月31日止年度之財務報表均由香港立信德豪會計師事務所有限公司（「立信德豪」）審核。將於應屆股東週年大會上提呈一項續聘立信德豪為本公司核數師之決議案。

REPORT OF THE DIRECTORS 董事會報告

STRUCTURED AGREEMENTS

Reference is made to the joint announcements of the Company and Nan Hai, dated 15 November 2013, 6 December 2013 and 31 July 2015 (collectively, the “Announcements”) in relation to a discloseable transaction under which Xinnet Technology Information Company Limited (“XWHT”), an indirect wholly-owned subsidiary of the Company, by means of the Structured Agreements, shall be entitled to control over Xinnet’s management, businesses and operations in substance in addition to recognize and receive all economic benefits of the business of Xinnet. All capitalized terms used hereinbelow shall have the same meanings as those defined in the Announcements unless otherwise stated in this annual report.

The Board hereby provides updated information in relation to the business operations of Xinnet through the Structured Agreements and the implications thereof as follows:

(a) Particulars and business activities of Xinnet:

Xinnet is a limited liability company established in the PRC and a wholly-owned subsidiary of ZQHT. Mr. Jiang is a PRC citizen, and an ultimate beneficial owner of 100% equity interest of ZQHT. Xinnet’s main businesses are provision of virtual server hosting and maintenance services, provision of email services and registration of domain names in the PRC, which are all regarded as a kind of internet content services. Xinnet has obtained a valid licence for providing internet content services, issued by 北京市通信管理局 (Beijing Communications Administration).

(b) Summary of main terms of the Structured Agreement:

- (1) Loan Agreement (dated 15 November 2013):
 - (i) Parties: XWHT as lender; and Mr. Jiang as borrower
 - (ii) Loan amount: RMB1,500,000
 - (iii) The loan is interest free, and has no maturity date for repayment. Mr. Jiang shall have no right to effect any early repayment unless having the written consent from XWHT.

架構協議

茲提述本公司及南海日期分別為2013年11月15日、2013年12月6日及2015年7月31日之聯合公告(統稱「該等公告」)，內容有關須予披露交易，據此，新網華通信息技術有限公司(「新網華通」，本公司一間間接全資附屬公司)有權透過架構協議實質上掌控新網之管理、業務及營運，並同時確認及接收新網經營業務所得一切經濟利益。除本年報另有指明者外，本報告所用詞彙與該等公告所界定者具相同涵義。

董事會謹此提供有關透過架構協議經營新網業務之最新消息及有關影響如下：

(a) 新網之詳情及主要業務：

新網為於中國成立之有限公司，為中企華通之全資附屬公司。蔣先生為中國公民，為中企華通100%股權之最終實益擁有人。新網之主要業務為於中國提供虛擬伺服器寄存及維護服務、提供電子郵箱服務及域名註冊服務。所有該等業務歸類為互聯網信息服務之一種。新網已取得北京市通信管理局發出提供互聯網信息服務之有效牌照。

(b) 架構協議之主要條款摘要：

- (1) 借款協議(日期為2013年11月15日):
 - (i) 訂約方：新網華通作為貸方；及蔣先生作為借方
 - (ii) 貸款額：人民幣1,500,000元
 - (iii) 貸款為免息及並無到期還款日。除非獲新網華通書面同意，否則蔣先生將無權提早還款。

REPORT OF THE DIRECTORS

董事會報告

STRUCTURED AGREEMENTS (Continued)

(b) Summary of main terms of the Structured Agreement: (Continued)

- (2) Equity Pledge Agreement (dated 15 November 2013):
- (i) Parties: XWHT as pledgee; ZQHT as pledgor; and Xinnet
 - (ii) Assets pledged: 80% equity interest of Xinnet, free from encumbrance, as first fixed charge to XWHT as security.
 - (iii) ZQHT shall not dispose of the pledged 80% equity interest to any other party without obtaining the written approval of XWHT.
- (3) Management and Technology Services Agreement (dated 15 November 2013):
- (i) Parties: XWHT; and Xinnet
 - (ii) XWHT shall provide certain exclusive management and technology services to Xinnet.
 - (iii) The Management and Technology Services Agreement is solely terminable by XWHT but not Xinnet. In return for the provision of the exclusive services, XWHT shall be entitled to receive a service fee which is equivalent to the net profit of Xinnet as per its yearly audited financial statements.

架構協議 (續)

(b) 架構協議之主要條款摘要：(續)

- (2) 股權質押協議(日期為2013年11月15日)：
- (i) 訂約方：新網華通作為質權人；中企華通作為出質人；及新網
 - (ii) 抵押資產：以第一固定押記形式向新網華通質押新網並無產權負擔之80%股權。
 - (iii) 除非獲新網華通書面同意，否則新網華通將不得向任何其他人士出售已抵押之80%股權。
- (3) 管理及技術服務提供協議(日期為2013年11月15日)：
- (i) 訂約方：新網華通；及新網
 - (ii) 新網華通向新網提供多項獨家諮詢及技術服務。
 - (iii) 管理及技術服務提供協議僅可由新網華通(而非新網)單方面終止。新網華通有權收取服務費作為提供獨家服務之回報，金額相等於新網經審核年度財務報表所示之純利。

REPORT OF THE DIRECTORS 董事會報告

STRUCTURED AGREEMENTS (Continued)

(b) Summary of main terms of the Structured Agreement: (Continued)

- (4) Option Agreement (dated 15 November 2013):
- (i) Parties: XWHT as grantee; ZQHT as grantor; and Xinnet
 - (ii) ZQHT shall grant an exclusive option to XWHT at an option price of RMB1.00 to acquire up to 100% equity interest in the registered capital of Xinnet (no limit on the number of times the option may be exercised by XWHT). The total subscription price for 100% equity interest of Xinnet shall be equivalent to the total loan amount (being RMB1,500,000) under the Loan Agreement, and the subscription price for each option exercised shall be paid by direct set off on a dollar-for-dollar basis against the outstanding loan amount under the Loan Agreement.
- (5) Power of Attorney (dated 15 November 2013):
- (i) Parties: ZQHT; and XWHT
 - (ii) It is an irrevocable power of attorney under which XWHT shall be the sole attorney of ZQHT. XWHT shall have full power, without having to obtain ZQHT's any further consent or approval, to exercise such rights in Xinnet as (a) all shareholder's rights and voting rights in accordance with the corporate memorandum of Xinnet; and (b) rights of nomination and appointment of legal representative, chairman of the board, directors, general manager and other senior management personnel of Xinnet.

The Loan Agreement, the Equity Pledge Agreement, the Management and Technology Services Agreement, the Option Agreement and the Power of Attorney shall be executed simultaneously with each other.

架構協議(續)

(b) 架構協議之主要條款摘要： (續)

- (4) 購買權協議(日期為2013年11月15日):
- (i) 訂約方: 新網華通作為承授方; 中企華通作為授予方; 及新網
 - (ii) 中企華通將按購買權代價人民幣1.00元向新網華通授出獨家購買權, 以認購新網註冊資本中100%股權(新網華通可行使購買權之次數不受限制)。新網100%股權之總認購價相當於借款協議項下之貸款總額(即人民幣1,500,000元), 而行使每份購買權所涉及認購價須按定額基準透過直接抵銷借款協議項下未償還貸款金額之形式支付。
- (5) 授權委託書(日期為2013年11月15日):
- (i) 訂約方: 中企華通; 及新網華通
 - (ii) 此乃不可撤回授權書, 據此, 新網華通將為中企華通之唯一代理, 而新網華通可於毋須取得中企華通任何同意或批准之情況下, 全權行使於新網之權利, (a)根據新網之公司章程例行使一切股東權利及投票權; 及(b)提名及委任新網之法定代表人、董事長、董事、總經理及其他高級管理人員。

借款協議、股權質押協議、管理及技術服務提供協議、購買權協議與授權委託書將同時簽立。

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董事會報告

STRUCTURED AGREEMENTS (Continued)

(c) the significance of business activities of Xinnet to the Group:

By means of the Structured Agreements, the Group may engage in the business of virtual server hosting and maintenance in the PRC and such business may widen the spectrum of services of the Group. The widened services are expected to lead the Group to having not only a stronger foothold against its competitors in the PRC but also an achievement of efficiency and cost-effectiveness in provision of virtual server hosting and maintenance services to the customers of the Group.

(d) the financial impact of the Structured Agreements on the Group:

XWHT is a parent undertaking of Xinnet as XWHT has the right to control Xinnet by virtual of the Structured Agreements. As a result, the financial position and operating results of Xinnet and its subsidiary shall be consolidated in the XWHT's financial statements from the date on which XWHT gained control in Xinnet in accordance with the HKFRS.

During the year, revenue was approximately HK\$129,847,000 (2015: approximately HK\$122,828,000); profit before income tax was approximately HK\$3,659,000 (2015: loss before income tax of approximately HK\$35,727,000); and total assets were approximately HK\$121,684,000 (2015: approximately HK\$77,889,000).

The turnaround from loss to profit and the increase in total assets during the year were mainly due to the continuous improvement in operation efficiency through enhancing efficiency in development and research of projects which resulted in a higher proportion of development and research expenses transformed into assets and boosting the sales of those self-developed products having higher gross profit margin.

架構協議 (續)

(c) 新網業務對本集團之重要性：

通過架構協議，本集團可於中國從事虛擬伺服器寄存及維護業務，該業務可能會拓闊本集團之服務範圍。據預料該額外業務帶領本集團不僅於中國打造較其他競爭對手更為穩固的基礎，而且可以為本集團客戶提供虛擬伺服器寄存及維護服務達到具高效率及成本效益方式之成績。

(d) 架構協議對本集團之財務影響：

由於新網華通有權透過架構協議控制新網，故新網華通為新網之母公司。因此，根據香港財務報告準則，新網及其附屬公司之財務狀況及經營業績自新網華通取得新網之控制權當日起於新網華通之財務報表綜合入賬。

年內，收益約為129,847,000港元(2015年：約122,828,000港元)；除所得稅前溢利約為3,659,000港元(2015年：除所得稅前虧損約35,727,000港元)；及資產總值約為121,684,000港元(2015年：約77,889,000港元)。

本年扭虧為盈及資產總值增加的主要原因為提高了項目的研發效率，使得研發支出轉化為資產的比例增加，並且增大毛利較高的自有產品的銷售佔比，繼續提升運營效率。

REPORT OF THE DIRECTORS 董事會報告

STRUCTURED AGREEMENTS (Continued)

(e) the extent to which the Structured Agreements relate to requirement of applicable laws, rules and regulations other than the foreign ownership restriction:

In view of the PRC legal opinion, (i) the Structured Agreements have complied with the laws, rules and regulations in the PRC, and complied with the respective articles of association of XWHT, ZQHT and Xinnet; (ii) there is no law, rule or regulation specifically disallows foreign investors from using any structured agreement to gain control of or operate the business of Xinnet; and (iii) the Structured Agreements would not be deemed as concealing illegal intentions with a lawful form and void under the PRC contract law.

(f) Reasons for using the Structured Agreements and the risks associated therewith including actions taken to mitigate such risks:

Xinnet's main businesses are classified as value-added telecommunication services which is a kind of business restricted to foreign investors in the PRC. By virtue of 外商投資電信企業管理規定 (Provisions on the Administration of Foreign Investment Telecommunication Enterprises), foreign investors shall not have more than 50% in the equity interest of a PRC enterprise providing value-added telecommunication services.

The main businesses of Xinnet are considered as value-added businesses which widen the spectrum of services of the Group for its customers and in turn enhance the Group's competitiveness in the PRC market. As the Group is facing to the aforesaid restriction in equity interest of a PRC company, the Structured Agreements shall be regarded as a strategic arrangement by which the Group may fully and effectively control Xinnet, which in turn enables the Group to achieve the aforesaid purposes. In addition, the Structured Agreements offer flexibility to the Group in control of Xinnet — (a) control of its management, businesses and operations; and (b) owning of its 100% equity interest by exercising the call option under the Option Agreement when the restriction in having more than 50% equity interest of a PRC enterprise by foreign investors is removed or repealed.

架構協議(續)

(e) 架構協議與適用法律、規則及規例(而非外國所有權限制)規定相關之程度：

中國法律意見認為，(i) 架構協議已符合中國法例、規則及規例，並符合新網華通、中企華通及新網各自之章程細則；(ii) 並無法例、規則或規例具體列明不允許外國投資者運用任何架構協議控制或經營新網；及(iii) 根據中國合同法，架構協議將不會視作以合法形式掩蓋非法目的，亦不會視作無效。

(f) 使用架構協議之理由及與之相關風險(包括降低有關風險之措施)：

新網之主要業務被歸類為增值電信服務，於中國為其中一類限制外商投資者之業務。根據外商投資電信企業管理規定，外商投資者不得擁有提供增值電信服務之中國企業超過50%權益。

新網之主要業務被視為增值業務，有助拓闊中國數碼集團向客戶提供之服務範圍，從而提高本集團於中國市場中之競爭力。由於本集團面臨著前述中國公司的股權限制，架構協議應被視為一項戰略安排，讓本集團可以充分地及有效地控制新網使本集團能夠實現前述目的。與此同時，架構協議為本集團控制新網方面提供靈活性 — (a) 控制其管理、業務及營運；及(b) 當有關外商投資者於中國企業擁有超過50%權益之限制被刪除或廢除時可透過行使購買權協議項下購買權而持有其100%權益。

REPORT OF THE DIRECTORS

董事會報告

STRUCTURED AGREEMENTS (Continued)

(f) Reasons for using the Structured Agreements and the risks associated therewith including actions taken to mitigate such risks: (Continued)

In addition to the foreign ownership restriction under the prevailing applicable laws and regulations, the Structured Agreements do not violate any PRC laws, rules and regulations, and the execution of the Structured Agreements by the parties thereto does not violate any article of the contracting parties; and such prevailing provision and notice issued by the PRC authorities as (i)《外商投資電信企業管理規定》(Provisions on the Administration of Foreign Investment Telecommunication Enterprises) (amended in 2008) and《外商投資產業指導目錄》(Catalogue for Guidance of Foreign Investment Industries) (amended in 2015) issued by the State Council of the PRC, under which foreign investor shall not have more than 50% in a corporation providing value-added telecommunication services; and (ii)《關於加強外商投資經營增值電信業務管理的通知》(Notice of Strengthened Administration of Foreign Investment in and Operation of Value-Added Telecommunication Business) issued by the Ministry of Industry and Information Technology of the PRC in July 2006 under which a local PRC company holding an internet content provider licence shall not lease, transfer or sell the licence to foreign investors in any form, or provide any assistance to foreign investors to provide internet content services in the PRC, but such provision and notice are not governing or restricting the control of a PRC company through structured agreements.

Given the foregoing, the Structured Agreements shall be regarded as valid documents binding all parties thereto as at the date of this report. However, if any new applicable law or regulation were enacted in the future in the PRC, the validity and enforceability of the Structured Agreements might have been affected, and as a result, the structured agreements of controlling Xinet would have been disruptive which in turn would have affected the business of the Group.

The Ministry of Commerce of the PRC has issued some kind of consultation paper (草案徵求意見稿) in respect of a bill namely《中華人民共和國外國投資法》(Foreign Investment Law of the PRC) (the "Bill") in January 2015, which is to be enacted into an act or statute. As per sections 15 and 18 thereof, foreign investment means foreign investors directly or indirectly conduct certain investment activities, e.g. through structured agreements or trust arrangement to control a PRC company or holding equity interest of a PRC company. Any foreign investment in any business under the catalogue of restricted investment shall apply for an access permit from foreign investment authority under the State Council of the PRC as per section 27 thereof. There is no indication in the Bill that contracts under the structured agreements would be void.

架構協議 (續)

(f) 使用架構協議之理由及與之相關風險(包括降低有關風險之措施)：(續)

此外，根據現行適用法律及法規項下的外商擁有權限制，架構協議並無違反任何中國法律、規則及法規，且訂約各方執行架構協議並無違反訂約各方之任何公司章程；及中國當局頒佈該現行之規定及通知(即(i)中國國務院所頒佈《外商投資電信企業管理規定》(2008年修訂)及《外商投資產業指導目錄》(2015年修訂)，當中訂明外商投資者不得擁有提供增值電信服務之企業超過50%權益；及(ii)中國工業和信息化部於2006年7月所頒佈《關於加強外商投資經營增值電信業務管理的通知》，當中訂明持有互聯網信息服務供應商牌照之當地的中國公司不得以任何形式向外商投資者租賃、轉讓或出售牌照，或向外商投資者於中國提供互聯網信息服務提供任何援助)，惟有關規定及通知並無監管或限制透過架構協議控制中國公司。

鑑於上述情況，架構協議於本報告日期被視為有效文件，對訂約各方具有約束力。然而，倘中國將來實施任何新適用法律或法規，架構協議之有效性及強行執行性可能會受到影響，因此對控制新網之架構協議會造成破壞從而會影響本集團業務。

中國商務部於2015年1月頒佈若干《草案徵求意見稿》，有關一份名為《中華人民共和國外國投資法》的議案(「草案」)，有待制定為法令或法規。根據草案第15條及第18條，外商投資指外商投資者直接或間接從事若干投資活動，例如透過架構協議或信託安排來控制中國公司或持有中國公司權益。根據草案第27條，《限制實施目錄》項下任何外商投資業務須向中國國務院外資投資主管部門申請准入許可。草案並無表明架構協議項下合約將失效。

REPORT OF THE DIRECTORS 董事會報告

STRUCTURED AGREEMENTS (Continued)

(f) Reasons for using the Structured Agreements and the risks associated therewith including actions taken to mitigate such risks: (Continued)

Application for an access permit cited in the Bill could be viewed as a kind of administrative procedure rather than a prohibitive threshold, therefore, failure in obtaining the permit by fulfilling certain administrative procedures would not be very high. Mr. Jiang is not a connected person of the Group, the risk of direct conflict of interest with the Group will be very low. It is unlikely for Mr. Jiang setting up another entity conducting business having a direct competition with Xinnet's, otherwise, Mr. Jiang would not execute and procure the execution of the Structured Agreements by which Mr. Jiang has given up the businesses of Xinnet. As at the date of this report, the Group has not found that Mr. Jiang has carried out or involved in any business having a direct competition with the businesses of the Group. If Mr. Jiang or ZQHT breaches any obligations or undertakings under any Structured Agreements, the operations of Xinnet would not be affected as the position of the Group in controlling Xinnet has been fully secured by (a) full control of the board of directors of Xinnet; and (b) obtaining a charge of 100% equity interest in Xinnet (as per the provision of the Loan Agreement, the pledgor has further charged the remaining 20% equity interest in Xinnet as first fixed charge in favour of the pledgee in October 2014).

Since the Bill has yet been enacted into an act or statute, the sections or provisions thereof might be further modified and amended after the consultation period, it is uncertain any additional conditions imposing on foreign investors.

The Structured Agreements might be subject to scrutiny of the tax authorities in the PRC, and additional tax might be imposed, but the Group does not expect that such tax risk is high and will lead to any substantial financial impact on the Group.

(g) Material change in the Structured Agreements:

No Structured Agreement has been supplemented or modified since the date of execution of all such Structured Agreements.

架構協議 (續)

(f) 使用架構協議之理由及與之相關風險(包括降低有關風險之措施)：(續)

草案所訂明准入許可申請可被視為一項行政程序而非禁止性門檻。因此，履行若干行政程序後取得准入許可之失敗機會不高。蔣先生並非本集團之關連人士，故與本集團出現直接利益衝突之風險非常低。蔣先生不大可能建立另一實體從事與新網直接競爭之業務，否則蔣先生不會簽訂及促使執行架構協議(蔣先生據此放棄新網之業務)。於本報告日期，本集團並無發現蔣先生進行或參與任何與本集團業務構成直接競爭之業務。由於本集團控制新網之地位已完全受以下各項所保障：(a)完全控制新網之董事會；及(b)持有新網之100%股權作為抵押品(根據借款協議之條文，出質人於2014年10月以第一固定押記形式向質權人進一步抵押新網餘下20%股權)，即使蔣先生或中企華通違反架構協議項下任何責任或承諾，新網之業務亦不會受到影響。

由於草案尚未制定為法令或法規，當中所載章節或條文可能於諮詢期後進一步修改及修訂，故無法確定會否對外商投資者施加任何額外條件。

架構協議或會受到中國稅務機關監察，可能會徵收額外稅項，惟本集團預期有關稅項風險並不高，亦不會對本集團帶來任何重大財務影響。

(g) 架構協議之重大變化：

自簽訂架構協議以來，架構協議未作補充或修訂。

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董事會報告

STRUCTURED AGREEMENTS (Continued)

(h) Unwinding of the Structured Agreements:

No Structured Agreement has been unwound since the date of execution all such Structured Agreements. None of the Structured Agreement is to be unwound until and unless the restriction on ownership by foreign investors is removed or not in force. In the event of such restriction in foreign investment is removed or not in force, XHWT will exercise its option under the Option Agreement to acquire the entire equity interest in Xinnet. Upon completion of formal acquisition of the entire equity interest in Xinnet, the Structured Agreements will then be unwound.

On behalf of the Board

Yu Pun Hoi

Chairman

Hong Kong, 14 March 2017

架構協議 (續)

(h) 解除架構協議：

於簽訂架構協議日期以來，架構協議未被解除。除非及直至外商投資者擁有權限制被移除或失效，否則不會解除架構協議。倘外商投資有關限制遭解除或失效，新網華通將行使其根據購買權協議所獲授購買權以收購新網全部權益。於新網全部股權之正式收購完成後，屆時架構協議將解除。

代表董事會

主席

于品海

香港，2017年3月14日

CORPORATE GOVERNANCE REPORT 企業管治報告

The Company is committed to maintain high corporate governance standard and unambiguous procedures to ensure the integrity, transparency and quality of disclosure in order to enhance its shareholders' value.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

In the opinion of the Board, the Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2016, except for the deviations from Code Provisions A.2.1, A.4.1. and A.5.1. Explanations for such non-compliance are provided below.

MODEL CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code.

Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 December 2016.

The Company has also established written guidelines on no less exacting than the Model Code (the "Employees Written Guidelines") for securities transactions by employees who are likely to be or in possession of unpublished inside information of the Company.

No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company.

本公司致力於維持高水平的企業管治標準及清晰程序，以確保資料披露之完整性、透明度及質素，藉以提升股東效益。

遵守企業管治守則

董事會認為，截至2016年12月31日止整個年度內，本公司已遵守上市規則附錄14所載之企業管治守則（「企業管治守則」），惟偏離守則條文A.2.1、A.4.1及A.5.1除外。有關不遵守守則之說明列載如下。

證券交易標準守則

本公司已採納標準守則。

本公司已向所有董事作出特別查詢，董事們確認，彼等於截至2016年12月31日止整個年度內已遵守標準守則。

本公司亦就可能擁有本公司未刊登之內幕消息之有關僱員制定有關僱員進行證券交易之書面指引（「僱員書面指引」），該指引不低於標準守則所訂之標準。

本公司概不知悉有關僱員不遵守僱員書面指引之情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

As at the date of this report, the Board is made up of eight directors including four executive directors, one non-executive director and three independent non-executive directors (the "INEDs"). The directors are, collectively and individually, aware of their responsibilities to the shareholders. The directors' biographical information is set out on pages 18 to 21 under the heading "Biographical Details of Directors and Senior Management". During the year ended 31 December 2016 and up to the date of this report, the Board consisted of the following:

Executive Directors

Mr. Yu Pun Hoi (*Chairman*)
 Ms. Chen Dan
 Ms. Liu Rong
 Mr. Chen Ming Fei (*appointed with effect from 9 December 2016*)

Non-executive Directors

Mr. Lam Bing Kwan
 Mr. Wang Gang (*resigned with effect from 9 December 2016*)

Independent Non-executive Directors

Prof. Jiang Ping
 Mr. Fung Wing Lap
 Mr. Xiao Sui Ning (*appointed with effect from 27 April 2016*)
 Mr. Hu Bin (*resigned with effect from 3 February 2016*)

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and monitoring its affairs. All directors should take decisions objectively in the best interests of the Company.

The day-to-day management, administration and operation of the Company are delegated to the senior management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the abovementioned senior management of the Company.

The Board has the full support of its board committees and the senior management of the Company to discharge its responsibilities.

To the best knowledge of the Company, the Board members do not have any financial, business and family or other material/relevant relationship with each other. During the year, the Board held 6 meetings.

董事會

截至本報告日期，董事會現由八名董事組成，包括四名執行董事、一名非執行董事及三名獨立非執行董事（「獨立非執行董事」）。董事們共同及個別知悉彼等對股東之責任。董事之履歷資料載於第18至21頁「董事及高級管理人員履歷詳情」一節。於2016年12月31日止年度及截至本報告日期，董事會由下列人士組成：

執行董事

于品海先生（主席）
 陳丹女士
 劉榮女士
 陳鳴飛先生（於2016年12月9日獲委任）

非執行董事

林秉軍先生
 王鋼先生（於2016年12月9日辭任）

獨立非執行董事

江平教授
 馮榮立先生
 肖遂寧先生（於2016年4月27日獲委任）
 胡濱先生（於2016年2月3日辭任）

董事會獲賦予本公司業務之全面管理權，透過監控本公司事務，肩負起領導、監察及共同承擔推動本公司成功之責任。全體董事應就本公司最佳利益作出客觀決定。

本公司之日常管理、行政及營運乃委以高級管理人員負責，授權職能及工作任務定期進行檢討。於訂立任何重大交易前，上述本公司高級管理人員須先獲得董事會批准。

董事會獲本公司之董事委員會及高級管理人員全面支援以履行其職責。

就本公司所知，董事會各成員之間概無財務、業務及家庭或其他重大／關聯關係。年內，董事會曾舉行6次會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Chairman and Chief Executive Officer

Code Provision A.2.1 stipulated that the roles of chairman and chief executive officer (the “CEO”) should be separated and should not be performed by the same individual.

The Company has not appointed a CEO. The role of the CEO is performed by Mr. Yu Pun Hoi who is also the chairman of the Company. The Board believes that vesting the roles of both chairman and CEO in the same person provides the Company with strong and consistent leadership, and allows for effective and efficient planning and implementation of business decisions and strategies.

During the year, the chairman held meetings with each of the non-executive directors and independent non-executive directors of the Company and obtained independent opinions relating to affairs of the Board and the Company without the presence of other executive Directors.

Non-executive Directors

Code Provision A.4.1 stipulated that non-executive directors should be appointed for a specific term subject to re-election.

Not all non-executive directors of the Company are appointed for a specific term. However, all non-executive directors are subject to the retirement and rotation requirements in accordance with the Articles. As such, the Board considers that sufficient measures have been taken to ensure that the Company’s corporate governance practices are no less exacting than those in the CG Code.

Independent Non-executive Directors

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, during the year ended 31 December 2016, the Company has appointed three INEDs of whom Mr. Fung Wing Lap is a certified public accountant in Hong Kong.

The Company has received, from each of the INEDs, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

董事會 (續)

主席及行政總裁

守則條文A.2.1訂明主席及行政總裁(「行政總裁」)應為獨立角色及不應由同一人擔任。

本公司尚未委任行政總裁。行政總裁之職責亦由本公司主席于品海先生履行。董事會相信，將主席及行政總裁之角色歸於同一人，可使本公司獲得鞏固及貫徹之領導，於業務決策及策略方面可有效及高效率地計劃及執行。

年內，在其他執行董事缺席之情況下，主席與本公司各非執行董事及獨立非執行董事舉行會議，獲得與董事會及本公司事務相關之獨立意見。

非執行董事

守則條文A.4.1訂明，非執行董事應按特定任期委任，並須受重選所規限。

並非所有本公司之非執行董事都按特定任期委任。然而，根據章程，所有非執行董事須受輪值退任規定所規限。因此，董事會認為，已採取足夠措施確保本公司之企業管治實務不低於企業管治守則所訂之標準。

獨立非執行董事

根據上市規則第3.10(1)及3.10(2)條之規定，截至2016年12月31日止年度，本公司已委任三名獨立非執行董事，其中馮榮立先生為香港執業會計師。

本公司已收到各獨立非執行董事根據上市規則第3.13條規定作出之年度獨立性確認。本公司認為所有獨立非執行董事均具獨立性。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS (Continued)

Independent Non-executive Directors (Continued)

Pursuant to Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules and CG Code Provision A.5.1, (i) the Board is required to have at least three independent non-executive directors; (ii) the Board is required to have independent non-executive directors representing at least one third of the Board; (iii) the audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise; (iv) the remuneration committee is required to be chaired by an independent non-executive director and (v) the nomination committee is required to be chaired by the chairman of the board or an independent non-executive director.

Mr. Hu Bin resigned as an independent non-executive director, the chairman of the remuneration committee, and a member of each of the audit committee and the nomination committee of the Company on 3 February 2016. The Company appointed Mr. Xiao Sui Ning as an independent non-executive director, the chairman of the remuneration committee, and a member of each of the audit committee and the nomination committee of the Company on 27 April 2016. Since the Company was not able to identify suitable candidate to take up the vacancy left by Mr. Hu Bin instantly, the Company was not in compliance with the requirements prescribed under Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules and CG Code Provision A.5.1 during the period from 3 February 2016 to 26 April 2016.

Pursuant to Code Provision A.4.3, any further appointment of independent non-executive director serving more than nine years should be subject to a separate resolution to be approved by the shareholders of the Company. Notwithstanding that Prof. Jiang Ping and Mr. Fung Wing Lap have served as an independent non-executive director of the Company for more than nine years, (i) the Board has assessed and reviewed the annual confirmation of independence based on the requirement set out in Rule 3.13 of the Listing Rules and affirmed that Prof. Jiang Ping and Mr. Fung Wing Lap remain independent; (ii) the Nomination Committee of the Company has assessed and is satisfied of the independence of Prof. Jiang Ping and Mr. Fung Wing Lap; and (iii) the Board considers that Prof. Jiang Ping and Mr. Fung Wing Lap remain independent of management and free of any relationship which could materially interfere with the exercise of his independent judgement. Notwithstanding the length of their service, the Company believes that their valuable knowledge and experience in the Group's business will continue to benefit the Company and the shareholders as a whole.

董事會 (續)

獨立非執行董事 (續)

根據上市規則第3.10(1)、3.10A、3.21及3.25條及企業管治守則條文A.5.1，(i)董事會必須至少有三名獨立非執行董事；(ii)董事會中獨立非執行董事人數必須佔董事會成員人數至少三分之一；(iii)審核委員會至少要有三名成員，其中至少一名為具備合適專業資格或會計或相關財務管理專長之獨立非執行董事；(iv)薪酬委員會必須由獨立非執行董事出任主席及(v)提名委員會必須由董事會主席或獨立非執行董事出任主席。

胡濱先生於2016年2月3日起辭任本公司獨立非執行董事、薪酬委員會主席、審核委員會及提名委員會成員。於2016年4月27日，本公司委任肖遂寧先生為本公司獨立非執行董事、薪酬委員會主席、審核委員會及提名委員會成員。由於本公司未能即時物色合適人選，以填補胡濱先生辭任後出現之空缺，本公司於2016年2月3日至2016年4月26日期間未能符合上市規則第3.10(1)、3.10A、3.21及3.25條及企業管治守則條文A.5.1之規定。

根據守則條文A.4.3，任何出任超過九年之獨立非執行董事之續任，應由本公司股東以獨立決議案批准後方可作實。儘管江平教授及馮榮立先生已擔任本公司獨立非執行董事超過九年，(i)董事會已根據上市規則第3.13條所載準則評估及審閱獨立性年度確認書，並確認江平教授及馮榮立先生仍為獨立人士；(ii)本公司提名委員會已評估且滿意江平教授及馮榮立先生之獨立性；及(iii)董事會認為江平教授及馮榮立先生獨立於管理層，亦不存在任何以致嚴重影響彼等行使獨立判斷的關係。儘管彼等服務任期較長，但本公司相信，彼等於本集團業務之豐富知識及經驗將繼續為本公司及股東整體帶來利益。

CORPORATE GOVERNANCE REPORT 企業管治報告

BOARD OF DIRECTORS (Continued)

Directors' Training

According to the Code Provision A.6.5, all directors should participate in a programme of continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. The Company should be responsible for arranging and funding training, placing an appropriate emphasis on the roles, functions and duties of the directors.

From time to time, directors are provided with written materials to develop and refresh their professional skills on the latest development of applicable laws, rules and regulations for the purpose of assisting them in discharging their duties. The Company had received from each of the directors the confirmations on taking continuous professional training during the year, confirming that they have received the handouts in respect of reverse takeover provided by Gerry K.C. Wai & Co., Solicitors and have read the aforesaid training information.

BOARD COMMITTEES

The Board has established three board committees, namely, Audit Committee, Remuneration Committee and Nomination Committee, to oversee particular aspects of the Company's affairs and to assist in the execution of the Board's responsibilities.

Audit Committee

The Company formulated written terms of reference for the Audit Committee in accordance with the requirements of the Listing Rules. During the year ended 31 December 2016 and up to the date of this report, the Audit Committee consisted of all the INEDs as follows:

Mr. Fung Wing Lap (*Chairman of the Audit Committee*)
Prof. Jiang Ping
Mr. Xiao Sui Ning (*appointed with effect from 27 April 2016*)
Mr. Hu Bin (*resigned with effect from 3 February 2016*)

The primary duties of the Audit Committee are to ensure the objectivity and credibility of financial reports and internal control procedures as well as to maintain an appropriate relationship with the external auditor of the Company.

During the year, the Audit Committee held 2 meetings, in particular, to review with management the accounting principles and practices adopted by the Group, the audited financial statements for the year ended 31 December 2015 and the unaudited interim results for the six months ended 30 June 2016, and discussed the auditing, financial control, internal control and risk management systems.

董事會 (續)

董事培訓

根據守則條文A.6.5，全體董事應參與一項增進及重溫其知識及技能之持續專業發展課程，以確保彼等對董事會之貢獻仍屬知情及相關。本公司應負責安排培訓及撥款，適當重申董事之角色、職能及職責。

董事將不時獲提供有關旨在增進及重溫其專業技能之最新發展的適用法例、規則及規例的書面材料，以協助彼等履行其職責。本公司已接獲各董事於年內參加持續專業培訓之確認書，確認彼等接獲韋智理律師行提供反向收購之講義，並已細閱上述培訓資料。

董事委員會

董事會成立三個董事委員會，即審核委員會、薪酬委員會及提名委員會，以監察本公司特定方面之事務及協助董事會履行責任。

審核委員會

根據上市規則之規定，本公司為審核委員會制定書面職權範圍。於2016年12月31日止年度及截至本報告日期，審核委員會由以下全體獨立非執行董事組成：

馮榮立先生(審核委員會主席)
江平教授
肖遂寧先生(於2016年4月27日獲委任)
胡濱先生(於2016年2月3日辭任)

審核委員會之基本職責乃確保財務報告及內部監控程序之客觀性及可信性，以及與本公司之核數師維持適當關係。

年內，審核委員會曾舉行2次會議，與管理層審閱本集團採納之會計準則及實務、截至2015年12月31日止年度之經審核財務報表及截至2016年6月30日止六個月之未經審核中期業績，並檢討有關核數、財務監理、內部監控及風險管理制度事宜。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Remuneration Committee

The Company formulated written terms of reference for the Remuneration Committee in accordance with the requirements of the Listing Rules. During the year ended 31 December 2016 and up to the date of this report, the Remuneration Committee consisted of all the INEDs as follows:

Mr. Xiao Sui Ning (*Chairman of the Remuneration Committee*)
(*appointed with effect from 27 April 2016*)
Prof. Jiang Ping
Mr. Fung Wing Lap
Mr. Hu Bin (*resigned with effect from 3 February 2016*)

The primary duties of the Remuneration Committee is responsible for making recommendations to the Board on the establishing of formal and transparent procedures for developing remuneration policies and the remuneration packages of individual executive directors and senior management. It takes into consideration on salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group.

During the year, the Remuneration Committee held 3 meetings, in particular, to review and recommend to the Board the new directors' appointment, and their remuneration policies and remuneration packages of the Company.

For the year ended 31 December 2016, the emoluments paid or payable to members of senior management was within the following band:

Emolument band	酬金範圍	Number of individuals	
		2016	2015
		2016年	2015年
Nil–HK\$1,000,000	零至 1,000,000 港元	1	1

董事委員會 (續)

薪酬委員會

根據上市規則之規定，本公司為薪酬委員會制定書面職權範圍。於2016年12月31日止年度及截至本報告日期，薪酬委員會由以下全體獨立非執行董事組成：

肖遂寧先生 (薪酬委員會主席)
(於2016年4月27日獲委任)
江平教授
馮榮立先生
胡濱先生 (於2016年2月3日辭任)

薪酬委員會之基本職責乃向董事會提議設立正規而具透明度程序以制訂薪酬政策及個別執行董事及高級管理人員之薪酬待遇，該薪酬政策會考慮同類公司支付的薪酬、須付出的時間及職責以及本集團內其他職位的僱用條件。

年內，薪酬委員會曾舉行3次會議，包括檢討及建議董事會新任董事任命，及其薪酬政策及待遇。

截至2016年12月31日止年度，已付或應付高級管理人員之酬金介乎下列範圍：

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES (Continued)

Nomination Committee

The Company formulated written terms of reference for the Nomination Committee in accordance with the requirements of the Listing Rules. During the year ended 31 December 2016 and up to the date of this report, the Nomination Committee consisted of the directors of the Company as follows:

Mr. Yu Pun Hoi (*Chairman of the Nomination Committee*)
Ms. Chen Dan
Prof. Jiang Ping*
Mr. Fung Wing Lap*
Mr. Xiao Sui Ning* (*appointed with effect from 27 April 2016*)
Mr. Hu Bin* (*resigned with effect from 3 February 2016*)

* INED

The primary duties of the Nomination Committee is responsible for reviewing the structure, size and composition of the Board, identifying individuals suitably qualified to become directors, assessing the independence of INEDs, and make recommendations to the Board on relevant of appointment of directors, and review the board diversity policy annually. The Nomination Committee has the authority given by the Board to seek external professional advice in the selection and recommendation for directorship, when required, fulfilling the requirements for professional knowledge and industry experience of any proposed candidates.

During the year, the Nomination Committee held 3 meetings, in particular, to review and assessment of the independence of all INEDs of the Company; to consider and recommend to the Board for approval the list of retiring directors for re-election at the annual general meeting held on 6 June 2016 (the "2016 AGM"); to review the structure, size and composition of the Board and nominate the new directors.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision.

Procedure for Nomination of Directors

When there is a vacancy in the Board, the Nomination Committee evaluates the balance of skills, knowledge and experience of the Board, and identifies any special requirements for the vacancy. The Nomination Committee will then identify suitable candidates and convene a Nomination Committee meeting to discuss and vote on the nomination of directors and make recommendation to the Board on the candidate(s) for directorship.

董事委員會 (續)

提名委員會

根據上市規則之規定，本公司為提名委員會制定書面職權範圍。於2016年12月31日止年度及截至本報告日期，提名委員會由以下本公司董事組成：

于品海先生 (*提名委員會主席*)
陳丹女士
江平教授*
馮榮立先生*
肖遂寧先生* (*自2016年4月27日起獲委任*)
胡濱先生* (*自2016年2月3日起辭任*)

* 獨立非執行董事

提名委員會之基本職責乃檢討董事會的架構、人數及組成、物色適當人士擔任董事、評核獨立非執行董事之獨立性、就委任董事向董事會提出建議，及每年檢討董事會多元化政策。董事會已授權提名委員會，於必要時可就有關任何建議人選之專業知識及業界經驗之符合要求在挑選及推薦董事人選之事宜尋求外部專業意見。

年內，提名委員會曾舉行3次會議，包括檢討並評估本公司全體獨立非執行董事的獨立性；考慮並建議董事會通過輪值退任的董事於2016年6月6日舉行的股東週年大會（「2016年股東週年大會」）上膺選連任；檢討董事會架構、人數及組成及提名新任董事。

提名委員會將以下標準評估候選人或現職者，例如誠信、經驗、技能及投入時間及努力執行職責的能力。提名委員會作出推薦供董事會決定。

提名董事程序

當董事會出現空缺時，提名委員會將評估董事會所需技巧、知識及經驗，並識別空缺是否存在任何特殊要求。提名委員會將識別合適人選並召開提名委員會會議，就提名董事進行討論及投票，並向董事會推薦擔任董事的人選。

CORPORATE GOVERNANCE REPORT

企業管治報告

Criteria for Nomination of Directors

The Nomination Committee will consider candidates who possess the particular skills, experience and expertise that will best complement the Board effectiveness at that time.

In considering the overall balance of the Board's composition, the Nomination Committee will give due consideration to the board diversity policy of the Company.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy in relation to the nomination and appointment of new directors, which sets out the selection of board candidates shall be based on a range of diversity perspectives with reference to the Company's business model and specific needs, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience. Board appointments will continue to be made on a merit basis and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Nomination Committee will give consideration to the board diversity policy when identifying suitably qualified candidates to become members of the Board, and will review the board diversity policy, so as to develop and review measurable objectives for the implementing the board diversity policy and to monitor the progress on achieving these objectives.

The directors' biographical information is set out on pages 18 to 21 under the heading "Biographical Details of Directors and Senior Management". The Nomination Committee reviewed the board diversity policy and recommended the Board that the existing Board was appropriately structured and no change was required.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the duties on corporate governance functions set out below:

- To develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- To review and monitor the training and continuous professional development of directors and senior management;
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- To develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- To review the Company's compliance with the code and disclosure in the Corporate Governance Report.

提名董事的標準

提名委員會將考慮具備能夠最佳輔助促進董事會效率的個別技能、經驗及專業知識的人選。

提名委員會於考慮董事會組成的整體平衡時，將適當顧及本公司董事會多元化政策。

董事會成員多元化政策

董事會已採納有關提名及委任新董事的董事會成員多元化政策。當中載明甄選董事會成員候選人將以一系列多元化範疇為基準，並參考本公司的業務模式和特定需求，包括但不限於性別、年齡、種族、語言、文化背景、教育背景、行業經驗和專業經驗。董事會成員委任乃基於用人唯才，而為有效達致董事會成員多元化，將考慮候選人的客觀條件。提名委員會將於物色合適且符合資格的候選人成為董事會成員時考慮董事會成員多元化政策，並檢討董事會成員多元化政策的計量目標，及監察達致該等目標的進度。

董事之履歷資料載於第18至21頁「董事及高級管理人員履歷詳情」一節。經提名委員會檢討，董事會成員多元化政策及建議董事會現有董事會架構合理，毋須作出改動。

企業管治職能

董事會負責履行下列企業管治職能責任：

- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- 檢討本公司遵守守則的情況及在企業管治報告內的披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

NUMBER OF MEETINGS AND DIRECTORS' ATTENDANCE

The attendance record of each director at the Board, board committee meetings and general meetings of the Company held for the year ended 31 December 2016 is set out in the table below:

召開會議次數及董事出席記錄

下表列示各董事出席截至2016年12月31日止年度舉行之本公司董事會會議、董事委員會會議及股東大會之情況：

Name of Director	董事姓名	Attendance/Number of meetings						Continuous Professional Development
		Board Meeting	General Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	Continuous Professional Development	
		董事會會議	股東大會	審核委員會會議	薪酬委員會會議	提名委員會會議	持續專業發展	
Executive Directors 執行董事								
Mr. Yu Pun Hoi	于品海先生	5	1	N/A 不適用	N/A 不適用	3	✓	
Ms. Chen Dan	陳丹女士	6	-	N/A 不適用	N/A 不適用	3	✓	
Ms. Liu Rong	劉榮女士	5	-	N/A 不適用	N/A 不適用	N/A 不適用	✓	
Mr. Chen Ming Fei (Note 1)	陳鳴飛先生(附註1)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	✓	
Non-executive Director 非執行董事								
Mr. Lam Bing Kwan	林秉軍先生	6	1	N/A 不適用	N/A 不適用	N/A 不適用	✓	
Mr. Wang Gang (Note 2)	王鋼先生(附註2)	5	1	N/A 不適用	N/A 不適用	N/A 不適用	✓	
Independent Non-executive Directors 獨立非執行董事								
Prof. Jiang Ping	江平教授	6	-	2	3	3	✓	
Mr. Fung Wing Lap	馮榮立先生	6	1	2	3	3	✓	
Mr. Xiao Sui Ning (Note 3)	肖遂寧先生(附註3)	3	1	1	1	1	✓	
Mr. Hu Bin (Note 4)	胡濱先生(附註4)	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用		
Number of meetings held during the year	年內召開會議次數	6	1	2	3	3		

Notes:

- Mr. Chen Ming Fei was appointed with effect from 9 December 2016.
- Mr. Wang Gang resigned with effect from 9 December 2016.
- Mr. Xiao Sui Ning was appointed with effect from 27 April 2016.
- Mr. Hu Bin resigned with effect from 3 February 2016.

附註：

- 陳鳴飛先生自2016年12月9日起獲委任。
- 王鋼先生自2016年12月9日起辭任。
- 肖遂寧先生自2016年4月27日起獲委任。
- 胡濱先生自2016年2月3日起辭任。

CORPORATE GOVERNANCE REPORT 企業管治報告

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS AND AUDITOR'S REMUNERATION

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements.

The directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2016.

The statement of the external auditor of the Company about its reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 78 to 84.

The remuneration paid to the external auditors of the Group in respect of audit services and non-audit services for the year ended 31 December 2016 amounted approximately to HK\$2,937,000 and Nil respectively. An analysis of the remuneration paid to the external auditors of the Group is set out in note 8 to the financial statements.

COMPANY SECRETARY

The Company engaged Mr. Chiu Ming King, the executive director of Corporate Services of Vistra Corporate Services (HK) Limited, external service provider, as its company secretary. His primary contact at the Company is Ms. Zhao Lei of the Finance Department of the Company.

In compliance with Rule 3.29 of the Listing Rules, during the year ended 31 December 2016, Mr. Chiu has taken no less than 15 hours of relevant professional trainings to update his skills and knowledge.

有關財務報表之責任及核數師酬金

根據上市規則及其他監管規定，董事會負責在年度報告、中期報告、涉及內幕消息事宜之公告及其他須披露資料內作出平衡、清晰及容易理解之評述。

董事得知彼等於編製本公司截至2016年12月31日止年度財務報表應負之責任。

本公司外聘核數師就其關於財務報表之呈報責任發表之聲明載於第78至84頁之「獨立核數師報告」中。

截至2016年12月31日止年度，付予本集團外聘核數師之核數服務及非核數服務之酬金分別約為2,937,000港元及無。付予本集團外聘核數師之酬金分析載於財務報表附註8。

公司秘書

本公司委任外部服務提供者Vistra Corporate Services (HK) Limited企業服務執行董事趙明璟先生為其公司秘書。其於本公司之主要聯絡人為本公司財務部之趙蕾女士。

遵照上市規則第3.29條，於截至2016年12月31日止年度，趙先生已接受不少於15小時之相關專業培訓，以提升其技能及知識。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS

1. Procedures for shareholders to convene a general meeting ("GM")

As per Section 566 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong ("Companies Ordinance"), the directors of the Company are required to call a GM if the Company has received requests to do so from the shareholders of the Company representing at least 5% of the total voting rights of all the shareholders having a right to vote at general meetings.

The request:

- (a) must state the general nature of the business to be dealt with at the GM;
- (b) may include the text of a resolution that may properly be moved and is intended to be moved at the GM and may consist of several documents in like form;
- (c) may be sent to the Company in hard copy form at 12/F, The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, the registered office of the Company or in electronic form by email at info@sino-i.com;
- (d) must be authenticated by the person or persons making it; and
- (e) must be verified with the share registrar of the Company, and upon the share registrar's confirmation that the request is proper and in order, the Company Secretary will notify the Board to convene a GM by serving proper notice in accordance with the statutory requirements to all the registered shareholders of the Company. On the contrary, if the request has been verified as not in order, the requesting shareholders will be informed of this outcome and accordingly, a GM will not be convened as requested.

If the Board does not within 21 days from the date of the deposit of the requests proceed duly to convene a GM for a day not more than 28 days after the date on which the notice convening the GM is given, the requesting shareholders, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a GM which shall be convened in the same manner, as nearly as possible, as that in which GMs are to be convened by the Board, but any GM so convened shall not be held after the expiration of 3 months from the said date.

股東權利

1. 股東召開股東大會(「股東大會」)之程序

根據香港法例第622章《公司條例》(「公司條例」)第566條，如本公司收到佔全體有權在股東大會上表決的股東的總表決權最少5%的本公司股東的要求，要求召開股東大會，則本公司董事須召開股東大會。

該要求：

- (a) 必須列明在股東大會上處理的事務的一般性質；
- (b) 可包含可在該股東大會上恰當地動議並擬在該股東大會上動議的決議案的文本及可包含若干份格式相近的文件；
- (c) 可採用印本形式送交本公司註冊辦事處香港新界荃灣沙咀道6號嘉達環球中心12樓，或以電子形式電郵至info@sino-i.com；
- (d) 必須經提出該要求的人士認證；及
- (e) 必須由本公司股份過戶登記處核實，在確定為適當及符合程序後，公司秘書將要求董事會召開股東大會，並按照法定要求給予本公司所有登記股東充分的通知期。反之，若有關要求經核實為不符合程序，提出要求的股東將獲知會結果，而本公司亦不會按要求召開股東大會。

若董事會在該要求送交日期起計21天內，未有在召開股東大會通告發出日期後不超過28天內正式召開股東大會，則該等提出要求的股東或佔其全體一半以上總表決權者，可自行召開股東大會，由提出要求的股東召開的會議，須盡可能以接近由董事會召開會議的方式召開，惟如此召開的股東大會不得在上述日期起計3個月屆滿後舉行。

CORPORATE GOVERNANCE REPORT

企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

2. Procedures for putting forward proposals at shareholders' meeting

Pursuant to Section 615(2) of the Companies Ordinance, the Company must give notice of a resolution if it has received requests from the following number of shareholders:

- (a) the shareholders of the Company representing at least 2.5% of the total voting rights of all the shareholders who have a right to vote on the resolution at the AGM to which the requests relate; or
- (b) at least 50 shareholders who have a right to vote on the resolution at the AGM to which the requests relate.

The request (i) may be sent to the Company in hard copy form at the registered office of the Company, 12/F, The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong or in electronic form by email at info@sino-i.com; (ii) must identify the resolution of which notice is to be given; (iii) must be authenticated by the person or persons making it; and (iv) must be received by the Company not later than 6 weeks before AGM to which the requests relate; or if later, the time at which notice is given of that meeting.

In addition, the request will be verified with the share registrar of the Company, and upon the share registrar's confirmation that the request is proper and in order, the Company Secretary will notify the Board for including the resolution in the agenda for the AGM.

Pursuant to Section 616 of the Companies Ordinance, the Company that is required under Section 615 to give notice of a resolution must send a copy of it at the Company's own expense to each shareholder of the Company entitled to receive notice of the AGM in the same manner as the notice of the meeting; and at the same time as, or as soon as reasonably practicable after, it gives notice of the meeting.

股東權利(續)

2. 於股東大會上提呈建議之程序

根據公司條例第615(2)條，如本公司收到以下股東的要求，要求發出某決議案的通知，則須發出該通知：

- (a) 佔全體有權在該要求所關乎的股東週年大會上，就該決議案表決的股東的總表決權最少2.5%的本公司股東；或
- (b) 不少於50名有權在該要求所關乎的股東週年大會上就該決議案表決的股東。

該要求(i)可採用印本形式送交本公司註冊辦事處香港新界荃灣沙咀道6號嘉達環球中心12樓或以電子形式電郵至 info@sino-i.com；(ii)須指出有待發出通知所關乎的決議案；(iii)須經所有提出該要求的人認證；及(iv)該要求須於所關乎的股東週年大會舉行前的6個星期之前或(如在上述時間之後送抵本公司的話)該股東大會的通知發出之時送抵本公司。

此外，該要求須經由本公司股份過戶登記處核實，在確定為適當及符合程序後，公司秘書將要求董事會將有關決議案納入股東週年大會的議程。

根據公司條例第616條，本公司須根據第615條就某決議案發出的通知須按發出有關股東週年大會的通知的同樣方式；及在發出該股東大會的通知的同時，或在發出該股東大會的通知後，在合理的切實可行的範圍內盡快自費將該決議案的通知的文本，送交每名有權收到該股東週年大會通知的本公司股東。

CORPORATE GOVERNANCE REPORT 企業管治報告

SHAREHOLDERS' RIGHTS (Continued)

3. Shareholders' enquiries

Shareholders should direct their questions about their shareholdings to the share registrar of the Company. Shareholders may at any time send their enquiries and concerns to the Board in writing at the Company's registered office at 12/F., The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong, or to the Company by email at info@sino-i.com. Shareholders may also make enquiries with the Board at the GM/AGM.

The details of the rights of shareholders of the Company can be found in the Company's website at www.sino-i.com.

INVESTOR RELATIONS

The Company is committed to safeguard shareholders' interests and believes that effective communication with shareholders and other stakeholders is essential for enhancing investor relations and investor understanding of the business performance and strategies of the Group.

The Board adopted a Shareholders Communication Policy which aims to set out the provisions with the objective of ensuring that the shareholders of the Company and potential investors are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders of the Company to exercise their rights in an informed manner, and to allow shareholders of the Company and potential investors to engage actively with the Company.

The Company endeavours to disclose all material information about the Group to all interested parties on a timely basis. All such publications together with additional information of the Group are timely updated on the Company's website at www.sino-i.com.

CONSTITUTIONAL DOCUMENTS

There is no significant change in the Company's constitutional documents during the year.

股東權利(續)

3. 股東查詢

股東應直接向本公司股份過戶登記處提出有關其股權之疑問。股東可隨時以書面形式將其查詢及問題送達本公司註冊辦事處香港新界荃灣沙咀道6號嘉達環球中心12樓遞交致董事會或透過電郵地址info@sino-i.com致本公司。股東亦可在本公司之股東大會／股東週年大會上向董事會作出查詢。

有關本公司股東權利的詳情，請瀏覽本公司網站www.sino-i.com。

投資者關係

本公司致力保障股東權益，並相信與股東及其他利益相關者進行有效溝通對鞏固投資者關係以至投資者對本集團業務表現及策略之理解極為重要。

董事會已採納股東通訊政策，其所載條文旨在確保本公司股東及有意投資者可適時取得本公司之全面、相同及容易理解之資料，一方面使本公司股東可在知情情況下行使權力，另一方面讓本公司股東及有意投資者能積極地與本公司聯繫。

本公司致力適時向所有有關各方披露所有有關本集團之重大資料。所有發佈及本集團之額外資料於本公司網站www.sino-i.com定期更新。

章程文件

年內，本公司組織章程文件並無任何重大變動。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems and reviewing their effectiveness at least annually through the Audit Committee. The Audit Committee assists the Board in monitoring the risk exposures and the operating effectiveness of the underlying risk management and internal control systems.

The Company assists the management in identifying, assessing, responding, monitoring and reporting corresponding risks through risk management and internal control structure. The system aims at managing instead of eliminating the risks of unfulfilled business goals that reasonably but not absolutely prevents the impact of material risks.

RISK MANAGEMENT STRUCTURE

The Company has established a sound risk management and internal control structure, adopting a top-down organizational structure from the Board to the specific internal control units with well-defined duties. The Group's Internal Audit Department assists the Board and/or the Audit Committee in the ongoing review of the effectiveness of the Group's risk management and internal control systems. The Board, through these committees, is regularly informed of significant risks that may impact on the Group's performance.

風險管理及內部監控

董事會知悉其監管本集團的風險管理及內部監控系統的責任，以及透過審核委員會至少每年檢討其成效。審核委員會協助董事會監察集團承受的風險水平、有關之風險管理和內部監控系統的運作成效。

本公司通過風險管理及內部控制的架構，協助管理層識別、評估、應對、監控、彙報相應的風險。該等系統旨在管理而非消除未能達成業務目標的風險，只合理而非絕對保證可防範重大風險的影響。

風險管理架構

本公司建立一個良好的風險管理及內部監控結構，搭建了從董事會到具體內控崗位的自上而下、職責明確的組織架構。本集團內部審計部協助董事會及／或審核委員會持續檢討本集團風險管理及內部監控系統的成效。董事會透過該等委員會定期獲悉可能影響本集團表現的重大風險。



CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT STRUCTURE (Continued) 風險管理架構(續)



CORPORATE GOVERNANCE REPORT

企業管治報告

CONTROL APPROACH AND TOOLS

During the year, the management analyzed the control environment and the risks identified, and implemented various controls measures.

- i. **approach taken:** the management conducts interviews with relevant staff members, reviews relevant documentation of the internal control system and evaluates findings of any deficiencies in the design of the Group's internal control system, provides recommendations for improvement and assesses the effectiveness of such recommendations, where appropriate. The scope and findings of review on the risk management and internal control are reported to and reviewed by the Audit Committee annually.
- ii. **management information systems and technologies:** such systems and technologies are employed to keep track of the inputs and outputs of the Group's operations, such as financial data system and human resources. They are also employed to track the audit process in the authorization system, in which permissions and responsibility of authorisation are clearly identified and adequate records can be maintained in the system.
- iii. **reports and variance analysis:** such reports and analysis of each segment are conducted on a regular basis such that the performance of each segment can be easily accessible.
- iv. **audit and supervision:** in 2016, the Internal Audit Department reestablished or optimized the internal control management system of the Company according to the business features and issues faced by the Company in operation. Emphasis is put on the risk control management of the entire product development process from research and development, production and launch for sale. Management controls include market risks assessment and competition analysis during production process, project review at all stages of research and development, budgeting and cost control, recruitment plans and procurement management. In case the Internal Audit Department identifies defects and weaknesses of the internal control system and comes up with timely improvements. By doing so, potential risks in relation to operation and management can be avoided and the corporate governance as well as economic benefits can be enhanced.

監控方法及方式

於本年度內，管理層已對監控環境及其相關已識別風險作分析，並就此實施多項監控。

- i. **所採取方法：**管理層與相關員工進行面談，並審閱內部監控系統相關文件及評估本集團內部監控系統設計中所發現之任何不足，就改善措施提供推薦建議及評估實施有關推薦建議之有效性(倘適用)。對風險管理及內部監控審閱的範圍及結果會每年呈報審核委員會並經其審核。
- ii. **管理信息系統及技術：**此用於控制業務活動，允許密切追蹤本集團業務之輸入及輸出，如財務數據系統及人力資源。其亦於授權系統追蹤審核程序，據此，授權許可及責任獲明確識別及該系統可維持足夠記錄。
- iii. **報告及差異分析：**定期對各分部進行有關報告及分析，故可易於瞭解各分部之表現。
- iv. **審計監督：**2016年度，內部審計部依據公司業務特點和經營中面臨的問題，重新制定或完善了公司內部控制管理制度，重點圍繞產品研發過程從產品立項到產品上市整個過程的風險管控；包括產品立項階段的市場風險評估，競爭分析，以及產品研發各階段的項目評審，預算成本控制，人員招聘計劃，採購管理等全流程的管理控制，找出內部控制體系的缺陷及薄弱環節，及時加以改進，以達成防範經營管理中潛在風險，並提升企業管治和經濟效益之目的。

CORPORATE GOVERNANCE REPORT 企業管治報告

RISK MANAGEMENT

As an important element of quality corporate governance, the overall risk management process is overseen by the Board through the Audit Committee. Rather than a separate and standalone process, risk management is integrated into the business and decision-making processes, including strategy formulation, business planning, capital allocation, investment decisions, internal control and day-to-day operations.

The management is entrusted with duties to identify, analyze, evaluate, respond, monitor and communicate risks associated with any activity, function or process within its terms of reference. It endeavours to evaluate the level of risk and compare it against the predetermined levels of risk acceptable to the Company. For risk control and monitoring, it involves making decisions regarding acceptable risks and the ways to address unacceptable risks. The management will develop contingency plans for possible loss scenarios. Incidents and other situations incurring actual or potential loss will be investigated and properly documented as part of the effort to manage risks.

RISK EXPOSURES

The following illustrates the major risks of the Group.

Risks relating to technical upgrading — the Company is a technology-intensive company and its profitability depends largely on “Internet+”, cloud computing, big data and other related technologies, which affect the Company’s competitiveness directly. If the Company could not upgrade its technology in time or development new technology to meet market demand in the future, the Company will be exposed to declining profitability and loss of customers, which in return will adversely affect the Company’s operation. The Company is exposed to technical upgrade risk. In view of the above risks, the Company will put more efforts in research and development and enhance business structure. The Company will also recruit high-calibre research personnel and optimize the composition of our research staff, providing technical support for product innovation and business growth of the Company.

風險管理

董事會透過審核委員會監督集團的整體風險管理程序，是我們優良企業管治的重要一環。本公司深明風險管理不是分割、獨立的流程，而是納入各項業務及決策流程中，包括戰略制定、業務規劃、資金分配、投資決定、內部監控和日常運營。

管理層獲委派於其責任及權力範圍內識別、分析、評估、應對、監控及傳達與任何活動、職務或程序有關風險。其致力評估風險水平並與預先釐定之可接納風險水平進行比較。就風險監控及監管而言，其涉及對可接納風險及如何應對非可接納者作出決定。管理層將對可能出現之損失情況制定應急方案。造成損失或險些造成損失的事故及其他情況將被調查及妥為存檔作為致力管理風險之一部分。

風險狀況

下列各項闡述本集團數項主要風險。

技術升級風險 — 本公司屬技術密集型行業，與互聯網+、雲計算和大數據等相關的技術很大程度的決定了公司的盈利能力，進而直接影響到公司競爭力。未來如本公司不能及時實現技術的升級，或開發出滿足市場需求的新技術，公司將面臨盈利能力下降、客戶流失的風險，從而給公司經營帶來不利影響。本公司面臨一定的技術升級風險。針對上述風險，本公司將加大研發投入力度、豐富業務結構，同時引進高端研發人才，優化研發人員結構，為公司產品的創新和業績的增長提供技術保障。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK EXPOSURES (Continued)

Risks of talent loss — the research and development as well as innovation of the Company rely on core technical staff and key management personnel. The Company has a huge demand for experienced high-calibre talents to catch up with the rapid development of the Company's business but the competition for talents is increasingly keen. The ability to retain technical staff and recruit talents is the key for the Company to maintain its market position and sustainable development. Although the Company attaches great importance to the career opportunities and incentive schemes for core technical staff, loss of our core industrial, product, operational, technical and managerial personnel in the future will have a negative impact of the Company. In view of the above risks, to retain talents for the business development of the Company, the Company has adopted or will adopt the following measures, which mainly includes: 1. internal promotion mechanism: to establish a sound promotion system to develop career paths for competent employees with positive working attitude and innovative spirits to utilize and grow their enthusiasm and expertise; 2. internal training mechanism: to set up training programmes to enhance the skills, all-rounded abilities and competitiveness of employees through internal and external training course; and 3. good remuneration package: to offer a competitive remuneration package and incentive schemes to further enhance and optimize the remuneration management systems of the Company.

Exchange risk — the Group is exposed to fluctuation in exchange rates as the Group's revenue is denominated in Renminbi while Hong Kong dollars are the reporting currency of the Group. The management will closely monitor the exchange exposure in order to keep the net exposure at an acceptable level and will consider hedging significant foreign currency exposure should the need arises.

INTERNAL CONTROL

The Internal Audit Department is assigned with the task to perform regular reviews on the Group's internal control systems in respect of operational, financial and compliance aspects and will report the audit review findings or irregularities, if any, to the management and advise on the implementation of steps and actions required to enhance the Group's internal controls. The result of internal audit reviews and agreed action plans are reported to the Audit Committee and the Board.

風險狀況(續)

人才流失風險 — 本公司的研發、創新依賴於核心技術人員和關鍵管理人員，隨著公司業務的迅速發展，對具有豐富經驗的高端人才需求增大。人才競爭日益激烈，能否維持技術人員隊伍的穩定並不斷吸引優秀人才的加盟是本公司能否在行業內保持現有市場地位和是否具有持續發展能力的關鍵。雖然本公司十分重視核心技術人員成長和激勵，但如果未來公司核心的行業、產品、運營、技術和管理人才流失，將會對公司產生不利影響。針對上述風險，為穩定公司業務發展所需人才，本公司已採取或擬採取的措施主要包括：1. 內部晉升機制：公司建立健全員工崗位晉升制度，對有能力、工作主動積極、有創新精神的人才，公司及時予以提拔，充分發揮員工的創作積極性和工作潛能；2. 內部培養機制：公司制定培訓計劃，通過內部與外部相結合的培訓方式，提升員工的工作技能和綜合素養，使其成為具有競爭力的綜合性人才；及3. 良好的福利待遇：積極建立有競爭力的工資薪酬制度和激勵制度，進一步完善優化公司的薪酬管理體系等。

匯率風險 — 本集團收入主要以人民幣計值，匯報貨幣為港幣，故此面臨外匯匯率波動風險。管理層會密切監控外匯風險並將淨風險維持在可接受水平，並將於必要時考慮對沖重大外匯風險。

內部監控

內部審計部被委派定期檢討本集團有關經營、財務及合規方面的內部監控系統，並向管理層報告審核檢討結果或不規範行為(如有)及就實施必要步驟及行動以提高本集團內部控制向彼等提供意見。內部審核檢討之結果及經協議之執行計劃乃向審核委員會及董事會匯報。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL (Continued)

Apart from reviewing the systems, the Audit Committee has also reviewed and is satisfied with the adequacy of resources, qualifications and experiences of staff of the Company's accounting and financial reporting function, and their training programs and budget. The Board acknowledges that the management has been progressively implementing an adequate internal control system to ensure the effective functioning of the Group's operational, financial and compliance areas, including the following key measures, policies and procedures:

i. **financial reporting management:**

- proper controls are in place to ensure the maintenance of a complete, accurate and timely record of accounting and management information;
- regular reports on revenue and ageing analysis of receivables and internal financial reports giving a balanced and understandable assessment of the Group's financial performance are prepared for the management;
- quarterly updates on internal financial statements giving a balanced and understandable assessment of the Group's performance, financial position and prospects in sufficient details are provided to all Directors; and
- annual audit is carried out by external auditor to ensure that the consolidated financial statements are prepared in accordance with generally accepted accounting principles, the Group's accounting policies and the applicable laws and regulations.

ii. **the mechanism and procedures on disclosure of inside information** to ensure, with the assistance of an internal work team (if required), that any material information which comes to the knowledge of any one or more officers should be promptly identified, assessed and forwarded to the Board (if appropriate);

iii. **the policies and practices on compliance with legal and regulatory requirements** which shall be reviewed and monitored regularly by the Audit Committee designated by the Board;

內部監控(續)

除檢討該等系統外，審核委員會亦已檢討本公司會計及財務匯報職能之資源、員工資格及經驗以及彼等之培訓計劃及預算之充足性並對此感到滿意。董事會知悉，管理層已逐步實施充分內部監控系統以確保本集團之營運、財務及合規範疇之有效運作，包括下列主要措施、政策及程序：

i. **財務報告管理：**

- 已建立適當的監控程序，確保全面、準確及適時記錄會計及管理資料；
- 定期為管理層編製收入及應收貸款賬齡的報告和內部財務報告，以提供本集團財務表現的持平及易於理解的評估；
- 每季度向全體董事提供內部財務報表的更新，以提供本集團表現、財務狀況及前景的持平及易於理解的評估，並具有充足詳情；及
- 外部核數師進行年度審核以保證綜合財務報表的編製符合公認會計準則、本集團的會計政策及適用法律及法規。

ii. **內幕消息披露機制及程序**，以在內部工作組(如需要)協助下，確保任何一名或多名高級人員得悉的任何重大資料須予及時識別、評估及提交(倘適用)董事會；

iii. **有關遵守法律及監管規定之政策與常規**，由董事會委派之審核委員會定期檢討及監督；

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL (Continued)

- iv. the Audit Committee designated by the Board to monitor, control and regularly review **continuing connected transactions** of the Company and ensure proper compliance with all relevant laws and regulations, the Listing Rules and the disclosure requirements; and
- v. a **whistle-blowing policy** for employees of the Group and those who deal with the Group (e.g. customers and suppliers) to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters. The Group encourages reporting with real names and implements award policy if the reported suspicion is proved to be the case. Such arrangement will be reviewed by the Audit Committee to ensure that proper arrangement is in place for fair and independent investigation into the matters.

The Board and the Audit Committee have reviewed the Group's systems and are not aware of any significant issues that would have an adverse impact on the effectiveness and adequacy of the systems, accordingly consider the systems effective and adequate.

內部監控 (續)

- iv. 由董事會委派之審核委員會監察、控制及定期檢討本公司之**持續關連交易**，確保妥為遵守一切相關法律及法規，上市規則以及披露規定；及
- v. 設立**舉報政策**以讓本集團僱員及其他與本集團有往來者（如客戶及供應商）可暗中及保密的情況下就財務匯報、內部監控或其他事宜中的可能不當行為提出關注。鼓勵實名舉報，實行查實有獎政策。該等安排將由審核委員會檢討，確保有恰當安排就有關事項進行公平及獨立之調查。

董事會及審核委員會已審閱本集團之系統，亦並無知悉任何可能對本集團之該等系統的有效性及其充足性產生不利影響的重大問題，故此認為該等系統有效充足。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

This Environmental, Social and Governance Report is prepared in accordance with the “Environmental, Social and Governance Reporting Guide” set out in Appendix 27 of the Listing Rules and covers the policies, measures and performance regarding environmental, social and governance issues of the Company and its subsidiaries during the year ended 31 December 2016. During the year, the Company has complied with the “comply or explain” provisions set out in the “Environmental, Social and Governance Reporting Guide”.

The Company incorporated its sustainable development ideology into the business of the Group, with its focus on promoting the establishment of e-commerce and informatization process of SMEs in the PRC, forming a smart Chinese enterprise. During this process, we grew and developed together with our partners, realizing the social value of the Group and strengthening our corporate image.

1. COMMUNICATION BETWEEN STAKEHOLDERS

Stakeholders which are material to the Group, have been identified based on business nature and operating characteristics, in order to clarify the demand of the stakeholders, perfect the communication mechanism with them and enhance the transparency of our operation.

The Group receives relevant enquiries about the Company from investors/analyst, the relevant enquiries are then passed to the Company to provide feedback to the investors/analyst so as to create a channel for communication between the Company and the investors/analyst and maintain their relationship. The Group has established a data base to record the message between the Company and the relevant parties to keep them in touch. The data base will be updated regularly by the relevant enquiries and communication with the investors/analyst in our regular course.

本環境、社會及管治報告乃根據上市規則附錄二十七所載「環境、社會及管治報告指引」編製，涵蓋本公司及其附屬公司於截至2016年12月31日止年度有關環境、社會及管治方面的政策、措施及表現。年內，本公司已遵守「環境、社會及管治報告指引」所載的「不遵守就解釋」條文。

本公司將可持續發展理念融入本集團的業務中，專注於推動中國中小企業的電子商務與信息化進程，打造智能型的中國企業。在這一過程中與合作夥伴共同成長，共同發展，實現本集團的社會價值，強化企業形象。

1. 利益相關方溝通

結合業務類型及運營特點，識別了本集團重要的利益相關方，明確了各利益相關方的需求，完善了利益相關方溝通機制，提升運營透明度。

本集團接受投資者／分析師對公司的相關查詢，將相關查詢轉告公司並向投資者／分析師反饋，建立公司與投資者／分析師的溝通橋樑，與其維持良好關係。本集團建立了專屬數據庫，儲存與公司有關人士的信息，保持聯繫，並在日常與投資者／分析師的相關查詢和溝通中，對數據庫不斷更新。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1. COMMUNICATION BETWEEN STAKEHOLDERS (Continued)

The following table sets out the stakeholders identified by the Group and their expectation:

1. 利益相關方溝通 (續)

本集團識別的利益相關方及其期望如下表：

Stakeholders 利益相關方	Expectations and requirements 期望與要求	Communication and feedback 溝通與回應方式	
Customers 客戶	<ul style="list-style-type: none"> Operating integrity 誠信運營 Quality products 高品質產品 Excellent services 優質服務 	<ul style="list-style-type: none"> Contract performance 合同履約 Customers feedback 顧客反饋 	<ul style="list-style-type: none"> Commercial communication 商務溝通 Satisfaction survey 滿意度調查
Shareholders 股東	<ul style="list-style-type: none"> Revenue return 收益回報 Operation compliance 合規運營 	<ul style="list-style-type: none"> Annual report 年度報告 Group announcement 集團公告 	<ul style="list-style-type: none"> Special report 專題彙報
Suppliers 供應商	<ul style="list-style-type: none"> Honest and trustworthy 誠實守信 Open and fair 公開公正 	<ul style="list-style-type: none"> Annual report 年度報告 Comply with contract 信守合同 	<ul style="list-style-type: none"> Make purchase subject to the regulations 合規採購
Industry 行業	<ul style="list-style-type: none"> Set up industry standard 行業標準制訂行業引領 Enhance management level of the industry 提升行業管理水平 	<ul style="list-style-type: none"> Participating in the industry forum 參與行業論壇 	<ul style="list-style-type: none"> Inspection and visiting 考察互訪
Media 媒體	<ul style="list-style-type: none"> Publication of information 信息公開 	<ul style="list-style-type: none"> Group announcement 集團公告 	<ul style="list-style-type: none"> Interview 接受採訪
Staff 員工	<ul style="list-style-type: none"> Occupational health 職業健康 Remuneration and benefits 薪酬福利 Career development 職業發展 Humanistic caring 人文關懷 	<ul style="list-style-type: none"> Staff representative meeting 職工代表大會 Letters and visiting 信訪 	<ul style="list-style-type: none"> Views collection box 建議箱
Government and regulatory authority 政府及監管機構	<ul style="list-style-type: none"> Promote employment 促進就業 Make tax payment according to law 依法納稅 	<ul style="list-style-type: none"> Issue of report regularly 定期發佈報告 Offer of position 提供就業崗位 	<ul style="list-style-type: none"> Make tax payment on own initiative 主動納稅
Community 社區	<ul style="list-style-type: none"> Improvement of environment 改善社區環境 Supporting community welfare 支持社區公益 	<ul style="list-style-type: none"> Community meeting 社區溝通會 	<ul style="list-style-type: none"> Visiting 互訪

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

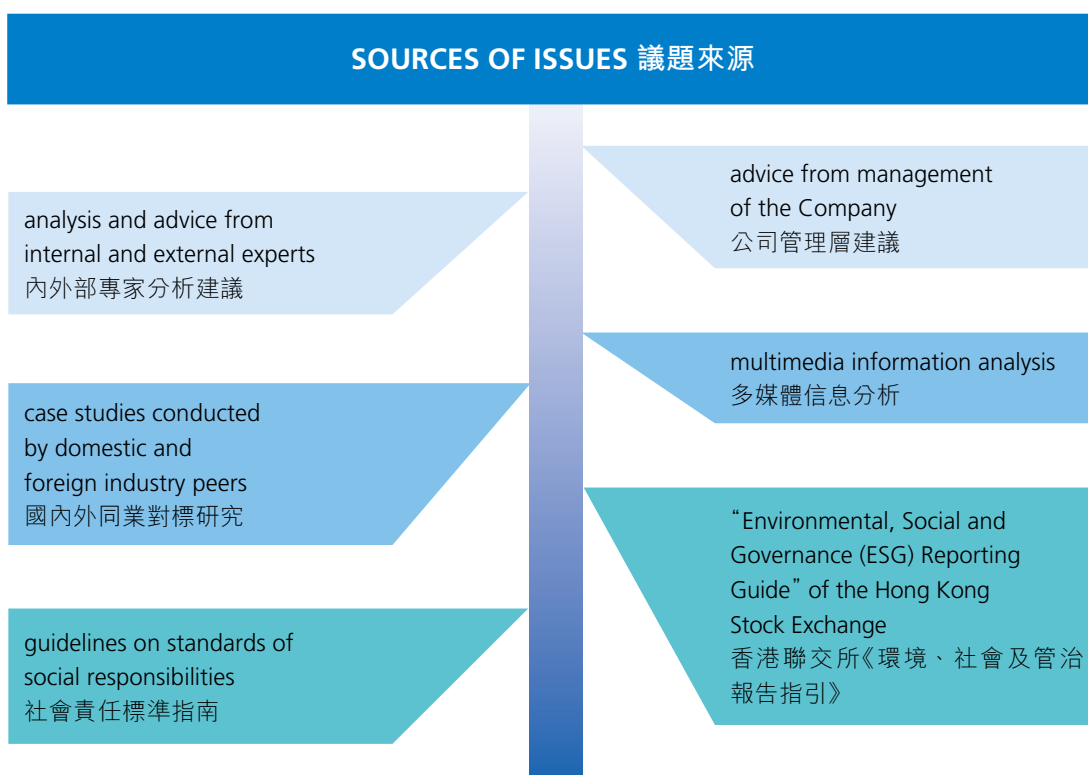
2. IDENTIFICATION OF MAJOR ISSUES

In the course of daily operations, all functional departments and staff of the Group take initiatives to obtain feedbacks, recommendations and needs from its stakeholders and strive to give prompt response in return. On this basis and with reference to a large amount of disclosure information of benchmark enterprises in the industry in respect of sustainable development, its strategic development plan and key concerns raised by the public represented by the media, the Group has made material judgments on the environmental, social and governance issues for 2016 and accordingly, identified the information to be disclosed in this report and determined the disclosure level. The conclusion is set out below:

2. 重大性議題識別

本集團各職能部門及員工在日常工作中積極瞭解各利益相關方的評價、建議與需求，並及時作出回應。以此為基礎，本集團廣泛參考同行業對標企業的可持續發展信息披露內容，集團發展戰略規劃，及以媒體為代表的社會公眾對集團的關注重點，完成了2016年環境、社會及管治議題重大性判定，據此識別本報告的信息披露內容，並對披露程度做出判斷。結果如下：

Procedures of selecting environmental, social and governance issues
環境、社會及管治議題篩選流程



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

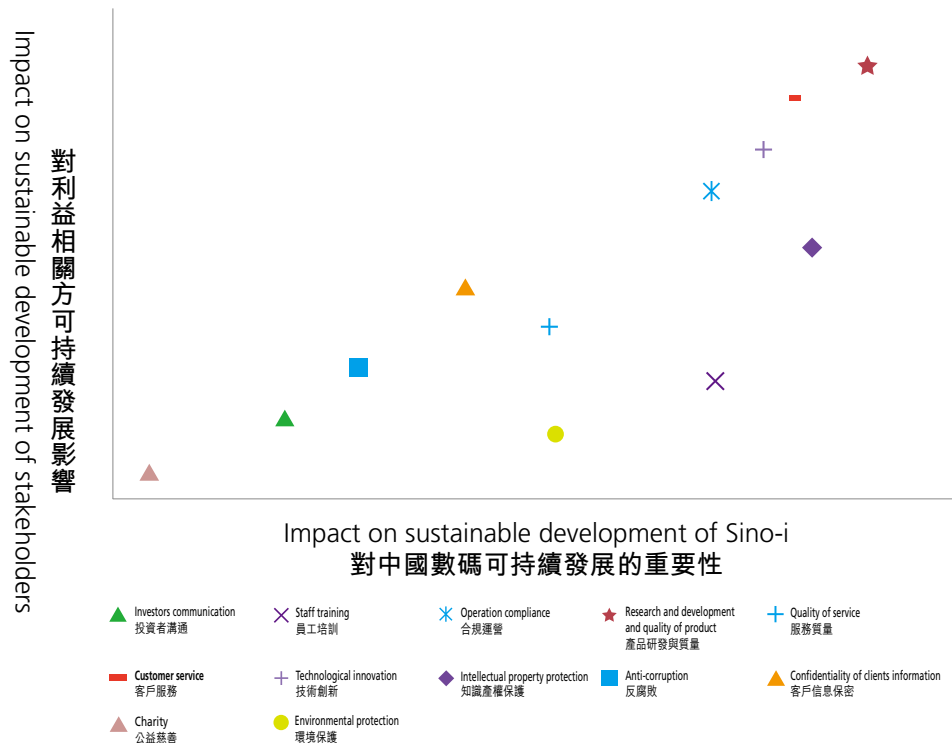
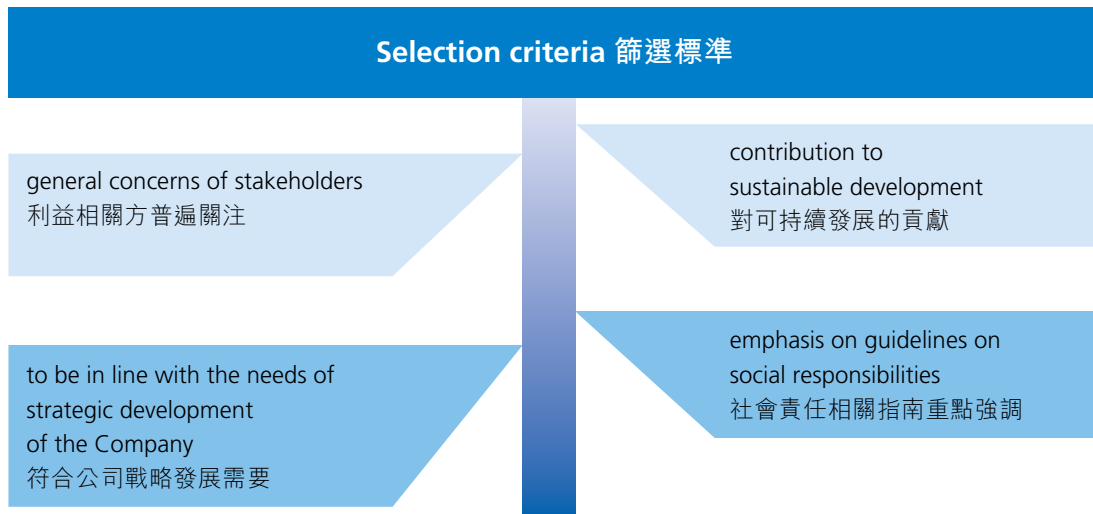
2. IDENTIFICATION OF MAJOR ISSUES

2. 重大性議題識別 (續)

(Continued)

Procedures of selecting environmental, social and governance issues (Continued)

環境、社會及管治議題篩選流程 (續)



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. OPERATION STABILITY

The Group is dedicated to provide outstanding products and services to our customers with strict control over the quality and quantity of the products and persistently innovate and optimize the system of the after-sales service to enhance the value of our products and services all-roundedly and increase the satisfaction of our customers.

Key performances:

- > Number of copyright granted: 32, increased by 5 in 2016
- > CE Dongli's "Dabatui (大把推)" was awarded "The Best Product of the Year 2016 (2016年度最佳產品獎)"
- > CE Dongli's "Dabatui (大把推)" was awarded "The Brand for IT Users in China 2016 (2016中國IT用戶滿意品牌)"
- > CE Dongli was awarded "Award of the Best Internet Marketing Service Provider" in 2016.

Operation Compliance

When building its outstanding reputation, the Group had abided by the conviction of compliance with the law and required personnel at all levels of the Group to strictly adhere to industry standards and provide comprehensive corporate governance ability in compliance with the law.

The Group puts great emphasis on probity and stands resolutely against corruption. The Group has developed a set of anti-corruption principles to reinforce the supervision of leaders and key personnel, with the effect that no power is abused, no wrongful decision is made and no misconduct is committed. CE Dongli set up a disciplinary committee to handle any non-compliance issues.

During the year, the Group had no serious violation of or non-compliance with applicable laws and rules in relation to bribery, extortion, fraud and money laundering. In the meantime, the Group will further enhance the awareness of integrity and compliance in all aspects to increase its level of scrutiny, and promote the healthy and stable development of the businesses.

3. 穩健運營

本集團致力於為客戶提供優質產品和服務，嚴把質量關，不斷創新，不斷完善售後服務體系，全方位提升產品和服務價值，提升客戶的滿意度。

關鍵績效：

- > 授權著作權32項，2016年新增5項
- > 中企動力「大把推」榮獲「2016年度最佳產品獎」
- > 中企動力「大把推」榮獲「2016中國IT用戶滿意品牌」獎
- > 中企動力榮獲2016年度「最佳網絡營銷服務商」

合規運營

本集團在打造卓越商譽過程中，恪守「守法合規」的信念，要求本集團的各級人員嚴格遵守行業規範，全面提供依法治企的能力。

本集團高度重視廉政建設，堅決反對任何形式的腐敗行為。集團制定了廉政原則，加強對領導幹部和關鍵崗位員工的監督，有效防止權力失控、決策失誤和行為失範的情況發生。中企動力還建立了紀律委員會，發現違規事件嚴肅處理。

年內，本集團並沒有出現嚴重違反或未遵守有關賄賂、勒索、欺詐及洗黑錢之適用法律及法規的情況。同時本集團會在各個方面進一步提升誠信合規意識，加強監察力度，促進各項業務的健康穩定發展。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. OPERATION STABILITY (Continued)

Improvement of Customer Services

Customer Service is the core value of enterprise culture of the Group. Earning trust from and establishing long term relationship with its customers are the important foundation for the Group's development. Upholding the customer-oriented principal, the Group is committed to provide quality products and excellent services to its customers.

The Group considers the maintenance of product quality as the key to improve our customer service and strictly controls the product and service quality. As such, the Group has adopted "Quality Assurance Guidelines" (《質量保證規範》) and "Product Testing Procedures" (《產品測試流程》) to ensure that the products meet the requirements of preliminary planning and that every part in the production procedures meets the requirements of process, specification and system of the Group so as to provide outstanding products and effective operation services to the users.

The Group has set up professional customer service centers and provided 400 hotlines to ensure that there are smooth communication channels for customers to complain. Besides, the Group will give feedback to customers via email, phone call, etc. regularly and provide immediate solutions towards the problems found when using the products.

The Group has built up a comprehensive customer satisfaction survey system to investigate the response rate of customer attendants and the customer satisfaction. The result is in linked with staffs' performance. The system can indeed improve the service quality of our staff.

During the year, the Company has complied with all relevant laws and regulations that have a significant impact on the Company relating to advertising, labelling and other matters relating to product responsibility.

3. 穩健運營 (續)

提升客戶服務

客戶服務是本集團企業文化的核心價值之一。贏得客戶的信任和長期合作是企業發展的重要基石，一直以來本集團秉持客戶導向的原則，致力於向客戶提供優質的產品與卓越的服務。

本集團一直將產品質量保障作為提升客戶服務的重要內容，對產品和服務質量嚴格把控。為此，本集團制訂了《質量保證規範》、《產品測試流程》，確保研發產品符合前期規劃的要求以及產品實現過程中各角色的工作符合集團流程、規範、制度的要求，為用戶提供優異的產品和高效的運營服務。

本集團建立了專業的客戶服務中心，開通了400服務電話，確保客戶投訴有暢通的渠道；另外，本集團會定期以郵件、電話等方式與客戶回訪，對客戶使用產品過程中發現一些問題及時提出解決建議。

本集團建立了完善的客戶滿意度調查機制，對我們服務人員的回復率和客戶滿意度進行調查，結果與員工的績效掛鉤，確實提高人員的服務質量。

年內，本公司已遵守與廣告、標籤以及其他產品責任相關事宜有關並對本公司構成重大影響的所有相關法律及法規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. OPERATION STABILITY (Continued)

3. 穩健運營 (續)

Case: Xinnet provide the most suitable domain names to customers

案例：新網為客戶提供最合適的域名

Domain names business is an important business of Xinnet. The Group will examine the suffixes of domain names and Xinnet never support the domain names under country restriction in order to contribute ourselves to purify the society and internet environment. In the meantime, the Group will not mislead the customers to apply unnecessary domain names. Only the most suitable domain names will be recommended to the customers.

域名業務是新網的一項重要業務，我們有取捨的為客戶提供域名後綴，國家禁止的域名，新網堅決不予支持，為淨化社會網絡環境貢獻我們的一份力量。同時，本集團堅決不會誤導客戶做無謂的域名投入，幫助客戶選擇最合適的域名。



Technology Innovation

In Information Age under economic globalization, informatization is expected to be the course designated for SMEs to enhance its competitiveness. E-commerce is the key to achieving informatization for enterprises. The Group has continued to motivate the e-commerce and informatization process of SMEs with innovations and better services, so as to create intelligent enterprises and smart entrepreneurs in the PRC.

Technology innovation is the key factor for sustaining core competencies. The Group has established strong teams for the research and development of informatization and operation. The Group has about 2,000 software R & D personnel. The Group, as the chairing unit of the science and technology department "Changfeng Open Standards Platform Software Alliance" (長風聯盟互聯網信息服務業促進工作組), puts forward the SaaS service system with Chinese characteristics. SaaS used SPS as the core to set up a standard and regulatory framework that suits IT service operation in China.

創新技術

在經濟全球化的信息時代，信息化將成為中小企業提升自身競爭力的必由之路，而電子商務將成為企業實現信息化的關鍵路徑。本集團持續專注於推動中國中小企業的電子商務與信息化進程，不斷創新，不斷推出更多更好的服務，打造智能型的中國企業，成就智慧企業家。

技術創新是核心競爭力的關鍵。本集團構建了強大的信息化研發和運營團隊，擁有軟件研發人員接近2,000人，是科技部「長風聯盟互聯網信息服務業促進工作組」的主席單位，真正意義上提出了具有中國特色的SaaS服務體系，以SPS為核心構築適合中國IT服務運營的標準和規範。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. OPERATION STABILITY (Continued)

Technology Innovation (Continued)

With respect to ICT infrastructure, Sino-i has set up professional data centers in cities such as Beijing, Guangzhou and Suzhou, to allow telecommunication between the south and the north in a highly safe and reliable internet environment. Through setting up a joint laboratory with corporations like NetApp and HP, Sino-i has achieved calculation virtualization and storage virtualization with more than 3,000 sets of operation equipment.

Regarding the e-commerce business, Sino-i has established a groundbreaking e-commerce platform which provides on demand services and customized services. Sino-i has applied more than ten patents and become “Beijing Patent Engine Pilot Enterprise” (北京市專利引擎試點企業).

Intellectual Property Right Protection

As a technology-oriented enterprise, CE Dongli has continued to refine the system of independent innovation, adopted “Intellectual Property Right Management System”(《知識產權管理制度》), enhanced staffs’ awareness of intellectual property right protection and actively participated in promotion activities relating to intellectual property right protection in the community. The Group undertakes to act in strict accordance with the law and not to infringe intellectual property rights.

3. 穩健運營 (續)

創新技術 (續)

在ICT基礎建設方面，中國數碼在北京、廣州、蘇州等地建立了專業的數據中心，實現了南北電信的互聯互通，構建了高安全、高可靠的網絡環境，擁有運營設備3,000餘台；通過與NetApp、HP等集團建立聯合實驗室，實現了計算池化和存儲池化。

在電子商務領域，開創性地開發了按需服務、個性化服務的電子商務平台。現已申請了十多項技術專利，成為北京市專利引擎試點企業。

保護知識產權

作為一家技術型企業，中企動力不斷完善自主創新機制，制訂了《知識產權管理制度》，並增強員工知識產權保護意識，積極參與宣傳保護知識產權的社會活動。本集團承諾嚴格依法辦事，不侵害他人的知識產權。

Some of the Software Copyright Registration Certificates

部分軟件著作權證書



Software Copyright Registration Certificate of VONE
VONE 軟件著作權登記證書



Software Copyright Registration Certificate of Zmobile
Zmobile 軟件著作權登記證書

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

3. OPERATION STABILITY (Continued)

Strengthen Supply Chain Management

The Group engages suppliers based on its business demands and specifications. Purchases are made based on the purchase plans reported by department heads to the person-in charge of the Group. Procurement procedures commence upon the approval of purchase plan by the person-in charge of the Group. The Group will then send out the tender documents to suppliers. The tendering process of the Group is in full compliance with the requirements under Tender Law of the PRC. The tender results will be published on the website, thus ensuring the openness and transparency of the tendering information.

4. TRAINING OF TALENT

The Group is respectful to the labour rights entitled to every employee. In strict compliance with the requirements under the Labour Law of the PRC (《中華人民共和國勞動法》), the Labour Contract Law (勞動合同法) and other laws and regulations, the Group enters into labour contracts or service agreements with its employees. The Group is against using child labours or forced labours, and our employees are assured that their sex, age, race, religion, location or otherwise are not factors affecting their employment, remuneration package, training and career promotion. The Group is also committed to creating a fair workplace for employees' development. As at the end of 2016, the Group had 6,315 employees, 2,945 of which are female.

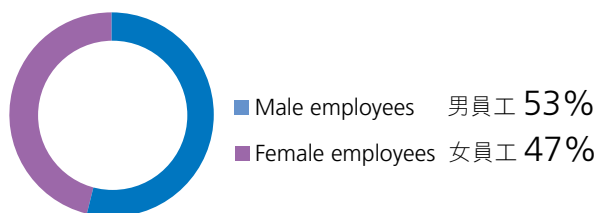
3. 穩健運營 (續)

強化供應鏈管理

本集團根據業務需求和配置選擇供應商，需求部門根據需要向集團負責人報告採購計劃，經集團負責人審批後即啟動採購程序，對供應商發招標文件。集團的採標過程完全遵照國家《招標投標法》規定，在網站上對招標結果進行公示，保證招標信息的公開與透明。

4. 培養人才

本集團尊重每位員工的勞動權力，嚴格遵照《中華人民共和國勞動法》、《勞動合同法》等相關法律法規規定，與員工簽訂勞動合同或勞務協議，不僱傭童工和強制勞工，保證在員工僱傭、員工待遇、員工培訓與晉升不受性別、年齡、民族、宗教、地區等影響，為員工營造公平的成長環境。截止2016年末，本集團擁有正式員工6,315人，其中女性員工2,945人。



Proportion of male and female employees of the Group in 2016
2016年本集團男女員工比例

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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4. TRAINING OF TALENT (Continued)

Protecting the Legal Rights of Our Employees

The Group recruits their employees from the community through open recruitment process. Candidates shall submit a copy of identification card and present the original for verification. During the reporting period, all employees of the Group complied with the relevant PRC laws and regulations.

The Group is respectful to the legal rights entitled to every employee and dedicated to protect and effectively maintains their rights. We continued to improve the management system and adopted "Management Rules for Recommendations on Rationalisation" (《合理化建議管理規定》) in order to guarantee the rights of participation and expression of employees.

Promoting the Career Development of Our Employees

The Group put extra effort in increasing employees' expertise and individual competence. The Group endeavors to create a favorable workplace for employees' development by optimizing and strengthening its training management system through organising training sessions and combination of external trainings with in-house trainings according to the needs of employees from different levels and departments.

4. 培養人才 (續)

保障員工合法權益

本集團面向社會公開招聘合法員工，應聘人員須提交身份證複印件及出示身份證原件進行核實。報告期內，本集團僱傭的所有員工都符合中國相關法律法規。

我們充分尊重，有效維護和全力保障員工的合法權益。我們不斷完善民主管理制度，建立了《合理化建議管理規定》，保障員工的參與權和表達權。

促進員工職業發展

本集團重視員工技術知識提升和個人能力發展，根據不同層級、不同崗位員工的需求，開設不同的培訓課程，並採用外部培訓與內部培訓相結合的方式，為員工組織完善和提升培訓管理體系，為員工發展創造良好的環境。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

4. TRAINING OF TALENT (Continued)

Promoting the Career Development of Our Employees (Continued)

- Establishing “Dongli University” online learning platform to provide employees of different level and management with online learning session to enhance their capability;
- Holding internal annual meetings to provide employees with advanced business etiquette training to strengthen staff quality;
- Holding 10 management skill training sessions for business manager department in branch offices to enhance their team-building ability and business competence;
- Holding 1 team management skill training session for managers of supervisor level or higher in different branches to give in-depth analyses on the motivation for team development and performance evaluation plan; and
- Organizing product training month for all employees to learn the details of the products, thus solidify their foundation of selling products.

4. 培養人才 (續)

促進員工職業發展 (續)

- 「動力大學」在線學習平台，為集團各級員工和中高層管理者提供系列在線學習課程，提升崗位勝任力；
- 在集團內部年會，為員工提供高級商務禮儀培訓，提升員工素養；
- 開展十期分公司商務經理部門管理技能培訓，提升經理在團隊建設和業務達成方面的能力；
- 開展一期分公司總監級以上總監的團隊管理技能培訓，深入剖析團隊發展的動機、績效達成方案；及
- 全體員工產品培訓月，學產品、講產品，夯實產品銷售的基礎。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

4. TRAINING OF TALENT (Continued)

Care for Physical and Mental Health of Our Employees

The Group puts emphasis on the happiness of the employees by creating a cheerful, healthy, harmonious and happy working environment.

- Organizing birthday parties monthly to give blessing to the employees;
- Organizing activities on Women's Day, Children's Day, Qixi Festival and Halloween to enrich lifestyles;
- Arrange body checks for staff to show care for their health;
- Holding Spring "carnival" annually; and
- Setting up "Caring Fund" to provide assistance to staff in need.

4. 培養人才 (續)

關愛員工身心健康

本集團把員工的和諧幸福視為企業永不懈怠的追求，積極營造陽光、健康、和諧、幸福的工作氛圍。

- 每月開展生日會活動，為員工祝福；
- 婦女節、兒童節、七夕節、萬聖節等組織員工活動，豐富文化生活；
- 安排員工體檢，關注員工健康；
- 每年開展「嘉年華」新春聯歡活動；及
- 建立集團「健康愛心基金」為有困難的員工提供幫助。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

4. TRAINING OF TALENT (Continued)

Care for Physical and Mental Health of Our Employees (Continued)

The caring measures are as follows:

- The employees whose family suffered from flooding will be granted 1 to 5 day of paid leaves to clean up in the aftermath of the flooding in a timely manner to prevent from further personal injury or property damage;
- For those employees whose family suffered severely from the flooding, the Group will provide assistance whenever possible;
- For those employees who were unable to work on time as the roads being blocked with flood, applications for changing of time or form of work can be made by the directors of branch offices to the headquarter. The Human Resources and Administration Department will cast aside that attendance record as an exceptional case; and
- For those matters not mentioned above but in need of assistance, applications can be made to the directors and supervisors of branch offices for further understanding so that further assistance can be provided by the headquarter.

During the year, the Company has complied with all relevant health and safety laws and regulations that have a significant impact on the Company.

4. 培養人才 (續)

關愛員工身心健康 (續)

本集團主要關懷如下：

- 員工或者親屬的家庭受到洪災的，給予員工1-5天的帶薪假期，以及時的處理災情，儘量挽救家人財物損失；
- 對於家庭受災嚴重的員工，本集團盡可能的給予幫助；
- 由於洪水阻塞道路，延誤上班時間的，分公司總監可向區總申請調整辦公時間或辦公方式，人力行政部配合進行考勤不登的處理；及
- 對於上述未提到的，仍需要集團幫助的事宜，可向分公司總監和區總申請，以便總部獲悉後提供更多的幫助。

年內，本公司已遵守對本公司構成重大影響的所有相關健康及安全法律及法規。

Case: Wuhan branch of the Group granted the staff suffered from flooding paid leaves to bridge over 案例：本集團武漢分公司給予洪水受災員工帶薪假，幫助員工渡過洪水難關

In the summer of 2016, severe flooding occurred in various cities in China. Wuhan was damaged by heavy rainstorm. Facing extremely difficult flood control condition, Yangtze River water level rose to 28 meters. In order to help the affected employees and their families go through the difficult time, the Group provided assistance in a timely manner by granting paid leaves, giving them sufficient time to clean up in the aftermath of the flooding.

2016年夏季，全國多地汛情嚴峻，武漢市遭遇特大暴雨襲擊，長江水位超過28米，防汛形勢極其嚴峻，為了讓受災員工家庭順利渡過洪水難關，本集團及時伸出援助之手，給予員工帶薪休假處理災情的便利，幫助員工及其受災親屬渡過難關。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

5. ENVIRONMENT PROTECTION

“Green office and low carbon lifestyle”, which is actively initiated by the Group, encourages employees to use its best effort to save electricity, water, papers, and office supplies, prevent extravagance and waste, enhance the awareness of resources conservation, responsibility and environmental protection to create a good atmosphere of energy conservation and emission reduction.

Reasonable Disposal of Waste

The Group has closely monitored its impacts to the environment. We mainly engage specialized cooperative corporations for recycling and detoxifying daily electronic wastes. The cooperative corporations will carry out classification, decomposition, cleaning, testing on the collected waste equipment. The components which meet our recycling requirements will be reused as spare item or spare part in order to extend the actual life cycle of the related products and reduce the negative impact on the environment from manufacturing electronic products. The Group increase the number of video conference to reduce the emission of greenhouse gas produced indirectly from the business trip.

During the year, the Company has complied with all relevant environmental laws and regulations that have a significant impact on the Company.

Enhancement of the Energy Efficiency

In the course of its daily operation and management, the Group adopted various policies and practices to help reduce energy consumption and carbon emission, including cutting down business travels, encouraging video conferences in lieu of onsite meetings, practising paperless office work, controlling the temperature in office areas and using energy and water saving equipment in the office premises.

5. 踐行環保

本集團內積極倡導「綠色辦公、低碳生活」，鼓勵員工從身邊小事做起，珍惜每一度電、第一滴水、每一張紙、每一件辦公用品，防止奢侈浪費，增強憂患意識、責任意識和環保意識，營造節能減排的良好氛圍。

合理處置廢棄物

本集團十分關注自身對環境的影響，日常廢舊電子產品主要委託專業合作集團負責二次利用和無害化處理。合作集團對回收的廢舊設備分類、分解、清理、測試，對符合再次使用要求的組件作為備品、備件進行二次利用，以延長相關電子設備的實際使用週期，並降低因製造電子產品而對環境產生的不良影響。本集團增加視頻會議次數，減少因差旅間接產生的溫室氣體排放。

年內，本公司已遵守對本公司構成重大影響的所有相關環境法律及法規。

提升能源使用效率

本集團在日常經營管理過程中，通過儘量減少人員出差、提倡以視頻會議代替現場會議、推行無紙化辦公、控制辦公區域室內溫度、在辦公場所使用節能節水設備等方式，降低能源消耗、減少碳排放。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

6. CONTRIBUTION TO PUBLIC WELFARE

The Group puts great emphasis on maintaining close relationship with local communities by actively contributing towards community building and establishing interactive communication channels with local residents. We recruit volunteers to organize charitable events and adopt "CE Charitable Caring Donation Management Guidelines V1.0 《中企微公益 — 愛心捐款管理辦法 V1.0》" in order to establish a systematic framework for routine charitable events.



Key Performances:

- > Charity donation for the Group for 2016 amounted to HK\$257,600.

6. 奉獻公益

本集團十分重視當地社區關係，積極參與社區建設，始終保持與當地社區的良好溝通渠道；本集團有計劃的組織志願者開展公益活動，建立了《中企微公益 — 愛心捐款管理辦法 V1.0》，加強本集團的志願服務活動的規範化、制度化、常態化。

關鍵績效：

- > 2016年，本集團公益捐款額 257,600 港元

Case: CE Charitable Caring Action

案例：中企微公益，溫暖在行動

Adhering to the motto "Every Effort Counts", all employees under marketing department of CE Dongli headquarter organized a charitable event named "CE Charitable Caring Action (中企微公益，溫暖在行動)", pursuant to which the hospitalized orphans in Yizhuang Rehabilitation Hospital (亦莊康復醫院) and the orphans in orphanages nearby were provided with books and clothes in the winter. Our volunteers had rigorously screened the clothes received in order to ensure that every cloth is clean and usable so that every cloth donated to the children could be used in an effective way.

秉承中企動力微公益「勿以善小而不為」理念，中企動力市場部組織總部全體員工開展「中企微公益，溫暖在行動」公益活動，對亦莊康復醫院就醫的孤兒們及他們所在地區的孤兒院的孩子們提供兒童書籍以及幫助孩子們渡過寒冬的保暖衣物。為了保證所有衣物乾淨、保暖實用，我們的工作人員對接收到的衣服嚴格篩選，保證我們送給孩子們的每一件衣服都能物盡其用。



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

6. CONTRIBUTION TO PUBLIC WELFARE 6. 奉獻公益(續)

(Continued)

Case: Fulfilling Social Responsibility, volunteers from CE Dongli showed concern and care to Yushu orphans in Beijing

案例：踐行社會責任 中企動力志願者為玉樹在京孤兒送愛心

China Charities Aid Foundation for Children hustled off to the stricken area in the Yushu Qinghai earthquake immediately and launched the programme named “Orphans Helping Project (百名孤兒成長救助項目)” to shoulder the responsibility to raise those children who lost their parents until 18 years old.

After the lunar new year of 2016, CE Dongli understands computers are necessary to the children for learning, therefore, CE Dongli sponsored the children computers with an aim to fulfil the urgent needs of the children, while providing them with a better learning environment, in the hope of contributing itself to the children in need and be a part of the social charitable event.

青海玉樹地震之後，中華少年兒童慈善救助基金會在第一時間趕赴災區，推出「百名孤兒成長救助」項目，肩負起把這些失去父母的孩子撫養到18歲的責任。

2016年春節後，中企動力瞭解到孩子們日常學習中急需但又沒有電腦使用，為了解決孩子們的燃眉之急，也為讓孩子能有一個更好的學習環境，中企動力專門為孩子們準備了愛心電腦，希望能為孩子們，為社會公益活動貢獻一份自己的力量。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



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TO THE MEMBERS OF SINO-I TECHNOLOGY LIMITED
(incorporated in Hong Kong with limited liability)

致中國數碼信息有限公司股東
(於香港註冊成立之有限公司)

OPINION

We have audited the consolidated financial statements of Sino-i Technology Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 85 to 187, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

意見

本核數師(以下簡稱「我們」)已審計列載於第85至187頁中國數碼信息有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於2016年12月31日的綜合財務狀況報表，與截至該日止年度的綜合收益表、綜合全面收益報表、綜合權益變動表及綜合現金流量報表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則真實而公平地反映 貴集團於2016年12月31日的綜合財務狀況及其截至該日止年度的綜合財務表現及其綜合現金流量，並已按照香港公司條例妥為編製。

意見基礎

我們根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。該等準則規定我們的責任於本報告「核數師就審計綜合財務報表須承擔的責任」一節進一步描述。根據香港會計師公會頒佈的「專業會計師道德守則」(「守則」)，我們獨立於 貴集團，並已履行守則中的其他道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

關鍵審計事項

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

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Impairment of goodwill and non-financial assets

(Refer to note 18 to the consolidated financial statements and the Group's critical accounting estimates and assumptions in relation to the impairment of goodwill and non-financial assets set out in note 4.1)

As at 31 December 2016, the Group had goodwill and non-financial assets amounting to approximately HK\$78 million and HK\$686 million respectively relating to cash-generating units (the "CGUs") within the corporate IT application services segment.

Management has performed an annual impairment test in accordance with the Group's accounting policies and concluded that there is no impairment in respect of the goodwill and non-financial assets. This assessment was based on value in use calculations.

We identified the impairment of goodwill and non-financial assets as a key audit matter because of its significance to the consolidated financial statements and because the value in use calculations involve significant management judgement and estimates with respect to the underlying cash flows, in particular the average sales growth rate and discount rates.

Our response

Our procedures in relation to management's impairment assessment of goodwill and non-financial assets included:

- considering the historical accuracy of management's budgeting;
- conducting in-depth discussions with management about the cash flow projections used in the value in use calculations and challenging the appropriateness of the significant assumptions and critical judgement areas which underpin the value in use calculations;
- benchmarking the growth rates and discount rates used in the value in use calculations against independent industry data and comparable companies; and
- performing sensitivity analysis including assessing the effect of a change in the key assumptions to the recoverable amounts of the CGUs.

關鍵審計事項 (續)

商譽及非金融資產減值

(請參閱綜合財務報表附註18及附註4.1所載 貴集團有關商譽及非金融資產減值的重要會計估計及假設)

於2016年12月31日，貴集團有關企業IT應用服務分部內之現金產生單位(「現金產生單位」)之商譽及非金融資產分別約為78,000,000港元及686,000,000港元。

管理層已按 貴集團之會計政策進行年度減值測試，結論為商譽及非金融資產並無減值。此評估乃根據使用價值計算方法得出。

我們將商譽及非金融資產減值識別為關鍵審計事項，原因為其對綜合財務狀況報表而言屬重大，以及使用價值計算方法涉及管理層對相關現金流量，特別是平均銷售增長率及貼現率的重大判斷及估計。

我們的回應

我們就管理層對商譽及非金融資產的減值評估所採納程序包括：

- 考慮管理層預算過往的準確性；
- 就使用價值計算方法所用現金流量預測與管理層進行深入討論，對使用價值計算法的重大假設及關鍵判斷是否合適作出質詢；
- 以使用價值計算法所用增長率及貼現率作為獨立行業數據及可資比較公司之基準；及
- 進行敏感度分析，包括評估更改有關現金產生單位可收回金額之主要假設。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Impairment of loan to ultimate holding company

(Refer to note 25(c) to the consolidated financial statements and the Group's critical accounting estimates and assumptions in relation to the provision for impairment of receivables set out in note 4.1)

As at 31 December 2016, the Group had a loan receivable from its ultimate holding company, Nan Hai Corporation Limited ("Nan Hai"), amounting to approximately HK\$1,476 million. This loan is currently bearing interest at 8% per annum, repayable on 29 June 2017 and secured by a share mortgage on Nan Hai Development Limited, a wholly-owned subsidiary of Nan Hai.

We identified the impairment of loan to ultimate holding company as a key audit matter due to its significance to the consolidated financial statements and because the impairment assessment performed by management involves assessing the creditworthiness of Nan Hai and hence a significant judgement and estimates in determining the recoverability of the loan to ultimate holding company.

Our response

Our procedures in relation to management's impairment assessment of loan to ultimate holding company included:

- assessing the financial position of Nan Hai by conducting in-depth discussions with management of Nan Hai to understand their business plans; and
- conducting in-depth discussions with Nan Hai's management about their 12-month working capital forecast to ensure Nan Hai would have sufficient financial resources to repay the loan receivable when the loan matures and challenging the appropriateness of the significant assumptions and critical judgement areas which underpin the working capital forecast.

關鍵審計事項(續)

向最終控股公司貸款之減值

(請參閱綜合財務報表附註25(c)及附註4.1所載 貴集團有關應收款項減值撥備的重要會計估計及假設)

於2016年21月31日，貴集團有應收最終控股公司Nan Hai Corporation Limited(南海控股有限公司，「南海」)的貸款約1,476,000,000港元。此貸款現時按年利率8厘計息，須於2017年6月29日償還，並由南海全資附屬公司南海發展有限公司之股份按揭作為抵押。

我們將應收最終控股公司的貸款識別為關鍵審計事項，原因為其對綜合財務狀況報表而言屬重大，以及管理層所作減值評估涉及及評估南海的信貸狀況，故此涉及釐定最終控股公司貸款可收回程度的重大判斷及估計。

我們的回應

我們就管理層對最終控股公司貸款的減值評估所採納程序包括：

- 透過與南海管理層進行深入討論以瞭解其業務計劃，從而評估其財政狀況；及
- 就南海之12個月營運資金預測與其管理層進行深入討論，確保南海擁有充足財務資源於貸款到期時償還應收貸款，並就營運資金預測的重大假設及關鍵判斷是否合適作出質詢。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION IN THE ANNUAL REPORT

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

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

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

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

年報中的其他資料

董事須就其他資料承擔責任。其他資料包括 貴集團年報中所載資料，但不包括綜合財務報表及我們的核數師報告。

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

就我們對綜合財務報表的審計而言，我們的責任是閱覽其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。我們並無就此作出報告。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例編製真實而公平的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

董事亦負責監督 貴集團財務報告過程。審核委員會協助董事就此履行彼等的職責。

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. This report is made solely to you, as a body, in accordance with Section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSA's, we exercise professional judgement 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 須承擔的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出包括我們意見的核數師報告。我們僅向閣下(作為整體)按照香港公司條例第405條報告，除此之外，本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期彼等單獨或合併時可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，我們行使專業判斷，保持專業懷疑態度。我們亦：

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

INDEPENDENT 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

核數師就審計綜合財務報表 須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公平反映交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

我們已就(其中包括)計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷與審核委員會溝通。

我們亦已向審核委員會提交聲明，說明我們已符合有關獨立性的相關道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT 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 the directors, 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.

BDO Limited

Certified Public Accountants

Yu Tsui Fong

Practising Certificate Number P05440

Hong Kong, 14 March 2017

核數師就審計綜合財務報表 須承擔的責任(續)

從與董事溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，倘合理預期在我們報告中就某事項進行溝通造成的負面後果超過產生的公眾利益，我們決定不應在報告中就該事項進行溝通。

香港立信德豪會計師事務所有限公司

執業會計師

余翠芳

執業證書編號 P05440

香港，2017年3月14日

CONSOLIDATED INCOME STATEMENT

綜合收益表

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

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Revenue	收益	5(a)	818,098	808,287
Cost of sales and services provided	銷售及提供服務之成本		(139,708)	(139,242)
Gross profit	毛利		678,390	669,045
Other operating income	其他經營收入	5(b)	139,072	150,055
Selling and marketing expenses	銷售及市場推廣開支		(534,222)	(520,512)
Administrative expenses	行政開支		(80,762)	(82,293)
Other operating expenses	其他經營開支		(128,760)	(138,643)
Finance costs	融資成本	7	(11,452)	(17,443)
Share of results of an associate	應佔一間聯營公司業績	17	(1,193)	(368)
Profit before income tax	除所得稅前溢利	8	61,073	59,841
Income tax expense	所得稅開支	9	(14,410)	(13,789)
Profit for the year	年內溢利		46,663	46,052
Profit for the year attributable to:	以下人士應佔年內溢利：			
Owners of the Company	本公司擁有人		49,143	47,870
Non-controlling interests	非控股權益	33	(2,480)	(1,818)
			46,663	46,052
			HK Cent	HK Cent
			港仙	港仙
Earnings per share attributable to owners of the Company for the year	年內本公司擁有人應佔每股盈利			
— Basic	— 基本	11	0.25	0.24
— Diluted	— 攤薄		0.25	0.24

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益報表

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

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit for the year	年內溢利	46,663	46,052
Other comprehensive income	其他全面收益		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益賬之項目：</i>		
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌差額	(8,087)	(16,651)
Exchange differences on translation of investment in an associate	換算投資一間聯營公司之匯兌差額	(308)	(51)
		(8,395)	(16,702)
Total comprehensive income for the year	年內全面收益總額	38,268	29,350
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
Owners of the Company	本公司擁有人	42,049	32,284
Non-controlling interests	非控股權益	(3,781)	(2,934)
		38,268	29,350

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況報表

As at 31 December 2016 於2016年12月31日

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	571,740	610,987
Prepaid land lease payments under operating leases	經營租賃下之預付土地租賃費	14	22,726	24,818
Available-for-sale financial assets	可供出售之金融資產	15	324	324
Interests in associates	於聯營公司之權益	17	235	8,109
Goodwill	商譽	18	77,964	81,961
Other intangible assets	其他無形資產	19	91,060	63,249
Deposits and other receivables	按金及其他應收款項	20	658	703
Loan to ultimate holding company	向最終控股公司貸款	25(c)	–	1,370,557
			764,707	2,160,708
Current assets	流動資產			
Trade receivables	應收貿易款項	21	72,548	67,687
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	20	180,999	206,884
Loan to ultimate holding company	向最終控股公司貸款	25(c)	1,475,929	–
Time deposits maturing over three months	超過三個月到期之定期存款	22	–	12
Cash and cash equivalents	現金及等同現金項目	22	85,230	128,423
			1,814,706	403,006
Current liabilities	流動負債			
Trade payables	應付貿易款項	23	86,269	72,626
Other payables and accruals	其他應付款項及應計費用	24	87,088	67,156
Receipt in advance and deferred revenue	預收款項及遞延收益		187,072	179,094
Provision for tax	稅項撥備		131,389	116,779
Amount due to a director	欠一名董事款項	25(a)	19,619	14,898
Amount due to a shareholder	欠一名股東款項	25(b)	–	1
Amount due to ultimate holding company	應付最終控股公司款項	25(c)	97,386	–
Amounts due to associates	欠聯營公司款項	25(d)	5,501	9,677
Bank borrowings, secured	有抵押銀行借貸	26	156,390	245,821
Finance lease liabilities	融資租賃負債	27	351	336
			771,065	706,388
Net current assets/(liabilities)	流動資產/(負債)淨額		1,043,641	(303,382)
Total assets less current liabilities	總資產減流動負債		1,808,348	1,857,326

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

綜合財務狀況報表(續)

As at 31 December 2016 於2016年12月31日

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Non-current liabilities	非流動負債			
Finance lease liabilities	融資租賃負債	27	70	421
Amount due to ultimate holding company	應付最終控股公司款項	25(c)	–	85,517
Deferred tax liabilities	遞延稅項負債	28	6,176	7,554
			6,246	93,492
Net assets	資產淨值		1,802,102	1,763,834
EQUITY	權益			
Share capital	股本	29	240,597	240,597
Reserves	儲備	31	1,542,681	1,500,632
Equity attributable to the Company's owners	本公司擁有人應佔權益		1,783,278	1,741,229
Non-controlling interests	非控股權益	33	18,824	22,605
Total equity	權益總額		1,802,102	1,763,834

Yu Pun Hoi
于品海
Director
董事

Liu Rong
劉榮
Director
董事

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量報表

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

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Cash flows from operating activities	經營業務現金流量			
Profit before income tax	除所得稅前溢利		61,073	59,841
Adjustments for:	就下列項目調整：			
Depreciation of property, plant and equipment	物業、廠房及設備折舊	13	49,552	47,138
Annual charges of prepaid operating lease payments	經營租賃下之預付土地 年度費用	14	517	546
Amortisation of other intangible assets	其他無形資產攤銷	19	9,210	9,728
Loss/(Gain) on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損/(收益)	13	12	(19)
Provision for impairment of trade receivables	應收貿易款項減值撥備	21	1,489	4,080
Other receivables written off	其他應收款項撇銷		–	59
Write-back of provision for impairment of other receivables	其他應收款項減值撥備撥回		–	(12,887)
Property, plant and equipment written off	物業、廠房及設備撇銷	13	103	55
Bank interest income	銀行利息收入	5(b)	(591)	(283)
Other interest income	其他利息收入	5(b)	(108,869)	(105,865)
Finance costs	融資成本	7	11,452	17,443
Share of results of an associate	應佔一間聯營公司業績	17	1,193	368
Provision for impairment loss of investment in an associate	投資一間聯營公司減值虧損 撥備	17	6,373	–
Operating profit before working capital changes	營運資金變動前之經營溢利		31,514	20,204
Increase in trade receivables	應收貿易款項增加		(11,105)	(54,734)
(Increase)/Decrease in deposits, prepayments and other receivables	按金、預付款項及其他應收 款項(增加)/減少		(22,088)	5,832
Increase/(Decrease) in trade payables, other payables and accruals	應付貿易款項、其他應付款項及 應計費用增加/(減少)		44,233	(19,767)
Increase in receipt in advance and deferred revenue	預收款項及遞延收益增加		20,349	10,390
Cash generated from/(used in) operations	營運所得/(所耗)現金		62,903	(38,075)
Income tax paid	已付所得稅		(241)	(1,901)
Net cash generated from/(used in) operating activities	經營業務所得/(所耗)現金淨額		62,662	(39,976)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

綜合現金流量報表(續)

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

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Cash flows from investing activities	投資活動現金流量		
Payments to acquire property, plant and equipment	購進物業、廠房及設備之付款		
	13	(49,370)	(48,648)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		
		–	19
Payments to acquire other intangible assets	購進其他無形資產之付款		
	19	(42,478)	(19,850)
Decrease in time deposits maturing over three months	超過三個月到期之定期存款減少		
		12	613
Bank and other interest received	已收銀行及其他利息		
		591	329
Repayment from ultimate holding company	最終控股公司之還款		
		–	182,226
Payment to acquire an associate	收購一間聯營公司之付款		
		(4,080)	(4,266)
Net cash (used in)/generated from investing activities	投資活動(所耗)/所得現金淨額	(95,325)	110,423
Cash flows from financing activities	融資活動現金流量		
Proceeds from bank borrowings	銀行借貸所得款項		
		206,546	253,634
Repayments of bank borrowings	償還銀行借貸		
		(280,161)	(309,066)
Repayments of finance lease liabilities	償還融資租賃負債		
		(336)	(430)
Increase in amount due to a director	欠一名董事款項增加		
		5,927	7,626
Advance from ultimate holding company	最終控股公司墊款		
		74,995	67,092
Repayments to a shareholder	償還一名股東款項		
		(1)	–
Interest paid	已付利息		
		(11,265)	(17,443)
Net cash (used in)/generated from financing activities	融資活動(所耗)/所得現金淨額	(4,295)	1,413
Net (decrease)/increase in cash and cash equivalents	現金及等同現金項目(減少)/增加淨額	(36,958)	71,860
Cash and cash equivalents at 1 January	於1月1日之現金及等同現金項目	128,423	58,073
Effect of foreign exchange rate changes, on cash held	外幣匯率變動對所持現金之影響	(6,235)	(1,510)
Cash and cash equivalents at 31 December	於12月31日之現金及等同現金項目	85,230	128,423
Analysis of the balances of cash and cash equivalents	現金及等同現金項目結餘之分析		
Cash at banks and in hand	銀行結存及庫存現金	22	128,423

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

		Equity attributable to the Company's owners 本公司擁有人應佔權益							
		Share capital	Capital distribution reserve*	General reserve*	Exchange reserve*	Retained profits*	Total	Non-controlling interests	Total equity
		股本	分配儲備*	一般儲備*	匯兌儲備*	保留溢利*	合計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 29)	(note 31(a))	(note 31(b))				(note 33)	
		(附註 29)	(附註 31(a))	(附註 31(b))				(附註 33)	
At 1 January 2015	於2015年1月1日	240,597	52,622	6,574	95,461	1,313,691	1,708,945	25,539	1,734,484
Profit for the year	年內溢利	-	-	-	-	47,870	47,870	(1,818)	46,052
Other comprehensive income	其他全面收益								
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>								
— Exchange differences on translation of financial statements of foreign operations	— 換算海外業務財務報表之匯兌差額	-	-	-	(15,535)	-	(15,535)	(1,116)	(16,651)
— Exchange differences on translation of investment in an associate	— 換算投資一間聯營公司之匯兌差額	-	-	-	(51)	-	(51)	-	(51)
Total comprehensive income for the year	年內全面收益總額	-	-	-	(15,586)	47,870	32,284	(2,934)	29,350
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日	240,597	52,622	6,574	79,875	1,361,561	1,741,229	22,605	1,763,834
Profit for the year	年內溢利	-	-	-	-	49,143	49,143	(2,480)	46,663
Other comprehensive income	其他全面收益								
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益之項目：</i>								
— Exchange differences on translation of financial statements of foreign operations	— 換算海外業務財務報表之匯兌差額	-	-	-	(6,786)	-	(6,786)	(1,301)	(8,087)
— Exchange differences on translation of investment in an associate	— 換算投資一間聯營公司之匯兌差額	-	-	-	(308)	-	(308)	-	(308)
Total comprehensive income for the year	年內全面收益總額	-	-	-	(7,094)	49,143	42,049	(3,781)	38,268
At 31 December 2016	於2016年12月31日	240,597	52,622	6,574	72,781	1,410,704	1,783,278	18,824	1,802,102

* These reserve accounts comprise the consolidated reserves of HK\$1,542,681,000 (2015: HK\$1,500,632,000) in the consolidated statement of financial position.

* 此等儲備賬目構成綜合財務狀況報表之綜合儲備1,542,681,000港元(2015年: 1,500,632,000港元)。

NOTES TO THE FINANCIAL STATEMENTS

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 INFORMATION

Sino-i Technology Limited (the “Company”) is a limited liability company incorporated and domiciled in Hong Kong. The address of its registered office and its principal place of business is located at 12/F., The Octagon, No. 6 Sha Tsui Road, Tsuen Wan, New Territories, Hong Kong. The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

The ultimate parent company of the Company is Nan Hai Corporation Limited (“Nan Hai”), a company incorporated and domiciled in Bermuda and its shares are listed on the Hong Kong Stock Exchange.

The Company and its subsidiaries (the “Group”) is principally engaged in corporate IT application services. Details of the principal activities of the Company’s subsidiaries are set out in note 16.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements on pages 85 to 187 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the Hong Kong Companies Ordinance. In addition, the financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”).

The financial statements have been prepared on the historical cost basis except for certain financial instruments classified as available-for-sale which are stated at fair values. The measurement bases are fully described in the accounting policies below.

1. 一般資料

中國數碼信息有限公司(「本公司」)為於香港註冊成立之有限公司及以香港為註冊地。本公司之註冊辦事處及主要營業地點位於香港新界荃灣沙咀道6號嘉達環球中心12樓，其股份於香港聯合交易所有限公司(「香港聯交所」)上市。

本公司之最終母公司為Nan Hai Corporation Limited(南海控股有限公司，「南海」)，該公司於百慕達註冊成立及以百慕達為註冊地，而其股份於香港聯交所上市。

本公司及其附屬公司(「本集團」)主要從事企業IT應用服務。有關本公司附屬公司主要業務之詳情載於附註16。

2. 主要會計政策概要

2.1 編製基準

第85至187頁之財務報表乃根據有關編製財務報表之香港會計師公會(「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」)，包括所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋以及香港公司條例而編製。此外，財務報表包括香港聯交所證券上市規則(「上市規則」)規定之適用披露資料。

除若干分類為可供出售並按公允價值計量的金融工具外，財務報表已按歷史成本基準編製。計量基準於下文會計政策詳述。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new/amended HKFRSs and impacts on the Group's financial statements, if any, are disclosed in note 3.

It should be noted that accounting estimates and assumptions are used in preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

2. 主要會計政策概要 (續)

2.1 編製基準 (續)

編製該等財務報表所採用之重大會計政策概述於下文。除另有訂明外，該等政策均已貫徹應用於所有年度。採納新訂／經修訂香港財務報告準則對本集團財務報表之影響(如有)於附註3內披露。

務請注意於編製財務報表時採用會計估計及假設。儘管該等估計乃建基於管理層對目前事件及行動之最佳了解及判斷，實際結果或最終有別於該等估計。涉及高度判斷或複雜性之範疇，或假設及估計對財務報表而言屬重大之範疇於附註4內披露。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries (together referred to as the “Group”) made up to 31 December each year.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The results of the subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of the disposal, as appropriate.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group’s perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

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

2. 主要會計政策概要(續)

2.2 綜合賬目基準

綜合財務報表包括本公司及其附屬公司(統稱為「本集團」)截至每年12月31日止之財務報表。

附屬公司於控制權轉移至本集團時綜合入賬，並於控制權終止時取消綜合入賬。年內購入或出售附屬公司之業績自收購生效日期起或截至出售生效日期止(視適用情況而定)計入綜合全面收益報表。

公司間之交易及集團內公司間之結餘連同未變現收益及虧損均於編製綜合財務報表時對銷。倘集團內公司間資產銷售之未變現虧損於綜合時撥回，則從本集團的角度對相關資產進行減值測試。附屬公司之財務報表所報金額已在有需要時作出調整，以確保配合本集團所採用之會計政策。

本集團於附屬公司權益之變動如不導致失去控制權，入賬列為權益交易。本集團權益及非控股權益之賬面值均予以調整，以反映其各自於附屬公司之相對權益之變動。經調整後非控股權益金額與所付或所收代價公允價值之任何差額，直接於權益確認，並歸屬於本公司擁有人。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Basis of consolidation (Continued)

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

2.3 Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

2. 主要會計政策概要 (續)

2.2 綜合賬目基準 (續)

當本集團失去附屬公司控制權時，出售損益為以下兩者之差額：(i) 已收代價之公允價值與任何保留權益之公允價值之總額；與(ii) 該附屬公司之資產（包括商譽）及負債與任何非控股權益之過往賬面值。以往與該附屬公司有關，於其他全面收益確認之金額，按出售相關資產或負債時所規定之相同方式入賬。

收購後，非控股權益（代表現時於該附屬公司之擁有權）賬面值為初步確認時之權益金額，另加非控股權益應佔之其後權益變動。即使全面收益總額歸屬於非控股權益後會出現虧絀結餘，仍須按此方式入賬。

2.3 附屬公司

一間附屬公司指本集團能夠對其行使控制權之投資對象。倘以下三項因素全部存在時，則本集團可控制投資對象：對投資對象及風險承擔之權力，或有權享有投資對象之浮動回報及有能力運用權力影響該等浮動回報。當事實及情況顯示該等控制權之任何因素可能有變，則會重新評估控制權。

除非附屬公司乃持作出售或計入出售組別，於本公司之財務狀況報表中，於附屬公司之投資按成本值扣除減值虧損列賬。附屬公司之業績由本公司按於報告日期已收及應收股息之基準列賬。不論所收取股息是以投資對象之收購前或收購後溢利作出，全部股息乃於本公司損益賬確認。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates

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

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

2. 主要會計政策概要 (續)

2.4 聯營公司

聯營公司為本集團對其有重大影響而非屬於附屬公司或合營安排之實體。重大影響指參與決定投資對象之財政及營運政策之權力而非控制或共同控制該等政策。

聯營公司採用權益法入賬，據此，聯營公司初步按成本值確認，其後其賬面值就本集團應佔聯營公司之資產淨值收購後變動作出調整，惟超出本集團於聯營公司之權益之虧損不會確認，除非有責任妥善處理該等虧損。

本集團與其聯營公司進行交易所產生之溢利及虧損，僅以就聯營公司之不相關投資者權益為限予以確認。該等交易所產生之投資者應佔聯營公司之溢利或虧損，與聯營公司之賬面值對銷。倘未變現虧損足以證明資產減值已經轉撥，則有關虧損即時於損益賬確認。

就聯營公司已付之任何溢價超出本集團應佔所收購可識別資產、負債及或然負債之公允價值之金額會撥充資本，並計入聯營公司之賬面值。倘有客觀證據顯示於聯營公司之投資出現減值，則投資賬面值按其他非金融資產相同之方式進行減值測試。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

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 and are reported as part of the fair value gain or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity. Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 have been treated as assets and liabilities of the foreign operation and translated into Hong Kong dollars at the closing rates. Goodwill arising on acquisitions of foreign operations before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

2. 主要會計政策概要 (續)

2.5 外幣換算

財務報表以港元(「港元」)呈報，即本公司之功能貨幣。

於綜合入賬實體中各自之財務報表，外幣交易按交易日適用匯率換算為個別實體之功能貨幣入賬。於報告日期，以外幣計值之貨幣資產及負債按該日之適用外匯匯率換算。因結算該等交易及於報告日期重新換算貨幣資產及負債而產生之外匯收益及虧損於損益賬確認。

按公允價值以外幣計量之非貨幣項目乃按釐定公允價值當日之匯率重新換算，並呈報為公允價值收益或虧損之其中部分。按歷史成本以外幣計量之非貨幣項目不可重新換算。

於綜合財務報表中，所有原先並非以本集團呈報貨幣呈報之各份海外業務財務報表現已換算為港元。資產與負債按報告日期之收市匯率換算為港元。收入及開支已按交易當日之適用匯率或按報告期間之平均匯率換算為港元，惟以匯率波動不大為限。因此而產生之任何匯兌差額，在其他全面收益中確認，並另行於權益之匯兌儲備中累計。於2005年1月1日或之後因收購海外業務產生之商譽及公允價值調整已作為該海外業務之資產及負債處理，並按收市匯率換算為港元。於2005年1月1日之前因收購海外業務而產生之商譽，乃按收購海外業務當日之適用外匯匯率換算。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

Other exchange differences arising from the translation of the net investment in foreign entities are recognised in other comprehensive income and accumulated in equity as exchange reserve. On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

2.6 Property, plant and equipment

Property, plant and equipment other than construction in progress, are stated at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to the working condition and location for its intended use.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Buildings	5%
Leasehold improvements, furniture, fixtures and equipment	10% to 33-1/3%, or over lease terms whichever involves shorter period
Motor vehicles	10% to 33-1/3%

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned asset or where shorter, the terms of the relevant lease.

2. 主要會計政策概要 (續)

2.5 外幣換算 (續)

折算海外實體投資淨額而產生之其他匯兌差額於其他全面收入確認，並於權益項下之匯兌儲備累計。當出售海外業務時，於截至出售日期與該業務有關之匯兌儲備內確認之累計匯兌差額會重新分類至損益賬列作部分出售溢利或虧損。

2.6 物業、廠房及設備

物業、廠房及設備(在建工程除外)按購入成本減累計折舊及累計減值虧損列賬。資產成本包括購買價及將該資產達至其擬定用途之運作條件及位置之任何直接費用。

折舊乃以下列年率，於估計可使用年期以直線法計提，以撇銷有關成本減剩餘價值：

樓宇	5%
租賃物業裝修、傢俬、裝置及設備	10%至33-1/3%或於租賃期間(以較短者為準)
汽車	10%至33-1/3%

資產之剩餘價值、折舊方法及使用年期於各報告日期檢討，在適當情況會作出調整。

根據融資租賃持有之資產乃按與自置資產相同之基準於其估計可使用年期或有關租賃較短之年期計算折舊。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Property, plant and equipment (Continued)

The gain or loss arising on retirement or disposal is determined as the difference between the net sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

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

Construction in progress represents assets under construction and is carried at cost less any impairment losses, and is not depreciated. Cost comprises direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

The buildings comprise a portion that is held to earn rentals and the other portion that is held for administrative purpose. As the portion held to earn rentals cannot be sold separately and is insignificant, the building is classified as owner-occupied property rather than investment property.

2.7 Operating lease prepayments and land use right

Upfront payments made to acquire land held under an operating lease are stated at costs less accumulated amortisation and any accumulated impairment losses. The determination if an arrangement is or contains a lease and the lease is an operating lease is detailed in note 2.14. Amortisation is calculated on a straight-line basis over the term of the lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

2. 主要會計政策概要 (續)

2.6 物業、廠房及設備 (續)

報廢或出售之盈虧按出售所得款項淨額與資產賬面值之差額釐定，並於損益賬確認。

其後成本只有在與該項目有關之未來經濟利益有可能流入本集團，且該項目之成本能可靠計量時，方計入資產之賬面值或確認為獨立資產（視適用情況而定）。所有其他維修及保養等成本，於其產生之財政期間內自損益賬扣除。

在建工程指在建資產，並按成本值減任何減值虧損入賬，不予折舊。成本包括在建設期間之直接建設成本。在建工程於建設工程完成及資產可供使用時，重新歸類為物業、廠房及設備之適當類別，並開始計提折舊。

建築物包括部分持有作收租用途及其他部分作行政辦公用途之建築物。由於持作收租部分不可分拆出售且並非重大，因此該建築物被分類為業主自用物業而非投資物業。

2.7 經營租賃預付款項及土地使用權

就收購根據經營租約持有之土地所作出預付款項乃以成本減累計攤銷及任何累計減值虧損列值。安排是否屬於租賃或是否包含租賃以及該租賃是否屬於經營租賃之釐定方式於附註2.14詳述。攤銷乃於租賃／使用權期內以直線法計算，惟倘若有另一種基準更能反映本集團透過利用有關土地可產生收益之時間則除外。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary. Accounting for goodwill arising on acquisition of investment in an associate is set out in note 2.4.

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred and the amount recognised for any non-controlling interest in the acquiree over the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of the identifiable assets, liabilities and contingent liabilities exceed the aggregate of the fair value of consideration paid and the amount recognised for any non-controlling interests, the excess is recognised immediately in profit or loss on the acquisition date, after re-assessment.

Goodwill is stated at cost less accumulated impairment losses (note 2.19). Goodwill arising on a business combination is allocated to each of the relevant cash-generating units ("CGUs"), or groups of CGUs, that are expected to benefit from the synergies of the business combination. A CGUs to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the CGU to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

2. 主要會計政策概要 (續)

2.8 商譽

下文列載有關收購一間附屬公司所產生商譽之會計政策。收購一間聯營公司之投資所產生商譽之會計法載於附註2.4。

商譽指轉讓代價及就於收購對象之非控股權益已確認金額總和超過所收購之收購對象可識別資產、負債及或然負債之公允價值淨額之差額。

倘可識別資產、負債及或然負債之公允價值超出所付代價及就任何非控股權益已確認金額之公允價值，則超出部分在重估後隨即於收購日期在損益賬確認。

商譽乃按成本減減值虧損計量(附註2.19)。於業務合併產生之商譽分配予預期會受惠於業務合併協同效益之各相關現金產生單位(「現金產生單位」)或現金產生單位組別。獲分配商譽之現金產生單位會每年及於有跡象顯示該單位可能出現減值時進行減值測試。

就於某個財政年度之收購產生之商譽而言，獲分配商譽之現金產生單位於該財政年度完結前進行減值測試。倘現金產生單位之可收回金額少於該單位之賬面值，則減值虧損先分配至該單位之任何商譽賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽之任何減值虧損乃於損益賬確認且於往後期間不予撥回。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Goodwill (Continued)

Impairment losses for goodwill recognised in an interim period are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

On subsequent disposal of a subsidiary or CGU, any attributable amount of goodwill is included in the calculation of the gain or loss on disposal.

2.9 Other intangible assets and research and development costs

Other intangible assets

Acquired intangible assets are recognised initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on straight-line basis over their estimated useful lives. Amortisation commences when the intangible assets are available for use. The following useful lives are applied:

Computer software	4 years
Development cost	2–4 years
Licenses	10 years

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the computer software to which it relates. All other expenditure is expensed as incurred.

Intangible assets, are tested for impairment as described below in note 2.19.

2. 主要會計政策概要 (續)

2.8 商譽 (續)

於中期期間確認之商譽減值虧損不會於往後期間撥回。即使僅於該中期期間有關之財政年度結束時所作出之減值評估應無確認虧損或確認較少虧損，在中期期間確認之減值虧損仍不得撥回。

其後出售附屬公司或現金產生單位時，於釐定出售之收益或虧損時將計入任何商譽應佔金額。

2.9 其他無形資產及研發成本

其他無形資產

所收購無形資產初步按成本確認。初步確認後，有限使用年期之無形資產按成本減累計攤銷及任何累計減值虧損入賬。有限使用年期之無形資產之攤銷於其估計可使用年期以直線法計提撥備。無形資產於可使用時開始攤銷。以下為所應用之可使用年期：

電腦軟件	4年
開發成本	2–4年
牌照	10年

其後開支只會在與其相關之電腦軟件之未來經濟利益增加時方予以資本化。所有其他開支於發生時支銷。

無形資產根據下文附註2.19所述者作減值測試。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Other intangible assets and research and development costs (Continued)

Research and development costs

Costs associated with research activities are expensed in profit or loss as they occur. Costs that are directly attributable to the development activities are recognised as intangible assets provided they meet the following recognition requirements:

- (i) demonstration of technical feasibility of the prospective product for internal use or sale;
- (ii) there is intention to complete the intangible asset and use or sell it;
- (iii) the Group's ability to use or sell the intangible asset is demonstrated;
- (iv) the intangible asset will generate probable economic benefits through internal use or sale;
- (v) sufficient technical, financial and other resources are available for completion; and
- (vi) the expenditure attributable to the intangible asset can be reliably measured.

Direct costs include employee costs incurred on development along with an appropriate portion of relevant overheads. The costs of internally generated developments are recognised as intangible assets. They are subject to the same subsequent measurement method as externally acquired intangible assets.

All other development costs are expensed as incurred.

2. 主要會計政策概要(續)

2.9 其他無形資產及研發成本(續)

研發成本

與研究活動相關之成本於產生時於損益賬支銷。直接歸因於開發活動之成本於符合以下確認要求時確認為無形資產：

- (i) 顯示預期供內部使用或銷售之產品在技術上可行；
- (ii) 有意完成無形資產，並加以使用或出售；
- (iii) 顯示本集團有能力使用或出售該無形資產；
- (iv) 無形資產有可能透過內部使用或出售帶來經濟利益；
- (v) 備有足夠技術、財務及其他資源完成研發；及
- (vi) 能可靠計量無形資產應佔之開支。

直接成本包括開發過程中產生之僱員成本，以及適當部分之相關間接費用。開發產品產生之內部成本乃確認為無形資產。該資產其後之計量方法，與外購之無形資產相同。

所有其他開發成本於產生時支銷。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets

The Group's accounting policies for financial assets other than investments in subsidiaries and associates are set out below.

Financial assets are classified into the following categories:

- loans and receivables
- available-for-sale financial assets

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

2. 主要會計政策概要 (續)

2.10 金融資產

本集團金融資產(除附屬公司及聯營公司中之投資外)之會計政策呈列如下。

金融資產分為以下類別：

- 貸款及應收款項
- 可供出售之金融資產

管理層於初步確認時根據收購金融資產之目的釐定其金融資產之分類，及(倘允許及適用)於各報告日期重新評估該分類。

所有金融資產僅於本集團成為工具合約條文之訂約方後，方可確認。日常購置之金融資產於交易日確認。金融資產最初確認時，乃按公允價值計量，倘投資並非按公允價值於損益賬中計算，則加直接應佔交易成本計量。

倘從金融資產收取現金流量之權利屆滿或轉讓及擁有權之絕大部分風險及回報已轉讓時，則終止確認金融資產。

於各報告日期會審閱金融資產，以評估是否有客觀證據表明金融資產減值。倘出現任何該等證據，則根據金融資產之分類釐定及確認減值虧損。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(ii) *Available-for-sale financial assets*

Non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets are classified as available-for-sale financial assets.

All financial assets within this category are subsequently measured at fair value. Gain or loss arising from a change in the fair value excluding any dividend and interest income is recognised in other comprehensive income and accumulated separately in the available-for-sale financial assets revaluation reserve in equity, except for impairment losses (see the policy below) and foreign exchange gains and losses on monetary instruments, until the financial asset is derecognised, at which time the cumulative gain or loss is reclassified from equity to profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

2. 主要會計政策概要 (續)

2.10 金融資產 (續)

(i) 貸款及應收款項

貸款及應收款項乃指並非於活躍市場報價而具備固定或可釐定付款之非衍生金融資產。貸款及應收款項其後採用實際利率法按攤銷成本減任何減值虧損計算。攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本組成部分之各項費用。有關盈虧當貸款及應收款項被終止確認或減值時於損益賬確認，也透過攤銷確認。

(ii) 可供出售之金融資產

不合資格列入任何其他類別金融資產之非衍生金融資產分類為可供出售之金融資產。

該類別所有金融資產其後按公允價值計量。公允價值變動(不包括任何股息及利息收入)產生之收益或虧損於其他全面收益確認，並於權益內可供出售金融資產重估儲備內分開累計，惟減值虧損(見下述政策)以及貨幣工具之匯兌收益及虧損除外，有關累計收益或虧損於金融資產終止確認時方由權益重新分類至損益賬。以實際利率法計算之利息於損益賬確認。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment.

Objective evidence of impairment of individual financial assets includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group, national or local economic conditions that correlate with defaults on the assets in the group, and the failure to renegotiate the repayment terms of loan and receivables that would otherwise be past due or impaired.

2. 主要會計政策概要 (續)

2.10 金融資產 (續)

金融資產之減值

於各報告日期，本集團審閱金融資產，以釐定是否有任何客觀減值證據。

個別金融資產減值之客觀證據包括本集團得悉下列一項或多項虧損事件之明顯數據：

- 債務人出現重大財務困難；
- 違反合約，例如拖欠或欠付利息或本金付款；
- 債務人可能會進行破產程序或其他財務重組；
- 科技、市場、經濟或法律環境出現對債務人有負面影響之重大變動；及
- 股本工具投資之公允價值大幅或長期下跌至低於其成本。

有關一組金融資產之虧損事件包括顯示該組金融資產之估計未來現金流量大幅減少之明顯數據。有關明顯數據包括但不限於該組債務人之付款狀況、與該組欠款資產相關之國家或地區經濟狀況之不利變動，以及未能重新磋商已逾期或減值之貸款及應收款項之還款期。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

Impairment of financial assets (Continued)

If any such evidence exists, the impairment loss is measured and recognised as follows:

(i) Financial assets at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of the loss is recognised in profit or loss of the period in which the impairment occurs.

If, in 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 to the extent that it does not result in a carrying amount of the financial asset exceeding what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss of the period in which the reversal occurs.

(ii) Available-for-sale financial assets

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, an amount is removed from equity and recognised in profit or loss as impairment loss. That amount is measured as the difference between the asset's acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

2. 主要會計政策概要(續)

2.10 金融資產(續)

金融資產之減值(續)

若存在任何該等證據，則按以下方式計量及確認減值虧損：

(i) 按攤銷成本計量之金融資產

倘有客觀證據顯示按攤銷成本列賬之貸款及應收款項出現減值虧損，則虧損金額按資產之賬面值與按金融資產之原實際利率(即最初確認時計算之實際利率)貼現之估計未來現金流量(不包括未產生之未來信貸虧損)現值兩者之差額計量。虧損金額於減值出現期間在損益賬確認。

倘若其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件聯繫，則撥回過往確認之減值虧損，惟不得導致金融資產於撥回減值當日之賬面值超過如無確認減值之原有攤銷成本。撥回金額於撥回發生期間在損益賬中確認。

(ii) 可供出售之金融資產

當可供出售金融資產之公允價值減幅已直接於權益確認，且有客觀證據顯示資產已減值，有關數額將自權益剔除並於損益賬確認為減值虧損。該數額乃按資產收購成本(扣除任何本金還款及攤銷)與當時之公允價值兩者之差額，減去之前就該資產在損益賬確認之任何減值虧損計量。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Available-for-sale financial assets (Continued)

Reversals in respect of investment in equity instruments classified as available-for-sale are not recognised in the profit or loss. The subsequent increase in fair value is recognised directly in other comprehensive income. Impairment losses in respect of debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversal of impairment losses in such circumstances are recognised in profit or loss.

Financial assets other than loans and receivables that are stated at amortised cost, impairment losses are written off against the corresponding assets directly. Where the recovery of loans and receivables is considered doubtful but not remote, the impairment losses for doubtful receivables are recorded using an allowance account. When the Group is satisfied that recovery of loans and receivables is remote, the amount considered irrecoverable is written off against loans and receivables directly and any amounts held in the allowance account in respect of that receivable are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策概要 (續)

2.10 金融資產 (續)

金融資產之減值 (續)

(ii) 可供出售之金融資產 (續)

就歸類為可供出售之股本工具投資之撥回並不在損益賬中確認。日後之公允價值增加直接在其他全面收益中確認。若日後之公允價值增加能夠與減值虧損確認後發生之事件客觀相關，則債務證券之減值虧損將予撥回。在該等情況下，減值虧損之撥回於損益賬中確認。

就金融資產(按攤銷成本列賬之貸款及應收款項除外)而言，減值虧損乃直接與相應資產撇銷。倘貸款及應收款項被認為屬呆賬但並非不能收回，則屬呆賬之應收款項減值虧損會使用撥備賬列賬。當本集團信納不大可能收回貸款及應收款項時，則被認為屬不可收回之金額乃直接自貸款及應收款項撇銷，而於撥備賬內就有關應收款項持有之任何金額會予以撥回。其後收回過往計入撥備賬之金額自撥備賬撥回。撥備賬之其他變動及其後收回過往直接撇銷之金額乃於損益賬確認。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks or financial institutions and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of cash flow statement presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial liabilities

The Group classified its financial liabilities depending on the purpose for which the liabilities were incurred.

The Group's financial liabilities include bank borrowings, trade and other payables and finance lease liabilities. They are included in statement of financial position as bank borrowings, amount due to ultimate holding company, amount due to a director, amount due to a shareholder, amounts due to associates, trade payables, other payables and accruals and finance lease liabilities. They are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost, using the effective interest method.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. All related finance costs are recognised in accordance with the Group's accounting policy for finance costs (see note 2.21).

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

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

2. 主要會計政策概要(續)

2.11 現金及等同現金項目

現金及等同現金項目包括銀行現金及庫存現金、銀行或其他金融機構的活期存款，以及原到期日為三個月或以下可隨時轉換為已知數額現金且價值變動風險較少之短期高度流動性投資。就現金流量報表呈報而言，現金及等同現金項目包括按要求償還及屬本集團現金管理主要部分的銀行透支。

2.12 金融負債

本集團視乎所產生負債之目的將金融負債分類。

本集團之金融負債包括銀行借貸、應付貿易款項及其他應付款項以及融資租賃負債。此等項目在財務狀況報表內分別列入銀行借貸、欠最終控股公司款項、欠一名董事款項、欠一名股東款項、欠聯營公司款項、應付貿易款項、其他應付款項及應計費用以及融資租賃負債。金融負債初步按公允價值扣除所產生之交易成本確認，其後以實際利率法按攤銷成本計量。

金融負債於本集團成為契約之合約條文訂約方時確認。所有相關融資成本根據本集團有關融資成本之會計政策確認(見附註2.21)。

金融負債乃於有關負債承擔被解除或註銷或屆滿時終止確認。

倘一項現有金融負債被相同借款人按基本上不同之條款提供之其他債項取代，或現有負債條款被重大修改，該取代或修改會被視作終止確認原有負債及確認一項新負債來處理，且各賬面值間之差額會在損益賬確認。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial liabilities (Continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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

Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost, using the effective interest method.

Finance lease liabilities

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see note 2.14).

2.13 Financial guarantees issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2. 主要會計政策概要 (續)

2.12 金融負債 (續)

借貸

借貸初步按公允價值扣除交易成本確認。其後借貸按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間之任何差額於借貸期內使用實際利率法於損益賬內確認。

除非本集團擁有無條件權利延遲至報告日期後至少十二個月償付負債，否則借貸分類為流動負債。

應付貿易款項及其他應付款項

應付貿易款項及其他應付款項初步按公允價值確認，其後使用實際利率法按攤銷成本計量。

融資租賃負債

融資租賃負債乃按初始價值減租賃還款之本金部分計量（見附註 2.14）。

2.13 已發出之財務擔保

財務擔保合約指持有人要求發行人（或擔保人）支付指定金額，以賠償持有人因指定債務人未能按債務工具條款依期還款所造成的損失之合約。

當本集團發出財務擔保時，財務擔保之公允價值初步於其他應付款項中確認為遞延收入。就發出擔保時已收或應收代價，代價乃根據本集團有關資產類別適用之政策確認。若並無已收或應收代價，於初步確認遞延收入時會即時在損益賬中確認開支。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Financial guarantees issued (Continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when it becomes probable that the holder of the guarantee will call upon the Group under the guarantee and the amount of that claim on the Group is expected to exceed the current carrying amount i.e. the amount initially recognised less accumulated amortisation, where appropriate.

2.14 Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2. 主要會計政策概要(續)

2.13 已發出之財務擔保(續)

初步確認為遞延收入之擔保金額於擔保期在損益中攤銷，作為來自自己發出財務擔保之收入。此外，如擔保持有人有可能根據擔保要求本集團還款，及向本集團索償之金額預期超逾現行賬面值(即初步確認之金額減累計攤銷(如適用))，則確認撥備。

2.14 租賃

倘本集團釐定一項安排(不論由一宗交易或一系列交易組成)附有權利可於協定期間內使用一項特定資產或多項資產以換取一項或多項付款，則該安排屬於或包含一項租賃。該釐定乃根據對該安排之內容評估而作出，而不論該安排是否為法定租賃形式。

(i) *租予本集團資產之分類*

倘本集團根據租賃持有資產，而其中擁有權絕大部分風險及利益均轉移至本集團，乃分類為根據融資租賃持有之資產。不會向本集團轉移擁有權絕大部分風險及利益之租賃乃分類為經營租賃。

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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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Leases (Continued)

(ii) Operating lease charges as the lessee

Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss on a straight-line basis over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets.

Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rental are charged to profit or loss in the accounting period in which they are incurred.

(iii) Assets acquired under finance leases

When the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets, are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligation under finance lease.

Subsequent accounting for assets held under finance lease agreements corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance charges.

Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策概要 (續)

2.14 租賃 (續)

(ii) 作為承租人之經營租賃費用

倘本集團以經營租賃持有資產使用權，則租賃費用將於租賃期間按直線法從損益賬中扣除，惟倘有另一種更能反映租賃資產衍生之利益模式的基準除外。

已收取之租金優惠乃於損益賬內確認為應付累計租賃款項淨額之組成部分。或然租金於產生之會計期間計入損益賬。

(iii) 根據融資租賃購入之資產

如屬本集團根據融資租賃獲得資產使用權之情況，則將相當於租賃資產公允價值或最低租賃付款金額現值(如為較低者)列作物業、廠房及設備，而相應負債(已扣除財務費用)則列為融資租賃承擔。

對根據融資租賃協議持有之資產之其後會計處理與可資比較的收購資產所應用者一致。相應之融資租賃負債須減去扣除財務費用後之租金。

租金包含的財務費用於租賃期間內經損益賬扣除，藉以使各會計期間有關責任的未償還結餘以相若固定週期比率計算開支。或然租金於其產生之會計期間自損益賬扣除。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Provisions and contingent liabilities

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

2.16 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, rendering of services and the use by others of the Group's assets yielding interest, royalties and dividends, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

- Sales of goods are recognised upon transfer of the significant risks and rewards of ownership to the customer. This is usually taken as the time when the goods are delivered and the customer has accepted the goods;

2. 主要會計政策概要 (續)

2.15 撥備及或然負債

倘本集團因過往事件而須承擔現有法定或推定責任，而履行該責任時有可能須耗用經濟利益，且涉及該責任之金額可作可靠估計，則確認有關撥備。若貨幣之時間價值屬重大，則撥備按履行該責任預計所需開支之現值列賬。

所有撥備於各報告日期檢討並調整以反映現時之最佳估計。

倘經濟利益流出之可能性較低，或無法對有關數額作出可靠估計，便會作為或然負債披露，惟經濟利益流出之可能性極低則除外。倘本集團之責任須視乎某宗或多宗本集團並不能完全控制之未來不確定事件是否發生才能確定是否存在，亦會披露為或然負債，惟經濟利益流出之可能性極低則除外。

2.16 收入確認

收入包括銷售貨品之已收取或應收取代價、提供服務及其他人士使用本集團資產產生之利息、專利權稅及股息，並扣除回佣及折扣之公允價值。在經濟利益有可能流向本集團，而有關收入和成本(如適用)能可靠計量時，按以下基準確認收入：

- 銷售貨物於向客戶轉讓擁有權之重要風險及回報時確認，通常為交付貨物及客戶接受此貨物之時；

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Revenue recognition (Continued)

- Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided. When services are performed by an indeterminate number of acts over a specified period of time, revenue is recognised on a straight-line basis over the specified period of time unless there is evidence that some other method better represents the stage of completion;
- Rental income under operating lease is recognised on a straight-line basis over the term of the relevant lease;
- Interest income is recognised on a time-proportion basis using the effective interest method; and
- Dividend is recognised when the right to receive payment is established.

2.17 Receipt in advance and deferred revenue

Receipt in advance and deferred revenue consists primarily of deferred revenue from prepaid service fees received from customers and fair value of bonus liabilities granted to customers in accordance with the announced bonus point scheme and the Group's past experience on the level of redemption of points. Revenue from prepaid service fees and bonus liabilities are recognised when the relevant services are rendered.

2. 主要會計政策概要 (續)

2.16 收入確認 (續)

- 服務銷售額於提供服務之會計期間，參考特定交易根據實際提供之服務佔所提供總服務之比例評估之完成階段確認；倘服務乃於一段指定時期內透過不確定數量行動進行，除非有證據顯示有其他更佳方法表示完成階段，否則收入按直線基準於該等指定時期確認；
- 經營租賃項下租金收入乃按直線基準於相關租賃期內確認；
- 利息收入乃採用實際利率法按時間比例基準確認；及
- 股息於收款權利確立時確認。

2.17 預收款項及遞延收益

預收款項及遞延收益主要包括向客戶收取之預付服務費用之遞延收入及按照已公佈之獎賞積分計劃以及本集團根據過往之積分兌換水平而釐定授予客戶之獎賞責任之公允價值。預付服務費用之收入及獎賞責任在提供相關服務時確認。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of assets are included in liabilities as deferred government grants in the statement of financial position and are recognised in profit or loss on a straight-line basis over the expected lives of the related assets. Government grants relating to income is presented in gross under "Other operating income" in the profit or loss.

2.19 Impairment of non-financial assets

Goodwill arising on an acquisition of subsidiary, intangible assets, property, plant and equipment, prepaid land lease payments under operating leases, non-current portion of deposits and interests in subsidiaries and associate are subject to impairment testing.

Goodwill and intangible assets that are not available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions 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 assessment of time value of money and the risk specific to the asset.

2. 主要會計政策概要 (續)

2.18 政府撥款

當合理確保將收取撥款且本集團將遵守全部附帶條件，來自政府之撥款按其公允價值確認。政府撥款會遞延處理且於需要與其擬補償之成本作出配對期間於損益賬確認。關於購買資產之政府撥款於財務狀況報表內計入負債，列為遞延政府撥款，並以直線法於有關資產之估計年期於損益賬確認。關於收入之政府撥款之總額於損益賬呈列為「其他經營收入」。

2.19 非金融資產減值

收購附屬公司產生之商譽、無形資產、物業、廠房及設備、經營租賃項下預付土地租賃費、按金之非流動部分以及於附屬公司及聯營公司之權益須進行減值測試。

不論是否有任何減值跡象，商譽及不可使用之無形資產須最少每年進行一次減值測試。所有其他資產於有任何跡象顯示資產賬面值可能無法收回時進行減值測試。

當資產之賬面值高於其可收回金額時，高出金額作為減值虧損被立即確認為開支。可收回金額為公允價值(反映市場情況)減去出售成本與使用價值之較高者。評估使用價值時，以除稅前貼現率計算預計未來之現金流量之現值，而該貼現率反映當時市場對貨幣時值之評估及該項資產之特有風險。

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Impairment of non-financial assets

(Continued)

For the purposes of assessing impairment, when an assets does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. 主要會計政策概要 (續)

2.19 非金融資產減值 (續)

就評估減值而言，若一項資產所產生之現金流入大部分不能獨立於其他資產所產生之現金流入，可收回金額則以能獨立產生現金流入之最細資產組合（即現金產生單位）釐定。因此，部分資產個別進行減值測試，部分則在現金產生單位層次進行測試。特別是商譽，會被分配至預期可從相關業務合併之協同效應中獲益，及代表集團內為內部管理目的而監控商譽之最低單位之現金產生單位。

就已分配商譽之現金產生單位確認之減值虧損初步計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公允價值減出售成本或使用價值（如可釐定）外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽之減值虧損不可於往後期間撥回。就其他資產而言，倘用以釐定資產可收回金額之估計出現有利變動，減值虧損予以撥回，惟資產之賬面值不得超過倘並無確認減值虧損而應已釐定之賬面值（經扣除折舊或攤銷）。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Employee benefits

(i) *Short-term employee benefits*

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

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(ii) *Retirement benefits*

The Group operates several staff retirement schemes for employees in Hong Kong and Mainland China, the PRC, comprising defined contribution pension schemes and a Mandatory Provident Fund ("MPF") scheme. The assets of these schemes are held separately from those of the Group in independently administered funds. The retirement schemes are generally funded by payments from employees and by the relevant subsidiaries of the Group.

The subsidiaries operating in Mainland China are required to participate in the defined contribution retirement scheme for their employees, organised by the relevant local government authorities. They are required to make contributions to the retirement schemes at a rate of 10% to 22% (depending on the locations of the subsidiaries) of basic salaries of their employees and there are no other further obligations to the Group.

2. 主要會計政策概要 (續)

2.20 僱員福利

(i) *短期僱員福利*

僱員應享年假乃於應計予僱員時確認，並就截至報告日期止僱員提供服務所享有之年假之估計負債提撥準備。

病假及產假等非累計補假僅於休假時方予確認。

(ii) *退休福利*

本集團為香港及中國內地之僱員提供數項員工退休計劃，包括界定供款退休金計劃及強制性公積金（「強積金」）計劃。該等計劃之資產與本集團之資產分開保管，由獨立管理基金持有。退休計劃之資金一般來自僱員及本集團有關附屬公司之供款。

於中國內地經營之附屬公司須為彼等之僱員參與由有關地方政府機關統籌之界定供款退休計劃，並須按其僱員之基本薪金之10%至22%（取決於附屬公司所在地）向退休計劃作出供款，而本集團並無其他進一步責任。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Employee benefits (Continued)

(ii) Retirement benefits (Continued)

Before 1 December 2000, the Group operated a defined contribution retirement scheme (the "ORSO Scheme") in Hong Kong for all qualified employees. The rate of contribution payable by the Group was 5% of the individual employees' monthly basic salaries. The Group's contributions under the ORSO Scheme were reduced by contributions forfeited by those employees who left the scheme prior to vesting fully in the contributions. There are no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The Mandatory Provident Fund Schemes Authority has approved the ORSO Scheme as a Mandatory Provident Fund Exempted Occupational Retirement Scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Schemes Ordinance"). With effect from 1 December 2000, the MPF Scheme was also set up under the MPF Schemes Ordinance for existing staff who opt for this scheme and eligible staff recruited on or after that date. When the underlying staff elects the MPF Scheme, pension scheme benefits attributed to the staff under the ORSO Scheme remain unchanged in the MPF Scheme. Under the MPF Scheme, eligible employees are required to contribute 5% of their monthly basic salaries whereas the Group's monthly contribution will be 5% of the relevant employee's basic salaries with a maximum monthly contribution of HK\$1,500. There are no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short term nature.

2. 主要會計政策概要 (續)

2.20 僱員福利 (續)

(ii) 退休福利 (續)

於2000年12月1日前，本集團為其所有合資格僱員於香港設立一個界定供款退休金計劃（「職業退休計劃」）。本集團應付供款之比率為每位個別僱員每月基本薪金之5%。本集團根據職業退休計劃作出之供款，可以因僱員於可享有供款所得全部權益前退出該計劃而沒收之供款扣減。於支付定額供款後，本集團並無任何須支付進一步供款之法定或推定責任。

強制性公積金計劃管理局根據強制性公積金計劃條例（「強積金條例」）批准職業退休計劃為強積金獲豁免職業退休計劃。由2000年12月1日起，本集團亦根據強積金條例設立強積金計劃。強積金計劃乃為選擇參與該計劃之現有員工及於該日或之後聘用之合資格員工而設。當相關員工選用強積金計劃，根據職業退休計劃屬於員工之職業退休計劃利益於強積金計劃中維持不變。根據強積金計劃，合資格僱員須按其每月基本薪金5%供款，而本集團之每月供款將為有關僱員基本薪金之5%，每月供款上限為1,500港元。於支付固定供款後，本集團並無任何須支付進一步供款之法定或推定責任。

界定供款退休金計劃之供款於僱員提供服務時在損益賬中確認為開支。負債及資產可能於繳付不足或預繳時確認，並因其通常屬短期性質而計入流動負債或流動資產。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 Employee benefits (Continued)

(iii) Share-based employee compensation

All share-based payment arrangements granted after 7 November 2002 and had not vested on 1 January 2005 are recognised in the financial statements. The Group operates equity-settled share-based compensation plans for remuneration of its employees.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in share option reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates.

2. 主要會計政策概要 (續)

2.20 僱員福利 (續)

(iii) 以股份支付之僱員報酬

所有於2002年11月7日之後授出且於2005年1月1日尚未歸屬之以股份支付之安排，均在財務報表中確認。本集團設立以權益結算、以股份支付之補償計劃為其僱員提供薪酬。

所有僱員提供之服務用以換取任何以股份支付之報酬乃按公允價值計量，並間接經參考已授出之購股權釐定。該等服務之價值於授出日評定，且不計及任何非市場歸屬條件(例如，盈利能力及銷售增長目標)之影響。

除有關賠償符合資格確認為資產外，所有以股份支付之賠償於歸屬期在損益賬確認為開支(若歸屬條件適用)，或於授出之股本工具即時歸屬時在授出日期悉數確認為開支，並在權益(購股權儲備)作相應增加。倘應用歸屬條件，則開支會於歸屬期內按照預期歸屬之股本工具數目最佳可得估計確認。於假設預期將予以行使之權益工具時會計入非市場歸屬條件。倘有任何跡象顯示預期歸屬之權益工具數目與過往之估計不同，則會於其後修訂估計。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Finance costs

Finance costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other finance costs are expensed as incurred.

Finance costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of finance costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

2.22 Accounting for income taxes

Income tax for the year comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred tax is calculated using the liability method on temporary differences at the reporting date between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit including existing taxable temporary differences will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

2. 主要會計政策概要 (續)

2.21 融資成本

因收購、興建或生產任何合資格資產而產生之融資成本，在完成和籌備資產作其擬定用途所需之期間內資本化。合資格資產乃指需要一段頗長時期始能作擬定用途或出售之資產。其他融資成本於產生時確認為支銷。

當產生資產開支、產生借貸成本及進行為籌備資產作擬定用途或出售而必需進行之活動，該等融資成本便會資本化，作為合資格資產之部分成本。當完成為合資格資產之擬定用途或出售作準備之所需活動時，融資成本停止資本化。

2.22 所得稅之會計處理方法

年內所得稅包括即期及遞延稅項。

即期所得稅資產及／或負債包括現行或過往報告期間與財務機關有關而於報告日期尚未支付之應付責任或應收申索。該等金額乃根據年內應課稅溢利按相關財政期間適用之稅率及稅法計算。

遞延稅項乃按於報告日期財務報表內資產與負債賬面值與其相應稅基間之暫時差額使用負債法計算。遞延稅項負債一般會就所有應課稅暫時差額確認。遞延稅項資產乃就所有可扣稅暫時差額、可結轉稅項虧損以及其他未運用稅務折扣確認，惟以可能有應課稅溢利（包括現有應課稅暫時性差額）能與可扣稅暫時性差額、未動用稅項虧損及未動用稅項折扣相抵銷之情況為限。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Accounting for income taxes (Continued)

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss.

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

Deferred tax is calculated, without discounting, at tax rates that are expected to apply to the period when liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

2.23 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components.

2. 主要會計政策概要 (續)

2.22 所得稅之會計處理方法 (續)

倘因商譽或因初步確認(並非業務合併)某項不影響應課稅或會計溢利或虧損之交易之資產及負債而產生暫時差額，則遞延稅項資產及負債不予確認。

就投資於附屬公司及聯營公司產生之應課稅暫時差額確認為遞延稅項負債，惟倘若本集團能夠控制該暫時差額之撥回，以及有關暫時差額不大可能於可見未來撥回則另作別論。

遞延稅項乃按預期於負債清償或資產變賣期間適用之稅率計算(不作貼現)，惟有關稅率必須為於報告日期已頒行或實質上已頒行之稅率。

所得稅乃於損益賬確認，除非該等稅項與於其他全面收益確認之項目有關，在此情況下該等稅項亦於其他全面收益確認，或倘該等稅項與直接於權益確認之項目有關，在此情況下該等稅項亦直接於權益確認。

2.23 分部呈報

本集團定期向執行董事報告內部財務資料，以供彼等就本集團業務組成部分之資源分配作決定，以及供彼等檢討該等組成部分之表現，而本集團則根據該等資料劃分經營分部及編製分部資料。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Segment reporting (Continued)

The measurement policies the Group uses for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that certain bank interest income, other interest income, income tax expenses as well as corporate income and expenses which are not directly attributable to the business activities of the operating segment, are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but loan to ultimate holding company, certain cash and cash equivalents and available-for-sale financial assets. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment. These include provision for tax, amount due to ultimate holding company/a director/a shareholder/associates.

2.24 Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of key management personnel of the Group or the Company's parent.

2. 主要會計政策概要 (續)

2.23 分部呈報 (續)

本集團根據香港財務報告準則第8號就報告分部業績採用之計量政策與根據香港財務報告準則於財務報表所採用者相同，惟若干銀行利息收入、其他利息收入、所得稅開支以及並非直接歸入經營分部業務活動之企業收益及開支於計算經營分部之經營業績時並不包括在內。

分部資產包括向最終控股公司貸款、若干現金及等同現金項目以及可供出售之金融資產以外之所有資產。此外，並非直接歸入任何經營分部之業務活動之企業資產(主要適用於本集團總部)並不分配至分部。

分部負債不包括並非直接歸入任何經營分部之業務活動之企業負債，且不會分配至分部。此等包括稅項撥備、欠最終控股公司／一名董事／一名股東／聯營公司之款項。

2.24 關連人士

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本公司母公司之主要管理層成員。

NOTES TO THE FINANCIAL STATEMENTS 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions apply:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Company's parent.

2. 主要會計政策概要(續)

2.24 關連人士(續)

- (b) 倘符合下列任何條件，則實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)。
 - (ii) 一間實體為另一實體之聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)。
 - (iii) 兩間實體均為同一第三方之合營企業。
 - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
 - (vi) 實體受(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)主要管理層成員。
 - (viii) 向本集團或本公司之母公司提供主要管理層成員服務之實體或其所屬集團之任何成員公司。

NOTES TO THE FINANCIAL STATEMENTS

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependants of that person or that person's spouse or domestic partner.

3. ADOPTION OF NEW/AMENDED HKFRSs

3.1 New/amended HKFRSs which are effective during the year

In the current year, the Group has applied for the first time the following new/amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2016:

HKFRSs (Amendments)	Annual Improvements 2012–2014 Cycle
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception

The adoption of these new/amended HKFRSs has no material impact on the Group's financial statements.

2. 主要會計政策概要 (續)

2.24 關連人士 (續)

某一人士之近親指預期可影響該人士與實體進行買賣或於買賣時受該人士影響的有關家族成員，並包括：

- (i) 該名人士之子女及配偶或家庭夥伴；
- (ii) 該名人士之配偶或家庭夥伴之子女；及
- (iii) 該名人士或該名人士之配偶或家庭夥伴之受養人。

3. 採納新訂／經修訂香港財務報告準則

3.1 年內生效之新訂／經修訂香港財務報告準則

於本年度，本集團已首次應用以下由香港會計師公會頒佈與本集團於2016年1月1日開始之年度期間之財務報表有關及生效之新訂／經修訂香港財務報告準則：

香港財務報告準則 (修訂本)	2012年–2014年 周期年度改進
香港會計準則第1號之修訂	披露計劃
香港會計準則第16號及香港會計準則第38號之修訂	澄清可接受之折舊及攤銷方法
香港會計準則第27號之修訂	獨立財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合賬目例外情況

採納該等新訂／經修訂香港財務報告準則對本集團財務報表並無造成重大影響。

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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. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 7	Disclosure Initiative ¹
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses ¹
HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
Amendments to HKFRS 15	Revenue from Contracts with Customers (Clarifications to HKFRS 15) ²
HKFRS 16	Leases ³
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴

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

² Effective for annual periods beginning on or after 1 January 2018

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

⁴ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

下列可能與本集團財務報表有關之新訂／經修訂香港財務報告準則經已頒佈，惟尚未生效亦未經本集團提早採納。

香港會計準則第7號之修訂	披露計劃 ¹
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產 ¹
香港財務報告準則第9號	金融工具 ²
香港財務報告準則第15號	來自客戶合約收益 ²
香港財務報告準則第15號之修訂	來自客戶合約收益(香港財務報告準則第15號之澄清) ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間的資產出售或注資 ⁴

¹ 於2017年1月1日或之後開始之年度期間生效

² 於2018年1月1日或之後開始之年度期間生效

³ 於2019年1月1日或之後開始之年度期間生效

⁴ 該等修訂原定於2016年1月1日或之後開始之期間生效。生效日期現已被遞延／移除。提早應用該等修訂仍獲准許。

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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. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

Amendments to HKAS 7 — Disclosure Initiative

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

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

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

HKFRS 9 — Financial Instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港會計準則第7號之修訂 — 披露計劃

該等修訂引入其他披露，讓財務報表之用戶可評估融資活動所產生負債變動。

香港會計準則第12號之修訂 — 就未變現虧損確認遞延稅項資產

該等修訂與確認遞延稅項資產有關及澄清若干必需的考量，包括與按公允價值計量的債務工具相關的遞延稅項資產該如何入賬。

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號引進有關金融資產分類及計量之新要求。按業務模式持有而目的為收取合約現金流之債務工具(業務模式測試)以及具產生現金流之合約條款且僅為支付本金及未償還本金利息之債務工具(合約現金流特徵測試)，一般按攤銷成本計量。倘該實體業務模式之目的為持有及收取合約現金流以及出售金融資產，則符合合約現金流特徵測試之債務工具按公允價值計入其他全面收益計量。實體可於初步確認時作出不可撤銷之選擇，以按公允價值計入其他全面收益計量並非持作買賣之股本工具。所有其他債務及股本工具按公允價值計入損益。

NOTES TO THE FINANCIAL STATEMENTS 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. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

HKFRS 9 — Financial Instruments (Continued)

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

HKFRS 15 — Revenue from Contracts with Customers

The new standard establishes a single revenue recognition framework. The core principle of the framework 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 and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and related interpretations.

3. 採納新訂／經修訂香港 財務報告準則(續)

3.2 已頒佈但尚未生效之新 訂／經修訂香港財務報 告準則(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號包括就並非按公允價值計入損益之所有金融資產納入新預期虧損減值模式(取代了香港會計準則第39號之已產生虧損模式)以及新一般對沖會計規定，以讓實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號貫徹香港會計準則第39號有關金融負債之確認、分類及計量規定，惟就指定為按公允價值計入損益之金融負債而言，因該負債之信貸風險變動而引致之公允價值變動金額乃於其他全面收入中確認，除非此舉將產生或擴大會計錯配。此外，香港財務報告準則第9號保留香港會計準則第39號有關不再確認金融資產及金融負債之規定。

香港財務報告準則第15號 — 來自 客戶合約收益

有關新訂準則設立單一收益確認框架。框架之核心原則為實體應確認收益，以說明實體按反映交換商品及服務預期所得代價之金額向客戶轉讓所承諾商品或服務。香港財務報告準則第15號取代現有收益確認指引，包括香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋。

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3. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

HKFRS 15 — Revenue from Contracts with Customers (Continued)

HKFRS 15 requires the application of 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 each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRSs. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

Amendments to HKFRS 15 — Revenue from Contracts with Customers (Clarifications to HKFRS 15)

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港財務報告準則第15號 — 來自客戶合約收益(續)

香港財務報告準則第15號規定確認收益所應用之五個步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：按各履約責任分配交易價
- 第五步：於履行各履約責任後確認收益

香港財務報告準則第15號包括對可能改變目前根據香港財務報告準則之做法之特定收益相關事宜之特定指引。有關準則亦顯著加強有關收入之定性及定量披露。

香港財務報告準則第15號 — 來自客戶合約收益(香港財務報告準則第15號之澄清)

香港財務報告準則第15號之修訂包括澄清對履行責任之識別方式；應用委託人或代理人；知識產權許可；及過渡規定。

NOTES TO THE FINANCIAL STATEMENTS 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. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

HKFRS 16 — Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

3. 採納新訂／經修訂香港 財務報告準則(續)

3.2 已頒佈但尚未生效之新 訂／經修訂香港財務報 告準則(續)

香港財務報告準則第16號 — 租賃

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，以於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據舊有準則香港會計準則第17號分類為經營租賃之租賃。

就出租人會計法而言，香港財務報告準則第16號大致繼承香港會計準則第17號之出租人會計法規定。因此，出租人繼續將其租賃分類為經營租賃及融資租賃，並且對兩類租賃進行不同之會計處理。

NOTES TO THE FINANCIAL STATEMENTS

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. ADOPTION OF NEW/AMENDED HKFRSs (Continued)

3.2 New/amended HKFRSs which are issued but not yet effective (Continued)

Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group's accounting policies and financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. 採納新訂／經修訂香港財務報告準則(續)

3.2 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

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

該等修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

本集團已著手評估採納上述準則及修訂對本集團現有準則之影響。本集團尚未能說明該等新公告是否將會導致本集團之會計政策及財務報表出現重大變動。

4. 重要會計估計及判斷

估計及判斷需根據過往經驗及其他因素(包括有關情況下相信為合理之未來事件預期)作出，並會持續進行評估。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation and amortisation

The Group depreciates and amortises property, plant and equipment and intangible assets other than goodwill on a straight-line basis over the estimated useful life, and after taking into account of their estimated residual value, 5% to 33-1/3% per annum and 10% to 50% per annum, respectively, commencing from the date on which the assets are available for use. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and intangible assets.

Provision for impairment of receivables

The policy for the provision for impairment of receivables of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional provision for impairment may be required.

4. 重要會計估計及判斷(續)

4.1 重要會計估計及假設

本集團就未來作出估計及假設。顧名思義，由此得出之會計估計將甚少等同相關實際結果。下文論述具有重大風險導致下個財政年度內資產及負債之賬面值須作重大調整之估計及假設：

折舊及攤銷

本集團對物業、廠房及設備以及商譽以外之無形資產，按估計可使用年期以直線法進行折舊及攤銷，並於經計及其估計剩餘價值後，由該資產可供使用當日起分別按5%至33-1/3%及10%至50%之年率折舊及攤銷。估計可使用年期反映董事對於本集團有意自使用本集團物業、廠房及設備以及無形資產獲得之日後經濟利益期間之估計。

應收款項減值撥備

本集團之應收款項減值撥備政策乃根據對賬目之可收回性之評估及賬齡分析以及管理層之判斷作出。評估該等應收款項最終能否變現需作出大量判斷，包括各債務人目前之信譽及過往收款情況。倘本集團債務人之財務狀況將會惡化並損害其還款能力，則或須作出額外減值撥備。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.19. The recoverable amounts of CGUs have been determined based on value in use calculations. These calculations require the use of estimates about future cash flows and discount rates. In the process of estimating expected future cash flow management makes assumptions about future revenues and profits. These assumptions relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. Determining the appropriate discount rate involves estimating the appropriate adjustment for market risk and for asset specific risk factors. Details of the estimates of the recoverable amounts of CGUs containing goodwill are disclosed in note 18.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or CGU and choose a suitable discount rate in order to calculate the present value of those cash flows.

4. 重要會計估計及判斷 (續)

4.1 重要會計估計及假設 (續)

商譽減值

本集團根據附註2.19所載會計政策，每年檢測商譽是否已減值。現金產生單位之可收回金額乃根據使用價值計算方法釐定。該等計算方法需估計未來現金流及折現率。於估計預期未來現金流之過程中，管理層就未來收益及溢利作出假設。該等假設與未來事項及情況有關。實際結果可能存在差異，且可能對下個財政年度內商譽之賬面值帶來重大調整。釐定合適折現率涉及對市場風險及資產特定風險因素作出合適調整。估計包括商譽之現金產生單位之可收回款項之詳情載於附註18。

非金融資產減值

本集團於各報告日期評估所有非金融資產是否有任何減值跡象。非金融資產於有跡象顯示賬面值可能無法收回時測試減值。管理層計算使用價值時，須估計資產或現金產生單位之預期未來現金流量，並選用合適之折現率以計算現金流量之現值。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

Current tax and deferred tax

The Group is subject to income taxes in Hong Kong and the People's Republic of China (the "PRC"). Significant judgement is required in determining the amount of the provision for taxes and the timing of payment of the related taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises taxes based on estimates of the likely outcome with reference to current tax laws and practices. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income taxes and deferred tax provision in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses will be recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed.

4.2 Critical judgements in applying the Group's accounting policies

Research and development costs

Careful judgement by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at each reporting period. In addition, all internal activities related to the research and development of new software products are continuously monitored by the Group's management.

4. 重要會計估計及判斷 (續)

4.1 重要會計估計及假設 (續)

即期稅項及遞延稅項

本集團須繳納香港及中華人民共和國(「中國」)內地所得稅。釐定稅項撥備金額及支付相關稅項之時間須作出重大判斷。一般業務過程中有大量交易及計算無法確切釐定最終稅額。本集團參考現行稅法及慣例，根據估計可能出現之結果確認稅項。倘該等事項最終之稅項與最初記錄之金額不同，其差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。

管理層認為可能存在可用暫時差額或稅項虧損予以抵銷之未來應課稅溢利時，則確認與暫時差額及稅項虧損相關之遞延稅項資產。當預期與原有估計者不同，該等差額將影響於該等估計出現變動期間之遞延稅項資產及稅項之確認。

4.2 應用本集團會計政策時之重要判斷

研發成本

本集團管理層於決定開發成本是否符合確認條件時會作出審慎判斷。由於在作出確認時，任何產品開發能否成功獲得經濟效益屬未知之數，且於未來可能遇到技術問題，故必須作出審慎判斷。判斷乃根據於各報告期間可取得之最佳資料作出。此外，本集團管理層不斷監察所有關於研究及開發新軟件產品之內部活動。

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財務報表附註

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

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.2 Critical judgements in applying the Group's accounting policies (Continued)

Control through contractual arrangement

Notwithstanding the lack of equity ownership in 北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited) ("Xinnet") and its existing subsidiaries (collectively as "Xinnet Group"), the Group is able to control, recognise and receive all the economic benefits of the business of Xinnet Group as the Group (1) shall have all requisite power and unrestricted rights, acting as a principal, to control and manage all aspects, at its sole decision and its own benefit, over Xinnet Group by virtue of the power of attorney; and (2) shall have right to assume all profits of Xinnet Group under the management and technology services agreement. In view of the foregoing reasons, the Group has determined that it has the practical ability to unilaterally direct the relevant activities of Xinnet Group and significant benefits derived from Xinnet Group and therefore has consolidated Xinnet Group as wholly-owned subsidiaries.

4. 重要會計估計及判斷 (續)

4.2 應用本集團會計政策時之重要判斷 (續)

透過架構協議控制

儘管北京新網數碼信息技術有限公司(「新網」)及其現有附屬公司(統稱「新網集團」)並無取得股本擁有權，本集團有能力控制、確認及接收新網集團業務之一切經濟利益，原因為本集團(1)獲授權委託書賦予一切所需權力及不受限制權利，作為一位主理人，可於各方面以其利益作其決定控制及管理新網集團；及(2)有權根據管理及技術服務提供協議接收新網集團全部利潤。鑑於上述原因，本集團釐定其有實際能力單方面管理新網集團之相關業務及來自新網集團之重大利益，因此將新網集團合併入賬為全資附屬公司。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

5. REVENUE AND OTHER OPERATING INCOME

- (a) The Group's revenue represents revenue from corporate IT application services.
- (b) Other operating income:

5. 收益及其他經營收入

- (a) 本集團收益指來自企業IT應用服務之收入。
- (b) 其他經營收入：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Bank interest income	銀行利息收入	591	283
Other interest income	其他利息收入	108,869	105,865
Exchange gain	匯兌收益	4	-
Gain on disposal of property, plant and equipment	出售物業、廠房及設備所得收益	-	19
Government grants (Note)	政府撥款(附註)	460	554
Rental income	租金收入	11,846	11,843
Refund of value-added tax and business tax	增值稅及營業稅退款	13,087	15,615
Write-back of provision for impairment of other receivables	其他應收款項減值撥備撥回	-	12,887
Sundry income	雜項收入	4,215	2,989
		139,072	150,055

Note: Included in the balance amounting to approximately HK\$460,000 (2015: HK\$554,000) represented grants to subsidise the development of IT business in the PRC, of which the entitlement was unconditional.

附註：為該等結餘計入為數約460,000港元(2015年：554,000港元)之政府撥款乃中國資助IT業務發展獲授之補貼，享有有關款項之權利為無條件。

NOTES TO THE FINANCIAL STATEMENTS

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6. SEGMENT INFORMATION

The Board has identified the corporate IT application service as the only business component in internal reporting for their decisions about resources allocation and performance review.

6. 分部資料

董事會確認企業IT應用服務乃彼等就決定資源分配及表現評審所作內部報告中唯一業務組成部分。

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Reportable segment revenue	可呈報分部收益	818,098	808,287
Reportable segment loss before income tax	可呈報分部除所得稅前虧損	(20,693)	(28,874)
Bank interest income	銀行利息收入	4	6
Other interest income	其他利息收入	108,869	105,865
Depreciation and amortisation	折舊及攤銷	(2,986)	(1,431)
Finance cost	融資成本	(4)	(4)
Unallocated corporate expenses	未分配企業開支	(24,117)	(15,721)
Profit before income tax	除所得稅前溢利	61,073	59,841
Reportable segment assets	可呈報分部資產	1,084,933	1,122,300
Loan to ultimate holding company	向最終控股公司貸款	1,475,929	1,370,557
Cash and cash equivalents	現金及等同現金項目	2,066	1,697
Available-for-sale financial assets	可供出售之金融資產	324	324
Other financial and corporate assets	其他金融及企業資產	16,161	68,836
Group assets	集團資產	2,579,413	2,563,714
Reportable segment liabilities	可呈報分部負債	511,921	560,869
Amount due to ultimate holding company	應付最終控股公司款項	97,386	85,517
Amount due to a director	欠一名董事款項	19,619	14,898
Amount due to a shareholder	欠一名股東款項	-	1
Amount due to an associate	欠一間聯營公司款項	5,501	5,499
Provision for tax	稅項撥備	131,389	116,779
Deferred tax liabilities	遞延稅項負債	6,176	7,554
Other corporate liabilities	其他企業負債	5,319	8,763
Group liabilities	集團負債	777,311	799,880

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

6. SEGMENT INFORMATION (Continued)

6. 分部資料(續)

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Additional segment information	附加分部資料		
Bank interest income	銀行利息收入	587	277
Finance costs	融資成本	(11,448)	(17,439)
Share of results of an associate	應佔一間聯營公司業績	(1,193)	(368)
Depreciation and amortisation of non-financial assets	非金融資產折舊及攤銷	(56,293)	(55,981)
Additions to non-current assets during the year	年內添置非流動資產	90,641	61,809

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

本集團來自對外客戶之收入及其非流動資產(金融工具除外)按下列地區劃分:

		Revenue from external customers 來自對外客戶之收入		Specified non-current assets 指定非流動資產	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元	2016 HK\$'000 千港元	2015 HK\$'000 千港元
— Mainland China (domicile)	— 中國內地(註冊地)	814,596	802,148	754,503	782,564
— Hong Kong	— 香港	3,502	6,139	9,880	7,263
		818,098	808,287	764,383	789,827

The geographical location of customers is based on the location at which the services were provided or the goods delivered. The geographical location of the specified non-current assets is based on the physical and operating location of the assets. The Company is an investment holding company incorporated in Hong Kong where the Group has the majority of its operations and workforce in Mainland China, and therefore, Mainland China is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

客戶所在地乃按提供服務或商品付運之地點劃分。指定非流動資產所在地乃按資產之實際及經營地點劃分。本公司為於香港註冊成立之投資控股公司，本集團大部分業務及員工均位於中國內地，因此，就作出香港財務報告準則第8號「經營分部」之披露而言，本集團視中國內地為本集團之註冊國家。

For the years ended 31 December 2016 and 2015, the Group did not derive more than 10% of the Group's total revenue from any single customer.

截至2016年及2015年12月31日止年度，本集團並無自任何單一客戶取得超過本集團總收益10%之收入。

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7. FINANCE COSTS

7. 融資成本

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Interest on bank loans	銀行貸款之利息	11,424	17,398
Interest on finance leases	融資租賃之利息	28	45
Amount recognised in profit or loss	於損益賬確認之金額	11,452	17,443

8. PROFIT BEFORE INCOME TAX

8. 除所得稅前溢利

The Group's profit before income tax is arrived at after charging/(crediting):

本集團除所得稅前溢利乃經扣除/(計入)下列各項後得出：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Auditors' remuneration	核數師酬金	2,937	2,828
Gross depreciation of property, plant and equipment — owned assets	物業、廠房及設備折舊毛額 — 自置資產	49,103	46,689
Less: Amounts included in cost of sales and services provided	減：計入銷售及提供服務之成本之金額	—	(35)
Net depreciation of owned assets*	自置資產折舊淨額*	49,103	46,654
Depreciation of leased assets*	租賃資產折舊*	449	449
Operating lease charges on land and buildings	土地及樓宇之經營租賃費用	40,202	46,617
Annual charges of prepaid operating lease payments*	經營租賃下之預付年度費用*	517	546
Gross retirement benefit contributions	退休福利供款毛額	58,786	60,489
Less: Amounts included in research and development expenses	減：計入研究及開發開支之金額	(3,765)	(6,947)
Amounts included in cost of sales and services provided	計入銷售及提供服務之成本之金額	(10,872)	(11,256)
Amounts capitalised in intangible assets	就無形資產資本化之金額	(3,701)	(2,686)
Net retirement benefit contributions	退休計劃供款淨額	40,448	39,600
Cost of sales and services provided	銷售及提供服務之成本	139,708	139,242
Amortisation of other intangible assets*	其他無形資產攤銷*	9,210	9,728
Property, plant and equipment written off*	物業、廠房及設備撇銷*	103	55
Research and development expenses*	研究及開發開支*	37,332	62,592
Provision for impairment of trade receivables*	應收貿易款項減值撥備*	1,489	4,080
Provision for impairment loss of investment in an associate*	於一間聯營公司之投資減值虧損撥備*	6,373	—
Other receivables written off*	其他應收款項撇銷*	—	59

* included in other operating expenses

* 計入其他經營開支

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9. INCOME TAX EXPENSE

9. 所得稅開支

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Hong Kong profits tax	香港利得稅		
— tax charge for the year	— 年內稅項支出	10,955	10,999
— Under/(Over)-provision in respect of prior years	— 以往年度撥備不足/(超額撥備)	77	(487)
		11,032	10,512
PRC Enterprise Income Tax (“EIT”)	中國企業所得稅(「企業所得稅」)		
— tax charge for the year	— 年內稅項支出	4,310	4,262
		15,342	14,774
Deferred tax (note 28)	遞延稅項(附註28)	(932)	(985)
Income tax expense	所得稅開支	14,410	13,789

For the year ended 31 December 2016, Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits for the year.

PRC EIT has been provided on the estimated assessable profits of subsidiaries operating in Mainland China at 25% (2015: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

截至2016年12月31日止年度，香港利得稅乃按年內估計應課稅溢利以16.5% (2015年：16.5%)之稅率作出撥備。

除非附屬公司所在城市設有優惠稅率，否則於中國內地經營之附屬公司估計應課稅溢利，已按25% (2015年：25%)之稅率作出中國企業所得稅撥備。

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9. INCOME TAX EXPENSE (Continued)

Reconciliation between income tax expense and accounting profit at applicable tax rates:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	61,073	59,841
Tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	按有關稅務司法權區溢利適用之稅率計算之除稅前溢利之稅項	9,225	9,273
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	1,293	3,210
Tax effect of non-taxable income	毋須課稅收入之稅務影響	–	(3,363)
Tax effect of unused tax losses not recognised	未確認未動用稅務虧損之稅務影響	9,900	18,950
Tax effect of utilisation of tax losses previously not recognised	動用以往未確認稅務虧損之稅務影響	(6,085)	(13,794)
Under/(Over)-provision in respect of prior years	以往年度撥備不足/(超額撥備)	77	(487)
Income tax expense	所得稅開支	14,410	13,789

10. DIVIDEND

No dividend was paid or declared by the Company during the year (2015: Nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to owners of the Company of HK\$49,143,000 (2015: HK\$47,870,000) and on 19,914,504,877 (2015: 19,914,504,877) ordinary shares in issue during the year.

Diluted earnings per share for both years was the same as the basic earnings per share as there was no potential dilutive ordinary share in issue during the years.

9. 所得稅開支(續)

按適用稅率計算之所得稅開支與會計溢利之對賬：

10. 股息

本公司於年內(2015年：無)並無派付或宣派任何股息。

11. 每股盈利

每股基本盈利乃按年內本公司擁有人應佔溢利49,143,000港元(2015年：47,870,000港元)及19,914,504,877股(2015年：19,914,504,877股)已發行普通股計算得出。

由於該等年度內並無具潛在攤薄影響的已發行普通股，故該等年度的每股攤薄盈利與每股基本盈利相同。

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

12. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

12. 僱員福利開支(包括董事 酬金)

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Directors' fee (note 36(a))	董事袍金(附註36(a))	524	592
Wages and salaries	工資及薪金	527,364	523,115
Pension costs — defined contribution plans	退休金成本 — 定額供款計劃	58,786	60,489
Staff welfare	員工福利	20,695	22,347
		607,369	606,543
Less: Amounts capitalised in other intangible assets	減：就其他無形資產資本化之金額	(41,542)	(19,080)
Total employee benefit expenses	僱員福利開支總額	565,827	587,463

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

13. PROPERTY, PLANT AND EQUIPMENT 13. 物業、廠房及設備

		Buildings 樓宇 HK\$'000 千港元	Leasehold improvements, furniture, fixtures and equipment 租賃物業裝修、傢俬、裝置及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於2015年1月1日				
Cost	成本	669,178	241,056	5,222	915,456
Accumulated depreciation	累計折舊	(58,087)	(216,724)	(2,851)	(277,662)
Net carrying amount	賬面淨值	611,091	24,332	2,371	637,794
Year ended 31 December 2015	截至2015年12月31日止年度				
Opening net carrying amount	期初賬面淨值	611,091	24,332	2,371	637,794
Additions	添置	30,154	18,494	–	48,648
Write-off	撇銷	–	(55)	–	(55)
Depreciation	折舊	(32,981)	(13,012)	(1,145)	(47,138)
Net exchange differences	淨匯兌差額	(27,202)	(1,045)	(15)	(28,262)
Closing net carrying amount	期終賬面淨值	581,062	28,714	1,211	610,987
At 31 December 2015 and 1 January 2016	於2015年12月31日及2016年1月1日				
Cost	成本	668,524	254,077	5,180	927,781
Accumulated depreciation	累計折舊	(87,462)	(225,363)	(3,969)	(316,794)
Net carrying amount	賬面淨值	581,062	28,714	1,211	610,987
Year ended 31 December 2016	截至2016年12月31日止年度				
Opening net carrying amount	期初賬面淨值	581,062	28,714	1,211	610,987
Additions	添置	35,825	13,545	–	49,370
Disposal	出售	–	(12)	–	(12)
Write-off	撇銷	–	(103)	–	(103)
Depreciation	折舊	(35,173)	(13,500)	(879)	(49,552)
Net exchange differences	淨匯兌差額	(37,739)	(1,201)	(10)	(38,950)
Closing net carrying amount	期終賬面淨值	543,975	27,443	322	571,740
At 31 December 2016	於2016年12月31日				
Cost	成本	659,840	258,119	5,296	923,255
Accumulated depreciation	累計折舊	(115,865)	(230,676)	(4,974)	(351,515)
Net carrying amount	賬面淨值	543,975	27,443	322	571,740

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13. PROPERTY, PLANT AND EQUIPMENT

(Continued)

As at 31 December 2016, certain buildings of the Group amounting to HK\$543,879,000 (2015: HK\$580,958,000) were charged to secure banking facilities as detailed in note 39.

The carrying amount of the Group's motor vehicles and furniture, fixture and equipment included an amount of HK\$167,000 and HK\$25,000 respectively (2015: HK\$566,000 and HK\$74,000 respectively) in respect of assets acquired under finance leases.

14. PREPAID LAND LEASE PAYMENTS UNDER OPERATING LEASES

The Group's interests in leasehold land/land use rights represent prepaid operating lease payments and their carrying amounts are analysed as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
At 1 January	於1月1日	24,818	26,532
Annual charges of prepaid operating lease payments	預付經營租賃費年度支出	(517)	(546)
Net exchange differences	淨匯兌差額	(1,575)	(1,168)
At 31 December	於12月31日	22,726	24,818

As at 31 December 2016, certain prepaid land lease payments under operating leases amounting to HK\$22,540,000 (2015: HK\$24,615,000) were charged to secure banking facilities as detailed in note 39.

13. 物業、廠房及設備(續)

於2016年12月31日，本集團總值543,879,000港元(2015年：580,958,000港元)之若干樓宇已就取得銀行融資作出抵押，詳情見附註39。

本集團汽車及傢俬、裝置及設備之賬面值包括根據融資租賃收購之資產分別167,000港元及25,000港元(2015年：分別566,000港元及74,000港元)。

14. 經營租賃下之預付土地租賃費

本集團於租賃土地／土地使用權之權益指預付經營租賃費，其賬面值分析如下：

於2016年12月31日，若干經營租賃下之預付土地租賃費22,540,000港元(2015年：24,615,000港元)已就取得銀行融資作出抵押，詳情見附註39。

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15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

15. 可供出售之金融資產

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Unlisted investment, at fair value	非上市投資，按公允價值		
— Club debenture	— 會所債券	324	324
— Other investment	— 其他投資	155	155
		479	479
Less: Provision for impairment	減：減值撥備	(155)	(155)
		324	324

16. INTERESTS IN SUBSIDIARIES

16. 於附屬公司之權益

Particulars of the principal subsidiaries at 31 December 2016 are as follows:

於2016年12月31日之主要附屬公司詳情如下：

Name 名稱	Country/ place of incorporation/ registration and operations 註冊成立/ 註冊及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及 繳足股本/ 註冊資本之詳情	Percentage held by the Company		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
China Enterprise ASP Limited ("CE ASP") 中國企業網控股有限公司 (「中國企業網」)	Hong Kong 香港	Paid-up capital of HK\$14,037,400 繳足股本 14,037,400 港元	–	100	Investment holding 投資控股
Dadi Media Limited ("Dadi Media") 大地傳播有限公司(「大地傳播」)	Hong Kong 香港	Paid-up capital of HK\$2 繳足股本2 港元	100	–	Investment holding 投資控股
Hongkong New Media Interactive Advertising Co., Limited 香港新米迪互動廣告有限公司	Hong Kong 香港	Paid-up capital of HK\$100 繳足股本100 港元	–	100	Investment holding and information technology business 投資控股及資訊 科技業務

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

16. INTERESTS IN SUBSIDIARIES (Continued)

16. 於附屬公司之權益 (續)

Name 名稱	Country/ place of incorporation/ registration and operations 註冊成立/ 註冊及 經營國家/地點	Particulars of issued and paid-up share capital/ registered capital 已發行及 繳足股本/ 註冊資本之詳情	Percentage held by the Company		Principal activities 主要業務
			Directly 直接	Indirectly 間接	
Robina Profits Limited	British Virgin Islands	1 Ordinary share of US\$1 each	100	–	Investment holding
Robina Profits Limited	英屬維爾京群島	1股每股面值1美元之普通股			投資控股
中企動力科技股份有限公司 (note a)	PRC	RMB242,369,720	–	99.68	Information technology business
中企動力科技股份有限公司 (附註 a)	中國	人民幣 242,369,720 元			資訊科技業務
數碼慧谷置業管理股份有限公司 (note a)	PRC	RMB689,171,334	–	92.36	Information technology business
數碼慧谷置業管理股份有限公司 (附註 a)	中國	人民幣 689,171,334 元			資訊科技業務
北京中企動力廣告有限公司 (note b)	PRC	RMB21,000,000	–	100	Information technology business
北京中企動力廣告有限公司 (附註 b)	中國	人民幣 21,000,000 元			資訊科技業務
新網華通信息技術有限公司 (note b)	PRC	RMB50,000,000	–	100	Information technology business
新網華通信息技術有限公司 (附註 b)	中國	人民幣 50,000,000 元			資訊科技業務
北京新網數碼信息技術有限公司 (note b)	PRC	RMB45,000,000	–	N/A*	Information technology business
北京新網數碼信息技術有限公司 (附註 b)	中國	人民幣 45,000,000 元		不適用*	資訊科技業務

* controlled through structured arrangement with effective interests of 100%

* 透過架構協議控制，實際權益 100%

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

16. INTERESTS IN SUBSIDIARIES (Continued)

The above table lists out the subsidiaries of the Company as at 31 December 2016 which, in the opinion of the Board, principally affected the Group's results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Board, result in particulars of excessive length.

Notes:

- These subsidiaries are registered as joint stock limited company under the law of PRC
- These subsidiaries are registered as limited liability company under the law of PRC

16. 於附屬公司之權益 (續)

上表列出本公司於2016年12月31日之附屬公司，而董事會認為，該等附屬公司對本集團本年度業績構成主要影響或構成本集團資產淨值之重大部分。董事會認為，提供其他附屬公司之詳情會導致資料過於冗長。

附註：

- 該等附屬公司根據中國法律註冊為股份有限公司
- 該等附屬公司根據中國法律註冊為有限責任公司

17. INTERESTS IN ASSOCIATES

17. 於聯營公司之權益

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Balance at 1 January	於1月1日之結餘	8,109	–
Investment cost	投資成本	–	8,528
Share of results of an associate	應佔一間聯營公司業績	(1,193)	(368)
Provision for impairment loss of investment in an associate	於一間聯營公司之投資之減值虧損撥備	(6,373)	–
Net exchange differences	淨匯兌差額	(308)	(51)
Balance at 31 December	於12月31日之結餘	235	8,109
The carrying amount of interests in associates can be analysed as follows:			
Share of net assets	應佔資產淨值	–	1,193
Goodwill	商譽	6,608	6,916
Less: Provision for impairment loss of investment in an associate	減：於一間聯營公司之投資之減值虧損撥備	(6,373)	–
Balance at 31 December	於12月31日之結餘	235	8,109

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

17. INTERESTS IN ASSOCIATES (Continued)

Particulars of the associates as at 31 December 2016 and 2015 are as follows:

Name 名稱	Place of incorporation 註冊成立地點	Particulars of issued and paid-up share capital/ registered capital 已發行及繳足股本/ 註冊資本之詳情	Percentage of interest held by the Group 本集團所持權益百分比		Nature of business 業務性質
			2016	2015	
Genius Reward Company Limited ("Genius Reward") **	Hong Kong	HK\$200	50%	50%	Inactive
Genius Reward Company Limited ("Genius Reward") **	香港	繳足股本200港元			暫無業務
成都夠用雲科技有限公司 ([成都夠用雲]) **	PRC	RMB125,000	20%	20%	Information technology business
成都夠用雲科技有限公司 ([成都夠用雲]) **	中國	人民幣125,000元			資訊科技業務

** unlisted limited liability company

The summarised financial information of the Group's individually immaterial associates extracted from their management accounts are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Revenue	收入	495	367
Loss for the year	年度虧損	(1,587)	(2,584)
Other comprehensive income	其他全面收益	(123)	(255)
Total comprehensive income	全面收益總額	(1,710)	(2,839)

The Group has discontinued recognising its share of loss of Genius Reward. The amount of unrecognised share of loss of Genius Reward for the year and cumulatively unrecognised share of loss of Genius Reward amounted to HK\$394,000 (2015: HK\$394,000) and HK\$6,992,000 (2015: HK\$6,598,000) respectively.

17. 於聯營公司之權益 (續)

於2016年及2015年12月31日之聯營公司詳情如下：

** 非上市有限責任公司

有關本集團個別不重大之聯營公司之財務資料(摘自其管理賬目)概列如下：

本集團已終止確認其應佔 Genius Reward 之虧損。年內未確認應佔 Genius Reward 虧損之金額及未確認應佔 Genius Reward 虧損之累計金額分別為394,000港元(2015年：394,000港元)及6,992,000港元(2015年：6,598,000港元)。

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

18. GOODWILL

18. 商譽

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
At 1 January			
Gross carrying amount	於 1 月 1 日 賬面總值	84,402	87,305
Accumulated impairment	累計減值	(2,441)	(2,441)
Net carrying amount	賬面淨值	81,961	84,864
Year ended 31 December			
Opening net carrying amount	截至 12 月 31 日止年度 期初賬面淨值	81,961	84,864
Net exchange differences	淨匯兌差額	(3,997)	(2,903)
Closing net carrying amount	期終賬面淨值	77,964	81,961
At 31 December			
Gross carrying amount	於 12 月 31 日 賬面總值	80,405	84,402
Accumulated impairment	累計減值	(2,441)	(2,441)
Net carrying amount	賬面淨值	77,964	81,961

For the purpose of the annual impairment test, the carrying amount of goodwill, net of any impairment loss, is allocated to the following CGUs under corporate IT application services:

就年度減值檢測而言，商譽之賬面值扣除任何減值虧損後分配至下列企業IT應用服務現金產生單位：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
CE ASP	中國企業網	50,269	52,361
Xinnet Group	新網集團	27,695	29,600

The recoverable amounts for the CGUs given above were determined based on value in use calculations, covering a detailed five-year financial budget using the key assumptions stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGUs operate.

上述現金產生單位之可收回金額乃根據使用價值方法計算，當中涵蓋五年詳細財政預算，並按下文呈列之主要假設推算。增長率並無超逾現金產生單位所經營業務之長期平均增長率。

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

18. GOODWILL (Continued)

The key assumptions used for value in use calculations of CE ASP CGU for the years are as follows:

		2016	2015
Average sales growth rate	平均銷售增長率	5.46%	10.02%
Discount rate	貼現率	12.63%	14.00%
Growth rates used to extrapolate cashflows beyond the budget period	用作推算預算期後現金流量之增長率	0.00%	0.00%

The key assumptions used for value in use calculations of Xinnet Group CGU for the year are as follows:

		2016	2015
Average sales growth rate	平均銷售增長率	13.23%	12.09%
Discount rate	貼現率	21.77%	19.49%
Growth rates used to extrapolate cashflows beyond the budget period	用作推算預算期後現金流量之增長率	3.00%	3.00%

The budgeted gross margin and net profit margin were determined by the management for the CGUs based on past performance and its expectations for market development.

The growth rate used for the above CGUs are determined by reference to the average growth rate for the corresponding industry to which the CGUs belong.

18. 商譽 (續)

年內用於計算中國企業網現金產生單位使用價值之主要假設如下：

		2016	2015
Average sales growth rate	平均銷售增長率	5.46%	10.02%
Discount rate	貼現率	12.63%	14.00%
Growth rates used to extrapolate cashflows beyond the budget period	用作推算預算期後現金流量之增長率	0.00%	0.00%

年內用於計算新網集團現金產生單位使用價值之主要假設如下：

		2016	2015
Average sales growth rate	平均銷售增長率	13.23%	12.09%
Discount rate	貼現率	21.77%	19.49%
Growth rates used to extrapolate cashflows beyond the budget period	用作推算預算期後現金流量之增長率	3.00%	3.00%

預算邊際毛利及邊際純利乃由管理層根據過往表現及其對市場發展之預期就現金產生單位釐定。

上述現金產生單位之增長率乃經參考現金產生單位所屬相關行業之平均增長率而釐定。

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

18. GOODWILL (Continued)

The discount rates used are pre-tax and reflect specific risks relating to the segment. Apart from the considerations described in determining the value in use of the CGUs above, the Group's management is not currently aware of any other probable changes that would necessitate changes in its key estimates. However, the estimated recoverable amounts of CE ASP CGU and Xinnet Group CGU are particularly sensitive to the average sales growth rate applied.

The recoverable amount of CE ASP CGU exceeds its carrying amount by approximately HK\$2,313,000 (2015: HK\$11,741,000). The key assumption is the average sales growth rate of approximately 5.46% (2015: 10.02%). If the average sales growth rate reduced by approximately 0.03% (2015: 0.19%), the carrying amount of CE ASP CGU would equal its recoverable amount.

The recoverable amount of Xinnet Group CGU exceeds its carrying amount by approximately HK\$6,862,000 (2015: HK\$8,306,000). The key assumption is the average sales growth rate of approximately 13.23% (2015: 12.09%). If the average sales growth rate reduced by approximately 0.60% (2015: 0.41%), the carrying amount of Xinnet Group CGU would equal its recoverable amount.

18. 商譽 (續)

所採用折讓率為除稅前並反映與分部有關之特定風險。除上文釐定現金產生單位使用價值所述考慮因素外，本集團管理層目前並不知悉有任何其他可能出現之變動致使須更改其主要估計。然而，中國企業網現金產生單位及新網集團現金產生單位之估計可收回金額對應用之平均銷售增長率尤其敏感。

中國企業網現金產生單位之可收回金額超出其賬面值約2,313,000港元(2015年：11,741,000港元)。主要假設為平均銷售增長率約5.46%(2015年：10.02%)。倘平均銷售增長率減少約0.03%(2015年：0.19%)，則中國企業網現金產生單位之賬面值將相當於其可收回金額。

新網集團現金產生單位之可收回金額超出其賬面值約6,862,000港元(2015年：8,306,000港元)。主要假設為平均銷售增長率約13.23%(2015年：12.09%)。倘平均銷售增長率減少約0.60%(2015年：0.41%)，則新網集團現金產生單位之賬面值將相當於其可收回金額。

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19. OTHER INTANGIBLE ASSETS

19. 其他無形資產

		Computer software 電腦軟件 HK\$'000 千港元	Development cost 開發成本 HK\$'000 千港元	Licenses 牌照 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於 2015 年 1 月 1 日				
Cost	成本	302,336	112,556	41,471	456,363
Accumulated amortisation	累計攤銷	(299,744)	(95,485)	(5,198)	(400,427)
Net carrying amount	賬面淨值	2,592	17,071	36,273	55,936
Year ended 31 December 2015	截至 2015 年 12 月 31 日止年度				
Opening net carrying amount	期初賬面淨值	2,592	17,071	36,273	55,936
Additions	添置	541	19,309	-	19,850
Amortisation charge for the year	年內攤銷開支	(777)	(4,860)	(4,091)	(9,728)
Net exchange differences	淨匯兌差額	(107)	(1,208)	(1,494)	(2,809)
Closing net carrying amount	期終賬面淨值	2,249	30,312	30,688	63,249
At 31 December 2015 and 1 January 2016	於 2015 年 12 月 31 日及 2016 年 1 月 1 日				
Cost	成本	289,361	126,244	39,619	455,224
Accumulated amortisation	累計攤銷	(287,112)	(95,932)	(8,931)	(391,975)
Net carrying amount	賬面淨值	2,249	30,312	30,688	63,249
Year ended 31 December 2016	截至 2016 年 12 月 31 日止年度				
Opening net carrying amount	期初賬面淨值	2,249	30,312	30,688	63,249
Additions	添置	809	41,669	-	42,478
Amortisation charge for the year	年內攤銷開支	(739)	(4,599)	(3,872)	(9,210)
Net exchange differences	淨匯兌差額	(149)	(3,495)	(1,813)	(5,457)
Closing net carrying amount	期終賬面淨值	2,170	63,887	25,003	91,060
At 31 December 2016	於 2016 年 12 月 31 日				
Cost	成本	271,518	158,054	37,070	466,642
Accumulated amortisation	累計攤銷	(269,348)	(94,167)	(12,067)	(375,582)
Net carrying amount	賬面淨值	2,170	63,887	25,003	91,060

As at 31 December 2016, none of the intangible assets (2015: HK\$3,146,000) was charged to secure banking facilities as detailed in note 39.

如附註39所詳述，於2016年12月31日，並無抵押無形資產(2015年：3,146,000港元)作為銀行融資之擔保。

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20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

20. 按金、預付款項及其他應收款項

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Deposits and prepayments	按金及預付款項	76,843	58,576
Amount due from a former subsidiary	應收一間前附屬公司款項	–	56,939
Amount due from related parties	應收關連方款項	54	244
Others	其他	136,806	125,824
		213,703	241,583
Less: Provision for impairment of other receivables	減：其他應收款項減值撥備	(32,046)	(33,996)
		181,657	207,587
Less: Non-current portion Deposit for renovation work	減：非流動部分 翻新工程之訂金	(658)	(703)
		180,999	206,884

Impairment losses in respect of other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against other receivables directly. The movement in the provision for impairment of other receivables is as follows:

其他應收款項之減值虧損計入撥備賬，除非本集團信納收回該款項之機會渺茫，在此情況下，有關減值虧損將直接於其他應收款項撇銷。其他應收款項之減值撥備變動如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
At the beginning of the year	年初	33,996	48,901
Write-back during the year	年內撥回	–	(12,887)
Net exchange differences	淨匯兌差額	(1,950)	(2,018)
At the end of the year	年終	32,046	33,996

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

20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

At each of the reporting date, the Group's other receivables are individually assessed for impairment. The Group encountered difficulties in collection of certain other receivables and appropriate provision for impairment had been made against these other receivables. The individually impaired receivables are recognised based on the credit history of its debtors, their financial positions and record of delinquency in payments, and current market conditions. Consequently, specific impairment provision was recognised. Other receivables that were past due but not impaired related to those debtors that have a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in their credit quality and such balances are still considered as fully recoverable. The Group does not hold any collateral over these balances. Except for the amount impaired, none of the above assets is either past due or impaired.

The directors of the Company consider that the fair value of other receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

20. 按金、預付款項及其他 應收款項(續)

於各報告日期，本集團其他應收款項已按個別情況評估減值。本集團於收取若干其他應收款項時遇到困難，並已就該等其他應收款項作出適當減值撥備。個別已減值應收款項乃根據該等債務人之信貸記錄、如彼等之財政狀況及拖欠記錄以及現行市況確認。因此，已確認特定減值撥備。已逾期但未減值之其他應收款項與本集團有良好往績記錄之債務人有關。根據過往經驗，管理層相信，由於彼等之信貸質素並無重大變動且有關結餘仍被視為可全數收回，故毋須就該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品。除已減值金額外，上述資產並無逾期或減值。

本公司董事認為，由於該等結餘自開始後於短期內到期，預期可於一年內收回之其他應收款項之公允價值與其賬面值並無重大差異。

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

21. TRADE RECEIVABLES

Based on the invoice dates, the aging analysis of the trade receivables is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
0–90 days	0–90日	69,347	61,027
91–180 days	91–180日	1,125	1,848
181–270 days	181–270日	931	3,371
271–360 days	271–360日	727	1,009
Over 360 days	超過360日	21,145	21,955
Trade receivables, gross	應收貿易款項毛額	93,275	89,210
Less: Provision for impairment of receivables	減：應收款項減值撥備	(20,727)	(21,523)
Trade receivables, net	應收貿易款項淨額	72,548	67,687

Trade receivables are due on presentation of invoices.

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly. The movement in the provision for impairment of trade receivables is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
At the beginning of the year	年初	21,523	18,523
Provision for impairment	減值撥備	1,489	4,080
Net exchange differences	淨匯兌差額	(2,285)	(1,080)
At the end of the year	年終	20,727	21,523

At each reporting date, the Group's trade receivables are individually assessed for impairment. The Group encountered difficulties in collection of certain trade receivables and appropriate provision for impairment had been made against these trade receivables. The individually impaired receivables are recognised based on the credit history of its customers, their financial positions and record of delinquency in payments, and current market conditions. The Group does not hold any collateral over these balances.

21. 應收貿易款項

應收貿易款項按發票日期作出之賬齡分析如下：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
0–90 days	69,347	61,027
91–180 days	1,125	1,848
181–270 days	931	3,371
271–360 days	727	1,009
Over 360 days	21,145	21,955
Trade receivables, gross	93,275	89,210
Less: Provision for impairment of receivables	(20,727)	(21,523)
Trade receivables, net	72,548	67,687

應收貿易款項於出示發票時到期。

應收貿易款項之減值虧損計入撥備賬，除非本集團信納收回該款項之機會渺茫，在此情況下，有關減值虧損將直接於應收貿易款項撇銷。應收貿易款項之減值撥備變動如下：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
At the beginning of the year	21,523	18,523
Provision for impairment	1,489	4,080
Net exchange differences	(2,285)	(1,080)
At the end of the year	20,727	21,523

於各報告日期，本集團之應收貿易款項已按個別情況作減值評估。本集團於收取若干應收貿易款項時遇到困難，並已就該等應收貿易款項作出適當減值撥備。個別已減值應收款項乃根據其客戶之信貸記錄、財政狀況及拖欠還款記錄以及現行市況確認。本集團並無就該等結餘持有任何抵押品。

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

21. TRADE RECEIVABLES (Continued)

The aging analysis of trade receivables that are not considered to be impaired is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
0–90 days past due	逾期0至90日	69,347	61,027
91–180 days past due	逾期91–180日	1,125	1,848
181–270 days past due	逾期181–270日	931	3,371
271–360 days past due	逾期271–360日	727	1,009
Overdue for more than 360 days	逾期超過360日	418	432
		72,548	67,687

Trade receivables that were past due but not impaired relate to a number of independent customers that had a good track record with the Group. Based on past experience, the management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The directors of the Company consider that the fair value of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

21. 應收貿易款項(續)

被視為並無減值之應收貿易款項賬齡分析如下：

已逾期但並無減值之應收貿易款項乃來自多名與本集團有良好往績記錄之獨立客戶。根據過往經驗，由於有關信貸質素並無重大變動，且結餘仍被視作可全數收回，故管理層認為毋須就該等結餘作出減值撥備。本集團並無就該等結餘持有任何抵押品或其他信貸提升。

本公司董事認為，由於該等結餘於開始後短期內到期，預期可於一年內收回之應收貿易款項之公允價值與其賬面值並無重大差異。

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

22. CASH AND CASH EQUIVALENTS

22. 現金及等同現金項目

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Cash and bank balances	現金及銀行結存	85,230	128,435
Less: Time deposits maturing over three months	減：超過三個月到期之定期存款	-	(12)
Cash and cash equivalents	現金及等同現金項目	85,230	128,423

Deposits with banks earn interest at floating rates based on daily bank deposit rates. As at 31 December 2015, time deposits were made for a period over three months depending on the immediate cash requirement of the Group and earned fixed-rate interest at 2.75% per annum.

Included in bank and cash balance of the Group is an aggregate amount of approximately HK\$73,893,000 (2015: HK\$126,664,000), which represented Renminbi ("RMB") deposits placed with banks in Mainland China.

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks which are authorised to conduct foreign exchange business.

銀行存款按每日銀行存款利率之浮動利率計息。於2015年12月31日，定期存款乃視乎本集團之即時現金需求情況存放三個月以上，並按年利率2.75厘賺取固定利息。

本集團銀行及現金結存包括一筆總額約73,893,000港元(2015年：126,664,000港元)之款項，為本集團存於中國內地銀行之人民幣(「人民幣」)存款。

人民幣不得自由兌換為外幣。根據中國之外匯管制法規以及結匯、售匯及付匯管理規定，本集團獲准透過獲認可進行外匯業務之銀行將人民幣兌換為外幣。

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

23. TRADE PAYABLES

Based on invoice dates, the aging analysis of the trade payables is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
0-90 days	0-90 日	69,646	57,656
91-180 days	91-180 日	3,618	3,004
181-270 days	181-270 日	2,651	2,477
271-360 days	271-360 日	2,108	932
Over 360 days	超過 360 日	8,246	8,557
		86,269	72,626

All amounts are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of their fair value.

24. OTHER PAYABLES AND ACCRUALS

All amounts are short term and hence the carrying values of the Group's other payables and accruals are considered to be a reasonable approximation of fair value.

23. 應付貿易款項

應付貿易款項按發票日期作出之賬齡分析如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
0-90 days	0-90 日	69,646	57,656
91-180 days	91-180 日	3,618	3,004
181-270 days	181-270 日	2,651	2,477
271-360 days	271-360 日	2,108	932
Over 360 days	超過 360 日	8,246	8,557
		86,269	72,626

所有款項均為短期，因此本集團應付貿易款項之賬面值被視為其公允價值之合理約數。

24. 其他應付款項及應計費用

所有款項均為短期，因此本集團其他應付款項及應計費用之賬面值被視為公允價值之合理約數。

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25. LOAN TO/AMOUNT(S) DUE TO ULTIMATE HOLDING COMPANY/A DIRECTOR/A SHAREHOLDER/ ASSOCIATES

(a) Amount due to a director

The amount due to a director is unsecured, interest-free and repayable on demand.

(b) Amount due to a shareholder

The amount due to a shareholder is unsecured, interest-free and repayable on demand.

(c) Loan to/Amount due to ultimate holding company

25. 向／欠最終控股公司／一名董事／一名股東／聯營公司貸款／款項

(a) 欠一名董事款項

欠一名董事款項為無抵押、免息及須於要求時償還。

(b) 欠一名股東款項

欠一名股東款項為無抵押、免息及須於要求時償還。

(c) 向／應付最終控股公司貸款／款項

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Non-current assets			
Loan to ultimate holding company	非流動資產 向最終控股公司貸款	–	1,370,557
Current assets			
Loan to ultimate holding company	流動資產 向最終控股公司貸款	1,475,929	–
Non-current liabilities			
Amount due to ultimate holding company	非流動負債 應付最終控股公司款項	–	(85,517)
Current liabilities			
Amount due to ultimate holding company	流動負債 應付最終控股公司款項	(97,386)	–

Loan to ultimate holding company

On 29 May 2009, the Group entered into a loan agreement with its ultimate holding company to advance a loan of HK\$1,645,530,000 which bore interest at 6.00% per annum and would be repayable on or before 29 June 2011 and was secured by a share mortgage.

向最終控股公司貸款

於2009年5月29日，本集團與其最終控股公司訂立貸款協議，向其墊付1,645,530,000港元之貸款，按年利率6.00厘計息及須於2011年6月29日或之前償還，並以一項股份按揭作為抵押。

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25. LOAN TO/AMOUNT(S) DUE TO ULTIMATE HOLDING COMPANY/A DIRECTOR/A SHAREHOLDER/ ASSOCIATES (Continued)

(c) Loan to/Amount due to ultimate holding company (Continued)

Loan to ultimate holding company (Continued)

On 20 May 2011, loan extension agreement in respect of the loan agreement dated 29 May 2009 was signed and was conditional upon its ultimate holding company having settled in full, the interest accrued on the outstanding principal amount under the loan agreement on or before 29 June 2011. It was agreed that the repayment date for the outstanding principal to be extended for two years to 29 June 2013 and the loan was secured by a share mortgage.

On 9 May 2013, loan extension agreement in respect of the loan agreement dated 29 May 2009 was signed and was conditional upon its ultimate holding company having settled in full, the interest accrued on the outstanding principal amount under the loan agreement on or before 29 June 2013. It was agreed that the repayment date for the outstanding principal to be extended for two years to 29 June 2015 and the loan was secured by share mortgage of a fellow subsidiary. The rate of interest applicable to the outstanding principal amount of the loan during the extension period is 7.50% per annum.

On 30 Apr 2015, loan extension agreement in respect of the loan agreement dated 29 May 2009 was signed and was conditional upon its ultimate holding company having settled in full, the interest accrued on the outstanding principal amount under the loan agreement on or before 29 June 2015. It was agreed that the repayment date for the outstanding principal to be extended for two years to 29 June 2017 and the loan was secured by a share mortgage of Nan Hai Development Limited, a wholly-owned subsidiary of Nan Hai. The rate of interest applicable to the outstanding principal amount of the loan during the extension period is 8.00% per annum.

25. 向／欠最終控股公司／一名董事／一名股東／聯營公司貸款／款項(續)

(c) 向／應付最終控股公司貸款／款項(續)

向最終控股公司貸款(續)

於2011年5月20日，已就日期為2009年5月29日之貸款協議簽訂貸款延長協議，條件為其最終控股公司於2011年6月29日或之前清償貸款協議項下未償還本金之全數應計利息，並據此同意將未償還本金之還款日期順延兩年於2013年6月29日，貸款乃以一項股份按揭作為抵押。

於2013年5月9日，已就日期為2009年5月29日之貸款協議簽訂貸款延長協議，條件為其最終控股公司於2013年6月29日或之前清償貸款協議項下未償還本金之全數應計利息，並據此同意將未償還本金之還款日期順延兩年於2015年6月29日，貸款乃以一間同系附屬公司之股份按揭作為抵押。於延長期間貸款未償還本金之適用利率為每年7.50厘。

於2015年4月30日，已就日期為2009年5月29日之貸款協議簽訂貸款延長協議，條件為其最終控股公司於2015年6月29日或之前清償貸款協議項下未償還本金之全數應計利息，並據此同意將未償還本金之還款日期順延兩年於2017年6月29日，貸款乃以南海之全資附屬公司南海發展有限公司之股份按揭作為抵押。於延長期間貸款未償還本金之適用利率為每年8.00厘。

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25. LOAN TO/AMOUNT(S) DUE TO ULTIMATE HOLDING COMPANY/A DIRECTOR/A SHAREHOLDER/ ASSOCIATES (Continued)

(c) Loan to/Amount due to ultimate holding company (Continued)

Loan to ultimate holding company (Continued)

As at 31 December 2016, approximately HK\$1,317,149,000 (2015: HK\$1,317,149,000) was interest bearing at 8.00% (2015: 8.00%) per annum, and the remaining balance was interest-free.

Amount due to ultimate holding company

The amount due to ultimate holding company is unsecured, interest-free and repayable within one year (2015: repayable after one year).

(d) Amounts due to associates

The amount is unsecured and interest-free. As at 31 December 2016, the amount is repayable on demand. As at 31 December 2015, an amount of HK\$5,499,000 was repayable on demand and the remaining amount of HK\$4,178,000 was repayable on or before 28 March 2016.

25. 向／欠最終控股公司／一名董事／一名股東／聯營公司貸款／款項(續)

(c) 向／應付最終控股公司貸款／款項(續)

向最終控股公司貸款(續)

於2016年12月31日，約1,317,149,000港元(2015年：1,317,149,000港元)按年利率8.00厘(2015年：8.00厘)計息，餘額則為免息。

應付最終控股公司款項

欠最終控股公司款項為無抵押、免息及須於一年內償還(2015年：須於一年後償還)。

(d) 欠聯營公司款項

有關款項為無抵押及免息。於2016年12月31日，有關款項須於要求時償還。於2015年12月31日，為數5,499,000港元之款項須於要求時償還，而為數4,178,000港元之餘額須於2016年3月28日或之前償還。

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財務報表附註

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

26. BANK BORROWINGS, SECURED

At 31 December 2016, all of the bank borrowings, which are denominated in RMB, are repayable within one year.

At 31 December, the bank borrowings' interest rate profiles are as follows:

26. 有抵押銀行借貸

於2016年12月31日，全部以人民幣計值之銀行借貸須於一年內償還。

於12月31日，銀行借貸利率詳情如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Floating rates	浮動利率		
— 4.40%	— 年利率4.40厘		
(2015: 4.40% to 5.98%) per annum	(2015年：介乎4.40厘至5.98厘)	111,707	138,491
Fixed rates	固定利率		
— ranging from 5.05% to 5.22%	— 年利率介乎5.05厘至5.22厘		
(2015: 5.05% to 6.50%) per annum	(2015年：5.05厘至6.50厘)	44,683	107,330
		156,390	245,821

The carrying amounts of the borrowings approximate their fair value.

借貸之賬面值與其公允價值相若。

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27. FINANCE LEASE LIABILITIES

(a) Total minimum lease payments is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Due within one year	一年內到期	364	364
Due in the second year	第二年內到期	61	364
Due in the third to fifth years	第三至五年內到期	15	77
		440	805
Future finance charges on finance lease	融資租賃之未來財務費用	(19)	(48)
		421	757
Present value of finance lease liabilities	融資租賃負債現值	421	757

(b) The present value of finance lease liabilities is as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Due within one year, included under current liabilities	計入流動負債於一年內到期	351	336
Due in the second year, included under non-current liabilities	計入非流動負債於第二年內到期	56	350
Due in the third to fifth years, included under non-current liabilities	計入非流動負債於第三至五年內到期	14	71
		421	757

27. 融資租賃負債

(a) 最低租賃付款總額如下：

(b) 融資租賃負債現值如下：

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

27. FINANCE LEASE LIABILITIES (Continued)

(b) The present value of finance lease liabilities is as follows: (Continued)

The Group has entered into finance leases for item of a motor vehicle and two photocopiers (2015: a motor vehicle and two photocopiers) with remaining lease terms of two to three years (2015: three to four years). Interest rates under the leases are ranging from 2.40% to 3.33% (2015: 2.40% to 3.33%) per annum. The lease does not have options to renew or any contingent rental provisions. Under the lease terms, the Group has the option to purchase the leased asset at a price that is expected to be sufficiently lower than the fair value of the leased asset at the end of the leases.

Finance lease liabilities are secured by the underlying asset where the lessor has the rights to revert in event of default. The carrying amount of the finance lease liabilities are denominated in Hong Kong dollars and approximates their fair values.

28. DEFERRED TAX LIABILITIES

At 31 December 2016, the movement on the deferred tax liabilities are as follows:

		Revaluation of intangible assets 重估無形資產	
		2016 HK\$'000 千港元	2015 HK\$'000 千港元
At the beginning of the year	年初	7,554	8,906
Credit to profit or loss (note 9)	計入損益賬(附註9)	(932)	(985)
Exchange realignment	匯兌差額	(446)	(367)
At the end of the year	年終	6,176	7,554

27. 融資租賃負債(續)

(b) 融資租賃負債現值如下：(續)

本集團已就一輛汽車及兩部影印機(2015年：一輛汽車及兩部影印機)訂立餘下租期為二至三年之融資租賃(2015年：三至四年)。該等租賃之年利率介乎2.40厘至3.33厘(2015年：2.40厘至3.33厘)。該租約並無續期選擇權或任何或然租金條文。根據租賃條款，本集團有權以預期遠低於租賃結束時租賃資產公允價值之價格購買租賃資產。

融資租賃負債以相關資產作抵押，出租人有權在發生違約事件時收回出租項目。融資租賃負債的賬面值以港元列示，與其公允價值相若。

28. 遞延稅項負債

於2016年12月31日，遞延稅項負債之變動如下：

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財務報表附註

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

28. DEFERRED TAX LIABILITIES (Continued)

At 31 December 2016, the Group has unrecognised deferred tax asset arising from tax losses of the subsidiaries operating in Hong Kong and in Mainland China of approximately HK\$6,224,000 and HK\$363,223,000 (2015: HK\$6,241,000 and HK\$373,649,000) respectively. The tax effect of unrecognised deferred tax assets amounted to approximately HK\$112,051,000 (2015: HK\$94,442,000).

Deferred tax asset in respect of unused tax losses has not been recognised in the financial statements due to the unpredictability of future profit streams against which the tax losses can be utilised. The tax losses of the subsidiaries operating in Mainland China can be carried forward for 5 years, while tax losses of the companies within the Group operating in Hong Kong can carry forward their tax losses indefinitely under the current tax legislation.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. As at 31 December 2016, deferred taxation has not been provided for in the consolidated financial statement as there were no temporary differences associated with undistributed earnings of PRC subsidiaries (2015: Nil).

29. SHARE CAPITAL

Issued and fully paid

		2016 Number 數目	2016 HK\$'000 千港元	2015 Number 數目	2015 HK\$'000 千港元
Ordinary shares	普通股	19,914,504,877	240,597	19,914,504,877	240,597

28. 遞延稅項負債(續)

於2016年12月31日，本集團就於香港及中國內地營運之附屬公司之稅項虧損所產生未確認遞延稅項資產分別約6,224,000港元及363,223,000港元(2015年：6,241,000港元及373,649,000港元)。未確認遞延稅項資產之稅務影響約為112,051,000港元(2015年：94,442,000港元)。

因無法預計可動用稅項虧損之日後溢利來源，故並無在財務報表中確認有關未動用稅項虧損之遞延稅項資產。根據現行稅法，於中國內地營運之附屬公司之稅項虧損可結轉5年，而本集團於香港營運公司之稅項虧損則可無限期結轉。

根據中國企業所得稅法，自2008年1月1日起，須就中國附屬公司所得溢利宣派之股息繳納預扣稅。於2016年12月31日，綜合財務報表內並無計提遞延稅項撥備，乃由於並無與中國附屬公司未分派盈利有關之暫時差額(2015年：無)。

29. 股本

已發行及繳足

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

30. SHARE OPTION SCHEME

Under the ordinary resolution passed at the annual general meeting on 28 May 2012, the Board adopted a share option scheme (the "Scheme"). Under the Scheme, share options may be granted to directors, employees of the Group and those who have contributed or will contribute to the Group at any time within ten years after its adoption at the discretion of the Board. No share options have been granted by the Company since the adoption of the Scheme. There was no share-based compensation expense included in profit or loss for the years ended 31 December 2016 and 2015.

31. RESERVES

Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 91 of the financial statements.

Notes:

- (a) The Group's capital distribution reserve represents the excess of the credit arising from the reduction of nominal value of ordinary shares and share premium account, over the net assets of a subsidiary distributed during the year ended 31 December 2005.
- (b) The Group's general reserve includes capital reserve arising from acquisitions of subsidiaries in prior years and statutory reserves.

Subsidiaries of the Company established in Mainland China are required to transfer 10% of their profit after tax calculated in accordance with the PRC accounting regulations to the statutory reserve until the reserve reaches 50% of their respective capital, upon which any further appropriation will be at the directors' recommendation. Such reserve may be used to reduce any losses incurred by the subsidiaries or be capitalised as paid-up capital of the subsidiaries.

30. 購股權計劃

根據於2012年5月28日舉行之股東週年大會獲通過之普通決議案，董事會採納一項購股權計劃（「計劃」）。根據計劃，於採納後十年內，董事會可隨時酌情授出購股權予本集團之董事、僱員以及曾為或將為本集團作出貢獻之人士。本公司自採納計劃起概無授出任何購股權。截至2016年及2015年12月31日止年度，概無股份酬金開支計入損益賬。

31. 儲備

集團

本年度及過往年度本集團儲備金額及其變動載於財務報表第91頁之綜合權益變動表。

附註：

- (a) 本集團資本分配儲備相當於截至2005年12月31日止年度削減普通股面值及股份溢價賬所產生之進賬超逾一間附屬公司所分派資產淨值之差額。
- (b) 本集團之一般儲備包括過往年度收購附屬公司產生之資本儲備及法定儲備。

本公司在中國內地成立之附屬公司須將按中國會計規則計算之稅後溢利10%撥為法定儲備，直至該儲備達至其資本之50%為止，其後之進一步轉撥可由董事建議作出。該儲備可用於減低附屬公司之任何虧損或資本化作附屬公司之實繳股本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

31. RESERVES (Continued)

Company

		General reserve 一般儲備 HK\$'000 千港元 (note a) (附註 a)	Retained profits 保留溢利 HK\$'000 千港元 (note b) (附註 b)	Total 總計 HK\$'000 千港元
At 1 January 2015	於 2015 年 1 月 1 日	79,579	1,036,922	1,116,501
Loss for the year	年內虧損	–	(463,304)	(463,304)
At 31 December 2015 and 1 January 2016	於 2015 年 12 月 31 日及 2016 年 1 月 1 日	79,579	573,618	653,197
Profit for the year	年內溢利	–	1,063,570	1,063,570
At 31 December 2016	於 2016 年 12 月 31 日	79,579	1,637,188	1,716,767

Notes:

- (a) The Company's general reserve includes capital reserve arising from acquisitions of subsidiaries in prior years.
- (b) Included in the Company's retained profits is an amount of approximately HK\$10,053,000 (2015: approximately HK\$28,957,000) which represents the balance of the special reserve arising from the Company's capital reduction effected in a prior year.

According to the court order dated 21 June 2001 confirming the Company's capital reduction, the Company was required to credit a sum arising from the capital reduction to a special reserve which cannot be treated as realised profit as long as (a) the outstanding liabilities of the Company as at the effective date of the capital reduction (i.e. the "Relevant Debts") are not fully discharged; and (b) the persons to whom the Relevant Debts are due have not agreed otherwise.

附註：

- (a) 本公司之一般儲備包括過往年度收購附屬公司產生之資本儲備。
- (b) 計入本公司保留溢利之金額約10,053,000港元(2015年：約28,957,000港元)指產生自本公司往年削減股本之特別儲備餘額。

根據就確認本公司削減股本所頒佈日期為2001年6月21日之法院命令，本公司須將削減股本所產生之數額記入特別儲備；而在下列情況，此項特別儲備不得視為已變現溢利：(a)本公司於削減股本生效日期之未償還負債(即「相關債項」)尚未完全解除；及(b)相關債項之放債人並無另行同意。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

32. THE COMPANY'S STATEMENT OF FINANCIAL POSITION

32. 本公司之財務狀況報表

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	4,917	7,006
Interests in subsidiaries	於附屬公司之權益	105,721	105,721
Available-for-sale financial assets	可供出售之金融資產	324	324
Loan to ultimate holding company	向最終控股公司貸款	–	323,913
		110,962	436,964
Current assets	流動資產		
Amount due from ultimate holding company	應收最終控股公司款項	109,523	–
Amounts due from subsidiaries	應收附屬公司款項	1,615,179	1,092,393
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	3,675	60,865
Tax recoverable	可收回稅項	354	854
Loan to ultimate holding company	向最終控股公司貸款	348,817	–
Cash and cash equivalents	現金及等同現金項目	1,146	1,009
		2,078,694	1,155,121
Current liabilities	流動負債		
Other payables and accruals	其他應付款項及應計費用	4,513	4,456
Amounts due to subsidiaries	欠附屬公司款項	75,559	505,179
Amount due to a director	欠一名董事款項	152,148	158,069
Finance lease liabilities	融資租賃負債	29	29
		232,249	667,733
Net current assets	流動資產淨值	1,846,445	487,388
Total assets less current liabilities	資產總額減流動負債	1,957,407	924,352

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

32. THE COMPANY'S STATEMENT OF FINANCIAL POSITION (Continued)

32. 本公司之財務狀況報表 (續)

			2016 HK\$'000 千港元	2015 HK\$'000 千港元
Non-current liabilities	非流動負債			
Amount due to ultimate holding company	應付最終控股公司款項		-	30,485
Finance lease liabilities	融資租賃負債		43	73
			43	30,558
Net assets	資產淨值		1,957,364	893,794
EQUITY	權益			
Share capital	股本	29	240,597	240,597
Reserves	儲備	31	1,716,767	653,197
Total equity	權益總額		1,957,364	893,794

Yu Pun Hoi
于品海
Director
董事

Liu Rong
劉榮
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

33. NON-CONTROLLING INTERESTS

33. 非控股權益

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
At 1 January	於1月1日	22,605	25,539
Loss for the year	年內虧損	(2,480)	(1,818)
Net exchange differences	淨匯兌差額	(1,301)	(1,116)
As at 31 December	於12月31日	18,824	22,605

The non-controlling interests of the subsidiaries that are not 100% owned by the Group are considered to be immaterial.

並非由本集團全資擁有之附屬公司之非控股權益被視為不重大。

34. MAJOR NON-CASH TRANSACTIONS

34. 主要非現金交易

- (a) During the year ended 31 December 2016, other interest income amounting to approximately HK\$105,372,000 (2015: HK\$15,346,000) in relation to loan to ultimate holding company was dealt through the current account with the ultimate holding company.
- (b) During the year ended 31 December 2016, the settlement of other receivable amounting to approximately HK\$56,939,000 (2015: Nil) was dealt through the current account with the ultimate holding company.

- (a) 截至2016年12月31日止年度，有關提供予最終控股公司之其他利息收入約105,372,000港元(2015年：15,346,000港元)透過與最終控股公司之往來賬款處理。
- (b) 截至2016年12月31日止年度，結算其他應收款項56,939,000港元(2015年：無)透過與最終控股公司之即期款項處理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

35. RETIREMENT BENEFIT PLANS

Defined contribution retirement plans

The Group operates a MPF scheme and an ORSO scheme for all qualifying employees in Hong Kong. The assets of the schemes are held separately from those of the Group in funds under the control of the trustees.

Subsidiaries operating in Mainland China are required to participate in a defined contribution retirement benefit plan organised by the relevant government authorities. These subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits.

The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

The total costs charged to the consolidated income statement amounting to HK\$55,085,000 (2015: HK\$57,803,000) represent contributions payable to the schemes by the Group at the rates specified in the rules of the schemes.

35. 退休福利計劃

定額供款退休計劃

本集團為香港所有合資格僱員設立強積金計劃及職業退休計劃。計劃資產與本集團資產分開並由受託人監控之基金持有。

於中國內地經營之附屬公司均須參與一項由有關政府機關設立之定額供款退休福利計劃。該等附屬公司須按工資成本之特定百分比向退休福利計劃供款，作為福利之資金。

本集團有關退休福利計劃之唯一責任為作出指定供款。

於綜合收益表扣除之成本總額為55,085,000港元(2015年：57,803,000港元)，即本集團按計劃規則列明之比率須向計劃作出之供款。

NOTES TO THE FINANCIAL STATEMENTS

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

36. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

Directors emoluments disclosed pursuant to Section 383 of the Hong Kong Companies Ordinance (Cap. 622) and the Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap.622G) are as follows:

		Fees	Basic salaries, housing, other allowances and benefits in kind 基本薪金、住房、 其他津貼及 實物利益	Pension scheme contributions 退休金計劃供款	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2016	2016年				
Executive directors	執行董事				
YU Pun Hoi	于品海	-	120	6	126
CHEN Dan	陳丹	-	416	-	416
CHEN Ming Fei ^	陳鳴飛^	-	39	6	45
LIU Rong	劉榮	-	-	-	-
Non-executive directors	非執行董事				
LAM Bing Kwan	林秉軍	60	-	-	60
WANG Gang ®	王鋼®	113	-	-	113
Independent non-executive directors	獨立非執行董事				
Prof. JIANG Ping	江平教授	139	-	-	139
FUNG Wing Lap	馮榮立	120	-	-	120
XIAO Sui Ning #	肖遂寧#	92	-	-	92
HU Bin*	胡濱*	-	-	-	-
		524	575	12	1,111

Appointed as independent non-executive director with effect from 27 April 2016

® Resigned as non-executive director with effect from 9 December 2016

^ Appointed as executive director with effect from 9 December 2016

* Resigned as independent non-executive director with effect from 3 February 2016

36. 董事酬金及五名最高薪酬人士

(a) 董事酬金

根據第622章香港公司條例第383條及第622G章公司(披露董事利益資料)規例披露之董事酬金如下:

自2016年4月27日起獲委任為獨立非執行董事

® 自2016年12月9日起辭任非執行董事

^ 自2016年12月9日起獲委任為執行董事

* 自2016年2月3日起辭任獨立非執行董事

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財務報表附註

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

36. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(Continued)

(a) Directors' emoluments (Continued)

		Basic salaries, housing, other allowances and Fees	benefits in kind 袍金 HK\$'000 千港元	Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元	Total 總計 HK\$'000 千港元
2015	2015年				
Executive directors	執行董事				
YU Pun Hoi	于品海	–	132	6	138
CHEN Dan	陳丹	–	439	–	439
LIU Rong	劉榮	–	–	–	–
Non-executive directors	非執行董事				
WANG Gang	王鋼	120	–	–	120
LAM Bing Kwan	林秉軍	60	–	–	60
Independent non-executive directors	獨立非執行董事				
Prof. JIANG Ping	江平教授	158	–	–	158
FUNG Wing Lap	馮榮立	120	–	–	120
HU Bin*	胡濱*	134	–	–	134
		592	571	6	1,169

* Resigned as independent non-executive director with effect from 3 February 2016.

* 自2016年2月3日起辭任獨立非執行董事。

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

36. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(Continued)

(b) Five highest paid individuals

The five highest paid individuals of the Group for the year included one (2015: one) director, details of whose emoluments are set out above. The emoluments of the remaining four (2015: four) employees are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	1,753	1,717
Pension contributions	退休金供款	305	267
		2,058	1,984

The emoluments of the five highest paid individuals, other than a director (2015: a director), fell within the following band:

Emolument band	酬金範圍	Number of individuals 人數	
		2016	2015
Nil — HK\$1,000,000	零至 1,000,000 港元	4	4

During the years ended 31 December 2016 and 2015, no emoluments were paid to any of the Company's directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

Mr. Hu Bin agreed to waive emoluments of approximately HK\$12,000 (2015: HK\$12,000) in respect of the year ended 31 December 2016.

36. 董事酬金及五名最高薪酬人士(續)

(b) 五名最高薪酬人士

本集團年內五名最高薪酬人士中包括一名(2015年：一名)董事，彼等之酬金詳情已載於上文。其餘四名(2015年：四名)僱員之酬金如下：

五名最高薪酬人士(一名董事除外)(2015年：一名董事)之酬金介乎下列範圍：

截至2016年及2015年12月31日止年度，並無向本公司董事或五名最高薪酬人士支付任何酬金，以吸引彼等加盟或於加盟本集團時支付或作為離職補償。

胡濱先生同意放棄截至2016年12月31日止年度之酬金約12,000港元(2015年：12,000港元)。

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37. COMMITMENTS

(a) Capital commitments

At 31 December 2016, the Group had outstanding capital commitments as follows:

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Contracted but not provided for in respect of — renovation work	36,651	68,581
已訂約但未撥備 — 翻新工程		

(b) Operating lease commitments

At 31 December 2016, total future minimum lease payments in respect of land and buildings under non-cancellable operating leases are payable as follows:

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within one year	39,941	36,572
In the second to fifth years	32,294	29,118
	72,235	65,690

The Group leases a number of properties under operating leases. The leases of the Group run for an initial period of one to five years (2015: one to five years), with options to renew the lease terms at the expiry dates or at dates as mutually agreed between the Group and the respective landlords. None of the leases includes any contingent rentals.

本集團根據經營租賃租用多項物業。本集團之租賃初步為期一至五年(2015年：一至五年)，並有權於租賃到期日或本集團與各業主相互協定之日期重續租約。概無租賃附有任何或然租金。

37. 承擔

(a) 資本承擔

於2016年12月31日，本集團有下列未支付資本承擔：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Contracted but not provided for in respect of — renovation work	36,651	68,581
已訂約但未撥備 — 翻新工程		

(b) 經營租賃承擔

於2016年12月31日，根據不可撤銷經營租賃應付土地及樓宇之未來最低租賃總額如下：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Within one year	39,941	36,572
In the second to fifth years	32,294	29,118
	72,235	65,690

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38. CONTINGENT LIABILITIES

Guarantees given in connection with credit facilities granted to:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
An associate (Note)	一間聯營公司(附註)	18,594	17,799
Third parties (Note)	第三方(附註)	-	18,904
		18,594	36,703

Note:

In February 1993, a Group's associate borrowed a loan of US\$5 million from a Filipino bank namely Banco de Oro Unibank (formerly known as Equitable PCI Bank Inc. and then as Banco de Oro-EPCI Inc.) ("Banco Unibank"). The loan was secured by a guarantee executed by the Company ("Banco Unibank Guarantee"), and by share mortgage of 74,889,892 shares (the "Philippines Shares") of Acesite (Philippines) Hotel Corporation Inc. ("Acesite Phils."). Due to the pending litigation as more particularly set out in note 40, the Group is not able to obtain updated indebtedness information from Banco Unibank. Given the foregoing limitation, it is estimated that the outstanding balance of the total indebtedness owing to Banco Unibank was approximately US\$2,397,000 (equivalent to approximately HK\$18,594,000) by reference to the unaudited financial statements of the associate as at 31 December 2016.

In addition to the Banco Unibank Guarantee, the Company executed another guarantee in favour of Singapore Branch of Industrial and Commercial Bank of China in respect of a loan facility of US\$15,000,000 ("ICBC Loan") made available to Acesite Phils. in March 1995. Resulting from the purported foreclosure of the Philippines Shares, Acesite Phils. has been now controlled by a third party. The loan was paid in full on 10 March 2016 with reference to the published financial information of Acesite Phils as at 31 December 2016.

38. 或然負債

就下列所獲授信貸融資而作出之擔保：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
An associate (Note)	一間聯營公司(附註)	18,594	17,799
Third parties (Note)	第三方(附註)	-	18,904
		18,594	36,703

附註：

於1993年2月，本集團聯營公司向菲律賓銀行 Banco de Oro Unibank (前稱 Equitable PCI Bank Inc.，其後稱為 Banco de Oro-EPCI Inc.) (「Banco Unibank」) 借取貸款 5,000,000 美元。本公司就該貸款提供擔保 (「Banco Unibank 保證」)，並以 Acesite (Philippines) Hotel Corporation Inc. (「Acesite Phils.」) 之 74,889,892 股股份 (「菲律賓股份」) 作出之股份押記作抵押。由於待決訴訟 (詳情載於附註 40)，本集團無法取得 Banco Unibank 之最新債務資料。鑑於上述限制，參考聯營公司於 2016 年 12 月 31 日之未經審核財務報表，估計 Banco Unibank 債項總額之未償還結餘約為 2,397,000 美元 (相當於約 18,594,000 港元)。

除 Banco Unibank 保證外，本公司於 1995 年 3 月就 Acesite Phils. 所獲提供之 15,000,000 美元貸款 (「ICBC 貸款」) 向中國工商銀行新加坡分行 (「ICBC」) 作出另一保證。由於菲律賓股份據稱止贖出售，Acesite Phils. 現正由一名第三方控制。參考 Acesite Phils. 於 2016 年 12 月 31 日已刊發之財務資料，貸款已於 2016 年 3 月 10 日全數償還。

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39. CREDIT FACILITIES

As at 31 December 2016, the Group's credit facilities were secured by the following:

- (a) charge over interest in prepaid land lease payments under operating lease (note 14) with a net carrying value of approximately HK\$22,540,000 (2015: HK\$24,615,000);
- (b) charge over certain building (note 13) with a net carrying value of approximately HK\$543,879,000 (2015: HK\$580,958,000); and
- (c) no charge over intangible assets (note 19) (2015: HK\$3,146,000).

40. PENDING LITIGATIONS

- (a) In respect of the purported sale of the Philippines Shares, which were mortgaged by Acesite Limited ("Acesite"), by Banco Unibank, to Waterfront Philippines Inc. ("Waterfront"), a Filipino company, in February 2003, Acesite, a former subsidiary of the Company; Evallon Investment Limited, a wholly-owned subsidiary of the Company; Mr. Yu, the chairman and executive director of both the Company and Nan Hai, the holding company of the Company; and, South Port Development Limited, a former wholly-owned subsidiary of the Company as first, second, third and fourth plaintiff respectively issued a claim against Banco Unibank and Waterfront, on the grounds that the purported sale of the Philippines Shares was unlawful as such sale was in breach of the terms of the mortgage; in breach of a compromise agreement reached in January 2003; and in other breaches, for damages; further or other relief; interest and costs and etc. in February 2006 under High Court Number of HCCL 5 of 2006 (the "Case"). The Case is still in progress and no date has been fixed for trial.

39. 信貸融資

於2016年12月31日，本集團之信貸融資以下列各項作為抵押：

- (a) 賬面淨值約22,540,000港元(2015年：24,615,000港元)之經營租賃項下預付土地租賃款項(附註14)之權益之押記；
- (b) 賬面淨值約543,879,000港元(2015年：580,958,000港元)之若干樓宇(附註13)之押記；及
- (c) 並無以若干無形資產(附註19)(2015年：3,146,000港元)作為抵押。

40. 待決訴訟

- (a) 就Banco Unibank於2003年2月向一間菲律賓公司Waterfront Philippines Inc. (「Waterfront」)指稱出售由Acesite Limited (「Acesite」)作出抵押之菲律賓股份而言，本公司前附屬公司Acesite、本公司全資附屬公司積德投資有限公司、身兼本公司及本公司控股公司南海主席兼執行董事之于先生以及本公司前全資附屬公司South Port Development Limited，分別作為第一、第二、第三及第四原告於2006年2月就高等法院訴訟編號HCCL 5-2006項下損失、額外或其他補償、利息及費用等，向Banco Unibank及Waterfront提出索償，理據為指稱出售菲律賓股份屬違法，此乃由於該出售違反抵押條款；違反於2003年1月達成之妥協協議；及其他違反(「案件」)。案件仍在進行中，尚未釐定審訊日期。

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40. PENDING LITIGATIONS (Continued)

- (b) Dadi Media, a wholly-owned subsidiary of the Company as plaintiff, issued a claim against two minority shareholders of CE Dongli Technology Group Company Limited (now known as 數碼慧谷置業管理股份有限公司), a subsidiary of the Company, for the sum of HK\$27,750,498 together with interest thereon and costs in May 2004 under High Court Number of HCA1130 of 2004. The two defendants filed a defence and counterclaim in June 2004 and then an amended defence and counterclaim in September 2004. The counterclaim was further amended and re-amended. In December 2004, the two defendants issued a claim against CE ASP, a wholly-owned subsidiary of Dadi Media, under High Court Number HCA2892 of 2004, for (1) the sum of HK\$806,250; (2) an award of compensation pursuant to section 32P of the Employment Ordinance; (3) the sum of HK\$13,000; and (4) interest and costs. CE ASP filed a defence in March 2005. These two cases are still in progress and no trial date has been fixed.

The Group, after discussion with legal advisers, considered that it would not incur a material outflow of resources as a result of the above matters.

41. RELATED PARTY TRANSACTIONS

Remuneration for key management personnel which represents amounts paid to the Company's directors as disclosed in note 36.

Included in other interest income of HK\$108,869,000 (2015: HK\$105,865,000), amount of HK\$105,372,000 (2015: HK\$102,124,000) was interest income from ultimate holding company in which Mr. Yu Pun Hoi has 53.35% (2015: 52.58%) beneficial interests.

Included in the rental income of HK\$11,846,000 (2015: HK\$11,843,000), amount of HK\$3,083,000 (2015: HK\$2,120,000) and HK\$809,000 (2015: HK\$1,107,000) were rental income earned from certain subsidiaries of Nan Hai in which Mr. Yu Pun Hoi has 53.35% (2015: 52.58%) beneficial interests and companies in which Ms. Liu Rong has 75.50% to 80.00% (2015: 75.50% to 80.00%) beneficial interests respectively.

40. 待決訴訟(續)

- (b) 本公司全資附屬公司大地傳播作為原告，於2004年5月就高等法院訴訟編號HCA1130-2004項下為數27,750,498港元之金額，連同應計利息及費用，向本公司附屬公司中企動力科技集團股份有限公司(現稱數碼慧谷置業管理股份有限公司)兩名少數股東索償。該兩名被告於2004年6月提出抗辯及反訴，其後於2004年9月提出經修訂抗辯及反訴。該反訴隨後進一步修訂及再修訂。於2004年12月，該兩名被告就高等法院訴訟編號HCA2892-2004項下(1)806,250港元；(2)就僱傭條例第32P條項下補償；(3)13,000港元；及(4)利息及費用，向大地傳播全資附屬公司中國企業網提出索償。中國企業網於2005年3月提出抗辯。該兩宗案件至今仍然在進行中，且尚未確定審訊日期。

本集團在與法律顧問商討後，認為上述事宜不會導致重大資源流出。

41. 關連人士交易

主要管理層人員之酬金指附註36所披露支付予本公司董事之金額。

在其他利息收入108,869,000港元(2015年：105,865,000港元)中，105,372,000港元(2015年：102,124,000港元)為來自于品海先生於當中實益擁有53.35%(2015年：52.58%)權益之最終控股公司之利息收入。

在租金收入11,846,000港元(2015年：11,843,000港元)中，3,083,000港元(2015年：2,120,000港元)及809,000港元(2015年：1,107,000港元)分別為來自于品海先生於當中實益擁有53.35%(2015年：52.58%)權益之南海旗下若干附屬公司及劉榮女士於當中實益擁有75.50%至80.00%(2015年：75.50%至80.00%)權益之公司之租金收入。

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42. MATERIAL INTEREST OF DIRECTORS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Except as disclosed in notes 25(a), 25(c) and 41, no transactions, arrangements, or contracts of significance in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, were entered into or subsisted during the financial year.

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including currency risk and interest risk), credit risk and liquidity risk.

Financial risk management is coordinated at the Group's headquarters, in close co-operation with the Board. The overall objectives in managing financial risks focus on securing the Group's short to medium term cash flows by minimising its exposure to financial markets. Long term financial investments are managed to generate lasting returns with acceptable risk levels.

It is not the Group's policy to actively engage in the trading of financial instruments for speculative purposes. The Board from time to time identifies ways to access financial markets and monitors the Group's financial risk exposures.

42. 董事在交易、安排及合 約中之重大權益

除附註25(a)、25(c)及41所披露者外，本公司概無訂立任何與本公司業務有關而本公司董事於當中直接或間接擁有重大權益且於財政年度內生效之重要交易、安排或合約。

43. 財務風險管理及公允價 值計量

本集團因於日常業務及其投資活動中使用金融工具而承擔財務風險。財務風險包括市場風險(包括貨幣風險及利率風險)、信貸風險及流動資金風險。

財務風險管理由本集團總部與董事會緊密合作統籌。管理財務風險之整體目標旨在藉盡量降低本集團於財務市場之風險，從而確保本集團中短期之現金流。長期金融投資之管理為在可接受風險水平帶來持續回報。

本集團之政策並非積極參與金融工具投機買賣。董事會不時物色進入金融市場之方法並監察本集團承擔之財務風險。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.1 Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of financial assets and financial liabilities:

43. 財務風險管理及公允價值計量(續)

43.1 金融資產及負債之分類

有關下列類別金融資產及金融負債於財務狀況報表呈列之賬面值：

		2016 Carrying amount 賬面值 HK\$'000 千港元	2016 Fair value 公允價值 HK\$'000 千港元	2015 Carrying amount 賬面值 HK\$'000 千港元	2015 Fair value 公允價值 HK\$'000 千港元
Financial assets	金融資產				
Available-for-sale financial assets	可供出售之金融資產	324	324	324	324
Loans and receivables:	貸款及應收款項：				
— Loan to ultimate holding company	— 向最終控股公司貸款	1,475,929	1,475,929	1,370,557	1,370,557
— Trade receivables	— 應收貿易款項	72,548	72,548	67,687	67,687
— Other receivables	— 其他應收款項	117,616	117,616	185,743	185,743
Time deposits maturing over three months	超過三個月到期之定期存款	—	—	12	12
Cash and cash equivalents	現金及等同現金項目	85,230	85,230	128,423	128,423
		1,751,647	1,751,647	1,752,746	1,752,746
Financial liabilities	金融負債				
Financial liabilities measured at amortised cost:	按攤銷成本計量之金融負債：				
— Trade payables	— 應付貿易款項	86,269	86,269	72,626	72,626
— Other payables and accruals	— 其他應付款項及應計費用	87,088	87,088	67,156	67,156
— Amount due to ultimate holding company	— 應付最終控股公司款項	97,386	97,386	85,517	85,517
— Amount due to a director	— 欠一名董事款項	19,619	19,619	14,898	14,898
— Amount due to a shareholder	— 欠一名股東款項	—	—	1	1
— Amounts due to associates	— 欠聯營公司款項	5,501	5,501	9,677	9,677
— Bank borrowings	— 銀行借貸	156,390	156,390	245,821	245,821
— Finance lease liabilities	— 融資租賃負債	421	421	757	757
		452,674	452,674	496,453	496,453

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.2 Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency exchange rates in Renminbi is minimal as majority of the subsidiaries of the Group operates in Mainland China with most of the transactions denominated and settled in Renminbi. The Group currently does not have a hedging policy on currency risk but the management would consider hedging significant foreign currency exposure should the need arise.

The policies to manage currency risk have been followed by the Group since prior years and are considered to be effective.

43.3 Cash flow interest rate risk

The Group is exposed to interest rate risk through the impact of interest rate changes on interest bearing bank borrowings carrying interests at variable rates and cash and cash equivalents. Borrowings and cash and cash equivalents carried at variable rates expose the Group to cash flow interest rate risk. The Group will review whether bank loans bearing fixed or floating rates should be drawn from time to time with reference to the trend of changes in interest rates. The interest rates and repayment terms of bank borrowings and cash and cash equivalents of the Group are disclosed in notes 26 and 22 respectively. The Group currently does not have an interest rate hedging policy. However, the directors monitor interest rate change exposure and will consider hedging significant interest rate change exposure should the need arise.

43. 財務風險管理及公允價值計量 (續)

43.2 貨幣風險

貨幣風險指金融工具之公允價值或未來現金流量因匯率變動而出現波動之風險。由於本集團大部分附屬公司在中國內地經營，且大部分交易以人民幣列值及結算，故本集團承擔之人民幣匯率風險輕微。本集團現時並無貨幣風險對沖政策，惟管理層會於需要時考慮對沖重大外幣風險。

本集團一直沿用過往年度之貨幣風險管理政策，且認為其具有成效。

43.3 現金流量利率風險

本集團就按浮動利率計息之銀行借貸以及現金及等同現金項目之利率變動影響承擔利率風險。按浮息計息之借貸以及現金及等同現金項目令本集團承擔現金流利率風險。本集團將參考利率變動走勢不時檢討應否提取按定息或浮息計息之銀行貸款。本集團銀行借貸以及現金及等同現金項目之利率及還款條款分別載於附註26及22。本集團現時並無利率對沖政策。然而，董事監察利率變動風險，並將於需要時考慮對沖重大利率變動風險。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.3 Cash flow interest rate risk (Continued)

Cash flow interest rate risk sensitivity

At 31 December 2016, the Group was exposed to changes in market interest rates through its cash and cash equivalents and bank borrowings, which are subject to variable interest rates. The following table illustrates the sensitivity of the profit for the year and retained earnings to a change in interest rates of +50 basis points and -50 basis points (2015: +50 basis points and -50 basis points), with effect from the beginning of the year. The calculations are based on the Group's bank borrowings and bank balance held at each reporting date. All other variables are held constant.

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
If interest rates were 50 basis points (2015: 50 basis points) higher Decrease in profit (2015: Decrease in profit) for the year	倘利率上升 50 個基點 (2015 年：50 個基點) 年內溢利減少 (2015 年：溢利減少)	(63)	(56)
If interest rates were 50 basis points (2015: 50 basis points) lower Increase in profit (2015: Increase in profit) for the year	倘利率下降 50 個基點 (2015 年：50 個基點) 年內溢利增加 (2015 年：溢利增加)	63	56

The assumed changes in interest rates are considered to be reasonably possible based on observation of current market conditions and represents management's assessment of a reasonably possible change in interest rate over the next twelve month period.

43. 財務風險管理及公允價值計量 (續)

43.3 現金流量利率風險 (續)

現金流量利率風險敏感度

於2016年12月31日，本集團因按浮動利率計息之現金及等同現金項目及銀行借貸而承擔市場利率變動之風險。下表闡述自年初起計，年內溢利及保留溢利對出現+50個基點及-50個基點(2015年：+50個基點及-50個基點)利率變動之敏感度。此乃根據本集團於各報告日期之銀行借貸以及銀行結餘計算。所有其他變數維持不變。

利率之假設變動被視為基於目前市況觀察下之合理可能變動，並為管理層對利率於未來十二個月期間之合理可能變動之評估。

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.4 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. As at 31 December 2016, the Group's maximum exposure to credit risk in the event of counterparties' failure to perform their obligation and financial guarantees provided by the Group is arising from:

- carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position; and
- the amount of contingent liabilities in relation to the financial guarantees provided by the Group as disclosed in note 38.

In order to minimise the credit risk, the management of the Group has formulated a defined fixed credit policy and 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 Group reviews the recoverable amount of each individual trade and other receivables regularly at each reporting date to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

Further quantitative disclosure in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in notes 21 and 20 respectively.

43. 財務風險管理及公允價值計量 (續)

43.4 信貸風險

信貸風險指金融工具之對手方無法根據金融工具之條款履行其責任，並令本集團出現財務虧損之風險。於2016年12月31日，倘對手方未能履行彼等之責任及本集團提供之財務擔保，本集團之最大信貸風險則來自：

- 綜合財務狀況報表內相關已確認金融資產之賬面值；及
- 與附註38所披露本集團提供之財務擔保相關之或然負債金額。

為盡量減低信貸風險，本集團管理層已制定一項明文固定信貸政策，並成立專責小組負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進行動收回逾期債項。此外，本集團於各報告日期定期審閱個別應收貿易款項及其他應收款項之可收回數額，以確保已就不可收回金額作出足夠減值虧損。就此而言，本公司董事認為，本集團之信貸風險已大幅降低。

本集團並無重大集中信貸風險，風險分散至多名對手方及客戶。

有關本集團自應收貿易款項及其他應收款項所承擔之信貸風險之進一步量化披露分別載於附註21及20。

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

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and availability of funding through the ability to close-out market positions. In the opinion of the Board, the Group should have adequate resources to meet its obligations in the forthcoming year.

The following table details the remaining contractual maturities at the reporting date of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the reporting date) and the earliest date the Group can be required to pay:

43. 財務風險管理及公允價值計量 (續)

43.5 流動資金風險

審慎流動資金風險管理指透過於市場平倉之能力持有充裕現金及可供動用資金。董事會認為本集團於來年應有充裕資源應付其債務。

下表詳列本集團非衍生金融負債於各報告日期之餘下合約到期情況，此乃根據未貼現合約現金流量(包括按訂約利率或(若為浮息)按報告日期之即期利率計算之利息支出)以及本集團可能需要支付之最早日期而得出：

		Total contractual carrying amount	On demand or within one year	More than 1 year but less than 2 years	More than 2 years but less than 5 years
		未貼現合約現金流量總額	於要求時或一年內	超過一年但少於兩年	超過兩年但少於五年
		賬面值	賬面值	賬面值	賬面值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
As at 31 December 2016	於2016年12月31日				
Trade payables	應付貿易款項	86,269	86,269	86,269	-
Other payables and accruals	其他應付款項及應計費用	87,088	87,088	87,088	-
Amount due to a director	欠一名董事款項	19,619	19,619	19,619	-
Amount due to ultimate holding company	應付最終控股公司款項	97,386	97,386	97,386	-
Amounts due to associates	欠聯營公司款項	5,501	5,501	5,501	-
Bank borrowings	銀行借貸	156,390	159,721	159,721	-
Finance lease liabilities	融資租賃負債	421	440	364	61
		452,674	456,024	455,948	61
Financial guarantee issued	已發出財務擔保				
Maximum amount guaranteed (note 38)	最高擔保金額 (附註38)	-	18,594	18,594	-

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43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.5 Liquidity risk (Continued)

43. 財務風險管理及公允價值計量 (續)

43.5 流動資金風險 (續)

		Carrying amount	Total contractual undiscounted cash flow 未貼現合約現金流量 賬面值 HK\$'000 千港元	On demand or within one year 於要求時或一年內 HK\$'000 千港元	More than 1 year but less than 2 years 超過一年但少於兩年 HK\$'000 千港元	More than 2 years but less than 5 years 超過兩年但少於五年 HK\$'000 千港元
As at 31 December 2015	於2015年12月31日					
Trade payables	應付貿易款項	72,626	72,626	72,626	-	-
Other payables and accruals	其他應付款項及應計費用	67,156	67,156	67,156	-	-
Amount due to ultimate holding company	欠最終控股公司款項	85,517	85,517	-	85,517	-
Amount due to a director	欠一名董事款項	14,898	14,898	14,898	-	-
Amount due to a shareholder	欠一名股東款項	1	1	1	-	-
Amounts due to associates	欠聯營公司款項	9,677	9,677	9,677	-	-
Bank borrowings	銀行借貸	245,821	248,171	248,171	-	-
Finance lease liabilities	融資租賃負債	757	805	364	364	77
		496,453	498,851	412,893	85,881	77
Financial guarantee issued	已發出財務擔保					
Maximum amount guaranteed (note 38)	最高擔保金額 (附註38)	-	36,703	36,703	-	-

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

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.6 Fair value

The carrying amounts of the following financial assets and financial liabilities approximate their fair value as all of them are in short-term nature: cash and cash equivalents, trade receivables and payables, other receivables and payables, bank borrowings, amount(s) due to a director/a shareholder/associates. Analysis of the interest rates and carrying amounts of loan to/amount due to ultimate holding company and bank borrowings are presented in notes 25(c) and 26 to the financial statements respectively.

The following table presents financial assets and liabilities measured at fair value in the consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted price (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable of the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

43. 財務風險管理及公允價值計量 (續)

43.6 公允價值

由於以下金融資產及金融負債均屬短期性質，故其賬面值與其公允價值相若：現金及等同現金項目、應收及應付貿易款項、其他應收及應付款項、銀行借貸、欠一名董事／一名股東／聯營公司款項。向／應付最終控股公司貸款／款項及銀行借貸之利率及賬面值分析分別載於財務報表附註25(c)及26。

下表呈列根據公允價值架構以公允價值計入綜合財務狀況報表之金融資產及負債。此架構根據計量此等金融資產及負債之公允價值所使用之主要資料輸入之相對可靠性，將金融資產及負債劃分為三層。公允價值架構分為以下各層：

- 第1層：相同資產及負債於活躍市場之報價(未經調整)；
- 第2層：就資產及負債而直接(即價格)或間接(即從價格推算)可觀察之資料輸入(不包括第1層所包含之報價)；及
- 第3層：並非根據可觀察市場數據而得出之資產或負債資料輸入(無法觀察輸入)。

金融資產或負債整體所應歸入之公允價值架構內之層次，乃基於對公允價值計量屬重大之最低層次輸入資料劃分。

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財務報表附註

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

43. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (Continued)

43.6 Fair value (Continued)

The financial assets and liabilities measured at fair value in the statements of financial position are grouped into the fair value hierarchy as follows:

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
As at 31 December 2016 and 2015	於2016年及2015年12月31日				
Asset	資產				
Available-for-sale financial assets	可供出售之金融資產	-	324	-	324
Total fair values	公允價值總額	-	324	-	324

The fair values of the club debenture are determined with reference to the quoted market bid price available to the second-hand market as at the reporting date. Given that the second hand market is not considered as an active market, the fair values of the club debenture are grouped into Level 2.

There have been no significant transfers between Level 1, 2 and 3 in the reporting period. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

43. 財務風險管理及公允價值計量(續)

43.6 公允價值(續)

於財務狀況報表內按公允價值計量之金融資產及負債乃劃分為以下之公允價值架構：

會所債券之公允價值乃參照報告日期二手市場可得之市場投標報價。由於二手市場並不視為活躍市場，會所債券之公允價值列入第2層。

於報告期間，第1層、第2層與第3層之間並無重大轉撥。用於計量公允價值之方法及估值技術與過往報告期間比較並無變動。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

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

44. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders by pricing goods and services commensurately with the level of risk.

The Group actively and regularly reviews its capital structure and make adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payables to shareholders, issue new shares or raise and repay debts. The Group's capital management objectives, policies or processes were unchanged during the current and previous years.

The Group monitors capital using a gearing ratio, which is net debt divided by the total equity plus net debt. Net debt is calculated as the sum of the bank borrowings and finance lease liabilities less cash and bank balances. The Group aims to maintain the gearing ratio at a reasonable level. The gearing ratios as at the reporting date were as follows:

44. 資本管理

本集團資本管理之主要目標為確保本集團之持續經營能力，以及將貨物及服務定於符合風險程度之價格，為股東提供足夠回報。

本集團積極及定期檢閱其資本結構，並因應經濟狀況之轉變予以調整。為維持或調整資本結構，本集團可能調整發放予股東之股息、發行新股或籌措及償還債務。於本年度及過往年度，本集團之資本管理目標、政策或程序並無變動。

本集團使用資本負債比率（即債務淨額除權益總額加債務淨額）監控資本。債務淨額按銀行借貸加融資租賃負債之總和減現金及銀行結存計算。本集團之目標為將資本負債比率維持於合理水平。於報告日期之資本負債比率如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Bank borrowings	銀行借貸	156,390	245,821
Finance lease liabilities	融資租賃負債	421	757
Total debt	債務總額	156,811	246,578
Less: Cash and cash equivalents	減：現金及等同現金項目	(85,230)	(128,423)
Time deposits maturing over three months	超過三個月到期之定期存款	-	(12)
Net debt	債務淨額	71,581	118,143
Total equity	權益總額	1,802,102	1,763,834
Total equity plus net debt	權益總額加債務淨額	1,873,683	1,881,977
Gearing ratio	資本負債比率	3.82%	6.28%

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

45. EVENT AFTER REPORTING DATE

On 24 January 2017, a wholly-owned subsidiary of the Company has entered into an agreement to acquire additional 55% equity interest in 成都夠用雲, currently an associate of the Group. Upon the completion of the acquisition, the Group's total equity interest in 成都夠用雲 will increase from 20% to 75% and becomes a subsidiary of the Group. Up to the issue date of these financial statements, because the transfer of ownership and control in 成都夠用雲 has not yet been completed and certain information necessary for the valuation purpose are not yet available from the vendor, the fair values of identifiable assets acquired and liabilities assumed in respect of 成都夠用雲 could not be disclosed.

46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2016 were approved and authorised for issue by the Board on 14 March 2017.

45. 報告日期後事項

於2017年1月24日，本公司全資附屬公司訂立協議以收購本集團聯營公司成都夠用雲之額外55%股權。於收購事項完成時，本集團於成都夠用雲之股權總額將由20%增加至75%，而成都夠用雲成為本集團附屬公司。截至此等財務報表刊發日期，由於尚未完成轉讓成都夠用雲之擁有權及控制權，且尚未能自賣方取得若干就估值而言屬必要之資料，因此未能披露有關成都夠用雲所收購可識別資產及所承擔負債之公允價值。

46. 批准財務報表

董事會於2017年3月14日批准及授權刊發截至2016年12月31日止年度之財務報表。

FIVE-YEAR FINANCIAL SUMMARY

五年財務摘要

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out as follows:

本集團過去五個財政年度之業績及資產與負債之摘要載列如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元	2014 HK\$'000 千港元	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Revenue (continuing and discontinued operations)	收入(持續及非持續經營之業務)	818,098	808,287	784,763	683,401	659,106
Profit/(Loss) for the year	本年度溢利/(虧損)	46,663	46,052	(118,249)	(30,376)	(63,948)
Less: Non-controlling interests	減：非控股權益	(2,480)	(1,818)	(2,886)	(1,567)	(4,036)
Profit/(Loss) attributable to the owners of the Company	本公司擁有人應佔溢利/(虧損)	49,143	47,870	(115,363)	(28,809)	(59,912)
Total assets	總資產	2,579,413	2,563,714	2,556,056	2,604,610	2,596,528
Total liabilities	總負債	(777,311)	(799,880)	(821,572)	(753,096)	(729,823)
		1,802,102	1,763,834	1,734,484	1,851,514	1,866,705



中国数码

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Stock Code 股份代号: 0250
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