

inspur 浪潮

浪潮國際有限公司 INSPUR INTERNATIONAL LIMITED

(於開曼群島註冊成立的有限公司
Incorporated in the Cayman Islands with limited liability)
(股份代號 Stock Code : 596)



2016

ANNUAL REPORT
年度報告



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Corporation Information

公司資料

EXECUTIVE DIRECTORS

Mr. Wang Xingshan
Mr. Jin Xiaozhou, Joe

NON-EXECUTIVE DIRECTORS

Mr. Samuel Y. Shen
Mr. Dong Hailong

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Lit Chor, Alexis
Ms. Zhang Ruijun
Mr. Ding Xiangqian

COMPANY SECRETARY

Ms. Chan Wing
Mr. Zou Bo

COMPLIANCE OFFICER

Mr. Dong Hailong

AUDITORS

Deloitte Touche Tohmatsu

PRINCIPAL BANKERS

The Hong Kong and Shanghai Banking Corporation Limited
Bank of China (Hong Kong) Limited
Industrial and Commercial Bank of China Limited
Agriculture Bank of China Limited

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Royal Bank of Canada Trust Company (Cayman) Limited

4th Floor,
Royal Bank House 24 Shedden Road
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Grand Cayman KY1-1110
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執行董事

王興山先生
靳小州先生

非執行董事

申元慶先生
董海龍先生

獨立非執行董事

黃烈初先生
張瑞君女士
丁香乾先生

公司秘書

陳穎女士
鄒波先生

監察主任

董海龍先生

核數師

德勤 • 關黃陳方會計師行

主要往來銀行

香港上海滙豐銀行有限公司
中國銀行(香港)有限公司
中國工商銀行
中國農業銀行

主要股份過戶及登記處

Royal Bank of Canada Trust Company
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4th Floor,
Royal Bank House 24 Shedden Road
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Cayman Islands



HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Rooms 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
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REGISTERED OFFICE

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WEBSITE

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MAIN BOARD STOCK CODE

596

香港股份過戶登記分處

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香港
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主板股份代號

596

Chairman's Statement

主席報告

On behalf of the Board of Directors of Inspur International Limited (the "Company"), I would like to present the financial report of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2016.

FINANCIAL SUMMARY

During the year under review, turnover was HK\$1,163,170,000 (2015: HK\$971,659,000), representing an increase of approximately 19.71% (or 27.53% based on fixed currency basis) as compared with last year. Profit attributable to shareholders from continuing operations and discontinued operations was approximately HK\$59,893,000 (2015: HK\$6,994,000), being 8.56 times of profit of last year. In 2016, there was no profit from discontinued operations of the Company. The main business achieved profit benefiting from year-on-year increase of 27.53% in its income. Meanwhile, rental income from investment properties recorded significant growth and the changes from fair valuation recorded positive growth. Net profit attributable to shareholders from continuing operations was approximately HK\$59,893,000 (2015: loss of approximately HK\$15,902,000).

Basic and diluted earnings per share from continuing operations and discontinued operations were HK6.64 cents and HK6.63 cents (2015: HK0.78 cents), respectively. Basic and diluted earnings per share from continuing operations were HK6.64 cents and HK6.63 cents (2015: loss of HK1.76 cents), respectively.

BUSINESS REVIEW AND OUTLOOK

In 2016, despite unoptimistic domestic and international economic situation, the Company conformed to the trend of Internet + and fully implemented the "data-centric" strategy to establish a wisdom enterprise of "interconnection, refinement and intelligence". The Company took the lead in digital transformation and management accounting reform, and achieved positive results. Over the past year, the Company maintained high double-digit growth in software income, gross profit and other aspects, and further enhanced the Company's market influence and competitiveness. While increasing investments in research and development and marketing, the Company further controlled back-office operating expenses, which also achieved initial results. In the future, the Company

本人謹代表浪潮國際有限公司(「本公司」)董事會，提呈本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度之財務報告。

財務摘要

於回顧年度，營業額為1,163,170,000港元(二零一五年：971,659,000港元)，較去年增加約19.71%(或按固定貨幣基準增長27.53%)。來自持續經營業務及已終止業務股東應佔溢利約為59,893,000港元(二零一五年：6,994,000港元)，為去年盈利的8.56倍。二零一六年公司沒有來自已終止業務的利潤，在主營業務收入同比增長27.53%帶動下，主營業務實現扭虧為盈；同時投資物業租金收入大幅度增加和公允值變動增加，公司持續經營業務股東應佔溢利淨額約為59,893,000港元(二零一五年：虧損約為15,902,000港元)。

來自持續經營業務及已終止業務每股基本及攤薄後每股盈利分別為6.64港仙及6.63港仙(二零一五年：0.78港仙)。來自持續經營業務每股基本及攤薄後每股盈利分別為6.64港仙及6.63港仙(二零一五年：虧損1.76港仙)。

業務回顧及前景展望

二零一六年，在國內外經濟形勢依然不樂觀的大環境下，公司順應互聯網+，全面貫徹落實「以數據為核心」的戰略，助力建設「互聯、精細、智慧」的智慧企業，公司率先發佈數字化轉型、引領管理會計改革，取得積極成效。過去的一年，公司在軟件收入、毛利等方面，保持高雙位數的增長，進一步提升公司的市場影響力和競爭力。公司在增加研發和市場投入的同時，進一步加強對後台運營費用控制，也取得初步的成效，未來還需要進一步貫徹自身的數字化轉型，實現主營產品全面向雲轉型，實現



will further implement its own digital transformation, fully achieve the main product transition to the cloud operation and achieve transformation from management of projects to the operation of products and services, so as to further enhance the Company's operating efficiency and create better returns for shareholders.

In 2017, the Company will continue to implement aggressive market expansion strategies, allocate resources to key areas for sales scale breakthrough, while focusing on development of direct marketing channels and launching specialized channel operating products, with an aim to make up the Company's marketing deficiency. For product research and development, the dedicated excellent research and development team will create a diamond platform to facilitate transition to the cloud operation. The management accounting and digital features will be further integrated into the core products to optimize the user experience. An application platform composed of both private cloud and public cloud for enterprises will be created to vigorously develop the cloud services business with focus on cloud accounting, HCM Cloud and e-procurement. With new round of state-owned enterprise reform and reorganization between enterprises, as well as popularity of big data and mobile applications, it is expected that these will further stimulate the informatization needs of senior decision-makers of enterprises. We expect the overall software and services will maintain steady growth. The Company will unswervingly transform itself towards enterprise cloud computing products and service provider, striving to gain better returns for shareholders.

APPRECIATION

On behalf of the Board of Directors, I would like to take this opportunity to extend my sincere gratitude to our shareholders for their continuous support. I would also like to thank the entire staff for their valuable contribution to the Group during the past year.

Wang Xingshan

Chairman

Hong Kong, 27 March 2017

從管專案到運營產品與服務的轉型，進一步提升公司的經營效益，為股東創造更好的收益。

二零一七年，公司將繼續實施積極的市場擴張策略，投放資源支援重點區域突破銷售規模，同時公司將著力發展直銷渠道，發佈專門的渠道運營產品，力爭補上公司的行銷短板。在產品研發上，集中優秀的研發團隊，打造金剛鑽平台，加快向雲轉型，核心產品進一步融合管理會計與數字化特性，優化用戶體驗，打造企業私有雲和公有雲混合的應用平台，以雲會計、HCM Cloud和電子採購為發展重點，大力發展雲服務業務。預期隨著新一輪國企改革和企業間重組的推進，以及大數據、移動應用的普及，將進一步激發企業高層決策者的信息化需求，我們預期整體軟件及服務業仍將保持穩定的增長。公司將堅定不移的向企業雲計算產品和服務商轉型，力爭為股東贏得較好的回報。

致謝

本人謹代表董事會向全體股東致以衷心的謝意，感謝大家一直以來對集團的鼎力支持，並對全體員工於過去一年為集團所作出的寶貴貢獻致意。

王興山

主席

香港，二零一七年三月二十七日

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

During the year ended 31 December 2016, the revenue of the Group from continuing operations recorded an increase of approximately 19.71% as compared with last year, gross profit of the Group from continuing operations recorded an increase of approximately 17.09% as compared with last year. Profit attributable to owners of the Company during the year was approximately HK\$59,893,000 from continuing operations increased by approximately 756.35% as compared with last year.

(1) Revenue from continuing operations

The Group recorded a revenue of HK\$1,163,170,000 (2015: HK\$971,659,000) representing an increase of 19.71% as compared with last year. The revenue of software development and solution for the year was HK\$828,839,000 (2015: HK\$695,036,000), representing an increase of 19.25% as compared with last year; On the other hand, the software outsourcing business was HK\$334,331,000 (2015: HK\$276,623,000), representing a increase of 20.86% as compared with last year. The revenue of software development and solution includes: the revenue of sales of IT peripherals and software were HK\$201,732,000 (2015: HK\$219,509,000), representing an decrease of 8% as compared with last year and the revenue from self-developed software was HK\$627,107,000 (2015: HK\$475,527,000), was recorded an increase of 31.88% as compared with last year.

(2) Gross profit from continuing operations

Gross profit of the Group was HK\$342,161,000 for the year (2015: HK\$292,229,000), representing an increase of 17.09% as compared with last year. The Group's consolidated gross profit margin was 29.42% (2015: 30.08%) for the year slightly decreased 0.66%. The year-to-year decrease in gross profit margin was mainly due to fierce competition in the software development industry.

財務回顧

本集團截至二零一六年十二月三十一日止年度持續經營業務營業額較去年同期增加約19.71%，毛利較去年同期增加約17.09%。來自持續經營業務本公司擁有人應佔年內盈利約為59,893,000港元，相比去年同期增加約756.35%。

(1) 持續經營業務營業額

本年內，集團錄得營業額為1,163,170,000港元(二零一五年：971,659,000港元)，較去年增加19.71%。其中軟體開發及解決方案的營業額為828,839,000港元(二零一五年：695,036,000港元)，較去年增長19.25%；軟體外包業務營業額為334,331,000港元(二零一五年：276,623,000港元)，相比去年增加20.86%。軟體開發及解決方案業務中包括：銷售IT周邊產品及軟體的營業額為201,732,000港元(二零一五年：219,509,000港元)，較去年減少8%；自主軟體開發錄得營業額627,107,000港元(二零一五年：475,527,000港元)，較去年增長31.88%。

(2) 持續經營業務毛利

本年內，持續經營業務錄得毛利為342,161,000港元(二零一五年：292,229,000港元)，較去年增長17.09%。本年內，綜合毛利率為29.42%(二零一五年：30.08%)，略微減少0.66%。毛利率同比減少的主要因為軟體開發行業競爭激烈。



(3) Selling and distribution expenses and administrative expenses from continuing operations

During the year, selling and distribution expenses and administrative expenses amounted to HK\$460,006,000 (2015: HK\$440,291,000), representing an increase of 4.48% as compared with last year. The increase was mainly due to the increase in marketing expenses. In particular, the overall staff cost of the Group increased.

(4) Other incomes and other gains and losses from continuing operations

During the year, the other incomes and other gains and losses amounted HK\$155,743,000 (2015: HK\$97,557,000) recorded increase of 59.64% as compared with last year mainly due to: 1) VAT refund from software development sale amounted HK\$61,350,000 representing 22.75% increase compared with the last year (2015: HK\$49,979,000); 2) Rental income from investment property recorded HK\$32,487,000 representing 750.22% increase compared with same income of 2015 (2015: HK\$3,821,000); and 3) the amount of HK\$31,407,000 of government subsidies and grants was received and recognised as income in current year (2015: HK\$3,442,000).

(3) 持續經營業務銷售及分銷成本及行政費用

本年內，銷售及分銷成本及行政費用為460,006,000港元(二零一五年：440,291,000港元)，較去年增加4.48%，主要是因為市場費用增加，特別是本集團整體員工費用成本增加。

(4) 持續經營業務其他收入、其他淨收益和虧損

本年內，其他收入、其他收益和虧損為155,743,000港元(二零一五年：97,557,000港元)，較去年增加59.64%。主要因：(一)來自軟體開發銷售業務的增值稅退稅收入為61,350,000港元(二零一五年：49,979,000港元)較去年同比增加22.75%；(二)本年來自投資物業的租金收入32,487,000港元(二零一五年：3,821,000港元)較去年同比增加750.22%；(三)來自政府撥款約31,407,000港元確認為收入(二零一五年：3,442,000港元)。



Management Discussion and Analysis

管理層討論及分析

(5) Profit attributable to owners of the Company

Net profit attributable to owners of the Company for the year was approximately HK\$59,893,000 (2015: HK\$6,994,000), representing a significant improvement as compared with last year due to: 1) main business developing well and achieving profit and 2) rental income from investment properties and the changes from fair valuation of investment property recorded positive growth.

The Company incurred profit from continuing operations was approximately HK\$60,574,000 (2015: loss HK\$17,529,000) in 2016 mainly because: (1) Despite the fierce market competition, our management software business keep growing. The growth rate of revenue is much faster than the rate of expenses, which leads our business turning around and making profit. (2) Our rental income from investment properties for current year recorded HK\$32,487,000 representing 750.22% growth compared with 2015 (2015:HK\$3,821,000) and changes in fair valuation of investment properties was HK\$20,677,000 (2015: HK\$2,168,000).

Basic earnings per share were HK6.64 cents (2015: HK0.78 cents) and diluted earnings per share were HK6.63 cents (2015: HK0.78 cents) from continuing operations and discontinued operations. Basic earnings per share were HK6.64 cents (2015: loss of HK1.76 cents) and diluted earning per share were HK6.63 cents (2015: loss of HK1.76 cents) from continuing operations.

(5) 本公司擁有人應佔溢利

本年內，本公司擁有人應佔溢利淨額約為59,893,000港元(二零一五年：6,994,000港元)，較去年大幅度改善，主要系：(一)公司主營業務持續增長，實現扭虧為盈；(二)同時投資物業租金收入增加及錄得投資物業公允值增加所致。

二零一六年，本公司來自持續經營業務溢利約為60,574,000港元(二零一五年：虧損17,529,000港元)，主要系：(一)儘管面對激烈的市場競爭，公司主營的管理軟體業務收入保持持續的增長，收入增長率遠高於費用增長率，公司主營業務實現扭虧為盈；(二)本年公司來自投資物業的租金收入為32,487,000港元(二零一五年：3,821,000港元)較去年同比增加750.22%；同時投資物業的公允值變動錄得溢利約為20,677,000港元(二零一五年：2,168,000港元)。

來自持續經營業務及已終止業務每股基本盈利為6.64港仙(二零一五年：0.78港仙)及攤薄后每股盈利為6.63港仙(二零一五年：0.78港仙)。來自持續經營業務每股基本盈利為6.64港仙(二零一五年：虧損1.76港仙)及攤薄后每股盈利為6.63港仙(二零一五年：虧損1.76港仙)。



(6) Financial resources and liquidity

As at 31 December 2016, equity attributable to owners of the Company amounted to HK\$1,734,331,000 (at 31 December 2015: HK\$1,789,587,000). Current assets amounted to HK\$1,552,106,000, of which HK\$852,975,000 was bank deposits and cash balance which were mainly denominated in Renminbi.

Current liabilities, including trade and bills payables, other payables and accrued expenses amounted to HK\$868,729,000. The Group's current assets were around 1.79 times over its current liabilities (31 December 2015: 1.84 times).

As at 31 December 2016 and 31 December 2015, the Group had no bank borrowings.

FOREIGN EXCHANGE EXPOSURE

All of the Group's purchase and sales are mainly denominated in United States Dollars and Renminbi. The Group has not used any derivative instrument to hedge against its currency exposures. The Directors believe that with its sound financial position, the Group is able to meet its foreign exchange liabilities as and when they become due.

CAPTIAL STRUCTURE

The Group finances its operations mainly from shareholder equity, internal generated funds and operation results in current year.

(6) 財務資源及流動性

於二零一六年十二月三十一日，本公司擁有人應佔權益為1,734,331,000港元(二零一五年十二月三十一日：1,789,587,000港元)。流動資產為1,552,106,000港元，其中主要為銀行存款和現金結餘852,975,000港元，主要為人民幣存款。

流動負債為868,729,000港元，主要包括應付賬款、應付票據、其他應付賬款及應計開支。本集團的流動資產約為流動負債的1.79倍(二零一五年十二月三十一日：1.84倍)。

於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團並無銀行借款。

外匯風險

本集團之採購及銷售主要以美元及人民幣計值。本集團並無使用任何衍生工具以對沖其貨幣風險。董事相信，在本集團財務狀況穩健之情況下，本集團將可應付其到期的外匯負債。

資本架構

年度內，本集團主要以股東資金、內部產生資金及經營業績作為其經營業務的資金。

Management Discussion and Analysis

管理層討論及分析

EMPLOYEE INFORMATION

As at 31 December 2016, the Group employed 3,408 employees (2015: 3,208).

Total employee remuneration, including directors' remuneration and mandatory provident fund contributions of continuing operations, amounted to approximately HK\$637,664,000 (2015: approximately HK\$549,521,000).

According to a comprehensive remuneration policy, which was formulated by the Group and reviewed by the management, employees are remunerated based on their performance and experience. On top of basic salaries, discretionary bonus and share options may be granted to eligible employees with reference to the Group's and the employee's performance. In addition, the Group provides mandatory provident fund, medical and insurance schemes for employees. The Group also offers continuous education and training programmes to the management and other employees to enhance their skills and knowledge.

On 16 July 2015, 40 million options granted under 2008 Share Option Scheme to our senior management and employees to encourage our staff create and share value with shareholders.

On 13 May 2016, 30 million options granted under 2008 Share Option Scheme to our senior management and employees to encourage our staff create and share value with shareholders.

By the end of year, 43,020,000 options were vested but not exercised.

CHARGES ON ASSETS

As at 31 December 2016, bank deposits approximately HK\$18,449,000 of the Group's was pledged (31 December 2015: approximately HK\$14,994,000).

僱員資料

截止二零一六年十二月三十一日，本集團有3,408名僱員(二零一五年：3,208名僱員)。

本年內，持續經營業務項下的僱員薪酬總額(包括董事薪酬及強制性公積金供款)約為637,664,000港元(二零一五年：約549,521,000港元)。

根據本集團製訂的經管理層審查的全面的薪酬政策，根據僱員之表現、經驗釐定僱員薪酬。本集團參考其業績及個別員工之表現向合資格員工授予基本薪金以外之酌情花紅及購股權。此外，本集團亦向員工提供強制性公積金計畫及醫療保障計畫及為管理人員和其他僱員投資繼續教育及培訓專案，以不斷提升他們的技能及知識。

二零一五年七月十六日，根據二零零八年購股權計劃，公司授予高管和員工4,000萬的期權，以激勵員工和股東一起創造分享企業價值。

二零一六年五月十三日，根據二零零八年購股權計劃，公司授予高管和員工3,000萬的期權，以激勵員工和股東一起創造分享企業價值。

截至年底，4,302萬股期權已歸屬但尚未行使。

資產抵押

截止二零一六年十二月三十一日，本集團的銀行存款約18,449,000港元被質押(二零一五年十二月三十一日：約14,994,000港元)。



BUSINESS REVIEW

During the reporting period, the Group conformed to the trend of Internet + and fully implemented the “data-centric” strategy to establish a wisdom enterprise of “interconnection, refinement and intelligence”. By use of technologies as cloud computing, big data, Internet of Things and mobile internet, etc., we have accelerated the transition from software and service to cloud technology with inheritance and innovation, striving to become a leading manufacturer of enterprise management software and cloud services in China.

The Group has launched the new generation of ERP to the market, providing solutions for finance sharing, treasury and finance management, supply chain and e-procurement, intelligent manufacturing, HCM, enterprises’ big data and other areas. The pragmatic ERP cloud transformation strategy has been widely recognized in the industry. On the theme of “Internet+Enterprise” Win in the Digital Transformation” as the theme, such national itinerant exhibitions have been held in 16 cities including Jinan, Beijing, etc., by which a lot of enterprise clients were attracted. The Group continued targeting at cloud products, solutions and services for large-scale enterprises and application models of hybrid cloud; more than 80 promotion activities have been held in many provinces and cities, revolving SOE reform, replacement of business tax with value-added tax, tax administration, HCM regional symposium etc. In the annual meeting of IT Market China held in March 2017, INSPUR’s Intelligent Manufacturing Solution was awarded as “the Best Solution in 2016”. Moreover, the INSPUR’s finance sharing service software, treasury and finance management software and HCM Cloud were awarded as “Innovative Products in 2016”.

業務回顧

報告期內，本集團順應互聯網+，全面貫徹落實「以數據為核心」的戰略，助力建設「互聯、精細、智慧」的智慧企業，利用雲計算、大數據、物聯網、移動互聯等技術，繼承創新，將軟體與服務加快向雲服務、數據服務轉型，力求成為中國企業管理軟體與雲服務的領導廠商。

本集團面向市場推出新一代ERP，提供財務共享、司庫與資金管理、供應鏈與電子採購、智慧製造、HCM、企業大數據等領域的解決方案，務實的ERP雲化轉型策略得到業界的廣泛認可。以「互聯網+企業贏在數字化轉型」為主題的全國巡展覆蓋濟南、北京等16個城市，吸引眾多企業客戶參會。本集團繼續以大型企業雲產品、解決方案和服務及混合雲應用模式為主攻方向，圍繞國企改革、營改增、稅務管理、HCM區域專題研討會等舉行覆蓋多個省市的市場推廣活動超過80場。在二零一七年三月舉辦的中國IT市場年會上，浪潮智慧製造解決方案被評為「二零一六年度最佳解決方案」。此外，浪潮財務共享服務軟體、司庫與資金管理軟體、HCM Cloud獲評「二零一六年度創新產品」。

Management Discussion and Analysis

管理層討論及分析

I. MANAGEMENT SOFTWARE AND RELEVANT SERVICES

1. Cloud Services

In this year, following the trend of industrial development, the Company continued adhering to the “professional leadership strategy” to focus on the deployed cloud service fields, increase the investments in R&D and speed up the development. We have obtained great achievements in cloud accounting, human resources and coordination cloud, as well as procurement cloud and other aspects.

With upgrading of electronic invoice and value added tax invoice and implementation of the replacement of business tax with value-added tax, the financial software of small and micro enterprises are facing upgrading and updating; it has become a tendency that the operation and management of small and micro enterprises should be improved through informatization such as cloud computing, big data, mobile internet etc. Through independent R&D and establishment of independent operating entities, the Company focused on promoting the cloud service to small and micro enterprises. INSPUR's cloud accounting has attracted users' attention and got their recognition since its launching in November 2016. The company held the Opening Ceremony for Cloud Accounting News Conference and Intelligent Actions on the theme of “ASSESS INSPUR'S CLOUD & MAKE THE ACCOUNTING BECOME EASIER” in March 2017. In the future, the Company will further develop new products to take its advantages to be more efficient, professional and convenient, which will help enterprises to realize the integration and intelligence of “bills, finance and tax”, establish a connection between small and micro enterprises and professional service organization, and enhance management upgrading. Meanwhile, the Company will actively cooperate with government departments to participate in and drive double engines of entrepreneurship and innovation in order to develop the potential of small and micro enterprises and cloud accounting of INSPUR.

一：管理軟體及相關服務

1、雲服務業務

本年度，公司緊跟行業發展趨勢，繼續秉承「專業化領先戰略」，聚焦已佈局的雲服務領域，加大研發投入，加快發展，在雲會計、人力服務與協調雲、採購雲等方面取得較快的發展。

隨著電子發票、增值稅發票升級、營改增全面推行，小微企業財務軟體面臨升級換代，利用雲計算、大數據、移動互聯網等信息化手段提升小微企業經營管理水準成為趨勢。公司通過自主研發、設立獨立運營實體，專注推動小微企業雲業務。浪潮雲會計自二零一六年十一月上線以來，獲得用戶的積極關注和肯定。公司已在二零一七年三月成功舉辦「上浪潮雲讓會計易」為主題的雲會計發佈會暨慧牙行動啟動儀式。未來公司將進一步研發新產品，以體現更高效、更專業、更便捷的優勢，協助企業實現「票、財、稅」一體化和智慧化，幫助小微企業與專業服務機構建立連接，助力企業管理升級。同時公司還將與各級政府部門積極配合，持續參與推進大眾創業、萬眾創新的雙創活動，為小微企業激發潛能，快速發展浪潮雲會計。

Management Discussion and Analysis

管理層討論及分析



The Company further expands the HCM Cloud's application scenarios and enhances product experience, focusing on providing professional solutions on human resources cloud services for large and medium-sized enterprises. On the basis of continuous optimization of experience of original control, personnel, remuneration and other application scenarios, the in-group enterprises-oriented human resources sharing service solutions have been released, which have been widely used by typical customers, for instance, Aluminum Corporation of China Limited., Shenzhen Metro, SHANGHAI BA-SHI PUBLIC TRANSPORTATION (GROUP) CO., LTD., China Energy Engineering Corporation Limited, and Guangzhou Shengshi Changyun Co., Ltd., etc. In the future, the Company will further accelerate marketing operations, closely take the market hot area and sound management model and enhance the customer experience in both enterprise end and personal end, and further improve the user application quality and expand the user scale.

During this year, e-procurement cloud has been improving with the released standard version iGov5.0, which functionality and stability were further enhanced to support a variety of cloud deployment methods. Now, it has been expanded to electronic supermarket from searching for the source with full coverage of procurement models. E-procurement cloud has been used in China Railway Construction Engineering Group, Shanghai Construction Group, Changchun Yatai, Tianjin Construction Engineering Group (Holding) Co., Ltd. and other users from construction industry, and become the top brand of e-procurement in the construction industry. Meanwhile, it also got customers' recognition and was actively used in the manufacturing industry. In the future, the Company will continue to accelerate the development of next-generation products and expand the application areas of procurement cloud and promote to more industries by using the latest technologies.

公司進一步拓展HCM Cloud的應用場景和提升產品體驗，定位於為大中小型企業提供專業人力資源雲服務解決方案，在持續優化原有管控、人事、薪酬等多個應用場景體驗的基礎上，發佈面向集團企業的人力資源分享服務解決方案。並已在中國鋁業集團、深圳地鐵、上海巴士集團、中國能建集團、廣州市盛世長運連鎖公司等典型客戶中得到應用。未來公司將進一步加快市場推廣，緊扣市場熱點與優秀管理模式，提升企業端和個人端的客戶體驗，進一步提升使用者應用品質，擴大使用者規模。

本年內，電子採購雲繼續完善已發佈標準版本iGov5.0，在功能和穩定性方面進一步提升，支援多種雲部署方式，已由尋源為主拓展到電子超市，實現採購模式全覆蓋。已在中鐵工、上海建工、長春亞泰、天津建工等若干建築類企業客戶中得到應用，並成為建築行業的電子採購第一品牌；同時也在製造行業得到客戶的認可和積極應用。未來公司繼續加快下一代產品的研發，利用最新的技術提升採購雲的應用領域並推廣給更多行業。

Management Discussion and Analysis

管理層討論及分析

2. Software and Data Service Industry

To cope with the challenges of the integration of Internet + and traditional enterprises, INSPUR has launched the “data service” centric hybrid cloud solutions to promote internet-based enterprise by focusing on the operating characteristics of intelligent manufacturing, pharmacy, construction, grain depot, mining, transportation and other industries. Meanwhile, INSPUR further strengthened the product advantages in group management and control, finance sharing and other fields, and promote innovation of large business group.

During the reporting period, the Company further integrated R&D resources to optimize its core products. The Company’s finance sharing products have been further strengthened on the integration of capital, tax and business. We have established the largest finance sharing center in China for a typical customer—China Communications Construction. With respect to the funds management products, Finance Company Professional and Automobile Financial Professional have been released to constitute a large treasury solution with the funds management products of the Group. In the applications of enterprise big data, the Company has realized WEB-based and newly increased large-size screen DashBoard in terms of the demand of accurate management and manifestation of enterprise strength externally of customers of the Group, which have further increased the capacity of visualization and broken through the ability of data of Internet of Things from collection to exhibition. Tax management products add new modules and functions based on changes in regulations. The Company continued to enhance the core module of ERP and re-plan the product development path map, and even increase the internationalization and cloud optimization of financial management of GS products and improve the use experience of internet of users. A new version of GSP was released to respond to market integration of

2、軟體及數據服務業務

為積極應對互聯網+與傳統企業融合的挑戰，浪潮圍繞智慧製造、製藥、建築、糧庫、礦業、交通等行業的經營特點，推出以「數據服務」為核心的混合雲解決方案，推動企業的互聯網化，同時進一步強化公司在集團管控、財務共享等領域的產品優勢，助力大型企業集團的企業創新與變革。

報告期內，公司進一步整合研發資源，優化公司的核心產品。公司的財務共享產品進一步強化從財務到資金、稅務、業務的「業財稅一體化」大共享，已為典型客戶中國交建建成國內規模最大的財務共享中心；資金管理產品已發佈財務公司專業版、汽車金融專業版，與集團資金管理產品構成大司庫解決方案；在企業大數據應用方面，針對集團性客戶的精準管理和對外展示企業實力的需求，公司已實現產品全面Web化、新增大屏DashBoard，視覺化能力進一步加強，同時突破物聯網資料從採集到展現的能力；稅務管理產品依據法規的變化，增加新的模組和功能。公司持續提升ERP的核心模組，重新規劃產品發展路徑圖，增加GS產品的財務管理國際化、雲優化和增強用戶的互聯網化使用體驗等；發佈GSP新版本，應對市場對業務流程一體化、組織模型統一等要求。公司緊抓全國糧食行業信息化升級帶來的機遇，提供基於物聯網的智

Management Discussion and Analysis

管理層討論及分析

business processes, unification of organizational model and other requirements. Taking the opportunity of upgrading of information of national food industry, the Company provided integrated solutions of intelligent grain products based on the Internet of Things and offered informatization integration services with respect to the grain competent departments and different scale of grain depot of large, middle-size, small and micro enterprises. The Company insisted on self-dependent innovation and enhanced the independent R&D of core technology and applied Internet of Things and other technologies to combine with the grain business to improve the intelligent level of solutions. Intelligent grain depot program has been applied in more than seven hundred grain depots nationwide; the One Card Grain Procurement and Marketing System based on INSPUR's procurement management software for grain enterprises has been extensively applied in Heilongjiang, Jilin, Liaoning, Inner Mongolia, Anhui, Jiangsu, Jiangxi and other provinces with good effect. With a deep understanding on the grain industry and the Internet of Things technology, the Company has maintained the leading market share in the field of grain information.

In terms of the implementation and delivery, the Company abided by the ideology of "customer orientated" and maintained the reputation of products and services by virtue of improving customer satisfaction through various measures. In order to further improve the efficiency of implementation and delivery, the Company continued strengthening the delivery management through the establishment of headquarters delivery center and regional delivery center in the hope that we can carry out transregional scheduling of resources. By virtue of training and case discussion to the delivery personnel, the Company continued implementing the project contract responsibility system and arousing the enthusiasm of the implementation of personnel through guidance and increase of implementation tools and other methods, so as to ensure successful acceptance of large projects of the Company.

慧糧食整體解決方案和產品，面向各級糧食主管部門和大、中、小、微不同規模的糧庫提供信息化集成服務。公司堅持自主創新，加強核心技術自主研發，運用物聯網等技術與糧食業務的融合，提升解決方案的智慧化水準。智慧糧庫方案已在全國七百餘家糧庫得到應用，基於浪潮糧企購銷管理軟體的糧食購銷一卡通系統在黑龍江、吉林、遼寧、內蒙古、安徽、江蘇、江西等十餘個省份得到廣泛應用，應用效果良好。憑藉公司對糧食行業及物聯網技術的深刻理解，公司在糧食信息化領域，保持領先的市場佔有率。

實施與交付方面，公司堅持「以客戶為中心」的理念，通過各種措施提高客戶的滿意度，以確保公司的產品和服務的美譽度。為進一步提升實施與交付的效率，通過已成立總部交付中心和區域交付中心，繼續加強交付運營管理，進行跨區域的資源調度，加強對交付人員的培訓、案例研討，透過實施指南和增加實施工具等方法，繼續落實項目承包責任制，調動實施人員的積極性，確保公司重大專案的成功驗收。

Management Discussion and Analysis

管理層討論及分析

II. SOFTWARE OUTSOURCING BUSINESS

During the report period, the Group has maintained a close relationship with Microsoft, FITEC, Aspire, Shandong Unicom and other strategic customers to expand new business. The software outsourcing business has been put forward to transform to products, platforms, cloud and big data, and an intelligent business process management platform (iBPM) and artificial intelligence analysis services (aiAnalytics) and other products have been forged as well. We continued cooperating with strategic customers deeply and expanded overseas markets, such as Japan, North America etc. Such new customers as China Telecom, General Administration of Customs, LINK, Haier, Hisense, NEC and other customers have joined us as well. We have been continuing exploiting new business opportunities in European and American market; the Company has won the bid and entered into agreement with Microsoft in connection with Office products test projects that last for three years and cover various core products; finally, we obtained the orders of the first cooperation manufacturer of Microsoft QBE Managed Services. We have successfully registered as the service provider of City of Seattle and City of Bellevue IT and provided automated testing services based on the products of TeraData. Inspur Worldwide Services Ltd., as a subsidiary of the Group, was jointly affirmed as "Leading Enterprise of China's Service Outsourcing Industry" by the Ministry of Commerce, IDC and Gartner and selected as "Top One Hundred Enterprises of Global Service Outsourcing" of IAOP, and now has joined in the Zhongguancun Big Data Industry Alliance.

二：軟體外包業務

報告期內，本集團與Microsoft、古河電工(FITEC)、移動卓望、山東聯通等戰略客戶維持緊密的合作關係，挖掘新型業務。推動軟體外包業務向產品、平台、雲與大資料全面轉型，打造智慧業務流程管理平台(iBPM)和人工智慧分析服務(aiAnalytics)等產品。繼續深耕戰略客戶，積極拓展日本和北美等海外市場，在國內市場新增電信、海關總署、LINK、海爾、海信、NEC等新客戶；在歐美市場方面持續開拓新業務機會，中標並簽約微軟Office產品測試專案，該專案為期三年，覆蓋其多個核心產品，取得微軟QBE Managed Services第一合作廠商的訂單；成功申請註冊成為City of Seattle, City of Bellevue IT服務供應商；為TeraData提供基於其產品的自動化測試服務。附屬公司浪潮世科公司被商務部、IDC、Gartner聯合認定為「中國服務外包領軍企業」，並入選IAOP「全球服務外包一百強」，成功加入中關村大數據產業聯盟。

Management Discussion and Analysis

管理層討論及分析



BUSINESS PLAN

In 2017, the Company will continue to implement the “data-centric” strategy. By focusing on industrial core products, it will implement aggressive market expansion strategies to strengthen the expansion of distribution channels, enlarge the sales teams in primary provinces and regions, carry out our named client system, and offer industrial data service. The Company will accelerate the promotion of the cloud purchase-sell-stock management system and cloud ERP for mid-and-small enterprises and make breakthroughs in the medium, small and micro-sized enterprises to become a leading and professional cloud service provider in internet finance and taxation in China. By increasing investments on platform R&D and international cooperation etc., the Company will have more comprehensive solutions for enterprises cloud services and improve its competitiveness. In addition, it will realize the goal of “comprehensive cloud of traditional software business” and “great-leap-forward development of cloud services” and become the “wind indicator” and “enabler” leading the digital transformation of China’s enterprises.

商業規劃

二零一七年，公司將繼續貫徹落實「以數據為核心」的戰略，通過聚焦行業與核心產品，繼續實施積極的市場擴張策略，大力加強銷售渠道，擴充重點省區的銷售隊伍，貫徹指名客戶制度，提供行業數據服務。公司將加快推出面向中小企業的雲進銷存、雲ERP，突破中小微企業市場，成為國內領先的、專業的互聯網財稅雲服務廠商。公司繼續通過加大平台化研發投入，國際合作等方式，使公司具備更全面的企業雲服務方案，提高公司競爭力，實現「傳統軟體業務全面雲化」與「雲服務業務跨越式發展」的目標，成為引領中國企業數字化轉型的「風向標」和「賦能者」。

Directors and Senior Management Profile

董事及高級管理層簡歷

DIRECTORS

Mr. Wang Xingshan, aged 52, is the chairman of the Board and the chief executive officer (“CEO”), expert in special government grants from the State Council, Taishan Scholar (泰山學者), a management accounting advisor of the Ministry of Finance and a member of management accounting leader think-tank in North Asia (北亞管理會計領袖智庫). Mr. Wang graduated in Xian Jiaotong University with a Master degree in computer and maths sciences in 1987. In early 1990, Mr. Wang as a visiting scholar conducted research relating to corporate management and software engineering in the Japan Productivity Center. Mr. Wang had worked in several departments of Inspur Group. Mr. Wang has attained over 30 years’ experience in the operation and management of the IT industry in China, particularly in the field of software and IT service, and has been devoted to the innovation of ERP technology and innovation of management, which has led the Company to move towards its transformation to the leading cloud service provider in China. As a result of his outstanding achievement, he has been granted various awards of which have been awarded by the State and provincial governments, such as the “Top Ten Software Industry Leader of China”, “China Management Institute Award” and “Young and Middle-Aged Expert of Outstanding Contribution of Shandong Province”.

董事

王興山先生，52歲，董事會主席兼行政總裁、國務院政府特殊津貼專家、泰山學者，財政部管理會計諮詢專家，北亞管理會計領袖智庫成員。王先生於一九八七年畢業於西安交通大學計算數學專業，擁有碩士學位。王先生於一九九零年代初作為訪問學者赴日本生產性本部研究企業管理與軟體工程。王先生曾服務於浪潮集團若干部門。王先生於中國IT行業(特別是軟體與IT服務行業)的運營和管理有著超過30年的經驗，始終致力於ERP技術創新與管理創新，帶領公司向國內領先的雲服務商轉型。因其卓越成就，曾獲得「中國軟體產業十大領軍人物」、「中國管理學院獎」、「山東省突出貢獻的中青年專家」等多項殊榮，多項成果獲國家或省專項獎勵。

Directors and Senior Management Profile

董事及高級管理層簡歷

Mr. Jin Xiaozhou, Joe, aged 55, has obtained a bachelor degree in Space Physics at the Peking University, a master degree in Electrical Engineering at the Institute of Electronics, Chinese Academy of Sciences (中國科學院電子學研究所), a master degree in Electronics, Computer and Systematic Engineering at the Boston University. He is currently a general manager of Langchao Worldwide Services Limited (浪潮世科服務有限公司) (“Langchao”), a subsidiary of the Company and is in charge of the Company’s international outsourcing business. In past years, Mr. Jin had served as the architect, research and development director, principal architect and technical director, etc. at Nets Inc., Fidelity Investment (富達基金), Thomson Financial Services (湯姆森-路透集團金融服務公司) and ONEWORLD Software Solutions. In 2000, Mr. Jin founded DoubleBridge Technologies, Inc., in America and served as one of the founder partners and as vice chief operating officer. He had also served as the president of 北京道達技術有限公司 and as a managing director of DoubleBridge (Hong Kong). Mr. Jin has 30 years of relevant experiences in the I.T. business sector, principally in charge of risk investment, designing and planning, and managing development.

Mr. Dong Hailong, aged 39, a non-executive Director, Mr. Dong graduated from Southwest Jiaotong University with a Bachelor degree in Telecommunication Engineering in 1999. Mr. Dong joined the Company in 2002.

Mr. Samuel Y. Shen, aged 52, a non-executive Director, holds a Master’s degree in Computer Science from University of California, Santa Barbara. Currently Mr. Shen is the chief operation officer of Microsoft Asia-Pacific Research and Development Group. As the senior leader of Microsoft in the region, Mr. Shen is in charge of the strategy and direction for Microsoft global development in Asia Pacific. Additionally, he oversees Microsoft Cloud related development and deployment in China as well as manages the joint-development ecosystem efforts. Mr. Shen has a solid technical background and rich experience in business operation and management.

靳小州先生，55歲，曾獲北京大學空間物理學學士學位，中科院電子所電機工程學碩士，以及波士頓大學電機、電腦及系統工程碩士學位。靳先生現為本公司之全資子公司，浪潮世科服務有限公司 (Langchao Worldwide Services Ltd.) (「浪潮世科」) 總經理，分管公司全球外包等服務。靳亦曾先後在 Nets Inc., Fidelity Investment (富達基金)，Thomson Financial Services (湯姆森-路透集團金融服務公司) 和 ONEWORLD Software Solutions 擔任架構師、研發總監、主任架構師及技術總監等職務。於2000年，靳先生創立美國 DoubleBridge Technologies Inc.，為其擔任合夥創始人及運營副總裁，彼亦擔任北京道達技術有限公司總裁及 DoubleBridge (香港) 董事總經理。靳先生有30年的I.T.行業從業經驗，主管風險投資、設計規劃、管理開發方面的工作。

董海龍先生，39歲，非執行董事，董先生於一九九九年畢業於西南交通大學，持有電訊工程學士學位。董先生於二零零二年加入本公司。

申元慶先生，52歲，非執行董事，持有加尼福利亞大學 Santa Barbara 分校頒發的電腦科學碩士學位。申先生現任微軟亞太研發集團首席運營官。作為微軟在亞太區的高級領導團隊成員，申先生負責微軟在亞太區的全球發展策略及方針。此外，申先生並負責監督中國的 Microsoft Cloud (微軟雲端) 相關開發與部署工作，以及管理聯合發展生態環境。申先生具備廣博技術知識及豐富業務運營與管理經驗。

Directors and Senior Management Profile

董事及高級管理層簡歷

Mr. Wong Lit Chor, Alexis, aged 58, an independent non-executive Director, graduated from University of Toronto, Canada in 1981 with bachelor's degree in arts majoring in economics and commerce and has obtained a master of business administration degree from The Chinese University of Hong Kong in 1987. He has over 20 years of banking, investment, corporate finance and securities dealing experience gained by working as a senior executive in a number of listed local and PRC financial services companies. Mr. Wong is also an independent non-executive director of two companies listed on the Main Board of the Stock Exchange of Hong Kong.

Ms. Zhang Ruijun, aged 55, an independent non-executive Director, graduated from the School of Business of Renmin University of China with a Ph.D degree in management studies in 2002. Ms. Zhang is currently a Professor of Finance and a Ph.D supervisor in the School of Business of Renmin University of China, and she is engaged in research on IT and Management Integrations of Enterprise Group Control Strategy, Enterprise Group Fund Management and Financial Resources, and Enterprise Risk Management. Several research papers of Ms. Zhang have been published in academic journals in PRC during the recent years, such as Management World (《管理世界》), Accounting Research (《會計研究》), China Soft Science (《中國軟科學》), Finance & Accounting (《財務與會計》), and Economic Theory and Business Management (《經濟理論與經濟管理》). Ms. Zhang is also an independent nonexecutive director of a company listed on the Stock Exchange of shenzhen.

黃烈初先生，58歲，獨立非執行董事，於一九八一年修畢加拿大多倫多大學學士學位，主修經濟及商務，並於一九八七年修畢香港中文大學工商管理碩士學位。彼曾於多家香港及中國資本的上市金融公司出任高層行政人員，於銀行業務、投資、企業融資及證券交易等方面擁有逾二十年經驗。黃先生現亦為於香港證券交易所掛牌之兩家主板公司之獨立非執行董事。

張瑞君女士，55歲，獨立非執行董事，於2002年畢業於中國人民大學商學院，持有管理學博士學位。張女士現為中國人民大學商學院財務學教授及博士生導師，並參與研究IT與管理融合的企業集團管控策略、企業集團財務管理及財務資源、及企業風險管理。近年來，張女士已於中國多份學術期刊發表論文，如《管理世界》、《會計研究》、《中國軟科學》、《財務與會計》及《經濟理論與經濟管理》。張女士現亦為於深圳證券交易所掛牌之一家公司之獨立非執行董事。

Directors and Senior Management Profile

董事及高級管理層簡歷

Mr. Ding Xiangqian, age 55, is currently a supervisor of doctorate degree and a chief manager at the Ocean University of China (中國海洋大學). Mr. Ding had previously worked as chief manager of the CAD and Multi-media Research Centre* (CAD與多媒體研究中心) and the Information Engineering Centre* (信息工程中心) at the Ocean University of China, chief manager of academic committee of the Qingdao Internet of Things Association (青島市物聯網協會學術委員會), head of Qingdao Manufacturing Industry Informatization Expert Panel* (青島市製造業信息化專家組), expert for informatization of Qingdao Development Reform Committee* (青島市發改委), Qingdao Technology Bureau* (青島市科技局), Qingdao Economic Information Committee* (青島市經信委) etc. Mr. Ding focuses his research on areas such as software engineering and artificial intelligence, etc. Mr. Ding is very experienced in the area of entrepreneurial informatization service and modern service industry technology. At the same time, Mr. Ding is also an expert of the Key Technology Research and Development Program of the Twelfth Five-Year Expert Panel* (“十二五”科技支撐計劃現代服務業領域總體專家組) and a member of the Informatization of Advanced Manufacturing in Technology Expert Panel* (科技部“十二五”製造業信息化科技工程總體專家組). He had held and participated in over 50 national and provincial lectures, participated in over 30 informatization building projects in large enterprises and has received and obtained 9 provincial technology award and 21 national patent rights. Mr. Ding has also published over 60 academic articles of relevant areas and 3 monographs.

丁香乾先生，55歲，獨立非執行董事，目前為中國海洋大學博導及主任。丁先生過往曾擔任中國海洋大學CAD與多媒體研究中心及信息工程中心的主任、青島市物聯網協會學術委員會會長、青島市製造業信息化專家組組長、青島市發改委、青島市科技局、青島市經信委信息化專家。丁先生主要專注於軟件工程及人工智能等領域的研究。丁先生亦在企業信息化服務及現代服務領域擁有豐富的經驗。同時，丁先生亦為科技部「十二五」科技支撐計劃現代服務業領域總體專家組專家及科技部「十二五」製造業信息化科技工程總體專家組專家。彼主持及參與了逾50個國家及省級講座及大型企業集團逾30個信息化建設項目並獲授9個省級科技獎及取得21個國家專利權。丁先生亦出版有關多個領域的學術論文60餘篇及信息化方面專著3部。

Directors and Senior Management Profile

董事及高級管理層簡歷

SENIOR MANAGEMENT

Ms. Chan Wing, aged 46, company secretary of the Company. She is a member of The Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants respectively. Prior to joining our company, Ms. Chan served as a company secretary, authorized representative, qualified accountant, chief financial officer and director of a company listing on the main board of The Stock Exchange of Hong Kong Limited.

Mr. Zoubo, aged 38, is the chief financial controller, authorised representative and joint company secretary. Mr. Zou was graduated from Huazhong University of Science and Technology with a bachelor degree in management and law in 2001. Mr. Zou joined the Group in 2006.

高級管理層

陳穎女士，46歲，本公司秘書。她是香港會計師公會及中國註冊會計師協會會員。於加入本集團前，陳女士曾擔任一間其股份於香港聯合交易所有限公司主板上市的公司之合資格會計師、公司秘書、財務總監及董事。

鄒波先生，38歲，首席財務官、授權代表及聯席公司秘書。鄒先生於二零零一年畢業於華中科技大學，持有管理學和法學學士學位。鄒先生於二零零六年加入本集團。

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2016.

The Board believes that good corporate governance practices are essential for effective management and enhancement of shareholders' value and investors' confidence.

The Company has taken a proactive approach in strengthening corporate governance practices, increasing transparency and sustaining accountability to shareholders through effective internal control.

THE BOARD

The Company has adopted and complied with the principles set out in the Code of Corporate Governance Practices (the "CG Code") contained in Appendix 14 (for Main Board) of the Listing Rules. In the opinion of the Board, the Company has complied with all the code provision set out in the CG Code throughout the year ended 31 December 2016 with the exception of: (a) Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer (the "CEO") should be separated and should not be performed by the same individual. Mr. Wang Xingshan is both the Chairman and CEO of the Company. This structure does not comply with code provision A.2.1 of the CG Code. The Board considers that vesting the roles of Chairman and CEO in the same person facilitates the execution of the Company's business strategies and maximizes the effectiveness of its operation. (b) Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Partial Directors were unable to attend the annual general meeting as they were obliged to be away for business trips. The Company will improve its meeting scheduling.

The Board will continue to enhance the corporate governance standards and practices of the Company as benefiting the conduct and growth of its business and to regularly review such standards and practices to ensure that they comply with statutory and professional standards and align with the latest developments. The key corporate governance principles and practices are as follows:

董事會欣然公佈本公司截至二零一六年十二月三十一日止年度的企業管治報告。

董事會相信良好的企業管治常規對有效管理及提升股東價值與投資者信心十分重要。

本公司已積極透過有效的內部監控，加強企業管治常規，增加透明度及維持對股東的問責性。

董事會

本公司已採用及盡力遵守上市規則附錄14企業管治常規守則(「守則」)所載的原則。董事會認為，本公司截至二零一六年十二月三十一日止的期間一直遵守守則的所有守則條文，惟以下除外：(a)守則條文第A.2.1條，主席與行政總裁之角色須分開，不應由同一人擔任。王興山先生擔任本集團主席兼行政總裁。此一構架未能符合企業管制守則之條文A.2.1條。董事會認為，現時主席及行政總裁由同王興山先生一人擔任，有利於執行本公司業務策略及儘量提升營運效率。(b)守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東周年大會，並對股東之意見有公正的瞭解。部分董事因公務無法出席股東周年大會。本公司未來將適當安排會議時間。

董事會將繼續加強執行有利於本公司業務操守及發展的企業管治標準及常規，並定期檢討該等標準及常規，以確保本公司符合法定及專業標準，以及參照標準的最新發展。主要的企業管治原則和做法如下：

Corporate Governance Report

企業管治報告

The Board is responsible for establishing policies, strategies and plans, providing leadership in creating value and overseeing the Company's financial performance, evaluating the performance of management on behalf of the shareholders. Directors are charged with the task of promoting the success of the Company and making the best interest of the Company. The day-to-day management, administration and operation of the Company are in charge by the executive directors and senior management under the leadership of the Chief Executive Officer. The Board has also delegated various responsibilities to the Board Committees. Further details of these committees are set out in this report.

The Board meets and discusses on regular basis when required on the activities and development in the business of the Group. During the financial year ended 31 December 2016, the Board held four meetings. The attendance of the directors at the board meetings are as follows:

Directors' attendance at Board meetings

Directors	Number of attendance
Mr. Wang Xingshan	4/4
Mr. Jin Xiaozhou, Joe	4/4
Mr. Samuel Y Shen	2/4
Mr. Dong Hailong	4/4
Mr. Wong Lit Chor, Alexis	4/4
Ms. Zhang Ruijun	4/4
Mr. Ding Xiangqian	3/4

Board Minutes are kept by the Company Secretary of the Company and are sent to the Directors for records and are open for inspection by the Directors.

Directors have timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring compliance with Board procedures and all applicable laws and regulations. Any director may request independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

董事會負責制訂政策、策略與計劃，並領導創造價值及代表股東監督本公司的財務表現及評價管理層業績。董事承擔著為公司的成功提升及創造最大利益的任務。公司的日常管理、行政及營運由公司的執行董事與高級管理層在首席執行官的領導下進行運作。此外，董事會亦已將各種職責分派至董事會各附屬委員會。該等委員會之詳情載於本報告內。

董事會定期及在本公司的業務發展需要時舉行會議討論相關事宜。於截至二零一六年十二月三十一日止財政年度內，董事會共召開四次會議。董事出席董事會會議之情況如下：

董事出席董事會會議之情況

董事	出席次數
王興山先生	4/4
靳小州先生	4/4
申元慶先生	2/4
董海龍先生	4/4
黃烈初先生	4/4
張瑞君女士	4/4
丁香乾先生	3/4

董事會會議記錄乃由公司秘書保存，並會送呈各董事作為記錄及會公開讓董事查閱。

董事可如期取得所有相關資料，以及獲得公司秘書與高級管理層的意見及服務，以確保符合董事會程序及所有適用法例及規例。任何董事均可於適當情況下，向董事會作出合理要求以尋求獨立專業意見，費用由本公司支付。



CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

Mr. Wang Xingshan is both the Chairman and CEO of the Company. He has executive responsibilities and provides leadership to the Board so that the Board works effectively and discharges its responsibilities and that all key and appropriate issues are discussed by the Board in a timely manner. Also, he is daily operational decisions and performance of management of the Group. The Board also comprises Independent Non-Executive Directors who bring strong independent judgment, knowledge and experience to the Board. As noted below, all the Audit Committee members are Independent Non-Executive Directors. This structure is to ensure a sufficient balance of power and authority in place within the Group.

BOARD COMPOSITION

Now the Board comprises two Executive Directors, being Mr. Wang Xingshan and Mr. Jin Xiaozhou, Joe and Non-Executive Director Mr. Dong Hailong and Samuel Y Shen and three Independent Non-Executive Directors, being Ms. Zhang Ruijun, Mr. Wong Lit Chor, Alexis and Mr. Ding Xiangqian.

The Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced board composition is formed to ensure strong independence exists across the Board. The biographies of the Directors are set out in Directors and Senior Management Profile section to the annual report, which demonstrates a diversity of skills, expertise, experience and qualifications.

The Company has received annual confirmation of independence from the three Independent Non-Executive Directors in accordance with Rule 3.13 of the Main Board Listing Rules. The Board has assessed their independence and concluded that all the Independent Non-Executive Directors are independent within the definition of the Listing Rules.

主席及首席執行官

董事會主席及首席執行官由王興山先生擔任。彼負有執行責任並領導董事會，使董事會有效運作及履行其職責，並使董事會及時處理所有重要及適當之問題，以及對未來業務方向，日常管理營運決策及集團管理層表現負有執行責任。此外，董事會設有獨立非執行董事職位，向董事會提供明智之獨立判斷，豐富之知識及經驗。誠如下文所述，全體審核委員會成員均為獨立非執行董事。此架構可確保本集團內部權力及授權維持充分平衡。

董事會之組成

截止報告期日，由以下二名執行董事：王興山先生和靳小州先生；非執行董事董海龍先生和申元慶先生及三名獨立非執行董事：張瑞君女士、黃烈初先生及丁香乾先生組成。

董事會成員間並無任何財務、業務、家族或其他重大／相關關係。董事會以如此均衡之架構組成，目的在確保整個董事會擁有穩固之獨立性。各董事履歷載於年報的董事及高級管理層簡歷內，當中載列各董事之多樣化技能、專業知識、經驗及資格。

本公司已接獲該三名獨立非執行董事根據主板上市規則第3.13條發出之年度獨立性確認書。董事會已評估彼等之獨立性，並確認全體獨立非執行董事均屬上市規則所界定之獨立人士。

Corporate Governance Report

企業管治報告

APPOINTMENTS, RE-ELECTION AND REMOVAL

The Board has established a Nomination Committee (the “NC”). The committee consists of one Executive Director, Mr. Wang Xing Shan, with two Independent Non-Executive Directors, Ms. Zhang Ruijun and Mr. Wong Lit Chor, Alexis with effect of 1 April 2014. The primary purpose of the NC is to review the structure, size and composition (including the skills, knowledge and experiences) of the Board on a regular basis and make recommendations to the Board regarding any proposed changes. The Committee identified suitable individual qualified to become board members and makes recommendation to the Board on relevant matters relating to the appointment or reappointment of directors if necessary, in particular, candidates who can add value to the management through their contributions in the relevant strategic business areas and which appointments will result on the constitution of strong and diverse Board.

The procedure and process of appointment, re-election and removal of director are laid down in the Company’s Articles of Association (the “Articles of Association”). According to the Articles of Association, all directors of the Company are subject to retirement by rotation at least once every three years and at each annual general meeting, one third of the Directors for the time being shall retire from office for rotation. Besides, any new director appointed by the Board to fill a casual vacancy or as an addition to the existing Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting.

The meetings of the NC was held one during the year.

RESPONSIBILITIES OF DIRECTORS

Every newly appointed director is ensured to have a proper understanding of the operations and business of the Group and that he is fully aware of his responsibilities under statute and common law, the Listing Rules, applicable legal requirements and other regulatory requirements and the business and governance policies of the issuer. The Directors are continually updated with legal and regulatory developments, business and market changes and the strategic development of the Group to facilitate the discharge of their responsibilities.

委任、重選及罷免

董事會已成立提名委員會，自二零一四年四月一日起，該委員會成員為一名執行董事王興山先生和兩名獨立非執行董事張瑞君女士及黃烈初先生。提名委員會之主要目的為定期檢討董事會之架構、人數及組成(包括技術、知識及經驗)，並就任何擬作出之變動向董事會提出建議。該委員會物色合資格成為董事會成員之適當人選，並會就委任或重新委任董事之有關事宜向董事會提出推薦建議(如必要)，尤其是通過在有關策略性業務領域之貢獻為本集團管理增值之候選人，且彼等之委任將可產生一個強大及多元化之董事會。

委任、重選及罷免董事的程序及過程載於本公司的組織章程細則(「組織章程」)。根據組織章程，本公司全體董事須最少每三年輪值退任一次，每次周年大會不得不少於1/3的董事輪選。此外，由董事會委任以填補臨時空缺或新增的新董事，須於隨後的股東周年大會上由股東重選。

年內提名委員會會議召開一次。

董事之責任

須確保每位新受聘董事對本集團之營運及業務有適當理解，以及完全知悉彼在法規及普通法、上市規則、適用之法律規定及其他監管規定以及發行人之業務及管治政策下之職責。董事須持續提升其在法律及規管的發展、業務和市場變動及本集團之策略發展的知識，以便履行彼等之職責。

The Independent Non-Executive Directors take an active role in board meetings, contribute to the development of strategies and policies and make sound judgment on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conduct. They will take lead where potential conflicts of interests arise. They are also members of various board committees and scrutinize the overall performance of the Group in achieving agreed corporate goals and objectives, and monitoring the reporting of performance.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") set out in Appendix 10 of Main Board Listing Rule as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the requirement set out under the Model Code throughout the period ended 31 December 2016.

SUPPLY OF AND ACCESS TO INFORMATION

In respect of regular board meetings, an agenda and the accompanying board papers are sent in full to all Directors at least 3 days before the intended date of a meeting. Board papers are circulated to the Directors to ensure they have adequate information before the meeting for the ad hoc projects.

The Management has the obligation to supply the Board and its committees with adequate information in a timely manner to enable it to make informed decisions. Where any director requires more information than is volunteered by the Management, each director has separate and independent access to the issuer's senior management to make further enquires if necessary.

All Directors are entitled to have unlimited access to the board papers and relevant materials. Such information is prepared to enable the Board to make an informed decision on matters placed before it.

獨立非執行董事在董事會會議上擔當活躍角色，可為制訂策略及政策作出貢獻，並就策略、政策、表現、問責、資源、重大委任及行為準則事宜作出可靠之判斷。彼等會於潛在利益衝突出現時發揮牽頭引導作用。彼等亦出任多個董事委員會之成員，監察本集團在實現議定企業目標及指標時之整體表現，並監督表現之呈報。

董事進行之證券交易

本公司已採納主板上市規則附錄10所載之證券交易標準守則(通稱「標準守則」)，作為自身規管董事買賣本公司證券之行為守則。經本公司向全體董事作出特定查詢後，全體董事已確認至二零一六年十二月三十一日始終遵守標準守則所訂之規定。

資料之提供及獲取

就董事會常規會議而言，議程及相關會議檔會在擬定召開會議日期前至少三天呈交全體董事。董事會文件供董事傳閱，以保證彼等於召開特別事項會議之前獲得充足資料。

管理層有責任向董事會及其附屬委員會及時提供充足之資料，以供董事會作出知情決定。倘有任何董事要求獲得除管理層自願提供之資料以外之其他資料，董事可透過不同及獨立途徑接觸高級管理層，以作出進一步諮詢(如必要)。

全體董事均有權無限制地取得董事會會議檔及有關材料。編製該等資料旨在使董事會可對提呈事項作出知情決定。

Corporate Governance Report

企業管治報告

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company established a remuneration committee.

The committee consists of one Executive Director, Mr. Wang Xing Shan, with two Independent Non-Executive Directors, Ms. Zhang Ruijun and Mr. Wong Lit Chor, Alexis with effect of 1 April 2014.

The principal duties of the remuneration committee are to make recommendations to the Board on the policy and structure for the remuneration of the Directors and senior management, and to consider and approve remuneration for the directors and senior management by reference to corporate goals and objectives. The committee shall meet at least once a year if necessary. The meetings of the remuneration committee was held one during the year

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board, led by the Chairman, is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board has delegated to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various authority and duties set out in their respective terms of reference. All Directors have carried out their duties in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times.

The Board reserves for its decision on all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

董事及高級管理層酬金

本公司已設立薪酬委員會。

自二零一四年四月一日起，薪酬委員會由一名執行董事王興山先生和兩名獨立非執行董事張瑞君女士及黃烈初先生組成。

薪酬委員會的主要職責為就董事及高級管理人員的薪酬政策及架構向董事會提供推薦意見，以及參照企業目標及目的考慮及審批董事及高級管理人員的薪酬。如有需要，委員會將最少每年舉行一次會議。於本年，舉行過一次薪酬委員會會議。

董事會及管理層之職責、問責性及貢獻

董事會由本公司主席領導，負責領導及控制本公司及監控本集團的業務、戰略決策及表現。董事會授予高級管理層權力及責任進行本集團的日常管理及經營。此外，董事會已成立董事會委員會並授予該等董事會委員會各項權限及責任，詳情載於其各自之職權範圍。所有董事均真誠地履行職責及遵守適用法律及法規之標準，於任何時候均符合本公司及其股東的利益。

董事會保留本公司所有重要事項的決策權，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易(特別是涉及利益衝突的交易)、財務資料、委任董事及其他重要財務及營運事宜。

The Board has delegated a schedule of responsibilities to the senior management of the Company. These responsibilities include implementing decisions of the Board, directing and coordinating day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board, formulating and monitoring the operating and production plans and budgets, and supervising and monitoring the control system.

AUDIT COMMITTEE

The principal role and function of the Audit Committee are amongst others to (i) review the financial statements and reports and consider any significant or unusual items raised by the staff responsible for the accounting and financial reporting function or external auditor before submission to the Board; (ii) review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditor; and (iii) review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures. The terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

Directors' attendance at Audit Committee meetings

Directors	Number of attendance
Mr. Wong Lit Chor, Alexis (Chairman of the Audit Committee)	2/2
Mr. Ding Xiangqian	2/2
Ms. Zhang Ruijun	2/2

The Audit Committee meets the external auditors at least once a year to discuss any areas of concerns during the audits without the presence of the management. The Audit Committee reviews the interim and annual reports before submission to the Board. The Committee focuses not only on the impact of the changes in accounting policies and practices but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

董事會向本公司高級管理人員委以各自特定的職責。該等責任包括執行董事會的決定；根據董事會所批准的管理策略及計劃指示及協調本公司之日常營運和管理；制定及監察營運及生產計劃及預算；以及監督和監察監控系統。

審核委員會

審核委員會的主要職責及職能包括(i)於提交董事會前審閱財務報表及報告，以及考慮任何負責會計及財務申報職能的員工或外部核數師提出的重大或不尋常項目；(ii)經參考核數師進行之工作、其費用及聘用條款後，檢討與外部核數師之關係，並就委任、續聘及罷免外部核數師向董事會提出推薦建議；及(iii)檢討本公司財務申報制度、內部監控制度及風險管理制度與相關程序是否充足及有效。審核委員會之職權範圍於聯交所及本公司網站可供查閱。

董事出席審核委員會會議之情況

董事	出席次數
黃烈初先生 (審核委員會主席)	2/2
丁香乾先生	2/2
張瑞君女士	2/2

審核委員會需每年最少一次與外聘核數師舉行會議，討論審核過程中之任何問題，管理層不得與會。審核委員會於遞交業績予董事會前先行審閱中期及全年報告。該委員會於審閱本公司中期及全年報告時，不僅注意會計政策及慣例變動之影響，亦兼顧須遵守會計政策、上市規則及法律之規定。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the following corporate governance duties as required under the CG Code:

- to develop and review the Company's policies and practices on corporate governance;
- 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 review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year, the Board performed the following corporate governance matters:

- review of the corporate governance duties under the CG Code; and
- review of the compliance with the CG Code.

Directors' Responsibilities for Financial Reporting in Respect of the Financial Statements

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and that relevant statutory and regulatory requirements are met and applicable accounting standards are complied with. The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

企業管治職能

董事會負責履行企業管治守則規定之以下企業管治職責：

- 制定及審閱本公司於企業管治方面之政策及常規；
- 檢討及監察董事及高級管理層之培訓及持續專業發展情況；
- 檢討及監察本公司於遵守法律及監管規定方面之政策及常規；
- 檢討本公司遵守企業管治守則情況並於企業管治報告中作出披露。

年內，董事會考慮以下企業管治事項：

- 檢討企業管治守則項下企業管治責任；及
- 檢討遵守企業管治守則情況。

董事就財務報表的財務報告責任

董事負責監督本公司財務報表的編製，以確保該等財務報表能夠真實和公平地反映本集團的事務狀況，以及確保符合相關法規及監管規定以及遵守適用會計準則。董事會已收到高級管理層提供的管理賬目和所需的附隨解釋及資料，以便就批准財務報表作出知情評審。

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2016.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board believes that good corporate governance is a foundation for the long-term development of the Company, and sustainable and healthy risk management and internal control systems are very helpful for the long-term development and growth of the Company's business. The Board is responsible for the establishment and maintenance of suitable and effective risk management and internal control systems by the Company to safeguard the interests of its shareholders. During the year, the Company has engaged an external consultant to design a set of risk management systems so as to further strengthen the corporate governance of the Company.

Risk Governance Structure

The Company's risk management structure is designed on a "Three Lines of Defense" model basis, namely, day-to-day operation and control, continuous risk management activities and independent monitoring of internal control activities, all interrelated with one another. The primary internal control procedures designed for each business unit provide such units with clear guidelines through a series of policies and procedures with reference to elements related to governance, risk management and compliance. The Company regularly reviews and updates policies and procedures and provides relevant training to each unit to secure the effectiveness of such policies and procedures.

董事確認其編製截至二零一六年十二月三十一日止年度本公司財務報表的責任。

概無任何可對本公司持續經營能力構成重大疑慮的事件或情況方面的任何重大不明朗因素。

風險管理及內部監控

董事會相信良好的企業管治是本公司長遠發展的基石。而可持續及穩健之風險管理及內部監控系統可有力協助本公司業務長遠發展及增長。董事會負責確保本公司建立和維持合適及有效之風險管理及內部監控系統，以保障股東利益。年內，本公司聘請外部顧問，設計整套風險管理系統，透過完善的風險管理系統，協助進一步加強本公司的企業管治。

風險管理架構

本公司之風險管理架構建基於「三道防線」模式，分別為日常營運及監控、持續之風險管理活動、獨立監察內部監控活動，各功能環環相扣。而各營運單位之主要內部監控程序，已透過一系列之政策與程序，向各單位提供清晰指引，當中已參考有關管治、風險管理及合規之元素。公司就政策與程序作定期檢閱及更新，並向各單位提供有關培訓，以確保其有效性。



Corporate Governance Report

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Key policies and procedures of the Company include whistleblowing policy, which is formulated to provide a channel for reporting any misconduct existed in the Company, and inside information handling procedure, which is aimed to protect confidential data of employees before being made public in a fair manner and in due course.

Risk Management Systems

The Company adopts corporate risk management systems in compliance with international professional standards, which are compatible with its current internal control systems. Risk management systems include determination of targets, identification of risk matters, risk assessment, risk response and control activities. Such systems are not single processes. The management cooperates and exchanges market information with each department to respond to changes therein (such as change of operating environment and new market risks) in a timely and proper manner. The Company's risk management and internal control systems seek to manage and mitigate, but not to eliminate, the impact of main risk types identified on the Group.

本公司的重要政策與程序包括舉報政策，以提供舉報公司不當行為的渠道；內幕數據處理程序，以確保有關員工保密數據，直至有關數據公平適時地公開。

風險管理系統

本公司沿用符合國際專業標準之企業風險管理系統，與現時之內部監控系統兼容。風險管理系統包括目標設定、風險事項辨認、風險評估、風險響應及監控活動等。而該系統並非單一過程，管理層與各部門合作及交流市場信息，就當中之變化(如營運環境轉變或市場新興風險)進行溝通，適時作出妥善應對。本公司之風險管理及內部監控系統旨在管理及減低識別之主要風險項目對集團的影響，而非消除所有風險項目對集團之影響。

The key elements of the Company's risk management systems are the following:

本公司之風險管理系統主要元素如下：



The Company has made clear distinction on duties and responsibilities of each of the Board, management, business units, risk management and internal audit divisions. The Board appoints the Audit Committee to oversee the effectiveness of the Company's risk management and internal control systems on an on-going basis, and approve the risk appetite and tolerance levels that the Company is willing to accept for the achievement of strategic objectives. The Board confirms with the management regarding the effectiveness of such systems in respect of design, implementation and monitoring.

本公司已就董事會、管理層、營運單位、風險管理及內部審計清晰釐定其責任及職能。董事會委任審核委員會持續監察本公司風險管理及內部監控系統的有效性，批准公司為達成策略目標時所願意接納的風險性質及程度。由管理層向其確認有關系統之設計、執行和監控是否有效。

The Company, through register of risks and workshops, assists each unit in identifying risks in relation to finance, operation, compliance and environment, making analysis on the probability of risks and their impact on the Company and considering the adequacy of risk responses and related control activities. Significant risks of the Company and related control procedures obtained from such analysis and integration, upon discussion and confirmation of the management, will be reported to, and then monitored on an on-going basis by, the Audit Committee. The significant risks of the Company are classified into 9 categories, details of which are set out on pages 34 to 42 of this report.

本公司透過風險登記冊及工作坊，協助各單位就財務、營運、合規、環境等範疇進行風險事項辨認、就風險發生概率及對公司之影響進行分析、考慮對風險之響應措施及其監控活動是否足夠。經分析及整合後，所得的公司重要風險及其監控程序，經由管理層商討及確認，並向審核委員會匯報，再由審核委員會持續監察，循環不息。公司之重要風險分為9類，已於本報告第34至42頁中詳細披露。

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Internal Control

The internal audit department, with the assistance of the external consultant, may conduct review of the control procedures against the Company's significant risks as well as independent review of significant monitoring procedures, and report its significant results of research and its advice on improvement to the Audit Committee on a regular basis.

Review of Risk Management and Internal Control System

The Board, through the Audit Committee, receives confirmation from the management regarding the effectiveness of the design, implementation and monitoring of the Company's risk management and internal control systems. Such systems adopted by the Company, like other systems, can only provide reasonable but not absolute assurance against significant misstatement or losses. The Company will keep maintaining a sound and healthy risk management and internal control systems to meet the long-term strategic objectives of the Company.

Significant Risks of the Company

During the year, the Company identified and assessed various risks and their control positions in 9 different categories in order to assess the impact of each risk on the finance, reputation, health and safety, laws and regulations and human resources of the Company, details of which are set out in the following table:

內部監控

而內部審計部在外聘顧問協助下，可就針對公司重要風險之監控程序進行檢討工作，對重要監控程序進行獨立檢討，定期直接向審核委員會匯報重要調查結果及其改善建議。

風險管理及內部監控系統檢討

董事會透過審計委員會獲管理層確認本公司風險管理及內部監控系統之設計、執行和監控為有效。一如其他系統，就不會出現重大錯誤陳述或損失，本公司所採納之系統只能作出合理而非絕對的保證。公司將持續維持完善及穩健的風險管理及內部監控系統，以配合公司長遠之策略目標。

公司重要風險

公司本年於9個不同類別之範疇，辨識及評估不同之風險項目及其監控情況，評估各風險項目對公司在財務、聲譽、健康和 safety、法律法規以及人才保留方面之影響。詳情載列於下表：



Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Finance, economy and politics 財務、經濟 及政治	Weaker financial, economic and politic environment in the Mainland China and Hong Kong will impact the financial performance of the Company 因內地及香港之財務、經濟及政治環境氛圍轉差，而影響公司之財務表現	<ul style="list-style-type: none"> — Closely monitor market trend — Notice the direction of government policies in order to make real-time response — Keep good relationship with relevant consultants to be updated with market changes — Develop new business strategies and plans by professionals of the Company to mitigate negative effects — 密切監察市場趨勢 — 留意政府政策方向，以作實時應對 — 與相關顧問保持良好關係，緊握市場動向 — 公司內之專才研究新的商業策略計劃，以減低負面影響 	Medium 中

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Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Employee 員工	<p>Employees are a valuable asset of the Company. Failure in retaining employees and attracting quality skilled labours will affect the quality of products and services provided by the Company</p> <p>員工為公司重要資產，員工之流失及未能吸納優質技能型勞動力，會影響公司提供產品及服務質素</p>	<ul style="list-style-type: none">— Make analysis on the remuneration data available in the market and provide competitive remuneration package to the staff— Develop a comprehensive performance evaluation system— Develop succession procedures for key positions— Provide training/employee development— Actively participate in on-campus job fairs— Develop intern training course and give priority to interns who have completed training in offering job opportunities— 分析市場薪酬數據，及為員工提供具競爭力的薪酬福利— 制定完善的績效評估系統— 為重要職位制訂接班程序— 提供培訓／員工發展— 主動參與各大校園招聘會— 制定實習生培訓課程並優先提供工作機會予完成培訓的實習生	Medium 中



Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Customer 客戶	<p>The Company is committed to offering quality products and services to customers to meet its business needs. Failure in identifying customer needs or addressing customer enquiries will have a direct effect on the revenue and long-term development of the Company</p> <p>公司致力為客戶提供優質產品及服務，以支持其營運需要。如未能瞭解客戶所需或解決客戶查詢，將直接影響公司收入及長遠發展</p>	<ul style="list-style-type: none"> — Make adequate communication to understand customer requirements during the planning phase of projects — Develop solutions by internal professionals — Continuously communicate with customers through customer seminar and various ways to fully understand customer needs — Develop detailed specification as required by customer in relation to each product/project and confirm with customer — 在項目計劃階段，已有足夠溝通清楚客戶要求 — 由內部專才研究解決方案 — 透過客戶研討會及各種方式洽商，持續與客戶溝通，充分掌握客戶需求 — 就每項產品／項目按客戶要求制定產品規格，並與客戶確認 	Minimal to medium 低至中

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Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Laws and regulations 法律及法規	<p>New laws and regulations may result in the Company's failure in compliance with relevant requirements in its current course of business, which may impair its reputation and finance.</p> <p>新實施之法律法規，或令公司在現行運作下未能符合相關要求，導致聲譽及財務受損</p>	<ul style="list-style-type: none">— Have a team with knowledge of companies/listing rules both in Hong Kong and the Mainland China— Closely notice market trend in order to make real-time response— Provide guidelines on listing rules and company laws to employees— Proactively seek professional advice/assistance, if necessary— Strengthen Communication with internal audit department to ensure incompliance being addressed as soon as practicable— 擁有具有熟悉香港及中國內地公司／上市條例的團隊— 密切留意市場動向，作出實時反應— 適時向員工提供有關上市條例及公司法的指引— 如有需要，主動尋求專業意見／協助— 與內部審計部加強溝通，以確保不合规事宜能儘早解決	Minimal to medium 低至中



Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Information technology 信息科技	<p>System malfunction/mistakes or failure in noticing the most update technologies in the market may weaken customer confidence in the Company and make it lose the leading position in related sectors and affect its ability in operating as a going concern</p> <p>系統故障／失誤或公司未能了解市場最新科技，令客戶對公司失去信心，失去相關領域之領先地位，影響公司業務持續發展</p>	<ul style="list-style-type: none"> — Develop relevant work norms and implement as provided by such norms — Backup database every day — Ask proprietors to develop stand-by schemes in case of system malfunction/mistakes — Arrange dedicated staff to perform regular repair and maintenance of systems — Proactively participate in exchange activities including seminars/exhibitions in the industry — Notice market trend and study — 制定相關之工作規範，並按規範執行 — 就數據庫進行每天備份 — 要求業主制定災備方案 — 設立專職人員進行系統定期保障維護 — 積極參加業界研討會／展覽等交流活動 — 留意市場趨勢及研究 	Minimal to medium 低至中

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Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Operation and management 營運管理	<p>Inadequacy of control measures in day-to-day operation of each unit of the Company may lead to reputation and financial impairment, including underpriced contracts, insufficient project and budget control, contract risk and reliance on single distribution channel, etc.</p> <p>公司各單位日常之營運監控措施不足，導致聲譽及財務受損，包括：合同定價過低、項目監控不足、預算監控不足、合同風險、依賴單一銷售渠道等</p>	<ul style="list-style-type: none">– Prepare budget by the finance department together with each department for approval by the management– Submit regular work report to the management for review– Develop approval procedures– Hire employees with relevant experience– Prepare development strategies respectively for a short, medium and long term– Proactively expand new channels of sales– Seek assistance from relevant professionals, if necessary– Check significant control procedures independently by the audit department– 財務部每年與各部門制定預算，經管理層審批– 定期工作報告呈交管理層檢閱– 制定審批程序– 聘請有相關經驗之員工– 制訂短、中、長線發展戰略– 積極開拓新銷售渠道– 如有需要，會尋求有關專才協助– 審計部就重要的監控程序作獨立檢查	Minimal to medium 低至中



Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Natural disaster 自然災害	<p>severe disasters, such as fire, flood, outbreak of infectious diseases, etc., may affect the day-to-day operation of the Company and lead to financial loss</p> <p>因嚴重災害，如火災、洪水、傳染病毒爆發等，對日常營運造成影響，導致公司財務損失</p>	<ul style="list-style-type: none"> — Establish business continuity planning at the corporate level — Establish business continuity planning at each department level and arrange the staff to continue their work in stand-by places, if necessary — Make regular inspection and repair and maintenance of fireproofing facilities and other emergency equipment (such sand bags used in flood control) — Purchase corresponding insurances — 建立企業業務持續規劃 — 建立部門業務持續規劃，並安排員工於需要時可於備選場所繼續作業 — 定期檢驗及保養辦公室防火設施及其他應急裝備(如防洪沙包等) — 購買相應的保險 	Minimal to medium 低至中
Media and reputation 傳媒及聲譽	<p>Improper media promotion and advertising and inappropriate response to media enquires may be harmful to the profile and reputation of the Company</p> <p>不當的媒體推廣及宣傳，及不適當地響應傳媒查詢，可能對公司形象及聲譽造成損害</p>	<ul style="list-style-type: none"> — Pay close attention to latest media news in relation to the Company by the market department — Establish an emergency management mechanism by the Company — Determine the focus of the market department in coping with media — Develop a spokesperson mechanism for responding to media — 市場部密切留意媒體有關公司的最新訊息 — 公司存在危機管理機制 — 市場部為應對傳媒之集中點 — 回應傳媒之發言人代表機制 	Minimal 低

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Risk category 風險範疇	Significant risks 主要風險	Significant control measures and risk countermeasures 主要監控措施及風險對策	Risk level 風險水平
Energy and environment 能源環保	Failure in controlling pollution (such as noises, waste gases and waste materials) from projects of the Company in an effective manner may have negative effect on the environment 未有有效地監控項目排放出的污染(如噪音、廢氣、科技廢料等)，對環境造成負面影響	<ul style="list-style-type: none">Strictly control pollutants arising from business operationFollow up relevant customer complaints (if any) in a real-time manner嚴密監控過程中產生的污染物如遇到有關投訴，會實時跟進	Minimal 低

AUDITORS' REMUNERATION

During the year, the remuneration paid to the Company's auditors, Messrs Deloitte Touche Tohmatsu, is set out as follows:

	Fee paid/ payable HK\$'000	已付/ 應付費用 千港元
Services rendered		已提供服務
Audit services	1,800	審計服務 1,800
Other consultancy fee	170	其他顧問費 170

核數師酬金

年內，向本公司核數師德勤·關黃陳方會計師行支付之酬金載列如下：

COMMUNICATIONS WITH SHAREHOLDERS

The Company's annual general meeting provides a good opportunity for communication between the Board and the Company's shareholders. Chairman of the Board and Committees are normally present to answer queries raised by shareholders. External auditors also attend the annual general meeting every year. Notice of the annual general meeting and related papers are sent to shareholders at least 20 clear business days before the meeting.

與股東進行溝通

本公司之股東週年大會為董事會與本公司之股東提供溝通良機。董事會及各委員會之主席一般均出席以解答股東提出之問題，而外聘核數師每年均會出席股東週年大會。股東週年通告及有關檔於大會舉行日期前最少二十工作日寄予股東。

VOTING BY POLL

At the 2016 annual general meeting, the procedures for demanding a poll by the shareholders were incorporated in an annual general meeting circular. The procedures for demanding a poll by shareholders and for conducting a poll were also explained by the chairman at the annual general meeting.

以投票方式表決

於二零一六年股東週年大會上，股東要求以投票方式表決的程序已載於股東週年大會通函內。大會主席亦已於會上向股東解釋股東要求以投票方式表決及進行投票表決的程序。



The directors have pleasure in presenting their annual report and the audited consolidated financial statements for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are software development and providing outsourcing software services.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, the five largest customers accounted for approximately 20.61 % of the Group's total turnover. The five largest suppliers accounted for approximately 9.01% of the Group's total purchases. In addition, the largest customer accounted for approximately 15.23% of the Group's total turnover while the largest supplier accounted for approximately 3.32 % of the Group's total purchases.

Except for Inspur Group Limited ("Inspur Corporation"), the substantial shareholder of the Company, and its subsidiaries (together referred to as "the Inspur Group"), none of the directors, their associates or any shareholders (which, to the knowledge of the directors, own more than 5 % of the Company's issued share capital) had any interest in the Group's five largest customers and suppliers. Sales to and purchases from the Inspur Group amounted to approximately 0.85% and 3.27% respectively of the total sales and total purchases of the Group for the year ended 31 December 2016.

SHARE CAPITAL

Details of movement during the year of the Company's share capital are set out in note 30 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated Income Statement on page 71.

董事欣然提呈本公司及本集團截至二零一六年十二月三十一日止年度的年報連同經審核綜合財務報表。

主要業務

本公司為投資控股公司。本集團的主要業務為軟件開發及提供軟件外包服務。

主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團五大客戶佔本集團營業總額約20.61%，而本集團五大供應商佔本集團購貨總額約9.01%。此外，本集團最大客戶佔本集團營業總額約15.23%，而本集團最大供應商佔本集團購貨總額約3.32%。

除本公司大股東浪潮集團有限公司（「浪潮公司」）及其附屬公司（總稱「浪潮集團」）以外，董事、彼等的聯繫人士或就董事所知，擁有本公司已發行股本5%以上的股東概無擁有本集團五大客戶及供應商的任何權益。浪潮集團的營業額及採購額分別佔本集團截至二零一六年十二月三十一日止年度的總營業額及總採購額約為0.85%及3.27%。

股本

年內，本公司股本的變動詳情已載於綜合財務報表附註30內。

業績及分配

本集團截至二零一六年十二月三十一日止年度的業績已載於第71頁的綜合損益表內。

Directors' Report

董事會報告

FINAL DIVIDENDS

At the Annual General Meeting (“AGM”) of the Company to be held on 9 June 2017 (“Forthcoming AGM”), the Board of Directors (the “Board”) will recommend a final dividend of HK\$0.03 per share with aggregated amount of HK\$27,050,000 (2015: HK\$ 0.03 per share) for the year ended 31 December 2016. Subject to the approval of shareholders at the Forthcoming AGM, the final dividend will be payable on 26 June 2017 to shareholders whose name appears on the register of members of the Company on 9 June 2017.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed shares.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

RETIREMENT BENEFIT SCHEME

Details of the Group's retirement benefit scheme are set out in note 38 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 42 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements during the year in the property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

末期股息

本公司董事會(「董事會」)將於二零一七年六月九日召開的股東週年大會(「股東週年大會」)(「應屆股東週年大會」)上建議派發截至二零一六年十二月三十一日止年度之末期股息每股0.03港元，總計27,050,000港元(二零一五年：0.03港元)。倘於應屆股東週年大會上獲得批准後，末期股息將於二零一七年六月二十六日派發予於二零一七年六月九日名列在本公司股東名冊之股東。

購買、出售或贖回上市證券

截至二零一六年十二月三十一日止年度，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股份。

優先購買權

本公司的公司組織章程大綱及細則以及開曼群島法例並無任何優先購買權的條文，以規定本公司按比例向現有股東發行新股。

退休金計劃

本集團的退休金計劃詳情已載於綜合財務報表附註38內。

附屬公司

本公司主要附屬公司的詳情已載於綜合財務報表附註42內。

物業、廠房及設備

本集團的物業、廠房及設備於年內的變動詳情載於綜合財務報表附註14內。

CONNECTED TRANSACTIONS

Particulars of the Group's related party transactions are set out in note 38 to the consolidated financial statements, certain of which also constitute connected transactions under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"). The connected transactions are as follows:

1. On 8 April 2004, the Company and the Inspur Group entered into a trademark licence agreement (the "Trademark Licence Agreement") which allowed the Group to use the trademark "Lang Chao" in Hong Kong, Taiwan and the People's Republic of China free of charge.

Further details of such continuing connected transaction were disclosed in the Company's prospectus dated 20 April 2004 (the "Prospectus").

The independent non-executive directors have reviewed the above connected transaction and confirmed that the above transaction was in accordance with the relevant agreement governing the terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

2. On 29 November 2013, the Company entered into a new framework agreement ("New Framework Agreement") with Inspur Group Limited, substantial shareholder, which integrate the current continuing connected transactions with Inspur Group Limited and its subsidiaries (collectively referred to as "Inspur Group") under five categories of activities which are in line with the current business model of the Group. The major terms set out as follow:

A. Supply Transactions

On 29 August 2014, the Company and Inspur Group entered into the Supplemental Agreement, The maximum annual caps under Supply Transactions will not exceed RMB9,600,000、RMB10,500,000 and RMB11,550,000 for each of the financial year ended 2014, 2015 and 2016 respectively.

關連交易

於綜合財務報表附註38披露與本集團有關連人士進行之交易。當中若干與有關連人士進行之交易根據香港聯合交易所有限公司證券上市規則(「上市規則」)第14A章，均構成關連交易。關連交易如下：

1. 於二零零四年四月八日，本公司與浪潮集團已訂立商標特許協議(「商標特許協議」)，以容許本集團於香港、台灣及中華人民共和國使用「浪潮」商標。

上述持續關連交易之詳情載於本公司在二零零四年四月二十日之招股章程(「招股章程」)。

上述關連交易已經獨立非執行董事審閱，並就此確認上述交易按照相關協議條款進行，而該等條款誠屬公平合理且對本公司股東整體有利。

2. 於二零一三年十一月二十九日，本公司已與大股東浪潮集團有限公司及其附屬公司(統稱：浪潮集團)訂立新框架協議(「新框架協議」)，將目前公司的持續關連交易綜合分為五個業務類別。主要條款如下：

A. 供應交易

於二零一四年八月二十九日，本公司與浪潮集團有限公司訂立補充協議，據此，供應交易截至二零一四年、二零一五年及二零一六年十二月三十一日止年度之年度上限人民幣9,600,000元、人民幣10,500,000元及人民幣11,550,000元。



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Further details of such continuing connected transaction were disclosed in the Company's circular dated 16 October 2014 (the "Circular") and 29 August 2014 announcement.

The aggregate transactions under Supply Transactions for the year ended 31 December 2016 amounted to approximately RMB8,435,301 (approximately HK\$9,854,750).

The independent non-executive directors have reviewed the above connected transactions for the year ended 31 December 2016 and confirmed that the Supply Transactions were (i) in the ordinary course and usual course of the Group's business; (ii) on terms no less favourable to the Group than terms available to independent third parties who are not connected persons of the Group as defined in the Listing Rules; and (iii) in accordance with the relevant agreement governing the Supply Transactions on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

上述持續關連交易之進一步詳情於二零一四年十月十六日的通函(「通函」)中披露及二零一四年八月二十九日的公告中披露。

截至二零一六年十二月三十一日止年度，累計供應交易協定項下的金額約為人民幣8,435,301元(約9,854,750港元)。

獨立非執行董事已審閱截至二零一六年十二月三十一日止年度之上述關連交易，並確認供應交易乃(i)在本集團日常一般業務中進行；(ii)按不遜於本集團獲獨立第三者(並非上市規則所指之本集團關連人士)給予之條款進行；及(iii)按照規管供應交易之相關協議進行，而該等條款屬公平合理且對本集團股東整體有利。



B. Selling Agency Transactions

The Group appoints Inspur Group to act as selling agent in the sale of the products and services of the Group. In return, the Inspur Group will receive a commission of 1% of the total sales value of the products and the services. The maximum annual caps of the value of transactions under Selling Agency Transactions will not exceed RMB370,000,000、RMB407,000,000 and RMB447,000,000 for each of the financial year ended 31 December 2014, 2015 and 2016 respectively. The expected maximum amounts of commissions to be paid by the Group to the Inspur Group will not exceed RMB3,700,000、RMB4,070,000 and RMB4,470,000 for each of the financial year ended 31 December 2014, 2015 and 2016 respectively.

Further details of such continuing connected transaction were disclosed in the Company's circular dated 16 October 2014 (the "Circular") and 29 August 2014 announcement.

The aggregate transactions under Selling Agency Transactions for the year ended 31 December 2016 amounted to RMB270,257,677 (equivalent to approximately HK\$315,735,233) and the related commission amounted to RMB2,677,624 (equivalent to approximately HK\$3,128,201).

B. 銷售代理協定

本集團委聘浪潮集團擔任本集團產品及服務銷售之銷售代理。作為回報，浪潮集團將收取不高於產品及服務銷售總值1%之佣金。截至二零一四年、二零一五年及二零一六年十二月三十一日止各個財政年度，根據銷售代理協定的交易金額年度上限分別將不超過人民幣370,000,000元、人民幣407,000,000元及人民幣447,000,000元。截至二零一四年、二零一五年及二零一六年十二月三十一日止各財政年度，本集團支付給浪潮集團的佣金最高上限分別為不超過人民幣3,700,000元、人民幣4,070,000及人民幣4,470,000元。

上述持續關連交易之進一步詳情於二零一四年十月十六日的通函(「通函」)中披露及二零一四年八月二十九日的公告中披露。

截至二零一六年十二月三十一日止年度，累計銷售代理協定項下交易金額為人民幣270,257,677元(約315,735,233港元)及相關佣金的金額為人民幣2,677,624元(約3,128,201港元)。

Directors' Report

董事會報告

The independent non-executive directors have reviewed the above connected transactions for the year ended 31 December 2016 and confirmed that the Selling Agency Transactions were (i) in the ordinary course and usual course of the Group's business; (ii) on terms no less favourable to the Group than terms available to independent third parties who are not connected persons of the Group as defined in the Listing Rules; and (iii) in accordance with the relevant agreement governing the Selling Agency Transactions on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

C. Purchase Transactions

The Group will purchase the computer hardware and software products by the Group from the Inspur Group. The price per unit of the computer products and components purchased from Inspur Group will be agreed between parties with reference to the then prevailing markets prices of such computer hardware and software products at the relevant time.

The maximum annual caps under supply Transactions will not exceed RMB183,000,000, RMB200,000,000 and RMB220,000,000 for each of the financial year ended 31 December 2014 and 2015 and 2016 respectively.

Further details of such continuing connected transaction were disclosed in the Company's circular dated 16 October 2014 (the "Circular") and 29 August 2014 announcement.

The aggregate transactions under Purchase Transactions for the year ended 31 December 2016 amounted to RMB22,962,922 (equivalent to approximately HK\$26,827,003).

獨立非執行董事已審閱截至二零一六年十二月三十一日止年度之上述關連交易，並確認銷售代理協定乃(i)在本集團日常一般業務中進行；(ii)按不遜於本集團獲獨立第三者(並非上市規則所指之本集團關連人士)給予之條款進行；及(iii)按照規管銷售代理協議之相關協議進行，而該等條款屬公平合理且對本集團股東整體有利。

C. 採購交易

本集團將向浪潮集團採購電腦軟硬件產品。浪潮集團將供應之電腦產品及配件之單價，將由訂約方參照該等產品於有關時間當時之市價協定。

採購交易截至二零一四年、二零一五年及二零一六年十二月三十一日止年度最高上限分別不超過人民幣183,000,000元、人民幣200,000,000元及人民幣220,000,000元。

上述持續關連交易之進一步詳情於二零一四年十月十六日的通函(「通函」)中披露及二零一四年八月二十九日的公告中披露。

截至二零一六年十二月三十一日止年度，累計採購交易協定項下的金額為人民幣22,962,922元(約26,827,003港元)。



The independent non-executive directors have reviewed the above connected transactions for the year ended 31 December 2016 and confirmed that the Purchase Transactions were (i) in the ordinary course and usual course of the Group's business; (ii) on terms no less favourable to the Group than terms available to independent third parties who are not connected persons of the Group as defined in the Listing Rules; and (iii) in accordance with the relevant agreement governing the Purchase Transactions on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

D. Common Services Transactions

The Inspur Group shall provide office for use ("Common Services") by the Group. The expenses to be charged will be agreed upon between the parties and shall be determined based on normal commercial terms through arm's length negotiation or on terms no less favourable than he terms available from independent third parties for provision of similar services. The maximum annual amount of the expenses payable to Inspur Group for each of the three years ending 31 December 2016 is RMB9,800,000, RMB10,800,000 and RMB12,000,000 respectively.

Further details of such continuing connected transaction were disclosed in the Circular.

The use of Common Services for the year ended 31 December 2016 amounted to approximately RMB\$9,966,308 (equivalent to approximately HK\$11,643,386).

D. 公共服務交易

浪潮集團將就使用物業向本集團提供服務(「公共服務」)，收費乃按正常商業條款及公平原則或按不遜於浪潮集團向其他方提供或其他方向本集團提供同類服務條款磋商。截至二零一四年、二零一五年及二零一六年十二月三十一日止三年度各年，應付浪潮集團的年度最高上限分別為人民幣9,800,000元，人民幣10,800,000元及人民幣12,000,000元。

上述關連交易之詳情於通函中披露。

截至二零一六年十二月三十一日止年度，使用物業的金額約為人民幣9,966,308元(約11,643,386港元)。

Directors' Report

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The independent non-executive directors have reviewed the above connected transactions for the year ended 31 December 2016 and confirmed that the Common Services Transactions were (i) in the ordinary course and usual course of the Group's business; (ii) on terms no less favourable to the Group than terms available to independent third parties who are not connected persons of the Group as defined in the Listing Rules; and (iii) in accordance with the relevant agreement governing the Common Services Transactions on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

E. Processing Transactions

Inspur Commercial System Company Limited ("Inspur Commercial") has appointed Inspur software Group Company Limited ("Inspur software" previous known as Inspur Cheeloo Company Limited ("Inspur Cheeloo")), to provide services of procurement of raw materials of and assembling and manufacturing tax-collection cashier machines at processing fee calculated at 5% of the value of the raw materials (the "Cashier Machines Purchases") and the said rate is comparable to the rates in the market. In general, Inspur Business will pay the price of the tax collection cashier machines (including the processing fee) within 30 days after receipt of the goods. Inspur Business and Inspur Group agreed that the maximum annual caps of the Cashier Machines will not exceed RMB27,000,000, RMB27,000,000 and RMB27,000,000 for the year ended 31 December 2014, 2015 and 2016 respectively.

Further details of such continuing connected transaction were disclosed in the Circular.

The aggregate amount under Processing Transactions for the year ended 31 December 2016 amounted to nil.

獨立非執行董事已審閱截至二零一六年十二月三十一日止年度之上述關連交易，並確認公共服務交易乃(i)在本集團日常一般業務中進行；(ii)按不遜於獨立第三者(並非上市規則所指之本集團關連人士)可享之條款進行；及(iii)按照規管公共服務交易之相關協議進行，而該等條款屬公平合理且對本公司股東整體有利。

E. 加工交易

浪潮商用系統有限公司(「浪潮商用」)已委聘浪潮軟件集團有限公司(「浪潮軟體」舊稱浪潮齊魯軟體產業有限公司(「浪潮齊魯」))就採購稅控收款機之原材料及組裝及製造稅控收款機提供服務，所收取加工費按原材料價值之5%計算(「稅控機採購」)，而上述費率與市場收費相若。一般來說，浪潮商用將於收取貨品後30日內支付稅控收款機之價格(包括相關加工費)。浪潮商用和浪潮集團同意截至二零一四年、二零一五年及二零一六年十二月三十一日止最高上限分別不超過人民幣27,000,000元、人民幣27,000,000元及人民幣27,000,000元。

上述關連交易之詳情於通函中披露。

截至二零一六年十二月三十一日止年度，累計加工交易項下的金額約為零。



3. Entrusted loan

The Group entered into an entrusted loan framework agreement A on 29 August 2014, pursuant to which the Group agree to provide Entrustment Loans to Inspur Electronic Information Industry Co., Limited (浪潮電子資訊產業股份有限公司) through financial institutions. At the same time, The Group entered into an entrusted loan framework agreement B on 29 August 2014, pursuant to which the Group agree to provide Entrustment Loans to Inspur Software Co., Limited (浪潮軟件股份有限公司) through financial institutions.

The maximum amount (including the accrued interest) at any time outstanding under the Framework Agreement A shall not exceed RMB300,000,000 (equivalent to approximately HK\$378,000,000). The maximum amount (including the accrued interest) at any time outstanding under the Framework Agreement B shall not exceed RMB200,000,000 (equivalent to approximately HK\$252,000,000).

Further details of such continuing connected transaction were disclosed in the Circular dated 16 October 2014 (the "Circular") and 29 August 2014 announcement.

The maximum amount under Entrusted Loan Framework Agreement A for the year ended 31 December 2016 amounted RMB292,771,917 (equivalent to approximately HK\$326,942,290), on 31 December 2016 amounted to RMB292,771,917 (equivalent to approximately HK\$326,942,290).

The amount under Entrusted Loan Framework Agreement B during the year ended 31 December 2016 amounted to Nil.

3. 委託貸款交易

本集團於二零一四年八月二十九日訂立委託貸款框架協議甲，據此，本集團委託金融機構向浪潮電子資訊產業股份有限公司提供委託貸款。據此，本集團委託金融機構向浪潮電子資訊產業股份有限公司提供委託貸款。同時，本集團於二零一四年八月二十九日訂立一項委託貸款框架協議乙，據此，本集團委託金融機構向浪潮軟件股份有限公司提供委託貸款。

委託貸款交易甲截至二零一六年十二月三十一日止年度最高上限不超過人民幣300,000,000元(約378,000,000港元)。委託貸款交易乙截至二零一六年十二月三十一日止年度最高上限不超過人民幣200,000,000元(約252,000,000港元)。

上述持續關連交易之進一步詳情於二零一四年十月十六日的通函(「通函」)中披露及二零一四年八月二十九日的公告中披露。

截至二零一六年十二月三十一日止年度，委託貸款交易甲的最高金額為人民幣292,771,917(約326,942,291港元)，於二零一六年十二月三十一日，餘額為人民幣292,771,917元(約326,942,290港元)。

截止二零一六年十二月三十一日止年度，委託貸款交易乙金額為零。

Directors' Report

董事會報告

The Directors (including the independent nonexecutive Directors) have reviewed the above connected transactions for the year ended 31 December 2016 and confirmed that the Purchase Transactions were (i) in the ordinary course and usual course of the Group's business; (ii) on terms no less favourable to the Group than terms available to independent third parties who are not connected persons of the Group as defined in the Listing Rules; and (iii) in accordance with the relevant agreement governing the Purchase Transactions on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

4. The Group shall provide office for use ("Leasing Services") to Inspur Group. The expenses to be charged will be agreed upon between the parties and shall be determined based on normal commercial terms through arm's length negotiation or on terms no less favourable than the terms available from independent third parties for provision of similar services. The maximum annual amount of the expenses payable by Inspur Group for each of the three years ending 31 December 2015, 2016, 2017 is RMB18,208,819.64, RMB31,215,119.38 and RMB32,775,875.34 respectively.

Further details of such continuing connected transaction were disclosed in the Announcement dated 29 May 2015.

During the year ended 31 December 2016, the rental income from Inspur Group under Leasing Services amounted to approximately RMB21,994,398 (equivalent to approximately HK\$25,695,501).

The Directors (including the independent nonexecutive Directors) have reviewed the above connected transactions for the year ended 31 December 2016 and confirmed that the Leasing Services were (i) in the ordinary course and usual course of the Group's business; (ii) on terms

董事(包括獨立非執行董事)已審閱截至二零一六年十二月三十一日止年度之上述關連交易，並確認採購交易乃(i)在本集團日常一般業務中進行；(ii)按不遜於本集團獲獨立第三者(並非上市規則所指之本集團關連人士)給予之條款進行；及(iii)按照規管採購交易之相關協議進行，而該等條款屬公平合理且對本集團股東整體有利。

4. 本集團將物業向浪潮集團提供租賃服務(「租賃服務」)，收費乃按正常商業條款及公平原則或按不遜於向其他方提供同類服務條款磋商。截至二零一五年、二零一六年及二零一七年十二月三十一日止三年度各年，應收浪潮集團的年度最高上限分別為人民幣18,208,819.64元，人民幣31,215,119.38元及人民幣32,775,875.34元。

上述關連交易之詳情於二零一五年五月二十九日公告中披露。

截至二零一六年十二月三十一日止年度，來自浪潮集團租賃服務的租金收入約為人民幣21,994,398元(約25,695,501港元)。

獨立非執行董事已審閱截至二零一六年十二月三十一日止年度之上述關連交易，並確認租賃服務交易乃(i)在本集團日常一般業務中進行；(ii)按不遜於獨立第三者(並非



no less favourable to the Group than terms available to independent third parties who are not connected persons of the Group as defined in the Listing Rules; and (iii) in accordance with the relevant agreement governing the Purchase Transactions on terms that are fair and reasonable and in the interests of the shareholders of the Group as a whole.

5. During the year ended 31 December 2016, the Group rented properties location in Hongkong to a fellow subsidiary of the Inspur Group, the rental income of HK\$644,000.

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the above connected transactions and continuing connected transactions. In addition, Pursuant to Rule 14A.38 of the Listing Rules, the Board has engaged the auditors of the Company to perform certain procedures on the aforesaid continuing connected transactions. Based on the work performed, the auditors of the Company have provided a letter to the Board confirming that the aforesaid continuing connected transactions:

- (i) have been approved by the Directors;
- (ii) were entered into in accordance with the pricing policies of the Company;
- (iii) were entered into in accordance with the terms of the relevant agreements governing such transactions; and
- (iv) did not exceed the annual cap amounts.

A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

上市規則所指之本集團關連人士)可享有之條款進行；及(iii)按照規管租賃服務交易之相關協議進行，而該等條款屬公平合理且對本公司股東整體有利。

5. 截至二零一六年十二月三十一日止年度，本集團向浪潮集團附屬公司出租香港物業，租金收入為644,000港元。

就上述關連交易及持續關連交易而言，本公司確認已遵守上市規則第14A章的披露規定。此外，根據上市規則第14A.38條，董事會委聘本公司核數師就上述持續關連交易進行若干程序。根據已進行的工作，本公司核數師已提供董事會函件，確認上述持續關連交易：

- (1) 已獲董事批准；
- (2) 已按本公司定價政策訂立；
- (3) 已按規管交易的有關協議條款訂立；及
- (4) 並無超出年度上限金額。

核數師函件副本已由本公司向聯交所提供。

Directors' Report

董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2016, the Company's reserves available for distribution are set out as below:

Share premium	股份溢價
Share option reserve	購股權儲備
Accumulated (losses) profits	累計盈利
Other reserve	其他儲備

Under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium of the Company may be distributed subject to the provision of the Company's Memorandum and Articles of Association and provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. This share premium account may also be distributed in the form of fully paid bonus shares.

DIRECTORS

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

Mr. Wang Xingshan
Mr. Jin Xiaozhou, Joe
Mr. Dong Hailong
Mr. Samuel Y Shen
Ms. Zhang Ruijun
Mr. Wong Lit Chor, Alexis
Mr. Ding Xiangqian

本公司可分派儲備

於二零一六年十二月三十一日，本公司可供分派儲備計算如下：

2016 二零一六年 HK\$'000 千港元
953,077
61,170
(34,399)
33,494
1,013,342

根據開曼群島法例第22章公司法(經綜合及修訂的一九六一年第3號法例)，按本公司之組織章程大綱及細則的規定及倘緊隨建議分派股息日期後，本公司可在日常業務過程中清償到期債務時，股份溢價可用以分派。股份溢價賬亦可以繳足紅股方式派付。

董事

本年內及截至本報告日期為止，本公司的董事如下：

王興山先生
靳小州先生
董海龍先生
申元慶先生
張瑞君女士
黃烈初先生
丁香乾先生



DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES OF THE COMPANY

As at 31 December 2016, the interests and short positions of the directors and the chief executive and their associates in the shares and underlying shares of the Company or any of its associated corporations, as recorded in the register required to be kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code contained in the Listing Rules were as follows:

(a) Long positions in the shares of the Company

Name of director 董事姓名	Capacity 身份
Dong Hailong 董海龍	Beneficial owner 實益擁有人

董事服務合約

董事概無與本公司訂立本集團於一年內不作補償(法定補償除外)而可予以終止之服務合約。

董事於合約中之權益

本公司、其任何控股公司、同集團附屬公司或附屬公司於本年度結束時或本年度內任何時間並無參與訂立與本公司董事直接及間接擁有重大權益公司的重大合約。

董事及最高行政人員於本公司股份之權益及淡倉

於二零一六年十二月三十一日，各董事及最高行政人員以及彼等各自聯繫人於本公司及其任何相聯法團之股本、相關股份中擁有根據證券及期貨條例(「證券及期貨條例」)第352條須記錄於該條所指登記冊之權益及淡倉，或根據上市規則所載的標準守則而須知會本公司及聯交所的權益及淡倉如下：

(a) 於本公司股份的長倉

Number of issued ordinary shares held 持有普通股之數目	Percentage of the issued share capital of the Company 佔本公司已發行股本之百分比
4,000	0.00%

Directors' Report

董事會報告

(b) Long positions in the underlying shares of equity derivatives of the Company

Options in the Company

(Unlisted and physically settled equity derivatives)

Name of director 董事姓名	Capacity 身份	Description of equity derivatives 股本衍生工具的詳情	Number of underlying shares 相關股份的數目 (Note) (附註)	Subscription price per share 每股認購價 HK\$ 港元
Wang Xingshan 王興山	Owner 擁有人	Share Option 購股權	1,000,000 (*1)	3.41
			3,000,000 (*2)	1.71
			1,200,000 (*3)	1.34
Jin Xiaozhou, Joe 靳小州	Owner 擁有人	Share Option 購股權	1,800,000 (*2)	1.71
Dong Hailong 董海龍	Owner 擁有人	Share Option 購股權	400,000 (*1)	3.41
			200,000 (*2)	1.71
			100,000 (*3)	1.34
Shen Yuanqin, Samuel 申元慶	Owner 擁有人	Share Option 購股權	200,000 (*2)	1.71
			100,000 (*3)	1.34
Wong Lit Chor 黃烈初	Owner 擁有人	Share Option 購股權	40,000 (*1)	3.41
			400,000 (*2)	1.71
			100,000 (*3)	1.34
Zhang Ruijun 張瑞君	Owner 擁有人	Share Option 購股權	200,000 (*2)	1.71
			100,000 (*3)	1.34

Note (*1): On 10 December 2010, the share options were granted to director under the Share Option Scheme.

(*2): On 16 July 2015, the share options were granted to director under the Share Option Scheme.

(*3): On 13 May 2016, the share options were granted to director under the Share Option Scheme.

(b) 本公司股本衍生工具的相關股份的長倉

本公司的期權

(未上市及實物結算股本衍生工具)

Name of director 董事姓名	Capacity 身份	Description of equity derivatives 股本衍生工具的詳情	Number of underlying shares 相關股份的數目 (Note) (附註)	Subscription price per share 每股認購價 HK\$ 港元
Wang Xingshan 王興山	Owner 擁有人	Share Option 購股權	1,000,000 (*1)	3.41
			3,000,000 (*2)	1.71
			1,200,000 (*3)	1.34
Jin Xiaozhou, Joe 靳小州	Owner 擁有人	Share Option 購股權	1,800,000 (*2)	1.71
Dong Hailong 董海龍	Owner 擁有人	Share Option 購股權	400,000 (*1)	3.41
			200,000 (*2)	1.71
			100,000 (*3)	1.34
Shen Yuanqin, Samuel 申元慶	Owner 擁有人	Share Option 購股權	200,000 (*2)	1.71
			100,000 (*3)	1.34
Wong Lit Chor 黃烈初	Owner 擁有人	Share Option 購股權	40,000 (*1)	3.41
			400,000 (*2)	1.71
			100,000 (*3)	1.34
Zhang Ruijun 張瑞君	Owner 擁有人	Share Option 購股權	200,000 (*2)	1.71
			100,000 (*3)	1.34

附註 (*1): 董事的期權2010年12月10日根據2008年期權計劃授出。

(*2): 董事的期權2015年7月16日根據2008年期權計劃授出。

(*3): 董事的期權2016年5月13日根據2008年期權計劃授出。

Save as disclosed above, as at 31 December 2016, none of the directors or the chief executive or its associates had any interests or short positions in any shares or underlying shares of equity derivatives of the Company or any of its associated corporations.

除上述披露外，於二零一六年十二月三十一日，概無董事或最高行政人員或彼等之聯繫人士於本公司或任何聯營公司股份或股本衍生工具相關股份持有任何權益或淡倉。

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2016, the register of substantial shareholders maintained by the Company pursuant to Section 336 of the SFO shows that, the following shareholders other than the directors of the Company had notified the Company of relevant interests in the issued capital of the Company.

主要股東

於二零一六年十二月三十一日，本公司根據證券及期貨條例第336條存置的主要股東名冊顯示，除本公司董事以外，以下股東已知會本公司彼等於本公司已發行股本的有關權益。

(a) Long position in shares and underlying shares of the Company

(a) 於本公司股份及相關股份的好倉

Ordinary shares of HK\$0.01 each of the Company

本公司每股面值0.01港元的普通股

Name of shareholder 主要股東姓名／名稱	Type of Interests 權益類別	Number of issued ordinary of shares held 實益持有 普通股數目	Percentage of the issued share capital the Company 佔本公司 已發行股本 之百分比
Inspur Group Limited 浪潮集團有限公司	Corporate (Note 1) 公司(附註1)	288,478,000	31.99%
Inspur Overseas Investment Limited 浪潮海外投資有限公司	Beneficial owner (Note 1) 實益擁有人(附註1)	288,478,000	31.99%
Wang Yu Kun 王予昆	Beneficial owner 實益擁有人	64,744,000	7.18%

Note 1: Inspur Group Limited is taken to be interested in 288,478,000 shares due to its indirect 100% shareholdings in the issued share capital of Inspur Overseas Investment Limited.

附註1：由於浪潮集團有限公司間接擁有浪潮海外投資有限公司已發行股本的100%股權，故此，浪潮集團有限公司被視為於288,478,000股股份中擁有權益。

As at 31 December 2016, no persons have any other relevant interests or short positions in shares or underlying shares of equity derivatives of the Company.

於二零一六年十二月三十一日，並無人士於本公司股份或股本衍生工具相關股份中擁有任何其他相關權益或淡倉。

Directors' Report

董事會報告

MANAGEMENT CONTRACTS

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

SHARE OPTIONS

Details of the Company's share option schemes are set out in note 30 to the consolidated financial statements.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Other than the option holdings disclosed above, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow 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 or any other body corporate.

COMPETING INTEREST

During the year ended 31 December 2016, none of the directors, chief executive, initial management shareholders or its substantial shareholders of the Company or their respective associates (as defined in the Listing Rules) had any interests in a business which competes with or may compete with the business of the Group.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, Ms Zhang Ruijun, Mr. Wong Lit Chor, Alexis and Mr. Ding Xiangqian. Mr. Wong Lit Chor, Alexis is the chairman of the audit committee. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group.

Up to the date of approval of these consolidated financial statements, the audit committee has held two meetings and has reviewed the Company's draft annual and interim financial reports and consolidated financial statements prior to recommending such reports and consolidated financial statements to the Board for approval.

管理合約

本年度內，並無訂立有關本公司業務之全部或任何重要部分之管理及行政之合約。

購股權計劃

本公司購股權計劃的詳情載於綜合財務報表附註30。

購買股份或債券之安排

除上文所披露有關股權持有外，於本年度任何時間，本公司、其控股公司、或任何其附屬公司或同集團附屬公司概無參與任何安排，致令本公司董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

競爭權益

截至二零一六年十二月三十一日止年度，本公司概無董事、最高行政人員、最初的管理股東或其主要股東或彼等各自之聯繫人士(定義見上市規則)於與本集團業務有競爭或可能競爭的業務中有任何權益。

審核委員會

審核委員會由三名獨立非執行董事張瑞君女士、黃烈初先生及丁香乾先生組成。黃烈初先生為審核委員會之主席。該審核委員會主要負責審閱及監督本集團之財務申報程序及內部監控制度。

直至批准該等綜合財務報表之日為止，審核委員會已舉行二次會議，並已於有關全年及中期財務報告及綜合財務報表草本提交董事會批准前審閱有關報告及綜合財務報表。

The Group's audited results for the year ended 31 December 2016 have been reviewed by the audit committee, which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosures have been made.

CORPORATE GOVERNANCE

The Group has complied with the applicable code provisions set out in the Code of Corporate Governance Practices (the "Code") contained in Appendix 14 of Listing Rules for Main Board throughout the period ended 31 December 2016, save as:

- (a) Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer (the "CEO") should be separated and should not be performed by the same individual. Mr. Wang Xingshan is both the Chairman and CEO of the Company. This structure does not comply with code provision A.2.1 of the CG Code. The Board considers that vesting the roles of Chairman and CEO in the same person facilitates the execution of the Company's business strategies and maximizes the effectiveness of its operation.
- (b) Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors should also attend general meetings and develop a balanced understanding of the views of shareholders. Partial Directors were unable to attend the annual general meeting as they were obliged to be away for business trips. The Company will improve its meeting scheduling and arrangement in order to ensure full compliance with Code A.6.7 in future.

INDEPENDENCE OF INDEPENDENT NONEXECUTIVE DIRECTORS

The Company confirmed that annual confirmations of independence were received from each of the Company's independent non-executive directors pursuant to Rule 3.13 of the Listing Rules and all independent non-executive directors are considered to be independent.

審核委員會已審閱本集團截至二零一六年十二月三十一日止年度之經審核業績，彼等認為該等業績按照適用之會計準則及規定編製，並已作出足夠披露。

企業管治

本集團截至二零一六年十二月三十一日止的期間一直遵守包含主板上市規則附錄14之所有守則(「守則」)條文，惟以下各項除外：惟以下偏離情況除外：

- (a) 守則條文第A.2.1條，主席與行政總裁之角色須分開，不應由同一人擔任。王興山先生擔任本集團主席兼行政總裁。此一構架未能符合企業管制守則之條文A.2.1條。董事會認為，現時主席及行政總裁由同王興山先生一人擔任，有利於執行本公司業務策略及儘量提升營運效率。
- (b) 守則條文第A.6.7條，獨立非執行董事及其他非執行董事須出席股東周年大會，並對股東之意見有公正的瞭解。部分董事因公務無法出席股東周年大會。本公司未來將適當安排會議時間。

獨立非執行董事之獨立性

本公司確認，已根據上市規則第3.13條向本公司各獨立非執行董事收取獨立地位年度確認書，而全體獨立非執行董事均被認為屬獨立。

Directors' Report

董事會報告

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed issuers (the "Model Code") set out in Appendix 10 of Main Board Listing Rule as its own code of conduct regarding Directors' securities transactions. Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the requirement set out under the Model Code throughout the period ended 31 December 2016.

EMOLUMENT POLICY

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 30 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

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

董事進行證券交易之標準守則

本公司已經採用主板上市規則附錄10之上市發行人董事進行證券交易之標準守則(標準守則)作為董事進行證券交易之標準守則。經本公司向全體董事作出特定查詢後，全體董事已確認截至二零一六年十二月三十一日始終遵守標準守則所訂之規定。

薪酬政策

本集團僱員之薪酬政策乃由薪酬委員會根據彼等之績效、資格和能力製訂。

本公司董事之酬金乃由薪酬委員會經考慮本公司之經營業績、個人表現及可比較市場數字後釐定。

本公司已採納購股權計劃，作為對董事及合資格僱員之獎勵。有關計劃之詳情載於綜合財務報表附註30。

足夠的公眾持股量

本公司在截至二零一六年十二月三十一日止年度一直保持著足夠的公眾持股量。



CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the following periods:

- (i) The register of members will be closed from 8 June 2017 to 9 June 2017 (both dates inclusive), during which period no transfer of shares will be effected. In order to qualify to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17 Floor, 1712-1716 room, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 7 June 2017.

- (ii) The register of members will be closed from 9 June 2017, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17 Floor, 1712-1716 room, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 8 June 2017.

AUDITOR

A resolution will be submitted to the annual general meeting to reappoint Messrs. Deloitte Touche Tohmatsu as the auditor of the Company. There has been no change in the auditor of the Company since its incorporation on 29 January 2003.

On behalf of the Board
Wang Xingshan
CHAIRMAN

27th March 2017

暫停辦理股份過戶登記

本公司將於下列日期暫停辦理股份過戶登記手續：

- (i) 本公司將於二零一七年六月八至二零一七年六月九日(包括首尾兩天)暫停辦理股份過戶登記手續，期間將不會進行股份過戶。為符合出席股東周年大會和於會上投票的資格，所有過戶表格連同有關股票須於二零一六年六月七日下午四時三十分前送達本公司的股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

- (ii) 本公司將於二零一七年六月九日暫停辦理股份過戶登記手續，期間將不會進行股份過戶。為符合建議末期股息的資格，所有過戶表格連同有關股票須於二零一七年六月八日下午四時三十分前送達本公司的股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號舖。

核數師

股東週年大會將提呈決議案以續聘德勤•關黃陳方會計師行為本公司的核數師。自二零零三年一月二十九日本公司註冊成立日起，並沒有更換核數師。

代表董事會
王興山
主席

二零一七年三月二十七日

Independent Auditor's Report

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF INSPUR INTERNATIONAL LIMITED

浪潮國際有限公司
(Incorporated in Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Inspur International Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 70 to 218, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

致浪潮國際有限公司股東

浪潮國際有限公司
(於開曼群島註冊成立的有限公司)

意見

本核數師(以下簡稱「我們」)已審計列載於第70頁至218頁的浪潮國際有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，該等財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

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

意見的基礎

我們已根據香港會計師公會頒佈之香港核數準則(「香港核數準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。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。



Key Audit Matters

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

Key audit matter

關鍵審計事項

Revenue recognition of software development contracts

軟件開發合同的收入確認

We identified revenue recognition in connection with software development contracts as a key audit matter due to management judgements required in the estimation of the outcome and the stage of completion of software development works.

由於在評估軟件開發工作的結果及完成進度時須管理層作出判斷，故我們將有關軟件開發合同的收入確認視為關鍵審計事項。

Revenue and costs in connection with software development contracts are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, which is measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the software development contracts as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimations and this will affect the revenue and profit recognised.

軟件開發合同的收入及成本應根據合同業務在呈報期結算日的合同完成進度確認。合同完成進度應按工程進行至今所產生的合同成本佔估計合同總成本的比例計量。儘管管理層會根據合同的進度去審閱及修改對軟件開發合同收入及成本的估算，惟就其總收入及成本而言，合同的實際收入及成本可能會高於或低於估算值，影響所確認的收入及溢利。

關鍵審計事項

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

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

Our procedures in relation to revenue recognition of software development contracts included:

我們就確認軟件開發合同收入的程序包括：

- Evaluating the key controls over the preparation of estimated total contract costs and determination of stage of completion relating to the software development contracts;
- 評估對籌備估算軟件開發合同總成本及釐定合同的完成進度的主要監控措施；
- Interviewing the project managers of selected software development projects, on a sample basis, to obtain an understanding of the contract work status and evaluating the reasonableness of estimated total contract costs;
- 以抽樣方式與選定的軟件開發項目經理面談，了解該合同的工作進度及評估估算合同總成本的合理性；
- Testing, on a sample basis, the total contract sum, the estimated total contract costs and contract costs incurred for the work performed to date against the supporting documents; and
- 以抽樣方式對總合同金額、估算的合同總成本及工程進行至今所產生的合同成本進行測試並對照相關證明文件；及

Independent Auditor's Report

獨立核數師報告

Key audit matter

關鍵審計事項

Revenue recognition of software development contracts

軟件開發合同的收入確認

Details relating to the Group's revenue arising from software development contracts are set out in notes 5 to the consolidated financial statements.

有關 貴集團軟件開發合同收入的詳情載於綜合財務報表附註5。

Valuation of investment properties

投資物業估值

We identified the valuation of investment properties as a key audit matter due to subjective judgements and estimates required in determining the fair values.

由於釐定公平值須作出主觀判斷及估算，故我們將投資物業估值視為關鍵審計事項。

As at 31 December 2016, the Group's investment properties which comprised the office premises located in Jinan, Shandong Province, China and Hong Kong were stated at fair value of HK\$507 million (approximately 19% of the Group's total assets).

於二零一六年十二月三十一日，貴集團的投資物業包括位於中國山東省濟南及香港的辦公室，按公平值五億七百萬港元(約佔 貴集團總資產的19%)列賬。

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

- Checking the computation of the percentage of completion based on contract costs incurred for the work performed to date relative to the estimated total contract costs and checking whether contract revenue and costs were recognised properly based on the percentage of completion.
- 按工程進行至今所產生的合同成本，核實與估算合同總成本的完工百分比的計算，並核實合同收入及成本是否按完工百分比妥為確認。

Our procedures in relation to the valuation of investment properties included:

有關投資物業的估值程序包括：

- Discussing with management to understand its plan on the use and valuation process of the investment properties;
- 與管理層討論以了解投資物業的用途規劃及其估值流程；
- Evaluating the competence, capabilities, and objectivity of the Valuer and obtaining an understanding of the Valuer's scope of work; and
- 評估估值師的專長、能力及客觀性，並了解估值師的工作範圍；及



Key audit matter

關鍵審計事項

Valuation of investment properties

投資物業估值

The Group's investment property located in Jinan, accounting for approximately 95.8% of the investment properties, is measured by the directors using the fair value model based on a valuation performed by an independent qualified professional valuer (the "Valuer"). In determining the fair values of the investment property, the Valuer has applied an income capitalisation approach which involves, inter alia, certain estimates, including appropriate term yield, reversionary yield, market rent of comparable properties. Details relating to the Group's investment properties are set out in notes 15 to the consolidated financial statements.

貴集團位於濟南的投資物業約佔投資物業的95.8%，董事對其的計量基於獨立合資格專業估值師（「估值師」）採用公平值模式而進行的估值。於釐定投資物業的公平值時，估值師已應用收入資本化法，該方法涉及（其中包括）若干估值，有關估值包括適當期限收益率、復歸收益率及可資比較物業的市場租金。有關貴集團投資物業的詳情載於綜合財務報表附註15。

How our audit addressed the key audit matter

我們的審計如何處理關鍵審計事項

- Engaging our internal valuation expert to assist in evaluating the reasonableness of the key assumptions applied based on available market data and our knowledge of the property industry; the appropriateness of the Valuer's valuation approach against the industry norms; and the accuracy and relevance of key data inputs underpinning the valuation, such as rental income, term of existing leases, by comparing to supporting documents.
- 委聘我們的內部估值專家，於基於可取得的市場數據及對房地產行業的了解，評估所應用的主要假設的合理性；評估估值師的評估方法是否適符合行業規範；及透過比對證明文件，評估支撐評估的主要數據輸入（如租金收入及現有租約年期）的準確性及相關性。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

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

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

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

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

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

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

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

其他資訊

貴公司董事需對其他資訊負責。其他資訊包括刊載於年報內的資訊，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訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

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

董事及治理層就綜合財務報表須承擔的責任

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

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

治理層須負責監督 貴集團的財務報告過程。



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

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

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

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

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們商定的業務約定條款僅向全體股東出具包括我們意見的核數師報告。除此以外，我們的報告不可用作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。合理保證是高水準的保證，但不能保證按照香港核數準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響該等綜合財務報表使用者依賴該等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。

在根據香港核數準則進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，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。
- 瞭解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就 貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

除其他事項外，我們與治理層溝通了計劃的審計範圍、審計時間、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。

Independent Auditor's Report

獨立核數師報告



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

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

The engagement partner on the audit resulting in the independent auditor's report is Gladys Fung Suet Ngan.

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

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

出具本獨立核數師報告的審計專案合夥人是馮雪顏女士。

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
27 March 2017

德勤 • 關黃陳方會計師行
執業會計師
香港
二零一七年三月二十七日

Consolidated Statement of Profit or Loss

綜合損益表

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

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Continuing operations	持續經營業務			
Revenue	營業額	5	1,163,170	971,659
Cost of sales	銷售成本		(821,009)	(679,430)
Gross profit	毛利		342,161	292,229
Other income	其他收入	7	155,199	94,146
Other gains and losses, net	其他收益及虧損淨額	7	544	3,411
Administrative expenses	行政費用		(277,353)	(279,308)
Selling and distribution expenses	銷售及分銷成本		(182,653)	(160,983)
Change in fair value of investment properties	投資物業公平值變動	15	20,677	2,168
Share of profit of an associate	應佔一間聯營公司溢利		31,485	59,113
Share of loss of a joint venture	應佔一間合營公司虧損		(2,323)	(15,385)
Profit (loss) before tax	除稅前溢利(虧損)	9	87,737	(4,609)
Income tax expenses	所得稅開支	8	(27,163)	(12,920)
Profit (loss) for the year from continuing operations	持續經營業務年內 溢利(虧損)		60,574	(17,529)
Discontinued operations	已終止業務			
Profit for the year from discontinued operations	已終止業務年內溢利	35	—	22,896
Profit for the year	年內溢利		60,574	5,367

Consolidated Statement of Profit or Loss

綜合損益表

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

		NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Profit (loss) for the year attributable to owners of the Company	本公司擁有人應佔年內溢利(虧損)			
– from continuing operations	– 來自持續經營業務		59,893	(15,902)
– from discontinued operations	– 來自已終止業務		—	22,896
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利		59,893	6,994
Profit (loss) for the year attributable to non-controlling interests from continuing operations	非控股權益應佔來自持續經營業務年內溢利(虧損)		681	(1,627)
Profit for the year	年內溢利		60,574	5,367
Earning (loss) per share	每股盈利(虧損)	13		
From continuing and discontinued operations	來自持續經營及已終止業務			
– Basic	– 基本		HK6.64 cents 6.64 港仙	HK0.78 cents 0.78 港仙
– Diluted	– 攤薄		HK6.63 cents 6.63 港仙	HK0.78 cents 0.78 港仙
From continuing operations	來自持續經營業務			
– Basic	– 基本		HK6.64 cents 6.64 港仙	HK(1.76 cents) (1.76 港仙)
– Diluted	– 攤薄		HK6.63 cents 6.63 港仙	HK(1.76 cents) (1.76 港仙)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Profit for the year	年內溢利	60,574	5,367
Other comprehensive (expense) income:	其他全面(開支)收益：		
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目：</i>		
Gain on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉移至投資物業後之重估收益	33,845	38,136
Deferred tax on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉移至投資物業後之重估遞延稅項	(7,653)	(3,694)
Share of other comprehensive expense of an associate and a joint venture	應佔一間聯營公司及一間合營公司其他全面開支	(32,409)	(17,646)
Exchange differences arising on translation to presentation currency	換算為呈報貨幣而產生的匯兌差額	(103,246)	(70,358)
Other comprehensive expense for the year, net of tax	年內其他全面開支，扣除稅項	(109,463)	(53,562)
Total comprehensive expense for the year	年內全面開支總額	(48,889)	(48,195)
Total comprehensive (expense) income for the year attributable to:	應佔年內全面(開支)收益總額：		
– Owners of the Company	– 本公司擁有人	(49,357)	(46,417)
– Non-controlling interests	– 非控股權益	468	(1,778)
		(48,889)	(48,195)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016
於二零一六年十二月三十一日

		NOTES	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (restated) (經重列)	1 January 2015 二零一五年 一月一日 HK\$'000 千港元 (restated) (經重列)
Non-current assets	非流動資產				
Property, plant and equipment	物業、廠房及設備	14	312,869	505,788	522,449
Investment properties	投資物業	15	506,568	324,606	21,900
Prepaid lease payments	預付租賃款額	16	32,447	35,564	38,503
Deposits for acquisition or property, plant and equipment	購買物業、廠房及設備之按金		—	—	71,152
Other intangible assets	其他無形資產	17	—	—	—
Available-for-sale investment	可供出售投資	18	20,067	21,454	22,669
Interest in an associate	聯營公司權益	19	102,926	127,679	95,640
Interest in a joint venture	合營公司權益	20	131,174	166,024	172,666
			1,106,051	1,181,115	944,979
Current assets	流動資產				
Inventories	存貨	21	8,294	1,945	55,648
Trade and bills receivables	貿易應收賬款及應收票據	22	160,784	116,198	375,395
Prepaid lease payments	預付租賃款額	16	818	874	924
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款		78,806	51,108	69,085
Amounts due from customers for contract work	應收客戶合約工程款項	23	46,284	26,073	28,344
Entrusted loan receivables	應收委託貸款	24	326,942	—	139,598
Amount due from ultimate holding company	應收最終控股公司款額	27	295	1,166	36,036
Amounts due from fellow subsidiaries	應收同集團附屬公司款額	27	58,459	143,833	241,554
Taxation recoverable	可收回稅項		—	—	113
Pledged bank deposits	已抵押銀行存款	25	18,449	14,994	29,537
Bank balances and cash	銀行結餘及現金	25	852,975	1,095,218	1,015,994
			1,552,106	1,451,409	1,992,228

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016
於二零一六年十二月三十一日

		NOTES	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (restated) (經重列)	1 January 2015 二零一五年 一月一日 HK\$'000 千港元 (restated) (經重列)
Current liabilities	流動負債				
Trade and bills payables	貿易應付賬款及 應付票據	26	96,184	134,164	302,047
Other payables, deposits received and accrued expenses	其他應付賬款、 已收按金及 應計開支		479,857	470,169	393,287
Amounts due to customers for contract work	應付客戶合約 工程款額	23	188,819	117,858	253,034
Amount due to ultimate holding company	應付最終控股 公司款額	28	13,409	1,095	2,781
Amounts due to fellow subsidiaries	應付同集團附屬 公司款額	28	27,855	43,592	65,121
Deferred income - government grant	遞延收入－政府 補助	31	49,753	12,118	16,884
Taxation payable	應繳稅項		12,852	10,425	9,798
			868,729	789,421	1,042,952
Net current assets	流動資產淨額		683,377	661,988	949,276
Total assets less current liabilities	總資產減流動負債		1,789,428	1,843,103	1,894,255
Non-current liabilities	非流動負債				
Deferred income - government grant	遞延收入－政府 補助	31	12,467	28,074	27,698
Deferred tax liabilities	遞延稅項負債	32	42,370	24,277	20,619
			54,837	52,351	48,317
			1,734,591	1,790,752	1,845,938

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2016
於二零一六年十二月三十一日

		NOTES	31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元	31 December 2015 二零一五年 十二月三十一日 HK\$'000 千港元 (restated) (經重列)	1 January 2015 二零一五年 一月一日 HK\$'000 千港元 (restated) (經重列)
Capital and reserves	資本及儲備				
Share capital	股本	29	9,015	9,015	9,015
Reserves	儲備		1,725,316	1,780,572	1,833,980
Equity attributable to owners of the Company	本公司擁有人 應佔權益		1,734,331	1,789,587	1,842,995
Non-controlling interests	非控股權益		260	1,165	2,943
Total equity	權益總額		1,734,591	1,790,752	1,845,938

The consolidated financial statements on pages 70 to 218 were approved and authorised for issue by the Board of Directors on 27 March 2017 and are signed on its behalf by:

載於第70頁至第218頁的綜合財務報表經由董事會批准及授權於二零一七年三月二十七日刊發，並由下列董事代表董事會簽署：

Wang Xingshan

王興山

DIRECTOR

董事

Dong Hailong

董海龍

DIRECTOR

董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

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

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests		
		Share capital	Share premium	Other reserve	Special reserve	Share option reserve	Translation reserve	Revaluation reserve	Retained profits	Total	非控股權益	Total
		股本	股份溢價	其他儲備	特殊儲備	購股權儲備	匯兌儲備	重估儲備	保留溢利	總計	權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a) (附註 a)	(Note b) (附註 b)							
At 1 January 2015 (originally stated)	於二零一五年一月一日 (原先呈列)	9,015	953,077	(2,634)	92	22,623	240,162	—	609,278	1,831,613	2,943	1,834,556
Adjustment on investment properties (restated)	就投資物業進行調整 (經重列)	—	—	—	—	—	—	10,040	1,342	11,382	—	11,382
At 1 January 2015 (restated)	於二零一五年一月一日 (經重列)	9,015	953,077	(2,634)	92	22,623	240,162	10,040	610,620	1,842,995	2,943	1,845,938
Profit (loss) for the year (restated)	年內溢利(虧損)(經重列)	—	—	—	—	—	—	—	6,994	6,994	(1,627)	5,367
Gain on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉 移至投資物業後之 重估收益	—	—	—	—	—	—	38,136	—	38,136	—	38,136
Deferred tax on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉 移至投資物業後之 重估遞延稅項	—	—	—	—	—	—	(3,694)	—	(3,694)	—	(3,694)
Share of other comprehensive expense of an associate and a joint venture	應佔一間聯營公司及 一間合營公司之其他 全面開支	—	—	—	—	—	(17,646)	—	—	(17,646)	—	(17,646)
Exchange difference arising on translation to presentation currency	換算為呈報貨幣而產生 的匯兌差額	—	—	—	—	—	(70,207)	—	—	(70,207)	(151)	(70,358)
Total comprehensive expense for the year (restated)	年內全面開支總額 (經重列)	—	—	—	—	—	(87,853)	34,442	6,994	(46,417)	(1,778)	(48,195)
Dividend paid (note 12)	已付股息(附註12)	—	—	—	—	—	—	—	(27,046)	(27,046)	—	(27,046)
Forfeitures of share options (note 30)	沒收購股權(附註30)	—	—	—	—	(2,128)	—	—	2,128	—	—	—
Recognition of equity settled share based payments (note 30)	確認以股權結算股份支付 之付款(附註30)	—	—	—	—	20,055	—	—	—	20,055	—	20,055
		—	—	—	—	17,927	(87,853)	34,442	(17,924)	(53,408)	(1,778)	(55,186)
At 31 December 2015 (restated)	於二零一五年 十二月三十一日(經重列)	9,015	953,077	(2,634)	92	40,550	152,309	44,482	592,696	1,789,587	1,165	1,790,752

Consolidated Statement of Changes in Equity

綜合權益變動報表

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

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests		
		Share capital	Share premium	Other reserve	Special reserve	Share option reserve	Translation reserve	Revaluation reserve	Retained profits	Total	Non-controlling interests	Total
		股本	股份溢價	其他儲備	特殊儲備	購股權儲備	匯兌儲備	重估儲蓄	保留溢利	總計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
				(Note a) (附註 a)	(Note b) (附註 b)							
Profit for the year	年內溢利	—	—	—	—	—	—	—	59,893	59,893	681	60,574
Gain on revaluation upon transfer from property, plant and equipment	從物業、廠房及設備轉移至投資物業後之重估收益	—	—	—	—	—	—	33,845	—	33,845	—	33,845
Deferred tax on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉移至投資物業後之重估遞延稅項	—	—	—	—	—	—	(7,653)	—	(7,653)	—	(7,653)
Share of other comprehensive expense of an associate and a joint venture	應佔一間聯營公司及一間合營公司之其他全面開支	—	—	—	—	—	(32,409)	—	—	(32,409)	—	(32,409)
Exchange difference arising on translation to presentation currency	換算為呈報貨幣而產生的匯兌差額	—	—	—	—	—	(103,033)	—	—	(103,033)	(213)	(103,246)
Total comprehensive income (expense) for the year	年內全面收入(開支)總額	—	—	—	—	—	(135,442)	26,192	59,893	(49,357)	468	(48,889)
Dividend paid (note 12)	已付股息(附註12)	—	—	—	—	—	—	—	(27,046)	(27,046)	—	(27,046)
Cancellation of share options (note 30)	註銷購股權(附註30)	—	—	—	—	(527)	—	—	527	—	—	—
Recognition of equity-settled share based payments (note 30)	確認以股權結算股份支付之付款(附註30)	—	—	—	—	21,147	—	—	—	21,147	—	21,147
Repurchase of paid-up capital of a subsidiary	回購一間附屬公司繳足股本	—	—	—	—	—	—	—	—	—	(1,373)	(1,373)
		—	—	—	—	20,620	(135,442)	26,192	33,374	(55,256)	(905)	(56,161)
At 31 December 2016	於二零一六年十二月三十一日	9,015	953,077	(2,634)	92	61,170	16,867	70,674	626,070	1,734,331	260	1,734,591

Notes:

- (a) Other reserve was resulted from the acquisition of partial interest in a subsidiary in prior years without changes in control.
- (b) The special reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries and the nominal amount of the Company's shares issued for the acquisition at the time of the reorganisation prior to the listing of the Company's shares in 2003.

附註：

- (a) 於過往年度，其他儲備來自收購附屬公司部分權益，當中並無牽涉控制權變動。
- (b) 本集團特殊儲備指附屬公司股份面值與本公司股份二零零三年上市前重組時收購所發行本公司股份的面值兩者之差額。

Consolidated Statement of Cash Flows

綜合現金流量報表

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

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
OPERATING ACTIVITIES		
Profit for the year	60,574	5,367
Adjustments for:		
Income tax	27,163	24,491
Share of profit of an associate	(31,485)	(59,113)
Share of loss of a joint venture	2,323	15,385
Interest income on entrusted loan receivable	(10,751)	(9,525)
Interest income on bank deposits	(16,091)	(26,314)
Change in fair value of investment properties	(20,677)	(2,168)
Dividend income from available-for-sale investment	(2,861)	(1,092)
Depreciation of property, plant and equipment	29,561	24,920
Amortisation of prepaid lease payments	856	456
Net (gain) loss on disposal and written off of property, plant and equipment	(12)	2
Allowance for bad and doubtful debts	3,664	22,383
Reversal of allowance for bad and doubtful debts	(13,768)	(5,195)
Write-down of inventories	—	10,193
Government subsidies and grant	(31,407)	(3,552)
Gain on disposals of subsidiaries	—	(84,890)
Recognition of equity settled share based payments	21,147	20,055
Impairment loss on amounts due from customers for contract work	8,954	6,651

Consolidated Statement of Cash Flows

綜合現金流量報表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Operating cash flows before movements in working capital	營運資金變動前營運現金流量	27,190	(61,946)
Increase in inventories	存貨增加	(6,773)	(7,785)
(Increase) decrease in trade and bills receivables	貿易應收賬款及應收票據(增加)減少	(44,569)	58,434
(Increase) decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收賬款(增加)減少	(31,692)	4,814
Increase in amounts due from customers for contract work	應收客戶合約工程款項增加	(31,861)	(6,242)
Decrease (increase) in amounts due from fellow subsidiaries	應收同集團附屬公司款項減少(增加)	75,999	(26,371)
Decrease (increase) in amount due from ultimate holding company	應收最終控股公司款項減少(增加)	958	(1,583)
Decrease in trade and bills payables	貿易應付賬款及應付票據減少	(30,661)	(105,141)
Increase in other payables, deposits received and accrued expenses	其他應付賬款、已收按金及應計開支增加	39,999	139,265
Increase in amounts due to customers for contract work	應付客戶合約工程款項增加	82,208	114,993
Increase (decrease) in amounts due to fellow subsidiaries	應付同集團附屬公司款項增加(減少)	5,464	(37,084)
(Decrease) increase in amount due to ultimate holding company	應付最終控股公司款項(減少)增加	(234)	239
Receipts of government subsidies and grant	收取政府津貼及補助	57,170	18,599
Cash generated from operations	營運所得現金	143,198	90,192
Income taxes paid	已付所得稅	(10,186)	(22,717)
NET CASH FROM OPERATING ACTIVITIES	營運業務所得現金淨額	133,012	67,475

Consolidated Statement of Cash Flows

綜合現金流量報表

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

	NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
INVESTING ACTIVITIES	投資業務		
Purchase of property, plant and equipment	購買物業、廠房及設備	(18,118)	(248,457)
Entrusted loans advanced to a fellow subsidiary	向同集團附屬公司墊付之委託貸款	(677,599)	(657,515)
Repayment of entrusted loans from a fellow subsidiary	同集團附屬公司償還委託貸款	346,313	794,416
Net cash inflow from disposals of businesses	出售業務的現金流入淨額	—	103,402
Interest received	已收利息	16,091	26,314
Withdrawal of pledged bank deposits	提取已抵押銀行存款	18,079	60,756
Placement to pledged bank deposits	存放已抵押銀行存款	(22,708)	(47,592)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	661	1,181
Dividend received from available-for-sale investment	已收來自可供出售投資之股息	2,861	1,092
Dividend received from an associate	已收來自一間聯營公司之股息	48,831	18,171
Repayment from fellow subsidiaries	同集團附屬公司還款	3,590	—
Advance to ultimate holding company	墊款予最終控股公司	(112)	(1,831)
Repurchase of paid-up capital of a subsidiary	回購一間附屬公司繳足股本	(1,373)	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資業務(所用)所得現金淨額	(283,484)	49,937

Consolidated Statement of Cash Flows

綜合現金流量報表

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

	NOTES 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
FINANCING ACTIVITIES	融資業務		
Dividend paid to ordinary shareholders	向普通股持有人派息	(27,046)	(27,046)
Repayment to ultimate holding company	向最終控股公司還款	13,190	—
Advance from fellow subsidiaries	同集團附屬公司墊款	—	43,051
Repayment to fellow subsidiaries	向同集團附屬公司還款	(18,980)	—
NET CASH (USED IN) FROM FINANCING ACTIVITIES	融資業務(所用)所得現金淨額	(32,836)	16,005
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值物(減少)增加淨額	(183,308)	133,417
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初現金及現金等值物	1,095,218	1,015,994
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率改變之影響	(58,935)	(54,193)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終現金及現金等值物	852,975	1,095,218
Bank balances and cash	銀行結餘及現金		

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

1. GENERAL

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). In the opinion of the directors of the Company, Inspur Overseas Investment Limited, a company incorporated in the British Virgin Islands (“BVI”) and Inspur Group Limited (“IPG”), a company established in the People’s Republic of China (“PRC”) are the immediate holding company and ultimate holding company, respectively. The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

The functional currency of the Company is Renminbi (“RMB”). For the convenience of the consolidated financial statements users, the consolidated financial statements are presented in Hong Kong Dollar (“HK\$”), as the Company’s shares are listed on the Stock Exchange.

The Company is an investment holding company. The principal activities of the subsidiaries (together with the Company, referred to as the “Group”) are sales of Information Technology (“IT”) peripherals and software, software development and provision of software outsourcing services.

1. 一般資料

本公司為於開曼群島註冊成立的公眾有限公司，其股份在香港聯合交易所有限公司（「聯交所」）主板上市。本公司董事認為，在英屬處女群島（「英屬處女群島」）註冊成立的公司浪潮海外投資有限公司及在中華人民共和國（「中國」）成立的公司浪潮集團有限公司（「浪潮集團」）分別為直接控股公司及最終控股公司。本公司的註冊辦事處及主要營業地點披露於年報引言。

本公司的功能貨幣為人民幣（「人民幣」）。由於本公司股份在聯交所上市，為方便綜合財務報表的使用者，綜合財務報表以港元（「港元」）呈列。

本公司為投資控股公司。附屬公司（與本公司統稱「本集團」）主要業務為銷售資訊技術（「IT」）周邊產品及軟件、開發軟件及提供軟件外包服務。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Amendments to HKFRSs that are mandatorily effective for the current year

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本年度強制生效的香港財務報告準則的修訂

於本年度，本集團已首次應用下列香港會計師公會(「香港會計師公會」)所頒佈香港財務報告準則之修訂：

香港財務報告準則第11號(修訂本)	收購共同經營權益的會計法
香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	折舊及攤銷的可接受方法的澄清
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資主體：應用合併豁免
香港財務報告準則(修訂本)	香港財務報告準則二零一二年至二零一四年週期年度改進

於本年度應用香港財務報告準則之修訂本對本集團本年度及先前年度的財務表現及狀況及／或該等綜合財務報表所載披露並無造成重大影響。

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綜合財務報表附註

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

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

Summary of the effect of changes in accounting policies of investment properties

To more accurately reflect the value of investment properties held by the Group, enhance the comparability of financial information with the peers, assist the Company’s management and investors to keep abreast of the financial condition of the Group on a timely basis, the Group has changed the accounting policies for investment properties from the cost model to the fair value model with effect from 1 January 2016 and the board of directors approved the changes of accounting policies of investment properties on 1 January 2016. The Group has adopted this amendment retrospectively and the effect of the changes in the Group’s accounting policies on the results for the current and preceding years by line items presented in the consolidated statements of profit or loss and other comprehensive income is as follows:

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要

為更準確地反映本集團所持投資物業價值，增強財務資料與業界的可比性，協助本公司管理層及投資者及時了解本集團的財務狀況，本集團已將投資物業會計政策由成本模式變更為公平值模式，自二零一六年一月一日起生效，而董事會已於二零一六年一月一日批准投資物業會計政策變動。本集團已追溯採納此項修訂，本集團會計政策變動對按逐行項目於綜合損益及其他全面收益表呈列的本年度及之前年度業績的影響如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Summary of the effect of changes in accounting policies of investment properties (continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要(續)

		2016 (Recognition of investment properties using cost model) 二零一六年 (確認使用 成本模式的 投資物業) HK\$'000 千港元	Effect of change in accounting policy 會計政策 變動之影響 HK\$'000 千港元	2016 (Recognition of investment properties using fair value model) 二零一六年 (確認使用 公平值模式的 投資物業) HK\$'000 千港元 (audited) (經審核)
Revenue	營業額	1,163,170	—	1,163,170
Cost of sales	銷售成本	(821,009)	—	(821,009)
Gross profit	毛利	342,161	—	342,161
Other income	其他收入	155,199	—	155,199
Other gains and losses, net	其他收益及虧損淨額	544	—	544
Administrative expenses	行政費用	(289,349)	11,996	(277,353)
Selling and distribution expenses	銷售及分銷成本	(182,653)	—	(182,653)
Change in fair value of investment properties	投資物業公平值變動	—	20,677	20,677
Share of profit of an associate	應佔一間聯營公司溢利	31,485	—	31,485
Share of loss of a joint venture	應佔一間合營公司虧損	(2,323)	—	(2,323)
Profit before tax	除稅前溢利	55,064	32,673	87,737
Income tax expenses	所得稅開支	(11,531)	(15,632)	(27,163)
Profit for the year	年內溢利	43,533	17,041	60,574
Profit for the year attributable to	應佔年內溢利：			
– owners of the Company	– 本公司擁有人	42,852	17,041	59,893
– non-controlling interests	– 非控股權益	681	—	681
Profit for the year	年內溢利	43,533	17,041	60,574

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Summary of the effect of changes in accounting policies of investment properties (continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要(續)

		2016 (Recognition of investment properties using cost model) 二零一六年 (確認使用成本模式的投資物業) HK\$'000 千港元	Effect of change in accounting policy 會計政策變動之影響 HK\$'000 千港元	2016 (Recognition of investment properties using fair value model) 二零一六年 (確認使用公平值模式的投資物業) HK\$'000 千港元 (audited) (經審核)
Profit for the year	年內溢利	43,533	17,041	60,574
Other comprehensive expense:	其他全面開支：			
Items that will not be reclassified to profit or loss:	不會重新分類至損益的項目：			
Gain on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉移至投資物業後之重估收益	—	33,845	33,845
Deferred tax on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉移至投資物業後之重估遞延稅項	—	(7,653)	(7,653)
Share of other comprehensive expense of an associate and a joint venture	應佔一間聯營公司及一間合營公司之其他全面開支	(32,409)	—	(32,409)
Exchange differences arising on translation to presentation currency	換算為呈報貨幣而產生的匯兌差額	(98,789)	(4,457)	(103,246)
Other comprehensive expense the year, net of tax	年內其他全面開支，扣除稅項	(131,198)	21,735	(109,463)
Total comprehensive expense for the year	年內全面開支總額	(87,665)	38,776	(48,889)
Total comprehensive expense for the year attributable to:	應佔年內全面開支總額：			
– owners of the Company	– 本公司擁有人	(88,133)	38,776	(49,357)
– non-controlling interests	– 非控股權益	468	—	468
		(87,665)	38,776	(48,889)

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綜合財務報表附註

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

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

Summary of the effect of changes in accounting policies of investment properties (continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要(續)

		2015 (originally stated) 二零一五年 (原先呈列) HK\$'000 千港元	Effect of restatements 重列影響 HK\$'000 千港元	2015 (restated) 二零一五年 (經重列) HK\$'000 千港元
Continuing operations	持續經營業務			
Revenue	營業額	971,659	—	971,659
Cost of sales	銷售成本	(679,430)	—	(679,430)
Gross profit	毛利	292,229	—	292,229
Other income	其他收入	94,146	—	94,146
Other gains and losses, net	其他收益及虧損淨額	3,411	—	3,411
Administrative expenses	行政費用	(284,831)	5,523	(279,308)
Selling and distribution expenses	銷售及分銷成本	(160,983)	—	(160,983)
Change in fair value of investment properties	投資物業公平值變動	—	2,168	2,168
Share of profit of an associate	應佔一間聯營公司溢利	59,113	—	59,113
Share of loss of a joint venture	應佔一間合營公司虧損	(15,385)	—	(15,385)
Loss before tax	除稅前虧損	(12,300)	7,691	(4,609)
Income tax expenses	所得稅開支	(11,897)	(1,023)	(12,920)
Loss for the year from continuing operations	持續經營業務年內虧損	(24,197)	6,668	(17,529)
Discontinued operations	已終止業務			
Profit for the year from discontinued operations	已終止業務年內溢利	22,896	—	22,896
(Loss) profit for the year	年內(虧損)溢利	(1,301)	6,668	5,367

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綜合財務報表附註

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

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

Summary of the effect of changes in accounting policies of investment properties (continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要(續)

		2015 (originally stated) 二零一五年 (原先呈列) HK\$'000 千港元	Effect of restatements 重列影響 HK\$'000 千港元	2015 (restated) 二零一五年 (經重列) HK\$'000 千港元
(Loss) profit for the year attributable to owners of the Company	本公司擁有人應佔年內(虧損)溢利			
– from continuing operations	– 來自持續經營業務	(22,570)	6,668	(15,902)
– from discontinued operations	– 來自已終止業務	22,896	—	22,896
Profit for the year attributable to owners of the Company	本公司擁有人應佔年內溢利	326	6,668	6,994
Loss for the year attributable to non-controlling interests from continuing operations	非控股權益應佔來自持續經營業務年內虧損	(1,627)	—	(1,627)
(Loss) profit for the year	年內(虧損)溢利	(1,301)	6,668	5,367
Other comprehensive expense:	其他全面開支：			
Items that will not be reclassified to profit or loss:	不會重新分類至損益的項目：			
Gain on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉移至投資物業後之重估收益	—	38,136	38,136
Deferred tax on revaluation upon transfer from property, plant and equipment to investment properties	從物業、廠房及設備轉移至投資物業後之重估遞延稅項	—	(3,694)	(3,694)
Share of other comprehensive expense of an associate and a joint venture	應佔一間聯營公司及一間合營公司之其他全面開支	(17,646)	—	(17,646)
Exchange differences arising on translation to presentation currency	換算為呈報貨幣而產生的匯兌差額	(68,693)	(1,665)	(70,358)
Other comprehensive expense for the year, net of tax	年內其他全面開支，扣除稅項	(86,339)	32,777	(53,562)
Total comprehensive expense for the year	年內全面開支總額	(87,640)	39,445	(48,195)
Total comprehensive expense for the year attributable to:	應佔年內全面開支總額：			
– Owners of the Company	– 本公司擁有人	(85,862)	39,445	(46,417)
– Non-controlling interests	– 非控股權益	(1,778)	—	(1,778)
		(87,640)	39,445	(48,195)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

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

Summary of the effect of changes in accounting policies of investment properties (continued)

The effects of the changes in accounting policies described above for certain line items presented in the consolidated financial position of the Group as at 31 December 2016, 31 December 2015 and 1 January 2015 are as follows:

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要(續)

上述會計政策變動對於二零一六年十二月三十一日、二零一五年十二月三十一日及二零一五年一月一日於本集團綜合財務狀況表逐行呈列的若干項目的影響如下：

Investment properties	投資物業
Deferred tax liabilities	遞延稅項負債
Total effect on net assets	資產淨值總影響
Retained profits	保留溢利
Translation reserve	匯兌儲備
Revaluation reserve	重估儲備
Total effect on equity	權益總影響

31 December 2016 (Recognition of investment properties using cost model) 二零一六年 十二月三十一日 (確認使用 成本模式的 投資物業) HK\$'000 千港元	Effect of change in accounting policy 會計政策 變動之影響 HK\$'000 千港元	31 December 2016 (Recognition of investment properties using fair value model) 二零一六年 十二月三十一日 (確認使用 公平值模式的 投資物業) HK\$'000 千港元 (audited) (經審核)
390,474	116,094	506,568
(15,879)	(26,491)	(42,370)
374,595	89,603	464,198
601,019	25,051	626,070
22,989	(6,122)	16,867
—	70,674	70,674
624,008	89,603	713,611

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綜合財務報表附註

For the year ended 31 December 2016
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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Summary of the effect of changes in accounting policies of investment properties
(continued)

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要(續)

		31 December 2015 (originally stated) 二零一五年 十二月三十一日 (原先呈列) HK\$'000 千港元	Effect of restatements 重列影響 HK\$'000 千港元	31 December 2015 (restated) 二零一五年 十二月三十一日 (經重列) HK\$'000 千港元
Investment properties	投資物業	269,255	55,351	324,606
Deferred tax liabilities	遞延稅項負債	(19,753)	(4,524)	(24,277)
Total effect on net assets	資產淨值總影響	249,502	50,827	300,329
Retained profits	保留溢利	584,686	8,010	592,696
Translation reserve	匯兌儲備	153,974	(1,665)	152,309
Revaluation reserve	重估儲備	—	44,482	44,482
Total effect on equity	權益總影響	738,660	50,827	789,487
		1 January 2015 (originally stated) 二零一五年 一月一日 (原先呈列) HK\$'000 千港元	Effect of restatements 重列影響 HK\$'000 千港元	1 January 2015 (restated) 二零一五年 一月一日 (經重列) HK\$'000 千港元
Investment properties and the effect on net assets	投資物業及對資產淨值 的影響	10,518	11,382	21,900
Retained profits	保留溢利	609,278	1,342	610,620
Revaluation reserve	重估儲備	—	10,040	10,040
Total effect on equity	權益總影響	609,278	11,382	620,660

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2016
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2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

Summary of the effect of changes in accounting policies of investment properties (continued)

The effect of the changes in accounting policies described above on basic and diluted earning (loss) per share as follows:

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

投資物業會計政策變動影響概要(續)

上述會計政策變動對每股基本及攤薄盈利(虧損)的影響如下：

		2016 (Recognition of investment properties using cost model) 二零一六年 (確認使用 成本模式的 投資物業) HK\$'000 千港元	Effect of change in accounting policy 會計政策 變動之影響 HK\$'000 千港元	2016 (Recognition of investment properties using fair value model) 二零一六年 (確認使用 公平值模式的 投資物業) HK\$'000 千港元 (audited) (經審核)
Earning per share	每股盈利			
– Basic	– 基本	HK4.75 cents 4.75 港仙	HK1.89 cents 1.89 港仙	HK6.64 cents 6.64 港仙
– Diluted	– 攤薄	HK4.74 cents 4.74 港仙	HK1.89 cents 1.89 港仙	HK6.63 cents 6.63 港仙
		2015 (originally stated) 二零一五年 (原先呈列)	Effect of restatements 重列影響	2015 (restated) 二零一五年 (經重列)
Earning (loss) per share from continuing and discontinued operations	每股盈利(虧損) 來自持續經營及 已終止業務			
– Basic	– 基本	HK0.04 cents 0.04 港仙	HK0.74 cents 0.74 港仙	HK0.78 cents 0.78 港仙
– Diluted	– 攤薄	HK0.04 cents 0.04 港仙	HK0.74 cents 0.74 港仙	HK0.78 cents 0.78 港仙
From continuing operation	來自持續經營業務			
– Basic	– 基本	HK(2.50 cents) (2.50 港仙)	HK0.74 cents 0.74 港仙	HK(1.76 cents) (1.76 港仙)
– Diluted	– 攤薄	HK(2.50 cents) (2.50 港仙)	HK0.74 cents 0.74 港仙	HK(1.76 cents) (1.76 港仙)

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綜合財務報表附註

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

New and amendments to HKFRSs in issue but not yet effective

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並未提前應用下列已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號	客戶合約收入及相關修訂 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號(修訂本)	以股份為基礎的付款交易的分類及計量 ¹
香港財務報告準則第4號(修訂本)	與香港財務報告準則第4號保險合約一併採用的香港財務報告準則第9號金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合營公司之間之資產出售或注資 ³
香港會計準則第7號(修訂本)	披露計劃 ⁴
香港會計準則第12號(修訂本)	就未變現虧損確認遞延稅項資產 ⁴
香港財務報告準則(修訂本)	香港財務報告準則二零一四年至二零一六年週期年度改進 ⁵

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綜合財務報表附註

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

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

New and amendments to HKFRSs in issue but not yet effective (continued)

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

HKFRS 9 “Financial Instruments”

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

- 1 於二零一八年一月一日或其後開始的年度期間生效
- 2 於二零一九年一月一日或其後開始的年度期間生效
- 3 於尚待釐定的日期或其後開始的年度期間生效
- 4 於二零一七年一月一日或其後開始的年度期間生效
- 5 於二零一七年一月一日或二零一八年一月一日(如適用)或其後開始的年度期間生效

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引進金融資產及金融負債分類及計量之新規定及一般對沖會計以及金融資產之減值規定。

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

HKFRS 9 “Financial Instruments” (continued)

Key requirements of HKFRS 9 which are relevant to the Group are:

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

2. 應用新訂及經修訂香港財務報告準則(「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)

與本集團有關的香港財務報告準則第9號的主要規定：

- 香港財務報告準則第9號範圍內所有已確認金融資產，於其後須按攤銷成本或公平值計量。具體而言，以業務模式持有以收取合約現金流量為目的之債務投資及純粹為支付本金及未償還本金之利息而擁有合約現金流之債務投資一般於其後會計期間結束時按攤銷成本計量。按目標為同時收回合約現金流及出售金融資產之業務模式中持有之債務工具，以及其合約條款於特定日期產生之現金流純粹為支付本金及未償還本金之利息之債務工具，一般按公平值計入其他全面收入之方式計量。所有其他債務投資及股本投資則於其後會計期間結束時按公平值計量。此外，根據香港財務報告準則第9號，實體可能不可撤回地選擇在其他全面收入中呈列股本投資(並非持作買賣)之其後公平值變動，且一般只在損益中確認股息收入。

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

HKFRS 9 “Financial Instruments” (continued)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Based on the Group’s financial instruments and risk management policies as at 31 December 2016, HKFRS 9 application in the future may have a material impact on the classification and measurement of the Group’s financial assets. The Group’s available-for-sale investments, including those currently stated at cost less impairment, will either be measured as fair value through profit or loss or be designated as FVTOCI (subject to fulfillment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號「金融工具」(續)

- 就金融資產之減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式規定實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

根據本集團於二零一六年十二月三十一日之金融工具及風險管理政策，於日後應用香港財務報告準則第9號可能會對本集團金融資產之分類及計量產生重大影響。本集團之可供出售投資(包括目前按成本扣減減值計量之投資)將按公平值計入損益或指定為按公平值計入其他全面收入之方式(須待指定條件獲達成)計量。此外，預期信貸虧損模式可能導致有關本集團按攤銷成本計量之金融資產尚未產生信貸虧損時提早計提有關撥備。

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

HKFRS 15 “Revenue from Contracts with Customers”

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第 15 號「客戶合約收入」

香港財務報告準則第 15 號的頒佈制定了一項單一全面模式供實體用以將來自客戶合約所產生之收入入賬。香港財務報告準則第 15 號於生效後將取代現時載於香港會計準則第 18 號「收入」、香港會計準則第 11 號「建築合約」及相關詮釋之收入確認指引。

香港財務報告準則第 15 號之核心原則為實體於確認描述向客戶轉讓承諾貨品或服務之收入時，金額應能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收入之五個步驟：

- 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：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時(或就此)確認收入

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

HKFRS 15 “Revenue from Contracts with Customers” (continued)

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

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

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

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第 15 號「客戶合約收入」(續)

根據香港財務報告準則第 15 號，實體於完成履約責任時(或就此)確認收入，即於特定履約責任相關貨品或服務之「控制權」移交客戶之時。香港財務報告準則第 15 號已就特殊情況之處理方法加入更明確之指引。此外，香港財務報告準則第 15 號要求更詳盡之披露。

於二零一六年，香港會計師公會頒佈香港財務報告準則第 15 號之澄清，內容有關對履約責任的識別、主事人與代理人代價以及牌照申請指引。

本公司董事預期，於日後應用香港財務報告準則第 15 號可能會導致須作出更多的披露，然而，本公司董事預期應用香港財務報告準則第 15 號將不會對各報告期間已確認之收入之時間及金額產生重大影響。

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

HKFRS 16 Leases

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

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

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

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

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

使用權資產初步按成本計量，並隨後以成本(惟若干例外情況除外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債乃按租賃付款(非當日支付)之現值初步確認。隨後，租賃負債經(其中包括)利息及租賃付款以及租賃修訂的影響所調整。就現金流量分類而言，本集團現時將有關自用租賃土地及分類為投資物業之租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃付款將分配為本金及利息部分，其將分別以融資現金流量呈列。

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

HKFRS 16 Leases (continued)

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

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

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2016, the Group has non-cancellable operating lease commitments of approximately HK\$15,911,000 as disclosed in note 37. A preliminary assessment indicates that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of HKFRS 16. In addition, the application of new requirements may result changes in measurement, presentation and disclosure as indicated above. However, it is not practicable to provide a reasonable estimate of the financial effect until the directors of the Company complete a detailed review.

The directors of the Company do not anticipate that the application of other new and amendments to HKFRSs will have a material effect on the amounts recognised in the Group’s consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號租賃(續)

根據香港會計準則第17號，本集團作為承租人就融資租賃安排及租賃土地之預付租賃款，本集團已就此確認為資產及相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產在分類上的潛在變動，取決於本集團個別或一併呈列使用權資產，即在擁有對應相關資產情況下所獲呈列者。

與承租人會計處理方法相反，香港財務報告準則第16號大致保留香港會計準則第17號內出租人的會計要求，並繼續規定出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號亦要求較廣泛的披露。

於二零一六年十二月三十一日，本集團於附註37披露之不可撤銷的經營租賃承擔約15,911,000港元。初步評估顯示該等安排將符合香港財務報告準則第16號項下租賃的定義，因此本集團將就所有租賃確認使用權資產及對應負債，除非於應用香港財務報告準則第16號時其符合低價值或短期租賃。此外，應用新規定可能導致上文所述的計量、呈列及披露有所變動。然而，在本公司董事進行詳細審閱前，對財務影響作出合理估計並不可行。

本公司董事預期應用其他新訂及經修訂香港財務報告準則不會對本集團綜合財務報表內已確認金額有重大影響。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments, which are measured at fair values, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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

3. 主要會計政策

綜合財務報表按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有香港聯合交易所有限公司證券上市規則（「上市規則」）及香港公司條例（「公司條例」）規定之適用披露。

綜合財務報表以歷史成本法編製，惟若干按公平值計量（詳情載於下文會計政策）的投資物業及金融工具除外。歷史成本法通常以換取貨物所需代價的公平值為基礎。

公平值乃指市場參與者之間在計量日進行的有序交易中出售一項資產所收取的價格或轉移一項負債所支付的價格，無論該價格乃直接觀察到的結果，或是採用其他估值技術作出的估計。在對資產或負債的公平值作出估計時，本集團考慮了市場參與者在計量日為該資產或負債進行定價時將會考慮的該等特徵。於此等綜合財務報表中計量及／或披露的公平值均按此基準予以釐定，惟香港財務報告準則第2號範圍內的以股份為基礎的支付交易、香港會計準則第17號範圍內的租賃交易及與公平值類似但並非公平值的計量（例如香港會計準則第2號中的可變現淨值或香港會計準則第36號中的使用價值）除外。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

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

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

3. 主要會計政策(續)

非金融資產之公平值計量乃考慮市場參與者透過使用其資產之最高及最佳用途或將其出售予將使用其最高及最佳用途之另一市場參與者，而能夠產生經濟利益之能力。

此外，就財務報告而言，公平值計量根據公平值計量的輸入數據可觀察程度及公平值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據乃實體於計量日可取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據乃就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據乃資產或負債的不可觀察輸入數據。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

The principle accounting policies adopted are set out below.

Basis of consolidation

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

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

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

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

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

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

3. 主要會計政策(續)

採納之主要會計政策載列如下。

綜合賬目基準

綜合財務報表包括本公司及本公司控制之實體及其附屬公司之財務報表。當本公司滿足以下條件，則有該實體之控制權：

- 對被投資方擁有權力；
- 面對或擁有自其參與被投資方產生之浮動回報之權利或承擔浮動風險；及
- 有能力行使其權力影響其回報。

倘事實及情況表明上述控制之三個要素的其中一項或多項出現變動，則本集團重新評估其是否控制被投資方。

對一間附屬公司之綜合入賬開始於本集團獲得對該附屬公司之控制權之時，並終止於本集團失去對該附屬公司之控制權之時。具體而言，年內所收購或出售之附屬公司之收入及開支自本集團獲得控制權日期起計入綜合損益及其他全面收益表內，直至本集團失去對該附屬公司之控制權日期止。

本集團會對附屬公司之財務報表作出必要調整，使其會計政策與本集團之會計政策一致。

所有與本集團成員公司之間的交易有關的集團內公司間之資產及負債、權益、收入、開支及現金流量於綜合入賬時全數對銷。

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綜合財務報表附註

For the year ended 31 December 2016
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Allocation of total comprehensive income to non-controlling interests

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

Changes in the Group's ownership interests in existing subsidiaries

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

3. 主要會計政策(續)

綜合賬目基準(續)

全面收入總額分配至非控股權益

附屬公司全面收入及開支總額分配至本公司擁有人及非控股權益，即使有關分配會導致非控股權益出現結餘赤字。

本集團於現有附屬公司擁有權權益之變動

倘本集團失去對一間附屬公司之控制權，收益或虧損將於損益確認及將按以下兩者之差額計算：(i) 已收代價之公平值與任何保留權益之公平值之總額及(ii) 本公司擁有人應佔附屬公司之資產(包括商譽)及負債之賬面值。所有先前於其他全面收入確認有關該附屬公司之金額，會按猶如本集團已直接出售該附屬公司之相關資產或負債之方式入賬(即按適用香港財務報告準則所規定/許可，重新分類至損益或轉撥至另一類權益)。於失去控制權當日在前附屬公司保留之任何投資公平值將根據香港會計準則第39號，於其後入賬時被列作於初步確認時之公平值，或於初步確認時於聯營公司或合營公司之投資成本(如適用)。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in an associate and a joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3. 主要會計政策(續)

於聯營公司及合營公司之投資

聯營公司為本集團對該公司有重大影響力之實體。重大影響指參與被投資方的財務及經營政策的權利，但對該等政策並無控制或聯合控制權。

合營公司是指當中對合營安排擁有共同控制權的人士有權享有當中淨資產的合營安排。共同控制權是指在合約上同意共同擁有安排的控制權，僅存在於就有關活動要求擁有共同控制權的人士一致同意作出決定時。

聯營公司及合營公司之業績及資產與負債以會計權益法計入該等綜合財務報表。聯營公司及合營公司用作權益會計處理之財務報表採用與本集團於類似情況下就同類交易及事件所採用者一致之會計政策編製。根據權益法，於聯營公司或合營公司之投資初步按成本於綜合財務狀況表確認，並於其後作出調整以確認本集團分佔該聯營公司或合營公司的損益及其他全面收入。倘本集團分佔一間聯營公司或合營公司之虧損超出本集團所持該聯營公司或合營公司權益(包括實質上屬本集團於該聯營公司或合營公司之投資淨額一部分的任何長期權益)，則本集團終止確認所分佔之其他虧損。額外虧損僅於本集團產生法定或推定責任或代該聯營公司或合營公司付款時確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in an associate and a joint venture (continued)

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

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

3. 主要會計政策(續)

於聯營公司及合營公司之投資(續)

於聯營公司或合營公司的投資自被投資方成為聯營公司或合營公司之日起採用權益法入賬。於收購於聯營公司或合營公司的投資時，投資成本超逾本集團佔被投資方之可識別資產及負債公平淨值的金額確認為商譽。商譽計入投資賬面值。倘重估後本集團分佔可識別資產及負債的公平淨值超出投資成本，則差額會於獲得投資期間即時於損益確認。

香港會計準則第39號的規定適用於確定有無必要確認與本集團於聯營公司或合營公司投資相關的任何減值虧損。必要時，會按照香港會計準則第36號「資產減值」將投資賬面總值(包括商譽)作為單項資產，透過比較其可收回金額(使用價值與公平值減出售成本的較高者)與其賬面值進行減值測試。所確認的任何減值虧損均為投資賬面值的一部分。倘可收回投資金額其後增加，則會按照香港會計準則第36號確認任何減值虧損撥回。

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For the year ended 31 December 2016
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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in an associate and a joint venture (continued)

When the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset within the scope of HKAS 39, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate or joint venture and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

3. 主要會計政策(續)

於聯營公司及合營公司之投資(續)

當本集團不再對聯營公司擁有重大影響力或於合營公司擁有共同控制權時，則按出售於該被投資公司的全部權益入帳，所產生的收益或虧損於損益中確認。倘本集團保留於前聯營公司或合營公司之權益且該保留權益屬香港會計準則第39號範圍內之金融資產，則本集團按該日之公平值計量保留權益，而該公平值被視為其於初步確認時之公平值。該聯營公司或合營公司的賬面值與任何保留權益之公平值及出售該聯營公司或合營公司之相關權益之任何所得款項間之差額於釐定出售該聯營公司或合營公司之盈虧時予以計入。此外，本集團按與倘該聯營公司或合營公司直接出售相關資產或負債則須採取之相同基準，將先前於其他全面收益內確認而與該聯營公司或合營公司有關之所有款項入賬。因此，倘該聯營公司或合營公司先前於其他全面收益內確認之盈虧將重新分類至出售相關資產或負債之損益，則本集團於不再繼續採用權益法時將該盈虧從權益重新分類至損益(作為重新分類調整)。

當於聯營公司的投資成為對合營公司的投資或於合營公司的投資成為對聯營公司的投資時，本集團繼續使用權益法。於發生該等所有權益變動時，不會對公平值進行重新計量。

Notes to the Consolidated Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in an associate and a joint venture (continued)

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. 主要會計政策(續)

於聯營公司及合營公司之投資(續)

當本集團削減於聯營公司或合營公司的所有權權益但繼續使用權益法時，倘以往於其他全面收益確認有關削減所有權權益的盈虧部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

當一集團實體與本集團聯營公司或合營公司交易(例如銷售或貢獻資產)時，與該聯營公司或合營公司之交易所產生之溢利及虧損在本集團綜合財務報表內確認，惟僅以與本集團無關之聯營公司或合營公司權益為限。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, other similar allowances and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- servicing fees are recognised by reference to the proportion of the total cost of providing the service; and
- revenue from time and material contracts is recognised at the contractual rates as labour hours and direct expenses are incurred.

The Group's policy for the recognition of revenue from software development contracts is described in the accounting policy for construction contracts below.

3. 主要會計政策(續)

收入確認

收入按已收或應收代價之公平值計算。收入就估計客戶退貨、回扣、其他類似津貼及銷售相關稅項作出扣減。

產品銷售收入於產品付運及所有權已轉移時確認。當收入金額能可靠計量、當未來經濟利益將流入本集團及當已達成下文所述本集團各項活動的特定標準時，則確認收入。

來自服務合約之收入經參考合約完成進度後確認。合約完成進度按下列方式釐定：

- 安裝費經參考安裝完成進度確認，安裝完成進度按截至呈報期結算日所用安裝時間佔估計安裝總時間之比例釐定；
- 服務費經參考佔所提供服務之總成本之比例確認；及
- 按時計算及重大合約之收入根據工時及產生的直接開支按合約率確認。

本集團確認軟件開發合約收入之政策載於下文建築合約之會計政策。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Revenue from provision of consultancy and software development services, software outsourcing and commission income are recognised when services are provided.

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

Dividend income from investments is recognised when the Group's rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Value Added Tax ("VAT") refund is recognised as income when the Group's rights to receive the VAT refund has been established.

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

3. 主要會計政策(續)

收入確認(續)

提供諮詢及軟件開發服務之收入、軟件外包及佣金收入於提供服務時確認。

金融資產之利息收入在本集團很可能獲得經濟利益且能可靠計量收入金額的情況下確認。金融資產之利息收入按時間基準，參照尚未償還本金及按適用實際利率累計，也就是將金融資產於預期可用年期內的估計日後現金收入完全貼現至該資產首次確認時之賬面淨值之比率。

在本集團很可能獲得經濟利益且能可靠計量收入金額情況下，投資的股息收入於本集團收取付款之權利確立時確認。

增值稅(「增值稅」)退稅於本集團收取增值稅退稅之權利確立時確認為收入。

本集團用於確認來自經營租賃的收入之會計政策載於下文有關租賃的會計政策。



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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

Property, plant and equipment including leasehold land (classified as finance leases) and building held for administrative purposes other than properties under construction as described below are stated in the consolidated financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees, the amortisation of prepaid lease payments provided during the construction period and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in revaluation reserve. On the subsequent sale or retirement of the asset, the relevant revaluation reserve will be transferred directly to retained profits.

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(包括分類為金融租賃的租賃土地及持作行政用途的樓宇，下文所述在建物業除外)按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

物業、廠房及設備項目(在建物業除外)的折舊以直線法於估計可使用年期撇銷其成本，並減去其估計剩餘價值確認。估計可使用年期、剩餘價值及折舊方法於各呈報期結算日檢討，任何估計變動的影響按預期基準列賬。

作生產、供應或行政用途之在建物業，按成本減任何已確認減值虧損列賬。成本包括專業費用、於建造期間作出撥備之預付租賃款項攤銷及(就合資格資產而言)根據本集團會計政策資本化之借貸成本。有關物業在完工及可作擬定用途時分類至物業、廠房及設備之適當類別。該等資產之折舊按與其他物業資產相同之基準，於該等資產可作擬定用途時開始。

倘物業、廠房及設備項目因其用途發生變化(以擁有人終止佔用證明)成為投資物業，則該項目於轉換日期之賬面值與公平值之間的任何差額於其他全面收益確認及於重估儲備內累計。資產其後銷售或報廢時，有關重估儲備將直接轉移至保留溢利。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment (continued)

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

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment properties and are measured using the fair value model. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

Construction costs incurred for investment properties under construction are capitalised as part of the carrying amount of the investment properties under construction.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

3. 主要會計政策(續)

物業、廠房及設備(續)

物業、廠房及設備項目於出售時或預期繼續使用該資產不會產生任何日後經濟利益時終止確認。物業、廠房及設備項目的出售或報廢所產生之任何收益或虧損按該資產之出售所得款項與賬面值之差額計算，於損益確認。

投資物業

投資物業為就賺取租金及／或資本升值持有的物業。投資物業包括持作用於不確定未來用途(被視為就資本升值持有)之土地。

投資物業初步按成本計量，包括任何直接應佔開支。於初步確認後，投資物業按公平值計量。本集團所有根據經營租約持有作賺取租金或資本增值用途的物業權益乃分類或入賬列為投資物業，並使用公平值模式進行計量。因投資物業公平值變動產生的盈虧乃於其產生期間計入損益。

在建投資物業產生的建造成本乃資本化為在建投資物業賬面值的一部分。

投資物業於出售時或投資物業永久不再使用並預期出售不會產生未來經濟利益時終止確認。終止確認產生的任何盈虧(按該資產之出售所得款項淨額及其賬面值之間的差額計算)於該物業終止確認期間計入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. 主要會計政策(續)

存貨

存貨按成本及可變現淨值兩者之較低者列賬。存貨成本採用先進先出法計算。可變現淨值指存貨之估計售價減完成時所有估計成本及進行出售時所需成本。

政府補助

政府補助僅在可合理保證本集團將遵守有關附屬條件且會獲得所述補助的情況下確認。

政府補助乃於本集團將擬補償補助之相關成本確認為開支期間有系統地於損益中確認。具體而言，主要條件為本集團須購買、興建或以其他方式收購非流動資產的政府補助於綜合財務狀況表確認為遞延收入，並按系統及合理基準在相關資產的可使用年期轉至損益。

本集團可獲取的旨在補償已產生開支或虧損或為本集團提供即時財務資助(而無未來相關成本)之政府補助於應收期間在損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Software development contracts

Where the outcome of a software development contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a software development contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract works. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract works. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customers are included in the consolidated statement of financial position under trade receivables.

3. 主要會計政策(續)

軟件開發合同

倘軟件開發合同的結果能可靠地估計，應根據合同業務在呈報期結算日的完成進度確認收入及成本。合同完成進度按工程進行至今所產生的合同成本佔估計合同總成本的比例計量，惟倘結果未能反映完成進度則作別論。合同工程、索賠及獎勵付款的變動金額按能可靠計量且被視為可能收回的金額入賬。

倘軟件開發合同的結果不能可靠估計，合同收入則按已產生而可能將予收回的合同成本確認。合同成本應在產生期間確認為開支。

倘合同總成本有可能超出合同總收入，預計損失即時確認為開支。

倘至今已產生的合同成本加已確認溢利減已確認虧損後，超逾按進度的賬單額，則盈餘視為應收客戶合同工程款項。倘按進度的賬單額超逾至今已產生的合同成本加已確認溢利減已確認虧損，則盈餘列為應付客戶合同工程款項。有關工程進行前已收取的款項於綜合財務狀況表計為負債，並入賬列為已收墊款。就完成工程而開立賬單但客戶尚未支付的款項計入綜合財務狀況表的貿易應收賬款。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Research and development expenditure

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

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated from their functional currencies into the presentation currency of the Company (i.e. HK\$) using exchange rates prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate). On deconsolidation of a group entity which is not a foreign operation, exchange differences which were accumulated in the translation reserve arising from translating the assets and liabilities of the relevant entity into the presentation currency of the Group, will be transferred directly to retained profits.

3. 主要會計政策(續)

研發開支

研究活動之開支於產生期間確認為開支。

外幣

編製各個別集團實體之財務報表時，以該實體功能貨幣(即該實體經營所在主要經濟環境之貨幣)以外之貨幣(外幣)進行之交易均按交易日期之適用匯率以各自功能貨幣記賬。於呈報期結算日，以外幣計值之貨幣項目按當日之適用匯率重新換算。以外幣就過往成本計量之非貨幣項目毋須重新換算。

結算及重新換算貨幣項目所產生之匯兌差額均於產生期間於損益確認。

就呈列綜合財務報表而言，本集團實體的資產及負債按呈報期結算日之適用匯率自彼等的功能貨幣換算為本公司呈列貨幣(即港元)，而收入及支出按該年度之平均匯率換算，惟倘期內匯率大幅波動，則採用交易當日之適用匯率換算。所產生匯兌差額(如有)於其他全面收益表確認並於權益之匯兌儲備累計(歸屬於非控股權益(如適用))。將並非屬境外業務的集團實體終止賬目合併時，匯兌差額會在相關實體資產及負債換算至本集團呈列貨幣所產之匯兌儲備內累計，並將會直接轉移至保留溢利內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Borrowing costs

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

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

Taxation

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

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

3. 主要會計政策(續)

借貸成本

與收購、建造或生產合資格資產(指需一段長時間方可達致其擬定用途或可供銷售的資產)直接有關之借貸成本均計入該等資產之成本，直至該資產大致可作其擬定用途或可供銷售時止。特定借貸中，在其應用於合資格資產之前所作的臨時投資所賺取的投資收入，須於可資本化的借貸成本中扣除。

所有其他借貸成本均於產生期間在損益確認。

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

即期應付稅項按年度應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅收入及開支項目，亦不包括永不課稅或永不可扣稅項目，故有別於綜合損益表所呈報之「除稅前溢利」。本集團即期稅項負債按呈報期結算日已頒佈或實際已頒佈之稅率計算。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

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

3. 主要會計政策(續)

稅項(續)

遞延稅項乃根據綜合財務報表資產及負債賬面值與計算應課稅溢利所用相應稅基之暫時差額而確認。通常會就所有應課稅暫時差額確認遞延稅項負債，而就所有可扣稅暫時差額一般會確認遞延稅項資產，惟須確保可能有應課稅溢利抵銷可扣稅暫時差額。若於交易中，因商譽或因業務合併以外原因首次確認其他資產及負債而引致既不影響應課稅溢利亦不影響會計溢利之暫時差額，則不會確認該等資產及負債。

遞延稅項負債按於附屬公司及聯營公司之投資相關以及於合資公司之權益之應課稅暫時差額確認，惟倘本集團可控制撥回暫時差額且暫時差額未必於可見將來撥回之情況除外。與該等投資相關的可扣稅暫時差額所產生的遞延稅項資產，僅在可能有足夠應課稅溢利用於抵銷暫時差額利益時確認，並預期於可見將來撥回。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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

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

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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

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

3. 主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於呈報期結算日檢討，並在不再可能會有足夠應課稅溢利收回全部或部分資產時調減。

根據呈報期結算日已頒佈或實際已頒佈之稅率(及稅法)，遞延稅項資產及負債按負債清償或資產變現期間預期適用之稅率計量。

就計量使用公平值模式計量之投資物業之遞延稅項而言，有關物業之賬面值假定全部透過銷售收回，假定被推翻則除外。當投資物業可以折舊並於目的為隨著時間消耗投資物業所代表之絕大部分經濟利益而非透過銷售之商業模式持有時，假定則被推翻。

遞延稅項負債及資產之計量反映以本集團預期之方式於呈報期結算日將出現的稅務後果，以收回資產或清償負債之賬面值。

即期及遞延稅項於損益確認，惟當其與於其他全面收入確認或直接於權益確認之項目有關時，在此情況下，即期及遞延稅項亦會分別於其他全面收入確認或直接於權益確認。倘因業務合併之初始會計處理時產生即期或遞延稅項，稅務影響計入業務合併之會計處理內。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Intangible assets

Intangible assets acquired separately

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss in the period when the asset is derecognised.

Intangible assets acquired in a business combination

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

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is recognised on a straight line basis over their estimated useful lives.

3. 主要會計政策(續)

無形資產

獨立收購的無形資產

獨立收購的有可使用限期之無形資產按成本減累計攤銷及任何累計減值虧損列賬。有可使用限期之無形資產於估計可使用年期以直線法確認攤銷。估計可使用年期及攤銷方法於各呈報期結算日檢討，而任何估計變動的影響按預期基準入賬。

無形資產於出售或預期使用或出售不再產生未來經濟利益時終止確認。因終止確認無形資產而產生之收益或虧損按出售所得款項淨額與資產賬面值之差額計算，並於資產終止確認期間於損益確認。

業務合併中收購的無形資產

於業務合併中收購之無形資產與商譽分開確認，首次按收購日期之公平值(確認為有關無形資產之成本)確認。

首次確認後，有可使用限期之無形資產按成本減累計攤銷及任何累計減值虧損列賬，於估計可使用年期以直線法確認攤銷。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on tangible and intangible assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. 主要會計政策(續)

有形及無形資產之減值虧損

於呈報期結算日，本集團會檢討有可使用限期之有形及無形資產之賬面值，以確認是否有任何跡象顯示該等資產已出現減值虧損。倘有任何相關跡象，則會估計該資產之可收回金額，以釐定減值虧損(如有)的程度。倘不大可能估計個別資產的可收回金額，則本集團會估計有關資產所屬的現金產生單位的可收回金額。倘可確定合理及一致的分配基準，企業資產亦可分配至個別現金產生單位，否則，則將企業資產分配至能確定合理及一致分配基準的最小組別現金產生單位。

可收回金額為公平值減銷售成本與使用價值之間的較高者。於評估使用價值時，估計未來現金流量會採用反映現時市場對貨幣時間價值及資產特殊風險的評估的稅前貼現率，貼現至其現值，及並無就此對未來現金流的估計予以調整。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment losses on tangible and intangible assets (continued)

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

3. 主要會計政策(續)

有形及無形資產之減值虧損(續)

倘某資產(或現金產生單位)之可回收金額估計將會低於其賬面值，則須將該資產(或現金產生單位)之賬面值減至其可回收金額。於分配減值虧損時，將首先分配減值虧損，以調低任何商譽(如適用)之賬面值，然後根據單位內各資產的賬面值按比例分配至其他資產。資產之賬面值將不會調減至低於其公平值減出售成本(如可計量)、其使用價值(如可釐定)及零的最高者。將另行分配至資產的減值虧損金額乃按比例分配至單位內的其他資產。減值虧損即時於損益確認。

倘其後撥回減值虧損，則須將該資產(或現金產生單位)之賬面值增至其可回收金額之經修訂估計數額，惟增加後之賬面值不得超過過往年度資產(或現金產生單位)並無確認減值虧損而釐定之賬面值。減值虧損的撥回即時確認為收入。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

The Group's financial assets comprise loans and receivables and available-for-sale financial assets. The accounting policies are set out below. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and bills receivables, deposits and other receivables, amounts due from ultimate holding company and fellow subsidiaries, entrusted loan receivable, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策(續)

金融工具

金融資產及金融負債於集團實體成為工具合同條文之訂約方時在綜合財務狀況表確認。

金融資產及金融負債首次按公平值計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產及金融負債除外)直接應佔交易成本於首次確認時加入金融負債之公平值或自金融資產之公平值內扣除(視情況而定)。收購按公平值計入損益之金融資產或金融負債直接應佔交易成本即時於損益確認。

金融資產

本集團之金融資產包括貸款及應收賬款以及可供出售金融資產，有關會計政策載於下文。金融資產按其性質及用途分類，並於首次確認時確定類別。

貸款及應收賬款

貸款及應收賬款指並無活躍市場報價而有固定或可釐定付款之非衍生金融資產。首次確認後，貸款及應收賬款(包括貿易應收賬款及應收票據、按金及其他應收賬款、應收最終控股公司及同集團附屬公司款項、應收委託貸款、已抵押銀行存款以及銀行結餘及現金)均採用實際利率法按攤銷成本減任何已識別減值虧損入賬(參閱以下有關金融資產減值虧損之會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Effective interest method

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

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

Available-for-sale financial assets

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

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instrument are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividend is established.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

實際利率法

實際利率法是計算金融負債攤銷成本及於有關期間攤分利息支出之方法。實際利率指將金融負債之預期使用年期或(如適用)較短期間內的估計日後現金收入(包括所有支付或收取屬整體實際利率之所有費用、交易成本及其他溢價或折價)準確貼現至首次確認之賬面淨值之利率。

債務工具的利息支出按實際利率基準確認。

可供出售金融資產

可供出售金融資產乃指定為或並非分類為按公平值計入損益之金融資產、貸款及應收賬款或持至到期投資之非衍生工具。

對於並無活躍市場報價的可供出售之股本投資，倘其公平值未能可靠計量，且與之掛鉤的衍生工具必須以交付有關未報價股本工具結算，則於呈報期結算日按成本減任何已識別減值虧損計算(參閱以下有關金融資產減值虧損之會計政策)。

可供出售股本工具之股息，在本集團收取股息之權力確定時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, observable changes in national or local economic conditions that correlate with default on receivables.

For loans and receivables, the amount of the impairment loss recognised is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值

貸款及應收賬款以及可供出售金融資產會於呈報期結算日評定有否減值跡象。當有客觀證據顯示金融資產之估計未來現金流量受首次確認該金融資產後發生之一項或多項事件所影響，則金融資產視為已減值。

所有金融資產的客觀減值證據可能包括：

- 發行人或交易對手出現重大財務困難；或
- 違約，例如未能繳付或拖欠償還利息或本金；或
- 借款人可能面臨破產或財務重組。

應收賬款組合的客觀減值證據包括本集團過往收款記錄、組合內超出平均信貸期的延遲付款數量增加、國家或地區經濟狀況出現明顯可影響應收賬款還款情況的改變。

對於貸款及應收賬款，已確認減值虧損額按該資產賬面值與按該金融資產之原先實際利率貼現之估計未來現金流量之現值間的差額計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For available-for-sale financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之減值(續)

對於可供出售按成本列賬之金融資產，減值虧損額按資產賬面值與按同類金融資產之現行市場回報率貼現之估計未來現金流量之現值間的差額計量。有關減值虧損不會於往後期間撥回。

所有金融資產之減值虧損會直接於貸款及應收賬款之賬面值扣減，惟貿易應收賬款之賬面值則使用撥備賬扣減。撥備賬之賬面值變動會於損益確認。當貿易應收賬款視為不可收回時，於撥備賬撇銷。其後收回之前已撇銷的款項會計入損益。

對於貸款及應收賬款，倘減值虧損額於往後期間減少，而減少額客觀上與確認減值虧損後發生的事件有關，則之前已確認的減值虧損將於損益撥回，惟該資產於減值撥回當日之賬面值不得超過假設未確認減值時之攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instrument

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

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

Effective interest method

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

Other financial liabilities

Other financial liabilities including trade and bills payables, other payables and accrued expenses and amounts due to ultimate holding company and fellow subsidiaries are subsequently measured at amortised cost, using the effective interest method.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具

集團實體發行之債務及股本工具根據合同安排之內容與金融負債及股本工具之定義分類為金融負債或權益。

股本工具是證明扣減所有負債後本集團資產擁有剩餘權益之任何合同。本公司發行之股本工具按已收取所得款項扣除直接發行成本後確認。

實際利率法

實際利率法是計算金融負債攤銷成本及攤分有關期間利息支出的方法。實際利率是將金融負債之預期使用年期或(如適用)較短期間內的估計日後現金付款(包括所有支付或收取屬整體實際利率之所有費用、交易成本及其他溢價或折價)完全貼現至首次確認之賬面淨值之利率。利息支出按實際利率基準確認。

其他金融負債

其他金融負債包括貿易應付賬款及應付票據、其他應付賬款及應計開支，以及應付最終控股公司及同集團附屬公司的款項，其後均使用實際利率法按攤銷成本計量。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial assets and substantially all the risk and reward of ownership of the asset to another entity.

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

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

3. 主要會計政策(續)

金融工具(續)

終止確認

倘本集團僅於自資產獲得現金流量之合約權利屆滿，或倘其向另一實體轉讓金融資產及該資產之絕大部分風險及回報，會終止確認該項金融資產。

終止確認金融資產時，資產賬面值與已於其他全面收益確認並於權益累計的已收及應收代價以及累計收益或虧損的總和之差額，將於損益確認。

本集團於且僅於本集團責任獲解除、取消或到期時，終止確認金融負債。終止確認之金融負債賬面值與已付及應付代價之差額於損益確認。

Notes to the Consolidated Financial Statements

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasing

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

The Group as lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

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

3. 主要會計政策(續)

租賃

凡租約條款將租賃擁有權之絕大部分風險及回報轉讓予承租人之租約均分類為融資租約。所有其他租約則分類為經營租約。

本集團作為出租人

根據融資租約應收承租人的租金乃按本集團於租約的投資淨額確認為應收賬款。融資租約收入會分配至會計期間，以反映本集團租約之尚未收回投資淨額的固定週期回報率。來自經營租約之租金收入按有關租約年期以直線法於損益確認。

本集團作為承租人

經營租約付款按直線法於有關租期內確認為開支，惟倘另一系統基準更能代表動用租賃資產經濟利益的時間模式則除外。



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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leasing (continued)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. 主要會計政策(續)

租賃(續)

租賃土地及樓宇

倘租約包括土地及樓宇部分，本集團會基於每個部分所有權的絕大部分風險及回報是否已轉至本集團的評估結果評定每個部分分類為融資租約還是經營租約，除非土地與樓宇部分均為經營租約，則整個租賃分類為經營租約。具體而言，最低租賃款項(包括任何一次過預付款)按租賃開始時於所租賃土地與樓宇部分租賃權益的相對公平值比例分配至土地與樓宇部分。

在租賃款項能夠可靠分配之情況下，租賃土地之權益作為經營租約於綜合財務狀況表呈列為「預付租賃款項」，並按直線法於租期內攤銷。倘租賃款項無法可靠地在土地與樓宇部分之間作出分配，則整個租賃一般分類為融資租約，並列作物業、廠房及設備。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

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

3. 主要會計政策(續)

以股份支付之交易

以股權結算股份支付之交易

授予僱員之購股權

給予僱員及提供類似服務之其他人士之以股權結算股份支付之款項乃按股本工具於授出日期之公平值計量。

於權益結算股份付款授出日期釐定之公平值於歸屬期間以直線法基於本集團估計將最終歸屬之權益工具支銷，權益(購股權儲備)亦會相應增加。於呈報期結算日，本集團會修訂預期最終歸屬之購股權估計數目。歸屬期間修訂原估計之影響(如有)在損益確認，以使累計開支反映已修訂估計，並對購股權儲備作出相應調整。就於授出日期即時歸屬之購股權而言，所授出購股權之公平值將立即於損益支銷。

於行使購股權時，先前已在購股權儲備中確認之金額將轉撥至股份溢價。倘購股權於歸屬日期後被沒收或於到期日仍未獲行使，則先前已在購股權儲備中確認之金額將轉撥至保留溢利。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Retirement benefits costs

Payments to the Mandatory Provident Fund Scheme and other retirement benefit schemes managed by the PRC government are charged as expenses when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

3. 主要會計政策(續)

退休福利成本

對強制性公積金計劃及中國政府管理之其他退休福利計劃支付之供款，乃於僱員提供服務而有權獲得供款時列作開支支銷。

短期及其他長期僱員福利

短期僱員福利乃按預期將於僱員提供服務時支付之福利之未貼現金額確認。所有短期僱員福利均確認為開支，惟倘另一項香港財務報告準則規定或允許將有關福利計入一項資產的成本中則作別論。

僱員之應計福利(如薪金及工資、年假及病假)乃於扣除已支付之任何金額後確認負債。

就其他長期僱員福利確認之負債，乃按本集團預期就僱員於截至報告日期提供之服務而作出之估計未來現金流出之現值計量。因服務成本、利息及重新計量而產生之負債賬面值之任何變動乃於損益確認，惟倘另一項香港財務報告準則規定或允許將有關變動計入一項資產的成本中則作別論。

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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

4. 關鍵會計判斷及估計不確定因素之主要來源

於應用附註3所述本集團之會計政策時，本公司董事須作出有關難以從其他途徑衡量之資產及負債之賬面值之判斷、估計及假設。估計及相關假設乃根據過往經驗及被視為相關之其他因素作出。實際結果可能有別於該等估計。

該等估計及相關假設會持續作檢討。如修訂會計估計，而該修訂只影響作修訂時的期間，該修訂僅在作修訂時的期間內確認；或如該修訂影響當前及未來期間，則會在作修訂及未來期間內確認。

應用會計政策時的關鍵判斷

下列為董事於應用本集團會計政策的過程中所作出且對於綜合財務報表中確認的金額具有最重大影響的關鍵判斷(涉及估計者除外(見下文))。

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

Critical judgements in applying accounting policies (continued)

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted.

As a result, the Group has not recognised any deferred tax on changes in fair value of investment properties located in Hong Kong as the Group is not subject to any income taxes on disposal of its investment properties. In respect of those investment properties located in the PRC, the Group recognised additional deferred taxes relating to Land Appreciation Tax and the PRC Enterprise Income Tax on changes in fair value of such investment properties.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

應用會計政策時的關鍵判斷(續)

投資物業遞延稅項

就計算以公平值模型計量的投資物業產生之遞延稅項負債而言，本公司董事已審閱本集團之投資物業組合，總結為本集團之投資物業以通過時間之推移而非通過銷售消耗該投資物業所含絕大部分經濟利益為目標之商業模式持有。因此，於計量本集團投資物業之遞延稅項時，本公司董事已釐定，使用公平值模式計量之投資物業賬面值乃全部透過出售予以收回之推定並沒有被推翻。

由於本集團毋須就出售其投資物業繳納任何所得稅，故本集團並無就位於香港之投資物業之公平值變動確認任何遞延稅項。就該等位於中國之投資物業而言，本集團已就該等物業之公平值變動確認有關土地增值稅及中國企業所得稅之額外遞延稅項。

估計不確定因素之主要來源

以下為極可能導致對下一個財政年度之資產賬面值進行大幅調整之有關未來之主要假設，以及於呈報期結算日估計不確定因素之其他主要來源。

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

Key sources of estimation uncertainty
(continued)

Software development contracts

The Group recognises contract revenue and profit on a software development contract according to the management's estimation of the total outcome of the project as well as the percentage of completion of software development works. Revenue and costs in connection with software development contracts are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, which is measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Notwithstanding that the management reviews and revises the estimates of both contract revenue and costs for the software development contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimations and this will affect the revenue and profit recognised.

Estimation of fair value of investment property

At the end of the reporting period, one of the Group's investment properties in the PRC is stated at fair value of HK\$485,268,000 (2015: HK\$302,806,000) based on the valuation performed by independent qualified professional valuers. In determining the fair value, the valuers have applied income capitalisation approach which involves, inter-alia, certain estimates, including appropriate term yield, reversionary yield and market rent of comparable properties. In relying on the valuation report, the directors of the Company have exercised their judgment and are satisfied that the assumptions used in the valuation is reflective of the current market conditions and the current condition of the property. Changes to these assumptions would result in changes in the fair value of the Group's investment properties and the corresponding adjustments to the amount of fair value gain or loss of the Group's investment properties reported in the consolidated statement of profit or loss.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源
(續)

軟件開發合同

本集團根據管理層對項目總結果的估計以及軟件開發工作完成百分比確認軟件開發合同的合同收入及溢利。有關軟件開發合同的收入及成本乃參考合同業務在呈報期結算日的完成進度確認。合同完成進度按工程進行至今所產生的合同成本佔估計合同總成本的比例計量。儘管管理層隨著合同進程審閱及修訂對軟件開發合同的合同收入及成本的估計，但有關合同總收入及成本的實際結果或會高於或低於估計，而這將影響所確認的收入及溢利。

投資物業公平值估計

於呈報期結算日，本集團於中國之其中一項投資物業乃根據獨立合資格專業估值師進行之估值按公平值485,268,000港元(二零一五年：302,806,000港元)入賬。於釐定公平值時，估值師已應用收入資本化法，該方法涉及(其中包括)若干估計，有關估計包括適當期限收益率、復歸收益率及可資比較物業的市場租金。於依賴估值報告時，本公司董事已作出其判斷並信納估值所用之假設已反映當前市況及物業之現狀。該等假設之變動將導致本集團投資物業之公平值出現變動以及對綜合損益表內所呈列之本集團之投資物業公平值盈虧金額進行相應調整。

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

Key sources of estimation uncertainty (continued)

Estimated impairment of trade and bills receivables, entrusted loan receivable and amounts due from ultimate holding company and fellow subsidiaries

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2016, the carrying amount of trade and bills receivable is HK\$160,784,000 (net of allowance for doubtful debts of HK\$28,420,000) (2015: carrying amount of HK\$116,198,000, net of allowance for doubtful debts of HK\$53,222,000). Additionally, as at 31 December, 2016, the carrying amounts of amounts due from ultimate holding company and fellow subsidiaries are HK\$295,000 (2015: HK\$1,166,000) and HK\$58,459,000 (2015: HK\$143,833,000), respectively. As at 31 December, 2016, the carrying amount of entrusted loan receivable is HK\$326,942,000 (2015: nil).

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源 (續)

貿易應收賬款及應收票據、應收委託貸款及應收最終控股公司及同集團附屬公司的款項估計減值

如有客觀證據證明出現減值虧損，本集團會考慮未來現金流量之估計。減值虧損之金額乃按資產賬面值與按金融資產之原有實際利率(即於初步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。倘實際未來現金流量少於預期，則可能出現重大減值虧損。於二零一六年十二月三十一日，貿易應收賬款及應收票據之賬面值為160,784,000港元(扣除呆賬撥備28,420,000港元)(二零一五年：賬面值116,198,000港元，扣除呆賬撥備53,222,000港元)。此外，於二零一六年十二月三十一日，應收最終控股公司及同集團附屬公司的款項賬面值分別為295,000港元(二零一五年：1,166,000港元)及58,459,000港元(二零一五年：143,833,000港元)。於二零一六年十二月三十一日，應收委託貸款賬面值為326,942,000(二零一五年：零)。

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

Key sources of estimation uncertainty (continued)

Estimated impairment of interest in a joint venture

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of the recoverable amount of the joint venture which is the higher of value in use and fair value less costs to sell. The Group has carried out impairment testing to determine whether the Group's interest in a joint venture is impaired as indicated by the loss incurred in recent years. The management of the Group is unable to have a reliable measurement of the fair value less costs to sell and applied value in use calculation to estimate the future cash flows of the Group expected to arise from the joint venture and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

As at 31 December 2016, the carrying amount of interest in a joint venture is amounting to HK\$131,174,000 (2015: HK\$166,024,000) and no impairment loss has been recognised. Details of the joint venture are disclosed in note 20.

4. 關鍵會計判斷及估計不確定因素之主要來源(續)

估計不確定因素之主要來源 (續)

合營公司權益估計減值

倘有客觀證據顯示出現減值虧損，本集團會考慮有關合營公司之估計可收回金額，即使用價值及公平值減銷售成本兩者之較高者。本集團已進行減值測試以釐定本集團於合營公司之權益有否因近年產生之虧損而出現減值。本集團管理層無法可靠計量公平值減銷售成本並應用使用價值以估計本集團預期將自合營公司產生之未來現金流量及適當之貼現率作計算現值之用。倘實際的未來現金流量少於預期，則可能產生重大減值虧損。

於二零一六年十二月三十一日，合營公司權益之賬面值為131,174,000港元(二零一五年：166,024,000港元)，並無確認減值虧損。合營公司之詳情於附註20披露。

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5. REVENUE

Continuing operations

Revenue represents revenue arising on software development contracts and software outsourcing contracts. An analysis of the Group's revenue for the year from continuing operations is as follows:

Revenue from software development contracts	軟件開發合約收入
– sales of IT peripherals and software	– 銷售IT周邊產品及軟件
– software development	– 軟件開發
Revenue from software outsourcing contracts	軟件外包合約收入

6. SEGMENT INFORMATION

Information reported to the board of directors, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of services provided. No operating segments identified by the chief operating decision maker have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 "Operating Segments" are as follows:

1. Software development and solution
2. Software outsourcing

Two types of operations labelled as (i) development of self-help banking facilities and related software and provision of related services ("Finance Business") and (ii) development of telecommunication system network software and provision of system integration service ("Telecommunication Business") that were included in category (1) above were discontinued in September 2015. The segment information reported below does not include any amounts for these discontinued operations, which are described in more detail in note 35.

5. 收入

持續經營業務

收入指軟件開發合約及軟件外包合約產生的收入。本集團本年度持續經營業務所得收入之分析如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
201,732	219,509
627,107	475,527
334,331	276,623
1,163,170	971,659

6. 分部資料

就資源分配及評估分部表現向董事會(主要經營決策者)呈報之資料集中於所提供服務之類型。由主要經營決策者劃分的經營分部並無疊加為本集團的可呈報分部。

尤其是，根據香港財務報告準則第8號「經營分部」，本集團之可呈報經營分部如下：

1. 軟件開發及解決方案
2. 軟件外包

二零一五年九月已終止兩類業務：
(i)自助銀行設備及相關軟件開發以及提供相關服務(「金融業務」)；及
(ii)電信系統網路軟件開發及提供系統集成服務(「電信業務」)，其包括在分部(1)中。下文所呈報分部資料中不包括該等已終止業務的任何金額，更多詳情載於附註35。

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6. SEGMENT INFORMATION (continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations and information about reportable and operating segment.

For the year ended 31 December 2016

Continuing operations

Segment revenue	分部收入
Segment profit (loss)	分部溢利(虧損)
Other income, gains and losses, net	其他收入、收益及虧損淨額
Change in fair value of investment properties	投資物業公平值變動
Share of profit of an associate	應佔一間聯營公司溢利
Share of loss of a joint venture	應佔一間合營公司虧損
Share based payment	股份付款
Amortisation of prepaid lease payments	預付租賃款項攤銷
Central administrative costs	中央行政成本
Profit before tax	除稅前溢利

6. 分部資料(續)

分部收入及業績

下文載列本集團持續經營業務所得收入及業績的分析以及有關可呈報經營分部的資料。

截至二零一六年十二月三十一日止年度

持續經營業務

Software development and solution 軟件開發及解決方案 HK\$'000 千港元	Software outsourcing 軟件外包 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
828,839	334,331	1,163,170
62,821	(17,160)	45,661
		59,058
		20,677
		31,485
		(2,323)
		(21,147)
		(856)
		(44,818)
		87,737

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the year ended 31 December 2015 (restated)

Continuing operations

		Software development and solution 軟件開發及 解決方案 HK\$'000 千港元	Software outsourcing 軟件外包 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分部收入	695,036	276,623	971,659
Segment loss	分部虧損	(29,990)	(13,262)	(43,252)
Other income, gains and losses, net	其他收入、收益及虧損淨額			39,224
Change in fair value of investment properties	投資物業公平值變動			2,168
Share of profit of an associate	應佔一間聯營公司溢利			59,113
Share of loss of a joint venture	應佔一間合營公司虧損			(15,385)
Share based payments	股份付款			(20,055)
Amortisation of prepaid lease payments	預付租賃款項攤銷			(456)
Central administrative costs	中央行政成本			(25,966)
Loss before tax	除稅前虧損			(4,609)

6. 分部資料(續)

分部收入及業績(續)

截至二零一五年十二月三十一日止
年度(經重列)

持續經營業務

		Software development and solution 軟件開發及 解決方案 HK\$'000 千港元	Software outsourcing 軟件外包 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Segment revenue	分部收入	695,036	276,623	971,659
Segment loss	分部虧損	(29,990)	(13,262)	(43,252)
Other income, gains and losses, net	其他收入、收益及虧損淨額			39,224
Change in fair value of investment properties	投資物業公平值變動			2,168
Share of profit of an associate	應佔一間聯營公司溢利			59,113
Share of loss of a joint venture	應佔一間合營公司虧損			(15,385)
Share based payments	股份付款			(20,055)
Amortisation of prepaid lease payments	預付租賃款項攤銷			(456)
Central administrative costs	中央行政成本			(25,966)
Loss before tax	除稅前虧損			(4,609)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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



6. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

Continuing operations (continued)

All of the segment revenues reported for both years was from external customers.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit (loss) represents the profit earned by/loss from each segment without allocation of other income, other gains and losses including mainly net foreign exchange gain or loss and net gain or loss on disposal and written off of property, plant and equipment, share of profit of an associate, share of loss of a joint venture, share based payments, amortisation of prepaid lease payments and central administration costs including directors' remuneration. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

6. 分部資料(續)

分部收入及業績(續)

持續經營業務(續)

以上兩個年度所呈報的分部收入均來自外部客戶。

經營分部的會計政策與附註3所述本集團會計政策一致。分部溢利(虧損)指各分部所賺溢利/錄得的虧損,惟尚未分配其他收入、其他收益及虧損(主要包括外匯收益或虧損淨額、出售及撇銷物業、廠房及設備收益或虧損淨額、應佔聯營公司溢利、應佔合營公司虧損、股份付款、預付租賃款項攤銷及中央行政成本(包括董事薪酬))。此為向主要經營決策者呈報以分配資源及評估表現的方式。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by operating and reportable segment.

At 31 December 2016

ASSETS	資產
Segment assets	分部資產
Property, plant and equipment	物業、廠房及設備
Investment properties	投資物業
Prepaid lease payments	預付租賃款項
Interest in an associate	聯營公司權益
Interest in a joint venture	合營公司權益
Entrusted loan receivables	應收委託貸款
Bank balances and cash	銀行結餘及現金
Other unallocated assets	其他未分配資產
Consolidated total assets	綜合資產總值
LIABILITIES	負債
Segment liabilities	分部負債
Deferred tax liabilities	遞延稅項負債
Other unallocated liabilities	其他未分配負債
Consolidated total liabilities	綜合負債總額

6. 分部資料(續)

分部資產及負債

下文載列本集團按可呈報經營分部劃分之資產及負債的分析。

於二零一六年十二月三十一日

Software development and solution 軟件開發及解決方案 HK\$'000 千港元	Software outsourcing 軟件外包 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
636,621	118,963	755,584
		290,646
		506,568
		33,265
		102,926
		131,174
		326,942
		491,250
		19,802
		2,658,157
699,512	89,624	789,136
		40,410
		94,020
		923,566

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

At 31 December 2015 (restated)

6. 分部資料(續)

分部資產及負債(續)

於二零一五年十二月三十一日(經重列)

		Software development and solution 軟件開發及解決方案 HK\$'000 千港元	Software outsourcing 軟件外包 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
ASSETS	資產			
Segment assets	分部資產	<u>293,102</u>	<u>114,750</u>	407,852
Property, plant and equipment	物業、廠房及設備			491,004
Investment properties	投資物業			324,606
Prepaid lease payments	預付租賃款項			36,438
Interest in an associate	聯營公司權益			127,679
Interest in a joint venture	合營公司權益			166,024
Bank balances and cash	銀行結餘及現金			1,064,326
Other unallocated assets	其他未分配資產			<u>14,595</u>
Consolidated total assets	綜合資產總值			<u>2,632,524</u>
LIABILITIES	負債			
Segment liabilities	分部負債	<u>588,633</u>	<u>85,767</u>	674,400
Deferred tax liabilities	遞延稅項負債			22,182
Other unallocated liabilities	其他未分配負債			<u>145,190</u>
Consolidated total liabilities	綜合負債總額			<u>841,772</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Segment assets and liabilities (continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- all assets are allocated to operating segments, other than certain property, plant and equipment and investment properties for Group administrative purpose, prepaid lease payments, interest in an associate, interest in a joint venture, entrusted loan receivables, bank balances and cash and other unallocated assets including certain non-trade portion of amounts due from related parties, prepayments, deposits and other receivables.
- all liabilities are allocated to operating and reportable segments, other than certain deferred tax liabilities and other liabilities including certain non-trade portion of amounts due to related parties and other payable in relation to corporate administrative costs.

6. 分部資料(續)

分部資產及負債(續)

為監察分部表現及於分部間分配資源：

- 所有資產均分配至經營分部，惟為方便本集團管理，若干物業、廠房及設備以及投資物業、預付租賃款項、於聯營公司權益、於合營公司權益、應收委託貸款、銀行結餘及現金及其他未分配資產(包括應收關聯方若干非貿易部分款項、預付款項、按金及其他應收款項)則除外。
- 所有負債均分配至可呈報經營分部，惟若干遞延稅項負債及其他負債(包括應付關聯方若干非貿易部分款項及其他企業行政成本相關應付款項)則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information

For the year ended 31 December 2016

Continuing operations

Amounts included in the measure of segment profit or segment assets:

6. 分部資料(續)

其他分部資料

截至二零一六年十二月三十一日止年度

持續經營業務

計量分部溢利或分部資產時計入的款項：

		Software development and solution 軟件開發及解決方案 HK\$'000 千港元	Software outsourcing 軟件外包 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions to property, plant and equipment	添置物業、廠房及設備	13,370	2,519	15,889	2,229	18,118
Depreciation of property, plant and equipment	物業、廠房及設備折舊	6,638	2,334	8,972	20,589	29,561
Change in fair value of investment properties	投資物業公平值變動	—	—	—	20,677	20,677
Amortisation of prepaid lease payments	預付租賃款項攤銷	—	—	—	856	856
Allowance for bad and doubtful debts	呆壞賬撥備	3,664	—	3,664	—	3,664
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回	(13,768)	—	(13,768)	—	(13,768)
Impairment loss on amounts due from customers for contract work	應收客戶合約工程款項減值虧損	8,954	—	8,954	—	8,954

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 December 2016 (continued)

Continuing operations (continued)

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets and not allocated to any operating and reportable segment.

Interest in an associate
Interest in a joint venture
Share of profit of an associate
Share of loss of a joint venture

聯營公司權益
合營公司權益
應佔一間聯營公司溢利
應佔一間合營公司虧損

6. 分部資料(續)

其他分部資料(續)

截至二零一六年十二月三十一日止
年度(續)

持續經營業務(續)

主要經營決策者定期所獲提供但於計量分部溢利或分部資產時並未計入且並無分配至任何可呈報經營分部的款項如下。

HK\$'000
千港元

102,926

131,174

31,485

(2,323)

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 December 2015 (restated)

Continuing operations

Amounts included in the measure of segment profit or segment assets:

	Software development and solution 軟件開發及解決方案 HK\$'000 千港元	Software outsourcing 軟件外包 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Additions to property, plant and equipment	添置物業、廠房及設備	5,630	3,875	9,505	176,440
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12,358	925	13,283	23,469
Change in fair value of investment properties	投資物業公平值變動	—	—	—	2,168
Amortisation of prepaid lease payments	預付租賃款項攤銷	—	—	—	456
Allowance for bad and doubtful debts	呆壞賬撥備	3,636	—	3,636	—
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回	(328)	—	(328)	—
Impairment loss on amounts due from customers for contract work	應收客戶合約工程款項減值虧損	6,651	—	6,651	—
		<u>6,651</u>	<u>—</u>	<u>6,651</u>	<u>—</u>

6. 分部資料(續)

其他分部資料(續)

截至二零一五年十二月三十一日止年度(經重列)

持續經營業務

計量分部溢利或分部資產時計入的款項：

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Other segment information (continued)

For the year ended 31 December 2015 (restated)
(continued)

Continuing operations (continued)

Amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or segment assets and not allocated to any operating and reportable segment.

Interest in an associate	聯營公司權益	127,679
Interest in a joint venture	合營公司權益	166,024
Share of profit of an associate	應佔一間聯營公司溢利	59,113
Share of loss of a joint venture	應佔一間合營公司虧損	(15,385)

Geographical information

The Group's operations are currently carried out in the PRC (excluding Hong Kong), the country of domicile, and Hong Kong except for some services rendered by the provision of software outsourcing segment which are located in other regions.

6. 分部資料(續)

其他分部資料(續)

截至二零一五年十二月三十一日止
年度(經重列)(續)

持續經營業務(續)

主要經營決策者定期所獲提供但於計量分部溢利或分部資產時並未計入且並無分配至任何可呈報經營分部的款項如下。

HK\$'000
千港元

127,679
166,024
59,113
(15,385)

地區資料

本集團現時在中國(所在國, 不包括香港)及香港經營業務, 惟軟件外包分部提供的若干服務位於其他地區。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

6. SEGMENT INFORMATION (continued)

Geographical information (continued)

Information about the Group's revenue from continuing operations from external customers is presented based on location of markets or customer irrespective of the origin of the services. Information about the Group's non-current assets* by geographic location of assets:

		Revenue from external customers 來自外部客戶的收入		Non-current assets* 非流動資產*	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Hong Kong	香港	—	—	29,543	30,260
The PRC (excluding Hong Kong)	中國(不包括香港)	950,955	785,794	1,054,319	1,126,166
Others	其他	212,215	185,865	2,122	3,235
		1,163,170	971,659	1,085,984	1,159,661

* Non-current assets excluded those relating to available-for-sale investment.

Information about major customers

Continuing operations

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A ¹	客戶 A ¹	177,147	183,416

¹ Revenue from software outsourcing segment.

6. 分部資料(續)

地區資料(續)

本集團按市場地區或客戶所在地(不論服務來源地)呈列外部客戶持續經營業務收入之資料。本集團按資產所在地區劃分之非流動資產*的相關資料:

* 非流動資產不包括與可供出售投資有關者。

主要客戶資料

持續經營業務

相關年度佔本集團總銷售額10%以上的客戶收入如下:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A ¹	客戶 A ¹	177,147	183,416

¹ 收入來自軟件外包分部。

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綜合財務報表附註

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

7. OTHER INCOME, OTHER GAINS AND LOSSES, NET

7. 其他收入、其他收益及虧損淨額

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Continuing operations		
Other income:		
Interest income on bank deposits	16,091	26,287
Interest income on entrusted loan receivables	10,751	9,525
Value added tax refund (Note a)	61,350	49,979
Government subsidies and grants (Note b)	31,407	3,442
Dividend income from available-for-sale investment	2,861	1,092
Rental income	32,487	3,821
Others	252	—
	155,199	94,146
Other gains and losses, net:		
Net foreign exchange gain	532	2,823
Net gain (loss) on disposal and written off of property, plant and equipment	12	(2)
Others	—	590
	544	3,411

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

7. OTHER INCOME, OTHER GAINS AND LOSSES, NET (continued)

Notes:

- (a) Inspur (Shandong) Electronic Information Company Limited (“Inspur Shandong Electronic”) and Inspur Group Shandong Genersoft Incorporation (“Inspur Genersoft”) are engaged in the business of distribution of self-developed and produced software. Under the current PRC tax regulation, it is entitled to a refund of VAT paid for sales of self-developed software in the PRC.
- (b) For the year ended 31 December 2016, the amount of approximately HK\$3,309,000 (2015: HK\$3,134,000) represents the subsidies received from the PRC Government for the purpose of encouraging the development of group entities engaged in new and high technology sector. The subsidies received are in substance a kind of immediate financial support to the group’s entities with no future related costs and recognised as income when the approval of the relevant government authority has been obtained. There are no other conditions attached to the subsidies granted to the Group.

For the year ended 31 December 2016, the amount of approximately HK\$28,098,000 (2015: HK\$308,000) represents the grants from the Government for funding of some feasibility studies which benefit the society as a whole. The grants received are recognised as income when i) the related feasibility studies have been completed, ii) the approval of the relevant Government authority has been obtained and iii) no other future conditions are required to fulfil by the Group.

7. 其他收入、其他收益及虧損淨額(續)

附註：

- (a) 浪潮(山東)電子信息有限公司(「浪潮山東電子」)及浪潮集團山東通用軟件有限公司(「浪潮通用軟件」)從事自主開發及生產軟件的分銷業務。根據現行中國稅務條例，在中國銷售自主開發軟件的企業可獲增值稅退稅。
- (b) 截至二零一六年十二月三十一日止年度，約3,309,000港元(二零一五年：3,134,000港元)為自中國政府收取之補貼，以鼓勵從事高新技術行業集團實體的發展。集團實體所收取補貼實質上為直接財政資助，並無相關日後成本，待獲相關政府部門批准後會確認為收入。本集團獲授之補貼並無其他附帶條件。

截至二零一六年十二月三十一日止年度，約28,098,000港元(二零一五年：308,000港元)為自政府收取的補助，作為造福整個社會的部分可行性研究資金。已收取的補助在i)完成相關可行性研究，ii)獲得相關政府部門批准及iii)本集團毋須履行其他日後條件後確認為收入。

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綜合財務報表附註

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

8. INCOME TAX EXPENSES

Continuing operations	持續經營業務
Current tax:	即期稅項：
PRC Enterprise Income Tax ("EIT")	中國企業所得稅(「企業所得稅」)
Underprovision in prior years:	過往年度撥備不足：
EIT	企業所得稅
Deferred taxation (note 32)	遞延稅項(附註32)

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements in both years as there are no assessable profit for both years.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for Inspur Genersoft. Inspur Genersoft are recognised as "New and High Technology Enterprise" and therefore entitled to apply a tax rate of 15%. The entitlement of this tax benefit is subject to renewal by respective tax bureau in the PRC every three years. The latest approval for Inspur Genersoft enjoying this tax benefit were obtained in year 2014.

The implementation of the EIT Law has no impact on the tax relief granted to the PRC subsidiaries.

8. 所得稅開支

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
11,127	3,525
4,143	9,147
11,893	248
27,163	12,920

香港利得稅按稅率 16.5% 就兩個年度的估計應課稅溢利徵稅。由於兩個年度並無應課稅溢利，故並未於兩個年度的綜合財務報表中就香港利得稅作出撥備。

根據中國企業所得稅法(「企業所得稅法」)及相關實施細則，除浪潮通用軟件外，中國附屬公司稅率為 25%。浪潮通用軟件獲評定為「高新技術企業」，因此適用稅率 15%。該項稅務優惠須每三年在相關中國稅務局更新。在二零一四年，浪潮通用軟件已獲得批准享受該項稅收優惠的最新批文。

實施企業所得稅法並無影響中國附屬公司已獲授之稅項減免。

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For the year ended 31 December 2016
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8. INCOME TAX EXPENSES (continued)

The income tax expenses for the year can be reconciled to the profit (loss) before tax per the consolidated statement of profit or loss as follows:

8. 所得稅開支(續)

根據綜合損益表，本年度之所得稅開支與除稅前溢利(虧損)對賬如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Profit (loss) before tax	除稅前溢利(虧損)	87,737	(4,609)
Tax at PRC EIT rate of 25% (2015: 25%) (Note)	按中國企業所得稅稅率 25% 繳稅 (二零一五年：25%)(附註)	21,934	(1,152)
Tax effect of share of profit of an associate	應佔一間聯營公司溢利之稅務影響	(7,871)	(14,778)
Tax effect of share of loss of a joint venture	應佔一間合營公司虧損之稅務影響	581	3,846
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	10,439	19,927
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(1,823)	(89)
Tax effect of tax losses and deductible temporary differences not recognised	未確認稅務虧損及可扣稅暫時差額之稅務影響	4,203	3,084
Tax effect of change in fair value of investment properties	投資物業公平值變動之稅務影響	(5,169)	(542)
Utilisation of tax losses previously not recognised	動用先前未確認稅項虧損	(3,570)	—
Underprovision in respect of previous years	過往年度撥備不足	4,143	9,147
EIT concessionary rate	企業所得稅優惠稅率	(7,397)	(4,585)
Deferred tax on withholding tax arising from PRC subsidiaries	中國附屬公司預扣稅產生之遞延稅項	(3,739)	(2,961)
Deferred tax on change in fair value of investment property in PRC	中國投資物業公平值變動產生之遞延稅項	15,632	1,023
Others	其他	(200)	—
Income tax expenses for the year	本年度所得稅開支	27,163	12,920

Note: The PRC Enterprise Income Tax rate is used as it is the domestic tax rate in the jurisdiction where the operation of the Group substantially based.

附註：中國企業所得稅率為本集團業務活躍司法權區的國內稅率。

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8. INCOME TAX EXPENSES (continued)

At the end of the reporting period, the Group had unused tax losses of HK\$92,033,000 (2015: HK\$109,550,000), subject to approval of relevant tax authorities, available for offset against future profits. No deferred tax asset has been recognised in respect of such losses at the end of the reporting period, due to the unpredictability of future profit streams. Other than tax losses disclosed below, the tax losses may be carried forward indefinitely.

The unused tax losses will expire in the following years:

Year 2016	二零一六年度
Year 2017	二零一七年度
Year 2018	二零一八年度
Year 2019	二零一九年度
Year 2020	二零二零年度
Year 2021	二零二一年度

8. 所得稅開支(續)

於呈報期結算日，本集團有未動用稅項虧損92,033,000港元(二零一五年：109,550,000港元)可用以抵銷日後溢利，惟須待相關稅務機關審批。由於日後溢利來源難以預測，故於呈報期結算日並無就該虧損確認遞延稅項資產。除下文所述稅項虧損外，稅項虧損或會無限期結轉。

未動用稅項虧損將於以下年度屆滿：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
—	7,726
36,942	41,690
5,985	11,825
5,246	18,358
13,709	12,337
16,981	—
78,863	91,936

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9. PROFIT (LOSS) BEFORE TAX

9. 除稅前溢利(虧損)

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
Continuing operations		
Profit (loss) before tax has been arrived at after charging (crediting):		
Auditor's remuneration	1,800	2,000
Allowance for bad and doubtful debts	3,664	3,636
Reversal of allowance for bad and doubtful debts	(13,768)	(328)
Impairment loss on amounts due from customers for contract work	8,954	6,651
Research and development costs recognised as expense	111,328	71,793
Cost of inventories recognised as expense in cost of sales	141,605	107,636
Depreciation for property, plant and equipment	29,561	23,469
Change in fair value of investment properties	(20,677)	(2,168)
Amortisation of prepaid lease payments	856	912
Less: Prepaid lease payments capitalised into construction in progress	—	(456)
	856	456
Directors' remuneration (note 10)	5,035	6,789
Other staff costs		
Salaries and other benefits	507,989	443,266
Share based payments	18,948	17,187
Retirement benefits scheme contributions	105,692	82,279
	637,664	549,521
Operating lease rentals in respect of office premises and staff quarters	15,970	21,579

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and disclosure requirements of CO, as follows:

10. 董事及最高行政人員酬金

根據適用上市規則及公司條例之披露規定，董事及最高行政人員的年內薪酬披露如下：

<i>For the year ended</i>	<i>截至二零一六年</i>
<i>31 December 2016</i>	<i>十二月三十一日止年度</i>
Executive Directors (Note 8)	執行董事(附註8)
Wang Xingshan (Note 1)	王興山(附註1)
Jin Joe Xiaozhou (Note 6)	靳小舟(附註6)
Non-Executive Directors (Note 9)	非執行董事(附註9)
Shen Yuanqin	申元慶
Dong Hailong	董海龍
Independent Non-Executive Directors (Note 10)	獨立非執行董事(附註10)
Wong Lit Chor, Alexis	黃烈初
Zhang Ruijun	張瑞君
Ding Xiangqian (Note 7)	丁香乾(附註7)
Total	總計

Other emoluments					
其他酬金					
Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Retirement benefits scheme contributions 退休福利 計劃供款 HK\$'000 千港元		Share based payment 股份付款 HK\$'000 千港元	Total 總計 HK\$'000 千港元 (Note(11)) (附註(11))
300	665	56	1,305	2,326	
—	1,449	126	458	2,033	
—	—	—	95	95	
—	—	—	95	95	
120	—	—	151	271	
60	—	—	95	155	
60	—	—	—	60	
540	2,114	182	2,199	5,035	

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

10. 董事及最高行政人員酬金 (續)

		Other emoluments 其他酬金				
		Salaries and other benefits	Retirement benefits scheme contributions	Share based payment	Total	
		Fees 袍金	Salaries and other benefits 薪金及 其他福利	Retirement benefits scheme contributions 退休福利 計劃供款	Share based payment 股份付款	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(Note(11)) (附註(11))				
<i>For the year ended</i>	<i>截至二零一五年十二月</i>					
<i>31 December 2015</i>	<i>三十一日止年度</i>					
Executive Directors (Note 8)	執行董事(附註8)					
Wang Xingshan (Note 1)	王興山(附註1)	—	1,007	56	1,649	2,712
Chen Dongfeng (Note 2)	陳東風(附註2)	—	614	24	—	638
Sun Chengtong (Note 5)	孫成通(附註5)	—	635	44	—	679
Jin Joe Xiaozhou (Note 6)	靳小舟(附註6)	—	1,301	—	669	1,970
Non-Executive Directors (Note 9)	非執行董事(附註9)					
Shen Yuanqin	申元慶	—	—	—	110	110
Dong Hailong	董海龍	—	—	—	110	110
Independent Non-Executive Directors (Note 10)	獨立非執行董事(附註10)					
Wong Lit Chor, Alexis	黃烈初	120	—	—	220	340
Dai Ruimin (Note 3)	戴瑞敏(附註3)	18	—	—	—	18
Zhang Ruijun	張瑞君	60	—	—	110	170
Geng Yushui (Note 4)	耿玉水(附註4)	39	—	—	—	39
Ding Xiangqian (Note 7)	丁香乾(附註7)	3	—	—	—	3
Total	總計	240	3,557	124	2,868	6,789

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

Notes:

- (1) Wang Xingshan is the Chief Executive. His emoluments disclosed above include those for services rendered by them as the Chief Executive.
- (2) Chen Dongfeng resigned as an Executive Director on 15 July 2015.
- (3) Dai Ruimin resigned as an Independent Non-Executive Director on 17 April 2015.
- (4) Geng Yushui was appointed as Independent Non-Executive Director on 17 April 2015 and resigned as an Independent Non-Executive Director on 11 December 2015.
- (5) Sun Chengtong resigned as an Executive Director on 27 August 2015.
- (6) Jin Joe Xiaozhou was appointed as Executive Director on 27 August 2015.
- (7) Ding Xianggan was appointed as Independent Non-Executive Director on 11 December 2015.
- (8) The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.
- (9) The non-executive directors' emoluments shown above were mainly for their services as directors of the Company.
- (10) The independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.
- (11) During the year ended 31 December 2016, 1,600,000 (2015: 4,000,000) share options were granted to certain directors of the Company in respect of their services to the Group under the Option Scheme (as defined in note 30). Details of the share options scheme are set out in note 30 to the consolidated financial statements. The share-based payment represents the fair value of share options granted under the Option Scheme amortised over the vesting period and is recognised in the consolidated statement of profit or loss during the year.

10. 董事及最高行政人員酬金 (續)

附註：

- (1) 王興山為最高行政人員。以上披露的其薪酬包括就其擔任最高行政人員所提供服務給予的薪酬。
- (2) 於二零一五年七月十五日，陳東風辭任執行董事。
- (3) 於二零一五年四月十七日，戴瑞敏辭任獨立非執行董事。
- (4) 於二零一五年四月十七日，耿玉水獲委任為獨立非執行董事，並於二零一五年十二月十一日辭任獨立非執行董事。
- (5) 於二零一五年八月二十七日，孫成通辭任執行董事。
- (6) 於二零一五年八月二十七日，靳小舟獲委任為執行董事。
- (7) 於二零一五年十二月十一日，丁香乾獲委任為獨立非執行董事。
- (8) 上表所列執行董事的酬金主要為彼等所提供與本公司及本集團管理事宜相關服務的報酬。
- (9) 上表所列非執行董事的酬金乃主要為彼等擔任本公司董事的報酬。
- (10) 上表所列獨立非執行董事的酬金乃主要為彼等擔任本公司董事的報酬。
- (11) 截至二零一六年十二月三十一日止年度，本公司根據購股權計劃（定義見附註30）就本公司若干董事向本集團所提供的服務向彼等授出1,600,000（二零一五年：4,000,000）份購股權。有關購股權計劃的詳情載於綜合財務報表附註30。股份付款相當於根據購股權計劃已授出的購股權公平值，該公平值於歸屬期間攤銷及於年內於綜合損益表確認。

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10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during both years.

11. EMPLOYEES' REMUNERATION

Of the five individuals with the highest emoluments in the Group, two (2015: two) were directors of the Company whose emoluments are included in the disclosures in note 10 above. The emoluments of the remaining three (2015: three) highest paid individuals were as follows:

Salaries and other benefits	薪金及其他福利
Share based payment	股份付款
Retirement benefit scheme contributions	退休福利計劃供款

Their remuneration were within the following bands:

HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元

10. 董事及最高行政人員酬金 (續)

於兩個年度內，概無董事或最高行政人員放棄或同意放棄任何薪酬的安排。

11. 僱員酬金

在本集團五名最高薪酬人士中，其中兩名(二零一五年：兩名)為本公司董事，其薪酬詳情披露於上文附註10。餘下三名(二零一五年：三名)最高薪酬人士的酬金詳情如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
2,512	1,791
1,639	2,877
268	172
4,419	4,840

彼等的薪酬介於以下範圍：

2016 二零一六年 No. of employees 僱員數目	2015 二零一五年 No. of employees 僱員數目
2	1
1	2
3	3

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11. EMPLOYEES' REMUNERATION (continued)

During the year ended 31 December 2016, certain non-director and non-chief executive highest paid employees were granted share options, in respect of their services to the Group under the share option scheme of the Company. Details of the share option scheme are set out in note 30 to the consolidated financial statements.

No remuneration was paid by the Group to any of the five highest paid individuals or directors as an inducement to join or upon joining the Group or as compensation for loss of office during both years.

12. DIVIDEND

Dividends recognised as distribution during the year:	年內確認已分派股息：
2015 final dividend - HK\$0.03	二零一五年末期股息 —0.03 港元
(2015: 2014 final dividend - HK\$0.03) per share	(二零一五年：二零一四年 末期股息—0.03 港元)每股

11. 僱員酬金(續)

截至二零一六年十二月三十一日止年度，根據本公司的購股權計劃，若干非董事及非最高行政人員的最高薪酬僱員因彼等向本集團所提供的服務獲授購股權。有關購股權計劃的詳情載於綜合財務報表附註30。

於兩個年度內，本集團概無向五名最高薪酬人士或董事支付酬金作為吸引彼等加入本集團或彼等入職時的獎勵或離職補償。

12. 股息

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
27,046	27,046

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12. DIVIDEND (continued)

Subsequent to the end of the reporting period, a final dividend of HK\$0.03 in respect of the year ended 31 December 2016 (2015: final dividend of HK\$0.03 in respect of the year ended 31 December 2015) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming annual general meeting.

12. 股息(續)

於呈報期結算日後，董事已建議派發截至二零一六年十二月三十一日止年度每股末期股息0.03港元(二零一五年：截至二零一五年十二月三十一日止年度每股末期股息0.03港元)，惟須待股東於即將召開的股東週年大會上批准後方可作實。

	於呈報期結算日後建議股息
Dividend proposed subsequent to the end of the reporting period	
Proposed final dividend for 2016 of HK\$0.03 (2015: HK\$0.03) per share on 901,536,000 (2015: 901,536,000) shares	建議就901,536,000股(二零一五年：901,536,000股)股份派付二零一六年末期股息每股0.03港元(二零一五年：0.03港元)

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
27,046	27,046

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13. EARNING (LOSS) PER SHARE

For continuing and discontinued operations

The calculation of the basic and diluted earning (loss) per share attributable to the owners of the Company are based on the profit (loss) for the year attributable to owners of the Company and on the number of shares as follows:

Number of shares	股份數目
Number of ordinary shares for the purpose of basic earning (loss) per share	每股基本盈利(虧損)所採用之普通股數目
Effect of dilutive potential ordinary shares arising from the outstanding share options	因未行使購股權導致攤薄潛在普通股的影響
Weighted average number of ordinary shares for the purpose of dilutive earning (loss) per share	計算每股攤薄盈利(虧損)所採用之加權平均普通股數目

13. 每股盈利(虧損)

持續經營及已終止業務

本公司擁有人應佔每股基本及攤薄盈利(虧損)乃根據本公司擁有人應佔年內溢利(虧損)及下列股份數目計算：

2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
901,536	901,536
1,462	448
902,998	901,984

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13. EARNING (LOSS) PER SHARE (continued)

From continuing operations

The calculation of basic and diluted earning (loss) per share from continuing operations attributable to the owners of the Company is based on the following data:

Profit (loss) is calculated as follows:	溢利(虧損)數據的計算如下:
Profit for the year attributable to the owners of the Company	本公司擁有人應佔年度溢利
Less: profit for the year from discontinued operations	減: 來自已終止業務年度溢利
Profit (loss) for the purposes of basic and diluted earning (loss) per share from continuing operations	計算每股基本及攤薄盈利(虧損)所採用之來自持續經營業務溢利(虧損)

The denominators used are the same as those detailed above for both basic and diluted earning (loss) per share.

From discontinued operations

For the year ended 31 December 2015, basic and diluted earning per share for the discontinued operation is HK2.54 cents per share based on the profit for the year from the discontinued operations of HK\$22,896,000 and the denominators are for both basic and diluted earning (loss) per share.

13. 每股盈利(虧損)(續)

來自持續經營業務

本公司擁有人應佔來自持續經營業務每股基本及攤薄盈利(虧損)乃根據下列數據計算:

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (經重列)
59,893	6,994
—	(22,896)
<u>59,893</u>	<u>(15,902)</u>

所用分母與上文所詳述計算每股基本及攤薄盈利(虧損)的分母相同。

來自已終止業務

截至二零一五年十二月三十一日止年度, 已終止業務的每股基本及攤薄盈利為每股2.54港仙, 乃基於來自已終止業務之年內溢利22,896,000港元計算, 且計算每股基本及攤薄盈利(虧損)所使用的分母相同。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Leasehold land and building 租賃土地 及樓宇 HK\$'000 千港元	Leasehold improvements 租賃 物業裝修 HK\$'000 千港元	Specialised equipment 專用設備 HK\$'000 千港元	Machinery and equipment 機器及 設備 HK\$'000 千港元	Furniture, fixtures and office equipment 傢俬、裝置及 辦公設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本								
At 1 January 2015	於二零一五年一月一日	9,699	8,482	35,719	23,754	52,091	2,532	489,262	621,539
Additions	添置	84,139	73,720	79	5,476	14,126	—	138,711	316,251
Disposals/written off	出售/撇銷	—	—	(23,165)	(9,510)	(5,754)	—	—	(38,429)
Disposals of businesses	出售業務	—	—	(5,634)	(1,659)	(26,572)	(723)	—	(34,588)
Transfer from construction in progress	轉發自在建工程	509,347	112,047	—	—	—	—	(621,394)	—
Transfer to investment properties	轉發至投資物業	(210,271)	(64,982)	—	—	—	—	—	(275,253)
Exchange adjustments	匯兌調整	(15,609)	(5,320)	(1,183)	(1,009)	(2,564)	(121)	(6,579)	(32,385)
At 31 December 2015	於二零一五年十二月三十一日	377,305	123,947	5,816	17,052	31,327	1,688	—	557,135
Additions	添置	3,173	4,477	818	6,939	2,711	—	—	18,118
Disposals/written off	出售/撇銷	—	—	—	(1,234)	(689)	(505)	—	(2,428)
Transfer to investment properties	轉發至投資物業	(126,435)	(39,013)	—	—	—	—	—	(165,448)
Exchange adjustments	匯兌調整	(18,332)	(6,341)	(807)	(1,354)	(2,180)	(61)	—	(29,075)
At 31 December 2016	於二零一六年十二月三十一日	235,711	83,070	5,827	21,403	31,169	1,122	—	378,302
ACCUMULATED DEPRECIATION	累計折舊								
At 1 January 2015	於二零一五年一月一日	973	7,189	31,114	9,634	49,068	1,112	—	99,090
Charge for the year	本年度支出	3,915	6,463	2,844	4,829	6,366	503	—	24,920
Eliminated on disposals/ written off	出售時撇銷/撇減	—	—	(21,982)	(9,510)	(5,754)	—	—	(37,246)
Disposals of businesses	出售業務	—	—	(5,634)	(1,583)	(24,081)	—	—	(31,298)
Exchange adjustments	匯兌調整	(154)	(682)	(526)	(262)	(2,427)	(68)	—	(4,119)
At 31 December 2015	於二零一五年十二月三十一日	4,734	12,970	5,816	3,108	23,172	1,547	—	51,347
Charge for the year	本年度支出	8,064	12,277	569	5,859	2,672	120	—	29,561
Eliminated on disposals/ written off	出售時撇銷/撇減	—	—	—	(648)	(642)	(489)	—	(1,779)
Eliminated on transfer to investment properties	轉發至投資物業時撇銷	(3,898)	(5,208)	—	—	—	—	—	(9,106)
Exchange adjustments	匯兌調整	(410)	(1,049)	(669)	(457)	(1,949)	(56)	—	(4,590)
At 31 December 2016	於二零一六年十二月三十一日	8,490	18,990	5,716	7,862	23,253	1,122	—	65,433
CARRYING VALUES	賬面值								
At 31 December 2016	於二零一六年十二月三十一日	227,221	64,080	111	13,541	7,916	—	—	312,869
At 31 December 2015	於二零一五年十二月三十一日	372,571	110,977	—	13,944	8,155	141	—	505,788

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14. PROPERTY, PLANT AND EQUIPMENT

(continued)

During the year ended 31 December 2016, the transfers of leasehold land and building and leasehold improvements to investment property with carrying amount of HK\$156,342,000 (2015: HK\$275,253,000) is made when there is a change in use which is evidenced by commencement of an operating lease to a third party or related party. The fair value of these leasehold land and building and leasehold improvements at the date of transfer was HK\$190,187,000 (2015: HK\$313,389,000), resulting in recognition of surplus on revaluation of HK\$33,845,000 (2015: HK\$38,136,000) in other comprehensive income and accumulated in revaluation reserve.

The above items of property, plant and equipment other than construction in progress are depreciated, after taking into account of their estimated residual values, on a straight-line basis at the following rates per annum:

Leasehold land and building	Over the shorter of the term of the lease and 15 - 50 years
Leasehold improvements	4 - 10 years
Specialised equipment	20% - 25%
Machinery and equipment	10% - 20%
Furniture, fixtures and office equipment	10% - 33 $\frac{1}{3}$ %
Motor vehicles	10% - 20%

The leasehold land and building held by the Group is situated in Hong Kong. As the leasehold interest in land cannot be allocated reliably between the land and buildings elements, the leasehold interest in land continued to be accounted for as property, plant and equipment.

14. 物業、廠房及設備(續)

截至二零一六年十二月三十一日止年度，於開始向第三方或關聯人士進行經營租賃證明用途發生變動時，租賃土地及樓宇以及租賃物業裝修轉撥至賬面值為156,342,000港元(二零一五年：275,253,000港元)的投資物業。該等租賃土地及樓宇以及租賃物業裝修於轉撥日期的公平值為190,187,000港元(二零一五年：313,389,000港元)，導致於其他全面收益中確認重估盈餘33,845,000港元(二零一五年：38,136,000港元)並於重估儲備中累計。

經考慮估計剩餘價值，上述物業、廠房及設備項目(在建工程除外)以直線法按以下年折舊率折舊：

租賃土地及樓宇	租期及15至50年 (以較短者為準)
租賃物業裝修	4至10年
專用設備	20% - 25%
機器及設備	10% - 20%
傢俬、裝置及辦公設備	10% - 33 $\frac{1}{3}$ %
汽車	10% - 20%

本集團所持租賃土地及樓宇位於香港。由於土地租賃權益不能在土地與樓宇項目中可靠分配，故持續入賬為物業、廠房及設備。

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15. INVESTMENT PROPERTIES

15. 投資物業

FAIR VALUE	公平值	HK\$'000 千港元
At 1 January 2015 (restated)	於二零一五年一月一日(經重列)	21,900
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	313,389
Change in fair value of investment properties	投資物業公平值變動	2,168
Exchange adjustments	匯兌調整	(12,851)
At 31 December 2015 (restated)	於二零一五年十二月三十一日(經重列)	324,606
Transfer from property, plant and equipment	轉撥自物業、廠房及設備	190,187
Change in fair value of investment properties	投資物業公平值變動	20,677
Exchange adjustments	匯兌調整	(28,902)
At 31 December 2016	於二零一六年十二月三十一日	506,568

All of the Group's property interests held to earn rentals are measured using the fair value model and are classified and accounted for as investment properties.

The fair value of the Group's investment properties at 31 December 2016 was HK\$506,568,000 (2015: HK\$324,606,000). The fair value of the investment properties included the land components of the properties in Hong Kong and the PRC. The fair value has been arrived at based on a valuation carried out by Asset Appraisal Limited, independent valuers not connected with the Group.

本集團就賺取租金持有的所有物業權益以公平值模式計量並分類及入賬列為投資物業。

於二零一六年十二月三十一日，本集團投資物業的公平值為506,568,000港元(二零一五年：324,606,000港元)。投資物業的公平值包括香港及中國物業的土地部分。該公平值乃基於中誠達資產評估顧問有限公司(與本集團無關連的獨立估值師)所進行的估值得出。

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綜合財務報表附註

For the year ended 31 December 2016
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15. INVESTMENT PROPERTIES (continued)

Income capitalisation approach has been adopted for valuing the Group's investment properties located in the PRC. Key inputs used in valuing the investment properties in the PRC were term yield of 4.9% (2015: 4.5%), reversionary yield of 5.4% (2015: 5.0%) and monthly market rent of comparable properties per meter square which is ranged from RMB57.79 to RMB83.65 (2015: RMB54.75 to RMB74.52). For the valuation of the Group's investment properties located in the Hong Kong, comparative approach has been adopted by reference to recent market prices for similar properties in the similar locations and conditions of the investment properties, adjusted for differences in the nature, location and condition of the investment properties. There has been no change to the valuation technique during the year.

Details of the Group's investment properties and information about the fair value hierarchy as at 31 December 2016 and 2015 are as follows:

		At 31.12.2016 於二零一六年 十二月三十一日		At 31.12.2015 於二零一五年 十二月三十一日		At 1.1.2015 於二零一五年 一月一日	
		Level 3 第三級	Fair value 公平值	Level 3 第三級	Fair value 公平值	Level 3 第三級	Fair value 公平值
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Commercial property units located	位於以下地區的 商業物業單位						
- Hong Kong	- 香港	21,300	21,300	21,800	21,800	21,900	21,900
- PRC	- 中國	485,268	485,268	302,806	302,806	—	—
		506,568	506,568	324,606	324,606	21,900	21,900

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised based on the degree to which the inputs to the fair value measurements is observable.

15. 投資物業(續)

收入資本化法已獲採納以評估本集團位於中國的投資物業。用於評估中國的投資物業的主要輸入數據為定期收益4.9%(二零一五年: 4.5%)、復歸收益5.4%(二零一五年: 5.0%)及每月市場租金介乎每平方米人民幣57.79元至人民幣83.65元(二零一五年: 人民幣54.75元至人民幣74.52元)的可資比較物業。就評估本集團位於香港的投資物業而言, 本公司經參考投資物業的類似地點及條件的類似物業的近期市場價格採納比較方法, 並對投資物業的性質、地點及狀況的差異作出調整。年內, 估值方法概無變動。

於二零一六年及二零一五年十二月三十一日, 本集團投資物業詳情及有關公平值等級的資料如下:

下表載列有關如何釐定該等投資物業的公平值(尤其是所使用的估值技術及輸入數據), 以及公平值計量按照公平值計量的輸入數據的可觀察程度進行分類的公平值等級的資料。

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15. INVESTMENT PROPERTIES (continued)

15. 投資物業(續)

Investment properties held by the Group in the consolidated statement of financial position
本集團於綜合財務狀況表持有的投資物業

Office premises located in Jinan, the PRC
位於中國濟南的辦公室

Office premises located in Hong Kong
位於香港的辦公室

Fair value hierarchy
公平值等級

Level 3
第三級

Level 3
第三級

Valuation technique(s) and key input(s)
估值技術及主要輸入數據

Income capitalisation approach
Key inputs are:
– Term yield
– Reversionary yield
– Market rent of comparable properties
收入資本化法
主要輸入數據為：
– 定期收益
– 復歸收益
– 可資比較物業市場租金

Comparative approach
Key input is recent market prices of comparable properties
比較方法
主要輸入數據為可資比較物業的近期市場價格

Significant unobservable input(s)
重大不可觀察輸入數據

Key and unobservable inputs are:
– Term yield: 4.9% (2015: 4.5%)
– reversionary yield 5.4% (2015: 5.0%)
– Market rent of comparable properties, by taking accounts of the accessibility, size, locations and condition and environment of properties
Key and unobservable input is recent market price of comparable properties, by taking accounts of the accessibility, size, locations and condition and environment of properties
主要不可觀察輸入數據為：
– 定期收益：4.9% (二零一五年：4.5%)
– 復歸收益5.4% (二零一五年：5.0%)
– 可資比較物業之市場租金，當中參考可達度、大小、位置以及物業條件及環境

Key and unobservable input is recent market price of comparable properties, by taking accounts of the accessibility, size, locations and condition and environment of properties
主要不可觀察輸入數據為可資比較物業之近期市場價格，當中參考可達度、大小、位置以及物業條件及環境

Relationship of unobservable inputs to fair value
不可觀察輸入數據與公平值之關係

– The higher the term yield and reversionary yield, the lower the fair value.
– The higher the market rent, the higher the fair value.
– 定期收益及復歸收益越高，公平值越低
– 市場租金越高，公平值越高

– The higher the market price, the higher the fair value.
– 市場價格越高，公平值越高

There has been no change from the valuation technique used during both years. In estimating the fair value of the investment properties for disclosure purpose, the highest and the best use of the investment properties is their current use.

There were no transfers into or out of level 3 during both years.

於兩年內，所用估值技術概無變動。就披露而言，於估計投資物業公平值時，投資物業之最高及最佳用途為其現有用途。

兩個年度內，概無轉入或轉出第三級。

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16. PREPAID LEASE PAYMENTS

Analysed for reporting purposes as: 就申報目的作以下各項分析：

Current asset	流動資產
Non-current asset	非流動資產

At 31 December 2016, prepaid lease payments of HK\$19,460,000 (2015: HK\$12,910,000) is attributable to the investment property units located in the PRC.

16. 預付租賃款項

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
818	874
32,447	35,564
33,265	36,438

於二零一六年十二月三十一日，預付租賃款項 19,460,000 港元（二零一五年：12,910,000 港元）歸屬於位於中國的投資物業單位。

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17. OTHER INTANGIBLE ASSETS

17. 其他無形資產

		Registered software 已註冊軟件 HK\$'000 千港元	Customers base 客戶群 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST				
At 1 January 2015	成本 於二零一五年 一月一日	44,247	57,385	101,632
Disposals of businesses	出售業務	(14,201)	—	(14,201)
Exchange adjustments	匯兌調整	43	—	43
At 31 December 2015	於二零一五年十二月 三十一日	30,089	57,385	87,474
Exchange adjustments	匯兌調整	(3,618)	—	(3,618)
At 31 December 2016	於二零一六年十二月 三十一日	26,471	57,385	83,856
ACCUMULATED AMORTISATION AND IMPAIRMENT				
At 1 January 2015	於二零一五年 一月一日	44,247	57,385	101,632
Disposals of businesses	出售業務	(14,201)	—	(14,201)
Exchange adjustments	匯兌調整	43	—	43
At 31 December 2015	於二零一五年十二月 三十一日	30,089	57,385	87,474
Exchange adjustments	匯兌調整	(3,618)	—	(3,618)
At 31 December 2016	於二零一六年十二月 三十一日	26,471	57,385	83,856
At 31 December 2016	賬面值 於二零一六年十二月 三十一日	—	—	—
At 31 December 2015	於二零一五年十二月 三十一日	—	—	—

The intangible assets of the Group were acquired as part of business combinations in prior years.

往年，本集團收購無形資產，作為業務合併的一部分。

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17. OTHER INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful lives. Intangible assets are amortised on a straight-line basis over the following periods:

Registered software	5 years
Customers base	10 years

The intangible assets have been fully amortised as at the end of both reporting periods.

18. AVAILABLE-FOR-SALE INVESTMENT

The balance represents investment in unlisted equity securities issued by a private entity established in the PRC. At 31 December 2016 and 2015, the Group held 5.56% interest in Beijing Shenzhou Software Technology Limited which are principally engaged in software development.

They are measured at cost less impairment at the end of reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

19. INTEREST IN AN ASSOCIATE

Cost of investment in an associate - unlisted	於聯營公司之投資成本—非上市
Share of post-acquisition profits and other comprehensive income, net of dividends received	應佔收購後溢利及其他全面收入，扣除已收股息

17. 其他無形資產(續)

上述無形資產的使用年期有限，以直線法於以下期間攤銷：

已註冊軟件	五年
客戶群	十年

於兩個報告期末，無形資產已全數攤銷。

18. 可供出售投資

結餘指於一間中國成立之私人實體發行的非上市股本證券的投資。於二零一六年及二零一五年十二月三十一日，本集團持有 Beijing Shenzhou Software Technology Limited 5.56% 的權益，該公司主要從事軟件開發。

由於合理公平值的估計範圍相當大，本公司董事認為有關公平值無法可靠計量，故上述結餘於呈報期結算日按成本扣減減值計量。

19. 於聯營公司之權益

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
102,114	102,114
812	25,565
102,926	127,679

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19. INTEREST IN AN ASSOCIATE (continued)

As at 31 December 2016 and 2015, the Group had interest in the following associate:

Name of entity 實體名稱	Form of business structure 商業結構形式	Country of registration and operation 註冊及營運國家	Proportion of nominal value of registered capital held by the Group 本集團持有註冊資本賬面值之百分比	Proportion of voting power held 持投票權之百分比	Principal activities 主營業務
Qingdao Lejin Inspur Digital Communication Limited# (“Qingdao Lejin”) 青島樂金浪潮數字通信有限公司(「青島樂金」)	Sino-foreign owned enterprise (“SFOE”) 中外合資企業(「中外合資企業」)	The PRC 中國	30%	30%	Manufacturing and sale of wireless Global System for Communicates (“GSM”) mobile phones and value added software for mobile phones 製造及銷售無線全球通訊系統(「GSM」)移動電話及移動電話增值軟件

The English name of the associate is for identification purpose only.

Note: During the year ended 31 December 2016, the local tax authorities have completed a tax investigation to Qingdao Lejin in relation to the transfer pricing adjustment from 2008 to 2011. The local tax authorities have issued final tax notices stipulating transfer pricing adjustment for FY2008-FY2009 and FY2010- FY2011 amounting to RMB54.8 million (equivalent to HK\$68.2 million) and RMB109.9 million (equivalent to HK\$136.8 million), respectively, together with certain interest charges and Qingdao Lejin has recognised such provision of EIT. As advised by tax adviser of Qingdao Lejin, the directors of Qingdao Lejin are of the opinion that the amount of tax exposures for the subsequent years from 2012 to 2016 cannot be reasonably estimated at this stage as the tax investigation for subsequent years have not been started. As a result, no additional provision on EIT has been made for the subsequent years by Qingdao Lejin during the year ended 31 December 2016.

19. 於聯營公司之權益(續)

於二零一六年及二零一五年十二月三十一日，本集團於下列聯營公司擁有權益：

聯營公司的英文名稱僅供識別。

附註：截至二零一六年十二月三十一日止年度，地方稅務局已完成對青島樂金二零零八年至二零一一年轉讓定價的稅務調查。該地方稅務局已刊發最終稅務通告，訂明二零零八財政年度至二零零九財政年度及二零一零財政年度至二零一一財政年度之轉讓定價調整連同若干利息費用分別為人民幣54,800,000元(相等於68,200,000港元)及人民幣109,900,000元(相等於136,800,000港元)，而青島樂金已確認轉有關企業所得稅撥備。據青島樂金稅務顧問告知，青島樂金董事認為，由於其後幾年的稅項調查尚未開始，故現階段無法合理估計自二零一二年至二零一六年之其後幾年的應繳稅項金額。因此，於截至二零一六年十二月三十一日止年度，青島樂金並無就其後幾年的企業所得稅計提額外撥備。

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19. INTEREST IN AN ASSOCIATE (continued)

Summarised financial information of the associate

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs. The associate is accounted for using the equity method in these consolidated financial statements.

19. 於聯營公司之權益(續)

聯營公司的財務資料概要

有關本集團聯營公司的財務資料概要載列如下。以下財務資料概要指根據香港財務報告準則所編製聯營公司財務報表內所示金額。聯營公司採用權益法於該等綜合財務報表列賬。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	1,616,413	1,725,185
Non-current assets	非流動資產	169,845	210,341
Current liabilities	流動負債	(1,443,171)	(1,509,930)
Revenue	收入	6,440,892	9,232,994
Profit for the year	年內溢利	104,950	197,044
Other comprehensive expense for the year	年內其他全面開支	(24,690)	(29,677)
Profit and total comprehensive income for the year	年內溢利及全面收入總額	80,260	167,367
Dividend paid during the year	年內已付股息	162,771	60,570

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19. INTEREST IN AN ASSOCIATE (continued)

Summarised financial information of the associate (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

Net assets of Qingdao Lejin	青島樂金的資產淨值
Proportion of the Group's ownership interest in Qingdao Lejin	本集團所持青島樂金擁有權的百分比
Group's share of net assets of an associate	本集團應佔聯營公司的資產淨值

19. 於聯營公司之權益(續)

聯營公司的財務資料概要(續)

上述財務資料概要與綜合財務報表內確認的於聯營公司權益的賬面值對賬如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
343,087	425,596
30%	30%
102,926	127,679

20. INTEREST IN A JOINT VENTURE

Cost of investment in a joint venture - unlisted	於合營公司之投資成本—非上市
Share of post-acquisition losses and other comprehensive expenses	應佔收購後虧損及其他全面開支

20. 於合營公司之權益

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
185,266	185,266
(54,092)	(19,242)
131,174	166,024

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20. INTEREST IN A JOINT VENTURE (continued)

As at 31 December 2016 and 2015, the Group had interest in the following joint venture:

Name of entity 實體名稱	Form of business structure 商業結構形式	Country of registration and operation 註冊及營運國家	Proportion of nominal value of registered capital held by the Group 本集團持有註冊資本賬面值之百分比
Shandong Inspur Cloud Computing Industry Investment Co., Ltd. ("Inspur Cloud")# 山東浪潮雲海計算產業投資有限公司(「浪潮雲海」)	SFOE 中外合資企業	The PRC 中國	33.33%

The English name of the joint venture is for identification purpose only.

Summarised financial information of joint venture

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with HKFRSs. The joint venture is accounted for using the equity method in these consolidated financial statements.

Current assets	流動資產
Non-current assets	非流動資產
Current liabilities	流動負債
Non-current liabilities	非流動負債
The above amounts of assets and liabilities include the following:	以上資產及負債金額包括以下各項：
Cash and cash equivalents	現金及現金等值物

20. 於合營公司之權益(續)

於二零一六年及二零一五年十二月三十一日，本集團於下列合營公司擁有權益：

Proportion of voting power held 持投票權之百分比	Principal activity 主營業務
33.33%	Properties investment, provision of consultation, research and development services and trading of computer components 物業投資，提供計算、研發服務及買賣電腦元件

合營公司的英文名稱僅供識別

合營公司的財務資料概要

本集團合營公司的財務資料概要載於下文。以下財務資料概要指根據香港財務報告準則所編製合營公司財務報表內所示金額。合營公司採用權益法於該等綜合財務報表列賬。

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
324,503	212,371
353,764	395,403
(237,836)	(103,552)
(8,355)	(6,100)
77,451	33,579

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20. INTEREST IN A JOINT VENTURE (continued)

Summarised financial information of joint venture (continued)

Revenue	收入
Loss for the year	年內虧損
Other comprehensive expense for the year	年內其他全面開支
Loss and total comprehensive expense for the year	年內虧損及全面開支總額
The above loss for the year includes the following:	以上年內虧損包括以下各項：
Depreciation and amortisation	折舊及攤銷
Interest income	利息收入
Income tax credit	所得稅抵免

20. 於合營公司之權益(續)

合營公司的財務資料概要(續)

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
380,945	211,496
(6,969)	(46,160)
(75,014)	(26,232)
(81,983)	(72,392)
20,834	33,367
143	558
(46)	(2,117)

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20. INTEREST IN A JOINT VENTURE (continued)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

Net assets attributable to owners of the Inspur Cloud	浪潮雲海擁有人應佔資產淨值
Proportion of the Group's ownership interest in Inspur Cloud	本集團所持浪潮雲海擁有的百分比
Carrying amount of the Group's interest in Inspur Cloud	本集團於浪潮雲海的權益的賬面值

20. 於合營公司之權益(續)

上述財務資料概要與綜合財務報表內確認的於合營公司權益的賬面值對賬如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
393,561	498,122
33.33%	33.33%
131,174	166,024

21. INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

21. 存貨

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
271	66
164	174
7,859	1,705
8,294	1,945

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22. TRADE AND BILLS RECEIVABLES

Trade and bills receivables	貿易應收賬款及應收票據
Less: Allowance for bad and doubtful debts	減：呆壞賬撥備

The Group allows a credit period of 30 to 210 days (2015: 30 to 210 days) to its customers. The following is an aged analysis of trade and bills receivables net of allowance for bad and doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates:

0 to 30 days	0至30日
31 to 60 days	31至60日
61 to 90 days	61至90日
91 to 120 days	91至120日
121 to 180 days	121至180日
Over 180 days	180日以上

22. 貿易應收賬款及應收票據

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
189,204	169,420
(28,420)	(53,222)
160,784	116,198

本集團向客戶提供30至210日的信貸期(二零一五年：30至210日)。以下為於呈報期結算日(與各收入確認日期相若)根據發票日期呈列的貿易應收賬款及應收票據(扣除呆壞賬撥備)的賬齡分析：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
97,110	29,525
10,118	5,874
4,051	6,862
4,114	19,356
8,675	6,937
36,716	47,644
160,784	116,198

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22. TRADE AND BILLS RECEIVABLES (continued)

Before accepting any new customer, the Group assess the potential customer's credit quality and defines credit limits by customers. Limits and scoring attributed to customers are reviewed periodically. 81% (2015: 60%) of the trade and bills receivables that are neither past due nor impaired have the best credit scoring under the credit scoring system used by the Group.

Included in the Group's trade and bills receivable balance are debtors with aggregate carrying amount of approximately HK\$6,725,000 (2015: HK\$13,900,000), which are past due at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are considered recoverable. The Group does not hold any collateral over these balances. The average age of these trade receivables is 183 days (2015: 239 days).

Ageing of trade receivables which are past due but not impaired (based on the invoice date)

121 - 180 days	121 至 180 日
Over 180 days	180 日以上

22. 貿易應收賬款及應收票據 (續)

於接納任何新客戶前，本集團評估潛在客戶之信貸質素，釐定客戶信貸上限。給予客戶之信貸上限及評分會定期檢討。根據本集團採用之信貸評分系統，81% (二零一五年：60%) 的貿易應收賬款及應收票據既無過期亦無減值，擁有優秀信貸評分。

本集團之貿易應收賬款及應收票據結餘包括應收賬款，該等應收賬款總賬面值約6,725,000港元(二零一五年：13,900,000港元)，於呈報期結算日已過期，但因信貸質素並無重大變化且該等金額視為尚可收回，故本集團並無就減值虧損作出撥備。本集團並無就該等結餘持有任何抵押。該等貿易應收賬款之平均賬齡為183日(二零一五年：239日)。

根據發票日期已過期但未減值之貿易應收賬款之賬齡

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
—	3,787
6,725	10,113
6,725	13,900

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For the year ended 31 December 2016
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22. TRADE AND BILLS RECEIVABLES (continued)

Movement in the allowance for bad and doubtful debts

Balance at beginning of year	年初結餘
Allowances recognised on receivables	就應收賬款確認之撥備
Disposals of business and subsidiaries	出售業務及附屬公司
Written off as uncollectible	因不可收回而撇銷
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回
Exchange adjustments	匯兌調整
Balance at the end of year	年末結餘

There were no individually impaired trade receivables which had been under dispute included in the allowance for bad and doubtful debts at 31 December 2016 and 2015.

22. 貿易應收賬款及應收票據 (續)

呆壞賬撥備之變動

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
53,222	66,714
3,664	22,383
—	(27,932)
(12,328)	—
(13,768)	(5,195)
(2,370)	(2,748)
28,420	53,222

於二零一六年及二零一五年十二月三十一日，呆壞賬撥備並不包括個別具爭議之已減值貿易應收賬款。

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23. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

Contracts in progress at the end of the reporting period:	於呈報期結算日之在建工程：
Contract costs incurred plus recognised profits less recognised losses	已產生合約成本加上已確認溢利減已確認虧損
Less: Progress billings	減：進度款
Analysed for reporting purposes as:	就報告而言分析：
Amounts due from contract customers	應收合約客戶款項
Amounts due to contract customers	應付合約客戶款項

As at 31 December 2016, retentions held by customers for contract works amounted to HK\$501,000 (2015: HK\$7,937,000) included in prepayments, deposits and other receivables. Advances received from customers for contract work amounted to HK\$149,635,000 (2015: HK\$126,759,000) included in other payables and accrued expenses. All amounts are expected to be realised within 12 months from the end of the reporting date.

The management assessed the recoverable amounts of the contract costs and determined that costs incurred for certain long outstanding contracts were impaired. Accordingly, impairment loss of HK\$8,954,000 (2015: HK\$6,651,000) was recognised in the year ended 31 December 2016.

23. 應收(應付)客戶合約工程款項

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
877,574	866,674
(1,020,109)	(958,459)
(142,535)	(91,785)
46,284	26,073
(188,819)	(117,858)
(142,535)	(91,785)

於二零一六年十二月三十一日，客戶扣留合約工程款項達501,000港元(二零一五年：7,937,000港元)，計入預付款項、按金及其他應收賬款。已收取客戶合約工程墊款149,635,000港元(二零一五年：126,759,000港元)，計入其他應付賬款及應計開支。預期所有款項將於呈報日期結算日後12個月內變現。

管理層已評估合約成本的可回收金額及釐定若干逾期已久的合約產生的成本已減值。因此，截至二零一六年十二月三十一日止年度已確認減值虧損8,954,000港元(二零一五年：6,651,000港元)。

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24. ENTRUSTED LOAN RECEIVABLES

The Group entered into entrusted loan framework agreement on 21 March 2016 and 11 May 2016, pursuant to which the Group agreed to provide entrusted loan to Inspur Electronic Information Industry Co., Limited (“Inspur Electronic Information”), a fellow subsidiary of the Group, through a financial institution. The principal of entrusted loans receivable amounted to HK\$175,241,000 and HK\$163,558,000 were unsecured, interest bearing at 4.35% per annum and have been fully repaid during the year ended 31 December 2016.

The Group also entered into a supplementary agreement on 26 September 2016, pursuant to which the Group agreed to provide entrusted loans to Inspur Electronic Information. The principal of entrusted loan receivables amounted to HK\$167,507,000 and HK\$156,340,000 were unsecured, interest bearing at 4.35% per annum and matured in March and April 2017, respectively. As at 31 December 2016, interest receivables arising from the entrusted loan receivables were amounted to HK\$1,943,000 and HK\$1,152,000, respectively.

25. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The bank balances carried interest at market rates which range from 0.01% to 1.15% (2015: 0.01% to 1.75%) per annum.

At 31 December 2016, pledged bank deposits represented deposits pledged to banks to secure bank acceptance bills and general banking facilities granted to the Group and are therefore classified as current assets. The pledged bank deposits carry interest at market rates which range from 0.55% to 1.35% (2015: 0.33% to 1.85%) per annum.

24. 應收委託貸款

本集團於二零一六年三月二十一日及二零一六年五月十一日訂立一項委託貸款框架協議，據此，本集團同意通過金融機構向本集團的同集團附屬公司浪潮電子資訊產業股份有限公司（「浪潮電子資訊」）提供委託貸款。於截至二零一六年十二月三十一日止年度，應收委託貸款本金175,241,000港元及163,558,000港元為無抵押，按4.35%的年利率計息及已悉數清償。

本集團亦於二零一六年九月二十六日訂立一項補充協議，據此，本集團同意浪潮電子資訊提供委託貸款。應收委託貸款本金167,507,000港元及156,340,000港元為無抵押，4.35%的年利率計息及分別於二零一七年三月及四月到期。於二零一六年十二月三十一日，應收委託貸款產生的應收利息分別為1,943,000港元及1,152,000港元。

25. 已抵押銀行存款及銀行結餘及現金

銀行結餘及現金包括本集團所持現金及原定三個月或以內到期之短期銀行存款。銀行結餘按介乎0.01%至1.15%（二零一五年：0.01%至1.75%）的市場年利率計息。

於二零一六年十二月三十一日，已抵押銀行存款指為本集團獲授予的銀行承兌票據及一般銀行信貸而向銀行抵押的存款，因此分類為流動資產。已抵押銀行存款的市場利率每年介乎0.55%至1.35%（二零一五年：0.33%至1.85%）。

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26. TRADE AND BILLS PAYABLES

Trade and bills payables principally comprise amounts outstanding for trade purposes and ongoing costs. The average credit period taken for trade purchases is 30 to 120 days (2015: 30 to 120 days).

The following is an aged analysis of trade and bills payables for the purchase of goods and services rendered presented based on the invoice date at the end of the reporting period.

26. 貿易應付賬款及應付票據

貿易應付賬款及應付票據主要包括未付貿易用途款項及日常費用。貿易採購平均信貸期為30至120日(二零一五年: 30至120日)。

以下為購買商品及提供服務的貿易應付賬款及應付票據於呈報期結算日按發票日期呈列的賬齡分析。

Trade and bills payables	貿易應付賬款及應付票據
0 - 30 days	0至30日
31 - 60 days	31至60日
61 - 90 days	61至90日
Over 90 days	90日以上

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
55,032	36,613
3,624	16,609
3,633	3,095
33,895	77,847
96,184	134,164

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27. AMOUNTS DUE FROM ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

27. 應收最終控股公司及同集團附屬公司款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Amounts due from related companies:	應收關聯公司款項：		
Trading in nature	貿易性質		
Fellow subsidiaries	同集團附屬公司	54,517	135,950
Ultimate holding company	最終控股公司	—	979
		<u>54,517</u>	<u>136,929</u>
Non-trading in nature	非貿易性質		
Fellow subsidiaries	同集團附屬公司	3,942	7,883
Ultimate holding company	最終控股公司	295	187
		<u>4,237</u>	<u>8,070</u>
Total amounts due from related companies	應收關聯公司款項總額	<u>58,754</u>	<u>144,999</u>
Analysed as:	分析如下：		
Amounts due from fellow subsidiaries	應收同集團附屬公司款項	58,459	143,833
Amount due from ultimate holding company	應收最終控股公司款項	295	1,166
Total amounts due from related companies	應收關聯公司款項總額	<u>58,754</u>	<u>144,999</u>

The Group allows an average trade credit period of 30 to 210 days (2015: 30 to 210 days) to its trade receivables due from its fellow subsidiaries and ultimate holding company.

本集團就應收其同集團附屬公司及最終控股公司貿易應收賬款提供平均30至210日(二零一五年：30至210日)的貿易信貸期。

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27. AMOUNTS DUE FROM ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES (continued)

The following is an aged analysis of trade receivables due from related companies presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates.

0 - 30 days	0至30日
31 - 60 days	31至60日
61 - 90 days	61至90日
91 - 210 days	91至210日
Over 210 days	210日以上

Certain trade receivables due from fellow subsidiaries and ultimate holding company are past due but not impaired at the end of the reporting period. These fellow subsidiaries and ultimate holding company have strong financial position with continuous subsequent settlements and there have been no historical default of payments by respective fellow subsidiaries or ultimate holding company. In determining the recoverability of trade receivables due from fellow subsidiaries and ultimate holding company, the Group considers any change in the credit quality of the fellow subsidiaries and ultimate holding company from the date of credit was initially granted up to the end of the reporting period.

The amounts due from fellow subsidiaries and ultimate holding company which are non-trading in nature are unsecured, interest free and repayable on demand. In the opinion of the directors, it is expected to be recoverable within twelve months from the end of the reporting period.

27. 應收最終控股公司及同集團附屬公司款項(續)

應收關聯公司貿易應收賬款於呈報期結算日按發票日期呈列的賬齡分析如下，呈報期結算日與相關收益確認日期相若。

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
34,369	11,954
5,127	1,552
164	14,702
2,741	101,928
12,116	6,793
54,517	136,929

若干應收同集團附屬公司及最終控股公司的貿易應收賬款於呈報期結算日已過期但並無減值。該等同集團附屬公司及最終控股公司財務狀況穩健，其後可持續進行結算，且彼等過往不曾拖欠付款。在確定應收同集團附屬公司及最終控股公司貿易應收賬款能否收回時，本集團考慮自初次授出信貸當日至呈報期結算日同集團附屬公司及最終控股公司之信貸質素的任何變化。

屬非貿易性質的應收同集團附屬公司及最終控股公司的款項為無抵押、免息及按要求償還。董事認為，預期該等款項可於自呈報期結算日後十二個月內收回。

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28. AMOUNTS DUE TO ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

28. 應付最終控股公司及同集團附屬公司款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trading in nature	貿易性質		
Fellow subsidiaries	同集團附屬公司	9,017	4,056
Ultimate holding company	最終控股公司	—	239
		<u>9,017</u>	<u>4,295</u>
Non-trading in nature	非貿易性質		
Fellow subsidiaries	同集團附屬公司	18,838	39,536
Ultimate holding company	最終控股公司	13,409	856
		<u>32,247</u>	<u>40,392</u>
Total amounts due to related companies	應付關聯公司款項總額	<u>41,264</u>	<u>44,687</u>
Analysed as:	分析如下：		
Amounts due to fellow subsidiaries	應付同集團附屬公司款項	27,855	43,592
Amount due to ultimate holding company	應付最終控股公司款項	13,409	1,095
Total amounts due to related companies	應付關聯公司款項總額	<u>41,264</u>	<u>44,687</u>

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28. AMOUNTS DUE TO ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

(continued)

The average credit period taken for trade purchases from related companies is 30 to 120 days (2015: 30 to 120 days). The following is an aged analysis of the amounts due to related companies which are trading in nature at the end of the reporting period.

0 to 30 days	0至30日
31 to 60 days	31至60日
61 to 90 days	61至90日
Over 90 days	90日以上

The amounts due to fellow subsidiaries and ultimate holding company which are non-trading in nature are unsecured, interest free and repayable on demand.

29. SHARE CAPITAL OF THE COMPANY

Authorised:	法定：
Ordinary shares of HK\$0.01 each	每股0.01港元之普通股
Issued and fully paid Ordinary shares of HK\$0.01 each	已發行及繳足每股0.01港元之普通股

Number of shares 股份數目		Share capital 股本	
2016 二零一六年 '000 千股	2015 二零一五年 '000 千股	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
2,000,000	2,000,000	20,000	20,000
901,536	901,536	9,015	9,015

28. 應付最終控股公司及同集團附屬公司款項(續)

向關聯公司進行貿易採購的平均信貸期為30至120日(二零一五年：30至120日)。貿易性質的應付關聯公司款項於呈報期結算日的賬齡分析如下。

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
2,201	3,727
5,693	—
236	—
887	568
9,017	4,295

非貿易性質的應付同集團附屬公司及最終控股公司的款項為無抵押、免息及按要求償還。

29. 本公司股本

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30. SHARE OPTION SCHEMES

Equity-settled share options scheme

The Share Option Scheme (the "Option Scheme") of the Company were adopted by the Company pursuant to the written resolutions of all shareholders passed on 10 November 2008 for the primary purpose of providing incentives or rewards to selected participants for their 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 the Group holds any equity interest. The Option Scheme shall be valid and effective for a period of ten years after the date of its adoption. Under the Option Scheme, the board of directors of the Company may grant options to eligible participants including employees, executives or officers and directors (including executive and non-executive directors) of the Company or any of its subsidiaries, and any suppliers, consultants and advisers who will contribute or have contributed to the Group to subscribe for shares in the Company.

At 31 December 2016, the number of shares available for issue and remained outstanding under the Option Schemes are 75,020,000 shares (2015: 46,420,000 shares) representing 8% (2015: 5%) of the issued share capital of the Company.

30. 購股權計劃

股權支付購股權計劃

本公司根據全體股東於二零零八年十一月十日通過的書面決議案採納購股權計劃(「購股權計劃」)，主要目的為向經甄選之參與者就彼等對本集團之貢獻提供獎勵或回報，及／或有助本集團招聘及挽留優秀僱員，吸引對本集團及本集團持有任何股權的實體有重要價值之人力資源。購股權計劃於採納當日起計十年內可有效行使。根據購股權計劃，本公司董事會可向合資格參與者(包括本公司或其任何附屬公司之僱員、行政人員或高級職員及執行及非執行董事以及過往或日後對本集團有貢獻之任何供應商、顧問及諮詢人)授出可認購本公司股份的購股權。

於二零一六年十二月三十一日，根據購股權計劃可供發行及尚未行使的股份數目分別為75,020,000股(二零一五年：46,420,000股)，相當於本公司已發行股本8%(二零一五年：5%)。

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30. SHARE OPTION SCHEMES (continued)

Equity-settled share options scheme

(continued)

The total number of shares in respect of which options may be granted under the Option Schemes is not permitted to exceed 10% of the shares of the Company of the adoption date of the Option Scheme unless prior approval from the Company's shareholders in general meeting has been obtained. The number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Option Schemes and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time. The total number of shares in respect of which options may be granted to any eligible participant in any twelve-month period is not permitted to exceed 1% of the shares of the Company in issue at any point in time, unless prior approval from the Company's shareholders in general meeting has been obtained. Options granted to substantial shareholder or an independent non-executive director of the Company in excess of 0.1% of the Company's share in issue and with a value in excess of HK\$5 million must be approved in advance by the Company's shareholders in general meeting.

30. 購股權計劃(續)

股權支付購股權計劃(續)

根據購股權計劃可能授出之購股權所涉股份總數不得超過本公司於採納購股權計劃當日股份的10%，惟事先在股東大會上獲本公司股東批准者則除外。因行使可能根據購股權計劃以及本公司任何其他購股權計劃所有已授出但尚未行使的購股權而發行之股份數目不得超過不時已發行股份30%。於任何十二個月期間可能授予任何合資格參與者之購股權所涉股份總數，不得超過本公司於任何時間已發行股份1%，惟事先在股東大會上獲本公司股東批准者則除外。授予本公司主要股東或獨立非執行董事超過本公司已發行股份0.1%且其價值超過5,000,000港元之購股權須事先在股東大會上獲本公司股東批准。

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30. SHARE OPTION SCHEMES (continued)

Equity-settled share options scheme (continued)

There is no general requirement that an option must be held to any minimum period before it can be exercised but the board of directors is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. Options offered must be taken up not later than 28 days after the date of offer. A non-refundable remittance of HK\$1 is payable as consideration by the grantee upon acceptance of every grant of option under the Option Scheme. The period during which an option may be exercised will be determined by the board of directors at its absolute discretion, save that such period of time shall not exceed a period of ten years commencing on the date which the option is granted. The exercise price is determined by the board of directors of the Company, and will not be less than the highest of (i) the closing price of the share on the Stock Exchange's daily quotation sheet on the date of offer (ii) the average closing price of the shares on the Stock Exchange's daily quotation sheet for the five business days immediately preceding the date of offer and (iii) the nominal value of a share of the Company.

30. 購股權計劃(續)

股權支付購股權計劃(續)

一般並無規定購股權於可行使前須持有之最短期限，但董事會獲授權可於授出任何個別購股權時酌情施加最短期限。要約的購股權須於要約日期後28日內獲認購。承授人於接受根據購股權計劃授出之各項購股權時，須支付1港元不可撤回款項作為代價。購股權行使期由董事會全權酌情釐定，惟該期間不得超過授出購股權當日起計十年。行使價由本公司董事會釐定，不會低於以下之最高者(i)要約日期聯交所每日報價表之股份收市價；(ii)緊接要約日期前五個營業日聯交所每日報價表之股份平均收市價及(iii)本公司股份面值。

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30. SHARE OPTION SCHEMES (continued)

Equity-settled share options scheme

(continued)

2010 Option

On 10 December 2010, a total of 12,020,000 share options were granted to certain employees and directors of the Group under the option scheme entitling the holders thereof to subscribe for shares of the Company at an exercise price of HK\$3.41 per share.

40% of the share options granted at 10 December 2010 are exercisable at date of grant; 40% of the share options are exercisable after 1 year from date of grant; the remaining 20% of the share option are exercisable after 2 years from the date of grant. All options will be vested on the first day of respective exercise period.

2015 Option

On 16 July 2015, a total of 40,000,000 share options were granted to certain employees and directors of the Group under the option scheme entitling the holders thereof to subscribe for shares of the Company at an exercise price of HK\$1.71 per share.

40% of the share options granted at 16 July 2015 are exercisable at the date of grant; 40% of the share option are exercised after 1 year from the date of grant; the remaining 20% of the share option are exercisable after 2 years from the date of grant. All options will be vested on the first day of respective exercise period. The estimated fair values of the options granted on 16 July 2016 is HK\$32,192,000.

30. 購股權計劃(續)

股權支付購股權計劃(續)

二零一零年購股權

於二零一零年十二月十日，本公司根據購股權計劃授出合共12,020,000份購股權予本集團若干僱員及董事，有關購股權持有人可按行使價每股3.41港元認購本公司股份。

二零一零年十二月十日授出之購股權中，40%購股權可於授出當日行使，另外40%購股權可於授出當日一年後行使，而餘下20%購股權可於授出當日兩年後行使。所有購股權將於各行使期首日歸屬。

二零一五年購股權

於二零一五年七月十六日，本公司根據購股權計劃授出合共40,000,000份購股權予本集團若干僱員及董事，有關購股權持有人可按行使價每股1.71港元認購本公司股份。

二零一五年七月十六日授出之購股權中，40%購股權可於授出當日行使，另外40%購股權可於授出當日一年後行使，而餘下20%購股權可於授出當日兩年後行使。所有購股權於各行使期首日歸屬。二零一六年七月十六日授出之購股權之估計公平值為32,192,000港元。

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30. SHARE OPTION SCHEMES (continued)

Equity-settled share options scheme (continued)

2016 Option

On 13 May 2016, a total of 30,000,000 share options were granted to certain employees and directors of the Group under the option scheme entitling the holders thereof to subscribe for shares of the Company at an exercise price of HK\$1.34 per share.

20% of the share options granted at 13 May 2016 are exercisable at the date of grant; 40% of the share options are exercised after 1 year from the date of grant; the remaining 40% of the share options are exercisable after 2 years from the date of grant. All options will be vested on the first day of respective exercise period. The estimated fair values of the options granted on 13 May 2016 is HK\$18,783,000.

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

Share price	股價
Exercise price	行使價
Expected volatility	預期波幅
Expected life	預期年期
Risk-free rate	無風險利率
Expected dividend yield	預期股息率

Expected volatility was determined by using the historical volatility of the Company's share price over the previous 10 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

30. 購股權計劃(續)

股權支付購股權計劃(續)

二零一六年購股權

於二零一六年五月十三日，本公司根據購股權計劃授出合共30,000,000份購股權予本集團若干僱員及董事，有關購股權持有人可按行使價每股1.34港元認購本公司股份。

二零一六年五月十三日授出之購股權中，20%購股權可於授出當日行使，另外40%購股權可於授出當日一年後行使，而餘下40%購股權可於授出當日兩年後行使。所有購股權於各行使期首日歸屬。二零一六年五月十三日授出之購股權之估計公平值為18,783,000港元。

公平值以二項式模式計算。該模式所用參數如下：

2016 Option 二零一六年 購股權	2015 Option 二零一五年 購股權	2010 Option 二零一零年 購股權
HK\$1.34 1.34 港元	HK\$1.67 1.67 港元	HK\$3.41 3.41 港元
HK\$1.34 1.34 港元	HK\$1.71 1.71 港元	HK\$3.41 3.41 港元
55.97%	58.76%	55.04%
10 years 10 年	10 years 10 年	10 years 10 年
1.20%	1.83%	2.77%
1.95%	1.8%	1.93%

預期波幅按本公司過往10年股價的歷史波幅釐定。該模式所用預期年期已根據管理層的最佳估計就不可轉讓性、行使限制及行為因素的影響作出調整。

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30. SHARE OPTION SCHEMES (continued)

Equity-settled share options scheme (continued)

Details of specific categories of options as at 31 December 2016 are as follows:

30. 購股權計劃(續)

股權支付購股權計劃(續)

以下為各類購股權於二零一六年十二月三十一日之詳情：

	Date of grant 授出日期	Exercise period 行使期	Fair value 公平值	Exercise price 行使價 HK\$ 港元
2010 Option 二零一零年購股權	10 December 2010 二零一零年十二月十日	10 December 2010 to 9 December 2020 二零一零年十二月十日 至 二零二零年十二月九日	0.38	3.41
	10 December 2010 二零一零年十二月十日	10 December 2011 to 9 December 2020 二零一一年十二月十日 至 二零二零年十二月九日	0.38	3.41
	10 December 2010 二零一零年十二月十日	10 December 2012 to 9 December 2020 二零一二年十二月十日 至 二零二零年十二月九日	0.38	3.41
2015 Option 二零一五年購股權	16 July 2015 二零一五年七月十六日	16 July 2015 to 15 July 2025 二零一五年七月十六日 至 二零二五年七月十五日	0.79	1.71
	16 July 2015 二零一五年七月十六日	16 July 2016 to 15 July 2025 二零一六年七月十六日 至 二零二五年七月十五日	0.80	1.71
	16 July 2015 二零一五年七月十六日	16 July 2017 to 15 July 2025 二零一七年七月十六日 至 二零二五年七月十五日	0.84	1.71
2016 Option 二零一六年購股權	13 May 2016 二零一六年五月十三日	13 May 2016 to 12 May 2026 二零一六年五月十三日 至 二零二六年五月十二日	0.61	1.34
	13 May 2016 二零一六年五月十三日	13 May 2017 to 12 May 2026 二零一七年五月十三日 至 二零二六年五月十二日	0.62	1.34
	13 May 2016 二零一六年五月十三日	13 May 2018 to 12 May 2026 二零一八年五月十三日 至 二零二六年五月十二日	0.64	1.34

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30. SHARE OPTION SCHEMES (continued)

Equity-settled share options scheme (continued)

The following table discloses details of the Company's share options held by directors and employees and movements in such holdings during the year ended 31 December 2016 and 2015:

Option type	購股權類別	Outstanding at	Granted	Forfeited	Outstanding at	Granted	Cancellation	Outstanding
		and 1.1.2015	during	during	31.12.2015	during	during	at
		於二零一五年	the year	the year	於二零一五年	the year	the year	於二零一六年
		一月一日	年內授出	年內沒收	十二月三十一日	年內授出	年內取消	十二月三十一日
		尚未行使			尚未行使			尚未行使
2010 Option	二零一零年購股權	12,020,000	—	(5,600,000)	6,420,000	—	(1,400,000)	5,020,000
2015 Option	二零一五年購股權	—	40,000,000	—	40,000,000	—	—	40,000,000
2016 Option	二零一六年購股權	—	—	—	—	30,000,000	—	30,000,000
		<u>12,020,000</u>	<u>40,000,000</u>	<u>(5,600,000)</u>	<u>46,420,000</u>	<u>30,000,000</u>	<u>(1,400,000)</u>	<u>75,020,000</u>
Weighted average	加權平均							
Exercise price (HK\$)	行使價(港元)	3.41	1.71	3.41	1.95	1.34	3.41	1.68

The number of share options exercisable at the end of reporting period was 75,020,000 (2015: 46,420,000).

30. 購股權計劃(續)

股權支付購股權計劃(續)

截至二零一六年及二零一五年十二月三十一日止年度，董事及僱員所持本公司購股權及其變動詳情於下表披露：

於呈報期結算日可行使之購股權數目為75,020,000(二零一五年：46,420,000)。

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30. SHARE OPTION SCHEMES (continued)

Equity-settled share options scheme (continued)

Details of the share options held by the directors included in the above table are as follows:

Option type	購股權類別	Outstanding at			Outstanding at		
		1.1.2015 於二零一五年 一月一日 尚未行使	Granted during the year 年內授出	Forfeited during the year 年內沒收	31.12.2015 於二零一五年 十二月三十一日 尚未行使	Granted during the year 年內授出	31.12.2016 於二零一六年 十二月三十一日 尚未行使
2010 Option	二零一零年購股權	2,320,000	—	(800,000)	1,520,000	—	1,520,000
2015 Option	二零一五年購股權	—	4,000,000	—	4,000,000	—	4,000,000
2016 Option	二零一六年購股權	—	—	—	—	1,600,000	1,600,000
		<u>2,320,000</u>	<u>4,000,000</u>	<u>(800,000)</u>	<u>5,520,000</u>	<u>1,600,000</u>	<u>7,120,000</u>

The Group recognised the total expense of HK\$21,147,000 (2015: HK\$20,055,000) for the year ended 31 December 2016 in relation to share options granted by the Company.

31. DEFERRED INCOME - GOVERNMENT GRANT

Subsidiaries of the Company receive grants from the PRC Government for funding of some development projects which benefits the society as a whole. When the project is completed, the relevant PRC Government department will evaluate the quality of the results. The grants received are recognised as income when i) the related feasibility studies have been completed, ii) the approval of the relevant Government authority has been obtained and iii) no other future conditions are required to fulfil by the Group. If the subsidiaries of the Company are unable to fulfil all the conditions set out by the PRC Government department, the related grants would be returned to the PRC Government department.

The current portion of the deferred income - government grant represents grants received related to projects expected to be completed within one year from the end of the reporting period. For those related to projects more than one year will be included in non-current portion.

30. 購股權計劃(續)

股權支付購股權計劃(續)

上表所載董事所持購股權的詳情如下：

截至二零一六年十二月三十一日止年度，本集團就本公司授出的購股權確認開支總額21,147,000港元(二零一五年：20,055,000港元)。

31. 遞延收入－政府補助

本公司附屬公司獲得中國政府補助，為若干造福整個社會的發展項目提供資金。相關中國政府部門將於項目完工時進行質量評估。所獲補助於i)完成相關可行性研究；ii)獲相關中國政府機構批准；及iii)本集團毋須達成其他日後條件時確認為收入。倘本公司附屬公司未能達成中國政府部門所列全部條件，則有關補助將退還中國政府部門。

遞延收入－政府補助即期部分指預期將於呈報期結算日起一年內完成的項目所獲相關補助。與超過一年完成的項目有關之補助將計入非即期部分。

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32. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised and movements thereon during the current and prior reporting years:

		Withholding tax arising from PRC subsidiaries 中國附屬公司 的預扣稅 HK\$'000 千港元	Revaluation of investment properties 投資物業 之重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	20,619	—	—	20,619
(Credit) charge to profit or loss (note 8)	(計入損益表)於損益表 支銷(附註8)	(2,961)	1,023	2,186	248
Charge to other comprehensive expense	於其他全面開支支銷	—	3,694	—	3,694
Exchange adjustments	匯兌調整	—	(193)	(91)	(284)
At 31 December 2015 (restated)	於二零一五年 十二月三十一日 (經重列)	17,658	4,524	2,095	24,277
(Credit) charge to profit or loss (note 8)	(計入損益表)於損益表 支銷(附註8)	(3,739)	15,632	—	11,893
Charge to other comprehensive expense	於其他全面開支支銷	—	7,653	—	7,653
Exchange adjustments	匯兌調整	—	(1,318)	(135)	(1,453)
At 31 December 2016	於二零一六年 十二月三十一日	13,919	26,491	1,960	42,370

Note: Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. No deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences relating to the undistributed profits of certain PRC subsidiaries amounting to approximately HK\$410,374,000 (2015: HK\$375,147,000) as the Company controls the dividend policy of these subsidiaries and it is probable that the profits will not be distributed in the foreseeable future.

32. 遞延稅項負債

以下為於本報告年度及過往報告年度已確認之遞延稅項負債及其變動：

附註：根據中國企業所得稅法，自二零零八年一月一日起對中國附屬公司就所獲溢利宣派的股息徵收預扣稅。由於本公司控制若干中國附屬公司的股息政策且該等附屬公司的溢利在可見將來可能不會分派，故並無於綜合財務報表就有關若干中國附屬公司未分派溢利之暫時差額約410,374,000港元(二零一五年：375,147,000港元)作出遞延稅項撥備。

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33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues.

34. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets	金融資產
Available-for-sale investment	可供出售投資
Loans and receivables (including cash and cash equivalents)	貸款及應收賬款 (包括現金及現金等值物)
Financial liabilities	金融負債
Amortised cost	攤銷成本

33. 資本風險管理

本集團管理資本的目的在於透過優化債務與權益間的平衡確保本集團的實體可持續經營，同時為股東提供最大回報。本集團的整體策略與去年無異。

本集團資本架構由本公司擁有人應佔權益(包括已發行股本、儲備及保留溢利)組成。

本公司董事根據資金成本及各級別資本相關風險持續檢討資本架構。根據董事之推薦建議，本集團透過派付股息及發行新股份平衡整體資本架構。

34. 金融工具

(a) 金融工具類別

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
20,067	21,454
<u>1,460,421</u>	<u>1,415,699</u>
<u>215,024</u>	<u>385,801</u>

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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and bills receivables, other receivables, entrusted loan receivable, amounts due from ultimate holding company and fellow subsidiaries, pledged bank deposits and bank balances and cash, trade and bills payables, other payables and amounts due to ultimate holding company and fellow subsidiaries. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

The Group collects most of its revenue in HK\$, RMB and USD and incurs most of the expenditures as well as capital expenditures in HK\$, RMB and USD. The directors consider that the Group's foreign currency exchange risk is insignificant as the majority of the Group's transactions are denominated in functional currency of each individual group entity.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

34. 金融工具(續)

(b) 財務風險管理目標及政策

本集團之主要金融工具包括貿易應收賬款及應收票據、其他應收賬款、應收委託貸款、應收最終控股公司及同集團附屬公司的款項、已抵押銀行存款與銀行結餘及現金、貿易應付賬款及應付票據、其他應付賬款及應付最終控股公司及同集團附屬公司的款項。該等金融工具詳情於各附註披露。下文載列與該等金融工具有關之風險及如何降低該等風險之政策。管理層管理及監控該等風險，確保及時有效地採取適當措施。

市場風險

貨幣風險

本集團大部分收入、開支及資本開支均以港元、人民幣及美元計值。由於本集團大部分交易以各個別集團實體之功能貨幣計值，故董事認為本集團之外幣換算風險不大。

本集團現時並無外幣對沖政策。然而，管理層監控外匯風險，並會於有需要時考慮對沖重大外幣風險。

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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

於呈報日期，本集團以外幣計值之貨幣資產及負債的賬面值如下：

		Assets 資產		Liabilities 負債	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Relative to RMB:	相對人民幣：				
HK\$	港元	8,194	161	—	—
Relative to HK\$:	相對港元：				
United States Dollars ("US\$")	美元(「美元」)	54,160	81,837	—	—
Japanese Yen ("JPY")	日圓(「日圓」)	—	1,623	—	—

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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Sensitivity analysis

For the entities of which their functional currency is HK\$ while holding assets denominated in US\$, the directors consider that, as HK\$ is pegged to US\$, the Group is not subject to significant foreign currency risk from change in foreign exchange rate of HK\$ against US\$ and hence only consider the sensitivity of the change in foreign exchange rate of HK\$ against currencies other than US\$. The sensitivity analysis includes only outstanding monetary items which are denominated in relevant foreign currencies and adjusts its translation at the year end for a 5% change in the relevant foreign currencies exchange rates. A positive number below indicates an increase/decrease in post-tax profit/post-tax loss for the year where the relevant foreign currencies strengthens 5% against the functional currency of each group entities. For a 5% weakening of the relevant foreign currencies against the relevant currencies, there would be an equal and opposite impact on the post-tax profit/post-tax loss for the year and the balances below would be negative. 5% (2015: 5%) is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates.

Decrease in post-tax loss for the year	年內除稅後虧損減少
HK\$ impact	港元影響
JPY impact	日圓影響

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

敏感度分析

功能貨幣為港元而持有以美元計值的資產之實體方面，由於港元與美元掛鉤，董事認為本集團因港元兌美元的外幣匯率波動所涉外匯風險並不重大，故僅考慮港元兌美元以外貨幣之匯率波動的敏感度。敏感度分析僅包括以相關外幣列值的未結算貨幣項目，並在各年終對有關項目按5%相關外幣匯率變化進行換算調整。下文所示的正數表示年內因相關外幣兌各集團實體功能貨幣升值5%而使除稅後溢利/除稅後虧損增加/減少。相反，若相關外幣兌相關貨幣貶值5%，則年內除稅後溢利/除稅後虧損會受等額相反影響，以下結餘會呈負數。5% (二零一五年：5%) 的敏感度比率是管理層所評估外幣匯率的合理變幅。

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
307	6
—	81

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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

The Group's fair value interest rate risk relates primarily to fixed rate entrusted loan receivable. The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances.

The Group's cash flow interest rate risk primarily related to its bank balances carried at prevailing market rate. In addition, the Group has concentration of interest rate risk on its floating rate bank balances which expose the Group significantly towards the change in the People's Bank of China's interest rate.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The sensitivity analyses below have been determined based on the exposure to the variable-rate bank balances in the PRC. The analysis is prepared assuming the PRC bank balances outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis points (2015: 50 basis points) increase or 50 basis points (2015: 50 basis points) decrease is used, which represents management's assessment of the reasonably possible change in interest rates.

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險

本集團之公平值利率風險主要與應收固定利率委託貸款有關。本集團亦面對與浮息銀行結餘有關的現金流量利率風險。

本集團的現金流量利率風險主要與按現行市場利率計息的銀行結餘有關。此外，由於浮息銀行結餘使本集團面對中國人民銀行利率變更的重大風險，故本集團面對相關集中利率風險。

本集團現時並無利率對沖政策。然而，管理層監控利率風險，並會於需要時考慮對沖重大利率風險。

以下敏感度分析乃根據中國浮息銀行結餘風險釐定。分析乃假設於各呈報期結算日尚未償還的中國銀行結餘於全年未償還為前提作出。50基點(二零一五年：50基點)增加或50基點(二零一五年：50基點)減少乃代表管理層對利率存在的合理變動的評估。

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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk (continued)

If interest rates had been 50 basis points (2015: 50 basis points) higher or 50 basis points (2015: 50 basis points) lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2016 would increase by HK\$3,268,000 (2015: post-tax loss would decrease by HK\$4,107,000) and decrease by HK\$3,268,000 (2015: post-tax loss would increase by HK\$4,107,000), respectively.

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2016 and 2015 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the management of the Group has 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 bills receivable, amounts due from ultimate holding company and fellow subsidiaries at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group's trade and bills receivables as at 31 December 2016 are due from a large number of customers, spread across diverse industries. The management closely monitors the subsequent settlement of the customers. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險(續)

倘利率上升50基點(二零一五年: 50基點)或下跌50基點(二零一五年: 50基點)而所有其他變數保持不變,則本集團截至二零一六年十二月三十一日止年度之除稅後溢利分別增加3,268,000港元(二零一五年: 除稅後虧損減少4,107,000港元)及減少3,268,000港元(二零一五年: 除稅後虧損增加4,107,000港元)。

信貸風險

二零一六年及二零一五年十二月三十一日,倘交易方未能履行責任,則本集團就各類已確認金融資產須承受之最大信貸風險為已於綜合財務狀況表列值之該等資產賬面值。為盡量降低信貸風險,本集團管理層已委派一組人員負責制訂信貸限額、信貸審批及其他監控措施,確保採取跟進措施收回逾期債項。此外,於各呈報期結算日,本集團評估各個別貿易應收賬款及應收票據、應收最終控股公司及同集團附屬公司款項之可收回金額,確保就不可收回金額作出足夠减值虧損。本集團於二零一六年十二月三十一日之貿易應收賬款及應收票據主要為應收分散於多個行業的大量客戶的款項。管理層已密切關注該等客戶其後的還款情況。因此,本公司董事認為本集團之信貸風險已大幅降低。

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綜合財務報表附註

For the year ended 31 December 2016
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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The Group has concentration of credit risk on trade receivables from ultimate holding company and certain fellow subsidiaries. The ultimate holding company and certain fellow subsidiaries are within software development and solution segment and located in PRC.

The Group's bank balances are deposited with banks with high credit ratings and the Group has limited exposure to any single financial institution.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains adequate cash and cash equivalents by continuously monitor forecast and actual cash flows and matching the maturity profiles of certain financial assets (including trade and bills receivables, entrusted loan receivable, amounts due from ultimate holding company and fellow subsidiaries, pledged bank deposits and bank balances and cash) and certain financial liabilities (including trade and bills payables, other payables and accrued expenses, amounts due to ultimate holding company and fellow subsidiaries).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment dates. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

34. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

本集團面對來自最終控股公司及若干同集團附屬公司之貿易應收賬款的集中信貸風險。最終控股公司及若干同集團附屬公司均從事軟件開發及解決方案業務，位於中國。

本集團銀行結餘均存放於高信貸評級之銀行。本集團來自任何單一金融機構之風險有限。

流動資金風險

管理流動資金風險時，本集團透過持續監控預測及實際現金流量，以及若干金融資產(包括貿易應收賬款及應收票據、應收委託貸款、應收最終控股公司及同集團附屬公司的款項、已抵押銀行存款以及銀行結餘及現金)及若干金融負債(包括貿易應付賬款及應付票據、其他應付賬款及應計開支、應付最終控股公司及同集團附屬公司的款項)之到期情況，監控及維持足夠的現金及現金等值物。

下表詳列本集團非衍生金融負債基於協定還款期的餘下合同到期情況。該表格乃根據本集團金融負債中未折現現金流量按最早須付款日期編製，載有利息及本金現金流量。

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34. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

2016	二零一六年
Trade and bills payables	貿易應付賬款及 應付票據
Other payables	其他應付賬款
Amount due to ultimate holding company	應付最終控股公司 款項
Amounts due to fellow subsidiaries	應付同集團附屬 公司款項

Weighted average effective interest rate	Repayable on demand or less than 3 months	3 months to 6 months	6 months to 1 year	1 to 5 years	Total undiscounted cash flows	Total carrying amount at 31.12.2016
加權平均實際利率	按要求償還或少於三個月	三至六個月	六個月至一年	一至五年	未折現現金流量總額	於二零一六年十二月三十一日之賬面值總額
%	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
—	61,412	34,772	—	—	96,184	96,184
—	45,677	31,663	236	—	77,576	77,576
—	13,409	—	—	—	13,409	13,409
—	27,855	—	—	—	27,855	27,855
	<u>148,353</u>	<u>66,435</u>	<u>236</u>	<u>—</u>	<u>215,024</u>	<u>215,024</u>

2015	二零一五年
Trade and bills payables	貿易應付賬款及 應付票據
Other payables	其他應付賬款
Amount due to ultimate holding company	應付最終控股公司 款項
Amounts due to fellow subsidiaries	應付同集團附屬 公司款項

Weighted average effective interest rate	Repayable on demand or less than 3 months	3 months to 6 months	6 months to 1 year	1 to 5 years	Total undiscounted cash flows	Total carrying amount at 31.12.2015
加權平均實際利率	按要求償還或少於三個月	三至六個月	六個月至一年	一至五年	未折現現金流量總額	於二零一五年十二月三十一日之賬面值總額
%	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
—	86,559	14,663	32,942	—	134,164	134,164
—	206,950	—	—	—	206,950	206,950
—	1,095	—	—	—	1,095	1,095
—	43,592	—	—	—	43,592	43,592
	<u>338,196</u>	<u>14,663</u>	<u>32,942</u>	<u>—</u>	<u>385,801</u>	<u>385,801</u>

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34. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets and financial liabilities.

Some of the Group's assets are measured at fair value for financial reporting purposes. The management will determine the appropriate valuation techniques and inputs for fair value measurements.

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of the investment properties and share options. Notes 15 and 30 provide detailed information about the valuation techniques, inputs and key assumptions used in the determination of the fair value of the investment property and share options.

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosure are required).

The directors of the Company consider that the carrying amounts of these financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

34. 金融工具(續)

(c) 金融工具之公平值計量

此附註提供有關本集團如何釐定多種金融資產及金融負債之公平值之資料。

就財務申報而言，本集團的若干資產乃按公平值計量。管理層將釐定公平值計量的適當估值技術及輸入數據。

本公司採用的估值技術包括利用並非依據可觀察市場數據之輸入數據而估計投資物業及購股權之公平值。附註15及30提供有關釐定投資物業及購股權之公平值所採用的估值技術、輸入數據及主要假設的詳細資料。

並非按經常性基準以公平值計量之本集團之金融資產及金融負債之公平值(惟須披露公平值)。

本公司董事認為該等於綜合財務報表內確認的金融資產及金融負債的賬面值與其公平值相若。

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35. DISCONTINUED OPERATIONS

On 10 April 2015, the Group entered into a share transfer agreement with Inspur Software Group Company Limited* 浪潮軟件集團有限公司 (“Inspur Software”) and Ambition Lead Limited (“Ambition”), which are wholly owned subsidiaries of IPG, pursuant to which the Group agreed to sell and Inspur Software and Ambition agreed to acquire the 100% equity interest of Inspur Communication Information System Limited* 浪潮通信信息系統有限公司 (“Inspur Communication”), a subsidiary of the Company engaged in Telecommunication Business, at the total cash consideration of RMB43,820,000 (equivalent to approximately HK\$54,775,000) (“Telecommunication Business Disposal”). The directors of the Company believe that the transaction is at arm’s length taking into account of the assessment by First Shanghai Capital Limited, the independent financial advisor (the “IFA”) of the Group. The details of the disposal are set out in the circular issued by the Company dated 14 May 2015. The disposal was effected in order to generate cash flows for the expansion of the Group’s other businesses. The disposal was completed on 31 May 2015, on which date control of Inspur Communication was passed to the acquirer.

On 9 July 2015, the Group entered into a disposal agreement with Inspur Software, pursuant to which the Group agreed to sell and Inspur Software agreed to acquire the Finance Business of the Group, at the cash consideration of RMB49,180,000 (equivalent to HK\$61,475,000) (“Finance Business Disposal”). The directors of the Company believe that the transaction is at arm’s length taking into account of the assessment by the IFA of the Group. The details of the disposal are set out in the circular issued by the Company dated 5 August 2015. The disposal was effected in order to generate cash flows for the expansion of the Group’s other businesses. The disposal was completed on 30 September 2015, on which date control of Finance Business was passed to the acquirer.

35. 已終止業務

於二零一五年四月十日，本集團與浪潮集團的全資附屬公司浪潮軟件集團有限公司(「浪潮軟件」)及致優有限公司(「致優」)訂立股份轉讓協議，據此，本集團同意出售且浪潮軟件及致優同意收購本公司從事電信業務的附屬公司浪潮通信信息系統有限公司(「浪潮通信」)的100%股權，現金代價總額為人民幣43,820,000元(相等於約54,775,000港元)(「電信業務出售事項」)。本公司董事認為，該項交易乃按公平磋商原則進行，並計及本集團獨立財務顧問(「獨立財務顧問」)第一上海融資有限公司作出的評估。出售事項的詳情載於本公司刊發日期為二零一五年五月十四日的通函。進行出售事項的目的為產生現金流量以擴張本集團的其他業務。出售事項於二零一五年五月三十一日完成，同日，浪潮通信的控制權轉交予收購方。

於二零一五年七月九日，本集團與浪潮軟件訂立出售協議，據此，本集團同意出售且浪潮軟件同意收購本集團的金融業務，現金代價為人民幣49,180,000元(相當於61,475,000港元)(「金融業務出售事項」)。本公司董事認為，該項交易乃按公平磋商原則進行，並計及本集團獨立財務顧問作出的評估。出售事項的詳情載於本公司刊發日期為二零一五年八月五日的通函。進行出售事項的目的為產生現金流量以擴張本集團的其他業務。出售事項於二零一五年九月三十日完成，同日，金融業務的控制權轉交予收購方。

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35. DISCONTINUED OPERATIONS (continued)

The loss for the year from discontinued Telecommunication Business and Finance Business is set out below.

35. 已終止業務(續)

已終止電信業務及金融業務的年內虧損載列如下。

	Year ended 31.12.2015 截至二零一五年 十二月三十一日 止年度 HK\$'000 千港元
Loss of Telecommunication Business and Finance Business for the year	年內電信業務及金融業務虧損 (61,994)
Gain on disposals of Telecommunication Business and Finance Business (note 36)	出售電信業務及金融業務收益(附註36) 84,890
	<u>22,896</u>

The results of the Telecommunication Business for the period from 1 January 2015 to 31 May 2015, and Finance Business for the period from 1 January 2015 to 30 September 2015, which have been included in the consolidated statement of profit or loss, were as follows:

電信業務自二零一五年一月一日至二零一五年五月三十一日期間，以及金融業務自二零一五年一月一日至二零一五年九月三十日期間的業績已計入綜合損益表，載列如下：

	Year ended 31.12.2015 截至二零一五年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收入 440,896
Cost of sales	銷售成本 (296,964)
Other income	其他收入 15,996
Administrative expenses	行政開支 (38,656)
Selling and distribution expenses	銷售及分銷開支 (171,695)
Loss before tax	除稅前虧損 (50,423)
Income tax expense	所得稅開支 (11,571)
Loss for the year	<u>(61,994)</u>

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35. DISCONTINUED OPERATIONS (continued)

Loss for the year ended 31 December 2015 from discontinued operations included the following:

35. 已終止業務(續)

已終止業務截至二零一五年十二月三十一日止年度的虧損包括以下各項：

		Year ended 31.12.2015 截至二零一五年 十二月三十一 止年度 HK\$'000 千港元
Allowance for bad and doubtful debts	呆壞賬撥備	18,747
Reversal of inventories	存貨撥回	(10,193)
Reversal of allowance for bad and doubtful debts	呆壞賬撥備撥回	(4,867)
Research and development costs recognised as expenses	確認為開支的研發費用	1,001
Cost of inventories recognised as expense in the cost of sales (including write-down of inventories of HK\$10,193,000)	確認為銷售成本開支的存貨成本 (包括存貨撇減10,193,000港元)	243,570
Depreciation for property, plant and equipment	物業、廠房及設備折舊	1,451
Staff costs	員工成本	148,692
Operating lease rentals in respect of office premises and staff quarter	辦公室及員工宿舍之經營租金	7,438

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35. DISCONTINUED OPERATIONS (continued)

Cash flows for the year ended 31 December 2015 from discontinued operations as follows:

Net cash outflow from operating activities	營運業務的現金流出淨額	(24,242)
Net cash outflow from investing activities	投資業務的現金流出淨額	(61,468)
Net cash outflow from financing activities	融資業務的現金流出淨額	(110)
Net cash outflows	現金流出淨額	<u>(85,820)</u>

The carrying amounts of the assets and liabilities of Telecommunication Business and Finance Business at date of disposal are disclosed in note 36.

36. DISPOSAL OF BUSINESSES

(a) Disposal of Inspur Communication

As referred to note 35, the Group discontinued its operations of Telecommunication Business at the time of disposal of Inspur Communication. The net assets of Inspur communication on the completion date of disposal, i.e. 31 May 2015, were as follows:

Consideration received:	已收取代價：
Cash received	已收取現金

35. 已終止業務(續)

已終止業務截至二零一五年十二月三十一日止年度的現金流量如下：

Year ended
31.12.2015
截至二零一五年
十二月三十一日
止年度
HK\$'000
千港元

電信業務及金融業務的資產及負債於出售日期的賬面值披露於附註36。

36. 出售業務

(a) 出售浪潮通信

如附註35所述，本集團已於出售浪潮通信時終止經營電信業務。於出售完成日期(即二零一五年五月三十一日)，浪潮通信的資產淨值如下：

HK\$'000
千港元

54,775

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36. DISPOSAL OF BUSINESSES (continued)

(a) Disposal of Inspur Communication (continued)

36. 出售業務(續)

(a) 出售浪潮通信(續)

		31.5.2015 二零一五年 五月三十一日 HK\$'000 千港元
Analysis of assets and liabilities over which control was lost:	喪失控制權的資產及負債之分析：	
Property, plant and equipment	物業、廠房及設備	2,237
Inventories	存貨	97
Trade and bills receivables	貿易應收賬款及應收票據	167,899
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	9,663
Amounts due from customers for contract work	應收客戶合約工程款項	343
Amount due from ultimate holding company	應收最終控股公司款項	34,586
Amounts due from fellow subsidiaries	應收同集團附屬公司款項	108,671
Tax recoverable	可收回稅項	1,190
Bank balances and cash	銀行結餘及現金	10,574
Trade and bills payables	貿易應付賬款及應付票據	(50,008)
Other payables and accrued liabilities	其他應付賬款及應計負債	(48,671)
Deferred income - government grant	遞延收入－政府補助	(17,045)
Amounts due to customers for contract work	應付客戶合約工程款項	(236,506)
Amounts due to fellow subsidiaries	應付同集團附屬公司款項	(11,660)
Net liabilities disposal of	已出售負債淨額	<u>(28,630)</u>
Gain on disposal of a subsidiary:	出售一家附屬公司之收益：	
Total consideration	代價總額	54,775
Net liabilities disposal of	已出售負債淨額	<u>28,630</u>
		<u>83,405</u>
Net cash inflow arising on disposal:	出售產生之現金流入淨額：	
Cash received	已收取現金	54,775
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	<u>(10,574)</u>
		<u>44,201</u>

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36. DISPOSAL OF BUSINESSES (continued)

(a) Disposal of Inspur Communication (continued)

The impact of Inspur Communication on the Group's result and cash flows in the prior periods is disclosed in note 35.

(b) Disposal of Finance Business

As referred to in note 35, the Group discontinued its operations of Finance Business at the time of disposal of Finance Business. The net assets of Finance Business on the completion date of disposal, i.e. 30 September 2015, were as follows:

Consideration received:
Cash received

已收取代價：
已收取現金

HK\$'000
千港元

61,475

36. 出售業務(續)

(a) 出售浪潮通信(續)

浪潮通信對過往期間本集團業績及現金流量的影響披露於附註35。

(b) 出售金融業務

如附註35所述，本集團已於出售金融業務時終止經營金融業務。於出售完成日期(即二零一五年九月三十日)，金融業務的資產淨值如下：

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36. DISPOSAL OF BUSINESSES (continued)

(b) Disposal of Finance Business (continued)

Analysis of assets and liabilities over which control was lost:

Property, plant and equipment
Inventories
Bank balances and cash

Net assets disposal of

Gain on disposal of business:

Total consideration
Less: net assets disposal of
Less: value-added tax expenses

Net cash inflow arising on disposal:

Cash received
Less: bank balances and cash disposed of

The impact of Finance Business on the Group's result and cash flows in the prior periods is disclosed in note 35.

36. 出售業務(續)

(b) 出售金融業務(續)

30.9.2015
二零一五年
九月三十日
HK\$'000
千港元

喪失控制權的資產及負債的分析：

物業、廠房及設備 1,053
存貨 48,277
銀行結餘及現金 2,274

已出售資產淨值 51,604

出售業務之收益：

代價總額 61,475
減：已出售資產淨值 (51,604)
減：增值稅開支 (8,386)

1,485

出售產生之現金流入淨額：

已收取現金 61,475
減：已出售銀行結餘及現金 (2,274)

59,201

金融業務對過往期間本集團業績及現金流量的影響披露於附註35。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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

37. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under operating leases in respect of rented premises which fall due as follows:

Within one year	一年內
In the second to fifth years inclusive	第二至第五年(包括首尾兩年)

Operating lease payments represent rentals payable by the Group for its office premises and staff quarters. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

The Group as lessor

Property rental income earned during the year was HK\$32,487,000 (2015: HK\$3,821,000). The properties are expected to generate rental yields of 4.9% (2015: 4.5%) on an ongoing basis. All of the properties held have committed tenants for the next year.

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

Within one year	一年內
-----------------	-----

37. 經營租賃承擔

本集團作為承租人

於呈報期結算日，本集團根據經營租賃就所租物業未來最低租賃付款之承擔的到期情況如下：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
9,689	6,078
6,222	9,981
15,911	16,059

經營租賃租金指本集團應付辦公室及員工宿舍租金。租賃平均每兩年商討一次，而租金平均兩年釐定一次。

本集團作為出租人

年內所賺取的物業租金收入為32,487,000港元(二零一五年：3,821,000港元)。該物業預期將持續產生4.9%(二零一五年：4.5%)的租金收益率。所持有物業來年均均有承諾租戶。

於呈報期結算日，本集團已與租戶就下列未來最低租賃付款訂立合約：

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
5,212	21,330

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綜合財務報表附註

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38. RETIREMENT BENEFIT SCHEME

The Company's subsidiaries in Hong Kong operate the Mandatory Provident Fund Scheme under the rules and regulations of the Mandatory Provident Fund Schemes Authority. The Group's employees are required to join the scheme. The Group has followed the minimum statutory contribution requirement of 5% of eligible employees' relevant aggregated income with a cap of HK\$1,500 per employee per month.

The Company's subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participated in various central pension schemes operated by the relevant municipal and provincial governments. These subsidiaries are required to make defined contributions to these schemes at a fixed percentage of their covered payroll. The Group has no other obligations for the payment of its staff's retirement and other post-retirement benefits other than the contributions described above.

The total contributions in respect of the current period charged to consolidated statement of profit or loss amounted to HK\$105,874,000 (2015: HK\$82,403,000).

38. 退休福利計劃

本公司的香港附屬公司根據強制性公積金計劃管理局的規則及規定推行強制性公積金計劃。本集團僱員均須參加此計劃。本集團已遵守法定最低供款規定按合資格僱員有關總收入的5%供款，上限為每名僱員每月1,500港元。

為遵守中國適用規例，本公司中國附屬公司均參與多項由有關省市政府營運之中央退休金計劃。該等附屬公司須按上述計劃所涵蓋薪金之固定百分比向該等計劃作出定額供款。除上述供款外，本集團並無其他支付員工退休及其他退休後福利的責任。

現行期間自綜合損益表扣除之總供款為105,874,000港元(二零一五年：82,403,000港元)。

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綜合財務報表附註

For the year ended 31 December 2016
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39. RELATED PARTY TRANSACTIONS/ BALANCES

Apart from the entrusted loan receivable, the amounts due from and to related parties as disclosed in notes 24, 27 and 28, respectively, the Group had entered into the following related party transactions during the year:

39. 關聯人士交易／結餘

除附註24、27及28分別披露的應收委託貸款、應收及應付關聯人士款項外，本集團於本年度已進行下列關聯人士交易：

		Ultimate holding company 最終控股公司		Fellow subsidiaries 同集團附屬公司	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales of goods	銷售貨品	156	27,971	212,016	317,194
Services income	服務收入	1,076	5,257	112,342	63,585
Purchase of goods	採購貨品	—	—	26,827	62,913
Sales commission expenses	銷售佣金支出	11	332	3,117	3,618
Property rental income	物業租金收入	5,004	2,172	21,336	2,715
Property rental and management expenses	物業租金及管理開支	—	1,412	11,643	10,463
Interest income	利息收入	—	—	10,751	9,525

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綜合財務報表附註

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39. RELATED PARTY TRANSACTIONS/ BALANCES (continued)

- (a) During the year ended 31 December 2015, the Group disposed of Inspur Communication, a wholly owned subsidiary of the Group to Inspur Software and Ambition Lead Limited, fellow subsidiaries of the Company, for a cash consideration of RMB22,348,000 (equivalent to approximately HK\$27,935,000) and RMB21,472,000 (equivalent to approximately HK\$26,840,000), respectively.

During the year ended 31 December 2015, the Group disposed of the Finance Business to Inspur Software, a fellow subsidiary of the Company, for a cash consideration of RMB49,180,000 (equivalent to approximately HK\$61,475,000).

- (b) During the year ended 31 December 2016, certain operating lease rentals in respect of office premises and staff quarters amounted to HK\$4,674,000 (2015: HK\$8,895,000) were under operating leases signed by ultimate holding company on behalf of subsidiaries of the Group with third parties.

Compensation of key management personnel

The remuneration of directors during the year are set out in note 10, which is determined by the remuneration committee having regard to the performance of individuals and market trends.

39. 關聯人士交易／結餘(續)

- (a) 截至二零一五年十二月三十一日止年度，本集團向本公司的同集團附屬公司浪潮軟件及致優有限公司出售本集團的全資附屬公司浪潮通信，現金代價分別為人民幣22,348,000元(相等於約27,935,000港元)及人民幣21,472,000元(相等於約26,840,000港元)。

截至二零一五年十二月三十一日止年度，本集團向本公司的同集團附屬公司浪潮軟件出售金融業務，現金代價為人民幣49,180,000元(相等於約61,475,000港元)。

- (b) 截至二零一六年十二月三十一日止年度，若干辦公室及員工宿舍之經營租金為4,674,000港元(二零一五年：8,895,000港元)，經營租約由最終控股公司代本集團附屬公司與第三方簽署。

主要管理人員酬金

董事於年內之薪酬載於附註10，由薪酬委員會參考個人表現及市場趨勢釐定。

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For the year ended 31 December 2016
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40. CONTINGENT LIABILITIES

Other than the contingent liability of the associate disclosed in note 19 to the consolidated financial statements, the Group was also named as a defendant in a lawsuit filed for potential breach of contract with a supplier. The plaintiff has filed judicial claim against the Group and asked for damages of approximately HK\$9,551,000 (equivalent to approximately RMB8,000,000) in 2014. The Company vigorously defended this matter. The Group recognised a provision of HK\$5,372,000 (equivalent to approximately RMB4,500,000) which represents the best estimate and based on the legal advice in prior years. During the year ended 31 December 2016, the lawsuit has been finalised and conclusive and the total compensation of the breach of contract to suppliers was HK\$7,734,000 (equivalent to approximately RMB6,620,000) and the Group was recognised a provision for the remaining compensation amounted to HK\$2,477,000 (equivalent to approximately RMB2,120,000).

41. OTHER COMMITMENT

On 20 December 2016, a wholly owned subsidiary of the Company (the "Purchaser") and an associate of Inspur Group Limited (the "Vendor"), a controlling shareholder of the Company have entered into an agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to acquire 100% equity interest of Heilongjiang Inspur Yunhai Technology Company Limited (the "Target Company"), a company incorporated in the PRC and is a wholly-owned subsidiary of the Vendor. The consideration payable by the Purchaser to the Vendor for the acquisition should be equal to the audited net assets value of the Vendor for the year ended 31 December 2016 but in any event should be no more than RMB8,000,000 (equivalent to approximately HK\$9,040,000). Upon the completion of the Acquisition, the Target Company becomes an indirect wholly owned subsidiary of the Company. As at 31 December 2016, the acquisition is still in progress and such acquisition commitment has been contracted for but not provided in the consolidated financial statements.

40. 或然負債

除綜合財務報表附註19所披露聯營公司或然負債外，本集團亦作為被告和供應商之間存在潛在違背合約的法律訴訟。原告於二零一四年向法庭起訴本集團，並要求賠償損失約9,551,000港元(相等於約人民幣8,000,000元)。本公司就此事進行了有利的辯護。本集團已確認撥備5,372,000港元(相等於約人民幣4,500,000元)，其為最佳估計且根據過往年度的法律意見作出。於截至二零一六年十二月三十一日止年度，該法律訴訟已結案及為終局裁決，支付予供應商的違約賠償總額為7,734,000港元(相等於約人民幣6,620,000元)，本集團已就剩餘賠償確認撥備2,477,000港元(相等於約人民幣2,120,000元)。

41. 其他承擔

於二零一六年十二月二十日，本公司一間全資附屬公司(「買方」)與本公司控股股東浪潮集團有限公司的一名聯繫人(「賣方」)訂立協議，據此，賣方同意出售及買方同意收購於中國註冊成立之賣方之全資附屬公司黑龍江浪潮雲海科技有限公司(「目標公司」)之全部股本權益。買方就收購事項應付賣方的代價應與賣方於截至二零一六年十二月三十一日止年度的經審核資產淨值相等，但無論如何有關代價應不多於人民幣8,000,000元(相當於約9,040,000港元)。於完成收購事項後，目標公司成為本公司之間接全資附屬公司。截至二零一六年十二月三十一日，收購仍在進行中。該收購承擔已訂約但未於綜合財務報表內計提撥備。

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綜合財務報表附註

For the year ended 31 December 2016
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42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the material principal subsidiaries of the Company at 31 December 2016 and 2015 were as follows:

Name of company 公司名稱	Form of business structure 商業結構形式	Place of incorporation/ registration 註冊成立/ 登記地點	Class of share held 持有股份類別	Paid up issued ordinary share capital/registered capital 繳足已發行普通股/註冊資本		Proportion of interest held by the Company 本公司所持權益之百分比		Principal activities 主要業務		
				2016 二零一六年	2015 二零一五年	2016 二零一六年			2015 二零一五年	
						Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接	
Inspur Shandong Electronics 浪潮山東電子	Wholly foreign owned enterprises ("WFOE") 外商獨資企業 (「外商獨資企業」)	PRC 中國	Capital contribution 注資	US\$90,675,000 90,675,000美元	US\$90,675,000 90,675,000美元	—	100%	—	100%	Investment holding 投資控股
Jinan Qiyi Information Technology Limited# 濟南啟益信息科技有限公司	Sino-foreign owned enterprise ("SFOE") 中外合資企業 (「中外合資企業」)	PRC 中國	Capital contribution 注資	RMB5,000,000 5,000,000元	RMB5,000,000 5,000,000元	—	100%	—	100%	Investment holding 投資控股
Inspur Worldwide (Shandong) Service Limited 浪潮世科(山東)信息技術有限公司	WFOE 外商獨資企業	PRC 中國	Capital contribution 注資	US\$2,317,300 2,317,300美元	US\$2,317,300 2,317,300美元	—	100%	—	100%	Provision of outsourcing software development services and trading of computer products 提供軟件開發外包服務及電腦產品貿易
Inspur Gensoft 浪潮通用軟件	Domestic limited liability company ("DLLC") 內資有限責任公司 (「內資有限責任公司」)	PRC 中國	Capital contribution 注資	RMB100,000,000 100,000,000元	RMB100,000,000 100,000,000元	—	100%	—	100%	Software development 軟件開發
Inspur Financial System 浪潮金融信息系統	DLLC 內資有限責任公司	PRC 中國	Capital contribution 注資	RMB10,000,000 10,000,000元	RMB10,000,000 10,000,000元	—	100%	—	100%	Software development 軟件開發
Shandong Inspur Gensoft Information Technology Limited 山東浪潮邁軟信息技術有限公司	DLLC 內資有限責任公司	PRC 中國	Capital contribution 注資	RMB18,000,000 18,000,000元	RMB18,000,000 18,000,000元	—	100%	—	100%	Software development 軟件開發
Shandong Inspur Financial Software Information Limited 山東浪潮金融軟件信息有限公司	DLLC 內資有限責任公司	PRC 中國	Capital contribution 注資	RMB35,000,000 35,000,000元	RMB35,000,000 35,000,000元	—	85.7%	—	85.7%	Software development 軟件開發
Inspur (HK) Cloud Service Limited 浪潮(香港)雲服務有限公司	Incorporated 註冊成立	HK 香港	Ordinary 普通股	HK\$10,140 10,140港元	HK\$10,140 10,140港元	—	100%	—	100%	Dormant 已停業
Jinan Inspur Mingda Information Technology Limited 濟南浪潮銘達信息技術有限公司	DLLC 內資有限責任公司	PRC 中國	Capital contribution 注資	RMB200,000,000 200,000,000元	RMB200,000,000 200,000,000元	—	100%	—	100%	Holding of investment property 持有投資物業

42. 本公司主要附屬公司詳情

本公司主要附屬公司於二零一六年及二零一五年十二月三十一日的詳情如下：

The English name of these PRC incorporated entities are for identification purpose only.

於中國註冊成立之實體的英文名稱僅供識別。

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42. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (continued)

The above list includes the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the Group for the year or form a substantial portion of the assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities during the year and at the end of the year.

43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

Statement of financial position

Non-current assets	非流動資產
Interests in subsidiaries	附屬公司權益
Current assets	流動資產
Amounts due from subsidiaries	應收附屬公司款項
Amount due from fellow subsidiary	應收同集團附屬公司款項
Other current assets	其他流動資產
Bank balances	銀行結餘
Current liabilities	流動負債
Other payables	其他應付賬款
Amounts due to subsidiaries	應付附屬公司款項
Net current assets	流動資產淨額
Total assets less current liabilities	總資產減流動負債
Capital and reserves	股本及儲備
Share capital (note 29)	股本(附註29)
Reserves	儲備

42. 本公司主要附屬公司詳情 (續)

上表載列本公司附屬公司。董事認為該等附屬公司主要影響本集團年內業績或構成本集團資產及負債的主要部分。董事認為提供其他附屬公司之詳情將導致內容過於冗長。

概無附屬公司於年內及年末發行任何債券。

43. 本公司之財務狀況表及儲備

財務狀況表

At 31 December
於十二月三十一日

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
760,512	755,263
459,189	521,868
1	—
161	163
308	1,438
459,659	523,469
8,211	8,302
189,603	201,100
197,814	209,402
261,845	314,067
1,022,357	1,069,330
9,015	9,015
1,013,342	1,060,315
1,022,357	1,069,330

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43. STATEMENT OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

Movement in the Company's reserves

43. 本公司之財務狀況表及儲備 (續)

本公司的儲備變動

		Share capital	Share premium	Share option reserve	Translation reserve	Retained profits	Other reserves	Total
		股本	股份溢價	購股權儲備	匯兌儲備	保留溢利	其他儲備	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	9,015	953,077	22,623	107,772	71,867	(6,739)	1,157,615
Loss for the year and total comprehensive expense	年內虧損及全面開支總額	—	—	—	(53,960)	(27,334)	—	(81,294)
Dividend paid (note 12)	已付股息(附註12)	—	—	—	—	(27,046)	—	(27,046)
Forfeitures of share options (note 30)	沒收購股權(附註30)	—	—	(2,128)	—	2,128	—	—
Recognition of equity-settled share based payment (note 30)	確認以股權結算股份支付之款項(附註30)	—	—	20,055	—	—	—	20,055
At 31 December 2015	於二零一五年十二月三十一日	9,015	953,077	40,550	53,812	19,615	(6,739)	1,069,330
Loss for the year and total comprehensive expense	年內虧損及全面開支總額	—	—	—	(13,579)	(27,495)	—	(41,074)
Dividend paid (note 12)	已付股息(附註12)	—	—	—	—	(27,046)	—	(27,046)
Cancellation of share options (note 30)	註銷購股權(附註30)	—	—	(527)	—	527	—	—
Recognition of equity-settled share based payment (note 30)	確認以股權結算股份支付之款項(附註30)	—	—	21,147	—	—	—	21,147
At 31 December 2016	於二零一六年十二月三十一日	9,015	953,077	61,170	40,233	(34,399)	(6,739)	1,022,357

Financial Summary

財務概要



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		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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
		(restated)	(restated)	(restated)	(restated)	
		(經重列)	(經重列)	(經重列)	(經重列)	
RESULTS	業績					
Continuing operations	持續經營業務					
Revenue	收入	594,229	820,923	891,082	971,659	1,163,170
(Loss) profit before tax	除稅前(虧損)溢利	(125,972)	(102,371)	(67,901)	(4,609)	87,737
Income tax expenses	所得稅開支	(4,189)	1,055	(2,268)	(12,920)	(27,163)
(Loss) profit for the year from continuing operations	來自持續經營業務的年內(虧損)溢利	(130,161)	(101,316)	(70,169)	(17,529)	60,574
Discontinued operations	已終止業務					
Profit for the year from discontinued operations	來自已終止業務的年內溢利	30,792	217,596	974	22,896	—
(Loss) profit for the year	年內(虧損)溢利	(99,369)	116,280	(69,195)	5,367	60,574
(Loss) profit for the year attributable to:	應佔年內(虧損)溢利：					
Owners of the Company	本公司擁有人	(93,319)	118,017	(68,079)	6,994	59,893
Non-controlling interests	非控股權益	(6,050)	(1,737)	(1,116)	(1,627)	681
		(99,369)	116,280	(69,195)	5,367	60,574

Financial Summary

財務概要

		At 31 December 於十二月三十一日				
		2012	2013	2014	2015	2016
		二零一二年	二零一三年	二零一四年	二零一五年	二零一六年
		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
ASSETS AND LIABILITIES	資產與負債					
Total assets	總資產	2,335,316	2,646,025	2,937,207	2,632,524	2,658,157
Total liabilities	總負債	(630,034)	(693,417)	(1,091,269)	(841,772)	(923,566)
		<u>1,705,282</u>	<u>1,952,608</u>	<u>1,845,938</u>	<u>1,790,752</u>	<u>1,734,591</u>
TOTAL EQUITY	權益總額					
Equity attributable to owners of the Company	本公司擁有人 應佔權益	1,702,204	1,948,512	1,842,995	1,789,587	1,734,331
Non-controlling interests	非控股權益	<u>3,078</u>	<u>4,096</u>	<u>2,943</u>	<u>1,165</u>	<u>260</u>
		<u>1,705,282</u>	<u>1,952,608</u>	<u>1,845,938</u>	<u>1,790,752</u>	<u>1,734,591</u>



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