



Kantone Holdings Limited

Stock Code: 1059

Annual Report
2017

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財務撮要

FINANCIAL HIGHLIGHTS

| | | 2017 二零一七年 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 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|--|-------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Results (for the year ended 30 June) | 業績(截至六月三十日止年度) | | | | | |
| — Revenue | — 收益 | 140,854 | 2,090,426 | 2,544,174 | 2,720,286 | 1,953,394 |
| — Adjusted (loss)/profit* | — (虧損)/溢利(經調整)* | (1,822) | 615,855 | 58,263 | 273,234 | 235,793 |
| — Adjusted EBITDA* | — 未計入利息、稅項、折舊及攤銷 之盈利(經調整)* | 14,381 | 1,119,556 | 539,747 | 829,722 | 763,534 |
| — (LBITDA)/EBITDA | — 未計入利息、稅項、折舊及 攤銷之(虧損)/溢利 | (1,740,377) | 485,952 | 492,152 | 561,248 | 605,878 |
| — Attributable (loss)/profit | — 應佔(虧損)/溢利 | (1,756,580) | (11,764) | 8,927 | 2,148 | 77,217 |
| — Dividends | — 股息 | — | — | — | 15,133 | 22,537 |
| — (Loss)/earnings per share (in HK cents) | — 每股(虧損)/盈利(港仙) | (178.05) | (1.19) | 1.03 | 0.28 [†] | 1.03 |
| Financial Position (as at 30 June) | 財務狀況(於六月三十日) | | | | | |
| — Cash and cash equivalents | — 現金及現金等額 | 76,101 | 74,377 | 196,407 | 66,648 | 84,193 |
| — Total assets | — 資產總值 | 1,801,716 | 3,561,067 | 3,692,025 | 3,443,636 | 3,435,694 |
| — Equity | — 權益 | 1,677,197 | 3,433,797 | 3,438,988 | 3,195,547 | 3,217,105 |
| Financial Ratios (as at 30 June) | 財務比率(於六月三十日) | | | | | |
| — Current assets/Current liabilities | — 流動資產/流動負債 | 27.75 | 53.30 | 15.01 | 20.83 | 16.18 |
| — Assets/Equity | — 資產/權益 | 1.07 | 1.04 | 1.07 | 1.08 | 1.07 |
| — Sales/Assets | — 營業額/資產 | 0.08 | 0.59 | 0.69 | 0.79 | 0.57 |
| — Gearing ratio | — 貸款權益比率 | 0.002 | 0.002 | 0.004 | 0.01 | 0.008 |

* Excluding impairment

[†] Adjusted pursuant to the share consolidation in December 2014

* 未計入減值

[†] 按二零一四年十二月股份合併而作出之調整

企業資料 CORPORATE INFORMATION

於二零一七年九月二十九日
AS AT 29 SEPTEMBER 2017

EXECUTIVE DIRECTORS

LIU Ka Lim (appointed on 3 October 2016)
CHENG Yang (Chairman) (appointed on 3 October 2016 and resigned on 15 August 2017)
LEI Lei (appointed on 20 March 2017 and resigned on 7 July 2017)
LIN Xiang (appointed on 20 March 2017 and resigned on 7 July 2017)
Professor Paul KAN Man Lok (Chairman) (resigned on 30 September 2016)
LAI Yat Kwong (Acting Chief Executive Officer) (resigned on 3 October 2016)
Shirley HA Suk Ling (retired on 13 December 2016)

NON-EXECUTIVE DIRECTORS

TO Yin Fong Cecilica (appointed on 7 July 2017)
Leo KAN Kin Leung (resigned on 3 October 2016)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Miranda HO Mo Han
CHUNG Sau Wai Ada (appointed on 11 July 2017)
Clayton IP (appointed on 14 June 2017)
YANG Rusheng (appointed on 13 December 2016 and resigned on 11 July 2017)
Frank BLEACKLEY (resigned on 20 March 2017)
Professor Julia TSUEI Jo (retired on 13 December 2016)

COMPANY SECRETARY

CHAN Wai (appointed on 5 October 2016)
Jennifer CHEUNG Mei Ha (resigned on 5 October 2016)

AUDIT COMMITTEE

Miranda HO Mo Han (Committee Chairman)
CHUNG Sau Wai Ada (appointed on 11 July 2017)
Clayton IP (appointed on 14 June 2017)
YANG Rusheng (appointed on 13 December 2016 and resigned on 11 July 2017)
Leo KAN Kin Leung (resigned on 3 October 2016)
Frank BLEACKLEY (resigned on 20 March 2017)
Professor Julia TSUEI Jo (retired on 13 December 2016)

REGISTERED OFFICE

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

執行董事

廖嘉濂(於二零一六年十月三日獲委任)
程楊(主席)(於二零一六年十月三日獲委任並於二零一七年八月十五日辭任)
雷蕾(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任)
林祥(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任)
簡文樂教授(主席)
(於二零一六年九月三十日辭任)
黎日光(署理行政總裁)
(於二零一六年十月三日辭任)
夏淑玲(於二零一六年十二月十三日退任)

非執行董事

杜妍芳(於二零一七年七月七日獲委任)
簡堅良(於二零一六年十月三日辭任)

獨立非執行董事

何慕嫻
鍾秀維(於二零一七年七月十一日獲委任)
葉丞峰(於二零一七年六月十四日獲委任)
楊如生(於二零一六年十二月十三日獲委任並於二零一七年七月十一日辭任)
Frank BLEACKLEY (於二零一七年三月二十日辭任)
崔玖教授(於二零一六年十二月十三日退任)

公司秘書

陳偉(於二零一六年十月五日獲委任)
張美霞(於二零一六年十月五日辭任)

審核委員會

何慕嫻(委員會主席)
鍾秀維(於二零一七年七月十一日獲委任)
葉丞峰(於二零一七年六月十四日獲委任)
楊如生(於二零一六年十二月十三日獲委任並於二零一七年七月十一日辭任)
簡堅良(於二零一六年十月三日辭任)
Frank BLEACKLEY (於二零一七年三月二十日辭任)
崔玖教授(於二零一六年十二月十三日退任)

註冊辦事處

Cricket Square
Hutchins Drive
PO Box 2681
Grand Cayman KY1-1111
Cayman Islands

企業資料 CORPORATE INFORMATION

於二零一七年九月二十九日
AS AT 29 SEPTEMBER 2017

OPERATION CENTRE

Europe

Multitone House
Shortwood Copse Lane
Kempshott, Basingstoke
Hampshire, RG23 7NL
UK

PRINCIPAL OFFICE IN HONG KONG

Room 2508, 25th Floor
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

PRINCIPAL BANKERS

Shanghai Commercial Bank
DBS Bank

AUDITOR

Moore Stephens CPA Limited
801-806 Silvercord, Tower 1
30 Canton Road
Tsimshatsui, Kowloon
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

The R&H Trust Co. Ltd.
Windward 1
Regatta Office Park
PO Box 897
Grand Cayman KY1-1103
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

營運中心

歐洲

Multitone House
Shortwood Copse Lane
Kempshott, Basingstoke
Hampshire, RG23 7NL
UK

香港主要辦事處

香港
灣仔
港灣道26號
華潤大廈
25樓2508室

主要往來銀行

上海商業銀行
星展銀行

核數師

大華馬施雲會計師事務所有限公司
香港
九龍尖沙咀
廣東道30號
新港中心1座801-806室

主要股份過戶登記處

The R&H Trust Co. Ltd.
Windward 1
Regatta Office Park
PO Box 897
Grand Cayman KY1-1103
Cayman Islands

香港股份過戶登記分處

卓佳秘書商務有限公司
香港
皇后大道東183號
合和中心22樓

企業資料 CORPORATE INFORMATION

於二零一七年九月二十九日
AS AT 29 SEPTEMBER 2017

COMPANY HOMEPAGE/WEBSITE

www.tricor.com.hk/web/service/01059

STOCK CODE

1059

INFORMATION AND ENQUIRIES

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Hong Kong

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企業網址

www.tricor.com.hk/web/service/01059

股份代號

1059

查詢或索取資料

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投資關係部
香港
灣仔
港灣道26號
華潤大廈
25樓2508室

電子郵件：ir@champion-tech.hk

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Revenue

Kantone Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) reported a revenue for the year under review of approximately HK\$141 million compared with approximately HK\$2,090 million of the previous year, a decrease of approximately 93 percent. This was mainly due to the absence of licensing fees as a result of the scaling-down of the investments in the development of systems and networks in recent years and after the sale of the non-exclusive rights to exploit and use the design of the Group’s systems and networks during the year ended 30 June 2016 which would otherwise be exclusive to the Group.

The Group’s revenue from the systems sales and licensing and leasing of system products was mainly generated by principal subsidiary in United Kingdom — Multitone Electronics PLC (“**Multitone**”), which recorded a revenue for the year under review of approximately HK\$141 million compared with approximately HK\$160 million in the previous year, representing a decrease of approximately 12 percent. The decrease in revenue was due to the drop in the exchange rate of Pound Sterling against Hong Kong dollar. In fact, the revenue denominated in Pound Sterling increased by 3 percent as compared with the year 2016.

Loss attributable to Owners of the Company

The loss for the year under review is approximately HK\$1,757 million (2016: approximately HK\$18 million). Loss for the year attributable to owners of the Company is approximately HK\$1,757 million (2016: approximately HK\$12 million). The loss was mainly due to the significant drop in revenue and the impairment losses recognised for the development costs for systems and networks and inventories during the year. Loss per share is HK178.05 cents (2016: HK1.19 cents).

財務業績

收益

於回顧年度，看通集團有限公司(「**本公司**」)及其附屬公司(「**本集團**」)錄得收益約為141,000,000港元，而去年約為2,090,000,000港元，相當於減少約93%。這主要是由於近年來系統及網絡發展投資規模縮減，以及於截至二零一六年六月三十日止年度出售開發及採用本集團系統及網絡設計之非獨家權利(否則應為本集團獨家)後，導致並無產生特許權費。

於回顧年度，本集團來自系統銷售及特許權及租賃系統產品之收益主要來自其英國主要附屬公司 Multitone Electronics PLC (「**Multitone**」)，其於回顧年度錄得收益141,000,000港元，而去年約為160,000,000港元，相當於減少約12%。收益減少，主要是由於英鎊兌港元之匯率下跌所致。事實上，以英鎊計值之收益較二零一六年增長3%。

本公司擁有人應佔虧損

回顧年度之虧損約為1,757,000,000港元(二零一六年：約18,000,000港元)。本年度本公司擁有人應佔虧損約為1,757,000,000港元(二零一六年：約12,000,000港元)。虧損主要由於年內收益大幅下跌，及對系統和網絡開發成本及存貨所確認之減值虧損。每股虧損為178.05港仙(二零一六年：1.19港仙)。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS *(continued)*

Distribution Costs

The Group's distribution costs for the year was mainly incurred by Multitone, which recorded distribution costs for the year under review of approximately HK\$26 million compared with approximately HK\$30 million of the previous year, representing of a decrease of approximately 13 percent. This was mainly due to the drop in the exchange rate of Pound Sterling against Hong Kong dollar. In fact, the distribution costs denominated in Pound Sterling increased by 4 percent.

General and Administrative Expenses

General and administrative expenses for the year decreased by approximately 39 percent to approximately HK\$51 million from approximately HK\$84 million of previous year as a result of the business realignment.

Amortisation and Depreciation

Amortisation and depreciation costs for the year significantly dropped to approximately HK\$16 million, compared with approximately HK\$503 million of previous year, due to the scaling-down in the development of IT systems and networks.

Impairment Loss

During the year ended 30 June 2017, the directors (the "Directors") continuously studied the market conditions of the information technology industry with the intention to invest in leading technologies with high earning potential. However, other than those systems owned and developed by Multitone, the Directors had not been able to establish whether the rest of the systems owned by the Group were still able to generate any revenue to the Group, especially after the granting to independent third parties during the year ended 30 June 2016 the non-exclusive right to exploit and use the design of certain of the Group's developed systems and networks. Noting that no revenue was generated from the systems sales and licensing segment in Asia Pacific region during the year, the Directors considered it prudent not to project for any positive cash flow from those systems in the foreseeable future. Therefore, management decided not to make any further investment into the existing development projects in Asia Pacific region but will maintain its investment in the European region as the relevant technologies are still developing well and the management of Multitone has kept increasing its market share in different parts of Europe.

財務業績(續)

分銷成本

年內本集團之分銷成本主要來自Multitone，其於回顧年度錄得分銷成本約26,000,000港元，較去年約30,000,000港元減少約13%。分銷成本減少，主要是由於英鎊兌港元之匯率下跌所致。事實上，以英鎊計值之分銷成本增長4%。

一般及行政開支

由於業務重整關係，一般及行政開支由去年約84,000,000港元減少約39%至年內約51,000,000港元。

攤銷及折舊

因資訊科技系統及網絡發展規模縮減，年內攤銷及折舊成本大幅下跌至約16,000,000港元，去年則約為503,000,000港元。

減值虧損

截至二零一七年六月三十日止年度，本公司董事（「董事」）持續研究資訊科技行業之市場狀況，擬投資具高盈利潛力之領先技術。然而，除Multitone擁有及開發之系統外，尤其是於截至二零一六年六月三十日止年度授予獨立第三方非獨家權利以開發及採用部份本集團已開發之系統及網絡設計後，董事未能確定本集團擁有之其餘系統是否仍然為本集團產生任何收益。董事注意到本年度系統銷售及特許權分類業務並無於亞太地區產生任何收益，認為預測於可見將來該等系統不會產生任何正現金流為審慎之舉。因此，管理層決定不會進一步投資亞太地區現有開發項目，惟將維持於歐洲地區之投資，此乃由於相關技術仍處良好發展階段，且Multitone管理層不斷增加其於歐洲不同地區之市場佔有率。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS *(continued)*

Impairment Loss *(continued)*

The Group had engaged cultural product/jewellery experts to perform an inspection on the inventories of cultural products. According to these experts, downgrading and reclassification were required to be made on a number of items of cultural products in our inventory. The Group then engaged an independent professional valuer, Hilco Global Greater China Limited (“Hilco”), to value the Group’s inventories. The results of the valuation prepared by Hilco, based on the classifications and remarks of the cultural product/jewellery experts, reflected that the fair value of a number of the inventory items of cultural products fell below their carrying amount due to the downgrading and reclassification, therefore an impairment loss on inventories of approximately HK\$1,740 million were recognised during the year under review.

Due to the slow-moving properties typical to cultural products in general, the Directors expect that some of the inventories would remain unsold 12 months after the end of reporting period. Management considered that it might not be surprising to estimate that it might take years to sell all the inventories. However, no provision has been made in the accounts of the Group for the year ended 30 June 2017 as the Directors target to sell most, if not all, of the existing inventories within the next 24 months on a best effort basis. Any change in market conditions would affect the profit or loss in future years. At 30 June 2017, the carrying amount of the Group’s inventories was approximately HK\$1,658 million (2016: approximately HK\$3,397 million).

Finance Costs

Finance costs for the year decreased to approximately HK\$0.1 million from approximately HK\$0.4 million of the previous year, which was due to with the partial repayment of bank loans during the year.

財務業績(續)

減值虧損(續)

本集團已聘請文物產品／玉石專家就文化產品存貨進行鑑證。根據該等專家之意見，需要對存貨中部份文化產品項目進行品位下調及重新分類。本集團於其後聘請獨立專業估值師Hilco Global Greater China Limited (「Hilco」)對本集團之存貨進行估值。Hilco所編製之估值(以文物產品／玉石專家之分類及意見為基準)反映，因品位下調及重新分類關係，部份文化產品存貨項目之公平價值跌至低於賬面值，故此已於回顧年度就存貨確認約1,740,000,000港元之減值虧損。

由於文化產品一般屬於滯銷特質，董事預計部份存貨於報告期末後12個月內仍未售出。管理層認為估計售出全部存貨需時多年並不意外。然而，由於董事之目標為盡最大努力於未來24個月內出售大部份(如非全部)現有存貨，因此並無就此於本集團截至二零一七年六月三十日止年度之賬目中作出撥備。市況出現任何變動將影響未來數年之溢利或虧損。於二零一七年六月三十日，本集團存貨之賬面值約為1,658,000,000港元(二零一六年：約3,397,000,000港元)。

財務成本

由於年內償還部分銀行貸款，年內財務成本減少至約100,000港元，去年則約為400,000港元。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

With the change in management in October 2016, the new management adopted a strategic plan in realigning the existing businesses, namely to sell the inventories, further developing the systems sales and licensing business in the United Kingdom and tapping into the business opportunity in the PRC sector.

The resignation and retirement of the old management coincided with the disintegration of all the previous sale channels and business networks of the sales of cultural products. Therefore the Group had to re-build the new sale channels and business networks for the sales of cultural products.

The Group's wholly-owned U.K. subsidiary — Multitone, which is a leading provider of Messaging-System Solutions to Healthcare, Aged Care, Local Government and Retail Markets, has continued enhancing its existing systems and inventing new systems to cater for the needs of its customers. Multitone is specialised in the design and manufacturing of communication systems and equipment, specifically, the development and delivery of integrated critical messaging system solutions.

The Company's management currently works in collaboration with Multitone to introduce its products into the Hong Kong and China market. And, following the visit of Multitone's management to Hong Kong recently, the Group's management has confirmed its full support for Multitone to open up the market in Greater China.

The Group has been exploring opportunities for the systems sales and licensing segment to broaden the geographic base of customers, especially to the PRC market, and to enlarge the sales channel and business network for the sale of cultural products segment, and expect to generate positive results in due course.

業務回顧

隨著於二零一六年十月更換管理層，新管理層採取戰略計劃以重整當時之現有業務，包括銷售存貨、在英國進一步發展系統銷售及特許權業務，以及涉足中國板塊之商機。

原管理層辭任及退任，先前銷售文化產品之銷售渠道及業務網絡亦同時瓦解。故此，本集團需要就銷售文化產品重建新銷售渠道及業務網絡。

本集團全資擁有之英國附屬公司Multitone為醫療保健、老人護理、地方政府及零售市場提供通信系統解決方案之領先供應商，持續改善其現有系統並開發新系統，以滿足客戶需求。Multitone專門從事設計及製造通信系統及設備，尤其是開發及提供集成式關鍵性通信系統解決方案。

本公司管理層正與Multitone合作，將其產品引入香港及中國市場。此外，Multitone管理層近期到訪香港後，本集團管理層確定會全力支持Multitone開拓大中華區市場。

本集團一直於系統銷售及特許權分類探索商機，以將客戶擴展至不同地區（特別是中國市場），並擴大文化產品銷售業務板塊的銷售渠道及業務網絡，預計將於適當時候帶來正面業績。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

A review of the operations of the Group during the year is provided in the section headed “Review of Operations” above and the prospect of the Group’s future business development generally remains unchanged as stated in the Company’s interim report for the six months ended 31 December 2016 (“**Interim Report 2016/2017**”).

Overview

Concerns over the tensions related to North Korea and the possibility of swifter rate hikes from the Fed have driven some investors to flee from risk assets but we believe the probability is low of a major escalation in North Korean tensions or a sharp Fed tightening.

As the financial market fundamentals remain healthy and the global economy is solid, we remain confident that the financial markets can fetch higher in the coming years.

We have a guarded outlook for China property development in view of the tightening liquidity and property cooling policies. However, similar to the phenomenon in the past few years, the upward trend of Shenzhen property as well as those located in the extended Shenzhen areas are expected to grow continually irrespective of the general property market conditions.

Cultural Artifacts Investment

There are quite a number of artifacts and Shoushan Tianhuang Stones and Changhua Tianhuang in the Group’s inventory. Tianhuang Stones are generally conceived as the “King of Stones” in China. These jewelry stones from Fujian and Zhejiang provinces were said to be worth its weight in gold, which has long been reflected in the market price that the current price is higher than the value of gold. The management attaches great importance to these valuable assets, while the Group believes that by virtue of the advantages of this resource, the realisation plan for these artifacts can be implemented.

To determine its upward trend over the past few years, the management has appointed an independent valuer to revalue the value of Tianhuang jewelry stones.

展望

本集團於本年度之業務回顧載於上文「業務回顧」一節，而本集團未來業務發展之前景則如本公司截至二零一六年十二月三十一日止六個月之中期報告（「二零一六／二零一七年年中期報告」）所述大致維持不變。

概覽

對北韓緊張局勢及美國聯儲局可能加快加息之關注，使有些投資者逃離風險資產。惟我們相信，北韓緊張局勢大幅升級或美國聯儲局急速收緊之可能性頗低。

由於金融市場基礎仍然健康，全球經濟亦屬健全，我們相信未來數年金融市場可更進一步。

鑑於資金流動性收緊以及地產界冷卻政策，我們對中國物業開發前景審慎。然而，於過往數年之情況相似，不論整體地產市場狀況如何，深圳市物業升勢持續，深圳外圍地帶之物業亦預期會繼續增長。

文化藝術品投資

在本集團庫存中擁有大批的藝術品以及壽山田黃石及昌化田黃石。田黃石於中國普遍被視作「寶石之王」。該等產自福建及浙江省之寶石自古被認為如黃金般貴重，這早已反映在市場價格上，現時價格比黃金價值更高。管理層對這些貴重資產十分重視，同時集團認為可憑藉這資源的優勢，進行對這些藝術品的變現計劃。

為確定其於過去數年之上漲趨勢，因此管理層已另委任獨立估值師重新評估田黃寶石價值。

管理層討論及分析 MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK *(continued)*

Investment Plan In Auction Business

Auction businesses are experiencing a new lease on life, thanks to reality TV shows featuring auctioneers and antique hunters. It's not that auction businesses have ever disappeared from the landscape, but that scores of buyers are waking up to the idea of buying secondhand merchandise in an auction environment.

The Group has planned to recruit elite and skilled auctioneers to develop auction house projects. In addition, the Group considers switching to live auction as one of the ways to improve market share of the project itself.

Strong Rooms & Vaults

The Group intends to match its business plan in auction house by entering into the security industry, with the aim to design and build high security, prefabricated and modular strong rooms for sale and leasing. These high quality, secured structures enable the storage of high-value items away from the risk of theft, attack or hostage taking. The main features of these security systems render that clients' privacy being protected, ensure lowest holding and transaction costs in auction related transactions by enabling direct warehousing before and after auction while taking the advantage of Hong Kong's duty-free policy for most artifacts.

Based on the above cultural artifacts investment, the investment plan in auction business, and the investment in the strong rooms and vault, the Group is confident with the future because the success of these three investments can make the Group's trade-related transactions proceed in bulk trading mode afterwards, while it also allows the public to have a better channel to be involved, so as to pave way for the future of artifacts securitisation.

展望(續)

拍賣行業投資計劃

拍賣行業正在展開新一頁，由於有關拍賣商及古董收藏家之電視真人秀所掀起的熱潮。拍賣行業不但沒有從各項領域中消失，大量買家正熱衷於在拍賣場中競投二手商品。

本集團已計劃招募精英及富有技巧之拍賣專才發展拍賣行項目。另考慮將轉以現場拍賣方式作為本集團提升項目本身市場佔有率的方式之一。

保險庫及儲存庫

本集團有意通過涉足保險庫行業，以配合其於拍賣行之業務發展計劃，旨在設計及建造高安全度、預製組合及模組化之保險庫，以供出售及租賃之用。該等高質量及安全之結構可儲存各類貴重物品，使該等物品免受盜竊、侵襲或被脅持交出之風險。該等保安系統之主要特點為提供於拍賣前後之直接倉儲，保障客戶隱私、確保拍賣相關交易之成本減至最低，同時亦可從香港對大部份文物之免稅政策中獲益。

綜合以上文化藝術品投資、拍賣行業投資計劃及保險庫及儲存庫項目投資，集團對將來是充滿信心的，因為這三項的投資的成功，可使集團往後可以以大宗交易模式進行貿易相關交易，同時也可以讓大眾有更好的渠道參與，為日後藝術品證券化鋪路。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK *(continued)*

Communication Systems

Multitone has taken a substantial market share in both UK and Germany. Targeted new markets to be explored include Asia and Eastern Europe. Multitone will work in collaboration with the Group's management in Hong Kong to introduce its products into the China market. Management considers that there is a strong demand for relevant communication systems and equipment in China. On the other hand, the Group's management would work closely with Multitone in identifying high quality electronic products made in China and distribute them through the present well-established distribution channel in Europe.

Education Business

Investment Plan in Preschool Education

According to the result of the 6th Census of Population of Mainland China, the number of infants under the age of 6 was 105 million, among which 22.91 million dwelled in cities, and 82.16 million in rural areas.

The per capita disposable income of China of 2015 is RMB21,966, increase by 8.9% than the previous year, people in China would cater for higher quality life and education for the next generation.

China is experiencing a peak of childbearing couples between at the age of between 20-29, and with the fourth "Baby Boom" and the introduction of "Two Children Policy", we have strong reason to expect an enormous market of infants and children education.

To cite the National Middle and Long Term Reform and Development Outlines for Education (2010-2020), the market size of preprimary education is RMB350 billion annually, with RMB150 billion of infant education under age of 3, which would experience 15% compounded growth, and RMB200 billion for market of age of 3-6, with 20% compounded growth each year.

According to the data from the National Bureau of Statistics of China, by 2015, there were 233,683 kindergartens in Mainland China, an 11.3% increase of 23,802 compared to 2014. Among which, 146,376 kindergartens were private invested and operated, which stood for 62.6%.

展望(續)

通信系統

Multitone在英國及德國均擁有極大部份的市場佔有率，其將探索之目標新市場包括亞洲及東歐。Multitone將於香港與本集團管理層合作，將其產品引入中國市場。管理層認為，中國對相關通信系統及設備需求甚殷。另一方面，本集團管理層將與Multitone緊密合作，物色中國製造之高質量電子產品，並通過目前於歐洲之完善分銷渠道進行推廣。

教育產業

學前教育投資計劃

根據中國第六次人口普查的結果，0-6歲嬰幼兒數量為1.05億人，其中城市0-6歲嬰幼兒數量為2,291萬人，鄉鎮0-6歲嬰幼兒數量為8,216萬人。

二零一五年中國居民人均可支配收入人民幣21,966元，比上年增長8.9%，提升了居民對生活條件及培育下一代的需求與意願。

目前中國正迎來一個20-29歲育齡人群數量的高峰，隨著第四次「嬰兒潮」的來臨和「二胎政策」的落實，龐大的新生兒群體將會帶來巨大的嬰幼兒教育市場空間。

根據《國家中長期教育改革和發展綱要(2010-2020)》，中國學前教育市場每年的規模為人民幣3,500億元，其中0-3歲早教市場人民幣1,500億元，年複合增長15%；3-6歲幼教市場有人民幣2,000億元市場規模，年複合增長20%。

根據中國國家統計局發佈的數據，截至二零一五年，中國內地共有233,683所幼稚園，比二零一四年增加23,802所，增幅為11.3%。其中，民辦幼稚園為146,376所，佔62.6%。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK (continued)

Education Business (continued)

Investment Plan in Preschool Education (continued)

It's estimated that the total number of kindergartens in Mainland China would reach over 300,000 by the year 2020, and among which 200,000 would be private-invested.

It's clear to conclude that the preschool market in Mainland China stand for huge opportunity.

In order to seize the enormous commercial opportunity in China's preschool market, the Group intends to set up platform company for the purpose of education projects investment and management, and to combine and integrate quality resources into the platform for education projects development.

Internal Control

Since a reliable and cost efficient Internal Control system is fundamental to the successful operation and day-to-day running of a business and in achieving its business objectives, the new management has engaged a professional internal control consultant to conduct a study of the Group's (excluding those of Multitone) overall operations, which, based on new management's own observations and studies, the current operations are found to be reliable and effective. The board of Directors (the "Board") is implementing the recommendations suggested by this consultant to improve the overall internal control of the Group and to prevent recurrence of previous deficiencies.

The finalisation of this report is completed, the management is taking some appropriate remedial actions and to rectify any deficiencies while new systems will be implemented to ensure that future business will be conducted in an efficient and proper manner. The management is confident that once the new system is in place, the Group's business revenue and therefore the profits will be greatly enhanced.

展望(續)

教育產業(續)

學前教育投資計劃(續)

預計到二零二零年，中國內地的幼稚園總數將超過30萬家，其中民辦幼稚園接近20萬家。

可見，中國內地的學前教育行業市場空間巨大。

為抓住中國內地巨大的學前教育市場機遇，本集團擬成立教育投資管理公司，作為對國內教育產業的投資平台，並整合相關優質教育資源後，開展對相關學前教育項目的投資。

內部監控

由於可靠且具成本效益之內部監控系統乃成功營運、業務日常運作及達致其業務目標之根基，新管理層已委聘專業內部監控顧問進行本集團整體營運(不包括Multitone之營運)，其根據新管理層之觀察及研究，認為現行營運為可靠及有效。董事會(「董事會」)正實施該顧問提出，以改善本集團整體內部監控，並預防再次出現過往之缺失。

該報告已經定稿，管理層亦採取適當補救措施以矯正任何缺失，同時實施新系統，以確保未來之業務以有效及適當之方式進行。管理層有信心，當新的作業程序暢順運作後，本集團之收益以及溢利將大幅提升。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK *(continued)*

Internal Control *(continued)*

As stated in our Interim Report 2016/2017, the Group would try to seek this consultant's advice to incorporate and implement better internal control over the strategic, governance and management processes, covering the company's entire range of activities and operations on top of those directly related to financial operations and reporting. Our long-term target aims to cover not only those aspects of a business that could broadly be defined as compliance matters, but extends also to the performance aspects of the business.

The management understands that good internal controls need to be responsive to the specific nature and needs of the business. Hence, the Group would seek to reflect sound business practice, remain relevant over time in the continuously evolving business environment and enable the Group to respond to the specific needs of the business and industry.

Eventually, the Group's management hopes to see that business opportunities are maximised and potential losses associated with unwanted events minimized.

DIRECTORS' VIEW ON THE INDEPENDENT AUDITOR'S OPINION

Presumably, auditing standards and guidelines should mean to guide the auditors to express audit opinions which would lead the readers of audit reports to have a better understanding rather than misunderstanding of the financial reports.

While the Directors understand that the auditors are obligated to adhere strictly to the auditing standards and guidelines without the freedom to explain in their audit reports to the readers specifically as to whether the other parts of the financial statements in which the auditors have not encountered any limitation are indeed proper, true and fair.

In this respect and with regret, such auditing standards and guidelines are apparently not rational because it could easily lead the public readers to draw the wrong conclusion that the rest of the information disclosed in the financial statements are not reliable or having created limitation to the work of the auditors.

展望(續)

內部監控(續)

按二零一六／二零一七中期報告所述，本集團嘗試藉著該顧問之建議，以於策略、治理及管理流程中納入且實施更佳內部監控。除與財務營運及報告直接相關者之外，亦會涵蓋本公司活動及營運之全部範疇。我們之長期目標乃不僅涵蓋可被廣泛定義為合規性事務之業務層面，亦擴展至業務之業績層面。

管理層明白到良好之內部監控須要顧及業務之具體性質及需求。因此，本集團將力求展現出良好之業務實踐，隨著時間之推移於不斷演變之商業環境中與時並進，並使本集團能夠響應業務與行業之具體需求。

本集團之管理層最終目標是盼望集團能把握商機以獲得最大利益，且盡量減少因潛在之風險而產生之損失。

董事對獨立核數師意見之意見

顧名思義，審計準則及指引應該用作就核數師發表意見提出指引，使審計報告之讀者更深入理解而非誤解財務報告之內容。

同時，董事明白，核數師應有責任嚴格遵守審計準則及指引，且不得在其核數師報告內向讀者具體闡述核數師在財務報告內其他並無遇到任何限制之部分是否確實恰當、真實及公允。

遺憾地，就此而言，上述審計準則及指引很明顯並不合理，因為很容易會令公眾讀者產生錯誤結論，認為財務報告所披露之其他資料並不可靠，或曾為核數師之工作帶來限制。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' VIEW ON THE INDEPENDENT AUDITOR'S OPINION *(continued)*

The independent auditor of the Company has issued a disclaimer of opinion on the consolidated financial statements of the Group for the year ended 30 June 2017, details of the disclaimer of opinion are disclosed in the Independent Auditor's Report on pages 71 to 75 of this report.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position and Gearing

The Group's financial position remained positive with a reasonable gearing throughout the Year.

As at 30 June 2017, the Group had approximately HK\$76 million (2016: approximately HK\$74 million) liquid assets made up of deposits, bank balances and cash. Current assets were approximately HK\$1,770 million (2016: approximately HK\$3,506 million) and current liabilities amounted to approximately HK\$64 million (2016: approximately HK\$66 million). With net current assets of approximately HK\$1,707 million (2016: approximately HK\$3,440 million), the Group maintained a comfortable level of liquidity. The gearing ratio of the Group, defined as the Group's total borrowings of approximately HK\$3.6 million (2016: approximately HK\$7.4 million) to equity attributable to owners of the Company of approximately HK\$1,677 million (2016: approximately HK\$3,434 million), was 0.002 (2016: 0.002).

As at 30 June 2017, the Group's total borrowings comprised bank loans of approximately HK\$3.6 million (2016: approximately HK\$7.4 million), which was repayable within one year (2016: approximately HK\$3.7 million repayable within one year, approximately HK\$3.7 million repayable in the second year). Finance costs for the year decreased to approximately HK\$0.1 million (2016: approximately HK\$0.4 million).

Treasury Policy

The Group is committed to financial prudence and maintains a positive financial position with low gearing. The Group finances its operation and business development by a combination of internally generated resources, capital market instruments and banking facilities.

董事對獨立核數師意見之意見(續)

本公司之獨立核數師就本集團截至二零一七年六月三十日止年度之綜合財務報告不發表意見，不發表意見之詳情於本報告第71至75頁之獨立核數師報告內披露。

現金流動性及財務資源

財務狀況及借貸

本集團於本年度內財務狀況維持正面，貸款權益比率處於合理水平。

於二零一七年六月三十日，本集團包括存款、銀行結餘及現金之流動資金總額為約76,000,000港元(二零一六年：約74,000,000港元)。流動資產約為1,770,000,000港元(二零一六年：約3,506,000,000港元)，而流動負債則約為64,000,000港元(二零一六年：約66,000,000港元)。本集團保持良好財務流動性，流動資產淨值約為1,707,000,000港元(二零一六年：約3,440,000,000港元)。按本集團貸款總額約3,600,000港元(二零一六年：約7,400,000港元)及本公司擁有人應佔權益約1,677,000,000港元(二零一六年：約3,434,000,000港元)計算，本集團之貸款權益比率為0.002(二零一六年：0.002)。

於二零一七年六月三十日，本集團總貸款包括銀行貸款約3,600,000港元(二零一六年：約7,400,000港元)，均將須於一年內償還(二零一六年：約3,700,000港元須於一年內償還及約3,700,000港元須於第二年內償還)。本年度之財務成本下降至約100,000港元(二零一六年：約400,000港元)。

庫務政策

本集團一直遵從審慎理財守則，財務狀況維持正面，貸款權益比率處於低水平。本集團主要透過內部營運資源、資本市場財務工具及銀行借貸作為營運及業務開發資金。

管理層討論及分析

MANAGEMENT DISCUSSION AND ANALYSIS

LIQUIDITY AND FINANCIAL RESOURCES

(continued)

Treasury Policy (continued)

All the borrowings were used by subsidiaries of the Company bearing interest at floating rates and were denominated in their local currencies. As such, the currency risk exposure associated with the Group's borrowings was insignificant.

The Group does not engage in any speculative derivatives or structured product transactions, interest rate or foreign exchange speculative activities. It is the Group's policy to manage foreign exchange risk through matching foreign exchange income with expense, and where exposure to foreign exchange is anticipated, appropriate hedging instruments will be used.

Capital Commitments

As at 30 June 2017, the Group's capital commitments which were authorised but not contracted for was nil (2016: HK\$10 million). These commitments were related to the acquisition of property, plant and equipment, and development of systems and networks.

Charges

The Group did not have any charges on assets as at 30 June 2017.

Contingent liabilities

As at 30 June 2017, the Group had no material contingent liabilities.

Significant investments held, material acquisitions and disposals of subsidiaries, associates and joint ventures, and future plans for material investments or capital assets

There were no significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 30 June 2017.

There is no plan for other material investments or additions of capital assets as at the date of this report.

現金流動性及財務資源(續)

庫務政策(續)

所有借貸均由本公司附屬公司運用，按浮動利率計息，並以當地貨幣計值，因此，與本集團借貸相關之外匯風險甚微。

本集團並無進行任何有關投機性衍生工具或結構性產品之交易、利率或匯率之投機買賣活動。本集團之一貫政策是透過配對外幣收入及支出直接管理外匯風險；假如預計可能出現外匯風險，本集團將運用合適之對沖工具。

資本承擔

於二零一七年六月三十日，本集團已授權但未簽署合約之資本承擔為零(二零一六年：10,000,000港元)。該等資本承擔乃關於購入物業、廠房與設備，以及開發系統及網絡之用。

抵押

本集團於二零一七年六月三十日並無任何資產抵押。

或然負債

於二零一七年六月三十日，本集團並無重大或然負債。

持有之重大投資、附屬公司、聯營公司及合資企業之重大收購及出售事項、以及重大投資或資本資產之未來計劃

於截至二零一七年六月三十日止年度，並無持有重大投資，亦無附屬公司、聯營公司及合資企業之重大收購及出售事項。

於本報告日期，並無其他重大投資或資本資產添置計劃。

董事及高層管理人員 DIRECTORS AND SENIOR MANAGEMENT PROFILE

於二零一七年九月二十九日
AS AT 29 SEPTEMBER 2017

EXECUTIVE DIRECTOR

LIU Ka Lim, aged 61, has been an executive Director and an authorised representative of the Company since October 2016. He has over 29 years of professional experience in the field of finance and accounting. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. He is also a member of the Hong Kong Securities and Investment Institute. Mr. Liu is currently an executive director of Champion Technology Holdings Limited (“**Champion**”), which is the holding company of the Company holding 64.94% of the issued shares of the Company as at the date of this report and the issued shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). During March 2004 to August 2006, Mr. Liu was the Chairman of Galileo Capital Group Limited (now known as Sun International Resources Limited), a company listed on the GEM Board of the Stock Exchange. During October 2003 to March 2006, Mr. Liu was the Chairman of Wonderful World Holdings Limited (now known as Good Resources Holdings Limited), a company listed on the Main Board of the Stock Exchange. During January 2011 to June 2013, Mr. Liu was a non-executive director of United Pacific Industries Limited (now known as Superactive Group Company Limited), a company listed on the Main Board of the Stock Exchange.

NON-EXECUTIVE DIRECTOR

TO Yin Fong Cecilica, aged 37, has been a non-executive Director since July 2017. Ms. To is currently a Barrister-at-Law. Ms. To holds a postgraduate certificate in laws from University of Hong Kong and a graduate diploma in English and Hong Kong law from Manchester Metropolitan University. Ms. To was admitted as a barrister of the High Court of HKSAR in 2009. Ms. To has about 8 years of experience in the legal field. Ms. To is currently a non-executive director of Champion.

執行董事

廖嘉濂，六十一歲，自二零一六年十月為本公司執行董事兼授權代表。彼於財務及會計領域擁有逾二十九年專業經驗。彼為英國特許公認會計師公會資深會員及香港會計師公會會員。彼亦為香港證券及投資學會會員。廖先生目前為冠軍科技集團有限公司(「**冠軍**」)之執行董事，該公司為本公司之控股公司，於本報告日期持有本公司已發行股份64.94%，其已發行股份於香港聯合交易所有限公司(「**聯交所**」)主板上市。於二零零四年三月至二零零六年八月期間，廖先生為嘉利盈融資集團有限公司(現稱為太陽國際資源有限公司)主席，該公司於聯交所創業板上市。於二零零三年十月至二零零六年三月期間，廖先生為榮德豐控股有限公司(現稱為天成國際集團控股有限公司)主席，該公司於聯交所主板上市。於二零一一年一月至二零一三年六月期間，廖先生為聯太工業有限公司(現稱為先機企業集團有限公司)非執行董事，該公司於聯交所主板上市。

非執行董事

杜妍芳，三十七歲，自二零一七年七月為非執行董事。杜女士現職為大律師。杜女士持有香港大學法律專業深造證書及曼徹斯特都會大學英國法律專業共同試課程。於二零零九年，杜女士獲承認為香港特別行政區高等法院大律師。杜女士於法律方面擁有約八年經驗。杜女士目前為冠軍之非執行董事。

董事及高層管理人員

DIRECTORS AND SENIOR MANAGEMENT PROFILE

於二零一七年九月二十九日
AS AT 29 SEPTEMBER 2017

INDEPENDENT NON-EXECUTIVE DIRECTORS

Miranda HO Mo Han, aged 47, has been an independent non-executive Director since January 2008 and is the chairman of the audit committee of the Company. She is a director of Billy Ho and Associates CPA Limited and is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants; a Fellow Member of the Hong Kong Institute of Directors; and an Associate Member of the American Institute of Certified Public Accountants. She holds a Master's degree in Business Administration from Oklahoma City University, US. Ms. Ho has participated in community services as a member of the Federation of Hong Kong Zhong Shan Community Organisations Limited for years.

CHUNG Sau Wai Ada, aged 45, has been an independent non-executive Director since July 2017. Ms. Chung with experience in auditing and accounting. Ms. Chung held various senior positions in professional firms and commercial field, including accounting manager of a listed company in Hong Kong. Ms. Chung holds a Bachelor of Arts degree from York University and a diploma in accounting from The School of Professional and Continuing Education of The University of Hong Kong. Ms. Chung is a member of the Chartered Professional Accountants of British Columbia, Canada.

Clayton IP, aged 39, has been an independent non-executive Director since June 2017. Mr. Ip is a business entrepreneur and has over 10 years of experience in corporate administration, management and investment. Mr. Ip is specialised in the printing and self storage industry.

獨立非執行董事

何慕嫻，四十七歲，自二零零八年一月為獨立非執行董事，亦為審核委員會主席。彼乃何耀明會計師事務所有限公司董事，及香港執業會計師，亦是香港董事學會資深會員，及美國註冊會計師公會會員(Associate Member of the American Institute of Certified Public Accountants)。彼持有美國 Oklahoma City University 工商管理碩士學位。何女士致力參與社區服務，多年以來服務香港中山社團總會有限公司。

鍾秀維，四十五歲，自二零一七年七月為獨立非執行董事。鍾女士擁有審計及會計經驗。鍾女士曾於專業公司及商業領域擔任多個高級職務，包括香港上市公司之會計經理。鍾女士持有約克大學文學學士學位及香港大學專業進修學院會計學文憑。鍾女士是加拿大卑詩省特許專業會計師公會會員。

葉丞峰，三十九歲，自二零一七年六月為獨立非執行董事。葉先生為一名企業家，於企業行政、管理及投資擁有逾10年經驗。葉先生專注於印刷及迷你倉業。

董事及高層管理人員 DIRECTORS AND SENIOR MANAGEMENT PROFILE

於二零一七年九月二十九日
AS AT 29 SEPTEMBER 2017

COMPANY SECRETARY

CHAN Wai, aged 48, has been the company secretary of the Company since October 2016, and he is also the chief financial officer and an authorised representative of the Company. Mr. Chan has experience in accounting and financial management. Mr. Chan holds a master degree in Professional Accounting awarded by The Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants, an associate of the Association of Chartered Certified Accountants and Institute of Chartered Accountants in England and Wales. Mr. Chan is currently the chief financial officer, company secretary and an authorised representative of Champion.

SENIOR MANAGEMENT

Stephen Alan GENTRY, 61, is the Group's Head of International Business and the Chief Executive of Multitone, a member company of the Group, with responsibilities for formulating the overall policy and development strategy for the Group's international operations. He is also a director of several of the Group's subsidiaries. He joined the Group in 1988 as financial accountant of the UK operations, and has considerable experience working for the Group's various European and American operations. He has been the Chief Executive of Multitone since 2003 and is a member of the Institute of Directors.

公司秘書

陳偉，四十八歲，自二零一六年十月為本公司公司秘書，彼亦為本公司財務總監及授權代表。陳先生擁有會計及財務管理經驗。陳先生持有香港理工大學頒授之專業會計學碩士學位。彼為香港會計師公會、英國特許公認會計師公會以及英格蘭及威爾斯特許會計師協會會員。彼亦為冠軍之財務總監、公司秘書及授權代表。

高層管理人員

Stephen Alan GENTRY，六十一歲，本集團國際業務總監及成員公司Multitone之行政總裁，負責制定本集團國際業務之整體政策及發展策略。彼亦為本集團數家附屬公司之董事，於一九八八年加入本集團，擔任英國業務營運之財務會計師，在本集團多個歐洲及美國業務營運上擁有豐富經驗。彼於二零零三年出任Multitone行政總裁，現為Institute of Directors會員。

董事及高層管理人員

DIRECTORS AND SENIOR MANAGEMENT PROFILE

於二零一七年九月二十九日
AS AT 29 SEPTEMBER 2017

SENIOR MANAGEMENT *(continued)*

Frank ROTTHOFF, 54, is the Managing Director of the Group's German operations. He joined the Group in 2008 and has extensive experience in sales and marketing management in the electronics industry. His earlier career covered international sales of industrial machinery and process technology before entering the semiconductor sector in 1989. He was responsible for the sales organisation of a leading European distributor of electronic components before joining the Group.

Terry John MILLER, 78, has been a consultant of the Group since March 2017. Previously, he held the position of Deputy Chief Executive at Hong Kong Telecommunications Limited, and was the Regional Director, Asia/Pacific, of Cable & Wireless PLC. He is a fellow of the Institute of Chartered Accountants in England and Wales and is the former president of the Hong Kong Institute of the International Association of Financial Executives.

高層管理人員(續)

Frank ROTTHOFF，五十四歲，本集團德國業務營運之董事總經理。彼於二零零八年加入本集團，於電子行業之銷售及市場管理方面擁有廣泛經驗。彼於一九八九年加入半導體行業前曾擔任工業機械及製程技術之國際銷售工作。加入本集團前，他曾負責一家歐洲主要電子零件分銷商之銷售機構。

Terry John MILLER，七十八歲，自二零一七年三月為本集團顧問。彼曾擔任香港電訊有限公司副行政總監及英國大東電報局亞太區地區總裁。彼為英格蘭及威爾斯特許會計師公會資深會員，亦為香港國際財務人員聯會前任主席。

董事會報告 DIRECTORS' REPORT

The Directors present their annual report and the audited consolidated financial statements for the year ended 30 June 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in sales of cultural products, sales of systems and licensing (including sales of systems products, software licensing and customisation and provision of services) and leasing of systems products.

BUSINESS REVIEW

The business objectives of the Group are to develop its business and achieve sustainable growth of its business. The Group aims to achieve such objectives by pursuing the following growth-oriented strategies: (i) broadening the customer base of the systems sales and licensing business of the Group; and (ii) improving the sale channel and business network of the sales of cultural products business of the Group.

A review of the businesses of the Group during the year using the financial indicators and a discussion on the Group's future business development are provided in the section headed "Management Discussion and Analysis" in this report. No important event affecting the Group has occurred since the end of the year under review.

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects may be affected by a number of risks and uncertainties. The followings are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to the Group or which may not be material now but could turn out to be material in the future.

董事謹提呈截至二零一七年六月三十日止年度之年度報告及經審核綜合財務報告。

主要業務

本公司乃一間投資控股公司。其附屬公司主要從事銷售文化產品、銷售系統及特許權(包括銷售系統產品、軟件特許權及訂製以及提供服務)及租賃系統產品。

業務回顧

本集團之經營目標為發展其業務及令其業務達至可持續增長。本集團實行下列增長為本策略，致力達到上述目標：(i) 擴大本集團系統銷售及特許權業務之客戶群；及 (ii) 改善本集團銷售文化產品業務之銷售渠道及商業網絡。

有關使用財務指標對本集團之業務進行回顧，以及就本集團未來業務發展之研討的相關內容，載於本報告「管理層討論及分析」部分。自回顧年度年結日以來，並無影響本集團之重大事項。

主要風險及不確定性

本集團之財務狀況、經營業績、業務及前景可能受多項風險及不確定性影響。以下為本集團識別之主要風險及不確定性。除以下所述者外，可能有不為本集團所知或目前來看尚不重大而可能於未來屬重大之其他風險及不確定性。

董事會報告 DIRECTORS' REPORT

BUSINESS REVIEW *(continued)*

Business Risk

Certain of the business segments to which the Group operates are subject to changes in consumer perception, preferences and tastes, in particular, for the systems sales and licensing business as well as the sales of cultural products business. The Group's business and financial performance depends on factors which may affect the level and pattern of consumer spending in Europe and in China.

Market Risk

The business and operation of the systems sales and licensing business of the Group is basically conducted in the United Kingdom whereas the business and operation of another main business segment of the Group, the sales of cultural products business, is basically conducted in the PRC and Hong Kong and its customers are primarily the PRC and Hong Kong based collectors, therefore the Group's operation, revenue and profit margin are highly impacting by the economies of the United Kingdom the PRC and Hong Kong and the measures implemented by the PRC government.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. The Group recognises that operational risks cannot be eliminated completely and that it may not always be cost effective to do so.

Key functions in the Group are guided by their operating procedures, limits of authority and reporting framework. The Group will identify and assess key operational exposures from time to time and report such risk issues to senior management as early as possible so that appropriate risk response can be taken.

Financial Risk

The financial risk management of the Group are set out in note 5 to the consolidated financial statements.

Legal Risk

Legal risk is the risk that unenforceable contracts, lawsuits or adverse judgments may disrupt or otherwise negatively affect the operations or financial conditions of the Group.

業務回顧(續)

業務風險

本集團所經營之若干業務分類會受到消費者印象、喜好及品味所影響，尤其是在系統銷售及特許權業務，以及銷售文化產品業務。本集團之業務及財務表現視乎某些因素而定，而該等因素或會影響到歐洲及中國消費者之花費水平及模式。

市場風險

本集團系統銷售及特許權之業務及營運基本上在英國進行，而本集團另一主要業務分類銷售文化產品業務之業務及營運則基本上在中國及香港進行，而其客戶主要為居駐於中國及香港之收藏家，故此本集團之營運、收益及利潤率極受英國、中國及香港經濟以及中國政府所實行措施之影響。

營運風險

營運風險為因內部程序、人為、制度不足或失當或外在事件導致損失之風險。管理營運風險之責任基本上落於科室及部門之級別。本集團承認營運風險不能完全消除，且消除該風險不具成本效益。

本集團之主要職能崗位由其營運程序、權限及匯報框架指引。本集團將不時識別及評估主要營運風險，並盡早將有關風險問題向高級管理層匯報，從而採納適當之風險應對措施。

財務風險

本集團之財務風險管理載於綜合財務報告附註5。

法律風險

法律風險指因不可執行合約、訴訟或不利判決而可能使本集團運作或財務狀況出現混亂或負面影響之風險。

董事會報告 DIRECTORS' REPORT

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group puts great emphasis in environmental protection and energy conservation to enhance the capacity of sustainable development and undertake relative social responsibility. Through the establishment of an ever-improving management system, energy conservation and environment protection were strongly promoted, leading to the remarkable achievement of environmental management.

COMPLIANCE WITH RELATED LAWS AND REGULATIONS

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations, in particular, those have a significant impact on the Group. Save as otherwise disclosed and as far as the Board and management are aware, the Group has complied with all related laws and regulations in all material aspects which may have significant impact on the business and operation of the Group during the year under review.

RELATIONSHIP OF STAKEHOLDERS

The Company believes that employees, customers and business partners are the key to have continuous sustainable development. The Company is committed to be people-oriented and build up good relationship with its employees. The Group provides on-the-job training and development opportunities to enhance its employees' career progression. Through different trainings, staff's professional knowledge in corporate operations, occupational and management skills are enhanced. The Group also values the health and well-being of its staff. In order to provide employees with health coverage, its employees are entitled to medical insurance with body check benefits. The Group also works together with its business partners to provide high quality products and services to achieve the goal of sustainable development and contribution to the society.

There was no material and significant dispute between the Group and its distributors and/or customers during the year under review.

環境政策及表現

本集團高度重視環保及節能，以提升可持續發展之能力及承擔相關社會責任。通過設立不斷完善之管理制度，大力推進節能環保，從而就環境管理取得顯著成就。

遵守相關法律及法規

設有合規程序以確保遵守適用法律、規則及法規，尤其是對本集團有重大影響者。除另作披露者外及就董事會及管理層所知，本集團已於回顧年度內於所有重大方面遵守可能嚴重影響本集團業務及營運之所有相關法律法規。

持份者之關係

本公司認為，僱員、客戶及業務夥伴為持續穩定發展之關鍵。本公司致力於以人為本，除另作披露者外及與其僱員建立良好關係。本集團提供在職培訓及發展機會以促進員工之職業晉升。通過不同培訓，員工於公司營運之專業知識、職業及管理技能得到提升。本集團亦珍視員工之健康及福利。公司員工享有醫療保險（連身體檢查），以作為對其健康之保障。本集團亦與其業務夥伴同心協力，為顧客提供優質產品及服務，以達致可持續發展及為社會作出貢獻之目的。

於回顧年度內，本集團與其分銷商及／或客戶之間並無重大而明顯之糾紛。

董事會報告 DIRECTORS' REPORT

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 76 to 77 and in the accompanying notes to the consolidated financial statements.

The Directors do not recommend the payment of any dividend in respect of the year ended 30 June 2017 (2016: nil). Capital will be reserved for the expansion of the Group's business and to capture investment opportunities arising in the future. There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 26 to the consolidated financial statements.

RESERVES

Movements in the reserves of the Group and the Company during the year under review are set out in the consolidated statement of changes in equity on pages 80 to 81 and note 33 to the consolidated financial statements, respectively.

DISTRIBUTABLE RESERVE OF THE COMPANY

As at 30 June 2017, the Company has HK\$31,037,000 reserve available for distribution to the shareholders (2016: Nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 168.

CHARITABLE DONATIONS

The Company did not make any charitable donation for the two years ended 30 June 2016 and 2017.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes are set out in note 24 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 15 to the consolidated financial statements.

業績及分配

本集團截至二零一七年六月三十日止年度之業績載於第76至77頁之綜合損益及其他全面收益表以及隨附之綜合財務報告附註內。

董事不建議就截至二零一七年六月三十日止年度派付任何股息(二零一六年：無)。資本將保留作本集團擴張業務之用和抓緊日後出現之投資機遇。本公司股東概無任何安排放棄或同意放棄任何股息。

股本

本公司於本年度內之股本變動詳情載於綜合財務報告附註26。

儲備

本集團及本公司於回顧年度內之儲備之變動分別載於第80至81頁之綜合股本權益變動表及綜合財務報告附註33。

本公司之可分派儲備

於二零一七年六月三十日，本公司可供分派予股東之儲備為31,037,000港元(二零一六年：無)。

五年財務摘要

本集團於最近五個財政年度之業績以及資產及負債摘要載於第168頁。

慈善捐款

截至二零一六年及二零一七年六月三十日止兩個年度，本公司並無作出任何慈善捐款。

退休福利計劃

退休福利計劃詳情載於綜合財務報告附註24。

物業、廠房及設備

本集團於本年度內有關物業、廠房及設備之變動詳情載於綜合財務報告附註15。

董事會報告 DIRECTORS' REPORT

DIRECTORS AND SERVICE CONTRACTS

The Directors during the year and up to the date of this report are:

Executive Directors:

Mr. LIU Ka Lim (appointed on 3 October 2016)
Mr. CHENG Yang (Chairman) (appointed on 3 October 2016 and resigned on 15 August 2017)
Ms. LEI Lei (appointed on 20 March 2017 and resigned on 7 July 2017)
Mr. LIN Xiang (appointed on 20 March 2017 and resigned on 7 July 2017)
Professor Paul KAN Man Lok (Chairman) (resigned on 30 September 2016)
Mr. LAI Yat Kwong (Acting Chief Executive Officer) (resigned on 3 October 2016)
Ms. Shirley HA Suk Ling (retired on 13 December 2016)

Non-executive Directors:

Ms. TO Yin Fong Cecilica (appointed on 7 July 2017)
Mr. Leo KAN Kin Leung (resigned on 3 October 2016)

Independent non-executive Directors:

Ms. Miranda HO Mo Han
Ms. CHUNG Sau Wai Ada (appointed on 11 July 2017)
Mr. Clayton IP (appointed on 14 June 2017)
Mr. YANG Rusheng (appointed on 13 December 2016 and resigned on 11 July 2017)
Mr. Frank BLEACKLEY (resigned on 20 March 2017)

Professor Julia TSUEI Jo (retired on 13 December 2016)

In accordance with article 87(1) of the articles of association of the Company (the "Articles of Association"), one-third of the Directors for the time being, (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation so that each Director shall be subject to retirement at least once every three years.

In accordance with article 86(3) of the Articles of Association, any Director appointed by the Board at any time either to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office only until the forthcoming annual general meeting of the Company and shall then be eligible for re-election.

董事及服務合約

本年度及截至本報告日期止，董事為：

執行董事：

廖嘉濂先生(於二零一六年十月三日獲委任)
程楊先生(主席)(於二零一六年十月三日獲委任並於二零一七年八月十五日辭任)
雷蕾女士(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任)
林祥先生(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任)
簡文樂教授(主席)(於二零一六年九月三十日辭任)
黎日光先生(署理行政總裁)(於二零一六年十月三日辭任)
夏淑玲女士(於二零一六年十二月十三日退任)

非執行董事：

杜妍芳女士(於二零一七年七月七日獲委任)
簡堅良先生(於二零一六年十月三日辭任)

獨立非執行董事：

何慕嫻女士
鍾秀維女士(於二零一七年七月十一日獲委任)
葉丞峰先生(於二零一七年六月十四日獲委任)
楊如生先生(於二零一六年十二月十三日獲委任並於二零一七年七月十一日辭任)
Frank BLEACKLEY先生(於二零一七年三月二十日辭任)
崔玖教授(於二零一六年十二月十三日退任)

根據本公司組織章程細則(「組織章程細則」)第87(1)條，當時三分之一之董事(或倘彼等人數並非三之倍數，則最接近但不少於三分之一之人數)須輪席退任，以致各董事須至少每三年退任一次。

根據組織章程細則第86(3)條，由董事會委任填補董事會空缺或作為現有董事會新增成員之董事，其任期直至其獲委任後之首個本公司股東週年大會為止，並符合資格於該大會上重選。

董事會報告

DIRECTORS' REPORT

DIRECTORS AND SERVICE CONTRACTS

(continued)

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation) as at the date of this report.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE (THE "LISTING RULES")

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of the Directors are set out below:

- (a) The director emolument for Ms. To Yin Fong Cecilica, a non-executive Director, was set at HK\$15,000 per month with effect from 7 July 2017.
- (b) The director emolument for Ms. Miranda Ho Mo Han, an independent non-executive Director, was renewed to HK\$200,000 per annum with effect from 13 December 2016.

Save as disclosed above, there is no other change in the Directors' information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

SHARE OPTION SCHEME AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Each of the Company and its ultimate holding company, Champion, has a share option scheme under which eligible persons, including directors of the Company, Champion or any of their respective subsidiaries, may be granted options to subscribe for shares of the Company and Champion respectively.

Details of the share option schemes of the Company and Champion are set out in note 27 to the consolidated financial statements.

Other than the share option schemes described in note 27 to the consolidated financial statements, at no time during the year was the Company, its subsidiaries, holding companies or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

董事及服務合約(續)

於本報告日期，概無董事訂立任何本集團不能於一年內毋須作出補償(法定補償除外)而終止之服務合約。

根據聯交所證券上市規則(「上市規則」)第 13.51B(1) 條披露董事之資料

根據上市規則第 13.51B(1) 條，有關董事變動之資料載列如下：

- (a) 自二零一七年七月七日起，杜妍芳女士(非執行董事)之董事酬金乃設定為每月 15,000 港元。
- (b) 自二零一六年十二月十三日起，何慕嫻女士(獨立非執行董事)之董事酬金乃改定為每年 200,000 港元。

除上文所披露者外，概無其他有關董事資料之變動須根據上市規則第 13.51B(1) 條予以披露。

購股權計劃及董事購買股份或債券之權利

本公司及其最終控股公司冠軍各設有購股權計劃。據此，合資格人士(包括本公司、冠軍或彼等各自之附屬公司之董事)可獲授購股權以分別認購本公司及冠軍之股份。

本公司及冠軍之購股權計劃詳情載於綜合財務報告附註 27。

除綜合財務報告附註 27 所述之購股權計劃外，本公司或其附屬公司、控股公司或同系附屬公司在本年度內任何時間均無參與任何安排，致使董事可透過購入本公司或任何其他法人團體之股份或債券而獲益。

董事會報告 DIRECTORS' REPORT

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

None of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO") as at 30 June 2017 as recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set forth under Appendix 10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as disclosed in the section headed "Related Party Transactions" below, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company, its subsidiaries, holding company and any of their subsidiaries was a party and in which a Director or his/her connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

During the year under review the Group did not conduct any non-exempt connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

RELATED PARTY TRANSACTIONS

During the year ended 30 June 2017, the Group had entered into certain transactions with parties which were regarded as "Related Parties" under the applicable accounting principles. Details of those related party transactions are set out in note 32 to the consolidated financial statements. The transactions which are considered as connected transactions under the Listing Rules are further disclosed in note 32 to the consolidated financial statements.

董事之證券權益及淡倉

於二零一七年六月三十日，根據證券及期貨條例（「證券及期貨條例」）第352條規定本公司須予存置之登記冊所記錄，或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）向本公司及聯交所另行作出之通知，概無本公司董事或行政總裁在本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中擁有任何權益或淡倉。

董事於交易、安排及合約之權益

除下文「關連人士交易」一節所披露者外，概無本公司、其附屬公司、控股公司及彼等之任何附屬公司為訂約方且董事或其關連實體於當中直接或間接擁有重大權益而與本集團業務有關之重大交易、安排及合約於年終或年內之任何時間存續。

關連交易

本公司確認其已遵守根據上市規則第14A章之披露規定。

於回顧年度內，本集團並無根據上市規則第14A章進行任何不獲豁免之關連交易或持續關連交易。

關連人士交易

於截至二零一七年六月三十日止年度內，本集團與根據適用會計準則界定為「關連人士」之人士訂立若干交易。該等關連人士交易詳情載於綜合財務報告附註32。該等交易根據上市規則被視為關連交易，於綜合財務報告附註32中進一步披露。

董事會報告 DIRECTORS' REPORT

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISION 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY

As at 30 June 2017, the following person (other than the interests of the Directors or chief executive of the Company disclosed in the paragraph headed "Directors' interests and short positions in securities" above) had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

擁有根據證券及期貨條例第 XV 部第 2 及 3 分部須予披露權益或淡倉之人士以及本公司之主要股東

於二零一七年六月三十日，根據證券及期貨條例第 336 條規定本公司須予存置之登記冊所記錄，下列人士(上文「董事之證券權益及淡倉」一段所披露本公司董事或行政總裁之權益除外)於本公司之股份及相關股份中擁有權益或淡倉：

| Name | Capacity | Number of shares | Approximate percentage of the issued share capital |
|---|---|------------------|--|
| 名稱 | 身份 | 股份數目 | 佔已發行股本之概約比率 |
| Champion 冠軍 | Beneficial owner 實益擁有人 | 640,689,792 | 64.94% |
| Southwest Securities International Securities Limited (Note 1) (附註 1) | Interest of controlled corporation 受控制法團權益 | 640,689,792 | 64.94% |
| 西南證券股份有限公司 (Note 1) (附註 1) | Interest of controlled corporation 受控制法團權益 | 640,689,792 | 64.94% |
| 重慶渝富資產經營管理集團有限公司 (Note 1) (附註 1) | Interest of controlled corporation 受控制法團權益 | 640,689,792 | 64.94% |

Note:

- 640,689,792 shares of the Company, representing approximately 64.94% of the issued share capital of the Company, owned by Champion were pledged to Southwest Securities (HK) Finance Limited under a facility agreement between Champion and Southwest Securities (HK) Finance Limited. According to the disclosure of interests forms of substantial shareholders filed on 9 March 2017, Southwest Securities (HK) Finance Limited is wholly owned by Southwest Securities International Securities Limited, which is in turn owned as to 74.22% by 西南證券股份有限公司, which is in turn owned as to 26.99% by 重慶渝富資產經營管理集團有限公司.

附註：

- 根據冠軍與西證(香港)財務有限公司訂立之融資協議，冠軍所擁有之 640,689,792 股本公司股份(佔本公司已發行股本約 64.94%)已質押予西證(香港)財務有限公司。按照於二零一七年三月九日備案之權益披露報表，西證(香港)財務有限公司由 Southwest Securities International Securities Limited 全資擁有，Southwest Securities International Securities Limited 則由西南證券股份有限公司持有 74.22%，而西南證券股份有限公司則由重慶渝富資產經營管理集團有限公司持有 26.99%。

董事會報告

DIRECTORS' REPORT

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISION 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS OF THE COMPANY *(continued)*

Save as disclosed above, as at 30 June 2017, according to the register of interests required to be kept by the Company under section 336 of the SFO, there was no person who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or other similar rights as at 30 June 2017 and there had been no exercise of any convertible securities, options, warrants or similar rights during the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor its subsidiaries purchased, sold or redeemed the Company's listed securities during the year ended 30 June 2017.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the 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.

MAJOR CUSTOMERS AND SUPPLIERS

The Group sells its products to customers who act as its distributors, and purchases materials and components from suppliers who act as its merchandisers.

擁有根據證券及期貨條例第 XV 部第 2 及 3 分部須予披露權益或淡倉之人士以及本公司之主要股東^(續)

除上文所披露者外，於二零一七年六月三十日，按照本公司須根據證券及期貨條例第 336 條存置之權益登記冊，概無人士於本公司之股份或相關股份中擁有根據證券及期貨條例第 XV 部第 2 及 3 分部之條文須向本公司披露之任何權益或淡倉。

可換股證券、購股權、認股權證或類似權利

於二零一七年六月三十日，本公司並無任何尚未行使之可換股證券、購股權、認股權證或其他類似權利，且概無於本年度內行使任何上述權利。

購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於截至二零一七年六月三十日止年度內並無購買、出售或贖回本公司之上市證券。

優先購股權

組織章程細則或開曼群島法例並無載有任何優先購股權之條文，規定本公司須按比例向現有股東提呈發售新股。

主要客戶及供應商

本集團向作為其分銷商之客戶銷售貨品，並從作為其採購商之供應商購買原料及零件。

董事會報告

DIRECTORS' REPORT

MAJOR CUSTOMERS AND SUPPLIERS

(continued)

For the year ended 30 June 2017, sales to the Group's five largest customers, on individual entity basis, accounted for approximately 13.8% of the total revenue for the year and sales to the largest customer, on individual entity basis, included therein amounted to approximately 3.4%. Purchases from the Group's five largest suppliers, on individual entity basis, accounted for approximately 27.6% of the total purchases for the year and purchases from the largest supplier, on individual entity basis, included therein amounted to approximately 9.1%.

None of the Directors, their close 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 share capital of the five largest customers or suppliers of the Company.

REMUNERATION POLICY

As at 30 June 2017, the Group employed about 210 staff around the globe. Staff costs for the year ended 30 June 2017 were HK\$76 million (2016: HK\$95 million).

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee.

The emoluments of the Directors are recommended by the Human Resources and Remuneration Committee of the Company after considering factors such as the Company's operating results, individual performance, salaries paid by comparable companies, and time commitment and responsibilities of the relevant director.

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 27 to the consolidated financial statements.

PUBLIC FLOAT

Based on information publicly available to the Company and within the knowledge of the Directors, as at the date of this report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

主要客戶及供應商(續)

截至二零一七年六月三十日止年度，本集團向五大客戶(按個別實體基準)作出之銷售佔本年度銷售總額約13.8%，其中向最大客戶(按個別實體基準)作出之銷售佔約3.4%。本集團向五大供應商(按個別實體基準)作出之購貨佔本年度購貨總額約27.6%，其中向最大供應商(按個別實體基準)作出之購貨佔約9.1%。

概無董事、其緊密聯繫人士或據董事所知擁有本公司已發行股本5%以上之任何股東於本公司五大客戶或供應商之股本中擁有任何權益。

薪酬政策

於二零一七年六月三十日，本集團於全球聘用約210名員工。截至二零一七年六月三十日止年度內之僱員成本為76,000,000港元(二零一六年：95,000,000港元)。

本集團僱員之薪酬乃參考市場水平並按照各僱員之表現、資歷及經驗而釐定。

董事之酬金乃由本公司之人力資源及薪酬委員會經考慮本公司之經營業績、個人表現、可資比較公司支付之工資，以及按相關董事職務需付出之時間及須承擔之責任等因素作出建議。

本公司已採納一項購股權計劃，作為對董事及合資格僱員之獎勵。計劃詳情載於綜合財務報告附註27。

公眾持股量

根據本公司所得之公開資料及據董事所知，於本報告日期，公眾持股量充足，符合上市規則不少於本公司已發行股份25%之規定。

董事會報告 DIRECTORS' REPORT

PERMITTED INDEMNITY PROVISIONS

The Group has taken out a Directors' liability insurance to cover Directors' liabilities to third parties.

EQUITY-LINKED AGREEMENTS

Other than the share option scheme as disclosed in this report, no equity-linked agreements that will or may result in the Company issuing Shares, or that require the Company to enter into any agreements that will or may result in the Company issuing Shares, were entered into by the Company during the year or subsisted at the end of the year.

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.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Details of the remuneration paid by the Group to the Directors and senior management of the Group for the year ended 30 June 2017 are set out in note 10 to the financial statements.

AUDITOR

Deloitte Touche Tohmatsu resigned as auditor of the Company on 16 August 2016. On 17 August 2016, the Company appointed Moore Stephens CPA Limited as auditor for the year ended 30 June 2016. On 13 December 2016, Moore Stephens CPA Limited was re-appointed as auditor of the Company for the year ended 30 June 2017.

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint Moore Stephens CPA Limited as auditor of the Company for the year ending 30 June 2018.

By order of the Board

LIU Ka Lim
Executive Director

Hong Kong
29 September 2017

獲准許彌償條文

本集團已提供董事責任保險，涵蓋董事須向第三方承擔之責任。

股權掛鈎協議

除本報告所披露之購股權計劃外，概無將會或可能會導致本公司發行股份之股權掛鈎協議，或要求本公司訂立將會或可能會導致本公司發行股份之任何協議由本公司於年內訂立或於年終存續。

管理合約

年內概無訂立或存有關於本公司全部或任何重大部份業務之管理及行政事宜之合約。

董事及高級管理層之酬金

本集團於截至二零一七年六月三十日止年度向董事和本集團高級管理層支付之酬金詳情載於財務報告附註10。

核數師

德勤•關黃陳方會計師行於二零一六年八月十六日辭任本公司核數師。於二零一六年八月十七日，本公司委聘大華馬施雲會計師事務所有限公司為截至二零一六年六月三十日止年度之核數師。於二零一六年十二月十三日，大華馬施雲會計師事務所有限公司獲續聘為本公司截至二零一七年六月三十日止年度之核數師。

有關續聘大華馬施雲會計師事務所有限公司為本公司截至二零一八年六月三十日止年度之核數師之決議案將於本公司之應屆股東週年大會上提呈。

承董事會命

執行董事
廖嘉濂

香港
二零一七年九月二十九日

企業管治報告

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board and the senior management of the Company are committed to establishing good corporate governance practices and procedures. The maintenance of high standard of business ethics and corporate governance practices has always been one of the Group's goals. The Company believes that good corporate governance provides a framework that is essential for effective management, successful business growth and a healthy corporate culture, thereby leading to the enhancement of shareholders' value.

CORPORATE GOVERNANCE PRACTICES

The corporate governance principles of the Company emphasize a quality Board, sound internal controls, transparency and accountability to all shareholders. By applying rigorous corporate governance practices, the Group believes that its accountability and transparency will be improved thereby instilling confidence to shareholders and the public. The Company has been conducting its business according to the principles of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the year ended 30 June 2017.

Throughout the financial year ended 30 June 2017, the Group has complied with the code provisions in the CG Code save for the deviation of code provision A.4.1 of the CG Code, details of which will be explained in the relevant paragraphs in this report. The Board will review its corporate governance practice annually and make necessary changes if necessary. Meetings were held throughout the year under review and where appropriate, circulars and other guidance notes were issued to Directors and senior management of the Group to ensure they were aware of issues regarding corporate governance practices.

緒言

本公司董事會及高級管理層致力建立良好企業管治常規及程序。維持高水平之商業操守及企業管治常規一直為本集團的目標之一。本公司相信，良好企業管治所提供之架構，對有效管理、業務成功發展及建立良好企業文化至關重要，可藉此提高股東價值。

企業管治常規

本公司之企業管治原則著重董事會質素、穩健之內部監控、具透明度，並且對全體股東負責。透過採用嚴謹之企業管治常規，本集團相信將可改善其問責性及透明度，從而逐步使股東及大眾樹立信心。於截至二零一七年六月三十日止年度內，本公司已根據載於上市規則附錄十四之企業管治守則（「企業管治守則」）之原則開展業務。

於截至二零一七年六月三十日止整個財政年度內，本集團已遵守企業管治守則之守則條文，惟偏離企業管治守則守則條文第A.4.1條除外，有關詳情將於本報告相關段落闡述。董事會將每年檢討其企業管治常規，並於需要時作出必要之變動。本公司於回顧年內曾舉行多次會議，並於適當時向本集團董事及高級管理層發出通函及其他指引說明，以確保彼等知悉有關企業管治常規之事宜。

企業管治報告

CORPORATE GOVERNANCE REPORT

THE BOARD

Responsibilities

The Board is responsible for the leadership and control of the Company and oversees the Group's business, strategic decisions and performances and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. In practice, the Board takes responsibility for decision making in all major matters of the Company including the approval and monitoring of all policy matters, the setting of objectives, annual budgets and overall strategies, the entering into material transactions, appointment of Directors and other significant financial and operational matters. The day-to-day management, administration and operation of the Company are delegated to the senior executives and the management. Their responsibilities include the implementation of decisions made by the Board, the co-ordination and direction of day-to-day operation and management of the Company in accordance with the management strategies and plans approved by the Board. The Board receives full support from senior executives to discharge its responsibility. Prior approval has to be obtained from the Board before entering into any significant transactions. The statement of the auditors of the Company in relation to their reporting responsibilities for the consolidated financial statements is set out in the Independent Auditor's Report on pages 71 to 75 of this report.

Composition

The composition of the Board during the year and up to the date of this report was as follows:

Executive Directors:

Mr. LIU Ka Lim (appointed on 3 October 2016)
Mr. CHENG Yang (Chairman) (appointed on 3 October 2016 and resigned on 15 August 2017)
Ms. LEI Lei (appointed on 20 March 2017 and resigned on 7 July 2017)
Mr. LIN Xiang (appointed on 20 March 2017 and resigned on 7 July 2017)
Professor Paul KAN Man Lok (Chairman) (resigned on 30 September 2016)
Mr. LAI Yat Kwong (Acting Chief Executive Officer) (resigned on 3 October 2016)
Ms. Shirley HA Suk Ling (retired on 13 December 2016)

董事會

職責

董事會負責本公司之領導及監控工作，並監察本集團之業務、策略性決策及表現，以及藉指導及監督本公司事務，共同負責引領本公司邁向成功。實際上，董事會負責就本公司所有主要事項作出決策，包括：審批及監控所有政策事宜、制定目標、年度預算及整體策略、訂立重大交易、委任董事及其他重大財務及營運事宜。本公司之日常管理、行政及營運均轉授予高級行政人員及管理層執行。彼等之職責包括實行董事會作出之決策、根據董事會審批之管理策略及計劃協調及指導本公司日常營運及管理。董事會獲得高級行政人員之全力支持履行其職責。在訂立任何重大交易前均須獲得董事會預先批准。有關本公司核數師對綜合財務報告之呈報責任之聲明載於本報告第71至75頁之獨立核數師報告。

組成

董事會於年內及截至本報告日期止之組成架構如下：

執行董事：

廖嘉濂先生(於二零一六年十月三日獲委任)
程楊先生(主席)(於二零一六年十月三日獲委任並於二零一七年八月十五日辭任)
雷蕾女士(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任)
林祥先生(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任)
簡文樂教授(主席)(於二零一六年九月三十日辭任)
黎日光先生(署理行政總裁)(於二零一六年十月三日辭任)
夏淑玲女士(於二零一六年十二月十三日退任)

企業管治報告

CORPORATE GOVERNANCE REPORT

THE BOARD *(continued)*

Composition *(continued)*

Non-executive Directors:

Ms. TO Yin Fong Cecilica *(appointed on 7 July 2017)*
Mr. Leo KAN Kin Leung *(resigned on 3 October 2016)*

Independent non-executive Directors:

Ms. Miranda HO Mo Han
Ms. CHUNG Sau Wai Ada *(appointed on 11 July 2017)*
Mr. Clayton IP *(appointed on 14 June 2017)*
Mr. YANG Rusheng *(appointed on 13 December 2016
and resigned on 11 July 2017)*
Mr. Frank BLEACKLEY *(resigned on 20 March 2017)*

Professor Julia TSUEI Jo *(retired on 13 December 2016)*

One of the independent non-executive Directors has appropriate accounting and financial management expertise. The number of independent non-executive Directors is more than one-third of the Board. Biographical details of the other Directors are set out in the paragraph headed "Directors and senior management profile" on pages 17 to 20 of this report.

The presence of three independent non-executive Directors is considered by the Board to be a reasonable balance between executive and non-executive Directors. The Board is of the opinion that such balance can provide adequate checks and balances to safeguard the interests of shareholders and of the Group. The independent non-executive Directors provide to the Group with a wide range of expertise and experience so that independent judgement can be exercised effectively. They have also participated in Board meetings and general meetings, dealt with potential conflicts of interest, served on audit committee, human resources and remuneration committee and nomination committee of the Company and scrutinized the Group's performance and reporting. Through their active participation, the management process of the Company can be critically reviewed and controlled.

董事會 *(續)*

組成 *(續)*

非執行董事：

杜妍芳女士 *(於二零一七年七月七日獲委任)*
簡堅良先生 *(於二零一六年十月三日辭任)*

獨立非執行董事：

何慕嫻女士
鍾秀維女士 *(於二零一七年七月十一日獲委任)*
葉丞峰先生 *(於二零一七年六月十四日獲委任)*
楊如生先生 *(於二零一六年十二月十三日獲委任並
於二零一七年七月十一日辭任)*
Frank BLEACKLEY 先生 *(於二零一七年三月二十日
辭任)*
崔玖教授 *(於二零一六年十二月十三日退任)*

其中一名獨立非執行董事具備適當會計及財務管理專業知識。獨立非執行董事佔董事會人數超過三分之一。其他董事之履歷詳情載於本報告第17至20頁「董事及高層管理人員」一段內。

董事會認為，董事會包括三名獨立非執行董事，可於執行董事與非執行董事間達致合理制衡。董事會認為，此制衡能為保障股東及本集團利益提供充份之核查及平衡。獨立非執行董事向本集團提供廣泛專業知識及經驗，從而可有效地作出獨立判斷。彼等亦出席董事會會議及股東大會、處理潛在利益衝突、出任本公司審核委員會、人力資源及薪酬委員會及提名委員會成員，以及監察本集團之表現及呈報。透過彼等之積極參與，本公司之管理程序可獲得審慎檢討及監控。

企業管治報告

CORPORATE GOVERNANCE REPORT

THE BOARD *(continued)*

Composition *(continued)*

The Directors have distinguished themselves in their field of expertise, and have exhibited high standards of personal and professional ethics and integrity. All Directors have given sufficient time and attention to the Company's affairs. The Board believes that the ratio between executive Directors and independent non-executive Directors is reasonable and adequate to perform check and balance function over the Board in the decision making process.

The Board is responsible for the appointment of new Director and nomination for re-election by shareholders at the annual general meeting of the Company. Under the Articles of Association, the Board may from time to time appoint a Director either to fill a vacancy or as an addition to the Board. Any new Director appointed to fill a casual vacancy or as an addition to the existing Board shall hold office until the next annual general meeting after his/her appointment and shall then be eligible for re-election at such meeting.

Chairman and Chief Executive Officer

Code provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and the Chief Executive should be clearly established and set out in writing.

The role of Chairman was performed by Mr. Cheng Yang, who was also an executive Director, and he provided leadership and was responsible for the overall strategic planning and development of the Group and the effective functioning and leadership of the Board. Mr. Cheng Yang resigned as an executive director and the Chairman of the Company with effect from 15 August 2017.

董事會 *(續)*

組成 *(續)*

董事在本身之專業範圍均為傑出人士，並展示出高水平之個人及專業操守和誠信。全體董事均已就本公司事務付出充足時間及心血。董事會相信，執行董事與獨立非執行董事間之比率誠屬合理，並足以對董事會之決策過程發揮互相核查及制衡之作用。

董事會負責委任新董事及提名董事於本公司股東週年大會上接受股東膺選連任。根據組織章程細則，董事會可不時委任董事填補董事會空缺或出任董事會新成員。獲委任以填補臨時空缺或出任現有董事會新成員之任何新董事將任職至其獲委任後之下一屆股東週年大會為止，且屆時將符合資格於該大會上膺選連任。

主席及行政總裁

企業管治守則之守則條文第A.2.1條規定，主席及行政總裁之角色應有區分，並不應由一人同時兼任。主席及行政總裁之間職責的分工應清楚界定，並以書面方式載列。

主席職責曾由程楊先生(彼亦曾任執行董事)履行，彼提供領導並負責本集團之整體策略規劃及發展，確保董事會能有效益地履行職務及提供領導。程楊先生於二零一七年八月十五日辭任本公司之執行董事兼主席職務。

企業管治報告

CORPORATE GOVERNANCE REPORT

THE BOARD *(continued)*

Chairman and Chief Executive Officer *(continued)*

Mr. Lai Yat Kwong, who was an executive Director, acted as the Acting Chief Executive Officer and he was responsible for overall management of the Group's day-to-day operations. Mr. Lai Yat Kwong resigned as an executive Director and the Acting Chief Executive Officer of the Company with effect from 3 October 2016.

Following the resignation of Mr. Lai Yat Kwong as the Acting Chief Executive Officer of the Company on 3 October 2016, the Company has no such titles as the Chief Executive Officer nor the Acting Chief Executive Officer and therefore the daily operation and management of the Company has been monitored by the executive Directors as well as the senior management.

The Board is of the view that although there is no Chief Executive Officer, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals and who meet from time to time to look after the operations of the Company.

INDEPENDENCE

The Company has received an annual confirmation of independence from each of the independent non-executive Director in accordance with Rule 3.13 of the Listing Rules and each of them has declared fulfilment of all the guidelines for assessing independence in accordance with Rule 3.13 of the Listing Rules. Accordingly, the Company considers that all the independent non-executive Directors are independent.

All independent non-executive Directors are identified as such in all corporate communications containing the names of the Directors. In addition, there is no material relationship between Board members.

董事會 *(續)*

主席及行政總裁 *(續)*

黎日光先生(彼亦曾任執行董事)曾擔任署理行政總裁，彼負責整體管理本集團之日常業務。黎日光先生於二零一六年十月三日辭任本公司執行董事兼署理行政總裁職務。

黎日光先生於二零一六年十月三日辭任署理行政總裁職務後，本公司未再設有行政總裁或署理行政總裁職位，故此本公司之日常營運及管理由執行董事及高級管理層監督。

董事會認為，董事會由具經驗人士組成，彼等不時開會管理本公司營運，雖然並無行政總裁，惟通過董事會之運作，權力及權限平衡已得以確保。

獨立性

本公司已收到各獨立非執行董事按照上市規則第3.13條發出表明其獨立性之年度確認書，且彼等各自均聲明已符合所有根據上市規則第3.13條有關獨立性之指引。因此，本公司認為全體獨立非執行董事均為獨立人士。

所有載有董事姓名之公司通訊中，均已說明全體獨立非執行董事之身份。此外，董事會成員之間概無重大關係。

企業管治報告

CORPORATE GOVERNANCE REPORT

DEVIATION FROM THE CG CODE

Throughout the year ended 30 June 2017, the Company has complied with the CG Code as set out in Appendix 14 to the Listing Rules, save and except the following deviation:

Term of appointment of non-executive Directors

Under the code provision A.4.1 of the CG Code, all non-executive Directors should be appointed for a specific term, subject to re-election. Whilst the non-executive Directors are not appointed for a specific term, the term of office for non-executive Directors is subject to retirement from office by rotation and is eligible for re-election in accordance with the provisions of the Articles of Association. At each annual general meeting of the Company, one-third of the Directors for the time being, (or if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation so that each Director shall be subject to retirement at least once every three years. As such, the Company considers that such provision is sufficient to meet the underlying objectives of CG Code.

NON-COMPLIANCE WITH RULES 3.10(1) AND 3.21 OF THE LISTING RULES

Pursuant to Rule 3.10(1) and Rule 3.21 of the Listing Rules, every board of directors of a listed issuer must include at least three independent non-executive directors and the audit committee must comprise a minimum of three members. Following the resignation of Mr. Frank Bleackley as an independent non-executive Director and a member of the audit committee of the Company with effect from 20 March 2017, the number of independent non-executive Directors fell below the minimum number of three as required under Rule 3.10(1) of the Listing Rules, and the number of members of the audit committee of the Company fell below the minimum number prescribed under Rule 3.21 of the Listing Rules. Following the appointment of Mr. Clayton Ip as an independent non-executive director and a member of the audit committee of the Company with effect from 14 June 2017, the Company is in compliance with the relevant requirements under the Listing Rules.

偏離企業管治守則事項

於截至二零一七年六月三十日止整個年度，本公司一直遵守上市規則附錄十四所載之企業管治守則，惟以下偏離事項則除外：

非執行董事之任期

根據企業管治守則之守則條文第A.4.1條，全體非執行董事的委任應有指定任期，並須接受重新選舉。儘管非執行董事並無獲委任指定任期，惟根據組織章程細則條文，非執行董事應輪席退任及符合資格膺選連任。於本公司各股東週年大會上，當時三分之一之董事（或倘其人數並非三之倍數，則最接近但不少於三分之一之人數）須輪席退任，故各董事須至少每三年退任一次。因此，本公司認為該等條文足以達到企業管治守則之相關目標。

未能遵守上市規則第3.10(1)及3.21條

按照上市規則第3.10(1)條及第3.21條，各上市發行人董事會必須包括最少三名獨立非執行董事，審核委員會亦須由最少三名成員組成。自二零一七年三月二十日起，Frank Bleackley先生辭任本公司獨立非執行董事兼審核委員會成員職務後，獨立非執行董事數目低於上市規則第3.10(1)條項下最少三名之規定，本公司審核委員會成員數目亦低於上市規則第3.21條項下所規定之最低數目。自二零一七年六月十四日起，於委任葉丞峰先生為本公司之獨立非執行董事兼審核委員會成員後，本公司已符合上市規則項下之相關規定。

企業管治報告

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND SHAREHOLDERS' MEETINGS

The Board regularly meets in person or through other electronic means of communication at least four times every year to determine the overall strategic direction, objectives and to approve interim results, annual results or other significant matters. Draft notice and agenda for regular meetings are provided to all Directors for comments and inclusion of any matters for deliberation at the meetings. Apart from holding regular meetings, senior management from time to time provides to the Directors information on activities and development of the business of the Group. The company secretary assists the chairman in preparing agenda for the meetings and ensures that all applicable rules and regulations in connection with the meetings are observed and complied with. The agenda and Board papers are then sent to all Directors at least 3 days prior to the meeting. The company secretary also takes detailed minutes, keeps records of matters discussed and decision resolved at the meetings.

董事會會議及股東大會

董事定期親身出席或透過其他電子通訊方式舉行董事會會議，有關會議每年最少舉行四次，以釐定整體策略方向及目標以及審批中期業績、年度業績或其他重大事項。例會之草擬通知及議程已向全體董事提供，以供彼等提出意見，並載入任何於大會上商議之事宜。除舉行例會外，高級管理層亦不時向董事提供有關本集團業務活動及發展之資料。公司秘書協助主席編製會議議程，並確保已遵守及遵從有關會議之所有適用規則及規例。議程及董事會文件則在舉行會議前最少三日發送予全體董事。公司秘書亦會作出詳盡會議記錄，並就會上之討論事項及議決決定保留記錄。

企業管治報告

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND SHAREHOLDERS' MEETINGS (continued)

Directors' attendances in the general meetings and the meetings of the Board, audit committee, human resources and remuneration committee and nomination committee held during the year are set out below:

董事會會議及股東大會(續)

於年度內，股東大會及董事會、審核委員會、人力資源及薪酬委員會以及提名委員會會議之董事出席情況載列如下：

| Name of Directors | Board Meeting attended/Eligible attended | Audit Committee Meeting attended/Eligible attended | Human Resources and Remuneration Committee Meeting attended/Eligible attended | Nomination Committee Meeting attended/Eligible attended | Annual General Meeting attended/Eligible attended |
|-------------------|--|---|---|---|--|
| 董事姓名 | 已出席/ 合資格出席 之董事會會議 | 已出席/ 合資格出席 之審核 委員會會議 | 已出席/ 合資格出席之 人力資源及薪酬 委員會會議 | 已出席/ 合資格出席之 提名委員會會議 | 已出席/ 合資格出席之 股東週年大會 |

Executive Directors

執行董事

| | | | | | |
|--|-----|---|---|---|-----|
| Mr. LIU Ka Lim (appointed on 3 October 2016) 廖嘉濂先生(於二零一六年十月三日獲委任) | 6/6 | — | — | — | 1/1 |
| Mr. CHENG Yang (appointed on 3 October 2016 and resigned on 15 August 2017) 程揚先生(於二零一六年十月三日獲委任並於二零一七年八月十五日辭任) | 5/6 | — | — | — | 1/1 |
| Ms. LEI Lei (appointed on 20 March 2017 and resigned on 7 July 2017) 雷蕾女士(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任) | 1/1 | — | — | — | — |
| Mr. LIN Xiang (appointed on 20 March 2017 and resigned on 7 July 2017) 林祥先生(於二零一七年三月二十日獲委任並於二零一七年七月七日辭任) | 1/1 | — | — | — | — |

企業管治報告 CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND SHAREHOLDERS' MEETINGS (continued)

董事會會議及股東大會(續)

| Name of Directors | Board Meeting attended/Eligible attended | Audit Committee Meeting attended/Eligible attended | Human Resources and Remuneration Committee Meeting attended/Eligible attended | Nomination Committee Meeting attended/Eligible attended | Annual General Meeting attended/Eligible attended |
|-------------------|--|---|---|---|--|
| 董事姓名 | 已出席/ 合資格出席 之董事會會議 | 已出席/ 合資格出席 之審核 委員會會議 | 已出席/ 合資格出席之 人力資源及薪酬 委員會會議 | 已出席/ 合資格出席之 提名委員會會議 | 已出席/ 合資格出席之 股東週年大會 |

Executive Directors (continued)

執行董事(續)

| | | | | | |
|--|-----|---|-----|-----|-----|
| Professor Paul KAN Man Lok (resigned on 30 September 2016) 簡文樂教授(於二零一六年 九月三十日辭任) | 2/3 | — | — | 0/0 | — |
| Mr. LAI Yat Kwong (resigned on 3 October 2016) 黎日光先生(於二零一六年 十月三日辭任) | 3/4 | — | — | — | — |
| Ms. Shirley HA Suk Ling (retired on 13 December 2016) 夏淑玲女士(於二零一六年 十二月十三日退任) | 4/6 | — | 1/1 | 1/1 | 1/1 |

Non-Executive Director

非執行董事

| | | | | | |
|---|-----|-----|-----|---|---|
| Mr. Leo KAN Kin Leung (resigned on 3 October 2016) 簡堅良先生(於二零一六年 十月三日辭任) | 4/4 | 2/2 | 1/1 | — | — |
|---|-----|-----|-----|---|---|

企業管治報告 CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND SHAREHOLDERS' MEETINGS (continued)

董事會會議及股東大會(續)

| Name of Directors 董事姓名 | Board Meeting attended/Eligible attended 已出席/ 合資格出席 之董事會會議 | Audit Committee Meeting attended/Eligible attended 已出席/ 合資格出席 之審核 委員會會議 | Human Resources and Remuneration Committee Meeting attended/Eligible attended 已出席/ 合資格出席之 人力資源及薪酬 委員會會議 | Nomination Committee Meeting attended/Eligible attended 已出席/ 合資格出席之 提名委員會會議 | Annual General Meeting attended/Eligible attended 已出席/ 合資格出席之 股東週年大會 |
|---|---|--|---|--|--|
| | | | | | |
| Independent Non-Executive Directors 獨立非執行董事 | | | | | |
| Ms. Miranda HO Mo Han 何慕嫻女士 | 6/10 | 3/3 | 2/3 | 2/3 | 1/1 |
| Mr. Clayton IP (appointed on 14 June 2017) 葉丞峰先生(於二零一七年 六月十四日獲委任) | 0/0 | 0/0 | 0/0 | 0/0 | — |
| Mr. YANG Rusheng (appointed on 13 December 2016 and resigned on 11 July 2017) 楊如生先生(於二零一六年 十二月十三日獲委任並於 二零一七年七月十一日辭任) | 3/4 | 1/1 | 2/2 | 2/2 | — |
| Mr. Frank BLEACKLEY (resigned on 20 March 2017) Frank Bleackley 先生 (於二零一七年三月二十日 辭任) | 9/9 | 3/3 | 2/2 | 2/2 | 1/1 |
| Professor Julia TSUEI Jo (retired on 13 December 2016) 崔玖教授(於二零一六年 十二月十三日退任) | 2/6 | 2/2 | 0/1 | 0/1 | 0/1 |

企業管治報告

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND SHAREHOLDERS' MEETINGS *(continued)*

During regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Group, monitor financial performances, review the annual and interim results, and make decisions on other significant matters. The execution of daily operational matters is delegated to the senior executives of the Group.

The company secretary records the proceedings of each Board meeting in detail by keeping minutes, including the record of all decisions resolved by the Board together with concerns raised and dissenting views expressed (if any). Draft Board minutes are circulated to all Directors for comment and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time upon request by any Director.

All Directors have access to relevant and timely information at all times and they may make further enquiries if it is necessary to do so.

They also have unrestricted access to the advice and services of the company secretary, who is held responsible for providing Directors with Board papers and other related materials. The company secretary also ensures that proper Board procedures are followed and that all applicable laws and regulations are complied with. If the Directors consider necessary and appropriate, they may retain the service of independent professional advisers at the Group's expense.

In case where a conflict of interest arises involving a substantial shareholder or a Director, such matter will be resolved in a physical meeting instead of passing written resolutions. Independent non-executive Directors with no conflict of interest will be present at meetings to deal with such conflict issues.

董事會會議及股東大會 *(續)*

於董事會之定期會議中，董事商討及制定本集團之整體策略、監察財務表現、審閱年度及中期業績，及為其他重大事宜作出決策。日常營運事務已轉授予本集團高級行政人員執行。

公司秘書就各董事會會議之議事程序作詳細之會議記錄，包括記錄董事會所議決之所有決定，以及所提出之關注事宜及表達之反對意見(如有)。董事會會議記錄之初稿須於會議結束後，於切實可行之情況下盡快發送予全體董事，以供彼等給予意見及審批。任何董事均可在任何合理時間要求查閱所有會議記錄。

全體董事均可在任何時間取得相關最新資料，而彼等於需要時均可作出進一步查詢。

彼等亦可不受限制地取得公司秘書之意見及服務，公司秘書負責向董事提供董事會文件及其他相關材料。公司秘書亦確保遵循正確董事會程序，以及遵守一切適用法律及法規。如董事認為有需要及適當時，彼等可聘用獨立專業顧問提供服務，費用由本集團支付。

倘一名主要股東或董事存有利益衝突，有關事項將於現場會議上議決，而非通過書面決議案議決。並無利益衝突之獨立非執行董事將會出席會議以處理該等衝突事宜。

企業管治報告

CORPORATE GOVERNANCE REPORT

BOARD MEETINGS AND SHAREHOLDERS' MEETINGS *(continued)*

The Board committees, including the audit committee, the human resources and remuneration committee and the nomination committee, have all adopted the applicable practices and procedures used in Board meetings.

The annual general meeting and other special general meetings of the Company are the primary forum for communication with its shareholders and for shareholders' participation. All shareholders are encouraged to attend the general meetings or to appoint proxies to attend and vote at meetings on their behalves if they are unable to attend.

During the year ended 30 June 2017, the Company held its annual general meeting on 13 December 2016. Details of major items discussed in that general meeting are set out in the circular of the Company dated 31 October 2016.

TRAINING AND SUPPORT FOR DIRECTORS

All Directors, including independent non-executive Directors, must keep abreast of their collective responsibilities as Directors and of the business of the Group. As such, the Group provides a comprehensive and formal induction to each newly appointed Director upon his/her appointment. Briefings and orientations are provided so as to ensure that new Directors are familiar with the role of the Board, their legal and other duties as a Director as well as the business and governance practices of the Group. Such programmes are tailor made for each Director taking into account their background and expertise.

The Company is committed to arranging and funding suitable training to all Directors for their continuous professional development. During the year ended 30 June 2017 and up to the date of this report, all Directors engaged in business activities in their respective fields as continuous professional development to develop and refresh their knowledge and skills so as to ensure that their contributions to the Board remain informed and relevant. Mr. Liu Ka Lim and Ms. Miranda Ho Mo Han participated in continuous professional development programs required by The Hong Kong Institute of Certified Public Accountants. The Directors also participated in other trainings and professional developments such as attending or holding seminars, giving speeches or studying reading materials relating to the Group or its industries and businesses; rules and regulations; business management; or the roles, functions and duties of a listed company director.

董事會會議及股東大會 *(續)*

董事委員會(包括審核委員會、人力資源及薪酬委員會及提名委員會)均已採納董事會會議沿用之適用常規及程序。

本公司之股東週年大會及其他股東特別大會是與股東溝通之主要平台，亦供股東參與。本公司鼓勵全體股東出席股東大會或委派代表代其出席大會，並於會上投票(如彼等未能出席)。

於截至二零一七年六月三十日止年度內，本公司於二零一六年十二月十三日舉行其股東週年大會。於該股東大會進行商討之主要項目詳情載於本公司日期為二零一六年十月三十一日之通函。

董事之培訓及支援

全體董事(包括獨立非執行董事)必須密切瞭解其作為董事之共同責任以及本集團之業務。因此，本集團於每名新獲委任的董事獲委任時均會向彼等提供全面及正式上門指導，並會提供簡介會及迎新介紹，以確保新董事熟悉董事會之角色、彼等作為董事之法律及其他職責，以及本集團之業務及管治常規。該等計劃乃經考慮各董事之背景及專業知識而為彼等度身制定。

本公司致力就全體董事之持續專業發展安排合適的培訓並提供有關經費。於截至二零一七年六月三十日止年度內及截至本報告日期止，全體董事在彼等各自的商務活動範疇內參與持續專業發展，從而發展並更新其知識及技能，確保其能繼續具備所需資訊及適切地對董事會作出貢獻。廖嘉濂先生及何慕嫻女士已按照香港會計師公會的要求參與持續專業發展計劃。董事亦參與其他培訓及專業發展活動，例如出席或主持研討會，發表演說或閱覽資料文獻，內容包括有關本集團或其行業及業務；規則及條例；商業管理；或上市公司董事的角色、職能及責任等。

企業管治報告

CORPORATE GOVERNANCE REPORT

TRAINING AND SUPPORT FOR DIRECTORS

(continued)

Each Director will, upon his/her first appointment and thereafter on a yearly basis, disclose to the Group the number and nature of offices held by such Director in public companies and organizations and other significant commitments.

HUMAN RESOURCES AND REMUNERATION COMMITTEE

The human resources and remuneration committee was established with specific written terms of reference which was revised and adopted on 19 March 2012. As at 30 June 2017, the human resources and remuneration committee consists of three independent non-executive Directors, namely, Ms. Miranda Ho Mo Han (chairman), Mr. Yang Rusheng and Mr. Clayton Ip.

The human resources and remuneration committee is responsible for, among other things, making recommendations to the Board regarding the overall remuneration policy, remuneration of Directors and senior management of the Group, share option scheme, bonus structure, provident fund and other compensation-related issues. This committee consults with the chairman and/or chief executive officer on its proposals and recommendations and has access to professional advice, if necessary. The human resources and remuneration committee is provided with sufficient resources to discharge and perform its duties.

The specific terms of reference of the human resources and remuneration committee is posted on the Company's website. The human resources and remuneration committee meets at least once a year.

During the year under review, the human resources and remuneration committee held three meetings to review and make recommendations to the Board on the remuneration packages of all Directors and senior management.

董事之培訓及支援(續)

各董事將於其首次獲委任及隨後每年向本集團披露其於公眾公司及組織所擔任之職位數目及性質，以及其他重大承擔。

人力資源及薪酬委員會

本公司已成立人力資源及薪酬委員會，並訂有具體書面職權範圍(已於二零一二年三月十九日修訂及採納)。於二零一七年六月三十日，人力資源及薪酬委員會由三名獨立非執行董事組成，即何慕嫻女士(主席)、楊如生先生及葉丞峰先生。

人力資源及薪酬委員會負責(其中包括)就整體薪酬政策、本集團董事及高級管理層之薪酬、認股權計劃、花紅架構、公積金及其他薪酬相關事宜向董事會提出推薦建議。此委員會就其建議及推薦建議諮詢主席及／或行政總裁，如有必要，亦可尋求專業意見。人力資源及薪酬委員會已獲充足資源以履行及執行其職責。

人力資源及薪酬委員會之具體職權範圍刊載於本公司網站。人力資源及薪酬委員會每年最少舉行一次會議。

於回顧年度內，人力資源及薪酬委員會已舉行三次會議，以檢討全體董事及高級管理層之薪酬待遇並就此向董事會提出推薦建議。

企業管治報告

CORPORATE GOVERNANCE REPORT

NOMINATION COMMITTEE

The nomination committee was established with specific written terms of reference which was revised and adopted on 23 September 2014. As at 30 June 2017, the nomination committee consists of three independent non-executive Directors, namely, Ms. Miranda Ho Mo Han (chairman), Mr. Yang Rusheng and Mr. Clayton Ip.

The main duties of the nomination committee include reviewing the structure, size and composition of the Board annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board, selecting individuals nominated for directorships, assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the chief executive officer. The nomination committee is provided with sufficient resources to discharge and perform its duties.

The specific terms of reference of the nomination committee is posted on the Company's website. The nomination committee meets at least once a year.

During the year under review, the nomination committee held three meetings to review the composition of the Board and assess the independence of the independent non-executive Directors.

AUDIT COMMITTEE

The Company established an audit committee with specific written terms of reference which was revised and adopted on 1 January 2016. The main duties of the audit committee include, among other things, the following:

- (a) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function or external auditor before submission to the Board.
- (b) to review the relationship with the external auditor by reference to the work performed by the auditor, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditor.

提名委員會

本公司已成立提名委員會，並訂有具體書面職權範圍(於二零一四年九月二十三日修訂及採納)。於二零一七年六月三十日，提名委員會由三名獨立非執行董事組成，即何慕嫻女士(主席)、楊如生先生及葉丞峰先生。

提名委員會之主要職責包括每年檢討董事會架構、人數及組成、就為補足本公司之企業策略而擬對董事會作出之任何變更提出推薦建議、物色具合適資格之人士出任董事會成員、挑選個別人士提名出任董事、評估獨立非執行董事之獨立性以及就委任或重新委任董事及董事(尤其是主席及行政總裁)繼任計劃向董事會提出推薦建議。提名委員會擁有充足資源以履行及執行其職責。

提名委員會之具體職權範圍刊載於本公司網站。提名委員會每年最少舉行一次會議。

於回顧年度內，提名委員會已舉行三次會議以檢討董事會組成及評估獨立非執行董事之獨立性。

審核委員會

本公司已成立審核委員會，並訂有具體書面職權範圍(於二零一六年一月一日修訂及採納)。審核委員會之主要職責包括(其中包括)下列各項：

- (a) 於財務報告及報告提交董事會前進行審閱，並考慮本公司負責會計及財務報告職能之員工或外聘核數師提出之任何重大或不尋常項目。
- (b) 參照核數師進行之工作、其費用及聘用條款檢討與外聘核數師之關係，並就委任、重新委任及罷免外聘核數師向董事會提出推薦建議。

企業管治報告

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE (continued)

- (c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures.

The audit committee is provided with sufficient resources to discharge and perform its duties.

Other duties of the audit committee are set out in its specific terms of reference which is posted on the Company's website. The audit committee shall meet at least twice a year.

As at 30 June 2017, the audit committee consists of three independent non-executive Directors, namely Ms. Miranda Ho Mo Han (chairman), Mr. Yang Rusheng and Mr. Clayton Ip. No member of the audit committee is a former partner of the existing audit firm of the Company within one year on the date of his ceasing to be a partner or had any financial interest in the auditing firm. The audit committee has reviewed the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the management team of the Company.

During the year under review, the audit committee held three meetings to review, among other things, the Company's interim report for the six months ended 31 December 2016, annual report for the year ended 30 June 2016 and change in auditor and change in auditor. The audit committee has also reviewed the financial reporting and compliance procedures, report on the Company's internal control and risk management review and processes as well as the re-appointment of the external auditor. There is no material uncertainty relating to events and conditions that may cast significant doubt on the Company's ability to continue as a going concern. There is no disagreement between the Board and the audit committee regarding the selection, appointment, resignation or dismissal of external auditor.

The accounts for the year were audited by Moore Stephens CPA Limited, whose term of office will expire upon the forthcoming annual general meeting. The audit committee has recommended to the Board that Moore Stephens CPA Limited be nominated for appointment as the auditor of the Company at the forthcoming annual general meeting.

審核委員會(續)

- (c) 檢討本公司之財務申報制度、內部監控制度及風險管理制度以及有關程序是否足夠及有效。

審核委員會已獲提供充足資源以履行及執行其職責。

審核委員會之其他職責載於本公司網站上刊載之審核委員會具體職權範圍內。審核委員會須每年最少舉行兩次會議。

於二零一七年六月三十日，審核委員會由三名獨立非執行董事組成，即何慕嫻女士(主席)、楊如生先生及葉丞峰先生。概無審核委員會成員為本公司現任核數師事務所之前任合夥人(於其停止擔任合夥人之日或其停止擁有該核數師事務所任何經濟利益之日起計一年內)。審核委員會已審閱本集團所採納之會計原則及慣例，並與本公司管理團隊討論內部監控及財務申報事宜。

於回顧年度內，審核委員會已舉行三次會議，以審閱(其中包括)本公司截至二零一六年十二月三十一日止六個月之中期報告、截至二零一六年六月三十日止年度之年報，以及更換核數師。審核委員會亦已檢討財務申報及合規程序，並就本公司之內部監控及風險管理檢討及程序以及重新委任外聘核數師作出匯報。現時並無任何與可能對本公司能否持續經營產生重大疑問之事件及情況有關之重大不確定因素。董事會及審核委員會就甄選、委任、辭任或罷免外聘核數師並無意見分歧。

年內之賬目已經由大華馬施雲會計師事務所有限公司審核，其任期將於應屆股東週年大會時屆滿。審核委員會已向董事會建議，於應屆股東週年大會上提名委任大華馬施雲會計師事務所有限公司為本公司之核數師。

企業管治報告

CORPORATE GOVERNANCE REPORT

AUDIT COMMITTEE *(continued)*

The company secretary keeps full minutes of all audit committee meetings. In line with practices consistent with Board meetings and other committee meetings, draft and final version of audit committee meeting minutes are circulated to all members of the audit committee for comments, approval and record as soon as practicable after each meeting.

BOARD DIVERSITY POLICY

The Board has adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversified perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be made upon the merits of the selected candidates and their contribution to the Board. The Board considered the measurable objectives, including but not limited to skills, knowledge, professional experience and cultural and educational background, and agreed that these measurable objectives were achieved for the diversity of the Board which contributed to the corporate strategy and the business development of the Company.

審核委員會 *(續)*

公司秘書須備存所有審核委員會會議之完整會議記錄。為符合董事會會議及其他委員會會議之常規，審核委員會之會議記錄初稿及最終定稿須於各會議結束後，於切實可行情況下盡快發送予審核委員會之全體成員，以供彼等給予意見、審批及記錄。

董事會成員多元化政策

董事會已採納董事會成員多元化政策，載有達致董事會成員多元化的方法。本公司認為董事會成員多元化可透過考慮多方面因素達致，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化之裨益。

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識及服務任期。最終將按經甄選人選之優點及可為董事會帶來的貢獻作出決定。董事會已考慮可計量目標，包括但不限於技能、知識、專業經驗及文化及教育背景，並同意該等可計量目標有助實現董事會多元化，從而改善企業策略及本公司業務發展。

企業管治報告

CORPORATE GOVERNANCE REPORT

AUDITOR'S REMUNERATION

For the year ended 30 June 2017, the fee for the Company's external auditor for audit services was about HK\$2,531,000 (2016: HK\$2,587,000) and that for non-audit services mainly relating to taxation matters was about HK\$132,000 (2016: HK\$447,000 mainly relating to taxation matters).

COMPLIANCE WITH MODEL CODE

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Specific enquiries have been made with all Directors, who have confirmed that, during the year ended 30 June 2017, each of them has complied with the required standards as set out in the Model Code.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The Directors are responsible for the preparation of financial statements, which give a true and fair view of the financial position of the Group. The auditor is responsible to form an independent opinion on the audited financial statements and report the same to the shareholders of the Company.

CORPORATE GOVERNANCE FUNCTIONS

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions including but not limited to developing and reviewing the Company's policies and practices on corporate governance, reviewing and monitoring training and continuous professional development of Directors and senior management.

DELEGATION BY THE BOARD

The Board is responsible for decisions in relation to the overall strategic development of the Group's business. All Directors have formal letters of appointment setting out key terms and conditions of their appointment. Due to the diversity and volume of the Group's business, responsibility in relation to the daily operations and execution of the strategic business plans are delegated to the management of the Group.

核數師酬金

截至二零一七年六月三十日止年度，本公司外聘核數師之核數服務費用約為2,531,000港元(二零一六年：2,587,000港元)，主要關於稅務事項之非核數服務費用則約為132,000港元(二零一六年：447,000港元主要關於稅務事項)。

遵守標準守則

本公司採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)，作為其本身董事進行證券交易之行為守則。經向全體董事作出特定查詢後，全體董事已確認彼等各自於截至二零一七年六月三十日止年度一直遵守標準守則所載之必守準則條文。

董事及核數師各自之責任

董事須負責編製真實而公平地反映本集團財務狀況之財務報告。核數師須負責對經審核財務報告發表獨立意見，並向本公司股東報告。

企業管治職能

本公司概無成立企業管治委員會，而董事會須負責執行企業管治職能，包括但不限於制定及檢討本公司之企業管治政策及常規、檢討及監察董事及高級管理層之培訓及持續專業發展。

董事會權力之轉授

董事會負責就本集團業務之整體策略性發展作出決策。全體董事均有正式委任書，列明其委任之主要條款及條件。由於本集團業務多元化及數量眾多，有關策略性業務計劃之日常運作及執行之責任已轉授予本集團之管理層。

企業管治報告

CORPORATE GOVERNANCE REPORT

DELEGATION BY THE BOARD *(continued)*

All committees, namely the audit committee, the human resources and remuneration committee and the nomination committee, have specific terms of reference setting out the authorities and responsibilities of the respective committee. All committees are required by their terms of reference to report to the Board in relation to their decisions, findings or recommendations, and in certain specific situations, to seek the Board's approval before taking any actions.

CORPORATE GOVERNANCE REPORT

The Board will review, on a yearly basis, all delegations by the Board to different committees to ensure that such delegations are appropriate and continue to be beneficial to the Company as a whole.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

Insurance cover has been taken out for Directors' and officers' liability to provide adequate cover, as determined by the Board, in respect of the Board members and senior management of the Company.

SHAREHOLDERS RELATIONS

The Company is committed to maintaining a high level of transparency and employs a policy of open and timely disclosure of relevant information to its shareholders. The commitment to fair disclosure and comprehensive and transparent reporting of the Company's activities can be reflected in various aspects.

To maintain an on-going dialogue with shareholders, the annual and special general meeting provides an opportunity for shareholders to exchange views with the Board.

The chairman and the executive Directors attended the annual general meeting in 2016 (the "2016 Annual General Meeting") so as to ensure that shareholders' views were communicated to the Board. A separate resolution was proposed by the chairman in respect of each separate issue at the annual general meeting.

董事會權力之轉授(續)

所有委員會(即審核委員會、人力資源及薪酬委員會及提名委員會)均有具體職權範圍,列明各委員會之權力及責任。所有委員會均須按其職權範圍之規定就其決定、發現或推薦建議向董事會報告,並於若干特定情況下,在採取任何行動前徵求董事會批准。

企業管治報告

董事會每年檢討董事會轉授不同委員會之所有權力,確保該等轉授權力乃屬恰當,並持續對本公司整體有利。

董事及高級職員責任險

本公司已按照董事會之決定為本公司董事會成員及高級管理層投購董事及高級職員責任險,以提供足夠承保範圍。

與股東之關係

本公司承諾維持高水平之透明度,並採納向其股東公開及適時披露有關資料之政策。本公司對公平披露及全面透徹報告本公司活動之承諾可在多方面得到反映。

股東週年大會及股東特別大會則提供機會讓股東與董事會交流意見,以維持與股東持續溝通。

主席及執行董事已出席二零一六年股東週年大會(「二零一六年股東週年大會」),確保股東意見可傳達至董事會。在股東週年大會上,主席已就各項個別事宜提呈獨立決議案。

企業管治報告

CORPORATE GOVERNANCE REPORT

SHAREHOLDERS RELATIONS *(continued)*

The proceedings of the annual general meeting are reviewed from time to time to ensure that the Company conforms to the best corporate governance practices. The circular in relation to the arrangement of annual general meeting will be circulated to all shareholders at least twenty one clear days prior to the holding of the annual general meeting, in which it sets out the details of each resolution proposed and other relevant information. At the 2016 Annual General Meeting, all resolutions were put to vote by poll. Tricor Secretaries Limited, the Company's Hong Kong Branch Share Registrar, was engaged as scrutineer to ensure votes were properly counted. The rights of shareholders and the procedures for demanding a poll on resolutions at general meeting are contained in the Articles of Association. An explanation of the detailed procedures for conducting a poll is provided to the shareholders at the commencement of the meeting. The chairman would respond to queries raised by the shareholders regarding the voting procedures. The poll results are published in accordance with the relevant provisions of the Listing Rules.

Pursuant to the Articles of Association, two or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition and such meeting shall be held within two months after the deposit of such requisition.

If within twenty one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner.

The Company also communicates to its shareholders through its annual and interim reports. The Directors, company secretary or other appropriate members of senior management also respond promptly to inquiries from shareholders and investors.

Shareholders may at any time serve their enquiries to the Board in writing for the attention of company secretary at Rooms 2508, 25th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

與股東之關係(續)

股東週年大會之議事程序將獲不時檢討，以確保本公司遵從最佳企業管治常規。有關股東週年大會安排之通函將於舉行股東週年大會前最少足二十一日發送予全體股東，當中載有擬提呈之每項決議案之詳情及其他有關資料。於二零一六年股東週年大會上，所有決議案均以投票方式表決，而本公司之香港股份過戶登記分處卓佳秘書商務有限公司乃受聘擔任監票員以確保票數妥為點算。股東之權利及於股東大會上要求就決議案進行投票表決之程序載於組織章程細則。於大會開始時會向股東說明進行投票表決之詳細程序。主席會回應股東所提出有關投票表決程序之詢問。投票結果將根據上市規則之相關條文予以公佈。

根據組織章程細則，於遞呈要求日期持有不少於附有本公司股東大會表決權之本公司繳足股本十分之一之兩名或以上股東，於任何時候均有權透過向本公司之董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明之任何事項之交易，且該大會應於遞呈該要求後兩個月內舉行。

倘在進行有關遞呈後二十一日內，董事會未有召開該大會，則遞呈要求人士可自行以同樣方式召開該大會。

本公司亦透過其年報及中期報告與其股東溝通。董事、公司秘書或其他合適之高級管理層成員亦會就股東及投資者之問題作出迅速回應。

股東可於任何時間以書面形式向董事會提出查詢，收件人註明公司秘書，地址為香港灣仔港灣道26號華潤大廈25樓2508室。

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CORPORATE GOVERNANCE REPORT

INVESTOR RELATIONS

The Company is committed to a policy of open and timely disclosure of corporate information to shareholders and investors. The Company updates shareholders on its latest business developments and financial performance through its annual and interim reports and notices, announcements and circulars. The Company's website (www.tricor.com.hk/webservice/01059) provides a communication platform to the public and the shareholders.

During the year under review, there had been no significant change made to the Company's constitutional documents.

The Articles of Association is available on both the websites of the Company and the Stock Exchange.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management functions and internal control systems of the Group and ensuring review of the effectiveness of these systems has been conducted annually. Management is responsible for the design, implementation and monitoring such systems, while the Board oversees management in performing its duties on an ongoing basis.

During the year, the Board has complied with the risk management and internal control code provisions of the CG Code by establishing and maintaining appropriate and effective risk management and internal control systems and reviewing the effectiveness of the Group's risk management and internal control system. Such review covered all material controls, including financial, operational and compliance controls. Main features of the risk management and internal control systems are described in the sections below:

與投資者之關係

本公司致力採納向股東及投資者公開及適時披露企業資料之政策。本公司透過其年報及中期報告以及通告、公佈及通函向股東更新其最新業務發展及財務表現。本公司網站 (www.tricor.com.hk/webservice/01059) 為大眾及股東提供一個溝通平台。

於回顧年度，本公司憲章文件並無重大變動。

組織章程細則於本公司及聯交所網站可供查閱。

風險管理及內部監控

董事會負責本集團風險管理職能及內部監控制度，並確保每年對該等制度之成效進行審核。管理層負責制定、實施及規管該等制度，而董事會持續監督管理層履行其職務。

年內，通過建立及維持適當而有效之風險管理及內部監控制度，並審核本集團風險管理及內部監控制度之成效，董事會已經遵守企業管治守則之風險管理及內部監控守則條文。有關審核涵蓋了所有重大控制措施，包括財務、營運及合規控制措施。風險管理及內部監控制度之主要特點如以下所述：

企業管治報告 CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

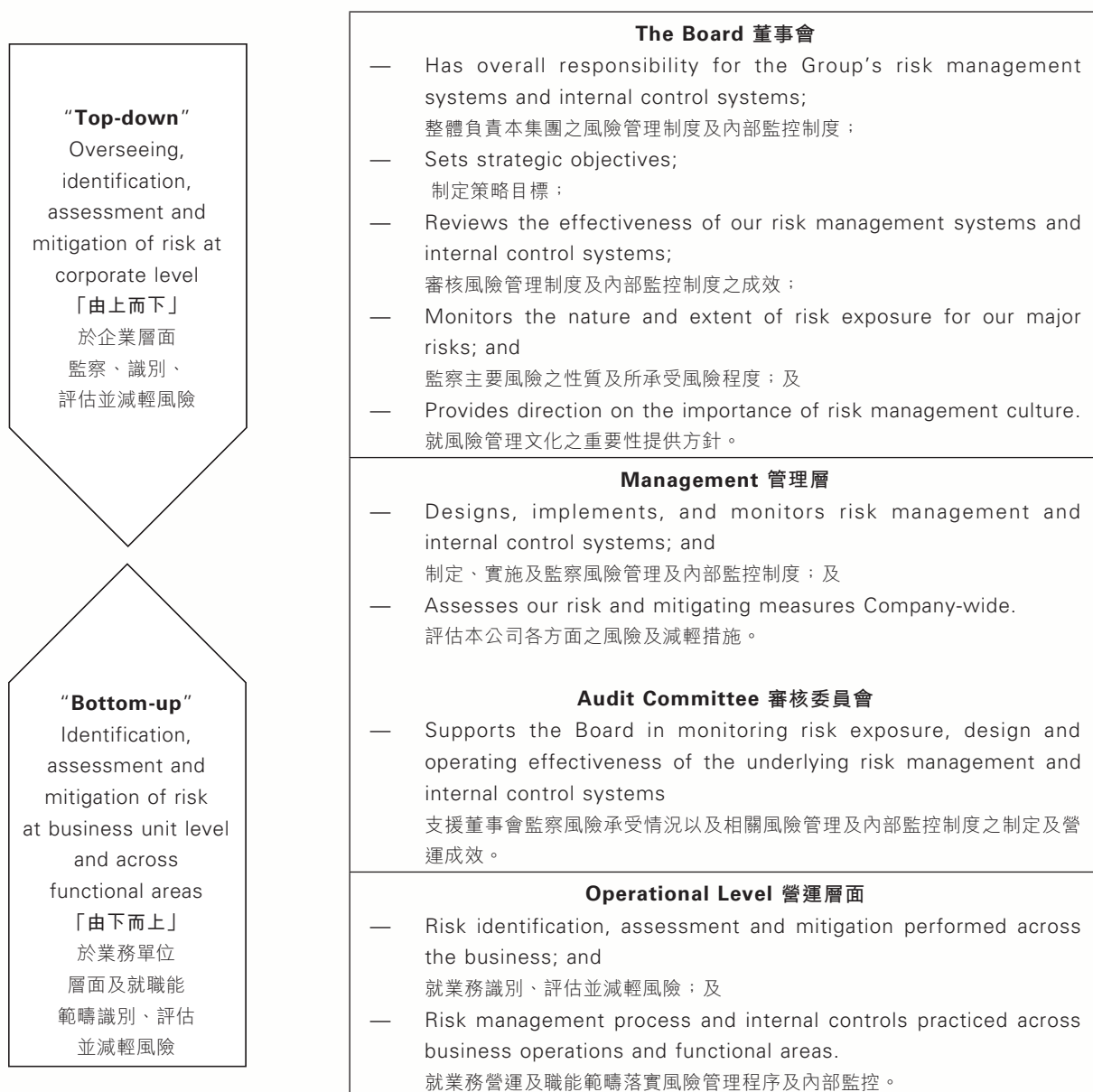
Risk Management Framework

We adopt an integrated bottom-up and top-down risk review process to enable comprehensive identification and prioritization of all material risks throughout the Group, escalation of material risks at the right managerial level, effective risk dialogue among the management, and proper oversight of risk mitigation efforts.

風險管理及內部監控(續)

風險管理框架

我們採納由下而上與由上而下之綜合風險審核程序，以便全面識別及根據優先級別考慮本集團內所有重大風險，將重大風險上報至適當之管理層面，讓管理層之間就風險進行有效溝通，並妥善監督減輕風險之措施。



企業管治報告

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Risk Management Framework *(continued)*

The risk management framework adopted by the Group is embedded in our strategy development, business planning and day-to-day operations. The Group adopts a control and risk self-assessment methodology and continuously assess and manages its risk profile on a regular basis. Risks that are relevant to the Group's business are identified, assessed and ranked according to their likelihood and consequence on the Group. Risk owners are required to submit risk alerts with risk response promptly to the Board and Audit Committee for ongoing review and monitoring. Action plans were formulated and implemented during the year to address the areas of concern effectively.

Internal Control System and Continuous Improvement

The Company has in place an internal control system which is based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework for internal controls and has five components, namely Control Environment; Risk Assessment; Control Activities; Information and Communication; and Monitoring. In developing our internal control system, we have taken into consideration our organizational structure and the nature of our business activities.

We have put in place a phased improvement plan and progressed to future enhance our internal controls and risk management system. The initial phase of the plan focused on adopting a more risk-based (instead of process-based) approach to risk identification and assessment. This approach enriches our ability to analyze risks and respond to opportunities as we pursue our strategic objectives. Management reporting to the Audit Committee has also been enhanced, including the presentation of special reports on selected risk topics.

風險管理及內部監控(續)

風險管理框架(續)

本集團採用之風險管理框架植根於我們的策略發展、業務計劃及日常營運中。本集團採用控制及風險自我評估方法並定期持續評估及管理風險預測。有關本集團業務之風險乃根據其可能性及對本集團造成之後果進行識別、評估及分級。風險所有人須立即向董事會及審核委員會提交附帶風險反應之風險警告以進行持續審核及監察。年內已制定及落實行動計劃，以有效解決問題領域。

內部監控制度及持續改進

本公司設有內部監控制度，乃依據反虛假財務報告委員會發起人委員會(Committee of Sponsoring Organizations of the Treadway Commission) (「COSO」)就內部監控框架所制定者，包括監控環境、風險評估、監控活動、資訊及溝通以及監察五個組成部分。在制定內部監控制度時，我們已考慮到旗下組織架構及業務活動性質。

我們已制定分階段改進計劃以供日後一直推行，從而提升旗下內部監控及風險管理制度。計劃初段主力採納加強以風險為本(而非以程序為本)之方式識別及評估風險，令我們在落實策略目標之時更有能力分析風險及對商機作出回應。管理層亦加強向審核委員會匯報，包括就選定風險議題提呈特別報告。

企業管治報告

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Internal Control System and Continuous Improvement *(continued)*

In the current place, we aim to further integrate internal controls and risk management into our business processes, including in annual budgeting and planning. Instead of treating the COSO framework as a framework-update exercise, a holistic approach has been adopted by us, taking into consideration the Company's circumstances, including its ongoing internal controls and risk management improvement plan as well as other strategic initiatives. (e.g. corporate social responsibility strategy and reporting). All of these enhance our ultimate objective to make our risk management system a "live" one that is practiced on a day-to-day basis by operating units.

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.
- Confidentiality agreements are in place when the Group enters into significant negotiations.
- The Executive Directors are the designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

風險管理及內部監控(續)

內部監控制度及持續改進(續)

在現階段，我們旨在進一步將內部監控及風險管理融入業務程序，包括年度預算編製及規劃。我們並非將COSO框架視為框架更新活動，而是考慮到本公司情況(包括其持續內部監控及風險管理改進計劃，以及例如企業社會責任策略及報告等其他策略措施)而採納全面方針。此等措施全部均有助落實最終目標，務求風險管理制度成為各營運單位日常採用之「靈活」制度。

為提升本集團處理內幕消息之制度，並確保真實、準確、完備及適時公開披露，本集團亦採納及實施內幕消息政策及程序。本集團已不時實施若干合理措施以確保存在適當之保障措施，藉此防止違反與本集團有關之披露規定，其包括：

- 資料僅限部分僱員按須知基準查閱。擁有內幕消息之僱員完全熟知彼等之保密義務。
- 本集團介入重大磋商時皆簽署保密協議。
- 與外界(如媒體、分析師或投資者)溝通時，執行董事為代表本公司之指定發言人。

企業管治報告

CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

Internal Audit

The Group has engaged an external professional consultant to take the primary role to perform the Internal Audit (“IA”) function, and professional staff with relevant expertise of the Group are designated to provide assistance in the IA function. The IA function is independent of the Group’s daily operation and carries out appraisal of the risk management and internal control systems by conducting interviews, walkthroughs and tests of operating effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually and the results are reported to the Board via Audit Committee afterwards.

Review of Risk Management & Internal Controls Effectiveness

For the year ended 30 June 2017, the Board, through its review and the reviews made by IA function and Audit Committee, considered that the risk management and internal control system were effective and adequate. No significant areas of concern that may affect the financial, operational, compliance controls, and risk management functions of the Group has been identified. During the review, the Board also considered the resources, qualification and experience of staff of the Group’s accounting, internal audit and financial reporting functions, and their training and budget were adequate. Such systems, however, are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

CONCLUSION

The Company believes that good corporate governance is significant in strengthening investor confidence and attracting investment. The management will devote considerable effort to strengthening and improving the standards of the corporate governance of the Group. Any views and suggestions from the shareholders to promote and improve our transparency are also welcome.

風險管理及內部監控(續)

內部審核

本集團已委聘外部專業顧問以擔當首要角色履行內部審核(「內部審核」)職能，並指派具備本集團相關專業知識之專業職員提供內部審核職能方面之協助。內部審核職能獨立於本集團日常營運並透過進行會談、走訪及測試營運效能，對風險管理及內部監控制度進行評估。

內部審核計劃已獲董事會批准。根據既定計劃，每年對風險管理及內部監控制度進行審核，且其後通過審核委員會向董事會報告結果。

審核風險管理及內部監控制度之成效

截至二零一七年六月三十日止年度，董事會透過其審核及由內部審核職能及審核委員會進行之審核，認為風險管理及內部監控制度為有效及完備。尚未識別出可影響本集團之財務、營運、合規控制及風險管理職能之重大問題領域。審核期間，董事會亦認為資源、本集團會計、內部審核及財務申報職能之員工在資質及經驗以及培訓及預算方面屬足夠。然而，該等制度乃制定以管理(而非完全杜絕)業務目標未能達標之風險，且僅能提供合理(而非絕對)之保證，以防出現嚴重誤報或損失之情況。

結論

本公司認為，良好企業管治對鞏固投資者信心及吸納投資而言誠屬重要。管理層將致力提升及改善本集團之企業管治標準。本公司亦歡迎股東提出任何意見及建議以促進及改善本公司之透明度。

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS ESG REPORT

This is the first Environmental, Social and Governance Report (the “**ESG Report**”) of the Group to disclose relevant information which may cause material impact to the environment, social and governance for the year ended 30 June 2017 (the “**Reporting Period**”). Corporate governance is addressed separately in this annual report. The Company is listed on the Stock Exchange and is a subsidiary of Champion, a global technology group whose shares are also listed on the Main Board of the Stock Exchange.

SCOPE OF THE ESG REPORT

The Group is engaged in three business segments, namely, systems sales and licensing, leasing of systems products and sales of cultural products. Having considered stakeholders’ major concerns and based on materiality, unless otherwise stated, this ESG Report covers the sustainability approaches, initiatives and performances of our core businesses of (i) systems sales and licensing; and (ii) leasing of systems products, which are operated through our wholly-owned subsidiary — Multitone. This ESG Report does not include the disclosure of key performance indicators.

REPORTING STANDARDS

The content of this ESG Report is prepared in compliance with the applicable disclosure requirements of the “Environmental, Social and Governance Reporting Guide” under Appendix 27 of the Listing Rules.

We welcome your valuable comments and suggestions in relation to this ESG Report and our sustainability performance. Your feedback on the ESG Report and our sustainability performance can be mailed to Room 2508, 25th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

關於本ESG報告

此乃本集團之首份環境、社會及管治報告(「**ESG報告**」)，以披露可能對截至二零一七年六月三十日止年度(「**報告期間**」)之環境、社會及管治造成重大影響之相關資料。企業管治會在本年報內另行闡述。本公司於聯交所上市，為冠軍之附屬公司，冠軍為一間全球科技集團，其股份亦於聯交所主板上市。

ESG報告之範圍

本集團從事三個業務分類，即系統銷售及特許權、租賃系統產品及銷售文化產品。除另有說明外，經考慮持份者之主要關注事項後及根據重要性，ESG報告涵蓋我們以下主營業務之可持續發展方式、舉措及表現：(i)系統銷售及特許權；及(ii)透過我們的全資附屬公司Multitone營運之系統產品租賃。本ESG報告不包括關鍵績效指標之披露。

報告準則

本ESG報告之內容乃根據上市規則附錄二十七中「環境、社會及管治報告指引」之適用披露規定編製。

歡迎您對本ESG報告及可持續發展之表現提出寶貴意見及建議。您對ESG報告及可持續發展表現之反饋意見可郵寄至香港灣仔港灣道26號華潤大廈25樓2508室。

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THE GROUP

The Group operates our core businesses of systems sales and licensing as well as leasing of systems products through our wholly-owned subsidiary — Multitone headquartered in Basingstoke, the United Kingdom with offices and distributors all over the world. Gaining a good reputation in Europe over its 86 years history, Multitone is a leading provider of messaging-system solutions to healthcare, aged care, local government and retail markets. It designs, manufactures, installs, and services a wide range of equipment to meet the need for fast access and communication to mobile individuals and to interconnect between locations, so as to improve the efficiency of communications and accommodate emergencies when contact with individuals is vital.

OUR APPROACH TO SUSTAINABILITY DEVELOPMENT

As a good corporate citizen, we are committed to creating sustained value for stakeholders by incorporating environmental, social and governance considerations into our operation with an aim to be a positive force to our environment and the wider community. The Group upholds that sustainable development not only encapsulates our environmental performance but is also rooted in our core business practices and our relationship with our shareholders, employees, users and suppliers. Details of our management approach in environmental and social aspects can be found in the different sections of this ESG Report.

LISTENING TO OUR STAKEHOLDERS

We believe that understanding the views of our stakeholders lays a solid foundation to the long-term growth and success of the Group. We develop multiple channels to a broad spectrum of stakeholders in order to provide them with the opportunity to express their views on our sustainability performance and future strategies. To reinforce mutual trust and respect, we are committed to maintaining enduring communication channels, both formally and informally, with stakeholders to enable us to better shape our business strategies in order to respond to their needs and expectations, anticipate risks and strengthen key relationships. We have identified employees, customers, suppliers and business partners, shareholders, government and the community at large as our key stakeholder groups. The information collected through different communication processes serves as an underlying basis for the structure of this ESG Report.

關於本集團

本集團透過總部位於英國Basingstoke之全資附屬公司Multitone經營主營業務系統銷售及特許權以及租賃系統產品，並在全球各地設有辦事處及經銷商。憑藉其超過86年之經營歷史，Multitone在歐洲已贏得良好聲譽，Multitone為醫療保健、老人護理、地方政府及零售市場提供通信系統解決方案之領先供應商，從事設計、製造、安裝及維護各種設備，以滿足移動個人快速訪問及通訊需要，以及在各個地點之間進行互連，從而提高通訊效率，並在緊急情況下確保至關重要的個人通訊暢通。

可持續發展方式

作為一名優秀的企業公民，我們致力為持份者創造持續價值，將環境、社會及管治因素融入我們的營運中，為環境及廣大社會提供積極力量。本集團堅持可持續發展不僅囊括我們的環境績效，亦將其植入我們的核心業務實踐以及與股東、僱員、用戶及供應商之關係中。有關我們環境及社會層面之管理方法詳情，可參閱本 ESG 報告各個章節。

傾聽持份者之意見

我們相信，瞭解持份者之意見為本集團之長期發展及成功奠定堅實基礎。我們為廣大持份者開發多種渠道，讓他們有機會就我們的可持續發展績效及未來戰略發表意見。為加強互信及尊重，我們致力與持份者保持正式及非正式之持續溝通渠道，令我們能夠更好地形成業務戰略，以滿足持份者之需求及期望，預期風險，鞏固重要關係。我們已確定僱員、客戶、供應商及業務合作夥伴、股東、政府及大社區為我們的主要持份者團體。透過不同溝通程序收集之資料乃本 ESG 報告結構之基礎。

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OUR SUSTAINABLE OPERATION

Adhering to our sustainable development strategy in support of environmental friendliness, we take positive measures to protect the environment. We would take into consideration the environmental aspects and benefits when planning our activities.

We are committed to complying with all applicable environmental rules and regulations, for example, Waste Electronic and Electrical Equipment (“WEEE”) Directive, The Restriction of the Use of Certain Hazardous Substances (“RoHS”) in Electrical and Electronic Equipment Directive and Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH”) of European Union”. We are not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste for the Reporting Period.

ASPECT A1: EMISSIONS

a) Greenhouse gas emission

Our greenhouse gas emissions are mainly generated from the use of purchased electricity, diesel and petrol. The electricity purchased is mainly for manufacturing operations including lighting, plant and equipment and other miscellaneous items. The diesel and petrol purchased is mainly for the motor vehicles.

We committed to managing and continuously improving its environmental performance and efficiency. We implemented the following key measures so as to promote low carbon, energy saving and emission reduction.

- Use low-emission vehicles
- Recycling of printed circuit board assemblies and batteries as part of the decommissioning and repairing process
- Compliance with the WEEE Directive of European Commission
- Encouraging e-communication channels for business, for example, get use of video conferencing for meeting so as to reduce air transportation

我們的可持續經營

堅持我們的可持續發展戰略，支持環保，積極採取措施保護環境。在規劃活動時，我們將會考慮環境層面及利益。

我們致力遵守廢舊電子電氣設備(「WEEE」)指令、電子電氣設備中某些有害物質的使用限制(「RoHS」)指令以及歐盟化學品登記、評估、授權及限制(「REACH」)等所有適用之環境規則及規定。我們並不知悉報告期間有任何嚴重違反有關法律及法規之情況，而對本集團產生有關空氣及溫室氣體排放、污水排放及排污至土地以及產生有害及無害廢物之重大影響。

A1 層面：排放

a) 溫室氣體排放

我們的溫室氣體排放主要來自使用購買之電力、柴油及汽油。所購買電力主要用於照明、廠房及設備等製造業務以及其他項目。所購買柴油及汽油主要用於汽車。

我們致力於管理及不斷提高其環境績效及效率。我們已實施以下主要措施，促進降低碳排放及節能減排。

- 使用低排放車輛
- 作為廢棄及維修過程之其中一環，回收利用印刷電路板組件及電池
- 遵守歐盟WEEE指令
- 鼓勵使用電子通訊方式開展業務，例如利用視頻會議開會，以減少空中交通

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ASPECT A1: EMISSIONS *(continued)*

b) Waste Management

Hazardous waste

For unserviceable components containing hazardous material, it would be segregated from all other non-toxic waste. Components must not be handled in a way that may lead to breakage or other physical damage. Any contaminated area should be treated in accordance with the relevant Material Safety Data Sheet (“MSDS”) as required by European Directive.

All materials that contain hazardous substances would be disposed in accordance with the disposal considerations as stated in the MSDS as required by European Directive.

Non-hazardous waste

The main non-hazardous waste generated from the operation includes electrical wiring and components, metal scraps, glass and scrap wood..etc.

Our non-hazardous waste would be separated as general non-recyclable and recyclable waste such as paper, packaging and cardboard. In order to comply with WEEE regulations, the scrap printed circuit boards and production waste was separated and disposed of via European Recycling Platform (“ERP”) WEEE agreement. ERP is the only pan-European organization offering producer compliance for WEEE, batteries and packaging.

We upholds the principles of waste management and committed to the proper handling and disposal of all wastes from business activities. We also strives to reduce, reuse and recycle throughout the operations to minimize the disposal of waste to the landfill, such as:

- Recycling and resumption of packaging, cardboard and paper;
- Separation of waste for recycling; and
- Recycling of printed circuit board assemblies and batteries as part of the decommissioning and repair process.

A1 層面：排放(續)

b) 廢物管理

有害廢物

含有有害物質的不可使用部件，將與所有其他無毒廢物隔離。該等部件不得以可能導致破損或其他物理損壞的方式處理。任何受污染區域應按歐盟指令規定之有關材料安全數據表(「MSDS」)進行處理。

所有含有有害物質的材料將按照歐盟指令規定之MSDS所述處置考慮因素進行處理。

無害廢物

營運產生之主要無害廢物包括電線及組件、金屬屑、玻璃及廢木材等。

我們的無害廢物將分為普通不可回收及可回收廢物(如紙張、包裝及紙板)。為符合WEEE規定，廢舊印刷電路板及生產廢棄物根據歐洲回收平台(「ERP」)WEEE協議分離及處理。ERP是唯一就WEEE、電池及包裝提供生產商合規服務之泛歐組織。

我們堅持廢物管理原則，致力妥善處理及處置業務活動產生之所有廢物。我們亦盡力於整個營運過程中減少使用、重複利用及循環利用，以盡量減少需進行垃圾填埋之廢物處理，如：

- 循環利用及回收包裝、紙板及紙張；
- 分離廢物以循環利用；及
- 作為廢棄及維修過程之其中一環，回收利用印刷電路板組件及電池。

ASPECT A2: USE OF RESOURCES/ A3: ENVIRONMENT AND NATURE RESOURCES

a) Energy

We have adopted various policies and guidelines to continually improve our energy efficiency and management. We aim to adopt best practices for energy conservation and support our business units with the implementation of effective energy conservation strategies.

Most of the purchased electricity was used in manufacturing, testing and repairing process, we have adopted the following measure so as to reduce the use of energy:

- Replaced traditional lightbulbs with energy saving ones such as LED
- Using modern energy efficient equipment (where possible)
- Maintain the air-conditioning temperature at appropriate level

b) Water Use Management

Water management is not a material area for us. Much of our water consumption is for toilet flushing, water tap, drinking water basic cleaning and sanitation, as well as certain catering facilities in our buildings.

We will continue to look for opportunities to reduce further emissions and wastes on an ongoing basis in order to minimize the Group's impacts of activities on the environment.

A2層面：資源利用／A3層面：環境 及自然資源

a) 能源

我們已採取各種政策及方針，不斷提高能源效率及管理水平。我們旨在採取節能之最佳常規，支持我們的業務部門實施有效之節能策略。

所購電力大多用於製造、檢測及維修程序，我們已採取以下措施，以減少用電：

- 以LED等節能燈替代傳統燈泡
- 使用現代化節能設備(在可能的情況下)
- 維持空調溫度在適當水平

b) 廢物利用管理

水資源管理並非我們的一個重要領域。我們的大部分用水量是用於廁所沖水、水龍頭、飲用水、基本清潔及衛生，以及我們樓宇之若干餐飲設施。

我們將繼續尋求機會，持續進一步減少排放及廢物，從而盡量減少本集團業務活動對環境之影響。

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ASPECT B1: EMPLOYMENT

a) Our People

We believe that human capital is the key to leading our successes. We are committed to offering the comfortable working environment, competitive employee compensation, attractive welfare and pleasant work atmosphere.

We are subject to various rules and regulations, for example, Employments Rights Act 1996 of United Kingdom, Malaysian Employment Act 1955 of Malaysia and Federal legislation of Germany. We are not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare for the Reporting Period.

As an equal opportunity employer, we are fully committed to a policy of treating all of its employees and job applicants equally. We take all reasonable steps to employ, train and promote employees on the basis of their experience, abilities and qualifications without regards to race, colour, ethnic origin, nationality, national origin, religion or belief, sex, sexual orientation, gender reassignment, age, marital or civil partnership status or disability. All terms of employment, benefits, facilities and service would be reviewed from time to time, in order to ensure that there is no unlawful discrimination.

b) Employee Benefit

The recruitment process would be conducted in such a way as to result in the selection of the most suitable person for the job in terms of relevant experience, abilities and qualifications. We commit to applying the equal opportunities policy statement at all stages of recruitment and selection.

B1 層面：僱傭

a) 員工

我們相信人力資本是領導我們成功之關鍵。我們致力提供舒適之工作環境、有競爭力之員工薪酬、具吸引力之福利待遇及愉快之工作氛圍。

我們須遵守英國《1996年僱傭權利法》、馬來西亞之《1955年馬來西亞僱傭法》及德國之聯邦立法等各種規章及法規。我們並不知悉報告期間有任何嚴重違反有關法律及法規之情況，而對本集團產生有關賠償及解聘、招聘及晉升、工作時間、休息時間、平等機會、多元化、反歧視以及其他利益及福利之重大影響。

作為主張機會均等的僱主，我們全力實施平等對待所有僱員及求職者之政策。我們採取一切合理措施，根據彼等之經驗、能力及資格僱用、培訓及擢升僱員，而不考慮其種族、膚色、族裔血統、國籍、原國籍、宗教或信仰、性別、性取向、變性、年齡、婚姻狀況或民事合夥身份或殘疾情況。我們會不時檢討所有僱傭條款、福利、設施及服務，確保不存在任何非法歧視。

b) 僱員福利

招聘過程將以下列方式進行：根據相關經驗、能力及資格選拔最適合職位之人員。我們致力在招聘及選拔之各個環節均應用機會均等政策聲明。

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ASPECT B1: EMPLOYMENT *(continued)*

b) Employee Benefit *(continued)*

The remuneration of the employees of the Group is determined with reference to market terms and the performance, qualifications and experience of the individual employee. The emoluments of the directors of the Company are recommended by the Human Resources and Remuneration Committee of the Company after considering factors such as the Company's operating results, individual performance, salaries paid by comparable companies, and time commitment and responsibilities of the position. Our directors and employees receive compensation in the form of monthly salaries, performance-linked bonuses, retirement benefits schemes and other benefits such as medical scheme. We have also adopted a share option scheme as an incentive to directors and eligible employees.

To ensure our salary structure is fair and competitive, we review the remuneration and appraise employee performance on annual basis. We also offer an all-encompassing package of benefits and insurance to uphold adequate living standards for employees, including reasonable working hours and rest periods with annual leave, marriage leave, maternity leave, compassionate leave, paternity leave and medical coverage in accordance with local regulations. In addition, we also arrange different kinds of staff activities, including festival parties, birthday and festive celebrations for employees so as to facilitate work-life balance.

Whenever an employee resigns or gets laid off, designated human resource personnel should perform exit-interview to find out the underlying reasons of departure or dismissal, and to ensure full compliance with the relevant employee laws and regulations.

B1 層面：僱傭 *(續)*

b) 僱員福利 *(續)*

本集團僱員之薪酬乃參考市場條件，以及僱員個人之表現、資歷及經驗釐定。本公司董事薪酬則由本公司人力資源及薪酬委員會經考慮本公司經營業績、個人表現、同類公司支付之薪酬以及投入時間和職責等因素後作出建議。我們的董事及僱員收取之薪酬包括月薪、績效獎金、退休福利計劃及醫療計劃等其他福利。我們亦採納購股權計劃，藉以激勵董事及合資格僱員。

為確保我們的薪酬架構公平並具有競爭力，我們每年檢討薪酬並進行僱員績效考核。我們亦根據當地法規提供全面之福利待遇及保險，以維持僱員之適當生活水平，包括合理工作時間及年假、婚假、產假、喪假、陪產假等假期，以及醫療保險。此外，我們亦安排各種員工活動，包括聖誕派對、僱員生日及節日慶祝活動，讓員工工作與生活保持平衡。

當僱員離職或被解僱時，指定人力資源人員應對其進行離職面談，查明離職或解僱之根本原因，並確保全面遵守相關僱員法律及法規。

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ASPECT B2: HEALTH AND SAFETY

We are devoted to ensuring, so far as reasonably practicable, the health, safety and welfare of all its employees. We are also committed to complying with all applicable rules and regulations, for example, the Health and Safety at Work Act of United Kingdom, Joint German Health and Safety Strategy of Germany, Occupational Safety and Health Act of Malaysia and USA. We take all possible steps to protect the health and safety of all employees, including but not limited to the following key measures:

- Policy for health and safety has been established so as to detail our standard and requirement for maintenance of safe working conditions.
- Site Safety Committee was in place and responsible for monitoring and supervising the Health and Safety Programme.
- Site Safety Committee would review accident investigation reports and satisfy themselves that the correct conclusions have been reached and that corrective action has been taken.
- Regular inspections would be carried out for the whole site to ensure that the health and safety policy is being followed.
- Necessary protective equipment, such as safety boots, safety glasses and other personal safety equipment has been provided.
- A risk assessment of the manual handling operations has been undertaken and training for lifting and carrying would be given for individuals potentially involved with manual handling activities.
- Before any new plant, process, hazardous substances, layout of a productive or office area is introduced, it is to be fully investigated by the Site Safety Officer to ensure that any hazards are adequately guarded against and that Multitone is compliant to its responsibility to outside authorities. Specialist advice should be obtained when necessary.
- First aid facilities has been provided and suitably equipped together with a first aid handbook.

B2層面：健康與安全

我們致力在合理切實可行之範圍內確保全體員工之健康、安全及福利。此外，我們亦致力遵守所有適用規則及法規，例如英國之《勞動健康與安全法》(Health and Safety at Work Act)、德國之《德國聯合健康與安全戰略》(Joint German Health and Safety Strategy)、馬來西亞及美國之《職業安全與健康法》。我們採取一切可能之措施，保護全體員工之健康與安全，包括但不限於以下主要措施：

- 已制定健康與安全政策，以詳細規定維持安全生產條件之標準及要求
- 設有現場安全委員會，負責監察及監督健康與安全計劃
- 現場安全委員會將審閱事故調查報告，並信納已達致正確結論，及已採取糾正措施
- 定期視察整個場地，確保遵守健康與安全政策
- 提供安全靴、安全眼鏡及其他人身安全設備等必要之防護設備
- 已對人工處理作業進行風險評估，並對可能涉及人工處理活動之個人進行提升及運載培訓
- 在引進任何新廠房、工藝、有害物質、生產性或辦公區域佈局之前，現場安全主管將對其進行充分調查，確保任何危險均得到充分保護，且 Multitone 已遵守其對外部主管機關之責任。必要時應尋求專業意見。
- 已配備適當的急救設施，並提供急救手冊。

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ASPECT B2: HEALTH AND SAFETY *(continued)*

Apart from the above measures, given that modern electronic components may contain typical toxic substances, such as beryllium compound, mercury, lithium and cadmium, the following additional measures have been implemented:

- Managers and team leaders must ensure that all employees in their departments or sections are competent, adequately trained and fully aware of any hazards in his/her department.
- All components or assemblies containing a hazardous substance should have the relevant details listed on either the component specification.
- Every hazardous substance must have a MSDS containing the information of hazards identification, first aid, handling and storage precaution etc.
- Materials that are hazardous to health or flammable must be stored correctly.
- Provide specific conditions, such as isolation or as large a distance of separation from the main work place as possible.
- Reduce risk of damage to glass containers, for example store at ground level and not on shelves
- Keep in a suitable metal cupboard if flammable.
- When dealing with large quantities of flammable or hazardous liquids, no more than 5 litres should be stored in the work area.

With the above measures, we have no work-related fatal or work-related injury for the Reporting Period.

We are not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards for the Reporting Period.

ASPECT B3: DEVELOPMENT AND TRAINING

We believed that our success is dependent upon a motivated and well-trained workforce. We recognize that employees are our greatest asset, therefore, it is crucial to assist in their training and development to achieve our missions.

B2層面：健康與安全(續)

除上述措施外，由於現代電子元件可能含有鍍化合物、汞、鋰、鎘等典型有毒物質，因此已採取以下額外措施：

- 管理人員及團隊領導必須確保其部門之所有僱員均能勝任工作，經過充分培訓，並充分瞭解其所在部門之任何危害。
- 所有含有有害物質之元件或組件應具有元件技術規範中列出之相關詳細資料。
- 每種有害物質必須有MSDS，載列危險識別、急救、處理及儲存預防措施等資料。
- 危害健康或易燃之材料必須正確儲存。
- 提供具體條件，例如隔離或盡可能遠離主要工作場所。
- 降低損壞玻璃容器之風險，例如存放在地面而非貨架上
- 易燃物要保存在合適的金屬櫃中。
- 處理大量易燃或有害液體時，在工作區內儲存不應超過5升。

憑藉上述措施，報告期間並無發生與工作相關的傷亡事故。

我們並不知悉報告期間有任何嚴重違反有關法律及法規之情況，而對本集團產生有關提供安全工作環境及保護員工免受職業危害之重大影響。

B3層面：發展及培訓

我們相信，我們的成功取決於積極主動、訓練有素之工作團隊。我們深知僱員是我們最大之資產。因此，幫助僱員培訓及發展對實現我們的使命至關重要。

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ASPECT B3: DEVELOPMENT AND TRAINING

(continued)

Apart from induction training for new staff, both on-job and off-job training was available. Sponsorship would be provided for our employee to attend relevant external course. During the Reporting Period, our staff has participated in different type of training such as health and safety, system engineering, finance and marketing.

In addition to financial support, study leave and exam leave would also been granted so as to ensure our staff could devote sufficient time in preparing public examinations.

ASPECT B4: LABOUR STANDARDS

We strictly emphasize on prohibition of engaging child labour and forced labour. "Child" is defined as a person who is younger than the local legal age for completing compulsory education. Human Resources Department is responsible to verify the age of our employees and maintain copies of their age proof document. We are committed to complying with all applicable laws, regulations and the International Labour Organisation standards regarding working hours and conditions for all employees.

We are not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to preventing child and forced labour for the Reporting Period.

ASPECT B5: SUPPLY CHAIN MANAGEMENT

Our suppliers located in different counties, such as Malaysia, Poland, Europe and Denmark. We purchased electronic printed circuit boards, components and equipment from the suppliers.

We recognise our corporate and social responsibilities reside as much in our supply chain as in our own activities. We continually seek to ensure that the products and services we source are ethically produced.

Our Ethical Sourcing Policy has set out social and environmental performance requirements for our suppliers of goods and services. Ethical Sourcing Policy is based on the Electronics Industry Code of Conduct which establishes standards to ensure that working conditions in the electronics industry supply chain are safe, that workers are treated with respect and dignity and that business operations are environmentally responsible.

B3 層面：發展及培訓(續)

除新員工入職培訓外，亦提供在職及脫產培訓。我們為僱員提供贊助參加外部相關課程。於報告期間，員工參加了健康與安全、系統工程、財務及市場營銷等各種類型之培訓。

除提供資金支持外，亦給予學習假及考試假，以確保我們的員工能夠投入足夠時間準備公共考試。

B4 層面：勞工標準

我們嚴格強調禁止僱用童工及強制勞工。「兒童」乃指年齡低於完成義務教育的當地法定年齡的人。人力資源部負責核實僱員年齡，並保存其年齡證明文件之文本。我們致力遵守所有適用法律及法規以及國際勞工組織關於全體僱員工作時間及條件之標準。

我們並不知悉報告期間有任何嚴重違反有關法律及法規之情況，而對本集團產生有關防止童工及強制勞工之重大影響。

B5 層面：供應鏈管理

我們的供應商位於馬來西亞、波蘭、歐洲及丹麥等各個國家。我們向供應商採購電子印刷電路板、組件及設備。

我們認可應在供應鏈體系中植入與我們自有的商業活動相若的企業及社會責任。我們不斷努力確保我們所提供之產品及服務符合道德規範。

我們的道德採購政策就商品及服務供應商規定了社會及環境績效要求。道德採購政策乃依據《電子行業行為準則》而定，該準則制定之標準確保電子行業供應鏈中之工作條件安全，使工人得到尊重和尊嚴，並確保企業經營對環境負責。

ASPECT B5: SUPPLY CHAIN MANAGEMENT

(continued)

Every supplier who works with us have agreed with those terms and conditions as mentioned in our Ethical Sourcing Policy. We stipulate a range of ethical, labour and environmental standards that we expect to be followed across our supply chain including areas such as child labour, health and safety, working hours, discrimination and disciplinary processes. We would generally not engaged suppliers as our preferred supplier unless the Ethical Sourcing Policy can be complied with and Multitone considers performance is acceptable or genuine attempts are being made to address violations of the Ethical Sourcing Policy.

ASPECT B6: PRODUCT RESPONSIBILITY

a) Our Products and Services

We are committed to providing the best quality products and services to our customer. We maintained a quality management system in support of the design, manufacture, post delivery activities and repair of ex-certified product in accordance with BS-EN-ISO/ IEC 80079-34. In order to ensure our product could meet the requirements of our customers, Integrated Quality Assurance ("IQA") has been incorporated, so that the personnel involved with the day to day production of a product have the authority and control and responsibility to maintain the required standards.

The establishment of an efficient quality management system has become an indispensable element to sustain our competitiveness. We have introduced and maintained the ISO 9001 quality management standard for its operation. Through adopting a Quality Management System Manual ("QMS"), the Group ensures that the quality of its products and services are up to standard and can meet customer's requirements.

B5 層面：供應鏈管理(續)

與我們合作之所有供應商均同意我們的道德採購政策所述之條款及條件。我們規定一系列道德、勞工及環境標準，我們期望在我們的供應鏈中能得以遵守，包括童工、健康與安全、工作時間、歧視及紀律程序等領域。除非能遵守道德採購政策，且 Multitone 認為表現可以接受，抑或正在真正嘗試解決違反道德採購政策之行為，否則我們一般不會將該供應商作為我們的首選供應商。

B6 層面：產品責任

a) 我們的產品及服務

我們致力為客戶提供最優質之產品及服務。我們根據 BS-EN-ISO/IEC 80079-34 設有品質管理體系，以支持設計、製造、後期交付活動及經防防爆認證的產品之維修。為確保我們的產品能夠滿足客戶之要求，我們已納入綜合質量保證([IQA])，使從事日常產品生產之工作人員有權力及可控制，並有責任維持規定標準。

建立有效之品質管理體系已成為保持競爭力之不可或缺之要素。我們為營運引入並保持 ISO 9001 質量管理標準。透過採納質量管理體系指南(質量管理體系)，本集團確保其產品及服務品質達到標準，並可滿足客戶要求。

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ASPECT B6: PRODUCT RESPONSIBILITY

(continued)

a) Our Products and Services (continued)

Practically, the methods employed to ensure the quality of product and service provision is through review and understanding of customer, regulatory and statutory requirements and adherence to procedures. We implemented the following key measures so as to ensure the quality of our product:

- QMS has been established and the management team shall ensure that all requirements and processes of the QMS are adhered to by their departments.
- All new parts are subject to inspection.
- If a batch being supplied without a Certificate of Conformity, the batch must either be rejected back to the supplier or bonded until the Certificate of Conformity is supplied.
- Quality Assurance Manager is responsible for ensuring that the process is audited so that product subject to the European Directive is in accordance with the details and requirements of the Declarations of Conformity.
- Systems Operations Manager is responsible for ensuring that all products manufactured by Multitone are in accordance with the details and requirements of the Declarations of Conformity.
- Internal audits would be carried out by Group Quality Assurance Manager in accordance with our internal audit policy.
- We conduct a vendor assessment of our suppliers and where they have no formal, certified, QMS e.g. ISO 9001, we either issue them with a questionnaire or where required conduct an assessment visit.

b) Product Safety

European directives have now included a more specific requirement to conduct a product risk analysis for essential safety requirements (“ESR”). We have conducted risk assessment so as to identify applicable clauses from technical and safety standards applicable to the ESR’s to remove or reduce the risk and apply suitable measures.

B6層面：產品責任(續)

a) 我們的產品及服務(續)

實際上，保證產品及服務品質乃透過審查及瞭解客戶、監管及法定之要求以及遵守程序而實現。我們已實施下列主要措施，以保證產品品質：

- 已建立質量管理體系，管理層應確保其部門遵守質量管理體系之全部要求及流程
- 所有新零件須接受檢查
- 倘所提供某批貨品沒有合格證書，則該批次必須退回供應商或予以保留，直至提供合格證書為止。
- 品質保證經理負責確保審核流程，使受歐盟指令所限之產品符合合格聲明之細節及要求
- 系統營運經理負責確保Multitone製造之所有產品均符合合格聲明之細節及要求
- 內部審核將由集團品質保證經理根據內部審核政策進行
- 我們對供應商進行供應商評估，倘供應商並無ISO 9001等正式經認證之質量管理體系，則我們會對其進行問卷調查或在需要時進行評估訪察

b) 產品安全

歐盟指令目前包括對基本安全要求(「ESR」)進行產品風險分析之具體規定。我們已進行風險評估，以確定適用於ESR之技術及安全標準之適用條款，以消除或降低風險並採取適當措施。

ASPECT B6: PRODUCT RESPONSIBILITY

(continued)

b) Product Safety (continued)

We have also implemented the following procedures so as to ensue product safety:

- For our product, we have implemented QMS to ensure that the design, modification and manufacture and, if necessary, product recall, of our ex-certified product satisfies the QMS of EN80079-34 and ATEX directive, that is, the name commonly given to the two European Directives for controlling explosive atmospheres.
- For safety critical parts used in Line Terminating Equipment, Certificate of Conformity stating that the equipment has been 100% tested in accordance with its specification is required.
- Certificates of Conformity stating that the manufacturer carried out safety tests detailed in our purchasing specification, must be received with all designated safety critical components or sub assemblies. If such Certificates of Conformity is not received, separate inspection would be carried out prior to acceptance.
- All products are to be tested in accordance with formal test procedures.

c) Marking and Labelling

We are committed to complying with relevant European directive and other relevant rules and regulations relating to the product labeling, for example, the WEEE directive.

During our development process, a designated staff will detail the look and content of external/internal labelling and identification. Our manufacturing specifications will detail to operators where and how the labelling is to be applied.

Products are to bear labelling that provides unique serial number for identification. Prior to packing all equipment will have the appropriate identification labelling attached. No final marking or labelling operations are to take place until all stages of the production process are complete and compliance with the requirements of the product has been tested, demonstrated or inspected. Conformité Européene ("CE") mark will be applied to all conforming products before shipment.

B6層面：產品責任(續)

b) 產品安全(續)

我們亦已實施下列程序，以落實產品安全：

- 就我們的產品而言，我們實施質量管理體系，確保我們未經認證產品之設計、改造及製造以及(如需要)產品召回符合EN80079-34及ATEX指令之質量管理體系(即該兩項控制爆炸性環境之歐盟指令之常用名稱)
- 就線路終端設備所使用之安全關鍵零部件而言，須提供合格證書，當中載明設備已按照規範說明進行100%測試。
- 就所有指定之安全關鍵部件或子組件須收取合格證書，當中載列製造商已進行採購規範中詳列之安全測試。倘並無收到該等合格證書，於驗收前將會另行進行檢查。
- 所有產品均須按照正式測試程序進行測試。

c) 標記及標籤

我們致力遵守WEEE指令等與產品標籤相關之有關歐盟指令及其他相關規則及規例。

在我們的發展過程中，指定工作人員將詳細說明外部/內部標籤及標識之外觀及內容。我們的製造規範將向營運商詳細說明採用標籤之位置及方式。

產品應帶有標籤，標籤提供身份識別之唯一序列號。所有設備於包裝前將粘貼相應之身份識別標籤。於生產程序之所有階段全部完成並符合經測試、展示或驗收產品之要求前，不會進行最終標記或標籤操作。Conformité Européene(「CE」)標誌將用於所有符合標準之產品，之後方會裝運。

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ASPECT B6: PRODUCT RESPONSIBILITY

(continued)

c) Marking and Labelling (continued)

We are not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress for the Reporting Period.

d) Data Privacy

As Multitone is registered under the data protection laws in the United Kingdom, we are aware of the confidentiality of the personal information and takes all reasonable care to prevent any unauthorized access to customer information. We are committed to protecting privacy and confidentiality of personal data of our employees, customers and business partners and other identifiable individuals.

We have maintained privacy policy to protect the privacy not only for our customers but for our website and mobile application users. Multitone's mobile applications receives or collects information when we operate and provide our services, such as name, position, department, etc.

The privacy policy has clearly stated the data we collect; the way we use the data; and the method we use to protect the data. We collect and use personal information in a responsible and non-discriminatory manner by restricting the use of collected information to the purposes consistent with those identified in our contracts with such identifiable individuals.

We did not receive any complaints concerning breaches of client privacy and losses of client data for the Reporting Period.

B6層面：產品責任(續)

c) 標記及標籤(續)

我們並不知悉報告期間有任何嚴重違反有關法律及法規之情況，而對本集團產生有關所提供產品及服務之健康與安全、廣告、標籤及私隱事宜以及補救辦法之重大影響。

d) 資料私隱

由於Multitone乃根據英國之資料保護法註冊，我們深知個人資料之保密性，並採取一切合理審慎措施防止任何未經授權訪問客戶資料。我們致力保護僱員、客戶及業務夥伴以及其他可識別人士之個人資料之私隱並為其保密。

我們設有私隱政策，不僅為我們的客戶，亦為我們的網站及移動應用程序用戶保護私隱。Multitone之移動應用程序在我們經營及提供服務時會收到或蒐集姓名、職務及部門等資料。

私隱政策載明我們所蒐集之資料，我們使用資料之方式，以及我們用以保護資料之方式。我們以負責任及非歧視之方式蒐集及使用個人資料，對所蒐集之資料限制用於與我們與有關可識別人士之合約中所規定者一致之目的。

於報告期間，我們並無收到任何有關違反客戶私隱及客戶資料損失之投訴。

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ASPECT B7: ANTI-CORRUPTION

Given that honesty and openness is one of our core value, we commit to act at the highest level of professional conduct and to comply with Money Laundering Regulations 2007 of United Kingdom or all other applicable rules and regulations. We are not aware of any material non-compliance with the relevant laws and regulations that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering for the Reporting Period.

As one of the anti-money laundering measures, credit check would be carried out on any new customer, which includes obtaining its historic financial performance data. We would also obtain its VAT registration number so as to ensure that it complies with all tax legislation in the countries that it operates in and does not enter into any agreement with customers, suppliers, partners, dealerships or any other organisation that requires bribes, solicitation or extortion. In addition, evidence of ultimate company ownership and shareholders of the new customer have been submitted to our bankers and to the independent auditors. We have also made the United State required declarations as required by money laundering legislation.

We have implemented a whistleblowing policy so as to enable our staff to raise concerns and to report information which the staff believes shows malpractice or impropriety.

We will treat all complaint of malpractice in a confidential and sensitive manner. The identity of the individual making the allegation may be kept confidential so long as it does not hinder or frustrate any investigation. The allegations would be fully investigated by designated investigating officer. The investigation report would be submitted to Chief Executive Officer or Non-Executive Director as appropriate. We have no hesitation to adopt disciplinary actions upon any proven misconduct case.

During the Reporting Period, no legal cases concerned with corrupt practices were brought against the Group or directors or employees.

ASPECT B8: OUR COMMUNITY INVESTMENT

Our management strives to encourage employees to improve the society through community involvement. Both management and employees of the Company have been eager to take their own initiatives in helping and supporting the local communities and neighbors.

B7 層面：反貪污

鑑於誠信及開放是我們的核心理念之一，我們致力以最高水平之專業行為行事，並遵守英國之《2007年洗錢條例》(Money Laundering Regulations 2007)或其他所有適用規則及法規。我們並不知悉報告期間有任何嚴重違反有關法律及法規之情況，而對本集團產生有關賄賂、勒索、欺詐及洗錢之重大影響。

作為一項反洗錢措施，我們會對任何新客戶進行信用審查，包括索取客戶之歷史財務表現資料。我們亦會索取其增值稅登記號碼，以確保其符合經營所在國家之所有稅法，以及並無與客戶、供應商、合作夥伴、經銷商或任何其他機構訂立須作出賄賂、誘買或勒索之任何協議。此外，新客戶之最終公司所有權及股東之證據已提交予我們的往來銀行及獨立核數師。我們亦根據洗錢法之規定作出美國規定之申報。

我們已實施舉報政策，以便員工能夠提出關注問題，並舉報員工認為屬於玩忽職守或不當行為之資料。

我們將以保密及敏感之方式處理所有不當行為之投訴。只要不妨礙或阻撓作出任何調查，提出指控之人士的身份可以保密。該等指控將由指定調查專員進行全面調查。調查報告將會於適當時提交行政總裁或非執行董事。我們會毫不猶豫地對任何已證明之不當行為案例採取紀律處分。

於報告期間內，並無針對本集團或董事或僱員之涉及貪污行為之法律案件。

B8 層面：社區投資

我們的管理層力求鼓勵僱員透過社區參與來改善社會。本公司之管理層及僱員均熱切希望盡自己的力量來幫助及支持當地社區及周邊社區。

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

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大華馬施雲
會計師事務所有限公司

TO THE SHAREHOLDERS OF KANTONE HOLDINGS LIMITED
(Incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of Kantone Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 76 to 167, which comprise the consolidated statement of financial position as at 30 June 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致看通集團有限公司列位股東
(於開曼群島註冊成立之有限公司)

不發表意見

本行獲委聘以審核看通集團有限公司(「貴公司」)載於第76至167頁的綜合財務報告，其中包括於二零一七年六月三十日的綜合財務狀況表，與截至該日止年度的綜合損益及其他全面收益表、綜合股本權益變動表及綜合現金流動表，以及綜合財務報告附註，包括主要會計政策概要。

吾等不對 貴集團之綜合財務報告表述意見。由於在吾等的報告中不發表意見之基礎一節所描述事項之重要性，吾等未能獲得足夠恰當的審核憑證，為該等綜合財務報告之審核意見提供基礎。就所有其他方面而言，吾等認為綜合財務報告已遵照香港公司條例之披露要求妥為編製。

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

Basis for Disclaimer of Opinion

Limitation of scope – impairment of inventories resulting from downgradings and reclassifications of cultural products

Included in the Group's inventories as at 30 June 2017 were cultural products whose cost amounted to HK\$3,379,083,000. These cultural products were purchases made by the Group in the second half of the preceding financial year by the former management of the Group in the ordinary course of business for its principal activity of trading of cultural products. Consistent to the impairment review performed as at the end of the preceding financial year, cultural product and jewellery experts (the "**Current Experts**") were engaged by the management of the Group to perform an inspection, on a test basis, on the inventories of the cultural products. As a result of the inspection, the Current Experts advised the management of the Group that downgradings and reclassifications were required to be made on a number of the inventory items of cultural products. The findings of the Current Experts were inconsistent with the results of the grading and classification review carried out by the former management of the Group on the cultural products as at 30 June 2016 which had been confirmed by another team of cultural product and jewellery experts (the "**Former Experts**") who had performed an onsite inspection, on a test basis, on the inventories of cultural products as at 30 June 2016. As a result of the inconsistencies in the grading and classification of cultural products as at 30 June 2017 and 2016, the current management of the Group resolved to arrange another team of cultural product and jewellery experts to conduct a full inspection of the cultural products regarding their grading and classification as soon as practical (the "**Full Inspection**"). As at the date of this report, the management of the Group is still in the process of identifying and arranging suitable team of experts to conduct the Full Inspection. For the purpose of preparing the current year's consolidated financial statements, the management of the Group had reassessed the current market values of the inventories as at 30 June 2017 based on the findings of the Current Experts concerning the grading and classification of the cultural products. As a result of the assessment, the management of the Group had determined that the net realisable values of a number of the inventory items of cultural products were lower than their costs and that the shortfalls amounted to an aggregate amount of HK\$1,740,108,000. Accordingly, the Group recognised an impairment loss of HK\$1,740,108,000 for the year ended 30 June 2017.

不發表意見之基礎

範圍限制 — 因將文化產品品位下調及重新分類導致存貨減值

貴集團於二零一七年六月三十日之存貨包括文化產品，其成本達3,379,083,000港元。該等文化產品乃貴集團於上一財政年度下半年，由貴集團前管理層於主要業務(買賣文化產品)過程中購入。與上一財政年度完結時所進行之減值回顧一致，貴集團管理層已聘請文物產品及玉石專家(「**現任專家**」)，就文化產品存貨進行抽樣鑑證。鑑證之後，現任專家向貴集團管理層表示，需將部份文化產品存貨作品位下調及重新分類。現任專家之結論與貴集團前任管理層於二零一六年六月三十日所進作品位及分類檢討結果不一致，有關檢討乃由另一組文物產品及玉石專家(「**前任專家**」)於二零一六年六月三十日就文化產品存貨抽樣進行實地鑑證。因文化產品於二零一七年及二零一六年六月三十日之品位及分類不一致，貴集團現任管理層議決盡快安排另一組文物產品及玉石專家，就文化產品之品位及分類進行全面鑑證(「**全面鑑證**」)。於本報告日期，貴集團管理層仍在識別及安排合適專家團隊，以進行全面鑑證。為編製本年度之綜合財務報告，貴集團管理層按照現任專家就該等文化產品之品位及分類之結論，重估上述存貨於二零一七年六月三十日之現時市場價值。因上述評估關係，貴集團管理層判定部份文化產品存貨項目之可變現淨值低於其成本，差額合共達1,740,108,000港元。故此，貴集團於截至二零一七年六月三十日止年度確認減值虧損1,740,108,000港元。

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

Basis for Disclaimer of Opinion *(continued)*

Limitation of scope – impairment of inventories resulting from downgradings and reclassifications of cultural products *(continued)*

Because of the inconsistencies in the written findings of the Former Experts and the Current Experts concerning the grading and classification of cultural products and the unavailability of sufficient appropriate audit evidence available to us as at the date of this report to ascertain the assessment of the net realisable values of the cultural products made by the current management of the Group, we were unable to satisfy ourselves that the impairment loss of HK\$1,740,108,000 recognised as an expense during the year ended 30 June 2017 and carrying amount of the cultural products of HK\$1,638,975,000 as at 30 June 2017 were free from material misstatements. Any adjustments that might have been found to be necessary in respect of the above would have a significant effect on the Group's financial position as at 30 June 2017 and the Group's financial performance for the year then ended, and the related disclosures thereof in the consolidated financial statements.

As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of inventories, and the other elements making up the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows.

不發表意見之基礎 *(續)*

範圍限制 — 因將文化產品品位下調及重新分類導致存貨減值 *(續)*

由於前任專家及現任專家就文化產品之品位及分類之書面結論不一致，加上，於本報告日期並無足夠恰當的審核憑證供吾等確定 貴集團現任管理層就文化產品所評估之可變現淨值，故此，吾等未能信納於截至二零一七年六月三十日止年度確認為開支之減值虧損 1,740,108,000 港元及文化產品於二零一七年六月三十日之賬面值 1,638,975,000 港元不含重大錯誤陳述成份。如須就上述各項作出任何調整，或會對 貴集團於二零一七年六月三十日之財務狀況及 貴集團截至該日止年度之財務表現，以至於綜合財務報告之相關披露資料有重大影響。

由於該等事項關係，吾等未能確定是否須就存貨，以及編製綜合損益及其他全面收益表、綜合股本權益變動表及綜合現金流動表之其他項目作出任何調整。

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

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 Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

董事及治理層就綜合財務報告須承擔的責任

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以及香港公司條例的披露規定，擬備真實而中肯的綜合財務報告，並對其認為使綜合財務報告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。

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

董事在審核委員會協助下，履行監察貴集團財務報告程序之職責。

獨立核數師報告 INDEPENDENT AUDITOR'S REPORT

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report 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.

However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

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.

Moore Stephens CPA Limited
Certified Public Accountants

Cheung Sai Kit
Practising Certificate Number: P05544

Hong Kong, 29 September 2017

核數師就審計綜合財務報告須承擔的 責任

吾等負責根據香港會計師公會頒佈之香港審計準則對 貴集團之綜合財務報告進行審計，並根據雙方協定之委聘條款出具核數師報告，別無其他目的。吾等概不就本報告的內容對任何其他人士負責或承擔任何責任。

然而，由於本報告「不發表意見之基礎」一節所述事宜，吾等未能取得足夠之合適審計憑據，以為該等綜合財務報告之審計意見提供基礎。

根據香港會計師公會頒佈的專業會計師道德守則（「道德守則」），吾等獨立於 貴集團，並已履行道德守則中的其他專業道德責任。

大華馬施雲會計師事務所有限公司
執業會計師

張世杰
執業證書號碼：P05544

香港，二零一七年九月二十九日

綜合損益及其他全面收益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零一七年六月三十日止年度 FOR THE YEAR ENDED 30 JUNE 2017

| | | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|---------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| Revenue | 收益 | 6 | 140,854 | 2,090,426 |
| Cost of sales | 銷售成本 | | (67,836) | (1,374,356) |
| Gross profit | 毛利總額 | | 73,018 | 716,070 |
| Other income, gains and losses | 其他收入、收益及虧損 | 7 | 3,887 | 4,076 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 11 | 2,167 | 11,773 |
| Distribution costs | 分銷成本 | | (26,429) | (29,731) |
| General and administrative expenses | 一般及行政支出 | | (50,825) | (84,043) |
| Impairment losses recognised for inventories | 就存貨所確認之減值虧損 | 17 | (1,740,108) | — |
| Impairment losses recognised for development costs for systems and networks | 就系統及網絡開發成本所確認之減值虧損 | 16 | (14,650) | (633,604) |
| Research and development costs expensed | 研究及開發成本支出 | | (3,089) | (1,940) |
| Finance costs | 財務成本 | 8 | (146) | (350) |
| Loss before taxation | 除稅前虧損 | 9 | (1,756,175) | (17,749) |
| Income tax expense | 所得稅支出 | 12 | (405) | — |
| Loss for the year | 本年度虧損 | | (1,756,580) | (17,749) |
| Other comprehensive income: | 其他全面收益： | | | |
| Item that will not be reclassified to profit or loss: | 將不會劃分至損益之項目： | | | |
| Remeasurement of defined benefits pension plans | 重算定額福利退休計劃 | | (208) | 5,655 |
| Item that may be reclassified subsequently to profit or loss: | 其後可劃分至損益之項目： | | | |
| Exchange difference arising on translation of foreign operations | 因國外業務換算所產生之匯兌差額 | | 188 | 5,299 |
| Exchange difference reclassified to profit or loss on disposal of a subsidiary | 因出售一間附屬公司劃分至損益之匯兌差額 | | — | (783) |
| Other comprehensive (expense)/ income for the year | 本年度其他全面(支出)/收益 | | (20) | 10,171 |
| Total comprehensive expense for the year | 本年度全面支出總額 | | (1,756,600) | (7,578) |

綜合損益及其他全面收益表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至二零一七年六月三十日止年度 FOR THE YEAR ENDED 30 JUNE 2017

| | | 2017 二零一七年 | 2016 二零一六年 |
|--|-------------|-------------------------------|-------------------|
| | Notes 附註 | HK\$'000 千港元 | HK\$'000 千港元 |
| Loss for the year attributable to: | | | |
| 應佔本年度虧損： | | | |
| Owners of the Company | 本公司擁有人 | (1,756,580) | (11,764) |
| Non-controlling interests | 非控股股東權益 | — | (5,985) |
| | | (1,756,580) | (17,749) |
| Total comprehensive expense for the year attributable to: | | | |
| 應佔本年度全面支出總額： | | | |
| Owners of the Company | 本公司擁有人 | (1,756,600) | (996) |
| Non-controlling interests | 非控股股東權益 | — | (6,582) |
| | | (1,756,600) | (7,578) |
| Loss per share | 每股虧損 | | |
| — Basic and diluted | — 基本及經攤薄 | 14 HK(178.05) cents 港仙 | HK(1.19) cents 港仙 |

The notes on pages 84 to 167 form part of these consolidated financial statements.

第84頁至第167頁所載之附註為此等綜合財務報告之組成部分。

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一七年六月三十日 AT 30 JUNE 2017

| | | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 15 | 31,366 | 33,406 |
| Development costs for systems and networks | 系統及網絡開發成本 | 16 | — | 21,694 |
| | | | 31,366 | 55,100 |
| Current assets | 流動資產 | | | |
| Inventories | 存貨 | 17 | 1,658,321 | 3,397,308 |
| Trade and other receivables | 應收貿易及其他賬款 | 18 | 35,928 | 34,282 |
| Deposits, bank balances and cash | 存款、銀行結餘及現金 | 19 | 76,101 | 74,377 |
| | | | 1,770,350 | 3,505,967 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 應付貿易及其他賬款 | 20 | 56,083 | 61,040 |
| Warranty provision | 保養撥備 | 21 | 1,073 | 1,055 |
| Amount due to a director | 應付一名董事款項 | 22 | 3,000 | — |
| Bank borrowings — amount due within one year | 銀行借貸 — 於一年內到期 | 23 | 3,636 | 3,677 |
| | | | 63,792 | 65,772 |
| Net current assets | 流動資產淨值 | | 1,706,558 | 3,440,195 |
| Total assets less current liabilities | 資產總值減流動負債 | | 1,737,924 | 3,495,295 |
| Non-current liabilities | 非流動負債 | | | |
| Bank borrowings — amount due after one year | 銀行借貸 — 於一年後到期 | 23 | — | 3,677 |
| Retirement benefit obligations | 退休福利承擔 | 24(b) | 60,727 | 57,821 |
| | | | 60,727 | 61,498 |
| Net assets | 資產淨值 | | 1,677,197 | 3,433,797 |

綜合財務狀況表 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於二零一七年六月三十日 AT 30 JUNE 2017

| | | | 2017 | 2016 |
|-----------------------------|--------------|-------|------------------|-----------|
| | | | 二零一七年 | 二零一六年 |
| | | Notes | HK\$'000 | HK\$'000 |
| | | 附註 | 千港元 | 千港元 |
| Capital and reserves | 股本及儲備 | | | |
| Share capital | 股本 | 26(b) | 986,538 | 986,538 |
| Reserves | 儲備 | | 690,659 | 2,447,259 |
| | | | 1,677,197 | 3,433,797 |

The consolidated financial statements on pages 76 to 167 were approved and authorised for issue by the board of directors on 29 September 2017 and are signed on its behalf by:

第76頁至第167頁所載之綜合財務報告已於二零一七年九月二十九日由董事會批核及授權刊發，並由下列董事代表簽署：

LIU KA LIM

廖嘉濂

Director

董事

TO YIN FONG CECILICA

杜妍芳

Director

董事

The notes on pages 84 to 167 form part of these consolidated financial statements.

第84頁至第167頁所載之附註為此等綜合財務報告之組成部分。

綜合股本權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一七年六月三十日止年度 FOR THE YEAR ENDED 30 JUNE 2017

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

| | | Share capital | Share premium | Translation reserve | Retained profits/ losses (accumulated) | Total | Non-Controlling Interests | Total equity |
|--|------------------------------|---------------|-----------------|---------------------|--|-----------|---------------------------|--------------|
| | | 股本 | 股份溢價 | 匯兌儲備 | 保留溢利/ (累計虧損) | 合計 | 非控股股東權益 | 股本權益總額 |
| | | 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 |
| | | | (note 26(c)(i)) | (note 26(c)(ii)) | (累計虧損) | | | |
| | | | (附註 26(c)(i)) | (附註 26(c)(ii)) | | | | |
| At 1 July 2015 | 於二零一五年七月一日 | 986,538 | 795,357 | 5,402 | 1,651,691 | 3,438,988 | 25,965 | 3,464,953 |
| Loss for the year | 本年度虧損 | — | — | — | (11,764) | (11,764) | (5,985) | (17,749) |
| Remeasurement of defined benefits pension plans | 重算定額福利退休計劃 | — | — | — | 5,655 | 5,655 | — | 5,655 |
| Exchange difference arising on translation of foreign operations | 因國外業務換算所產生之匯兌差額 | — | — | 5,896 | — | 5,896 | (597) | 5,299 |
| Exchange difference reclassified to profit or loss on disposal of a subsidiary (note 11) | 因出售一間附屬公司所產生劃分至損益之匯兌差額(附註11) | — | — | (783) | — | (783) | — | (783) |
| Total comprehensive expense for the year | 本年度全面支出總額 | — | — | 5,113 | (6,109) | (996) | (6,582) | (7,578) |
| Disposal of a subsidiary (note 11) | 出售一間附屬公司(附註11) | — | — | — | — | — | (17,128) | (17,128) |
| Acquisition of remaining interest in a subsidiary | 購入於一間附屬公司之剩餘權益 | — | — | (2,495) | (1,700) | (4,195) | (2,255) | (6,450) |
| | | — | — | (2,495) | (1,700) | (4,195) | (19,383) | (23,578) |

綜合股本權益變動表 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零一七年六月三十日止年度 FOR THE YEAR ENDED 30 JUNE 2017

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

| | | Share capital | Share premium | Translation reserve | Retained profits/ losses (accumulated) | Total | Non-Controlling Interests | Total equity |
|--|-----------------------|----------------|-----------------|---------------------|--|--------------------|---------------------------|--------------------|
| | | 股本 | 股份溢價 | 匯兌儲備 | 保留溢利/ (累計虧損) | 合計 | 非控股股東權益 | 股本權益總額 |
| | | 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 |
| | | | (note 26(c)(i)) | (note 26(c)(ii)) | (note 26(c)(iii)) | | | |
| | | | (附註 26(c)(i)) | (附註 26(c)(ii)) | (附註 26(c)(iii)) | | | |
| At 30 June 2016 and at 1 July 2016 | 於二零一六年六月三十日及二零一六年七月一日 | 986,538 | 795,357* | 8,020* | 1,643,882* | 3,433,797 | — | 3,433,797 |
| Loss for the year | 本年度虧損 | — | — | — | (1,756,580) | (1,756,580) | — | (1,756,580) |
| Remeasurement of defined benefits pension plans | 重算定額福利退休計劃 | — | — | — | (208) | (208) | — | (208) |
| Exchange difference arising on translation of foreign operations | 因國外業務換算所產生之匯兌差額 | — | — | 188 | — | 188 | — | 188 |
| Total comprehensive expense for the year | 本年度全面支出總額 | — | — | 188 | (1,756,788) | (1,756,600) | — | (1,756,600) |
| At 30 June 2017 | 於二零一七年六月三十日 | 986,538 | 795,357* | 8,208* | (112,906)* | (1,677,197) | — | (1,677,197) |

* These reserve accounts comprise the consolidated reserves of approximately HK\$690,659,000 (2016: HK\$2,447,259,000) in the consolidated statement of financial position.

* 此等儲備賬戶組成綜合財務狀況表之綜合儲備約 690,659,000 港元(二零一六年: 2,447,259,000 港元)。

The notes on pages 84 to 167 form part of these consolidated financial statements.

第84頁至第167頁所載之附註為此等綜合財務報告之組成部分。

綜合現金流動表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一七年六月三十日止年度 FOR THE YEAR ENDED 30 JUNE 2017

| | | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|-------------------------|-------------|----------------------------------|----------------------------------|
| | | Notes 附註 | | |
| Cash flows from operating activities | 經營業務之現金流 | | | |
| Loss before taxation | 除稅前虧損 | | (1,756,175) | (17,749) |
| Adjustments for: | 調整： | | | |
| Amortisation of development costs for systems and networks | 系統及網絡開發成本之攤銷 | 9 | 7,044 | 492,515 |
| Depreciation of property, plant and equipment | 物業、廠房及設備之折舊 | 9 | 8,608 | 10,836 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 11 | (2,167) | (11,773) |
| Finance costs | 財務成本 | 8 | 146 | 350 |
| Impairment losses recognised for development costs for systems and networks | 就系統及網絡開發成本所確認之減值虧損 | 16 | 14,650 | 633,604 |
| Impairment losses recognised for inventories | 就存貨確認之減值虧損 | 17 | 1,740,108 | — |
| Interest income | 利息收入 | 7 | (180) | (3,373) |
| | | | 12,034 | 1,104,410 |
| Increase in inventories | 存貨之增加 | | (1,121) | (3,376,729) |
| (Increase)/decrease in trade and other receivables | 應收貿易及其他賬款之(增加)/減少 | | (2,135) | 1,817,829 |
| Increase/(decrease) in trade and other payables | 應付貿易及其他賬款之增加/(減少) | | 871 | (80,637) |
| (Decrease)/increase in warranty provision | 保養撥備之(減少)/增加 | | (26) | 26 |
| Net cash generated from/(used in) operating activities | 經營業務所得/(所耗)之現金淨額 | | 9,623 | (535,101) |

綜合現金流動表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至二零一七年六月三十日止年度 FOR THE YEAR ENDED 30 JUNE 2017

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|-------------------------|----------------------------------|----------------------------------|
| | Notes 附註 | | |
| Cash flows from investing activities | 投資活動之現金流 | | |
| Deposits and prepayment refunded in respect of development costs for systems and networks | 有關係統及網絡開發成本之已退還按金及預付款項 | 16 | — |
| Additions to property, plant and equipment | 添置物業、廠房及設備 | 15 | (7,125) |
| Interest received | 已收利息 | 7 | 180 |
| Net cash (outflow)/inflow from disposal of subsidiaries | 出售附屬公司現金(流出)/流入淨額 | 11 | (863) |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備所得之款項 | 15 | 108 |
| Net cash (used in)/generated from investing activities | 投資活動(所耗)/所得之現金淨額 | (7,700) | 427,740 |
| Cash flows from financing activities | 融資活動之現金流 | | |
| Increase in amount due to a director | 應付一名董事款項之增加 | 3,000 | — |
| Repayment of bank borrowings | 償還銀行借貸 | (8,559) | (6,079) |
| New borrowings raised | 新籌集借貸 | 5,000 | — |
| Interest paid | 已付利息 | (146) | (350) |
| Net cash used in financing activities | 融資活動所耗之現金淨額 | (705) | (6,429) |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等額之增加/(減少)淨額 | 1,218 | (113,790) |
| Cash and cash equivalents at beginning of the year | 年初現金及現金等額 | 74,377 | 196,407 |
| Effect of foreign exchange rate changes | 匯率變動之影響 | 506 | (8,240) |
| Cash and cash equivalents at end of the year | 年結現金及現金等額 | 76,101 | 74,377 |

The notes on pages 84 to 167 form part of these consolidated financial statements.

第84頁至第167頁所載之附註為此等綜合財務報告之組成部分。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

二零一七年六月三十日 30 JUNE 2017

1. GENERAL

Kantone Holdings Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (Revised) Chapter 22 of the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Exchange**”). Its ultimate and immediate holding company is Champion Technology Holdings Limited (“**Champion**”), a company which was originally incorporated in the Cayman Islands but subsequently re-domiciled to Bermuda, and its shares are also listed on the Main Board of the Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report.

The consolidated financial statements have been presented in Hong Kong dollar (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated. During the year, the Directors of the Company (the “**Directors**”) have re-visited the business plan and strategy of the Company and re-assessed that since the business transactions, in terms of operating, investing and financing activities, of the Company itself were mainly denominated in HK\$ during the year and expected to continue being in HK\$ in the foreseeable future, the Directors determined that the functional currency of the Company itself has been changed from United States dollar to HK\$ with effect from 1 July 2016 and that the Directors considered HK\$ is more appropriate. The change in functional currency was accounted for prospectively from the date of the change and did not have any impact on the figures presented in the consolidated financial statements.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 34.

1. 簡介

看通集團有限公司(「**本公司**」)乃根據開曼群島之公司法(經修訂)第二十二章在開曼群島註冊成立為獲豁免有限公司，其股份於香港聯合交易所有限公司(「**交易所**」)主板上市。本公司之最終直接控股公司冠軍科技集團有限公司(「**冠軍**」)亦為原先在開曼群島註冊成立，而其後已遷冊往百慕達之公司，其股份亦於交易所主板上市。本公司註冊辦事處及主要營業地點之地址已於年報企業資料一節中披露。

綜合財務報告已以港元(「**港元**」)呈列，而除另有指明者外，所有數值已約整至最近千位。於本年度，本公司董事(「**董事**」)已重新審視本集團之業務計劃及策略，並評估在經營、投資及融資活動方面，由於本集團於年內之業務交易主要以港元計值，並預期於可見將來繼續以港元計值，董事決定本公司之功能貨幣由美元轉為港元，自二零一六年七月一日起生效，這是由於董事認為港元更為恰當。功能貨幣之更改乃自更改日期起按未來基準入賬，且對於綜合財務報告中呈報之數字並無任何影響。

本公司為一間投資控股公司。其附屬公司之主要業務載於附註34。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

二零一七年六月三十日 30 JUNE 2017

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

Kantone Holdings Limited and its subsidiaries (collectively referred to as the “Group”) has applied, for the first time in the current year, the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”):

| | |
|--|--|
| 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 HKFRS 11 | Joint Arrangements: Accounting for Acquisitions of Interests |
| Amendments to HKFRSs | Annual Improvements Cycle — 2012-2014 |

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. 採納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，看通集團有限公司及其附屬公司(統稱「本集團」)已首次採用以下由香港會計師公會(「香港會計師公會」)所頒佈之新訂及經修訂香港財務報告準則：

| | |
|---|--------------------|
| 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 | 澄清可接納之折舊及攤銷方式 |
| 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 | 投資實體：應用綜合例外情況 |
| 香港財務報告準則第11號修訂本 | 合資安排：收購權益之會計處理 |
| 香港財務報告準則修訂本 | 二零一二年至二零一四年周期之年度改進 |

於本年度，採用香港財務報告準則修訂本對本集團於本年度及過往年度財務業績及狀況及／或此等綜合財務報告所載之披露並無重大影響。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

二零一七年六月三十日 30 JUNE 2017

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

The Group has not early applied the following new and revised standards, amendments and interpretation that have been issued but are not yet effective.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂準則、修訂本及詮釋。

| | | Effective for annual reporting periods beginning on or after 於下列日期當日或以後開始之年度報告期間生效 |
|---|---|--|
| HKAS 28 and HKFRS 10 amendments 香港會計準則第28號及香港財務報告準則第10號修訂本 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合資企業之間的資產出售或注資 | To be determined* 待定日期* |
| HKAS 7 Amendments 香港會計準則第7號修訂本 | Disclosure Initiative 披露計劃 | 1 January 2017 二零一七年一月一日 |
| HKAS 12 Amendments 香港會計準則第12號修訂本 | Recognition of Deferred Tax Assets for Unrealised Losses 確認未變現虧損產生之遞延稅項資產 | 1 January 2017 二零一七年一月一日 |
| HKFRSs Amendments 香港財務報告準則修訂本 | Annual Improvements to HKFRSs 2014 – 2016 Cycle 二零一二年至二零一四年周期之香港財務報告準則年度改進 | 1 January 2017 or 1 January 2018 (as appropriate) 二零一七年一月一日或二零一八年一月一日(倘適用) |
| HKAS 40 Amendments 香港會計準則第40號修訂本 | Transfer of Investment Property 投資物業之轉撥 | 1 January 2018 二零一八年一月一日 |
| HKFRS 2 Amendments 香港財務報告準則第2號修訂本 | Classification and Measurement of share-based Payment Transactions 以股份為基礎付款交易之分類及計量 | 1 January 2018 二零一八年一月一日 |
| HKFRS 9 香港財務報告準則第9號 | Financial Instruments 金融工具 | 1 January 2018 二零一八年一月一日 |
| HKFRS 15 香港財務報告準則第15號 | Revenue from Contracts with Customers 客戶合約收益 | 1 January 2018 二零一八年一月一日 |

綜合財務報告附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

二零一七年六月三十日 30 JUNE 2017

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

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

| | | Effective for annual reporting periods beginning on or after |
|--------------------------------|--|---|
| | | 於下列日期當日或以後開始之年度報告期間生效 |
| HKFRS 15 Amendments | Clarification to HKFRS 15 Revenue Contracts with Customers | 1 January 2018 |
| 香港財務報告準則第15號修訂本 | 香港財務報告準則第15號「客戶合約收益」之澄清 | 二零一八年一月一日 |
| HK (IFRIC) – Interpretation 22 | Foreign Currency Transactions and Advance Consideration | 1 January 2018 |
| 香港(國際財務報告詮釋委員會) – 詮釋第22號 | 外幣交易及預付代價 | 二零一八年一月一日 |
| HKFRS 16 | Leases | 1 January 2019 |
| 香港財務報告準則第16號 | 租賃 | 二零一九年一月一日 |
| HK(IFRIC) – Interpretation 23 | Uncertainty over Income Tax Treatments | 1 January 2019 |
| 香港(國際財務報告詮釋委員會) – 詮釋第23號 | 所得稅處理法之不確定性 | 二零一九年一月一日 |

* The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred. Early application of the amendments continues to be permitted.

* 該等修訂本原先擬於二零一六年一月一日或之後開始的年度期間生效。生效日期現已遞延，惟繼續獲准提早採用該等修訂本。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

二零一七年六月三十日 30 JUNE 2017

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

The Group has already commenced an assessment of the related impact of adopting the above new and revised HKFRSs. So far, the Directors have preliminarily concluded that the above new and revised HKFRSs will be adopted at the respective effective dates and the adoption of them is unlikely to have a significant impact on the consolidated financial statements of the Group except for the following:

HKFRS 9 “Financial instruments”

A final version of HKFRS 9 (that includes classification and measurement of financial assets and financial liabilities, impairment and general hedge accounting) was issued in 2014.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 “Financial instruments: Recognition and measurement” are subsequently measured at amortised cost or fair value. 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. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.
- An expected loss model (rather than an incurred loss model) has been adopted by HKFRS 9.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting.

2. 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

本集團已開始評估採納上述新訂及經修訂香港財務報告準則之相關影響。迄今，董事初步認為上述新訂及經修訂香港財務報告準則將於相關生效日期獲採納，而除下列所述者外，有關採納不大可能對本集團之綜合財務報告造成重大影響：

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號最終版本(包括金融資產及金融負債分類與計量、減值及一般對沖會計處理)已於二零一四年頒佈。

香港財務報告準則第9號之主要規定如下：

- 香港會計準則第39號「金融工具：確認及計量」範圍內之所有已確認金融資產，其後按已攤銷成本或公平價值計量。於業務模式中持有之債務投資，旨在收取合約現金流，及合約現金流僅為支付本金及未償還本金額之利息，一般在後續會計期結束時按已攤銷成本計量。所有其他債務投資及股權投資均在後續會計期結束時按其公平價值計量。
- 香港財務報告準則第9號已採納預期虧損模型(而非已產生虧損模型)。
- 新一般對沖會計處理之新規定保留三類對沖會計處理。然而，該規定為合資格作對沖會計處理之交易類別引入更高靈活性，尤其拓展可作為對沖工具之工具類別及合資格作對沖會計處理之非金融項目中風險部分類別。

綜合財務報告附註 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

HKFRS 9 “Financial instruments” (continued)

The new expected credit loss model under HKFRS 9 may result in early provision of credit loss in relation to the Group’s financial assets measured at amortised cost. The Directors will assess the impact of the application of HKFRS 9. For the moment, it is not practicable to provide a reasonable estimate of the effect of the application of HKFRS 9 until the Group performs a detailed review.

HKFRS 15 “Revenue from contracts with customers”

In July 2014, 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. 採納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)

香港財務報告準則第9號之預期信用虧損模型或會令本集團按攤銷成本計量之金融資產須提早就信用虧損計提撥備。董事將評估應用香港財務報告準則第9號之影響。目前，本集團於進行詳盡審閱前尚不能對應用香港財務報告準則第9號之影響作出合理估計。

香港財務報告準則第15號「客戶合約收益」

於二零一四年七月頒佈之香港財務報告準則第15號建立一項單一全面模式，以供實體用作將客戶合約所產生之收益入賬。香港財務報告準則第15號生效後將取代香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋等現有收益確認指引。

香港財務報告準則第15號之核心原則為實體所確認向客戶轉讓承諾商品或服務所獲之收益金額，應能反映該實體預期就交換該等商品或服務有權獲得之代價。具體而言，該準則引入收益確認之五個步驟：

- 第1步：識別與客戶之合約
- 第2步：識別合約內之履約義務
- 第3步：釐定交易價格
- 第4步：將交易價格分配至合約內之履約義務
- 第5步：當(或於)實體履行履約義務時確認收益

2. ADOPTION OF NEW AND REVISED 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.

The Group is still in the process of assessing the impact of HKFRS 15. The Directors believe that it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group has completed the assessment.

HKFRS 16 “Leases”

For lessees, HKFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. For lessors, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or financial leases, and to account for those two types of leases differently. The standard is mandatorily effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted for entities that apply HKFRS 15 at or before the date of initial application of HKFRS 16.

Note 31 to the consolidated financial statements discloses the Group’s commitments in respect of operating leases, which provides an insight of the amounts payable by Group under operating lease in the future. The Directors are still in the progress of assessing the impact of HKFRS16.

The Directors do not anticipate that the application of the other new and revised HKFRSs will have a material impact on the Group’s consolidated financial statements.

2. 採納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「客戶合約收益」(續)

根據香港財務報告準則第15號，當(或於)履行履約義務時，即於履約義務相關之特定商品或服務之控制權轉讓予客戶時，實體確認收益。香港財務報告準則第15號已就特別情況之處理方法收錄更多說明指引。此外，香港財務報告準則第15號要求作出詳盡披露。

本集團仍在評估香港財務報告準則第15號之影響。然而，董事認為在完成評估前對採用香港財務報告準則第15號之影響作出合理估計並不可行。

香港財務報告準則第16號「租賃」

對承租人而言，香港財務報告準則第16號引入單一承租人會計處理模式，並規定承租人就為期超過十二個月之所有租賃確認資產及負債，除非相關資產為低價值資產。承租人須確認使用權資產以表示其有權使用相關租賃資產及確認租賃負債以表示其有責任支付租賃款項。對出租人而言，香港財務報告準則第16號大致轉承香港會計準則第17號之出租人會計處理方法之規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，且以不同方式將兩類租賃入賬。該準則於二零一九年一月一日或以後開始之年度期間強制生效。應用香港財務報告準則第15號之實體可於香港財務報告準則第16號之初始應用日期或之前提早應用。

綜合財務報告附註31披露本集團之經營租賃承擔，對本集團未來就經營租賃應付之金額提供深入了解。董事仍在評估香港財務報告準則第16號之影響。

董事預期應用其他新訂及經修訂香港財務報告準則並不會對本集團之綜合財務報告造成重大影響。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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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 (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis. 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.

The principal accounting policies are set out below.

3. 主要會計政策

綜合財務報告乃按香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報告亦載有按聯交所證券上市規則（「上市規則」）及香港公司條例所規定之適用披露資料。

綜合財務報告乃根據歷史成本基準編製。歷史成本一般按換取貨品所付代價之公平價值計量。

公平價值是於計量日市場參與者於有秩序交易中出售資產可收取或轉讓負債須支付之價格，而不論該價格是否可使用其他估值方法直接觀察或估計。於估算資產或負債之公平價值時，本集團會考慮市場參與者於計量日對資產或負債定價時所考慮之資產或負債特點。此等綜合財務報告中作計量及／或披露用途之公平價值乃按此基準釐定，惟於香港財務報告準則第2號範圍內之以股份為基礎付款交易、於香港會計準則第17號範圍內之租賃交易及與公平價值類似但並非公平價值之計量（如香港會計準則第2號之可變現淨值及香港會計準則第36號之使用價值）除外。

主要會計政策載列如下。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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.

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

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

3. 主要會計政策(續)

綜合基準

綜合財務報告併入本公司及受其控制之實體及其附屬公司之財務報告。本公司在下列情況下被視為取得控制權：

- 可對投資對象行使權力；
- 藉參與投資對象之業務而獲得或有權獲得可變回報；及
- 有能力以其權力影響回報。

倘事實及情況顯示以上所列控制權三個要素中一個或以上有所變動時，本集團會重估其是否仍可控制投資對象。

附屬公司之綜合入賬於本集團取得有關附屬公司之控制權起開始，並於本集團失去有關附屬公司之控制權時終止。具體而言，年內所收購或出售附屬公司之收入及支出乃自本集團取得控制權之日起計入綜合損益及其他全面收益表，直至本集團不再控制有關附屬公司之日為止。

損益及各項其他全面收益項目歸屬於本公司擁有人及非控股股東權益。附屬公司之全面收益總額歸屬於本公司擁有人及非控股股東權益，即使相關措舉可導致非控股股東權益出現虧絀結餘。

如有需要，附屬公司之財務報告會作出調整，以使其會計政策與本集團其他成員公司所用者一致。

所有集團內部之交易、結餘、收入及支出乃於綜合賬目時全數對銷。

附屬公司之非控股股東權益與本集團於該附屬公司之權益均獨立呈列。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(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

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

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sales of goods, including sales of cultural products and sales of systems and related softwares, is recognised when goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

3. 主要會計政策(續)

全面收益總額分配至非控股股東權益

附屬公司之全面收益及支出總額歸屬於本公司擁有人及非控股股東權益，即使相關措舉可導致非控股股東權益出現虧絀結餘。

本集團於現有附屬公司之擁有權權益之變動

本集團於現有附屬公司之擁有權權益變動，在未有導致本集團失去該附屬公司控制權之情況下，全列作權益交易。本集團權益及非控股股東權益之賬面值將予調整，以反映彼等於該附屬公司之相關權益變動。非控股股東權益之經調整數額與已付或已收代價之公平價值之任何差額，乃直接於權益中確認並歸屬於本公司擁有人。

收益確認

收益按已收或應收代價之公平價值計量，即相當於日常業務中售出貨品及提供服務之應收賬款減去折扣及銷售相關稅項後之金額。

出售貨品(包括銷售文化產品及銷售系統及有關軟件)之收益乃於貨品已交付及其所有權已轉讓且已達成下列所有條件時確認：

- 本集團已將貨品擁有權之重大風險及回報轉移至買方；
- 本集團並無保留與所出售貨品擁有權相關之恆常管理舉措及該貨品之實質控制權；
- 收益金額能可靠計量；

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition *(continued)*

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income and licensing income relating to licensing and customisation is recognised when services are rendered or when licences are granted.

Income from assignment of non-exclusive right relating to systems and networks for a fixed fee under a non-cancellable contract which permits the licensee to exploit those rights freely and the Group has no remaining obligation to perform is recognised when the rights of exploit and use of design of products are granted.

Rental income, including rental invoiced in advance from assets under operating leases, is recognised on a straight-line basis over the relevant lease term.

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.

3. 主要會計政策(續)

收益確認(續)

- 與交易相關之經濟效益極可能流向本集團；及
- 就有關交易產生或將產生之成本能可靠計量。

與特許權及訂製相關之服務收入及特許權收入乃於提供服務或授出特許權時確認。

於授出開發及採用產品設計之權利時，則確認按不可撤銷合約項下之定額費用轉讓系統及網絡之非獨家權利之收入，特許經銷商可自由使用該等權利，而本集團已無尚未履行之責任。

租金收入(包括來自經營租賃項下資產之預收租金)乃在相關租賃期內按直線法確認。

金融資產之利息收入乃於經濟利益將可能流入本集團且收入金額能可靠地計量時確認。金融資產之利息收入乃參考未償還本金額及適用之實際利率(即於金融資產初始確認時以預計有效年期內之估計未來現金收款準確貼現至該資產賬面淨值之利率)並以時間基準計算。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

Property, plant and equipment including land and buildings held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses.

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

| | |
|---|--|
| Freehold land | Nil |
| Buildings on freehold land | 50 years |
| Leasehold land and buildings | Over the shorter of the remaining unexpired terms of the relevant leases or 50 years |
| Plant and machinery and communications networks | 10% — 50% |

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 profit or loss.

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(包括持有以用於生產或供應貨品或服務或作行政用途之土地及樓宇)乃按成本減除其後之累計折舊及累計減值虧損後於綜合財務狀況表列賬。

各物業、廠房及設備項目之成本值扣除剩餘價值以直線法按其估計可使用年期及以下年率計提折舊：

| | |
|-------------|-------------------------|
| 永久業權土地 | 無 |
| 永久業權樓宇 | 50年 |
| 按契約持有之土地及樓宇 | 按有關契約之尚餘年期或50年攤分，以較短者為準 |
| 廠房、機器及通信網絡 | 10% — 50% |

各項物業、廠房及設備項目會在出售或預期繼續使用該資產亦不會帶來未來經濟利益時解除確認。出售或廢除物業、廠房及設備項目產生之任何盈虧乃按銷售所得款項與該資產賬面值之差額計算並於損益確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(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 released 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)

按契約持有之土地及樓宇

倘一項租賃同時包括土地及樓宇部分，則本集團會分別依照各部分擁有權隨附之絕大部分風險及回報是否已轉移至本集團，評估各部分分類應被獨立分類為融資或經營租賃，除非兩個部分被清楚確定為經營租賃，在此情況下，整項租賃分類為經營租賃。具體而言，最低租賃款項(包括任何一筆過支付之預支款項)會按訂立租賃時土地部分與樓宇部分契約權益之相關公平價值，按比例於土地與樓宇部分之間分配。

倘能可靠地分配租賃款項，則入賬列為經營租賃之契約土地權益將於綜合財務狀況表內列作「預付租賃款項」，並於租賃期內以直線法攤分入賬。倘未能可靠地於土地及樓宇部分之間分配租賃款項，則整項租賃一般會分類為融資租賃，並入賬列作物業、廠房及設備。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment (other than development costs for systems and networks and financial assets)

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, 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 in prior years. A reversal of an impairment loss is recognised in profit or loss.

3. 主要會計政策(續)

減值(系統及網絡開發成本以及金融資產除外)

於報告期完結時，本集團會審閱其資產之賬面值，以釐定是否有任何跡象顯示該等資產出現減值虧損。倘出現任何該等跡象，則會估算該資產之可收回金額以確定其減值虧損程度(如有)。倘未能估計個別資產之可收回金額，則本集團會估計資產所屬變現單位之可收回金額。倘可識別合理且一貫之分配基準，公司資產亦可分配至個別變現單位，或另行將其分配至可識別合理且一貫之分配基準之變現單位最小組別。

可收回金額乃公平價值扣減出售成本或使用價值，以兩者之較高者為準。評估使用價值時，估計未來現金流採用可反映當前市場所評估之貨幣時值及尚未調整之估計未來現金流之資產特定風險之稅前貼現率，貼現至其現值。若某資產(或變現單位)之可收回金額估計少於其賬面值，則該資產(或變現單位)之賬面值將減至其可收回金額。減值虧損隨即於損益中確認。

倘其後撥回減值虧損，該資產之賬面值會調高至其重新估計之可收回金額，惟已增加之賬面值不會高於該資產於過往年度倘無確認減值虧損而原應釐定之賬面值。減值虧損之撥回數額於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Leases

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease.

Development costs for systems and networks

Development costs for systems and networks projects including those paid to independent system developers, are stated at cost less subsequent accumulated amortisation and any accumulated impairment losses.

3. 主要會計政策(續)

租賃

凡租賃條款將擁有權之所有風險及回報大致轉移至承租人，該等租賃均列作融資租賃。所有其他租賃均列作經營租賃。

本集團作為出租人

經營租賃之租金收入於有關租賃期內按直線法在損益確認。商討及安排經營租賃產生之初始直接成本會加入所租賃資產之賬面值，並於租賃期內按直線法確認為支出。

本集團作為承租人

經營租賃付款乃按有關租賃之年期以直線法確認為支出。

系統及網絡開發成本

系統及網絡開發成本(包括向獨立系統開發商所支付者)按成本減其後累計攤銷及累計減值虧損列賬。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Development costs for systems and networks

(continued)

Development costs are recognised only if all of the following have been demonstrated:

- the technical feasibility of completing the asset so that it will be available for use or sale;
- the intention to complete the asset and use or sell it;
- the ability to use or sell the asset;
- how the asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the asset or the asset itself or, if it is to be used internally, the usefulness of the asset;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the asset during its development.

Development costs that do not fulfill the above conditions are recognised as expenses in the period in which it is incurred.

Amortisation is calculated based on straight-line basis over their estimated useful lives, subject to a maximum of three years.

3. 主要會計政策(續)

系統及網絡開發成本(續)

開發成本僅於下列所有條件達成時方會確認：

- 擁有使資產完成以供使用或銷售之技術可行性；
- 擁有使資產完成並予以使用或銷售之意向；
- 擁有使用或銷售資產之能力；
- 展現出資產將如何帶來未來經濟利益。除其他事項外，實體可展示資產出品或資產本身存有市場，或倘資產供內部使用，則展示資產之可用性；
- 具備充裕技術、財務及其他資源以完成開發及使用或銷售該資產；及
- 能可靠地計量資產於其開發期間應佔之開支。

未能滿足上述條件之開發成本，會於產生期間確認為支出。

攤銷以直線法按其估計可使用年期(最多三年)予以計算。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Development costs for systems and networks

(continued)

Where the recoverable amount of development costs for systems and networks has declined below their carrying amount, the carrying amount is reduced to reflect the decline in value. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, 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 in prior years. A reversal of an impairment loss is recognised in profit or loss.

An item of development costs, including any deposits and prepaid development costs for systems and networks 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 derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

Research expenditures

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

Financial instruments

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

3. 主要會計政策(續)

系統及網絡開發成本(續)

倘按金及預付開發成本以及系統及網絡開發成本之可收回金額減至低於其賬面值，則扣減其賬面值以反映有關減值。當減值虧損其後撥回，該資產之賬面值會增至其經修訂之估計可收回金額，惟賬面值之增加不會超過該資產在過往年度倘無確認減值虧損而原應釐定之賬面值。減值虧損之撥回數額於損益確認。

開發成本(包括任何按金及預付系統及網絡開發成本)項目會在出售或預期繼續使用該資產不會帶來未來經濟利益時解除確認。解除確認該資產所產生之任何盈虧(按出售所得款項淨額與該項目賬面值之差額計算)在項目解除確認之期間計入損益。

研究開支

研究活動開支於其產生期間內獲確認為開支。

金融工具

當集團實體成為有關工具合約條款之訂約方時，金融資產及金融負債會在綜合財務狀況表確認。

綜合財務報告附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

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 or issue 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 are classified as loans and receivables. The accounting policies adopted in respect of financial assets are set out below.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

3. 主要會計政策(續)

金融工具(續)

金融資產及金融負債初步按公平價值計量。直接歸屬於購入或發行金融資產及金融負債(按公平價值計入損益之金融資產及金融負債除外)之交易費用，在初始確認時按適用情況計入或扣自金融資產或金融負債之公平價值。直接歸屬於購入或發行按公平價值計入損益之金融資產或金融負債之交易費用即時在損益中確認。

金融資產

本集團之金融資產乃列作貸款及應收賬款。就各類金融資產所採納之會計政策載列如下。

實際利率法

實際利率法為計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃將估計未來現金收入(包括所支付或收取能構成整體實際利率之所有費用、交易費用及其他溢價或折讓)按金融資產之預計有效年期或較短年期(如適用)實際貼現至初始確認時之賬面淨值之利率。直接歸屬於購入或發行按公平價值計入損益之金融資產或金融負債之交易費用即時在損益中確認。

債務工具之利息收入乃按實際利率基準確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

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

Impairment of financial assets

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.

Objective evidence of impairment could include:

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

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and an increase in the number of delayed payments.

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

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收賬款

貸款及應收賬款指並非於活躍市場報價而具有固定或可確定付款之非衍生金融資產。於初始確認後，貸款及應收賬款(包括應收貿易及其他賬款、存款、銀行結餘及現金)乃按使用實際利率法以攤銷成本減任何已識別之減值虧損列賬(有關金融資產減值之會計政策見下文)。

金融資產之減值

金融資產會於報告期完結時評估有否出現減值跡象。當有客觀證據顯示金融資產之估計未來現金流，因初始確認後所發生之一項或多項事件而受到影響時，金融資產即被視為應作減值。

減值之客觀證據可包括：

- 發行人或交易對方出現重大財政困難；或
- 違反合約，如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

就若干金融資產類別(如應收貿易賬款)而言，該等被評估為不作個別減值之資產，會一併彙集以作出減值評估。應收賬款組合出現減值之客觀證據可包括本集團過往收款經驗及延遲付款次數增加。

就按攤銷成本列賬之金融資產而言，減值虧損金額乃按資產之賬面值與按金融資產原實際利率貼現估計未來現金流之現值間之差額確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where 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.

For financial assets measured at amortised cost, 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.

Financial liabilities and equity instruments

Financial liabilities 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 entered into 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. The accounting policies in respect of financial liabilities and equity instruments are set out below.

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 through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產之減值(續)

除應收貿易賬款外，所有金融資產之賬面值均直接減去其減值虧損，而應收貿易賬款之賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動於損益中確認。當應收貿易賬款被視為不可收回時，將於撥備賬內撇銷。

就按攤銷成本計量之金融資產而言，倘減值虧損金額其後期間有所減少，而有關減少在客觀上與確認減值虧損後發生之事件有關，則先前已確認之減值虧損將於損益中予以撥回，惟該資產於減值被撥回當日之賬面值不得超過若從未確認該項減值之攤銷成本。

金融負債及權益工具

集團實體發行之金融負債及權益工具，根據所訂立合約安排之實質內容與金融負債及權益工具之定義分類為金融負債或權益。

權益工具指在扣除合約之所有負債後為本集團資產帶來剩餘利益之任何合約。有關金融負債及權益工具之會計政策載列如下。

實際利率法

實際利率法乃計算金融負債之攤銷成本及按有關期間攤分利息支出之方法。實際利率乃於初始確認時將估計未來現金付款按金融負債之預計使用年期或較短年期(如適用)實際貼現至賬面淨值之利率。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments *(continued)*

Financial liabilities and equity instruments (continued)

Effective interest method (continued)

Interest expense is recognised on an effective interest basis.

Financial liabilities

Financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Distributions settled in shares are recorded at market price at the date of issue and credited to the share capital and share premium, respectively.

Derecognition

The Group derecognised financial assets only when the contractual rights to receive cash flows from the assets expire or, when it transfers the financial assets and substantially all the risks and rewards of ownership of the assets.

On derecognition of a financial asset in its entirety, 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 derecognised a financial liability when, and only when, the Group's obligations are discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid or payable is recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益工具(續)

實際利率法(續)

利息支出乃按實際利率基準確認。

金融負債

金融負債包括應付貿易及其他賬款以及銀行借貸，乃其後使用實際利率法按攤銷成本計量。

權益工具

本公司發行之權益工具乃按實收所得款項(扣除直接發行成本)入賬。

以股份結算之分派按於發行日期之市價入賬，並分別計入股本及股份溢價。

解除確認

當從資產收取現金流之合約權利屆滿時，或當本集團轉讓金融資產並大致轉讓該等資產擁有權之所有風險及回報時，本集團方會解除確認該項金融資產。

全面解除確認一項金融資產時，該資產之賬面值與已收及應收代價以及已在其他全面收益中確認並累計至權益之累計盈虧之總和，兩者間之差額會在損益中確認。

只有當本集團之承擔獲解除、取消或到期時，本集團方會解除確認金融負債。解除確認之金融負債賬面值與已付或應付代價間之差額會在損益中確認。

綜合財務報告附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Provision

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method except for cost of cultural products, which are assigned by using specific identification cost method.

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.

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

3. 主要會計政策(續)

撥備

倘本集團因過往事件而出現現有責任，且本集團很可能須履行該項責任，並能可靠地估計該項責任之數額時，則會確認撥備。撥備乃計及該項責任之風險及不確定因素，於報告期完結時對履行現有責任所需代價之最佳估算計量。倘撥備乃按履行現有責任之估計現金流計量，其賬面值則為該等現金流之現值(如影響重大)。

存貨

存貨乃按成本與可變現淨值兩者中之較低者列賬。除文化產品成本按特定識別成本法釐定外，成本按先入先出法計算。

借貸成本

直接用於收購、建造或生產合資格資產(即需要相當時間始能達到其擬定用途或出售之資產)之借貸成本會計入該等資產之成本，直至該等資產實際達到其擬定用途或出售。

所有其他借貸成本於其所產生之期間計入損益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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 profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable 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.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such 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, 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

所得稅支出指即期應付稅項與遞延稅項之總和。

即期應付稅項乃按本年度應課稅溢利計算。應課稅溢利與損益及其他全面收益所呈報「除稅前溢利」不同，此乃由於其不包括於其他年度應課稅或可扣稅之收入或支出項目，並且摒除永不用課稅及永不可扣稅之項目。本集團之即期稅項負債乃按報告期完結時已頒佈或實質上已頒佈之稅率計算。

遞延稅項按綜合財務報告內資產及負債賬面值與計算應課稅溢利所用之相應稅基之臨時差額確認。遞延稅項負債一般就所有應課稅臨時差額確認。遞延稅項資產一般就所有可扣稅臨時差額確認，並以該等可扣稅臨時差額可用作抵銷日後極可能出現之應課稅溢利為限。若商譽或於一項交易中(業務合併除外)初始確認之其他資產及負債而引致之臨時差額既不影響應課稅溢利亦不影響會計溢利，則不會確認該等資產及負債。

有關於附屬公司之投資之應課稅臨時差額確認為遞延稅項負債，除非本集團能夠控制臨時差額之撥回而臨時差額極可能在可見將來將不會被撥回則除外。確認與該等投資有關之可扣稅臨時差額所產生之遞延稅項資產，僅以極可能有充足應課稅溢利以抵銷動用臨時差額之利益(且預期於可見將來予以撥回)為限。

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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 realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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.

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 its 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.

3. 主要會計政策(續)

稅項(續)

遞延稅項資產之賬面值於報告期完結時作檢討，並扣減直至再無可能有足夠應課稅溢利可收回全部或部分資產價值為止。

遞延稅項資產及負債乃根據報告期完結時已頒佈或實質上已頒佈之稅率(及稅法)，按預期於償還負債或變現資產期間適用之稅率計量。遞延稅項負債及資產之計量反映本集團於報告期完結時，預期對收回或償還其資產及負債賬面值之方式所產生之稅務後果。

即期及遞延稅項會於損益中確認，惟倘與其他全面收益或直接在權益中確認之項目相關則除外。在此情況下，即期及遞延稅項亦分別在其他全面收益或直接在權益中確認。

外幣

編製各集團實體之財務報告時，以該實體功能貨幣以外之貨幣(外幣)進行之交易，按交易當日之匯率以該實體之功能貨幣(即該實體經營所在主要經濟環境之貨幣)列賬。於報告期完結時，以外幣列值之貨幣項目按該日之匯率重新換算。以外幣按歷史成本計量之非貨幣項目不作重新換算。

結算貨幣項目及重新換算貨幣項目所產生之匯兌差額乃於其產生期間在損益內確認。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Foreign currencies (continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the group entities are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the end of the reporting period, and their 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 (the translation reserve). Exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Retirement benefit scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees’ basic salaries and are charged to profit or loss and comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

Certain subsidiaries of the Company operate a self-administered and funded pension scheme in the United Kingdom. The scheme provides defined pension benefits with reference to the final salary of the members at retirement and their length of service. The scheme is closed to new members since 1 January 2003.

3. 主要會計政策(續)

外幣(續)

為呈列綜合財務報告，集團實體之資產及負債按於報告期完結時之匯率換算為本集團之呈列貨幣(即港元)，而集團實體之收入及支出乃按照年度平均匯率換算，除非期內匯率大幅波動，於該情況下，則使用交易當日之匯率。所產生之匯兌差額(如有)於其他全面收益確認及於權益(匯兌儲備)累計。海外業務被出售時匯兌差額會在該期間之損益中確認。

退休福利計劃

本集團根據強制性公積金計劃條例為其香港全體僱員設立定額供款強制性公積金退休福利計劃(「**強積金計劃**」)。供款按僱員基本薪金之某百分比作出，並根據強積金計劃規則於應付時於綜合收益表扣除。強積金計劃之資產與本集團之資產分開，由獨立管理基金持有。

本公司旗下若干附屬公司於英國設立一項自行管理及供款之退休福利計劃。此計劃乃按僱員於退休時之最終薪酬及其服務年期提供之定額退休福利。此計劃自二零零三年一月一日起不接受新成員參與。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Retirement benefit scheme (continued)

The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value and the fair value of any plan assets is deducted. The calculation is performed by a qualified actuary using the projected unit credit method, when the calculation results available in the form of any future refunds from the plan or reductions in future contribution to the plan.

Service Cost and net interest expense/(income) on the net defined benefit liability/(asset) are recognised in profit or loss and allocated by function as part of "administrative expense". Current service cost is measured as the increase in the present value of the defined benefit obligation resulting from employee service in current period. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring cost or termination benefit are recognised. Net interest expense/(income) for the period is determined by applying the discount rate used to measure the defined benefit liability/(asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations.

Remeasurements arising from defined benefit retirement plans are recognised in other comprehensive income and reflected immediately in retained earnings and will not be reclassified to profit or loss. Remeasurements comprise actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability/(asset)) and any change in the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability/(asset)).

3. 主要會計政策(續)

退休福利計劃(續)

本集團就定額福利退休計劃所承擔之責任淨額，乃透過估計僱員於當前及過往期間以提供服務所賺取之未來利益金額而計算；在釐定現值時該項利益須予以貼現，並扣除任何計劃資產之公平價值。計算工作由合資格精算師採用預計單位貸記法進行，計算結果之形式為任何計劃未來可退回之金額或可扣減之未來供款。

定額福利負債／(資產)淨額之服務成本及利息開支／(收入)淨額於損益確認，並按功能劃撥為「行政支出」之成本之一部份。現有服務成本按本期間僱員服務所產生之定額福利負債現值之增加計量。倘計劃之福利出現變動或倘計劃縮減，則有關僱員以往服務之福利之變動部份或有關縮減之盈虧於計劃作出修訂或縮減時或於確認有關重組成本或終止福利時(以較早者為準)於損益確認為開支。期內利息開支／(收入)淨額乃透過應用計量定額福利負債／(資產)所採用之貼現率釐定。貼現率為優質公司債券(到期日與本集團履行責任之期限相近)於報告期完結時之收益率。

定額福利退休計劃產生之重算於其他全面收益內確認並即時於保留盈利中反映，且不會劃撥至損益。重算包括精算收益及虧損、計劃資產收益(不包括計入定額福利負債／(資產)淨額之利息淨額之金額)及資產上限引致之任何變動(不包括計入定額福利負債／(資產)淨額之利息淨額之金額)。

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Related party

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

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

or

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

- (i) the entity and the Group are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) the entity and the Group are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personal services to the reporting entity or to the parent of the reporting entity.

3. 主要會計政策(續)

關連人士

(a) 倘有關人士出現下列情況，則該人士或該人士之近親家庭成員與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團之主要管理人員之一；

或

(b) 倘符合下列任何條件，則一間實體與本集團有關連：

- (i) 該實體與本集團屬同一集團之成員公司；
- (ii) 一間實體為另一實體之聯營公司或合資企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合資企業)；
- (iii) 該實體與本集團均為同一第三方之合資企業；
- (iv) 一間實體為第三方實體之合資企業，而另一實體為該第三方實體之聯營公司；
- (v) 該實體乃為本集團或與本集團有關連之實體就僱員福利而設立之離職後福利計劃；
- (vi) 該實體受(a)所識別人士控制或共同控制；
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體之母公司)主要管理人員之一；及
- (viii) 該實體或其所屬集團之任何成員公司向報告實體或報告實體之母公司提供主要管理人員服務。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Related party (continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. SIGNIFICANT JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) Critical accounting judgements in applying the Group's accounting policies

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

Classification of inventories

The Group holds certain cultural products for resale in the ordinary course of business. Although the value of cultural products may appreciate over time, it is the Group's intention to hold such assets for trading. Accordingly, those items of cultural products are classified as inventories under current assets.

(b) 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 and liabilities within the next financial year.

3. 主要會計政策(續)

關連人士(續)

個別人士之近親家庭成員乃指在處理與實體交易時可能對該人士施予影響或被該人士影響之親屬成員。

4. 重大判斷及估計不確定性之主要來源

(a) 應用本集團會計政策之主要會計判斷

於應用本集團會計政策時，管理層已作出以下會計判斷：

存貨之分類

本集團持有若干文化產品於日常業務過程作轉售用途。雖然文化產品或會隨時間升值，本集團擬持有該等資產作交易用途。因此，該等文化產品項目分類為流動資產項下之存貨。

(b) 估計不確定性之主要來源

以下為有關未來之主要假設，以及於報告期完結時對估計不確定性之其他主要來源，此等假設及來源或有導致資產及負債之賬面值於下一個財政年度出現重大調整之重大風險。

4. SIGNIFICANT JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Sources of estimation uncertainty (continued)

Estimated impairment of development costs for systems and networks and deposits

Determining whether development costs for systems and networks, and deposits are impaired requires an estimation of the value in use on a project-by-project basis. The value in use calculation requires the Group to estimate the future cash flow expected to arise from the continuing use of the assets or since successful launch of technology projects and a suitable discount rate in order to calculate the present value. The Group estimates its cash flow projection covering a period up to five years based on financial budgets approved by management and a discount rate ranging from 10% to 25% (2016: 10% to 25%) per annum.

During the year ended 30 June 2017, the Directors have continuously studied the market conditions of the information technology industry with the intention to invest in leading technologies with high earning potential. However, other than those systems owned and developed by Multitone, the Directors had not been able to establish whether the rest of the systems owned by the Group were still able to generate any revenue to the Group, especially after the granting to independent third parties during the year ended 30 June 2016 the non-exclusive right to exploit and use the design of certain of the Group's developed systems and networks. Noting that no revenue was generated from the systems sales and licensing segment in Asia pacific region during the year, the Directors considered it prudent not to project for any positive cash flow from those systems in the foreseeable future. Therefore, management decided not to make any further investment into the existing development projects in Asia pacific region but will maintain its investment in the European region as the relevant technologies are still developing well and the management of Multitone has kept increasing its market share in different parts of Europe. The Directors consider it is not a discontinued operation during the year ended 30 June 2017.

4. 重大判斷及估計不確定性之主要來源(續)

(b) 估計不確定性之主要來源(續)

系統及網絡開發成本與按金之減值估算

釐定系統及網絡開發成本與按金是否減值，須按各項目之使用價值作出估計。計算使用價值時，本集團須估計自持續使用資產或自成功推出科技項目後預期產生之未來現金流及以適當貼現率計算現值。本集團根據已經管理層批核之財務預算按每年介乎10%至25%之貼現率(二零一六年：10%至25%)對涵蓋五年期間之現金流預測作出估算。

截至二零一七年六月三十日止年度，董事持續研究資訊科技行業之市場狀況，擬投資具高盈利潛力之領先技術。然而，除Multitone擁有及開發之系統外，尤其是於截至二零一六年六月三十日止年度授予獨立第三方非獨家權利以開發及採用部份本集團開發系統及網絡設計後，董事未能確定本集團擁有之其餘系統是否仍然為本集團產生任何收益。董事注意到本年度系統銷售及特許權分類業務並無於亞太地區產生任何收益，認為預測於可見將來該等系統不會產生任何正現金流為審慎之舉。因此，管理層決定不會進一步投資亞太地區現有開發項目，惟將維持於歐洲地區之投資，此乃由於相關技術仍處良好發展階段，且Multitone管理層不斷增加其於歐洲不同地區之市場份額。董事認為，於截至二零一七年六月三十日止年度該業務並非已終止經營業務。

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4. SIGNIFICANT JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

(b) Sources of estimation uncertainty (continued)

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. A considerable level of judgement is exercised by the management when assessing the credit worthiness and past collection history of each individual customer. Any increase or decrease in the impairment losses for bad and doubtful debts could affect profit or loss in future years. As at 30 June 2017, the carrying amount of trade receivables was HK\$17,833,000 (2016: HK\$23,729,000).

Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market price of similar products and historical experience of distributing and selling products of similar nature. It could change significantly as a result of market condition. Management assesses the estimations at each reporting date.

At 30 June 2017, the carrying amount of the Group's inventories was HK\$1,658,321,000 (2016: HK\$3,397,308,000).

4. 重大判斷及估計不確定性之主要來源(續)

(b) 估計不確定性之主要來源(續)

應收貿易賬款之減值估算

倘有客觀證據顯示已出現減值虧損，本集團會考慮對未來現金流作出估算。管理層於評估個別客戶之信用及過往收款記錄時須涉及相當程度之判斷。呆壞賬減值虧損之增減均可能影響未來財政年度之損益。於二零一七年六月三十日，應收貿易賬款之賬面值為17,833,000港元(二零一六年：23,729,000港元)。

存貨之可變現淨值

存貨之可變現淨值按日常業務過程中之估計售價減估計完成交易成本及銷售開支計算。該等估算乃根據類似產品之現行市價及分銷與銷售類似性質產品之過往經驗而作出，並會因應市況而發生重大變化。管理層於各報告日期評估該等估算。

於二零一七年六月三十日，本集團存貨之賬面值為1,658,321,000港元(二零一六年：3,397,308,000港元)。

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5. FINANCIAL INSTRUMENTS

Categories of financial instruments

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-------------------------------|----------------------------------|----------------------------------|
| Financial assets | 金融資產 | | |
| Loans and receivables (including deposits, bank balances and cash) | 貸款及應收賬款 (包括存款、銀行結餘 及現金) | 111,756 | 108,623 |
| Financial liabilities | 金融負債 | | |
| Trade and other payables | 應付貿易及其他賬款 | 34,895 | 29,124 |
| Amount due to a director | 應付一名董事款項 | 3,000 | — |
| Bank borrowings | 銀行借貸 | 3,636 | 7,354 |
| Amortised cost | 攤銷成本 | 41,531 | 36,478 |

Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, deposits, bank balances and cash, trade and other payables, interest bearing bank borrowings and amount due to a director. 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.

財務風險管理目標及政策

本集團之主要金融工具包括應收貿易及其他賬款、存款、銀行結餘及現金、應付貿易及其他賬款、計息銀行借貸以及應付一名董事款項。該等金融工具之詳情載於各相關附註。與該等金融工具相關之風險及如何減低該等風險之政策載於下文。管理層管理及監控該等風險，以確保可適時有效地採取適當措施。

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5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Credit risk

As at 30 June 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk in relation to trade receivables, the management of the Group will only allow customers with good credit history to pay on credit. In addition, the management reviews the recoverable amount of each individual trade debt at the end of the reporting period, taking into account of future discounted cash flows, to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the Directors consider that the Group's credit risk is significantly reduced.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk. Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Liquidity risk

In managing the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowings and the compliance of loan covenants.

5. 金融工具(續)

財務風險管理目標及政策(續)

信貸風險

於二零一七年六月三十日，本集團因交易對方若未能履行責任導致本集團產生財務損失而須承受之最大信貸風險，乃由綜合財務狀況表所列個別已確認金融資產之賬面值產生。

為盡量減低有關應收貿易賬款之信貸風險，本集團管理層僅向具有良好信貸記錄之客戶提供信貸。此外，管理層於報告期完結時審閱各個別貿易債項之可收回金額，並計及貼現未來現金流，以確保已就不可收回金額作出足夠減值虧損。就此而言，董事認為本集團之信貸風險已大幅降低。

除存入數間具高信貸評級的銀行的流動資金的集中信貸風險外，本集團並無任何其他重大集中信貸風險。應收貿易賬款由數目繁多，散佈在不同行業及地區之客戶組成。流動資金之信貸風險有限，原因是交易對方為獲國際信貸評級機構授予高信貸評級之銀行。

流動資金風險

就流動資金風險管理而言，本集團監控及維持現金及現金等額至管理層認為充裕之水平，以為本集團營運撥付資金，並減低現金流波動所帶來之影響。管理層監察借貸使用情況及確保遵守貸款契約。

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5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The following table details the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. 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. Specifically, bank borrowings with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The table includes both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount of interest payment is estimated based on the interest rate at the end of the reporting period.

5. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

按所協定償還條款，下表詳列本集團各金融負債之剩餘合約年期。列表乃按本集團最早可被要求償還之金融負債未貼現現金流列示。具體而言，載有按通知償還條款之銀行借貸，不論銀行選擇行使其權利之可能性高低，均會計入最早時段。其他非衍生金融負債之到期日以所協定償還日期為基礎。列表包括利息及本金之現金流。

按浮動利率計算之利息乃根據報告期完結時之利率估算未貼現利息付款金額。

| | | Effective interest rates | Within one year or on demand | 1-2 years | 2-5 years | Total undiscounted cash flows | Carrying amount at 30 June 2017 |
|--------------------------|-----------|--------------------------|------------------------------|-------------------------|-------------------------|---------------------------------|--|
| | | 實際利率 % 百分比 | 1年內或按通知 HK\$'000 千港元 | 1至2年 HK\$'000 千港元 | 2至5年 HK\$'000 千港元 | 未貼現 現金流總額 HK\$'000 千港元 | 於 二零一七年 六月三十日 之賬面值 HK\$'000 千港元 |
| 2017 | 二零一七年 | | | | | | |
| Trade and other payables | 應付貿易及其他賬款 | — | 34,895 | — | — | 34,895 | 34,895 |
| Amount due to a director | 應付一名董事款項 | — | 3,000 | — | — | 3,000 | 3,000 |
| Bank borrowings | 銀行借貸 | 2.6 | 3,688 | — | — | 3,688 | 3,636 |
| | | | 41,583 | — | — | 41,583 | 41,531 |

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5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Liquidity risk (continued)

| | Effective interest rates | Within one year or on demand | 1-2 years | 2-5 years | Total undiscounted cash flows | Carrying amount at 30 June 2016 |
|--------------------------|--------------------------|------------------------------|-------------------------|-------------------------|---------------------------------|--|
| | 實際利率 % 百分比 | 1年內或按通知 HK\$'000 千港元 | 1至2年 HK\$'000 千港元 | 2至5年 HK\$'000 千港元 | 未貼現 現金流總額 HK\$'000 千港元 | 於 二零一六年 六月三十日 之賬面值 HK\$'000 千港元 |
| 2016 | | | | | | |
| Trade and other payables | — | 29,124 | — | — | 29,124 | 29,124 |
| Bank borrowings | 2.8 | 3,823 | 3,728 | — | 7,551 | 7,354 |
| | | 32,947 | 3,728 | — | 36,675 | 36,478 |

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings and bank deposits. The interest on bank loans is mainly based on London Inter-bank Offered Rate. The Group does not enter into any arrangement to hedge cash flow interest rate risk. However, the management monitors interest rate exposure and will consider hedging significant interest rate risk should the need arises.

5. 金融工具(續)

財務風險管理目標及政策(續)

流動資金風險(續)

倘浮動利率之變動與於報告期完結時釐定之利率估計有異，則上文所載有關非衍生金融負債浮動利率工具之金額會有所變動。

利率風險

本集團面對有關浮息銀行借貸及銀行存款之現金流利率風險。銀行貸款利息主要按倫敦銀行同業拆息計算。本集團目前並無訂立任何安排以對沖現金流利率風險。然而，管理層會密切監控利率風險，並於需要時將考慮對重大利率風險實施對沖操作。

5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for variable-rate deposits, bank balances and bank borrowings at the end of the reporting period. The analysis is prepared assuming that the amount of balances outstanding at the end of the reporting period was outstanding for the whole year. A 10 basis points (2016: 10 basis points) increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points (2016: 10 basis points) higher or lower and all other variables were held constant, the Group's profit after tax for the year ended 30 June 2017 would increase or decrease by approximately HK\$73,000 (2016: increase or decrease by HK\$66,000).

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

Foreign currency risk

Foreign currency risk refers to the risk that movement in foreign currency exchange rate which will affect the Group's financial results and its cash flows. Certain trade receivables and bank balances of the Group and intra-group current accounts are denominated in foreign currencies. The Group does not engage in any foreign currency hedging instruments. It is the Group's policy to manage foreign currency risk through matching foreign currency income with expense, and where exposure to foreign exchange is anticipated, appropriate hedging instruments will be used.

Several subsidiaries of the Company have foreign currency denominated monetary assets and liabilities, which expose the Group to foreign currency risk.

5. 金融工具(續)

財務風險管理目標及政策(續)

利率風險(續)

敏感度分析

以下敏感度分析以浮息存款、銀行結餘以及銀行借貸於報告期完結時所承受之利率風險而釐定。此分析編製時假設於報告期完結時未償還之結餘為全年均未償還金額。利用10基點(二零一六年：10基點)之增減，代表管理層對利率之合理可能變動作出之評估。

倘利率上升或下跌10基點(二零一六年：10基點)而所有其他可變因素維持不變，則本集團截至二零一七年六月三十日止年度之稅後溢利會增加或減少約73,000港元(二零一六年：增加或減少約66,000港元)。

管理層認為年結日之風險並無反映年內之風險，故敏感度分析並不代表固有利率風險。

外幣風險

外幣風險指將影響本集團財務業績及其現金流之外幣匯率變動風險。本集團若干應收貿易賬款及銀行結餘以及集團內成員公司間之往來賬乃以外幣計值。本集團並無涉及任何外幣對沖工具。本集團之一貫政策是透過配對外幣收入及支出管理其外匯風險，當預期要面對外匯風險時，將採用合適之對沖工具。

本公司多間附屬公司持有以外幣計值之貨幣資產及負債，令本集團面對外幣風險。

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5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

The carrying amounts of the group entities' foreign currency denominated monetary assets and monetary liabilities (including intra-group current accounts) at the reporting date are as follows:

| | | 2017 二零一七年 | | 2016 二零一六年 | |
|----------------------|-----|---------------------------------|--------------------------------------|---------------------------------|--------------------------------------|
| | | Assets 資產 HK\$'000 千港元 | Liabilities 負債 HK\$'000 千港元 | Assets 資產 HK\$'000 千港元 | Liabilities 負債 HK\$'000 千港元 |
| Euro | 歐元 | 14,415 | — | 10,204 | — |
| Hong Kong dollar | 港元 | 1,684 | — | 18,561 | 3,029 |
| Pound Sterling | 英鎊 | 855 | — | 593 | — |
| Macau Pataca | 澳門幣 | 5,624 | — | 395 | — |
| United States dollar | 美元 | 394 | — | 922 | — |

Sensitivity analysis

The group entities are mainly exposed to foreign currency risk from Euro and Pound Sterling. Under the pegged exchange rate system, the financial exposure on exchange rate fluctuation between Hong Kong dollar and Macau Pataca is considered insignificant by the Directors and therefore no sensitivity analysis has been prepared.

5. 金融工具(續)

財務風險管理目標及政策(續)

外幣風險(續)

本集團各實體以外幣計值之貨幣資產及貨幣負債(包括集團內成員公司間之往來賬)於報告日期之賬面值如下:

敏感度分析

集團實體主要承擔之外幣風險來自歐元及英鎊。在聯繫匯率機制下，董事認為港元與澳門幣匯率波動之財務風險極微，因此並無編製敏感度分析。

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5. FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives and policies (continued)

Foreign currency risk (continued)

Sensitivity analysis (continued)

The following table details the group entities' sensitivity to a 5% (2016: 5%) increase and decrease in Euro and Pound Sterling against each group entity's functional currency. 5% (2016: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2016: 5%) change in foreign currency rates. A positive number below indicates an increase in profit before taxation where Euro and Pound Sterling strengthen 5% (2016: 5%) against each group entity's functional currency. For a 5% (2016: 5%) weakening of Euro and Pound Sterling against each group entity's functional currency, there would be an equal and opposite impact on the profit.

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|----------------|----|----------------------------------|----------------------------------|
| Euro | 歐元 | 721 | 510 |
| Pound Sterling | 英鎊 | 43 | 30 |

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

Fair value of financial assets and financial liabilities

The Directors consider the carrying amounts of financial assets and liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

5. 金融工具(續)

財務風險管理目標及政策(續)

外幣風險(續)

敏感度分析(續)

下表詳細說明集團實體對歐元及英鎊兌各集團實體之功能貨幣之匯率上調及下調5% (二零一六年: 5%) 之敏感度。5% (二零一六年: 5%) 乃為在集團內部向主要管理人員報告外幣風險時所採用之敏感度比率，其代表管理層對外匯匯率合理可能變動之評估。敏感度分析僅包括以外幣計值之未結付貨幣項目，並因外匯匯率變動5% (二零一六年: 5%) 對其年結之換算作出調整。以下正值顯示倘歐元及英鎊兌各集團實體功能貨幣升值5% (二零一六年: 5%) 時會令除稅前溢利上升。倘歐元及英鎊兌各集團實體功能貨幣貶值5% (二零一六年: 5%)，則會對溢利構成相同程度之相反影響。

管理層認為，敏感度分析並未能代表固有外匯風險，乃由於年結時風險並不反映年內風險。

金融資產及金融負債之公平價值

董事認為按攤銷成本於綜合財務報告列賬之金融資產及負債之賬面值與其公平價值相若。

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6. REVENUE AND SEGMENT INFORMATION

(a) Revenue

Revenue represents the amounts received and receivable for goods sold and services provided by the Group to external customers, licensing fees and leasing income received and receivable during the year.

The revenue of the Group comprises the following:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---------------------------------------|-----------|----------------------------------|----------------------------------|
| Sales of cultural products | 銷售文化產品 | — | 522,709 |
| Sales of systems and related products | 銷售系統及相關產品 | 92,737 | 583,010 |
| Licensing fees (note) | 特許權費(附註) | — | 927,399 |
| Rendering of services | 提供服務 | 26,270 | 31,398 |
| Leasing of systems products | 租賃系統產品 | 21,847 | 25,910 |
| | | 140,854 | 2,090,426 |

Note: On 6 April 2016, the Group entered into agreements with various independent third parties granting them non-exclusive rights to exploit and use the design of the Group's systems and networks where the parties may freely assign, transfer, delegate, sub-contract or sub-license any of their rights by giving notice to the Group. During the year ended 30 June 2016, the Group received an aggregated income of HK\$792,285,000, which was non-refundable, and such income was included in licensing fees income.

6. 收益及分類資料

(a) 收益

收益指年內本集團就向外界顧客出售產品及提供服務之已收及應收款項、已收及應收特許權費用及租賃收入。

本集團之收益包括下列各項：

| | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------|----------------------------------|----------------------------------|
| 銷售文化產品 | — | 522,709 |
| 銷售系統及相關產品 | 92,737 | 583,010 |
| 特許權費(附註) | — | 927,399 |
| 提供服務 | 26,270 | 31,398 |
| 租賃系統產品 | 21,847 | 25,910 |
| | 140,854 | 2,090,426 |

附註：於二零一六年四月六日，本集團與多名獨立第三方簽訂協議授予他們非獨家權利以開發及採用本集團系統及網絡設計，此合約各方可在知會本集團的情況下，自行分配、轉讓、委託、分判或再授權任何其各自之權利。截至二零一六年六月三十日止年度本集團收取合共792,285,000港元之總收入為不可退回，此收入包括於特許權費收益內。

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6. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment information

The operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies conforming to HKFRSs, which are regularly reviewed by the executive directors of the Company, for the purpose of allocating resources to segments and assessing their performance. Three operating and reportable segments under HKFRS 8 Operating Segments are identified as follows:

- Sales of cultural products — includes income from trading of cultural products
- Systems sales and licensing — includes income from sales of systems and related products, software licensing and customisation and provision of related services
- Leasing of systems products — includes income from leasing of systems products

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in the consolidated financial statements. Segment results represent the loss before taxation earned by each reportable segment, excluding interest income, finance costs, unallocated income and expenses such as central administration costs and directors' salaries. This is the measure reported to the executive directors of the Company, the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance.

6. 收益及分類資料(續)

(b) 分類資料

經營分類乃根據符合香港財務報告準則之會計政策而制定之內部管理報告識別，並由本公司執行董事定期審閱以分配資源予各分類並評估其表現。按香港財務報告準則第8號經營分類，三個經營及可報告分類劃分如下：

- 銷售文化產品 — 包括文化產品貿易之收入
- 系統銷售及特許權 — 包括銷售系統及相關產品、軟件特許權及訂製以及提供相關服務之收入
- 租賃系統產品 — 包括租賃系統產品之收入

經營及可報告分類之會計政策與綜合財務報告所述之本集團會計政策相同。分類業績指各可報告分類所賺取之除稅前虧損，不包括利息收入、財務成本、未分配之收入及開支(如中央行政成本及董事薪酬等)。此乃向本公司執行董事 — 主要經營決策者 — 報告之計量方式，以供其作出資源分配及評估分類表現。

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6. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment information (continued)

Information regarding the above segments is reported below:

6. 收益及分類資料(續)

(b) 分類資料(續)

有關上述分類資料呈報如下：

| | | Sales of cultural products 銷售文化 產品 HK\$'000 千港元 | Systems sales and licensing 系統銷售 及特許權 HK\$'000 千港元 | Leasing of systems products 租賃系統 產品 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|-------------------------------------|------------|---|--|--|---------------------------------------|
| Year ended | 截至二零一七年 | | | | |
| 30 June 2017 | 六月三十日止年度 | | | | |
| REVENUE | 收益 | | | | |
| External and total revenue | 對外銷售及總收益 | — | 119,007 | 21,847 | 140,854 |
| RESULTS | 業績 | | | | |
| Segment result | 分類業績 | (1,740,595) | (8,891) | 3,045 | (1,746,441) |
| Interest income | 利息收入 | | | | 180 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | | | | 2,167 |
| Finance costs | 財務成本 | | | | (146) |
| Unallocated expenses, net | 未分配開支 — 淨額 | | | | (11,935) |
| Loss before taxation | 除稅前虧損 | | | | (1,756,175) |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment information (continued)

| | Sales of cultural products 銷售文化 產品 HK\$'000 千港元 | Systems sales and licensing 系統銷售 及特許權 HK\$'000 千港元 | Leasing of systems products 租賃系統 產品 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|-------------------------------------|---|--|--|---------------------------------------|
| Year ended | 截至二零一六年 | | | |
| 30 June 2016 | 六月三十日止年度 | | | |
| REVENUE | 收益 | | | |
| External and total revenue | 522,709 | 1,541,807 | 25,910 | 2,090,426 |
| RESULTS | 業績 | | | |
| Segment result | 78,064 | (98,443) | 3,511 | (16,868) |
| Interest income | 利息收入 | | | 3,373 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | | | 11,773 |
| Finance costs | 財務成本 | | | (350) |
| Unallocated expenses, net | 未分配開支 — 淨額 | | | (15,677) |
| Loss before taxation | 除稅前虧損 | | | (17,749) |

6. 收益及分類資料(續)

(b) 分類資料(續)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6. REVENUE AND SEGMENT INFORMATION

(continued)

(b) Segment information (continued)

| | | Sales of cultural products 銷售文化 產品 HK\$'000 千港元 | Systems sales and licensing 系統銷售 及特許權 HK\$'000 千港元 | Leasing of systems products 租賃系統 產品 HK\$'000 千港元 | Consolidated 綜合 HK\$'000 千港元 |
|---|--------------------|---|--|--|---------------------------------------|
| Year ended | 截至二零一七年 | | | | |
| 30 June 2017 | 六月三十日止年度 | | | | |
| Amounts included in the measure of segment profit or loss: | 用於計量分類溢利或虧損之金額： | | | | |
| Amortisation and depreciation | 攤銷及折舊 | — | 14,318 | 1,334 | 15,652 |
| Impairment losses recognised for inventories | 就存貨所確認之減值虧損 | 1,740,108 | — | — | 1,740,108 |
| Impairment losses recognised for development costs for systems and networks | 就系統及網絡開發成本所確認之減值虧損 | — | 14,650 | — | 14,650 |

| | | | | | |
|---|--------------------|---|---------|-------|---------|
| Year ended | 截至二零一六年 | | | | |
| 30 June 2016 | 六月三十日止年度 | | | | |
| Amounts included in the measure of segment profit or loss: | 用於計量分類溢利或虧損之金額： | | | | |
| Amortisation and depreciation | 攤銷及折舊 | — | 501,025 | 2,326 | 503,351 |
| Impairment losses recognised for development costs for systems and networks | 就系統及網絡開發成本所確認之減值虧損 | — | 633,604 | — | 633,604 |

No assets and liabilities are included in segment reporting as they are not regularly reviewed by the executive directors of the Company.

由於本公司執行董事未有就資產及負債作出定期審閱，故未有將其納入於分類報告內計量。

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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6. REVENUE AND SEGMENT INFORMATION

(continued)

(c) Geographical information

The following table provides an analysis of the Group's revenue and non-current assets by location of customers and by location of assets respectively:

| | Revenue | | Non-current assets | | |
|---|------------------------|----------|--------------------|----------|--------|
| | 收益 | | 非流動資產 | | |
| | Year ended 30 June | | As at 30 June | | |
| | 截至六月三十日止年度 | | 於六月三十日 | | |
| | 2017 | 2016 | 2017 | 2016 | |
| | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 | |
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | |
| | 千港元 | 千港元 | 千港元 | 千港元 | |
| People's Republic of China (the "PRC"), including Hong Kong and Macau | 中華人民共和國 (「中國」) 包括香港及澳門 | — | 888,695 | 11 | 21,715 |
| Europe (mainly United Kingdom and Germany) | 歐洲 (主要為英國及德國) | 140,854 | 432,571 | 31,355 | 31,814 |
| Japan | 日本 | — | 470,738 | — | — |
| Others | 其他 | — | 298,422 | — | 1,571 |
| | | 140,854 | 2,090,426 | 31,366 | 55,100 |

6. 收益及分類資料(續)

(c) 地區資料

本集團分別按客戶及資產所在地劃分之收益及非流動資產分析載列於下表：

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6. REVENUE AND SEGMENT INFORMATION

(continued)

(d) Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|------------|------|----------------------------------|----------------------------------|
| Customer A | 客戶 A | — | 458,008 |
| Customer B | 客戶 B | — | 316,992 |

Both customers contributed revenue from licensing fees during the year ended 30 June 2016.

No single customer contributed 10% or more to the Group's revenue for the year ended 30 June 2017.

截至二零一六年六月三十日止年度，兩名客戶均作出特許權費用收益貢獻。

截至二零一七年六月三十日止年度，並無單一客戶貢獻本集團收益10%或以上。

7. OTHER INCOME, GAINS AND LOSSES

7. 其他收入、收益及虧損

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---------------------------|-------------|----------------------------------|----------------------------------|
| Interest income | 利息收入 | 180 | 3,373 |
| Exchange gain/(loss), net | 匯兌收益/(虧損)淨額 | 227 | (2,624) |
| Others | 其他 | 3,480 | 3,327 |
| | | 3,887 | 4,076 |

8. FINANCE COSTS

8. 財務成本

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------------------------|---------|----------------------------------|----------------------------------|
| Interest on bank borrowings | 銀行借貸之利息 | 146 | 350 |

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9. LOSS BEFORE TAXATION

9. 除稅前虧損

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|--------------------------------|----------------------------------|----------------------------------|
| Loss before taxation has been arrived at after charging: | 除稅前虧損已扣除： | | |
| Directors' remuneration (note 10(a)) | 董事酬金(附註 10(a)) | 1,203 | 5,098 |
| Staff costs excluding directors' remuneration | 僱員成本(不包括董事酬金) | 69,800 | 84,272 |
| Retirement benefit scheme contributions other than directors | 退休福利計劃供款(董事除外) | 5,357 | 5,301 |
| Total staff costs | 僱員成本總額 | 76,360 | 94,671 |
| Amortisation of development costs for systems and networks, included in cost of sales (note 16) | 系統及網絡開發成本之攤銷(計入銷售成本內)(附註 16) | 7,044 | 492,515 |
| Depreciation of property, plant and equipment, included in general and administrative expenses (note 15) | 物業、廠房及設備之折舊(計入一般及行政支出內)(附註 15) | 8,608 | 10,836 |
| Total amortisation and depreciation | 攤銷及折舊總額 | 15,652 | 503,351 |
| Auditor's remuneration | 核數師酬金 | 2,531 | 2,587 |
| Cost of inventories recognised as expense | 已確認為支出之存貨成本 | 60,792 | 881,691 |
| Minimum lease payments paid under operating leases in respect of: | 按照經營租賃已付之最低租賃付款額包括： | | |
| Rented premises | 租賃物業 | 1,892 | 2,105 |
| Motor vehicles | 汽車 | 2,834 | 2,139 |

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

二零一七年六月三十日 30 JUNE 2017

10. DIRECTORS' REMUNERATION, INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors and chief executive's remuneration

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefit of Directors) Regulation are as follows:

Year ended 30 June 2017

10. 董事酬金、最高薪人士及高層管理人員之酬金

(a) 董事及行政總裁之酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部，有關董事酬金之資料披露如下：

截至二零一七年六月三十日止年度

| | Fees | Salaries and other benefits | Performance related incentive payments | Retirement benefit scheme contributions | Total directors' emoluments |
|--|-----------------------------|-----------------------------|--|---|-----------------------------|
| | 袍金 | 薪金及其他福利 | 按工作表現發放之獎金 | 退休福利計劃供款 | 董事酬金總額 |
| | 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 |
| | | | (note (xi)) (附註(xi)) | | |
| Executive directors | 執行董事 | | | | |
| Mr. Cheng Yang (note (i)) | 程揚先生(附註(i)) | 40 | — | 3 | 43 |
| Mr. Liu Ka Lim (note (ii)) | 廖嘉濂先生(附註(ii)) | 40 | — | 3 | 43 |
| Ms. Lei Lei (note (iii)) | 雷蕾女士(附註(iii)) | 12 | — | 1 | 13 |
| Mr. Lin Xiang (note (iii)) | 林祥先生(附註(iii)) | 12 | — | 1 | 13 |
| Prof. Paul Kan Man Lok (note (iv)) | 簡文樂教授(附註(iv)) | — | 28 | — | 28 |
| Mr. Lai Yat Kwong (note (v)) | 黎日光先生(附註(v)) | — | 27 | — | 27 |
| Ms. Shirley Ha Suk Ling (note (vi)) | 夏淑玲女士(附註(vi)) | — | 396 | 9 | 613 |
| Non-executive director | 非執行董事 | | | | |
| Mr. Leo Kan Kin Leung (note (vii)) | 簡堅良先生(附註(vii)) | 2 | 5 | — | 7 |
| Independent non-executive directors | 獨立非執行董事 | | | | |
| Mr. Frank Bleackley (note (viii)) | Frank Bleackley先生(附註(viii)) | 50 | 49 | — | 99 |
| Prof. Julia Tsuei Jo (note (vi)) | 崔玖教授(附註(vi)) | 23 | 22 | — | 45 |
| Ms. Miranda Ho Mo Han | 何慕嫻女士 | 78 | 78 | — | 156 |
| Mr. Yang Rusheng (note (ix)) | 楊如生先生(附註(ix)) | 110 | — | — | 110 |
| Mr. Clayton Ip (note(x)) | 葉丞峰先生(附註(x)) | 6 | — | — | 6 |
| | | 373 | 605 | 17 | 1,203 |

綜合財務報告附註

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二零一七年六月三十日 30 JUNE 2017

10. DIRECTORS' REMUNERATION, INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(continued)

(a) Directors and chief executive's remuneration (continued)

Year ended 30 June 2016

| | Fees | Salaries and other benefits | Performance related incentive payments | Retirement benefit scheme contributions | Total directors' emoluments |
|--|-----------------------|-----------------------------|--|---|-----------------------------|
| | 袍金 HK\$'000 千港元 | 薪金及其他福利 HK\$'000 千港元 | 按工作表現發放之獎金 HK\$'000 千港元 (note (xi)) (附註(xi)) | 退休福利計劃供款 HK\$'000 千港元 | 董事酬金總額 HK\$'000 千港元 |
| Executive directors | | | | | |
| Prof. Paul Kan Man Lok (note (iv)) | — | 57 | 3,300 | — | 3,357 |
| Mr. Lai Yat Kwong (note (v)) | — | 57 | — | — | 57 |
| Ms. Shirley Ha Suk Ling (note (vi)) | — | 876 | 465 | 18 | 1,359 |
| Non-executive director | | | | | |
| Mr. Leo Kan Kin Leung (note (vii)) | 5 | 20 | — | — | 25 |
| Independent non-executive directors | | | | | |
| Mr. Frank Bleackley (note (viii)) | 50 | 50 | — | — | 100 |
| Prof. Julia Tsuei Jo (note (vi)) | 50 | 50 | — | — | 100 |
| Ms. Miranda Ho Mo Han | 50 | 50 | — | — | 100 |
| | 155 | 1,160 | 3,765 | 18 | 5,098 |

Notes:

- (i) Mr. Cheng Yang had been appointed as an executive director and the chairman of the Board on 3 October 2016 and has resigned subsequent to the year on 15 August 2017.
- (ii) Mr. Liu Ka Lim has been appointed as an executive director on 3 October 2016.
- (iii) Ms. Lei Lei and Mr. Lin Xiang had been appointed as executive directors on 20 March 2017 and resigned subsequent to the year on 7 July 2017.

附註：

- (i) 程揚先生於二零一六年十月三日獲委任為執行董事兼主席，並於年結日後於二零一七年八月十五日辭任。
- (ii) 廖嘉濂先生於二零一六年十月三日獲委任為執行董事。
- (iii) 雷蕾女士及林祥先生於二零一七年三月二十日獲委任為執行董事，並於年結日後於二零一七年七月七日辭任。

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二零一七年六月三十日 30 JUNE 2017

10. DIRECTORS' REMUNERATION, INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(continued)

(a) Directors and chief executive's remuneration (continued)

Notes: (continued)

- (iv) Prof. Paul Kan Man Lok has resigned as an executive director and chairman of the Board on 30 September 2016.
- (v) Mr. Lai Yat Kwong has resigned as an executive director and the Chief Executive of the Company on 3 October 2016 and his emoluments disclosed above include those for services rendered by him as the Chief Executive.
- (vi) Ms. Shirley Ha Shuk Ling and Prof. Julia Tsuei Jo have retired as an executive director and independent non-executive director, respectively, on 13 December 2016.
- (vii) Mr. Leo Kan Kin Leung has resigned as a non-executive director on 3 October 2016.
- (viii) Mr. Frank Bleackley has retired as an independent non-executive director on 20 March 2017.
- (ix) Mr. Yang Rusheng had been appointed as an independent non-executive director on 13 December 2016 and has resigned subsequent to the year on 11 July 2017.
- (x) Mr. Clayton Ip has been appointed as an independent non-executive director on 14 June 2017.
- (xi) The performance related incentive payment is discretionary as recommended by the remuneration committee of the Company having regard to the Group's financial results and the performance of the Directors.
- (xii) During the year, no emolument was paid by the Group to any of the Directors as an inducement to join or upon joining the Group or retirement from employment with the Group or as compensation for loss of office (2016: nil) except for long service payment, amounted to HK\$14,000 and HK\$13,000 paid to Prof. Paul Kan Man Lok and Mr. Lai Yat Kwong respectively in 2017. None of the Directors had waived any emoluments in both years.

10. 董事酬金、最高薪人士及高層管理人員之酬金(續)

(a) 董事及行政總裁之酬金(續)

附註：(續)

- (iv) 簡文樂教授於二零一六年九月三十日辭任執行董事兼主席。
- (v) 黎日光先生於二零一六年十月三日辭任本公司執行董事兼行政總裁，其上文披露之酬金包括其履行行政總裁職務之薪酬。
- (vi) 夏淑玲女士及崔玖教授於二零一六年十二月十三日分別辭任執行董事及獨立非執行董事。
- (vii) 簡堅良先生於二零一六年十月三日辭任非執行董事。
- (viii) Frank Bleackley先生於二零一七年三月二十日退任獨立非執行董事。
- (ix) 楊如生先生於二零一六年十二月十三日獲委任為獨立非執行董事，並於本年度後於二零一七年七月十一日辭任。
- (x) 葉丞峰先生於二零一七年六月十四日獲委任為獨立非執行董事。
- (xi) 按工作表現發放之獎金屬酌情性質，由本公司之薪酬委員會建議，並參考本集團財務業績及董事工作表現而釐定。
- (xii) 年內，除向簡文樂教授及黎日光先生分別於二零一七年支付長期服務金14,000港元及13,000港元外，本集團概無向任何董事支付酬金，作為彼加入本集團或於加入本集團時之獎勵或退任本集團或離職補償(二零一六年：無)。兩個年度內，概無董事放棄任何酬金。

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10. DIRECTORS' REMUNERATION, INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(continued)

(a) Directors and chief executive's remuneration (continued)

Salaries, allowance and benefits in kind paid to or for the executive directors and non-executive director are generally emoluments paid or receivable in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

(b) Employees with highest emoluments

The five highest paid individuals of the Group included no (2016: one) director of the Company. Details of the emoluments of that director for the year ended 30 June 2017 are set out above. The aggregate emoluments of the five (2016: four) highest paid employees of the Group, not being directors of the Company, are as follows:

10. 董事酬金、最高薪人士及高層管理人員之酬金 (續)

(a) 董事及行政總裁之酬金 (續)

向執行董事及非執行董事支付或給予之薪金、津貼或實物福利一般為就該等人士提供與管理本公司及其附屬公司之事務有關之其他服務之已付或應收酬金。

(b) 最高薪僱員

本集團五名最高薪人士當中包括零名(二零一六年：一名)本公司董事，該名董事於截至二零一七年六月三十日止年度之酬金詳情載於上文。本集團其餘五名(二零一六年：四名)最高薪僱員(並非本公司董事)之酬金總額如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|------------|----------------------------------|----------------------------------|
| Salaries and other benefits | 薪金及其他福利 | 4,990 | 5,066 |
| Performance related incentive payments | 按工作表現發放之獎金 | 1,686 | 1,458 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 494 | 537 |
| | | 7,170 | 7,061 |

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10. DIRECTORS' REMUNERATION, INDIVIDUALS WITH HIGHEST EMOLUMENTS AND SENIOR MANAGEMENT'S EMOLUMENTS

(continued)

(b) Employees with highest emoluments

(continued)

Emoluments of five (2016: four) employees were within the following bands:

| | | Number of employees 僱員人數 | |
|-------------------------------|-----------------------------|-----------------------------|---------------|
| | | 2017 二零一七年 | 2016 二零一六年 |
| HK\$1,000,000 — HK\$1,500,000 | 1,000,000 港元 — 1,500,000 港元 | 3 | — |
| HK\$1,500,001 — HK\$2,000,000 | 1,500,001 港元 — 2,000,000 港元 | 2 | 4 |

There were no amounts paid during the year (2016: nil) to the five highest paid employees in connection with their retirement from employment with the Group, or inducement to join.

10. 董事酬金、最高薪人士及高層管 理人員之酬金 (續)

(b) 最高薪僱員 (續)

五名(二零一六年：四名)僱員之酬金介乎下列範圍：

年內，本集團概無向五名最高薪人士就自本集團之聘任中退任或加入獎勵而支付款項(二零一六年：無)。

11. GAIN ON DISPOSAL OF SUBSIDIARIES

Year ended 30 June 2017

On 30 August 2016, the Group disposed of its entire interest in Vision Kingdom Limited and its subsidiary, Smart (Macao Commercial Offshore) Limited to an independent third party for a consideration of HK\$3,000,000 fully satisfied by cash. The consideration was received during the year ended 30 June 2016 and has been included as other payables as at 30 June 2016.

As at 30 August 2016, the carrying amount of net assets disposed of amounted to HK\$833,000, mainly representing deposits, bank balances and cash of HK\$863,000, other receivables of HK\$58,000 and other payables of HK\$88,000. The net gain on disposal amounted to HK\$2,167,000.

Year ended 30 June 2016

On 20 April 2016, the Group agreed to dispose of its entire interest in Shenzhen Helper Science Development Company Limited. (“**Shenzhen Helper**”) to an independent third party at a consideration of RMB9,170,000 (equivalent to HK\$11,076,000) satisfied by the transfer of shares of Aspire Management Limited (“**AML**”) at a value of RMB5,340,000 (equivalent to HK\$6,450,000) and cash of RMB3,830,000 (equivalent to HK\$4,626,000). The completion date of the disposal was 27 April 2016.

11. 出售附屬公司之收益

截至二零一七年六月三十日止年度

於二零一六年八月三十日，本集團出售其於 Vision Kingdom Limited 及其附屬公司佳盛（澳門離岸商業服務）有限公司之全部股權予一名獨立第三方，代價為3,000,000港元，以現金悉數償付。該代價已於截至二零一六年六月三十日止年度收悉，並計入二零一六年六月三十日之應付其他款項。

於二零一六年八月三十日，已出售淨資產之賬面值為833,000港元，主要為按金、銀行結餘及現金863,000港元、應收其他款項58,000港元及應付其他款項88,000港元。出售之淨收益為2,167,000港元。

截至二零一六年六月三十日止年度

於二零一六年四月二十日，本集團同意出售其於深圳市恒朋科技開發有限公司（「**深圳市恒朋**」）之全部權益予獨立第三方，代價為人民幣9,170,000元（相等於11,076,000港元），透過價值人民幣5,340,000元（相等於6,450,000港元）之 Aspire Management Limited（「**AML**」）股份轉讓及現金人民幣3,830,000元（相等於4,626,000港元）償付。出售完成日期為二零一六年四月二十七日。

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11. GAIN ON DISPOSAL OF SUBSIDIARIES

(continued)

Year ended 30 June 2016 (continued)

As at 27 April 2016, the carrying amount of net assets of Shenzhen Helper was as follows:

11. 出售附屬公司之收益(續)

截至二零一六年六月三十日止年度(續)

於二零一六年四月二十七日，深圳市恒朋賬面之資產淨值如下：

| | | HK\$'000 千港元 |
|--|--------------------|-----------------|
| Property, plant and equipment (note 15) | 物業、廠房及設備(附註 15) | 2,015 |
| Development costs for systems & networks (note 16) | 系統及網絡開發成本(附註 16) | 2,371 |
| Trade and other receivables | 應收貿易及其他賬款 | 13,084 |
| Deposits, bank balances and cash | 存款、銀行結餘及現金 | 3,119 |
| Other payables | 應付其他賬款 | (4,791) |
| Net assets disposed of | 所出售之資產淨值 | 15,798 |
| Cash consideration | 現金代價 | 4,626 |
| Consideration satisfied by shares of AML | 以 AML 股份償付之代價 | 6,450 |
| Release of translation reserve | 匯兌儲備撥回 | (783) |
| Net assets disposed of | 所出售之資產淨值 | (15,798) |
| Non-controlling interest | 非控股股東權益 | 17,128 |
| Gain on disposal of subsidiaries | 出售附屬公司之收益 | 11,623 |
| Cash consideration | 現金代價 | 4,626 |
| Bank balances and cash disposed of | 所出售之銀行結餘及現金 | (3,119) |
| Net cash inflow arising on disposal | 出售產生之現金流入淨額 | 1,507 |

As at 27 April 2016, there was an amount of HK\$27,184,000 due to Shenzhen Helper by the Group which had been eliminated in the Group's consolidated financial statements. Such amount was waived upon disposal of Shenzhen Helper and the gain was included in the gain on disposal of subsidiaries above.

On 28 June 2016, the Group disposed of Good Holdings Limited ("GHL") and Peak Vantage Limited ("PVL") to an independent third party at a cash consideration of HK\$100,000 and HK\$50,000 respectively.

As at 28 June 2016, the carrying amount of net asset of each of GHL and PVL was nil. The net gain on disposal of these subsidiaries was HK\$150,000. The net cash inflow arising on disposal of these subsidiaries was HK\$150,000.

於二零一六年四月二十七日，相當於 27,184,000 港元之本集團應付深圳市恒朋賬款已於本集團綜合財務報告中對銷。此賬款於出售深圳市恒朋時被免除，有關收益已包括於上文出售附屬公司之收益內。

於二零一六年六月二十八日，本集團出售 Good Holdings Limited (「GHL」) 及 Peak Vantage Limited (「PVL」) 予獨立第三方，現金代價分別為 100,000 港元及 50,000 港元。

於二零一六年六月二十八日，GHL 及 PVL 賬面之資產淨值為零。出售該等附屬公司所得之收益淨額為 150,000 港元。出售該等附屬公司產生之現金流入淨額為 150,000 港元。

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12. INCOME TAX EXPENSE

12. 所得稅支出

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|-----------------|----------------------------------|----------------------------------|
| Current tax expense: | 即期稅項支出： | | |
| — United Kingdom (“UK”) corporate income tax | — 英國(「英國」)企業所得稅 | 272 | — |
| — Germany corporate income tax | — 德國企業所得稅 | 129 | — |
| — Malaysia corporate income tax | — 馬來西亞企業所得稅 | 4 | — |
| | | 405 | — |

The UK corporation income tax rate was reduced from 20% to 19% effective from 1 April 2017. UK corporate income tax is calculated at 19% and 20% (2016: 20%) on the estimated assessable profit derived from UK.

由二零一七年四月一日起，英國企業所得稅自20%減至19%。英國企業所得稅乃以源自英國之估計應課稅溢利按19%及20%（二零一六年：20%）之稅率計算。

Pursuant to the rules and regulations of Germany, the Group is subjected to corporate income tax at 15% (2016: 15%) of the assessable profit of the subsidiary which carried on business in Germany.

根據德國之法規及規例，本集團須就於德國進行業務之附屬公司之應課稅溢利按15%（二零一六年：15%）之稅率繳納企業所得稅。

Pursuant to the rules and regulations of Malaysia, the Group is subjected to corporate income tax at 24% (2016: 24%) of the assessable profit of the subsidiary which carried on business in Malaysia.

根據馬來西亞之法規及規例，本集團須就於馬來西亞進行業務之附屬公司之應課稅溢利按24%（二零一六年：24%）之稅率繳納企業所得稅。

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years. There is no estimates assessable profit for PRC Enterprise Income Tax for both years.

根據中華人民共和國企業所得稅法(「企業所得稅法」)及企業所得稅法實施條例，中國之附屬公司於兩年內之稅率均為25%。兩個年度均無就中國企業所得稅估計應課稅溢利。

Hong Kong Profits Tax is calculated at 16.5% (2016: 16.5%) on the estimated assessable profits derived from Hong Kong. There was no estimated assessable profit for Hong Kong Profits Tax for both years.

香港利得稅乃以源自香港之估計應課稅溢利按16.5%（二零一六年：16.5%）之稅率計算。於兩年內，就香港利得稅並無估計應課稅溢利。

The low effective tax rate is attributable to the fact that a substantial portion of the Group’s profit neither arose in, nor was derived from, Hong Kong and was accordingly not subject to Hong Kong Profits Tax and such profit was either exempt from Macau income tax or not subject to taxation in any other jurisdictions.

實際稅率偏低之原因為本集團大部分溢利既非於香港賺取，亦非源自香港，故毋須繳納香港利得稅，而此等溢利已獲豁免澳門所得稅或毋須於其他司法地區繳納任何稅項。

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12. INCOME TAX EXPENSE (continued)

The taxation for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 (Restated) (經重列) |
|---|------------------------------------|----------------------------------|---|
| Loss before taxation | 除稅前虧損 | (1,756,175) | (17,749) |
| Tax at Hong Kong Profits Tax rate of 16.5% (2016: 16.5%) | 按香港利得稅率 16.5% (二零一六年: 16.5%) 計算之稅項 | (289,769) | (2,929) |
| Effect of different tax rates of subsidiary operating in other jurisdiction | 於其他司法地區經營之附屬公司之不同稅率之影響 | 204 | 81 |
| Tax effect of profit not subject to tax or exempted in other jurisdiction | 於其他司法地區毋須課稅或獲豁免繳稅溢利之稅務影響 | (2,320) | (11,943) |
| Tax effect of expenses not deductible for tax purposes | 毋須就稅務目的扣減之開支之稅務影響 | 290,499 | 10,870 |
| Utilisation of tax loss previously not recognised | 動用過往未確認之稅項虧損 | (569) | — |
| Tax effect of tax losses not recognised | 未確認稅項虧損之稅務影響 | 2,360 | 3,214 |
| Others | 其他 | — | 707 |
| Taxation for the year | 本年度之稅項 | 405 | — |

12. 所得稅支出(續)

本年度之稅項與綜合損益及其他全面收益表之除稅前虧損對賬如下：

13. DIVIDENDS

No dividend was paid or proposed during the year ended 30 June 2017 nor has any dividend been proposed since the end of reporting period (2016: nil).

14. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company of HK\$1,756,580,000 (2016: loss of HK\$11,764,000) and on the weighted average number of shares of 986,538,000 shares (2016: 986,538,000 shares) in issue.

Diluted loss per share for the two years ended 30 June 2017 and 2016 were the same as the basic loss per share as there were no potential ordinary shares outstanding during both years.

13. 股息

截至二零一七年六月三十日止年度，並未派發或建議派發任何股息；自報告期完結後亦未建議派發任何股息(二零一六年：無)。

14. 每股虧損

每股基本虧損乃根據本年度本公司擁有人應佔虧損 1,756,580,000 港元(二零一六年：虧損為 11,764,000 港元)及已發行之加權平均股份數目 986,538,000 股(二零一六年：986,538,000 股)計算。

由於兩年內並無潛在可發行普通股，因此於截至二零一七年及二零一六年六月三十日止兩個年度內之每股經攤薄虧損與每股基本虧損相同。

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15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

| | | Land and buildings 土地及樓宇 HK\$'000 千港元 | Plant and machinery and communications networks 廠房、機器 及通信網絡 HK\$'000 千港元 | Total 合計 HK\$'000 千港元 |
|------------------------------------|-----------------|---|--|--------------------------------|
| Cost | 成本值 | | | |
| At 30 June 2015 | 於二零一五年六月三十日 | 17,305 | 357,826 | 375,131 |
| Currency realignment | 匯兌調整 | (2,381) | (51,598) | (53,979) |
| Additions | 添置 | — | 10,012 | 10,012 |
| Disposals | 出售 | — | (26,276) | (26,276) |
| Disposal of a subsidiary (note 11) | 出售一間附屬公司(附註 11) | — | (3,621) | (3,621) |
| At 30 June 2016 | 於二零一六年六月三十日 | 14,924 | 286,343 | 301,267 |
| Currency realignment | 匯兌調整 | (242) | (10,056) | (10,298) |
| Additions | 添置 | — | 7,125 | 7,125 |
| Disposals | 出售 | — | (509) | (509) |
| At 30 June 2017 | 於二零一七年六月三十日 | 14,682 | 282,903 | 297,585 |
| Depreciation and impairment | 折舊及減值 | | | |
| At 30 June 2015 | 於二零一五年六月三十日 | 4,397 | 328,984 | 333,381 |
| Currency realignment | 匯兌調整 | (1,097) | (47,589) | (48,686) |
| Provided for the year | 年內撥備 | 286 | 10,550 | 10,836 |
| Eliminated on disposals | 出售時撇除 | — | (26,064) | (26,064) |
| Disposal of a subsidiary (note 11) | 出售一間附屬公司(附註 11) | — | (1,606) | (1,606) |
| At 30 June 2016 | 於二零一六年六月三十日 | 3,586 | 264,275 | 267,861 |
| Currency realignment | 匯兌調整 | (45) | (9,804) | (9,849) |
| Provided for the year | 年內撥備 | 191 | 8,417 | 8,608 |
| Eliminated on disposals | 出售時撇除 | — | (401) | (401) |
| At 30 June 2017 | 於二零一七年六月三十日 | 3,732 | 262,487 | 266,219 |
| Carrying values | 賬面值 | | | |
| At 30 June 2017 | 於二零一七年六月三十日 | 10,950 | 20,416 | 31,366 |
| At 30 June 2016 | 於二零一六年六月三十日 | 11,338 | 22,068 | 33,406 |

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15. PROPERTY, PLANT AND EQUIPMENT

(continued)

15. 物業、廠房及設備(續)

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| The carrying values of the Group's property interests comprise: | 本集團之物業權益賬面值包括： | | |
| Freehold properties held outside Hong Kong | 於香港以外地區持有永久業權之物業 | 10,893 | 11,248 |
| Properties held outside Hong Kong under long leases (note) | 於香港以外地區持有長期契約之物業(附註) | 58 | 90 |
| | | 10,951 | 11,338 |

Note: Owner-occupied leasehold land is included in property, plant and equipment as the allocations between the land and buildings elements cannot be made reliably.

The Group leased equipment to customers on operating lease terms. As at 30 June 2017, the carrying value of such equipment, which was included in plant and machinery and communications networks, amounted to HK\$524,000 (2016: HK\$596,000).

附註：由於土地及樓宇成分不能可靠地劃分，擁有人佔用之租賃土地已計入物業、廠房及設備。

本集團按經營租賃方式租賃設備予客戶。於二零一七年六月三十日，有關設備之賬面值524,000港元(二零一六年：596,000港元)已計入廠房、機器及通信網絡內。

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16. DEVELOPMENT COSTS FOR SYSTEMS AND NETWORKS

16. 系統及網絡開發成本

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|------------------------------------|-----------------|----------------------------------|----------------------------------|
| Cost | 成本值 | | |
| At beginning of the year | 年初 | 4,641,108 | 5,353,579 |
| Currency realignment | 匯兌調整 | (7) | (908) |
| Written off | 撇銷 | — | (692,358) |
| Disposal of a subsidiary (note 11) | 出售一間附屬公司(附註 11) | — | (19,205) |
| At end of the year | 年結 | 4,641,101 | 4,641,108 |
| Amortisation and impairment | 攤銷及減值 | | |
| At beginning of the year | 年初 | 4,619,414 | 4,203,212 |
| Currency realignment | 匯兌調整 | (7) | (725) |
| Provided for the year | 年內撥備 | 7,044 | 492,515 |
| Written off | 撇銷 | — | (692,358) |
| Disposal of a subsidiary (note 11) | 出售一間附屬公司(附註 11) | — | (16,834) |
| Impairment losses recognised | 已確認減值虧損 | 14,650 | 633,604 |
| At end of the year | 年結 | 4,641,101 | 4,619,414 |
| Carrying value | 賬面值 | | |
| At end of the year | 年結 | — | 21,694 |

Development costs for systems and networks include all direct costs incurred in setting up and development of systems and networks. The Group's development costs for systems and networks are amortised over the estimated economic useful lives of 1 to 2 years (2016: 1 to 3 years).

During the year ended 30 June 2016, due to the continued poor market condition in Asia Pacific region, management conducted a strategic review of the Group's system sales and licensing segment business. On 6 April 2016, the Group entered into agreements with various independent third parties (being in the business as developers) granting them non-exclusive rights to exploit and use the design of certain of the Group's developed systems and networks for a total consideration of HK\$792,285,000, which has been included in revenue for the year ended 30 June 2016. The Group retains its rights to sell those products.

系統及網絡開發成本包括設立及開發系統及網絡之所有直接成本。本集團之系統及網絡開發成本按估計經濟可使用年期1至2年(二零一六年：1至3年)予以攤銷。

截至二零一六年六月三十日止年度，由於亞太地區市況持續疲弱，管理層對本集團有關系統銷售及特許權分類業務進行策略性審閱。於二零一六年四月六日，本集團與多名獨立第三方(作為開發商參與業務)簽訂協議授予非獨家權利以開發及採用部分本集團開發系統及網絡設計，總代價為792,285,000港元，已計入截至二零一六年六月三十日止年度收益。本集團保留其銷售該等產品之非獨家權利。

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16. DEVELOPMENT COSTS FOR SYSTEMS AND NETWORKS (continued)

Due to the arrangement of the grant of non-exclusive exploitation and design usage rights, the Group has revised certain assumptions, including the expected sales quantity and price, used for developing its budget and estimated cash flows for the development costs for system and networks. The recoverable amount based on the value in use method using the revised estimated cash flow was estimated by the management at HK\$21,694,000 and an impairment loss of HK\$633,604,000 was recognised in profit or loss for the year ended 30 June 2016. The estimated cash flows forecasts from the project covered a period of 1 to 3 years and was discounted at a rate of 10%-25% based on financial budgets approved by management.

As at the end of the year ended 30 June 2017, the directors of the Company reassessed the market conditions in Asia Pacific region for the Group's systems and networks and considered that they were worse than previously expected. Further, no revenue in Asia Pacific region was generated from the system sales and licensing segment business. Management conducted an impairment review of the Group's system sales and licensing segment business in Asia Pacific region. The impairment assessment took into account the fact that no further development costs will be provided by the Group for that segment after granting the independent third parties non-executive rights to exploit and use the design of certain of the Group's developed systems and networks during the year ended 30 June 2016. The recoverable amount based on the value in use was estimated as zero and accordingly, full impairment loss of HK\$14,650,000 was recognised in profit or loss for the year ended 30 June 2017.

16. 系統及網絡開發成本(續)

基於授出非獨家開發及設計使用權利之安排，本集團已修訂若干假設(包括預期銷量及價格)，就系統及網絡開發成本制定預算及估計現金流。管理層以使用價值計算法按經修訂估計現金流估計可收回金額為21,694,000港元，減值虧損633,604,000港元已於截至二零一六年六月三十日止年度之損益確認。項目估計現金流預測涵蓋一至三年，並根據管理層批核之財務預算按介乎10%至25%比率貼現。

於截至二零一七年六月三十日止年度末，本公司董事重估本集團系統及網絡於亞太地區之市況，認為較過往預期更差。此外，系統銷售及特許權分類業務並無於亞太地區產生任何收益。管理層對本集團於亞太地區之系統銷售及特許權分類業務進行減值審閱。減值評估已計及於截至二零一六年六月三十日止年度授予獨立第三方非獨家權利以開發及採用部份本集團已開發之系統及網絡設計後，本集團將不會就該分類進一步提供開發成本。以使用價值計算之可收回金額估計為零，因此全數減值虧損14,650,000港元已於截至二零一七年六月三十日止年度之損益確認。

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17. INVENTORIES

17. 存貨

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------------------|---------|----------------------------------|----------------------------------|
| Raw materials | 原料 | 6,602 | 6,578 |
| Work in progress | 在製品 | 5,786 | 4,243 |
| Finished goods (note) | 製成品(附註) | 1,645,933 | 3,386,487 |
| | | 1,658,321 | 3,397,308 |

Note:

- (i) Included in finished goods are cultural products, including precious stones and antiques, of HK\$1,638,975,000 (2016: HK\$3,379,083,000) which are held for trading and resale in the ordinary course of business.
- (ii) Around 82% or 117 pieces out of total 143 pieces of cultural products (2016: 82% or 117 pieces out of total 143 pieces of cultural products) are stored in museum operated by a company wholly-owned by Prof. Paul Kan Man Lok, a director and substantial shareholder of the Company up to 30 September 2016 and 1 October 2016 respectively, on consignment basis.
- (iii) In the opinion of the Directors, finished goods amounting to HK\$1,592,538,000 are not expected to be realised within one year.

附註：

- (i) 製成品包括於日常業務過程中持作轉售之文化產品(包括寶石及古董)1,638,975,000港元(二零一六年：3,379,083,000港元)。
- (ii) 合共143件文化產品中，約82%或117件(二零一六年：合共143件文化產品中，約82%或117件)乃按寄售方式存放於本公司董事兼主要股東簡文樂教授全資擁有之公司經營之博物館內，分別至二零一六年九月三十日及二零一六年十月一日止。
- (iii) 董事認為，製成品1,592,538,000港元預計不會於一年內變現。

The Group had engaged cultural product/jewellery experts to perform an inspection on the inventories of cultural products. According to these experts, downgradings and reclassifications were required to be made on a number of inventory items of cultural products. The Group engaged an independent valuer to reassess the current market values of the inventories as at 30 June 2017 based on the findings of the cultural product/jewellery experts concerning the grading and classification of the cultural products. As a result of the assessment, the management of the Group had determined that the net realisable values of a number of the inventory items of cultural products were lower than their costs and that the shortfalls amounted to an aggregate amount of HK\$1,740,108,000. Accordingly, the Group recognised an impairment loss of HK\$1,740,108,000 for the year ended 30 June 2017.

本集團已聘請文物產品／玉石專家就文化產品存貨進行鑑證。根據該等專家之意見，需要對部份文化產品存貨項目進行品位下調及重新分類。本集團已聘請獨立估值師按照文物產品／玉石專家就該等文化產品之品位及分類之結論，重估上述存貨於二零一七年六月三十日之現時市場價值。因上述評估關係，本集團管理層判定部份文化產品存貨項目之可變現淨值低於其成本，差額合共達1,740,108,000港元。故此，本集團於截至二零一七年六月三十日止年度確認減值虧損1,740,108,000港元。

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18. TRADE AND OTHER RECEIVABLES

18. 應收貿易及其他賬款

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-------------------|--------|----------------------------------|----------------------------------|
| Trade receivables | 應收貿易賬款 | 17,833 | 23,729 |
| Other receivables | 應收其他賬款 | 18,095 | 10,553 |
| | | 35,928 | 34,282 |

The Group maintains a well-defined credit policy regarding its trade customers depending on their credit worthiness, nature of services and products, industry practice and condition of the market with credit period ranging from 30 days to 180 days. For the year 2017, the Group credit policy for sales of cultural products is cash on delivery. The other receivables are unsecured, non-interest bearing and refundable, and are expected to be realised in the next twelve months from the end of the reporting period.

The ageing analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

本集團就其貿易客戶實行明確之信貸政策。根據彼等之信用、服務及貨品之性質、行內規範及市場情況而給予客戶介乎30日至180日之信貸期。於二零一七年，本集團就銷售文化產品之信貸政策為到貨付款。應收其他賬款乃無抵押、不計息及可退還，並預計於報告期完結後十二個月內兌現。

應收貿易賬款於報告期完結時根據發票日期之賬齡分析呈列如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---------------|-----------|----------------------------------|----------------------------------|
| 0 — 60 days | 0 — 60日 | 16,178 | 20,669 |
| 61 — 90 days | 61 — 90日 | 1,600 | 156 |
| 91 — 180 days | 91 — 180日 | 55 | 2,904 |
| | | 17,833 | 23,729 |

Before accepting any new customer, the Group's finance and sales management team would assess the potential customer's credit quality and define credit limits for the customers. Limits attributable to customers are reviewed regularly with reference to past settlement history. The Group's finance and sales management team considers trade receivables that are neither past due nor impaired to be of a good credit quality as continuous repayments have been received.

於接納任何新客戶前，本集團之財務及銷售管理團隊會評估潛在客戶之信貸質素，並界定客戶之信貸額。賦予客戶之信貸額會參考過往結賬記錄定期進行審閱。因客戶持續償還款項，本集團之財務及銷售管理團隊認為未逾期或未減值之應收貿易賬款具備良好信貸質素。

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18. TRADE AND OTHER RECEIVABLES

(continued)

The ageing analysis of trade receivable that are neither individually nor collectively considered to be impaired are as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-------------------------------|----------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 既未逾期亦未減值 | 16,178 | 20,669 |
| Less than 1 month past due | 逾期少於一個月 | 1,600 | 3,060 |
| 1 to 3 months past due | 逾期一至三個月 | 55 | — |
| | | 1,655 | 3,060 |
| | | 17,833 | 23,729 |

Other receivables mainly represent the loan to an as at 30 June 2017 independent third party amounting to HK\$5,744,000 as at 30 June 2017 (2016: nil). The loan was secured by personal guarantee from independent third party and at fixed interest rate of 10%.

19. DEPOSITS, BANK BALANCES AND CASH

The deposits, bank balances and cash comprises short-term deposits with maturity of three months or less and cash held by the Group.

Certain bank balances and cash of HK\$14,560,000 (2016: HK\$20,807,000) were denominated in Renminbi ("RMB"), which is not freely convertible currency in the international market. The exchange rate of RMB is determined by the Government of the PRC and the remittance of these funds out of the PRC is subject to exchange restrictions imposed by the Government of the PRC.

18. 應收貿易及其他賬款(續)

個別或共同釐定為不作減值之應收貿易賬款之賬齡分析如下：

| | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-------------------------------|----------------------------------|----------------------------------|
| Neither past due nor impaired | 16,178 | 20,669 |
| Less than 1 month past due | 1,600 | 3,060 |
| 1 to 3 months past due | 55 | — |
| | 1,655 | 3,060 |
| | 17,833 | 23,729 |

於二零一七年六月三十日，應收其他賬款主要指向獨立第三方提供之借貸5,744,000港元(二零一六年：無)。該借貸由獨立第三方給予個人擔保，並按固定利率10%計息。

19. 存款、銀行結餘及現金

存款、銀行結餘及現金包括到期日為三個月或以內之短期存款及本集團持有之現金。

為數14,560,000港元(二零一六年：20,807,000港元)之若干銀行結餘及現金乃以人民幣(「人民幣」)計值，而人民幣並非可於國際市場自由兌換之貨幣。人民幣匯率由中國政府釐定，由中國匯出該等資金須受中國政府實施之外匯管制所規限。

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20. TRADE AND OTHER PAYABLES

20. 應付貿易及其他賬款

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|----------------|--------|----------------------------------|----------------------------------|
| Trade payables | 應付貿易賬款 | 7,487 | 10,975 |
| Other payables | 應付其他賬款 | 48,596 | 50,065 |
| | | 56,083 | 61,040 |

The aged analysis of trade payables presented based on the invoice date at the end of the reporting period is as follows:

應付貿易賬款於報告期完結時根據發票日期之賬齡分析呈列如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-------------|---------|----------------------------------|----------------------------------|
| 0 — 60 days | 0 — 60日 | 7,487 | 10,975 |

The credit period for purchases of goods ranged from 30 days to 60 days.

購買貨品之信貸期介乎30日至60日。

Other payables mainly represent receipts in advance from customers of HK\$21,188,000 (2016: HK\$21,938,000) and accruals.

應付其他賬款主要為預收客戶款項21,188,000港元(二零一六年：21,938,000港元)及預提費用。

21. WARRANTY PROVISION

21. 保養撥備

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--------------------------|--------|----------------------------------|----------------------------------|
| At 1 July | 於七月一日 | 1,055 | 1,074 |
| Currency realignment | 匯兌調整 | 44 | (45) |
| Provided during the year | 年內撥備 | — | 26 |
| Utilised during the year | 於年內動用 | (26) | — |
| At 30 June | 於六月三十日 | 1,073 | 1,055 |

The warranty provision represents the management's best estimate of the Group's liability under 12-month warranties granted on manufactured products, based on prior experience and industry average for defective products.

保養撥備指管理層根據過往經驗及業內對有瑕疵產品之慣常做法，就給予製成品十二個月保養期而對本集團責任承擔作出之最佳評估。

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22. AMOUNT DUE TO A DIRECTOR

The amount due to a director of the Company is unsecured, non-interest bearing and has no fixed term of repayment and is repayable on demand. As at 30 June 2017, this director owns 18.12% beneficiary interest in the Company.

22. 應付一名董事款項

應付一名董事款項乃無抵押、不計息、無固定還款期及須按要求償還。於二零一七年六月三十日，該董事擁有本公司18.12%之受益人權益。

23. BANK BORROWINGS

23. 銀行借貸

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|----------------------|----------------------------------|----------------------------------|
| The interest bearing bank borrowings are repayable as follows: | 須償還之計息銀行借貸如下： | | |
| On demand or within one year | 按通知或一年內償還 | 3,636 | 3,677 |
| After one year but within two years | 一年後但兩年內 | — | 3,677 |
| | | 3,636 | 7,354 |
| Less: amount due within one year shown under current liabilities | 減：於流動負債項下呈列於一年內到期之金額 | (3,636) | (3,677) |
| Amount due after one year | 於一年後到期之金額 | — | 3,677 |

The bank loans bear variable interest at 2.55% (2016: 2.80%) per annum. The bank loans are unsecured.

銀行貸款按2.55厘(二零一六年：2.80厘)之浮動年利率計息。所有銀行貸款均為無抵押。

As at 30 June 2017 and 2016, a corporate guarantee was provided by Champion to a bank in respect of banking facilities granted to the Group.

於二零一七年及二零一六年六月三十日，冠軍就本集團所獲授銀行融資向銀行作出公司擔保。

24. RETIREMENT BENEFIT SCHEMES

24. 退休福利計劃

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|----------------------|----------------------------------|----------------------------------|
| Retirement benefit contributions to the Group's defined contribution scheme | 向本集團之定額供款計劃支付之退休福利供款 | 2,112 | 606 |
| Retirement benefit contributions to the Group's defined benefit scheme | 向本集團之定額福利計劃支付之退休福利供款 | 3,262 | 4,695 |
| | | 5,374 | 5,301 |

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24. RETIREMENT BENEFIT SCHEMES

(continued)

(a) Defined contribution scheme

Certain subsidiaries of the Company participate in a retirement benefit scheme covering a portion of their employees. The assets of the scheme are held separately from those of the Group in funds under the control of independent trustees.

Commencing from December 2000, the Group enrolled all eligible employees in Hong Kong into a mandatory provident fund (the "MPF") scheme. The retirement benefit cost of the MPF scheme charged to the profit or loss represents contributions to the MPF scheme by the Group at rates specified in the rules of the MPF scheme.

The employees of the Group's subsidiaries in the PRC are members of government-managed retirement benefit scheme operated by the respective local government in the PRC. The Group is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the specified contributions.

During the year, the total expense recognised in consolidated statement of profit or loss of HK\$2,112,000 (2016: HK\$606,000) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes.

24. 退休福利計劃(續)

(a) 定額供款計劃

本公司旗下若干附屬公司為部分僱員設立退休福利計劃。該項計劃之資產與本集團之資產分開持有，並存於由獨立受託人控制之基金內。

自二零零零年十二月起，本集團為其於香港之所有合資格僱員註冊登記參與強積金計劃。於損益扣除之強積金計劃退休福利成本指本集團按強積金計劃規則規定之比率對強積金計劃作出之供款。

本集團於中國之附屬公司僱員為中國各地方政府營辦之政府管理退休福利計劃成員。本集團須以指定百分比之工資成本向該退休福利計劃作出供款，為該等福利提供資金。作出指定供款乃本集團就該退休福利計劃之唯一承擔。

年內，於綜合損益表確認之開支共2,112,000港元(二零一六年：606,000港元)為本集團按該等計劃規則規定之比率對計劃作出之應付供款。

24. RETIREMENT BENEFIT SCHEMES

(continued)

(b) Defined benefit scheme

Certain subsidiaries of the Company operate a self-administered and funded pension scheme in the UK. The scheme provides defined pension benefits with reference to the final salary of the members at retirement and their length of service. The scheme is closed to new members since 1 January 2003.

The contributions which are determined by a qualified actuary on the basis of triennial valuations using the projected unit credit method are charged to the profit or loss. Under the scheme, the employees are entitled to a pension between 1.67% and 2.50% of final salary for each year of pensionable service at an age of 65. No other post-retirement benefits are provided. The most recent actuarial valuations of scheme assets and the present value of the defined benefit obligations were at 30 June 2017 and were prepared by Principal and Senior Consulting Actuary of Buck Consultants Limited, Mr. Wes Jones, Fellow of the Institute and Faculty of Actuaries ("FIA") (2016: Head of trustee service of Punter Southall Limited, Mr. Adam Stanley, Fellow of the Institute of Actuaries), for the accounting reporting purpose. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries, pensions and share dividends.

The funded pension scheme exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

24. 退休福利計劃(續)

(b) 定額福利計劃

本公司旗下若干附屬公司於英國設立一項自行管理及供款之退休福利計劃。此計劃乃按僱員於退休時之最終薪酬及其服務年期提供之定額退休福利。此計劃自二零零三年一月一日起不接受新成員參與。

根據合資格精算師每三年按預計單位貸記法進行估值釐定之供款，乃於損益中扣除。根據此計劃，僱員一般可於年屆65歲時領取退休金，金額介乎最終薪金1.67%至2.50%按可獲退休金之服務年期每年計算。本集團並無提供其他退休後福利。最近之計劃資產及定額福利承擔現值之精算估值乃於二零一七年六月三十日進行並由Principal and Senior Consulting Actuary of Buck Consultants Limited之Wes Jones先生(英國精算師協會資深會員)(二零一六年:Punter Southall Limited之信託服務主管Adam Stanley先生(英國精算師協會資深會員))編製，以便進行會計報告事宜。對估值結果最重要影響之假設乃有關投資回報率及薪金、退休金與股息之升幅。

供款退休計劃使本集團面臨精算風險，如投資風險、利率風險、長壽風險及薪金風險。

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24. RETIREMENT BENEFIT SCHEMES

(continued)

(b) Defined benefit scheme (continued)

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has relatively balanced investment in equity securities, debt instruments and real estates. Due to the long-term nature of the plan liabilities, the trustee of the pension fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

24. 退休福利計劃(續)

(b) 定額福利計劃(續)

投資風險

定額福利計劃負債之現值乃按參照優質企業債券收益率釐定之貼現率計算；倘計劃資產之回報低於該比率，將會導致計劃虧絀。該計劃目前擁有相對平衡之股本證券、債務工具及房地產投資。基於計劃負債之長期性質，退休基金受託人認為將計劃資產合理部分投資於股本證券及房地產，以善用基金所產生之回報誠屬合適。

利率風險

債券利率降低將增加計劃負債；然而，其將由計劃之債務投資回報增幅所部分抵銷。

長壽風險

定額福利計劃負債之現值乃參照計劃參與者於其受僱期間及離職後之死亡率之最佳估計計算。計劃參與者之預期壽命增加將增加計劃負債。

薪金風險

定額福利計劃負債之現值乃參照計劃參與者之未來薪金計算。因此，計劃參與者之薪金增加將增加計劃負債。

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24. RETIREMENT BENEFIT SCHEMES

(continued)

(b) Defined benefit scheme (continued)

Salary risk (continued)

The main actuarial assumptions used were as follows:

| | | At 30 June 2017 於二零一七年 六月三十日 | At 30 June 2016 於二零一六年 六月三十日 |
|----------------------------------|---------|---------------------------------------|---------------------------------------|
| Discount rate | 貼現率 | 2.55% | 3.00% |
| Expected rate of salary increase | 預期薪金升幅 | 3.40% | 3.10% |
| Future pension increases | 未來退休金升幅 | 3.20% | 2.95% |

The actuarial valuation updated to 30 June 2017 by Mr. Wes Jones (FIA) (2016: Mr. Adam Stanley) showed that the market value of the scheme assets was HK\$361,767,000 (2016: HK\$348,512,000) and that the actuarial value of these assets represented 86% (2016: 86%) of the benefits that had accrued to members.

Under the recovery plan dated 31 May 2016, the Group has agreed to contribute GBP340,000 per annum increasing at 4% on each 1 July from 1 July 2018 into the plan. In addition, the Scottish Limited Partnership for the plan has been arranged such that the plan will receive an income stream of GBP400,000 per annum at 1 July 2018 increasing at 4% on each 1 July thereafter. As at 30 June 2017, the duration of the plan liability is 18 years (2016: 16 years).

24. 退休福利計劃(續)

(b) 定額福利計劃(續)

薪金風險(續)

所用之主要精算假設如下：

| | At 30 June 2017 於二零一七年 六月三十日 | At 30 June 2016 於二零一六年 六月三十日 |
|--|---------------------------------------|---------------------------------------|
|--|---------------------------------------|---------------------------------------|

| | | | |
|----------------------------------|---------|-------|-------|
| Discount rate | 貼現率 | 2.55% | 3.00% |
| Expected rate of salary increase | 預期薪金升幅 | 3.40% | 3.10% |
| Future pension increases | 未來退休金升幅 | 3.20% | 2.95% |

Wes Jones先生(英國精算師協會資深會員)(二零一六年：Adam Stanley先生))更新至二零一七年六月三十日之精算估值顯示，計劃資產之市值為361,767,000港元(二零一六年：348,512,000港元)，而該等資產之精算價值為參與僱員應得福利之86%(二零一六年：86%)。

根據日期為二零一六年五月三十一日之恢復計劃，本集團同意自二零一八年七月一日起，於每個七月一日向該計劃注資340,000英鎊，每年增加4%。此外，已就該計劃安排蘇格蘭合夥企業，令該計劃自二零一八年七月一日起其後之每個七月一日收取400,000英鎊之收入，每年增加4%。於二零一七年六月三十日，該計劃責任之年期為十八年(二零一六年：十六年)。

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24. RETIREMENT BENEFIT SCHEMES

(continued)

(b) Defined benefit scheme (continued)

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income in respect of the defined benefit pension plans are as follows:

24. 退休福利計劃(續)

(b) 定額福利計劃(續)

就定額福利退休計劃於綜合損益及其他全面收益表中確認之金額如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|------------------------------|----------------------------------|----------------------------------|
| Current service cost | 現行服務成本 | — | (301) |
| Scheme administrative costs | 計劃行政成本 | (1,562) | (1,665) |
| Net interest expense | 利息支出淨額 | (1,700) | (2,729) |
| Components of defined benefit costs recognised in profit or loss (included in general and administrative expenses) | 於損益已確認之定額福利成本組成部分(計入一般及行政支出) | (3,262) | (4,695) |
| Remeasurement on the net defined benefit liability: | 重新計量定額福利負債淨額： | | |
| Return on plan assets (excluding amounts included in net interest expense) | 計劃資產之回報(不包括已計入淨利息開支之金額) | 36,163 | 38,358 |
| Actuarial gains arising from changes in demographic assumptions | 人口假設變動所產生之精算收益 | 4,656 | 4,684 |
| Actuarial losses arising from changes in financial assumptions | 財務假設變動所產生之精算虧損 | (41,749) | (44,545) |
| Actuarial gains arising from experience adjustments | 經驗調整所產生之精算收益 | 722 | 7,158 |
| Components of defined benefit costs recognised in other comprehensive income | 於其他全面收益確認之定額福利成本組成部分 | (208) | 5,655 |
| Total | 總額 | (3,470) | 960 |

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24. RETIREMENT BENEFIT SCHEMES

(continued)

(b) Defined benefit scheme (continued)

The amount included in the consolidated statement of financial position arising from the Group's obligations in respect of its defined benefit pension plans is as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Fair value of scheme assets | 計劃資產之公平價值 | 361,767 | 348,512 |
| Present value of funded obligations | 資金承擔之現值 | (422,494) | (406,333) |
| Net liability arising from defined benefit obligation | 定額福利承擔所產生之負債淨額 | (60,727) | (57,821) |

The Group expects no contribution will be made (2016: nil) to the defined benefit plans during the next financial year.

(b) 定額福利計劃(續)

因本集團之定額福利退休金計劃承擔而產生之金額已計入綜合財務狀況表，載述如下：

本集團預計將不會於下一財政年度向定額福利計劃供款(二零一六年：無)。

Movements in the present value of the defined benefit obligation are as follows:

定額福利承擔之現值變動如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|----------------|----------------------------------|----------------------------------|
| Opening defined benefit obligation | 年初定額福利承擔 | 406,333 | 452,675 |
| Currency realignment | 匯兌調整 | (4,056) | (70,858) |
| Current service cost | 現行服務成本 | — | 301 |
| Interest cost | 利息成本 | 11,389 | 16,086 |
| Remeasurement (gains)/losses: | 重新計量(收益)/虧損： | | |
| Actuarial gains arising from changes in demographic assumptions | 人口假設變動所產生之精算收益 | (4,656) | (4,684) |
| Actuarial losses arising from changes in financial assumptions | 財務假設變動所產生之精算虧損 | 41,748 | 44,545 |
| Actuarial gains arising from experience adjustments | 經驗調整所產生之精算收益 | (722) | (7,158) |
| Contributions | 供款 | — | 127 |
| Benefits paid | 所付福利 | (27,542) | (24,701) |
| Closing defined benefit obligation | 年結定額福利承擔 | 422,494 | 406,333 |

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24. RETIREMENT BENEFIT SCHEMES

(continued)

(b) Defined benefit scheme (continued)

Movements in the fair value of scheme assets are as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Opening fair value of plan assets | 年初計劃資產之公平價值 | 348,512 | 372,064 |
| Currency realignment | 匯兌調整 | (3,492) | (59,632) |
| Interest income | 利息收入 | 9,688 | 13,357 |
| Scheme administrative costs | 計劃行政成本 | (1,562) | (1,665) |
| Return on plan assets (excluding amounts included in net interest expense) | 計劃資產之回報(不包括已計入利息支出淨額之金額) | 36,163 | 38,358 |
| Contributions | 供款 | — | 10,731 |
| Benefits paid | 所付福利 | (27,542) | (24,701) |
| Closing fair value of plan assets | 年結計劃資產之公平價值 | 361,767 | 348,512 |

The fair value of the scheme assets at the end of the reporting period is analysed as follows:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------------------------|----------|----------------------------------|----------------------------------|
| Equity instruments (Quoted) | 權益工具(報價) | 318,878 | 295,215 |
| Debt instruments (Quoted) | 債務工具(報價) | 33,828 | 34,309 |
| Other assets | 其他資產 | 9,061 | 18,988 |
| | | 361,767 | 348,512 |

The actual return on scheme assets was HK\$44,289,000 (2016: HK\$50,049,000).

24. 退休福利計劃(續)

(b) 定額福利計劃(續)

計劃資產之公平價值變動如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|--|--------------------------|----------------------------------|----------------------------------|
| Opening fair value of plan assets | 年初計劃資產之公平價值 | 348,512 | 372,064 |
| Currency realignment | 匯兌調整 | (3,492) | (59,632) |
| Interest income | 利息收入 | 9,688 | 13,357 |
| Scheme administrative costs | 計劃行政成本 | (1,562) | (1,665) |
| Return on plan assets (excluding amounts included in net interest expense) | 計劃資產之回報(不包括已計入利息支出淨額之金額) | 36,163 | 38,358 |
| Contributions | 供款 | — | 10,731 |
| Benefits paid | 所付福利 | (27,542) | (24,701) |
| Closing fair value of plan assets | 年結計劃資產之公平價值 | 361,767 | 348,512 |

計劃資產於報告期完結時之公平價值分析如下：

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|-----------------------------|----------|----------------------------------|----------------------------------|
| Equity instruments (Quoted) | 權益工具(報價) | 318,878 | 295,215 |
| Debt instruments (Quoted) | 債務工具(報價) | 33,828 | 34,309 |
| Other assets | 其他資產 | 9,061 | 18,988 |
| | | 361,767 | 348,512 |

計劃資產之實際回報為44,289,000港元(二零一六年：50,049,000港元)。

24. RETIREMENT BENEFIT SCHEMES

(continued)

(b) Defined benefit scheme (continued)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 25 basis points higher/(lower), the defined benefit obligations would decrease by HK\$18,222,000/(increase by HK\$18,222,000) (2016: decrease by HK\$15,321,000/(increase by HK\$15,321,000)).

If the expected salary growth increases/(decreases) by 0.25%, the defined benefit obligations would increase by HK\$8,141,000/(decrease by HK\$8,141,000) (2016: increase by HK\$7,150,000/(decrease by HK\$7,150,000)).

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligations liability recognised in the consolidated statement of financial position.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

24. 退休福利計劃(續)

(b) 定額福利計劃(續)

釐定界定責任之重大精算假設為貼現率及預期薪金增長。以下敏感度分析根據於報告期完結時各假設出現合理可能變動而其他假設維持不變而釐定。

倘貼現率上升/(下跌) 25個基點，定額福利責任將減少18,222,000港元(增加18,222,000港元)(二零一六年：減少15,321,000港元/(增加15,321,000港元))。

如預期薪金增長率上升/(下跌) 0.25%，定額福利責任將增加8,141,000港元/(減少8,141,000港元)(二零一六年：增加7,150,000港元/(減少7,150,000港元))。

由於部分假設可能互相關連，單一獨立假設變動不太可能發生，以上呈列敏感度分析不一定能代表定額福利責任之實際變動。

此外，於呈列以上敏感度分析時，定額福利責任之現值於報告期完結時以預計單位貸記法計量，與應用於計算綜合財務狀況表內確認之定額福利責任之方法相同。

編製過往年度之敏感度分析時所用之方法及假設概無變動。

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25. DEFERRED TAXATION

At the end of the reporting period, the Group had unused tax losses of approximately HK\$83,878,000 (2016: HK\$85,221,000) available for offset against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. These tax losses may be carried forward indefinitely.

26. CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out in note 33.

(b) Share capital

| | Number of shares | | Amount | |
|------------------------|------------------|-----------|-----------|-----------|
| | 股份數目 | | 金額 | |
| | 2017 | 2016 | 2017 | 2016 |
| | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 |
| | '000 | '000 | HK\$'000 | HK\$'000 |
| | 千股 | 千股 | 千港元 | 千港元 |
| Authorised: | | | | |
| Ordinary shares of | | | | |
| HK\$1 each | 1,200,000 | 1,200,000 | 1,200,000 | 1,200,000 |
| Issued and fully paid: | | | | |
| Balance at 1 July and | | | | |
| 30 June | 986,538 | 986,538 | 986,538 | 986,538 |

Notes:

(i) During the year ended 30 June 2017 and 2016, there were no changes in the share capital of the Company.

All shares issued rank pari passu with the then existing shares in issue in all respects.

25. 遞延稅項

於報告期完結時，本集團有未動用之稅項虧損約83,878,000港元(二零一六年：85,221,000港元)，可用作抵銷日後之溢利。由於未能預計日後之溢利來源，故並無確認遞延稅項資產。此等稅項虧損可無限期承前轉轉。

26. 股本及儲備

(a) 股本權益組成部分之變動

本集團綜合股本權益各部分之年初及年末結餘間之對賬載於綜合股本權益變動表內。本公司股本權益之各個別部分於年初及年末間變動詳情載於附註33。

(b) 股本

附註：

(i) 截至二零一七年及二零一六年六月三十日止年度，本公司股本概無發生變動。

所有據此發行之股份在各方面與當時現有已發行股份享有同等權益。

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26. CAPITAL AND RESERVES (continued)

(c) Reserves

(i) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in share premium account are distributable to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Translation reserve

The exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 3.

(iii) Special reserve

The special reserve represents the difference between (i) the book values of the underlying net assets of certain subsidiaries at the acquisition date together with the capitalisation of a shareholders' loan and (ii) the nominal amount of the Company's shares issued for the acquisition. The special reserve is available for distribution under the Companies Law of Cayman Islands.

27. SHARE OPTION SCHEME

Each of the Company and Champion has a share option scheme under which eligible persons, including directors of the Company, Champion or any of their respective subsidiaries, may be granted options to subscribe for shares of the Company and Champion respectively.

26. 股本及儲備(續)

(c) 儲備

(i) 股份溢價

股份溢價賬之應用受開曼群島公司法監管。根據開曼群島公司法，股份溢價賬之資金可分派予本公司股東，惟緊隨建議分派股息之日後，本公司須有能力償還於日常業務過程中到期之債務。

(ii) 匯兌儲備

匯兌儲備包括所有因國外業務財務報告換算所產生之外匯差額。該儲備乃根據附註3所載會計政策處理。

(iii) 特別儲備

特別儲備指(i)若干附屬公司於收購日期之相關資產淨值連同一名股東貸款資本化之賬面值與(ii)本公司就收購事項所發行股份面值之差額。特別儲備可根據開曼群島公司法予以分派。

27. 購股權計劃

本公司及冠軍各設有購股權計劃，據此，合資格人士(包括本公司、冠軍或其各自之任何附屬公司之董事)可獲授購股權以分別認購本公司及冠軍之股份。

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27. SHARE OPTION SCHEME (continued)

(a) The Company

On 30 November 2012, the Company adopted a share option scheme (the “**Scheme**”). The purpose of the Scheme was to attract and to retain quality personnel and to provide them with incentive to contribute to the business and operation of the Group. Under the Scheme, the Directors may grant options to any eligible persons of the Group, including directors, employees or consultants of the Company, its subsidiaries or affiliates or any discretionary trust whose discretionary objects include the aforesaid persons or a company beneficially owned by the aforesaid persons as well as customers, suppliers or advisers of the Group, to subscribe for shares of the Company. An option granted is exercisable at any time for a period determined by the Directors which should not be more than ten years from the date of grant, where the acceptance date should not be later than 21 days after the date of offer.

The exercise price per share (subject to adjustment as provided therein) of the option granted under the Scheme is equal to the highest of (i) the nominal value of the shares; (ii) the closing price per share as stated in the daily quotation sheet of the Exchange on the date of grant, which must be a business day; and (iii) the average closing price per share as stated in the daily quotation sheet of the Exchange for the five business days immediately preceding the date of grant. The maximum number of shares in respect of which the options may be granted under the Scheme shall not exceed 10% of the issued share capital of the Company at the date of approval of the Scheme. The total maximum number of shares which may be issued upon exercise of all outstanding options must not exceed 30% of the issued share capital of the Company from time to time. The number of shares in respect of which options may be granted to any one grantee in any 12-month period is not permitted to exceed 1% of the shares of the Company in issue on the last date of such 12-month period, without prior approval from the Company’s shareholders. The Scheme will remain in force for a period of 10 years commencing from 30 November 2012. No option under the Scheme has been granted since the adoption of such scheme.

27. 購股權計劃(續)

(a) 本公司

於二零一二年十一月三十日，本公司採納一項購股權計劃(「計劃」)。計劃之目的在於吸納及留聘優秀人員，並獎勵彼等對本集團業務及營運作出之貢獻。根據計劃，董事可向本集團任何合資格人士授出購股權，包括向涉及本公司、其附屬公司或聯屬公司之董事、僱員或顧問，或任何全權信託而其受益人包括任何上述人士，或由上述人士實益擁有之公司，以及本集團之客戶、供應商或諮詢人授出購股權，以認購本公司股份。已授出之購股權可於董事所釐定期間之任何時間行使，惟所釐定之期間將自有關購股權授出日期起計不多於十年，而接納日期須不遲於要約日期後21日。

根據計劃授出之購股權之每股行使價(可按當中規定作出調整)相等於(i)股份面值；(ii)於授出日期(須為營業日)在交易所每日報價表所報之每股股份收市價；及(iii)緊接授出日期前五個營業日在交易所每日報價表所報之每股股份平均收市價，三者以最高者為準。根據計劃可授出之購股權所涉及股份數目上限不得超過本公司於計劃批准當日已發行股本之10%。因行使全部未行使購股權而可予發行之股份總數上限不得超出本公司不時已發行股本之30%。在未經本公司股東事先批准之情況下，於任何十二個月期間內，向任何單一承授人授出購股權所涉及之股份數目，不得超過在該十二個月期間內最後一日本公司已發行股本之1%。計劃將由二零一二年十一月三十日起十年期間一直有效。自採納該計劃以來，本公司概無根據該計劃授出任何購股權。

27. SHARE OPTION SCHEME (continued)

(b) Champion

On 30 November 2012, Champion adopted a share option scheme (the “**Champion Option Scheme**”). The purpose of the Champion Option Scheme was to attract and to retain quality personnel and other persons and to provide them with incentive to contribute to the business and operation of Champion and its subsidiaries (the “**Champion Group**”). Under the Champion Option Scheme, the Directors of Champion might grant options to any directors, employees or consultants of Champion, its subsidiaries or affiliates or any discretionary trust whose discretionary objects included the aforesaid persons or a company beneficially owned by the aforesaid persons as well as customers, suppliers or advisors of the Champion Group, to subscribe for shares of Champion. An option granted by Champion was exercisable at any time for a period determined by the Directors of Champion which should not be more than ten years from the date of grant, where the acceptance date should not be later than 21 days after the date of offer.

The exercise price per share (subject to adjustment as provided therein) of the option granted under the Champion Option Scheme is equal to the highest of (i) the nominal value of the shares; (ii) the closing price per share as stated in the daily quotation sheet of the Exchange on the date of grant, which must be a business day; and (iii) the average closing price per share as stated in the daily quotation sheet of the Exchange for the five business days immediately preceding the date of grant. The maximum number of shares in respect of which the options may be granted under the Champion Option Scheme shall not exceed 10% of the issued share capital of Champion at the date of approval of the Champion Option Scheme. The total maximum number of shares which may be issued upon exercise of all outstanding share options must not exceed 30% of the issued share capital of Champion from time to time. The number of shares in respect of which options may be granted to any one grantee in any 12-month period is not permitted to exceed 1% of the shares of Champion in issue on the last date of such 12-month period, without prior approval from Champion's shareholders. The Champion Option Scheme will remain in force for a period of 10 years commencing from 30 November 2012. No option has been granted since the adoption of such scheme.

27. 購股權計劃(續)

(b) 冠軍

於二零一二年十一月三十日，冠軍採納一項購股權計劃(「**冠軍購股權計劃**」)。該冠軍購股權計劃之目的在於吸引及留聘優秀人員及其他人士，並獎勵彼等對冠軍及其附屬公司(「**冠軍集團**」)業務及營運作出之貢獻。根據冠軍購股權計劃，冠軍董事可向任何涉及冠軍、其附屬公司或聯屬公司之董事、僱員或顧問，或任何全權信託而其受益人包括任何上述人士，或由上述人士實益擁有之公司，以及冠軍集團之客戶、供應商或諮詢人授出購股權，以認購冠軍之股份。冠軍已授出之購股權可於其董事所釐定期間之任何時間行使，惟所釐定之期間將自有關購股權授出日期起計不多於十年，而接納日期須不遲於要約日期後21日。

根據冠軍購股權計劃授出之購股權之每股行使價(可按當中規定作出調整)相等於(i)股份面值；(ii)於授出日期(須為營業日)之交易所每日報價表所報之每股股份收市價；及(iii)緊接授出日期前五個營業日交易所每日報價表所報之每股股份平均收市價，三者以最高者為準。根據冠軍購股權計劃可授出之購股權所涉及之股份數目上限不得超過於冠軍購股權計劃批准當日之冠軍已發行股本10%。因行使全部未行使購股權而可予發行之股份總數上限不得超出冠軍不時已發行股本之30%。在未經冠軍股東事先批准之情況下，於任何十二個月期間內，向任何單一承授人授出購股權所涉及之股份數目，不得超過在該十二個月期間內最後一日冠軍已發行股本之1%。冠軍購股權計劃將由二零一二年十一月三十日起十年期間一直有效。自採納該計劃以來，冠軍概無授出任何購股權。

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28. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through 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 bank borrowings, equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits/(accumulated losses).

The Directors review the capital structure on a bi-annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

29. MAJOR NON-CASH TRANSACTIONS

Part of the consideration for the disposal of a subsidiary that occurred during the year ended 30 June 2016 comprised shares transfer. Further details of the disposal are set out in note 11.

30. CAPITAL COMMITMENTS

Capital expenditure in respect of property, plant and equipment and development costs for systems and networks authorised but not contracted for

已授權但未訂約之有關物業、廠房及設備與系統及網絡開發成本之資本開支

— 9,750

28. 資本風險管理

本集團管理其資本，以確保本集團內各實體將能夠以持續經營方式營運，同時亦透過債務與股本之最佳平衡為持份者爭取最高回報。本集團之整體策略與上年度一致。

本集團之資本結構由銀行借貸及本公司擁有人應佔權益組成，當中包括已發行股本、儲備及保留溢利／(累計虧損)。

董事每半年審閱資本結構。作為審閱之一部分，董事考慮資本成本及各股本類別之相關風險。根據董事建議，本集團將透過發行新股份及回購股份以及發行新債或贖回現有債項，以平衡其整體資本結構。

29. 主要非現金交易

截至二零一六年六月三十日止年度，出售一間附屬公司之部分代價包含股份轉讓。出售事項之進一步詳情載於附註11。

30. 資本承擔

| 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|----------------------------------|----------------------------------|
|----------------------------------|----------------------------------|

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31. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At the end of the reporting period, the Group had future minimum lease payments payable under non-cancellable operating leases in respect of rented premises and motor vehicles which fall due as follows:

| | | 2017 二零一七年 | | 2016 二零一六年 | |
|--|------------------|---|--|---|--|
| | | Land and buildings 土地及樓宇 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 | Land and buildings 土地及樓宇 HK\$'000 千港元 | Motor vehicles 汽車 HK\$'000 千港元 |
| Operating leases which expire: | 於下列年期屆滿之經營租賃： | | | | |
| Within one year | 一年內 | 691 | 2,103 | 732 | 2,046 |
| In the second to fourth year inclusive | 第二年至第四年內(包括首尾兩年) | — | 2,738 | 48 | 3,155 |
| | | 691 | 4,841 | 780 | 5,201 |

Leases are negotiated for terms of one to four years and rentals are fixed for terms of one to four years.

31. 經營租賃安排

本集團作為承租人

於報告期完結時，本集團多項就租用物業與汽車之不可註銷經營租賃有關日後最低應付租賃款額之到期情況如下：

經磋商後之租賃年期介乎一年至四年，而租金乃按一年至四年之年期釐定。

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31. OPERATING LEASE ARRANGEMENTS

(continued)

The Group as lessor

At the end of the reporting period, the Group contracted with lessees in respect of leasing of premises and certain equipment which is included in plant and machinery and communications networks, which fall due as follows:

| | | 2017 二零一七年 | | 2016 二零一六年 | |
|---------------------------------------|------------------|-----------------------|--|-----------------------|--|
| | | Land and buildings | Plant and machinery and communications networks 廠房、機器 及通信網絡 | Land and buildings | Plant and machinery and communications networks 廠房、機器 及通信網絡 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| Within one year | 一年內 | 134 | 209 | 138 | 646 |
| In the second to fifth year inclusive | 第二年至第五年內(包括首尾兩年) | 201 | 9,357 | 392 | 8,974 |
| Over five years | 五年以上 | — | 339 | — | 986 |
| | | 335 | 9,905 | 530 | 10,606 |

32. RELATED PARTY TRANSACTIONS

(i) During the year, the Group had the following transactions with Champion:

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 |
|---|------------------------------------|----------------------------------|----------------------------------|
| Nature of transactions | 交易性質 | | |
| Fees paid by the Group to Champion for the provision of office premises and facilities, and management services, on cost basis (note) | 本集團按成本向冠軍支付提供辦公室物業及設備以及管理服務之費用(附註) | 750 | 900 |
| Fees paid by the Group to Champion for treasury services | 本集團向冠軍支付財政服務之費用 | 638 | 635 |

31. 經營租賃安排(續)

本集團作為出租人

於報告期完結時，本集團就租用物業及若干已計入廠房與機器及通信網絡之設備與租戶訂立合約，其到期情況如下：

32. 關連人士交易

(i) 年內，本集團與冠軍曾進行下列交易：

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32. RELATED PARTY TRANSACTIONS

(continued)

- (i) During the year, the Group had the following transactions with Champion: (continued)

Note: These transactions were carried out after negotiation between the Group and Champion. The fees paid for the provision of office premises and facilities, and management services were in accordance with the management agreement (the "Management Agreement") entered into with Champion dated 20 December 1996, which was renewed on 5 January 2010. The Management Agreement were carried out in the usual course of business and on normal commercial terms and are in accordance with the relevant agreement governing it on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Management Agreement constitutes a continuing connected transaction under the Listing Rules exempt from the reporting, annual review, announcement and shareholders' approval requirements under Chapter 14A of the Listing Rules.

- (ii) As at 30 June 2017 and 2016, a corporate guarantee was provided by Champion to a bank in respect of banking facilities granted to the Group.
- (iii) The key management personnel of the Group are the Directors and the five highest paid individuals. The aggregate amount paid to them was HK\$8,373,000 (2016: HK\$12,263,000), details of which are set out in note 10.
- (iv) On 5 December 2016, the Company (as the borrower) and Mr. Cheng Yang ("Mr. Cheng") (as the lender), a substantial shareholder and director of the Company who subsequently resigned on 15 August 2017, had entered into a facility agreement, pursuant to which Mr. Cheng agreed to lend the Company up to HK\$5,000,000 in aggregate principal amount which was unsecured, non-interest bearing and had no fixed term of repayment and was repayable on demand (note 22). The transaction contemplated under the facility agreement constituted continuing connected transaction is as defined in Chapter 14A of the Main Board Listing Rules. However, this transaction is exempt from the disclosure requirements in Chapter 14A of the Main Board Listing Rules as the transaction was on normal commercial terms and no security over the assets of the Company is granted in respect of such financial assistance.

32. 關連人士交易 (續)

- (i) 年內，本集團與冠軍曾進行下列交易：(續)

附註：該等交易經本集團與冠軍磋商後進行。就提供辦公室物業及設備以及管理服務所支付之費用乃根據與冠軍所訂立日期為於一九九六年十二月二十日之管理協議（「管理協議」）支付，管理協議已於二零一零年一月五日重續。管理協議乃於日常業務中按一般商業條款並根據監管該等交易之相關協議進行，該等交易之條款屬公平合理，且符合本公司股東整體利益。

管理協議根據上市規則構成持續關連交易，並獲豁免遵守上市規則第14A章所載之申報、年度審核、公告及股東批准之規定。

- (ii) 於二零一七年及二零一六年六月三十日，冠軍就本集團所獲授銀行融資向銀行作出公司擔保。
- (iii) 本集團主要管理人員為董事及五名最高薪人士。支付予彼等之薪酬總額為8,373,000港元（二零一六年：12,263,000港元），有關詳情載於附註10。
- (iv) 於二零一六年十二月五日，本公司（作為借款方）與本公司主要股東及董事程楊先生（其後於二零一七年八月十五日辭任）（作為貸款方）（「程先生」）訂立一份融資協議，據此程先生同意向本公司借出本金總額最多5,000,000港元，為無抵押、不計息、無固定還款期及須按要求償還（附註22）。該融資協議項下擬進行之交易構成持續關連交易（定義見主板上市規則第14A章）。然而，由於該交易乃按一般商業條款或更佳條款訂立，且在該財務援助中並無授出本公司資產作抵押，該等交易獲豁免遵守主板上市規則第14A章之披露規定。

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33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

33. 本公司財務狀況表

| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 (Restated) (經重列) |
|--------------------------------------|---------------|----------------------------------|---|
| Non-current assets | 非流動資產 | | |
| Amounts due from subsidiaries | 應收附屬公司款項 | 1,478,931 | 1,388,340 |
| Interests in subsidiaries | 於附屬公司之權益 | 211,868 | 232,890 |
| | | 1,690,799 | 1,621,230 |
| Current assets | 流動資產 | | |
| Other receivables | 應收其他賬款 | 267 | 256 |
| Amounts due from subsidiaries | 應收附屬公司款項 | 128,452 | — |
| Amounts due from fellow subsidiaries | 應收同系附屬公司款項 | 32 | — |
| Bank balances and cash | 銀行結餘及現金 | 12 | 17,003 |
| | | 128,763 | 17,259 |
| Current liabilities | 流動負債 | | |
| Other payables | 應付其他賬款 | 2,153 | 4,956 |
| Amounts due to subsidiaries | 應付附屬公司款項 | 1,474 | — |
| Amount due to a director | 應付一名董事款項 | 3,000 | — |
| Dividend payables | 應付股息 | 3 | 3 |
| | | 6,630 | 4,959 |
| Net current assets | 流動資產淨值 | 122,133 | 12,300 |
| Net assets | 資產淨值 | 1,812,932 | 1,633,530 |
| Capital and reserves | 股本及儲備 | | |
| Share capital | 股本 | 986,538 | 986,538 |
| Reserves (note) | 儲備(附註) | 826,394 | 646,992 |
| Total equity | 總權益 | 1,812,932 | 1,633,530 |

The Company's statement of financial position was approved and authorised for issue by the board of directors on 29 September 2017 and are signed on its behalf by:

本公司之財務狀況表已於二零一七年九月二十九日由董事會批准及授權刊發，並由下列董事代表簽署：

LIU KA LIM
廖嘉濂
Director
董事

TO YIN FONG CECILICA
杜妍芳
Director
董事

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33. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: Movements of the Company's reserves during the current and prior years are as follows:

33. 本公司財務狀況表(續)

附註：本公司於本年度及過往年度之儲備變動如下：

| | | Share premium | Special reserve | Retained profits/ (accumulated loss) | Total |
|--|-----------------------|----------------|-----------------|--------------------------------------|----------------|
| | | 股份溢價 | 特別儲備 | 保留溢利/ (累計虧損) | 合計 |
| | | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 | 千港元 | 千港元 |
| At 1 July 2015 | 於二零一五年七月一日 | 795,357 | 195,874 | 14,729 | 1,005,960 |
| Loss and total comprehensive expense for the year | 本年度虧損及全面開支總額 | — | — | (358,968) | (358,968) |
| At 30 June 2016 and 1 July 2016 | 於二零一六年六月三十日及二零一六年七月一日 | 795,357 | 195,874 | (344,239) | 646,992 |
| Profit and total comprehensive income for the year | 本年度溢利及全面收益總額 | — | — | 179,402 | 179,402 |
| At 30 June 2017 | 於二零一七年六月三十日 | 795,357 | 195,874 | (164,837) | 826,394 |

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34. PRINCIPAL SUBSIDIARIES

Details of the Company's principal subsidiaries at 30 June 2017 and 30 June 2016 are as follows:

34. 主要附屬公司

於二零一七年六月三十日及二零一六年六月三十日，本公司各主要附屬公司之詳情如下：

| Name of subsidiaries 附屬公司名稱 | Place of incorporation/ operations 註冊成立/ 經營地點 | Nominal value of issued share capital/ registered capital 已發行股本面值/ 註冊資本 | | Proportion of nominal value of issued share capital held by the Company 本公司應佔已發行 股本面值比例 | | Principal activities 主要業務 |
|--|--|---|--|---|---------------|---|
| | | 2017 二零一七年 | 2016 二零一六年 | 2017 二零一七年 | 2016 二零一六年 | |
| Aspire Management Limited | British Virgin Islands 英屬維爾京群島 | Ordinary US\$2,636,320 普通股 2,636,320 美元 | Ordinary US\$2,636,320 普通股 2,636,320 美元 | 100% | 100% | Investment holding 投資控股 |
| Bingo Profits Limited | British Virgin Islands 英屬維爾京群島 | Ordinary US\$1 普通股 1 美元 | Ordinary US\$1 普通股 1 美元 | 100% | 100% | Investment holding 投資控股 |
| Financial Vantage Limited* | Samoa 薩摩亞群島 | Ordinary US\$1 普通股 1 美元 | Ordinary US\$1 普通股 1 美元 | 100% | 100% | Provision of treasury services 提供財政服務 |
| Kantone (UK) Limited | United Kingdom 英國 | Ordinary £5,500,000 普通股 5,500,000 英鎊 | Ordinary £5,500,000 普通股 5,500,000 英鎊 | 100% | 100% | Investment holding 投資控股 |
| Keen Pacific Limited* | Samoa 薩摩亞群島 | Ordinary US\$1 普通股 1 美元 | Ordinary US\$1 普通股 1 美元 | 100% | 100% | Provision of treasury services 提供財政服務 |
| Kontone Development Limited* 港通發展有限公司* | Hong Kong 香港 | Ordinary HK\$2 普通股 2 港元 | Ordinary HK\$2 普通股 2 港元 | 100% | 100% | Provision of treasury services 提供財政服務 |
| M.C. Holdings Limited* | Cayman Islands 開曼群島 | Ordinary £5,500,002 普通股 5,500,002 英鎊 | Ordinary £5,500,002 普通股 5,500,002 英鎊 | 100% | 100% | Investment holding 投資控股 |
| Multitone Electronica Limitada | Brazil 巴西 | Ordinary R\$300,000 普通股 300,000 雷亞爾 | Ordinary R\$300,000 普通股 300,000 雷亞爾 | 100% | 100% | Distribution of communication systems and equipment 分銷通信系統及設備 |
| Multitone Electronics PLC | United Kingdom 英國 | Ordinary £3,830,107 普通股 3,830,107 英鎊 | Ordinary £3,830,107 普通股 3,830,107 英鎊 | 100% | 100% | Investment holding, design and manufacture of communication systems and equipment 投資控股、設計及生產通信系統 及設備 |

綜合財務報告附註

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

二零一七年六月三十日 30 JUNE 2017

34. PRINCIPAL SUBSIDIARIES (continued)

34. 主要附屬公司(續)

| Name of subsidiaries 附屬公司名稱 | Place of incorporation/ operations 註冊成立/ 經營地點 | Nominal value of issued share capital/ registered capital 已發行股本面值/ 註冊資本 | | Proportion of nominal value of issued share capital held by the Company 本公司應佔已發行 股本面值比例 | | Principal activities 主要業務 |
|--|--|---|--|---|-------|--|
| | | 2017 | 2016 | 2017 | 2016 | |
| | | 二零一七年 | 二零一六年 | 二零一七年 | 二零一六年 | |
| Multitone Electronics Sdn. Bhd. | Malaysia 馬來西亞 | Ordinary MR285,000 普通股 285,000 馬來西亞元 | Ordinary MR285,000 普通股 285,000 馬來西亞元 | 100% | 100% | Manufacture of communication systems and equipment 生產通信系統及設備 |
| Multiton Elektronik GmbH | Germany 德國 | Ordinary €1,022,584 普通股 1,022,584 歐元 | Ordinary €1,022,584 普通股 1,022,584 歐元 | 100% | 100% | Distribution of communication systems and equipment 分銷通信系統及設備 |
| Pearl Delta Inc.* | Samoa/Macau 薩摩亞群島/澳門 | Ordinary US\$1 普通股 1 美元 | Ordinary US\$1 普通股 1 美元 | 100% | 100% | Provision of treasury services 提供財政服務 |
| Shenzhen Hengyu Science and Technology Company Limited* 恒譽科技(深圳)有限公司* | PRC 中國 | Registered capital RMB24,000,000 註冊資本人民幣 24,000,000 元 | Registered capital RMB24,000,000 註冊資本人民幣 24,000,000 元 | 100% | 100% | Investment holding 投資控股 |
| Silverstrand Investments Limited* | Samoa 薩摩亞群島 | Ordinary US\$1 普通股 1 美元 | Ordinary US\$1 普通股 1 美元 | 100% | 100% | Investment holding 投資控股 |
| Smart (Macao Commercial Offshore) Limited* 佳盛(澳門離岸商業服務)有限公司* | Macau 澳門 | — | Ordinary MOP100,000 普通股澳門幣 100,000 元 | — | 100% | Provision of services, software licensing and trading in communication systems and equipment 提供服務、軟件特許權及買賣通信系統及設備 |
| Success (Macao Commercial Offshore) Limited 成功(澳門離岸商業服務)有限公司 | Macau 澳門 | Ordinary MOP100,000 普通股 澳門幣 100,000 元 | Ordinary MOP100,000 普通股 澳門幣 100,000 元 | 100% | 100% | Provision of consulting services, research and development, and trading of cultural products 提供顧問服務、研究及開發以及買賣文化產品 |
| Wollaston Limited* | Samoa/Macau 薩摩亞群島/澳門 | Ordinary US\$1 普通股 1 美元 | Ordinary US\$1 普通股 1 美元 | 100% | 100% | Investment holding 投資控股 |
| Zonal Care Incorporated* | British Virgin Islands/ Macau 英屬維爾京群島/澳門 | Ordinary US\$2 普通股 2 美元 | Ordinary US\$2 普通股 2 美元 | 100% | 100% | Provision of treasury services 提供財政服務 |

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34. PRINCIPAL SUBSIDIARIES (continued)

- * Directly held by the Company
- # Wholly owned foreign enterprise for a term of 20 years commencing 17 October 2003.
- ^ The subsidiary has been disposed of during the year.

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results of the year or constituted a substantial portion of the net assets 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 any debt securities subsisting at 30 June 2017 and 30 June 2016 or at any time during the year.

35. COMPARATIVE FIGURES

Certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed in 2016. Further details of these developments are disclosed in note 12 and 33.

34. 主要附屬公司(續)

- * 由本公司直接持有。
- # 全資外國企業，年期由二零零三年十月十七日起計二十年。
- ^ 該附屬公司已於年內被出售。

上表所列本公司附屬公司乃董事認為對本年度業績有重大影響或構成本集團資產淨值重大比重之附屬公司。董事認為，倘將其他附屬公司之詳情一併列出，則會令資料過於冗長。

各附屬公司於二零一七年六月三十日及二零一六年六月三十日或年內任何時間均無任何債務證券。

35. 比較數字

若干比較數字已予調整，以符合本年度之呈列方式，並就二零一六年所披露之項目提供比較金額。該等變動之進一步詳情於附註12及33披露。

財務摘要 FINANCIAL SUMMARY

RESULTS

業績

| | | Year ended 30 June 截至六月三十日止年度 | | | | |
|---|----------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2017 二零一七年 HK\$'000 千港元 | 2016 二零一六年 HK\$'000 千港元 | 2015 二零一五年 HK\$'000 千港元 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Revenue | 收益 | 140,854 | 2,090,426 | 2,544,174 | 2,720,286 | 1,953,394 |
| (Loss)/profit from ordinary activities before taxation | 除稅前日常業務(虧損)/溢利 | | | | | |
| (Loss)/profit from operating activities excluding other operating items | 未計其他經營項目之經營業務(虧損)/溢利 | (1,741,525) | 615,855 | 60,468 | 273,234 | 235,793 |
| Other operating items | 其他經營項目 | (14,650) | (633,604) | (47,595) | (268,474) | (157,656) |
| (Loss)/profit before taxation | 除稅前(虧損)/溢利 | (1,756,175) | (17,749) | 12,873 | 4,760 | 78,137 |
| Income tax expense | 所得稅支出 | (405) | — | (2,205) | — | — |
| (Loss)/profit for the year | 本年度(虧損)/溢利 | (1,756,580) | (17,749) | 10,668 | 4,760 | 78,137 |
| Attributable to: | 應佔： | | | | | |
| Owners of the company | 本公司擁有人 | (1,756,580) | (11,764) | 8,927 | 2,148 | 77,217 |
| Non-controlling interests | 非控股股東權益 | — | (5,985) | 1,741 | 2,612 | 920 |
| | | (1,756,580) | (17,749) | 10,668 | 4,760 | 78,137 |
| Dividends | 股息 | — | — | — | 15,133 | 22,537 |

ASSETS AND LIABILITIES

資產及負債

| | | At 30 June 於六月三十日 | | | | |
|--|------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 2017 二零一七年 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 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Total assets | 資產總值 | 1,801,716 | 3,561,067 | 3,692,025 | 3,443,636 | 3,435,694 |
| Total liabilities | 負債總額 | 124,519 | 127,270 | 227,072 | 223,893 | 196,828 |
| Shareholders' funds | 股東資金 | 1,677,197 | 3,433,797 | 3,464,953 | 3,219,743 | 3,238,866 |
| Equity attributable to owners of the Company | 本公司擁有人應佔權益 | 1,677,197 | 3,433,797 | 3,438,988 | 3,195,547 | 3,217,105 |
| Non-controlling interests | 非控股股東權益 | — | — | 25,965 | 24,196 | 21,761 |
| | | 1,677,197 | 3,433,797 | 3,464,953 | 3,219,743 | 3,238,866 |