



Kantone Holdings Limited

Stock Code: 1059

Interim Report
2017/2018

看通集團有限公司

KANTONE HOLDINGS LIMITED

The board (the “Board”) of directors (the “Directors”) of Kantone Holdings Limited (the “Company”) announces the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2017 (the “Period”) with comparative unaudited figures for the corresponding period in 2016 (the “Previous Period”) as follows:

看通集團有限公司(「本公司」)之董事(「董事」)會(「董事會」)公佈本公司及其附屬公司(「本集團」)截至二零一七年十二月三十一日止六個月(「回顧期」)之未經審核簡明綜合業績，連同二零一六年同期(「去年同期」)之未經審核比較數字如下：

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 31 December 2017

簡明綜合損益及其他全面收益表

截至二零一七年十二月三十一日止六個月

		Six months ended 31 December		
		截至十二月三十一日止六個月		
		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	
		(Unaudited)	(Unaudited)	
		(未經審核)	(未經審核)	
Revenue	收益	2	67,364	70,824
Cost of sales	銷售成本		(29,749)	(36,971)
Gross profit	毛利總額		37,615	33,853
Other income, gains and losses	其他收入、收益及虧損		2,773	1,894
Gain on disposal of subsidiaries	出售附屬公司之收益		—	2,167
Distribution costs	分銷成本		(14,052)	(12,695)
General and administrative expenses	一般及行政支出		(28,356)	(27,241)
Impairment losses recognised for inventories	就存貨所確認之減值虧損	8	(1,606,508)	—
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)
Research and development costs expensed	研究及開發成本支出		(1,428)	(1,001)
Finance costs	財務成本		(38)	(88)

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CONDENSED CONSOLIDATED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME

(continued)

For the six months ended 31 December 2017

簡明綜合損益及其他全面收益表(續)

截至二零一七年十二月三十一日止六個月

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Loss before taxation	除稅前虧損	(1,609,994)	(17,761)
Income tax expense	所得稅支出	4	—
Loss for the period	期內虧損	(1,610,349)	(17,761)
Other comprehensive income/ (expense):	其他全面收益/(支出):		
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	5,069	(8,275)
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	964	1,948
Other comprehensive income/ (expense) for the period	期內其他全面收益/(支出)	6,033	(6,327)
Total comprehensive expense for the period	期內全面支出總額	(1,604,316)	(24,088)
Loss per share — Basic and diluted	每股虧損 — 基本及經攤薄	HK(163.23)	HK(1.80)
		5	cents 港仙

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CONDENSED CONSOLIDATED STATEMENT
OF FINANCIAL POSITION (continued)

At 31 December 2017

簡明綜合財務狀況表(續)

於二零一七年十二月三十一日

		As at 31 December 2017 於二零一七年 十二月三十一日 Notes 附註 HK\$'000 千港元 (Unaudited) (未經審核)	As at 30 June 2017 於二零一七年 六月三十日 HK\$'000 千港元 (Audited) (經審核)
Total assets less current liabilities	資產總值減流動負債	132,712	1,737,924
Non-current liabilities	非流動負債		
Retirement benefit obligations	退休福利承擔	59,831	60,727
		59,831	60,727
Net assets	資產淨值	72,881	1,677,197
Capital and reserves	股本及儲備		
Share capital	股本	986,538	986,538
Reserves	儲備	(913,657)	690,659
		72,881	1,677,197

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**CONDENSED CONSOLIDATED
STATEMENT OF CHANGES IN EQUITY**

For the six months ended 31 December 2017

簡明綜合股本權益變動表

截至二零一七年十二月三十一日止六個月

		Share capital	Share premium	Translation reserve	Retained profits/ (Accumulated losses)	Total equity
		股本	股份溢價	匯兌儲備	保留溢利/ (累計虧損)	股本 權益總額
		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
At 1 July 2017 (Audited)	於二零一七年七月一日 (經審核)	986,538	795,357	8,208	(112,906)	1,677,197
Loss for the period	期內虧損	—	—	—	(1,610,349)	(1,610,349)
Remeasurement of defined benefits pension plans	重算定額福利退休計劃	—	—	—	5,069	5,069
Exchange difference arising on translation of foreign operations	因國外業務換算所產生之 匯兌差額	—	—	964	—	964
Total comprehensive income/(expense) for the period	期內全面收益/(支出) 總額	—	—	964	(1,605,280)	(1,604,316)
At 31 December 2017 (Unaudited)	於二零一七年十二月三十一日 (未經審核)	986,538	795,357	9,172	(1,718,186)	72,881
At 1 July 2016 (Audited)	於二零一六年七月一日 (經審核)	986,538	795,357	8,020	1,643,882	3,433,797
Loss for the period	期內虧損	—	—	—	(17,761)	(17,761)
Remeasurement of defined benefits pension plans	重算定額福利退休計劃	—	—	—	(8,275)	(8,275)
Exchange difference arising on translation of foreign operations	因國外業務換算所產生之 匯兌差額	—	—	1,948	—	1,948
Total comprehensive income/(expense) for the period	期內全面收益/(支出) 總額	—	—	1,948	(26,036)	(24,088)
At 31 December 2016 (Unaudited)	於二零一六年十二月三十一日 (未經審核)	986,538	795,357	9,968	1,617,846	3,409,709

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CONDENSED CONSOLIDATED
STATEMENT OF CASH FLOWS

For the six months ended 31 December 2017

簡明綜合現金流動表

截至二零一七年十二月三十一日止六個月

		Six months ended 31 December	
		截至十二月三十一日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Operating activities	經營業務		
Cash used in operations	營運所用現金	(3,385)	(3,611)
Tax paid	已付稅項	(17)	—
Net cash used in operating activities	經營業務所用之現金淨額	(3,402)	(3,611)
Investing activities	投資業務		
Payment for the purchase of property, plant and equipment	支付購買物業、廠房及設備	(3,510)	(3,032)
Other cash flows arising from investing activities	投資業務產生之其他現金流	94	(790)
Net cash used in investing activities	投資業務所用之現金淨額	(3,416)	(3,822)
Financing activities	融資業務		
Advance from directors	董事墊款	3,680	2,000
Repayment of bank borrowing	償還銀行借貸	(1,908)	—
Other cash flows arising from financing activities	融資業務所得之其他現金流	(1,218)	(2,256)
Net cash generated from/ (used in) financing activities	融資業務所得/(所用)之現金淨額	554	(256)
Net decrease in cash and cash equivalents	現金及現金等額之減少淨額	(6,264)	(7,689)
Cash and cash equivalents at beginning of the period	期初現金及現金等額	76,101	74,377
Effect of foreign exchanges rates changes	匯率變動之影響	3,543	(2,137)
Cash and cash equivalents at end of the period	期末現金及現金等額	73,380	64,551

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2017

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements of Kantone Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of the Group for the year ended 30 June 2017 except that the Group has applied for the first time, certain amendments to Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA that are effective for the current period.

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the following amendments are relevant to the Group.

- HKAS 7 Amendments Disclosure Initiative
- HKAS 12 Recognition of Deferred Tax Assets for Unrealised Losses
- HKFRSs Amendments Annual Improvements to HKFRSs 2014 – 2016 Cycle

None of these amendments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

簡明綜合財務報表附註

截至二零一七年十二月三十一日止六個月

1. 編製基準及會計政策

看通集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之未經審核簡明綜合財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」所編製。此外，未經審核簡明綜合財務報表亦載入按香港聯合交易所有限公司證券上市規則所規定之適用披露資料。

未經審核簡明綜合財務報表乃根據歷史成本基準編製。

所採納之會計政策與編製本集團截至二零一七年六月三十日止年度之年度財務報表所遵循者一致，惟本集團首次應用由香港會計師公會頒佈之香港財務報告準則(「香港財務報告準則」)若干修訂本除外，該等修訂本於本期間生效。

香港會計師公會已頒佈多項香港財務報告準則之修訂本，而該等修訂於本集團之本會計期間首次生效及與本集團有關。

- 香港會計準則 披露計劃
第7號修訂本
- 香港會計準則 就未變現虧損確認遞延
第12號 稅項資產
- 香港財務報告 二零一四年至二零一
準則修訂本 六年週期之香港財務
報告準則年度改進

概無該等修訂本對本集團業績及財務狀況於目前或去年同期編製或呈列之方式有重大影響。本集團並無應用任何於目前會計期間尚未生效之任何新訂準則或詮釋。

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2. 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 and leasing income received and receivable during the period.

The revenue of the Group comprises the following:

2. 收益及分類資料

(a) 收益

收益指期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以及已收及應收租賃收入。

本集團之收益包括下列各項：

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Sales of cultural products	銷售文化產品	—	—
Sales of systems and related products	銷售系統及相關產品	42,628	46,569
Rendering of services	提供服務	13,637	13,155
Leasing of systems products	租賃系統產品	11,099	11,100
		67,364	70,824

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2. REVENUE AND SEGMENT INFORMATION (continued)

2. 收益及分類資料(續)

(b) Segment information

(b) 分類資料

Information regarding the Group's reportable segments for the purpose of resources allocation and performance assessment for the period is reported below:

有關本集團可呈報分類資料呈報如下，以供期內資源分配及表現評估之用：

		Sales of cultural products 銷售文化 產品 HK\$'000 千港元	Sales of systems and related products 銷售系統及 相關產品 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
Six months ended	截至二零一七年				
31 December 2017	十二月三十一日止				
(unaudited)	六個月(未經審核)				
REVENUE	收益				
External and total revenue	對外銷售及總收益	—	56,265	11,099	67,364
RESULTS	業績				
Segment result	分類業績	(1,608,001)	3,058	404	(1,604,539)
Interest income	利息收入				94
Gain on disposal of subsidiaries	出售附屬公司之收益				—
Finance costs	財務成本				(38)
Unallocated expenses, net	未分配開支 — 淨額				(5,511)
Loss before taxation	除稅前虧損				(1,609,994)

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2. REVENUE AND SEGMENT INFORMATION (continued)

2. 收益及分類資料(續)

(b) Segment information (continued)

(b) 分類資料(續)

		Sales of cultural products 銷售文化 產品 HK\$'000 千港元	Sales of systems and related products 銷售系統及 相關產品 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
Six months ended	截至二零一六年				
31 December 2016	十二月三十一日				
(unaudited)	六個月(未經審核)				
REVENUE	收益				
External and total revenue	對外銷售及總收益	—	59,724	11,100	70,824
RESULTS	業績				
Segment result	分類業績	(176)	(20,503)	1,921	(18,758)
Interest income	利息收入				75
Gain on disposal of subsidiaries	出售附屬公司之收益				2,167
Finance costs	財務成本				(88)
Unallocated expenses, net	未分配開支 — 淨額				(1,157)
Loss before taxation	除稅前虧損				(17,761)

No assets and liabilities are included in segment reporting as it is not practicable to make a meaningful segregation when most of the assets and liabilities are not separately distinguishable in the operation of the Group as a whole.

由於本集團於整體營運過程中將資產及負債合併互動，在實際情況中不可能作出有意義的分類。故此本集團未有就資產及負債納入於分類報告內。

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3. AMORTISATION AND DEPRECIATION

3. 攤銷及折舊

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Amortisation on development costs for systems and networks, included in cost of sales	系統及網絡開發成本之攤銷(計入銷售成本內)	—	7,044
Depreciation of property, plant and equipment, included in general and administrative expenses	物業、廠房及設備之折舊(計入一般及行政支出內)	4,195	4,527
Total amortisation and depreciation	攤銷及折舊總額	4,195	11,571

4. INCOME TAX EXPENSE

4. 所得稅支出

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Current tax expense:	即期稅項支出：		
— United Kingdom corporate income tax	— 英國企業所得稅	355	—
		355	—

The UK corporate income tax rate was reduced from 20% to 19% effective from 1 April 2017. UK corporate income tax is calculated at 19% (2016: 20%) on the estimated assessable profit derived from UK.

由二零一七年四月一日起，英國企業所得稅率自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%（二零一六年：20%）之稅率計算。

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4. INCOME TAX EXPENSE (continued)

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 periods.

5. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to owners of the Company of HK\$1,610,349,000 (2016: loss of HK\$17,761,000) 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 six months ended 31 December 2017 and 31 December 2016 were the same as the basic loss per share as there were no potential ordinary shares outstanding during both periods.

6. DIVIDENDS

The board of directors has resolved not to pay any interim dividend for the six months ended 31 December 2017 (2016: nil).

7. PROPERTY, PLANT AND EQUIPMENT

4. 所得稅支出(續)

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。於兩個期間內,就香港利得稅而言並無估計應課稅溢利。

5. 每股虧損

每股基本虧損乃根據期內本公司擁有人應佔虧損1,610,349,000港元(二零一六年:虧損為17,761,000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。

由於兩個期間內並無潛在可發行普通股,因此於截至二零一七年十二月三十一日及二零一六年十二月三十一日止六個月內之每股經攤薄虧損與每股基本虧損相同。

6. 股息

董事會決議不派發截至二零一七年十二月三十一日止六個月之中期股息(二零一六:無)。

7. 物業、廠房及設備

		Amount 金額 HK\$'000 千港元
Carrying value at 1 July 2017 (Audited)	於二零一七年七月一日之賬面值 (經審核)	31,366
Currency realignment	匯兌調整	1,575
Additions	添置	3,510
Depreciation	折舊	(4,195)
Disposal	出售	(11)
Carrying value at 31 December 2017 (Unaudited)	於二零一七年十二月三十一日之 賬面值(未經審核)	32,245

As at 31 December 2017, property, plant and equipment of the Group with carrying amounts of HK\$11,715,704 (30 June 2017: HK\$11,214,960) have been pledged as securities for the defined benefit retirement scheme of certain subsidiaries operated in UK.

於二零一七年十二月三十一日,本集團之賬面值為11,715,704港元(二零一七年六月三十日:11,214,960港元)之物業、廠房及設備已質押,作為若干於英國營運之附屬公司之定額福利退休計劃之抵押品。

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8. INVENTORIES

8. 存貨

		As at 31 December 2017	As at 30 June 2017
		於二零一七年 十二月三十一日	於二零一七年 六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Raw materials	原料	8,150	6,602
Work in progress	在製品	5,001	5,786
Finished goods <i>(note)</i>	製成品(附註)	40,438	1,645,933
		53,589	1,658,321

Notes:

- (i) Included in finished goods are cultural products, including precious stones and artifacts, of HK\$32,468,000 (30 June 2017: HK\$1,638,975,000) which are held for trading and resale in the ordinary course of business.
- (ii) As at 31 December 2017, all cultural products of the Group are stored in the warehouse of a worldwide security solution company, which is an independent third party storage service provider.

As at 30 June 2017, around 82% or 117 pieces out of total 143 pieces of cultural products were stored in a 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.

附註：

- (i) 製成品包括於日常業務過程中持作買賣及轉售之文化產品(包括寶石及藝術品)32,468,000港元(二零一七年六月三十日：1,638,975,000港元)。
- (ii) 於二零一七年十二月三十一日，本集團之所有文化產品存放於一間全球安全解決方案公司之倉庫，其為獨立第三方存放服務供應商。

於二零一七年六月三十日，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(分別至二零一六年九月三十日及二零一六年十月一日止)簡文樂教授全資擁有之公司經營之一間博物館內。

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8. INVENTORIES (continued)

For the purpose of preparing the consolidated financial statements for the year ended 30 June 2017, 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.

For the purpose of preparing the unaudited condensed consolidated financial statements for the six months ended 31 December 2017, the Group had arranged another team of cultural product and jewellery experts from "China Cultural Heritage Information and Consulting Center" being led by Ms. YANG Zhen Hua (楊震華) to perform a detailed authentication on all of the cultural products regarding their grading and classification. According to these experts, further downgradings and reclassifications were required to be made on some of cultural products. The Group engaged an independent valuer to reassess the current market values of the inventories as at 31 December 2017 based on the findings of the cultural product and 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 the inventory items of cultural products were lower than their costs and that the shortfalls amounted to an aggregate amount of HK\$3,346,616,000. Accordingly, the Group recognised an additional impairment loss of HK\$1,606,508,000 for the six months ended 31 December 2017.

8. 存貨(續)

就編製截至二零一七年六月三十日止年度之綜合財務報表而言，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。

就編製截至二零一七年十二月三十一日止六個月之未經審核簡明綜合財務報表而言，本集團已安排由楊震華女士率領來自「中國文物信息諮詢中心」的另一隊文物產品及玉石專家隊伍對所有文物產品的評級及分類進行詳細鑑證。根據該等專家之意見，需要對若干文物產品作出進一步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及玉石專家就該等文物產品之品位及分類之結論，重估存貨於二零一七年十二月三十一日之現時市場價值。因上述評估關係，本集團管理層判定文物產品存貨項目之可變現淨值低於其成本，差額合共達3,346,616,000港元。故此，本集團於截至二零一七年十二月三十一日止六個月確認額外減值虧損1,606,508,000港元。

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9. TRADE AND OTHER RECEIVABLES

9. 應收貿易及其他賬款

		As at 31 December 2017	As at 30 June 2017
		於二零一七年 十二月三十一日	於二零一七年 六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Trade receivables	應收貿易賬款	19,911	17,833
Other receivables	應收其他賬款	11,457	18,095
		31,368	35,928

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. 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.

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。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。

The aged analysis of trade receivables presented based on the invoice date at the end of the reporting period is as follows:

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：

		As at 31 December 2017	As at 30 June 2017
		於二零一七年 十二月三十一日	於二零一七年 六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
0 — 60 days	0 — 60日	15,998	16,178
61 — 90 days	61 — 90日	2,625	1,600
91 — 180 days	91 — 180日	1,288	55
		19,911	17,833

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10. TRADE AND OTHER PAYABLES

10. 應付貿易及其他賬款

		As at 31 December 2017	As at 30 June 2017
		於二零一七年 十二月三十一日	於二零一七年 六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
Trade payables	應付貿易賬款	2,266	7,487
Other payables (note (i))	應付其他賬款(附註(i))	45,322	48,596
Amount due to a fellow subsidiary (note (ii))	應付一間同系附屬公司款項(附註(ii))	2,900	—
Amount due to holding company (note (ii))	應付控股公司款項(附註(ii))	617	—
		51,105	56,083

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。

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：

		As at 31 December 2017	As at 30 June 2017
		於二零一七年 十二月三十一日	於二零一七年 六月三十日
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Audited)
		(未經審核)	(經審核)
0 — 60 days	0 — 60日	1,990	7,487
91 — 180 days	91 — 180日	276	—
		2,266	7,487

Note (i): Other payables mainly represented receipts in advance of HK\$14,628,000 (30 June 2017: HK\$21,188,000) and accruals.

附註(i)：應付其他賬款主要為預收款項14,628,000港元(二零一七年六月三十日：21,188,000港元)及預提費用。

Note (ii): These amounts are unsecured, non-interest bearing and repayable on demand.

附註(ii)：該等款項為無抵押、不計息及須按的要求償還。

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11. AMOUNTS DUE TO DIRECTORS

The amounts due to directors of the Company are unsecured, non-interest bearing and repayable on demand. As at 31 December 2017, one of the directors owned 7.14% indirect beneficiary interest in the Company.

As at 30 June 2017, the director owned 18.12% indirect beneficiary interest in the Company but he already resigned on 15 August 2017 and disposed of all the shares held by him on 17 August 2017.

12. OPERATING LEASE ARRANGEMENTS

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:

11. 應付董事款項

應付本公司董事款項乃無抵押、不計息及須按要求償還。於二零一七年十二月三十一日，其中一名董事擁有本公司7.14%之間接受益人權益。

於二零一七年六月三十日，該名董事擁有本公司18.12%之間接受益人權益，惟其於二零一七年八月十五日辭任並於二零一七年八月十七日出售其持有之所有股份。

12. 經營租賃安排

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：

		As at 31 December 2017 於二零一七年 十二月三十一日		As at 30 June 2017 於二零一七年 六月三十日	
		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
		(Unaudited) (未經審核)	(Unaudited) (未經審核)	(Audited) (經審核)	(Audited) (經審核)
Within one year	一年內	144	1,012	134	209
In the second to fifth year inclusive	第二年至第五年內(包括首尾兩年)	144	8,777	201	9,357
Over five years	五年以上	—	—	—	339
		288	9,789	335	9,905

As at 31 December 2017, the future rental income to be generated from the plant and machinery and communications networks of the Group amounting to HK\$35,764,875 (30 June 2017: HK\$34,090,875) have been pledged as securities for the defined benefit retirement scheme of certain subsidiaries operated in UK.

於二零一七年十二月三十一日，本集團之廠房與機器及通信網絡未來將產生之租金收入為35,764,875港元(二零一七年六月三十日：34,090,875港元)已質押，作為於英國營運之若干附屬公司之定額福利退休計劃之抵押品。

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12. OPERATING LEASE ARRANGEMENTS (continued)

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:

12. 經營租賃安排(續)

本集團作為承租人

於報告期完結時，本集團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：

		As at 31 December 2017 於二零一七年 十二月三十一日		As at 30 June 2017 於二零一七年 六月三十日	
		Land and buildings 土地及樓宇 HK\$'000 千港元 (Unaudited) (未經審核)	Motor vehicles 汽車 HK\$'000 千港元 (Unaudited) (未經審核)	Land and buildings 土地及樓宇 HK\$'000 千港元 (Audited) (經審核)	Motor vehicles 汽車 HK\$'000 千港元 (Audited) (經審核)
Operating leases which expire:	於下列年期屆滿之 經營租賃：				
Within one year	一年內	1,822	2,950	691	2,103
In the second to fifth year inclusive	第二年至第五年內(包括首 尾兩年)	1,538	2,096	—	2,738
		3,360	5,046	691	4,841

Leases are negotiated for terms of one to five years and rentals are fixed for terms of one to five years.

經磋商後之租賃年期介乎一年至五年，而租金乃按一年至五年之年期釐定。

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13. RELATED PARTY TRANSACTIONS

13. 關連人士交易

(a) **Related party transaction with Champion Technology Holdings Limited (“Champion”)**

(a) 與冠軍科技集團有限公司(「冠軍」)進行之關連人士交易

Six months ended	
31 December	
截至十二月三十一日止六個月	
2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元
(Unaudited)	(Unaudited)
(未經審核)	(未經審核)

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	本集團向冠軍按成本基礎支付提供辦公室及設備及管理服務之費用	—	450

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 entered into with Champion dated 20 December 1996, which was renewed on 5 January 2010.

該等交易乃經本集團與冠軍磋商後進行。就提供辦公室及設備及管理服務所支付之費用乃根據與冠軍於一九九六年十二月二十日訂立之管理協議而定，該協議於二零一零年一月五日重續。

As at 31 December 2017 and 30 June 2017, a corporate guarantee was provided by Champion to a bank in respect of banking facilities granted to the Group.

於二零一七年十二月三十一日及二零一七年六月三十日，冠軍就本集團所獲授銀行融資向銀行作出公司擔保。

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13. RELATED PARTY TRANSACTIONS (continued)

(b) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the directors of the Company. Key management personnel remuneration are as follows:

13. 關連人士交易(續)

(b) 主要管理人員薪酬

主要管理人員為擔任之職位直接或間接擁有規劃、指示及控制本集團業務之權責之人士，包括本公司董事。主要管理人員薪酬如下：

		Six months ended	
		31 December	
		截至十二月三十一日止六個月	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Salaries and other benefits	薪金及其他福利	3,015	667
Performance related incentive payments	按工作表現發放之獎金	1,803	255
Retirement benefit scheme contributions	退休福利計劃供款	339	9
		5,157	931

INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 31 December 2017 (2016: nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL RESULTS

Revenue

The Group reported a revenue for the six months ended 31 December 2017 of approximately HK\$67 million compared with approximately HK\$71 million for the Previous Period, a slight decrease of approximately 4.9 percent. This was mainly due to changes in the product mix during the period.

Loss attributable to Owners of the Company

The loss for the six months ended 31 December 2017 is approximately HK\$1,610 million compared with approximately HK\$18 million for the Previous Period. The loss was mainly due to the impairment losses recognised for the inventories during the period. Loss per share is HK163.23 cents compared with approximately HK1.80 cents for the Previous Period.

Distribution Costs

The Group's distribution costs for the six months ended 31 December 2017 was mainly incurred by the principal subsidiary in United Kingdom — Multitone Electronics PLC ("Multitone"), which recorded distribution costs for the six months ended 31 December 2017 of approximately HK\$14 million compared with approximately HK\$13 million for the Previous Period, representing of an increase of approximately 10.7 percent.

中期股息

董事會決議不派發本公司截至二零一七年十二月三十一日止六個月之中期股息(二零一六年：無)。

管理層討論及分析

財務業績

收益

本集團於截至二零一七年十二月三十一日止六個月錄得收益約67,000,000港元，而去年同期約為71,000,000港元，輕微減少約4.9%。此乃主要由於期內產品組合變動所致。

本公司擁有人應佔虧損

截至二零一七年十二月三十一日止六個月虧損約1,610,000,000港元，而去年同期約為18,000,000港元。虧損主要由於期內就存貨已確認之減值虧損所致。每股虧損為163.23港仙，而去年同期約為1.80港仙。

分銷成本

截至二零一七年十二月三十一日止六個月，本集團之分銷成本主要產生自其英國主要附屬公司Multitone Electronics PLC(「無敵通#」)，其於截至二零一七年十二月三十一日止六個月錄得分銷成本約14,000,000港元，而去年同期約為13,000,000港元，相當於增加約10.7%。

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MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCIAL RESULTS *(continued)*

General and Administrative Expenses

General and administrative expenses for the six months ended 31 December 2017 increased by approximately 4.1 percent to approximately HK\$28 million from approximately HK\$27 million for the Previous Period.

Amortisation and Depreciation

Amortisation and depreciation costs for the six months ended 31 December 2017 decreased to approximately HK\$4 million, compared with approximately HK\$12 million for the Previous Period, due to significant decrease in amortisation on development costs for systems and networks as the development costs for systems and networks were fully impaired during the year ended 30 June 2017.

Impairment Loss

During the six months ended 31 December 2017, the Group recognised an impairment loss on inventories of approximately HK\$1,607 million, which was primarily attributable to the downgrading and reclassification required to be made on a number of the inventory items of cultural products according to a preliminary view of a team of cultural product/jewellery experts. Details of the downgrading and reclassification are set out in the section headed "Review of Operation" below.

Finance Costs

Finance costs for the six months ended 31 December 2017 decreased to approximately HK\$0.04 million from approximately HK\$0.09 million for the Previous Period, which was due to partial repayment of bank borrowings during the Period.

管理層討論及分析(續)

財務業績(續)

一般及行政開支

截至二零一七年十二月三十一日止六個月，一般及行政開支自去年同期約27,000,000港元增加約4.1%至約28,000,000港元。

攤銷及折舊

截至二零一七年十二月三十一日止六個月，攤銷及折舊成本減少至約4,000,000港元，而去年同期約為12,000,000港元，此乃由於就系統及網絡開發成本之攤銷大幅減少所致，其原因為於截至二零一七年六月三十日止年度就系統及網絡開發成本已全面減值。

減值虧損

於截至二零一七年十二月三十一日止六個月，本集團確認存貨減值虧損約1,607,000,000港元，乃主要由於部份文化產品存貨項目按文物產品／玉石專家團隊初步鑑證後須進行品位下調及重新分類。有關進行品位下調及重新分類之詳情載列於下文「業務回顧」一節。

財務成本

截至二零一七年十二月三十一日止六個月，財務成本自去年同期約90,000港元減少至約40,000港元，此乃由於回顧期內償還部份銀行借貸。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

REVIEW OF OPERATIONS

As disclosed in our 2016/2017 interim report and 2017 annual report, with the change in management, the Group needs a new business plan for its business realignment so as to build a solid market in culture-related businesses.

System Products

For our system products sector, we have started introducing our existing products from our UK arms into Hong Kong and China market and vice-versa. We shall strive to secure some sale contracts before the end of this financial year. So far, contribution from our system and development products has remained steady.

Cultural Products

Included in finished goods of the Group as at 31 December 2017 were cultural products, including precious stones and artifacts, of HK\$32,468,000 (as at 30 June 2017: HK\$1,638,975,000) which were held for trading and resale in the ordinary course of business.

All of such cultural products, totaled 143 pieces, have been kept in the vault of an independent renowned security company since early December 2017.

A team of cultural product, jewellery experts organized by 中國文物信息諮詢中心 “China Cultural Heritage Information and Consulting Center” (the “Consulting Center”) and led by Ms. YANG Zhen Hua (楊震華) is engaged to perform an inspection on all the 143 pieces of cultural products owned by the Group and, in the mid of January 2018, they came to Hong Kong to do the authentication work on all of the 143 pieces of cultural product and upon completion of their stage 1 field work directed us to arrange for scientific examination with the GEM Appraisal Center of Peking University (the “Appraisal Center”) of selected representative samples plus certain items on which doubts were casted by them. According to the preliminary advice from these experts, substantial reclassification and downgrading might be required. Therefore, the Company’s management with the assistance of the Hong Kong valuer came up with their best estimate of the value of inventories based on such latest available information. The Company’s management was given to understand that the formal authentication report and evaluation from the Appraisal Center would be ready sometime in mid-March 2018.

管理層討論及分析(續)

業務回顧

誠如二零一六／二零一七年年報及二零一七年年報所披露者，由於更換管理層，本集團需要新業務計劃以重整業務及為文化相關業務建立鞏固的市場。

系統產品

就系統產品分部而言，我們已開始將英國的產品介紹給香港及中國市場亦同時策劃並物色適合的香港及中國產品引入英國市場。我們將竭盡所能，希望在本財政年度結束前可以成功簽署若干銷售合同。至今整體系統及開發產品的貢獻維持穩定。

文物產品

於二零一七年十二月三十一日，計入本集團製成品為文物產品，包括32,468,000港元(於二零一七年六月三十日：1,638,975,000港元)的珍貴石頭及藝術品，於日常業務過程中持作買賣及轉售。

所有合共143件文化產品自二零一七年十二月初起存放於一間獨立知名保險庫公司的保險庫內。

由中國文物信息諮詢中心(「諮詢中心」)籌組及楊震華女士帶領的文物產品／玉石專家團隊獲委託就由本集團擁有的全部143件文化產品進行調整，專家團隊並於二零一八年一月中親臨香港進行鑒證工作，檢視全部143件文化產品並在完成其第一期工作的同時指示我們就有疑點的已選定代表的文化產品樣本加上其他抽取的樣本聯同北京大學寶石鑒定中心(「鑒定中心」)進行科學鑒證。根據該等專家之初步意見，有可能須大幅重新分類及品位下調。因此，本公司管理層在香港估值師之協助下按最新得到的資料就存貨價值盡力作出最能反映現實的估算。本公司管理層獲悉鑒定中心之正式鑒證報告及評估將於二零一八年三月中完成。

看通集團有限公司

KANTONE HOLDINGS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

REVIEW OF OPERATION *(continued)*

Cultural Products *(continued)*

In view of the disappointing drop in the value of the cultural products, we have to restructure a suitable plan to develop the line of business on cultural products and to proceed along a more realistic approach in selling the cultural products that we have in hand. Sale of cultural products was held up during the reporting period pending the final results of the authentication exercise.

OUTLOOK

The management of the Group strived to improve the business operation and financial position of the Group, and also it has been the business strategy of the Group to proactively seek potential investment opportunities in order to enhance value of the Shareholders. For the time being, other than planning the business strategy on our cultural products after obtaining the formal authentication report and evaluation from the Appraisal Center, the Directors are also actively seeking a feasible solution to explore China's market for our system products of our subsidiaries in England.

Cultural Artifacts Investment — Shoushan Stone

There are quite a number of artifacts and Shoushan Stone in the Group's inventory. Shoushan Stone is one of the "four famous stones for making seals" in Chinese tradition. It can be found in the Golden Triangle area at the junction of Jin'an District, Luoyuan County and Lianjiang County in the northern suburbs of Fuzhou. Tracking along the ore vein, it can be divided into 3 series, namely "high mountain, flag hill, moon wave". The Shoushan mining area was exploited long time ago. The old saying about "field pit, water pit and mountain pit" referred to those ore mined at the bottom of the fields, along water streams and caves respectively. It is "colorful, oily look, crystal feel, with the moist of jade, soft and easy to carve, is a good natural material for carving." Today, "Shoushan Stone Sculpture" has been approved by the State Council for inclusion in the first batch of state-grade "Intangible Cultural Heritage" category. From 1999 to 2002, after going through 4 years of assessment from the criteria of state stone, Shoushan Stone was officially named as "The State Stone of China".

管理層討論及分析(續)

業務回顧(續)

文化產品(續)

有鑒於文化產品大幅減值，我們需要重新設計一個適合的計劃來發展文化產品業務並訂定一個具實際可行的方法，以銷售手頭上的文化產品。由於需要等待最新鑒證的最終結果，我們在回顧期須暫停出售任何文化產品。

展望

本集團管理層致力改善本集團之業務經營及財務狀況，而本集團之業務策略一直為積極尋找潛在投資機會以增加股東價值。目前，除了取得鑒定中心正式鑒證報告及評估後對文化產品的業務策略規劃外，董事亦積極尋求可行解決方案，為位於英國之附屬公司之系統產品開拓中國市場。

文化藝術品投資 — 壽山石

在本集團庫存中擁有大批的藝術品及壽山石。壽山石(Shoushan Stone)是中國傳統「四大印章石」之一。分佈在福州市北郊晉安區與連江縣、羅源縣交界處的「金三角」地帶。若以礦脈走向，又可分為「高山、旗山、月洋」三系。因為壽山礦區開採得早，舊說的「田坑、水坑、山坑」，就是指在此礦區的田底、水澗、山洞開採的礦石。它「色彩斑斕、質地脂潤、晶瑩通透、溫潤如玉、柔而易攻，是天然的良好雕刻材料」。如今「壽山石雕」已經國務院批准列入第一批國家級「非物質文化遺產」名錄，從1999年到2002年，經過四屆國石評選，壽山石最終正式被中國寶玉石協會命名為「中國國石」。

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

OUTLOOK *(continued)*

Cultural Artifacts Investment – Shoushan Stone *(continued)*

Shoushan Stone was formed after a prolong period of volcanic hydrothermal alteration, and it has been confirmed to contain various trace-elements and macro-elements that are beneficial to the human body and can play a health-care role on the human body. Therefore, it has been applied towards the regimes of food, cosmetics and medicine. After further processing, Shoushan Stones can become tea pots, candy powder, cosmetic padding material, raw materials for ceramics and pharmaceutical blending materials.

Shoushan Stone is rich in trace-elements, such as calcium, magnesium, zinc, selenium, manganese and other minerals beneficial to the human body, with the heat generated after playing in hands, it would generate far-infrared which is more beneficial to the human body, rendering absorption of beneficial substances and removal of impurities.

Shoushan Stone would produce far-infrared thermal effects which would be absorbed by the human body with resonance, thus generating the following main functions:

1. Activate the activities of biological macromolecules, thereby enhancing the body's oxygen content, so that body cells can restore vitality and improves mental alertness.
2. Would bring the organism molecules to a higher vibration state, thus activating the biological activity of nucleic acid proteins and other molecules, which would render biological macromolecules to regulate body metabolism, immunity and other functions.

管理層討論及分析 *(續)*

展望 *(續)*

文化藝術品投資 — 壽山石 *(續)*

壽山石經過長期的多次火山熱液蝕變作用形成，已證實含有多種對人體有益的宏量元素和微量元素，對人體能夠起到保健作用，故在食品、化妝品、醫藥等領域裏都得到了應用。將壽山石進行深加工後，會被用來製作飲用茶壺，作糖果粉料、化妝品填料、陶瓷器原料以及醫藥摻合劑等。

壽山石中含有豐富的微量元素，如鈣，鎂，鋅，硒，錳等對人體有益礦物質，把玩加熱後具有更多有益於人體的遠紅外線，吸收有益物質，排除雜質。

壽山石產生的遠紅外線的熱效應和使人體共振吸收後主要產生以下幾方面功能：

1. 激活了生物大分子的活性，因而提高身體的含氧量，細胞因而能恢復活力，精神更暢旺。
2. 使生物體的分子處於較高振動狀態，這樣便激活了核酸蛋白質等生物大小分子的活性，從而發揮了生物大分子調節機體代謝、免疫等活動的功能。

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

OUTLOOK *(continued)*

Cultural Artifacts Investment – Shoushan Stone *(continued)*

3. Far-infrared generated can also promote and improve blood circulation, and enhance metabolism, improve phagocytic function of the body's macrophages, enhance human cellular immunity and is therefore conducive to human health.

Shoushan Stone is also known as the best carrier of Chinese history and culture: its subtle and beautiful look, and its profound cultural and artistic connotation! It is the first choice of beloved traditional culture. It was treasured by the emperors of many dynasties and served as the national stone for ritual sacrifice by Emperor Qianlong of the Qing Dynasty. It has been an incarnation of extravagance for thousands of years, which represents the symbol of power ruling the country!

In assessing the value of Shoushan Stone value, carving is one of the important aspect in addition to its origin, history, stone quality and color. Shoushan stone carvings, especially those of mountain pit types, are most commonly referred to as "color-oriented carvings," meaning that they are created in accordance with the color of the stone and are very popular for collectors. For a long time, the heat of speculation in the domestic Shoushan Stone sculpture market has kept going up. Good Shoushan Stone sculpture has the following characteristics.

1. a plump look;
2. smooth carving;
3. polished to the right level;
4. no electrically drilled holes;
5. proportional;

管理層討論及分析 *(續)*

展望 *(續)*

文化藝術品投資 — 壽山石 *(續)*

3. 所產生的遠紅外線能促進和改善血液循環，並且增強新陳代謝，有提高機體的巨噬細胞吞噬功能，增強人體的細胞免疫功能，有利於人體的健康。

壽山石亦被稱為中國歷史文化的最佳載體：它含蓄的外相美，以及博大精深的文化藝術內涵！是摯愛傳統文化人士的首選。它為歷朝皇帝所鍾愛，曾被清乾隆皇帝奉為祭天御用國石。幾千年來都是貴氣的化身，它代表着統治國家的權力象徵！

壽山石的價值，除了產地、歷史、石質與顏色，雕工也是重點之一。壽山石石雕，尤其是山坑種的旗降最常用「巧色雕刻法」，意指依照石頭的顏色創作，這種藝術品非常受收藏家喜愛。長期以來，國內壽山石雕市場的炒賣及收藏熱不斷升溫，雕工好的壽山石雕有以下特點。

- 一、造型飽滿；
- 二、刀法流暢；
- 三、磨光到位；
- 四、無電鑽洞；
- 五、比例勻稱；

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

OUTLOOK *(continued)*

Cultural Artifacts Investment – Shoushan Stone *(continued)*

6. vivid image;
7. well-designed;
8. flawless;
9. skillful color manipulation;
10. Rarity.

When experienced sculptors employed their “Thin Carvings” technique to create new Shoushan Stone sculptures, they would carve with a pictorial mind and meticulously move the picture in their mind into the Shoushan Stone, creating a state of art in each of their masterpiece. The carving and size of each Shoushan Stone determine its grading and value.

The collection of the Group, irrespective of their complexity in carving, all carry the characteristics of being balanced, plump, and having a stereoscopic feel.

Investment Plan In Auction Business

Benefiting from reality TV shows on antique auctioning that have ignited a treasure-hunting fad, the antique auction business is flourishing with buyers flooding into the auction market to hunt their own treasures.

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 second hand merchandise in an auction environment.

管理層討論及分析 *(續)*

展望 *(續)*

文化藝術品投資 — 壽山石 *(續)*

- 六、 形象傳神；
- 七、 設計周全；
- 八、 無缺少瑕；
- 九、 取色巧妙；
- 十、 珍稀度高。

經驗豐富的雕刻家在雕刻壽山石『薄意雕』作品時，會把心中繪畫的構圖一絲不苟地搬進壽山石裏，而創造了不朽的傑作。雕工優劣及石的大小亦決定了石雕的檔次及價值。

本集團的收藏品，不論雕工繁簡，都具有造型穩重、飽滿，及立體感強的特點。

拍賣行業投資計劃

拍賣古董行業方興未艾，得益於古董拍賣電視真人秀，掀起一片尋寶熱潮，喚醒了無數買家，紛紛投入拍賣市場中，去追尋自己的心頭至愛。

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。

看通集團有限公司

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MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

OUTLOOK *(continued)*

Investment Plan In Auction Business *(continued)*

As such, the Group has embarked on plans to recruit industry elites and skilled auction specialists in an effort to develop our auction projects. Meanwhile, the Group will focus on live auction to nurture its development, which in turn will enhance our market share in the antique auction industry.

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.

Smart City – Multitone

The Smart City concept embraces seven main areas, namely, “Intelligent Governance”, “Innovative and Entrepreneurial Service System”, “Natural Disaster Monitoring System (City Operation and Emergency Command Center)”, “Smart Tour”, “Intelligent Education”, “Big Data Bank Center” and “Intelligent Transportation”. The setup of Smart City will enhance the administration and monitoring of urban population, resources, ecological environment and economic development. With the help of advanced information technology such as Internet of Things, big data and mobile internet, it will greatly enhance the city’s overall planning, administration services, city management, industrial development, livelihood of people and emergency command.

A Smart City can provide a new impetus for the urban economic restructuring and upgrading, provide new support for urban management services, and inject new vitality into the improvement of people’s livelihood and the building of a harmonious society.

In joint hands with Multitone, the Group would focus on marketing and developing the “Natural Disaster Monitoring System (City Operation and Emergency Command Center)” and “Intelligent Education” aspect of the Smart City market.

管理層討論及分析(續)

展望(續)

拍賣行業投資計劃(續)

有見及此，本集團已計劃招攬業內精英，及深諳拍賣技巧之專才去發展拍賣項目。此外，本集團將重點着眼於現場拍賣，將之做强做大，以提升在古董拍賣行業中的市場佔有率。

本集團已計劃招募精英及富有技巧之拍賣專才發展拍賣項目。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。

智慧城市 — 無敵通[#]

智慧城市函括「智慧政務」、「創新創業服務系統」、「自然災害應急預警監測系統(城市運行及應急指揮中心)」、「智慧旅遊」、「智慧教育」、「城市大資料中心」及「智慧交通」等七大版塊。智慧城市的建成將更好地統籌協調城市人口、資源、生態環境和經濟發展等的關係，以物聯網、大資料、移動互聯網等先進資訊技術全面提升城市在統籌規劃、政務服務、城市管理、產業發展、惠民便民、應急指揮等方面的智慧化水準。

智慧城市為城市經濟轉型升級提供新動力，為城市管理服務提供新支撐，為民生改善、和諧社會建設注入新活力。

與無敵通[#]攜手，本集團將會聚焦推廣並發展「自然災害應急預警監測系統(城市運行及應急指揮中心)」及「智慧教育」這兩方面的智慧城市市場。

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

OUTLOOK (continued)

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.

Communication Systems

Multitone has gained a reputation internationally and has continued to maintain a substantial market share in both UK and Germany. Targeted new markets to be explored include Asia and Eastern Europe. Management in Hong Kong has already started work in collaboration with Multitone 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 and we are optimistic in this marketing direction.

管理層討論及分析(續)

展望(續)

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，本集團對將來是充滿信心的，因為該三項投資的成功，可使本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。

通訊系統發展策略

無敵通[#]公司享譽國際，旗下通訊產品質素極高，無論在科技大國德國境內，還是在傳統大國英國市場，都享有極高市場佔有率。無敵通已開始銳意拓展亞洲及東歐市場。本集團管理層將其產品引入中國市場。管理層認為，中國市場對高質素通訊產品需求甚殷，無敵通[#]的產品應大有可為。另一方面，本集團管理層亦將發掘中國高端電子產品與無敵通密切合作，銷往歐洲。相信賃借無敵通[#]現有的歐洲完善的分銷渠道，銷售前景十分可觀。

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

OUTLOOK *(continued)*

Education Business

Investment Plan in Education

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.

It is estimated that the total number of kindergartens in China would reach over 300,000 by the year 2020, and among which 200,000 would be private-invested. It is clear to conclude that the preschool market in China stands for huge opportunity.

In order to seize the enormous commercial opportunity in China’s education 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.

管理層討論及分析(續)

展望(續)

教育產業

教育投資計劃

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%。

預計到二零二零年，中國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。

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

OUTLOOK *(continued)*

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 continue the review and scrutiny 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 is implementing the recommendations suggested by this consultant to improve the overall internal control of the Group and to prevent recurrence of previous deficiencies.

As stated in our 2016/2017 Interim Report, the Group would 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.

管理層討論及分析(續)

展望(續)

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持續審核及審查本集團整體營運(不包括無敵通[®]在內)，基於新管理層本身之觀察及研究，目前營運乃可靠有效。董事會目前正在實行該顧問之建議，以改善本集團整體之內部監控，及防止以往不足之處之再次發生。

誠如二零一六／二零一七年年中期報告所示，本集團將尋求顧問意見，將更有效之內部監控納入策略、管治及管理過程，並落實執行內部監控，其中涵蓋本公司與財務操作及匯報直接相關之活動及業務經營所有範疇。我們的長遠目標旨在不僅涵蓋廣泛定義為業務合規事宜方面，並擴展至業務表現方面。

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。

最後，本集團管理層樂見增加業務機會及減少不必要事件造成之潛在損失。

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CAPITAL REORGANISATION

In October 2017, the Board proposed to implement the capital reorganisation (the “Capital Reorganisation”) which comprises the following:

- (1) the proposed consolidation (the “Share Consolidation”) whereby every five (5) issued and unissued existing shares of HK\$1.00 each will be consolidated into one (1) consolidated share (the “Consolidated Share”) of HK\$5.00 each;
- (2) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be 197,307,506 rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation;
- (3) following the Share Consolidation, the par value of each of the issued Consolidated Shares of HK\$5.00 each will be reduced from HK\$5.00 to HK\$0.10 per issued Consolidated Share by cancelling the paid-up capital of the Company to the extent of HK\$4.90 per issued Consolidated Share (the “Capital Reduction”);
- (4) immediately following the Capital Reduction taking effect, all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) will be cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company will be increased to HK\$500,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$500,000,000 divided into 5,000,000,000 New Shares;

股本重組

於二零一七年十月，董事會建議按以下方式進行股本重組(「股本重組」)：

- (1) 建議合併(「股份合併」)，將每五(5)股每股 1.00 港元之已發行及未發行現有股份合併為一(1)股每股 5.00 港元之合併股份(「合併股份」)；
- (2) 透過註銷因股份合併而可能於本公司已發行股本產生之任何零碎股份，本公司於緊隨股份合併後之已發行股本中合併股份總數將為 197,307,506 股(下調至整數)；
- (3) 於股份合併後，將透過註銷本公司繳足股本(以每股已發行合併股份 4.90 港元為限)，致使每股已發行合併股份 5.00 港元面值由 5.00 港元減少至每股已發行合併股份 0.10 港元(「股本削減」)；
- (4) 緊隨股本削減生效後，本公司所有法定但未發行股本(包括由股本削減產生之法定但未發行股本)將會全面註銷，及於註銷有關股本後，透過增設若干數目額外新股份(足以增加本公司法定股本至 500,000,000 港元，分為 5,000,000,000 股新股份)增加本公司法定股本至 500,000,000 港元；

CAPITAL REORGANISATION *(continued)*

- (5) the credits arising from (i) the cancellation of any fraction in the issued share capital of the Company which may arise from the Share Consolidation, and (ii) the Capital Reduction, shall be applied to set off the accumulated losses of the Company as at the effective date of the Capital Reduction and the balance (if any) will be transferred to the distributable reserve account; and
- (6) the amount standing to the credit of the distributable reserve account be applied in any manner as may be permitted under the articles of association of the Company and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company from time to time and/or paying dividend and/or making any other distribution out of the distributable reserve account from time to time without further authorisation from the shareholders of the Company.

The shareholders of the Company approved the Capital Reorganisation at the adjourned annual general meeting of the Company held on 29 January 2018 and a hearing before the Court has been fixed on Friday, 23 March 2018 (Cayman Islands time) regarding the approval of the Capital Reduction. Further announcement(s) will be made to update the shareholders of the Company of the status of the Court Hearing. For details, please refer to the circular of the Company dated 9 November 2017 and the announcements of the Company dated 16 October 2017, 28 December 2017, 1 January 2018, 11 January 2018, 29 January 2018 and 20 February 2018.

股本重組 *(續)*

- (5) 將(i)註銷因股份合併而可能產生之本公司已發行股本之任何零碎股份，及(ii)股本削減所產生之進賬額用以抵銷本公司於股本削減生效日期之累計虧損及餘額(如有)將轉撥至可分派儲備賬；及
- (6) 可分派儲備賬之進賬額根據本公司組織章程細則以及所有適用法例可能容許之任何方式予以應用，包括但不限於對銷或抵銷本公司不時之累計虧損及／或支付股息及／或不時自可分派儲備賬作出之任何其他分派，而毋須獲得本公司股東進一步授權。

本公司股東已於本公司於二零一八年一月二十九日舉行之股東週年大會續會上批准股本重組，而有關批准股本削減之法院聆訊已定於二零一八年三月二十三日(星期五)(開曼群島時間)。本公司將作出進一步公佈向本公司股東提供法院聆訊之最新消息。詳情請參閱本公司日期為二零一七年十一月九日之通函及本公司日期為二零一七年十月十六日、二零一七年十二月二十八日、二零一八年一月一日、二零一八年一月十一日、二零一八年一月二十九日及二零一八年二月二十日之公佈。

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LIQUIDITY AND FINANCIAL RESOURCES

FINANCIAL POSITION AND GEARING

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

As at 31 December 2017, the Group had approximately HK\$73 million (30 June 2017: approximately HK\$76 million) liquid assets made up of cash and cash equivalents. Current assets were approximately HK\$158 million (30 June 2017: approximately HK\$1,770 million) and current liabilities amounted to approximately HK\$58 million (30 June 2017: approximately HK\$64 million). With net current assets of approximately HK\$100 million (30 June 2017: approximately HK\$1,707 million), the Group maintained a sufficient level of financial liquidity. The gearing ratio of the Group, which calculation was based on the Group's total borrowings of approximately HK\$1.9 million (30 June 2017: approximately HK\$3.6 million) divided by equity attributable to owners of the Company of approximately HK\$73 million (30 June 2017: approximately HK\$1,677 million), was 0.026 (30 June 2017: 0.002).

As at 31 December 2017, the Group's total borrowings comprised bank loan of approximately HK\$1.9 million (30 June 2017: approximately HK\$3.6 million), which was repayable within one year (30 June 2017: repayable within one year). The bank loan carried variable interest rates at 2.52% per annum. Finance costs for the six months ended 31 December 2017 were approximately HK\$0.04 million compared to approximately HK\$0.09 million for the Previous Period.

現金流動性及財務資源

財務狀況及借貸

本集團財務狀況維持正面，貸款權益比率處於合理水平。

於二零一七年十二月三十一日，本集團由現金及現金等額組成之流動資金合共約73,000,000港元(二零一七年六月三十日：約76,000,000港元)。流動資產約為158,000,000港元(二零一七年六月三十日：約1,770,000,000港元)，而流動負債則約為58,000,000港元(二零一七年六月三十日：約64,000,000港元)。本集團保持足夠水平財務流動性，流動資產淨額約為100,000,000港元(二零一七年六月三十日：約1,707,000,000港元)。按本集團總貸款約1,900,000港元(二零一七年六月三十日：約3,600,000港元)除以本公司擁有人應佔權益約73,000,000港元(二零一七年六月三十日：約1,677,000,000港元)計算，本集團之貸款權益比率為0.026(二零一七年六月三十日：0.002)。

於二零一七年十二月三十一日，本集團總貸款包括銀行貸款約1,900,000港元(二零一七年六月三十日：約3,600,000港元)，須於一年內償還(二零一七年六月三十日：須於一年內償還)。銀行貸款可變年利率為2.52%。截至二零一七年十二月三十一日止六個月，財務成本約為40,000港元，而去年同期約為90,000港元。

LIQUIDITY AND FINANCIAL RESOURCES

(continued)

TREASURY POLICY

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

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 31 December 2017, the Group's capital commitments authorised but not contracted for were HK\$nil (30 June 2017: nil).

CHARGES

The Group did not have any charges on assets as at 31 December 2017.

CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2017.

現金流動性及財務資源(續)

庫務政策

本集團一直遵從審慎理財原則，財務狀況維持正面，借貸比率處於低水平。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。

所有借貸均由本公司附屬公司運用，按浮動利率計息，並均以當地貨幣計值。因此，本集團有關借貸之外匯風險不大。

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

於二零一七年十二月三十一日，本集團已授權但未簽署合約之資本承擔為零港元(二零一七年六月三十日：零)。

抵押

於二零一七年十二月三十一日，本集團並無任何資產抵押。

或然負債

於二零一七年十二月三十一日，本集團並無重大或然負債。

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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 six months ended 31 December 2017.

HUMAN RESOURCES AND REMUNERATION POLICY

As at 31 December 2017, the Group employed about 144 staff around the globe. Staff costs of the Group amounted to approximately HK\$14 million for the six months ended 31 December 2017 (31 December 2016: approximately HK\$35.1 million). Remuneration is determined with reference to market terms and the performance, qualifications and experience of the individual employee. Remuneration includes monthly salaries, performance-linked bonuses, retirement benefits schemes and other benefits such as medical scheme.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2017, 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 (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), 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 of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

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

於截至二零一七年十二月三十一日止六個月，概無持有重大投資，亦無附屬公司、聯營公司及合資企業之重大收購或出售事項。

人力資源及薪酬政策

於二零一七年十二月三十一日，本集團於全球聘用約144名員工。截至二零一七年十二月三十一日止六個月，本集團員工成本約為14,000,000港元(二零一六年十二月三十一日：約35,100,000港元)。本集團乃參考市場水平，並按照僱員本身之表現、資歷及經驗而釐定薪酬。薪酬包括月薪、與表現相關之獎金、退休福利計劃，以及其他福利如醫療計劃。

董事及最高行政人員之證券權益及淡倉

於二零一七年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條須予存置之登記冊記錄所示，或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄10《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，本公司董事或最高行政人員概無在本公司或其任何相關法團(具有證券及期貨條例第XV部賦予之涵義)之股份、相關股份或債券中擁有任何權益或淡倉。

SHARE OPTIONS AND DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

Other than the share option schemes of the Company and Champion aforementioned, at no time during the Period was the Company, its holding company, any of its fellow subsidiaries or subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

No options have been granted, exercised or cancelled by the Company or Champion under the share option schemes of the Company and Champion since their adoption.

購股權及董事購買股份或債券之權利

本公司及冠軍各設有購股權計劃，據此，合資格人士(包括本公司及冠軍或其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。

除上述本公司及冠軍之購股權計劃外，本公司、其控股公司、其任何同系附屬公司或附屬公司於回顧期內任何時間概無參與任何安排，致使本公司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。

自其採納日期起，本公司或冠軍並無根據本公司及冠軍之購股權計劃授出、行使或取消任何購股權。

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SUBSTANTIAL SHAREHOLDER

As at 31 December 2017, so far as is known to the Directors, the following corporations or persons (other than the directors or chief executive of the Company) had an interest or a short position in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東

於二零一七年十二月三十一日，就董事所悉，按本公司根據證券及期貨條例第336條須予存置之登記冊記錄所示，下列法團或人士（本公司董事或最高行政人員除外）於本公司股份及相關股份中擁有權益或淡倉：

Name of shareholder	Capacity	Number of shares	Approximate percentage* of the issued share capital
股東名稱	身份	股份數目	佔已發行股本之概約百分比*
Champion Technology Holdings Limited ("Champion") 冠軍科技集團有限公司(「冠軍」)	Beneficial owner 實益擁有人	640,689,792 (L)	64.94%
Guangdong Finance Limited (Note 1) 廣東信貸有限公司(附註1)	Person having a security interest in shares 於股份中擁有證券權益之人士	640,689,792 (L)	64.94%
Easy Fame Investment (HK) Limited (Note 1) 順榮投資(香港)有限公司 (附註1)	Interest of controlled corporation 受控制法團權益	640,689,792 (L)	64.94%
Lin Ho Man (Note 1) 連浩民(附註1)	Interest of controlled corporation 受控制法團權益	640,689,792 (L)	64.94%

Note: The letter "L" denotes the shareholder's long position in the shares of the Company.

附註：字母「L」表示本公司股份中股東之好倉。

* The percentage represents the number of shares of the Company involved divided by the number of the Company's issued shares as at 31 December 2017.

* 百分比指所涉及之本公司股份數目除以於二零一七年十二月三十一日本公司已發行股份數目。

Note:

附註：

1. 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 Guangdong Finance Limited under a facility agreement between Champion and Guangdong Finance Limited. According to the disclosure of interests forms of substantial shareholders filed on 6 July 2017, Guangdong Finance Limited is owned as to 99% by Easy Fame Investment (HK) Limited, which is in turn wholly owned by Lin Ho Man.

1. 根據冠軍與廣東信貸有限公司訂立之融資協議，冠軍所擁有640,689,792股本公司股份(佔本公司已發行股本約64.94%)已質押予廣東信貸有限公司。按照於二零一七年七月六日備案之主要股東權益披露報表，廣東信貸有限公司由順榮投資(香港)有限公司擁有99%，而順榮投資(香港)有限公司則由連浩民全資擁有。

SUBSTANTIAL SHAREHOLDER *(continued)*

Save as disclosed above, as at 31 December 2017, other than the Directors or chief executive of the Company whose interests are set out in the paragraph headed "Directors' and chief executive's interests and short positions in securities" above, no person had any interest or short position in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

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

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

CORPORATE GOVERNANCE CODE

During the six months ended 31 December 2017, the Company complied with the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules, save for the deviations below:

- (a) Under 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 Company's 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. As such, the Company considers that such provision is sufficient to meet the underlying objectives of the CG Code.

主要股東(續)

除上文所披露者外，於二零一七年十二月三十一日，除載於上文「董事及最高行政人員之證券權益及淡倉」一段之董事或本公司最高行政人員之權益外，按本公司根據證券及期貨條例第336條須予存置之登記冊記錄所示，並無任何人士擁有本公司股份或相關股份之權益或淡倉。

購買、出售或贖回本公司之上市證券

於截至二零一七年十二月三十一日止六個月期間，本公司或其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

企業管治守則

截至二零一七年十二月三十一日止六個月期間，本公司遵守上市規則附錄14所載之「企業管治守則」(「企業管治守則」)的守則條文，除下文闡述之偏離者外：

- (a) 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，惟根據本公司之組織章程細則條文，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。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。

看通集團有限公司

KANTONE HOLDINGS LIMITED

CORPORATE GOVERNANCE CODE

(continued)

(b) Under code provision E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting. Due to other engagement, Ms. Wong Man Winny, the chairman of the Board was out of town and was unable to attend the annual general meeting held on 28 December 2017 and the adjourned annual general meeting held on 29 January 2018.

DISCLOSURE OF INFORMATION ON DIRECTORS PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

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

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on the terms of the Model Code. After specific enquiry made by the Company, all of the Directors confirmed that they have complied with the required standard set out in the Model Code and the code of conduct of the Company governing Directors' securities transactions throughout the Period.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with the management of the Group the financial and accounting policies and practices adopted by the Group, its internal controls and financial reporting matters and this interim report.

By Order of the Board
Wong Man Winny
Chairman

Hong Kong, 27 February 2018

企業管治守則(續)

(b) 根據企業管治守則之守則條文第E.1.2條，董事會主席應出席股東週年大會。由於其他事務，董事會主席黃敏女士已離港及未能出席本公司於二零一七年十二月二十八日舉行之股東週年大會及於二零一八年一月二十九日舉行之股東週年大會續會。

根據上市規則第13.51B(1)條披露董事之資料

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。

董事進行證券交易之標準守則

本公司就董事進行證券交易採納符合標準守則之操守守則。經本公司作出特定查詢後，所有董事確定，於整個回顧期內均遵守標準守則所載之規定標準及本公司董事證券交易操守守則。

審核委員會

本公司之審核委員會已聯同本集團管理層審閱本集團採用之財務及會計政策及實務、其內部監控及財務申報事宜、以及本中期報告。

承董事會命
主席
黃敏

香港，二零一八年二月二十七日

僅供識別