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## Corporate Information 公司資料

### EXECUTIVE DIRECTORS

LIU Jun (*Chairman and Chief Executive Officer*)

LEE Wee Ong (*Chief Financial Officer*)

### NON-EXECUTIVE DIRECTORS

GUO Fansheng

LI Jianguang

WONG Chi Keung

### INDEPENDENT NON-EXECUTIVE DIRECTORS

ZHANG Ke

ZHANG Tim Tianwei

QI Yan

### COMPANY SECRETARY

KWONG Yin Ping Yvonne (*HKICS*)

### AUDIT COMMITTEE

ZHANG Ke (*Chairman*)

LI Jianguang

QI Yan

### REMUNERATION COMMITTEE

ZHANG Ke (*Chairman*)

LIU Jun

ZHANG Tim Tianwei

WONG Chi Keung

QI Yan

### NOMINATION COMMITTEE

LIU Jun (*Chairman*)

ZHANG Ke

ZHANG Tim Tianwei

### COMPLIANCE OFFICER

LIU Jun

### AUTHORISED REPRESENTATIVES

LIU Jun

LEE Wee Ong

### AGENT FOR ACCEPTANCE OF SERVICE OF PROCESS IN HONG KONG

KWONG Yin Ping Yvonne

### 執行董事

劉軍(*主席兼行政總裁*)

LEE Wee Ong(*首席財務官*)

### 非執行董事

郭凡生

李建光

王自強

### 獨立非執行董事

張克

張天偉

祁燕

### 公司秘書

鄭燕萍(*香港特許秘書公會會士*)

### 審核委員會

張克(*主席*)

李建光

祁燕

### 薪酬委員會

張克(*主席*)

劉軍

張天偉

王自強

祁燕

### 提名委員會

劉軍(*主席*)

張克

張天偉

### 監察主任

劉軍

### 法定代表

劉軍

LEE Wee Ong

### 於香港接收法律程序文件代理人

鄭燕萍

## Corporate Information 公司資料

### STOCK CODE

02280

### COMPANY'S WEBSITE

www.hc360.com

www.hcgroup.com

### AUDITORS

PricewaterhouseCoopers  
Certified Public Accountants

### HONG KONG LEGAL ADVISORS

Lin and Associates

### PRINCIPAL BANKER

The Hong Kong and Shanghai Banking Corporation Limited

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

### REGISTERED OFFICE

4th Floor, One Capital Place  
P.O. Box 847 George Town  
Grand Cayman, Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

7/F, Tower A1, Junhao Central Park Plaza  
No. 10 Chaoyang Park South Road  
Beijing 100026  
The People's Republic of China

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

18/F, Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong

### 股份代號

02280

### 公司網頁

www.hc360.com

www.hcgroup.com

### 核數師

羅兵咸永道會計師事務所  
執業會計師

### 香港法律顧問

林華榕律師事務所

### 主要往來銀行

香港上海滙豐銀行有限公司

### 香港股份過戶登記分處

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

### 註冊辦事處

4th Floor, One Capital Place  
P.O. Box 847 George Town  
Grand Cayman, Cayman Islands

### 總辦事處及主要營業地點

中華人民共和國  
北京市  
朝陽公園南路10號院  
駿豪中央公園廣場A1樓7層(郵編: 100026)

### 香港主要營業地點

香港灣仔  
皇后大道東28號  
金鐘匯中心18樓

## Corporate Portfolio

### 公司概況

#### COMPANY OVERVIEW

HC International, Inc. (the "Company") and its subsidiaries (collectively referred as the "Group") is one of the leading groups in the industrial Internet in the People's Republic of China (the "PRC" or "China"). The Group was established in 1992, listing on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") in 2003, and had successfully transferred to the Main Board of the Stock Exchange on 10 October 2014. In August 2017, the Company was selected as a constituent stock of a number of index series by Hang Seng Indexes Company Limited, and was admitted to in Shenzhen-Hong Kong Stock Connect in September of the same year. As of 31 December 2017, the Group had expanded its business scope to cover more than 100 cities nationwide, with branches in nine cities and a service team of around 2,578 individuals.

The three major business segments of the Group's business comprise information service, transaction service and data service. As a provider of comprehensive industry internet services, relying on the advantages on its core position in the industry chain, collective advantages in the industry, and resources application advantages, the Group provides services to both upstream and downstream enterprises across the entire industrial chain, so as to empower the enterprises for transformation and facilitating industry reform.

In the past few years, the Group maintained its core advantages in the area of "to B" and "to C" through information services segment, and fully enhanced its capability on the Internet information services in the industry through the support of technical service systems such as search engine, big data, artificial intelligence and SAAS, so as to promote the internet transformation and upgrade in the industry.

In addition, while the Group has strengthened the advantages in its existing transaction platform through the transaction services segment, it has also included the elements such as finance, logistics and warehousing into transactions, so as to inject capital flow, logistics and information flow into transactions, developing all-rounded solutions and penetrating deeply into various vertical industries, so as to provide interactive marketing, consultancy and research, commodity transactions and supply chains services for both upstream and downstream enterprises along the industrial chain.

#### 公司概況

慧聰集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)是中華人民共和國(「中國」)領先之產業互聯網集團之一。本集團於一九九二年成立，於二零零三年在香港聯合交易所有限公司(「聯交所」)創業板上市及二零一四年十月十日成功轉入聯交所主板上市。二零一七年八月，本公司獲恒生指數有限公司選為多個指數系列的成份股，同年九月被調入深港通名單。截至二零一七年十二月三十一日，本集團之業務範圍已經拓展至全國上百城市，在9個城市擁有分支機構，服務團隊約2,578人。

本集團業務由信息服務、交易服務及數據服務三大業務版塊構成。作為綜合產業互聯網服務之提供商，本集團在順應市場及國家戰略的雙層次需求下，依托自身在產業鏈核心地位優勢，產業集群優勢，資源利用優勢，服務產業鏈上下游企業，賦能企業轉型，聚力產業改造。

在過去之幾年裏，本集團通過信息服務版塊，延續在 to B、to C 領域的核心優勢，並依托搜索引擎、大數據、人工智能、SAAS 等技術服務體系之支撐，全面提升產業互聯網信息服務能力，推動產業互聯網轉型升級。

此外，本集團通過交易服務版塊，強化原有交易平台優勢的同時，將金融、物流、倉儲等環節融入交易，為交易注入資金流、物流、信息流，搭建全場景解決方案，深度貫穿各垂直行業，為產業鏈上下游企業提供互動營銷、諮詢研究、商品交易和供應鏈服務。

## Corporate Portfolio 公司概況

At the same time, the Group, through the data services segment, aims at constructing the “2025 Data Engine” made in China, in order to open up a brand new layout for data marketing for customers, and establish a data marketing ecological chain covering data production and data application. At the beginning of the year, the Group cooperated with various platforms, enterprises and organizations such as Tsinghua University, Legend Holdings, Joyvio Shares, Silk Road International Cooperation Working Committee and China Electronic Commerce Association to build “Hui Chain”, a core product. It aims at understanding the rationale of brand data for customers, optimizing the commercial behavior of branding, maintaining the sustainability of branding and promoting the continuous upgrade of branding business, so as to enable data to be the core power of branding.

With industry chain environment constantly deepened and industry margin effects continuously expanded, the Group followed the nation’s “Belt and Road” strategy to make its transformation from serving domestic trade to both domestic and foreign trade. In addition, the Group transferred its single round business model of serving small-and-medium enterprises into double round business model of small-and-medium enterprises and major clients, while establishing industrial internet whole industry chain environment with data services business for basis, transaction services for scenarios and information services for supports.

同時，本集團通過數據服務版塊，致力於構建起中國製造「2025數據引擎」，為客戶打造全新的數據營銷格局，樹立從數據生產到數據應用的數據營銷生態鏈。於今年年初，本集團與清華大學、聯想控股佳沃股份、絲綢之路國際合作工作委員會、中國電子商務協會等多個平台、企業、組織開展合作，打造「慧鏈」核心產品，為客戶把握品牌數據脈搏，優化品牌商業行為，保持品牌的持續發展，促進品牌業務不斷升級，讓數據成為品牌的核心動力。

伴隨着產業鏈生態之不斷深化及產業邊際效果不斷擴大，本集團從專注服務內貿到跟隨國家「一帶一路」戰略向服務內貿、外貿並重轉型。此外，本集團從服務於中小企業的單輪業務模式向服務於中小企業和大客戶的雙輪業務模式轉型，同時建立以數據服務業務為基礎、交易服務業務為場景、信息服務業務為支撐的產業互聯網全產業鏈生態。

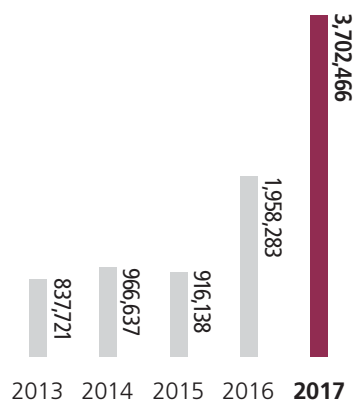
## Financial Highlights

### 財務摘要

		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	銷售收入	<b>3,702,466</b>	1,958,283	916,138	966,637	837,721
EBITDA	EBITDA	<b>653,075</b>	555,096	121,215	277,584	216,414
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	<b>267,777</b>	181,784	52,552	187,633	153,326
Earnings per share (RMB)	每股盈利(人民幣元)					
– Basic	– 基本	<b>0.2651</b>	0.1882	0.0696	0.2833	0.2634
– Diluted	– 攤薄	<b>0.2559</b>	0.1852	0.0679	0.2729	0.2489
<b>Financial position</b>	<b>財務狀況</b>					
Net current assets	流動資產淨值	<b>1,578,519</b>	41,313	141,176	936,319	585,484
Total assets	總資產	<b>7,334,553</b>	6,252,419	5,687,042	3,250,155	1,956,782
Total liabilities	總負債	<b>2,877,424</b>	2,984,276	3,088,096	1,934,988	946,308
Total equity	總權益	<b>4,457,129</b>	3,268,143	2,598,946	1,315,167	1,010,474

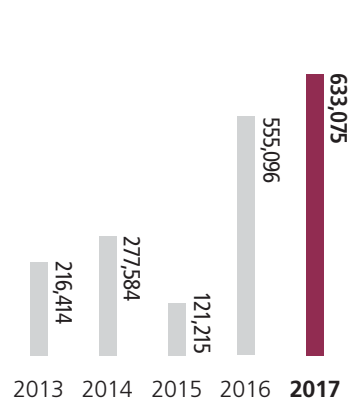
**REVENUE**  
銷售收入

RMB'000  
人民幣千元



**EBITDA**

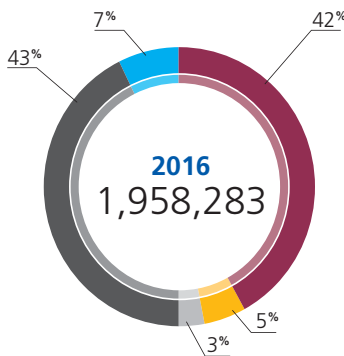
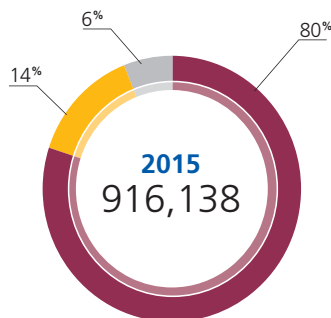
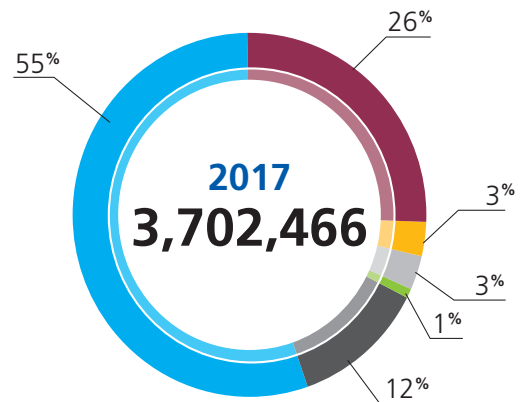
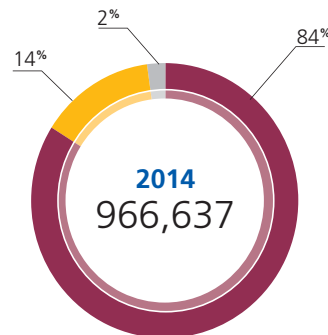
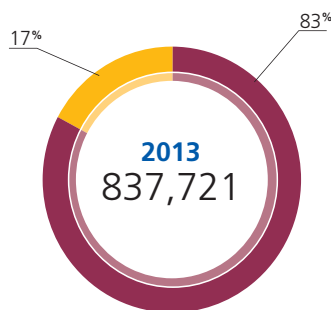
RMB'000  
人民幣千元



## Financial Highlights 財務摘要

### REVENUE ANALYSIS 銷售收入分析

		B2B trading platform B2B 交易平台 RMB'000 人民幣千元	Online services 互聯網服務 RMB'000 人民幣千元	Seminars and other services 會議及其他服務 RMB'000 人民幣千元	Anti-counterfeiting products and services 防偽產品及服務 RMB'000 人民幣千元	Financing services 金融服務 RMB'000 人民幣千元	O2O business exhibition centre O2O商業展覽中心 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
2017	二零一七年	2,041,038	951,170	131,723	106,066	39,372	433,097	3,702,466
2016	二零一六年	126,197	823,106	93,179	66,137	7,583	842,081	1,958,283
2015	二零一五年	-	733,309	127,615	55,168	46	-	916,138
2014	二零一四年	-	812,935	137,509	16,193	-	-	966,637
2013	二零一三年	-	693,903	143,818	-	-	-	837,721



● B2B trading platform  
交易平台

● Online services  
互聯網服務

● Anti-counterfeiting products and services  
防偽產品及服務

● Seminars and other services  
會議及其他服務

● Financing services  
金融服務

● O2O business exhibition centre  
O2O商業展覽中心



# Management's Statement

## 管理層報告

### FINANCIAL REVIEW

For the financial year ended 31 December 2017, the Group generated a total revenue of approximately RMB3,702,466,000 (2016: RMB1,958,283,000). This represented an increase of approximately 89.1% as compared to that in 2016. The increase was mainly derived from the new segment of B2B trading platform which contribute RMB2,041,038,000.

For the Group's financial performance in different segments, a total revenue of approximately RMB951,170,000 was achieved from the online services segment in 2017, and represented an increase of approximately 15.6% from approximately RMB823,106,000 in 2016. Revenue derived from seminars and other services segment was approximately RMB131,723,000 in 2017, which represented an increase of approximately 41.4% from approximately RMB93,179,000 in 2016. Revenue from anti-counterfeiting products and services segment increased from approximately RMB66,137,000 in 2016 to approximately RMB106,066,000 in 2017 which represented an increase of approximately 60.4%. Revenue from financing services segment was approximately RMB39,372,000. Revenue from O2O business exhibition centre was approximately RMB433,097,000.

During the financial year ended 31 December 2017, the Group increased its operating expenses from approximately RMB948,393,000 in 2016 to approximately RMB1,012,537,000 which was mainly due to the increase of staff salaries.

The Group achieved a profit for the year of approximately RMB317,310,000 in 2017 (2016: RMB300,676,000).

The Board does not recommend payment of any final dividend for the year ended 31 December 2017 (2016: HK\$0.05 per share).

### 財務回顧

截至二零一七年十二月三十一日止財政年度，本集團產生總銷售收入約人民幣3,702,466,000元(二零一六年：人民幣1,958,283,000元)，較二零一六年錄得之銷售收入增加約89.1%。該增加主要來自B2B交易平台之新分部，貢獻人民幣2,041,038,000元。

就本集團不同業務分部之財務表現而言，於二零一七年來自互聯網服務分部之總銷售收入約為人民幣951,170,000元，較二零一六年約人民幣823,106,000元增加約15.6%。二零一七年自會議及其他服務分部之銷售收入約為人民幣131,723,000元，較二零一六年約人民幣93,179,000元增加約41.4%。防偽產品及服務分部之銷售收入由二零一六年約人民幣66,137,000元增加至二零一七年約人民幣106,066,000元，升幅約為60.4%，金融服務分部之銷售收入約人民幣39,372,000元。O2O商業展覽中心之銷售收入約人民幣433,097,000元。

截至二零一七年十二月三十一日止財政年度，本集團之經營開支由二零一六年約人民幣948,393,000元增加至約人民幣1,012,537,000元，主要是由於員工薪金增加所致。

於二零一七年，本集團錄得本年度溢利約人民幣317,310,000元(二零一六年：人民幣300,676,000元)。

董事會並不建議就截至二零一七年十二月三十一日止年度派發任何末期股息(二零一六年：每股0.05港元)。

## Management's Statement 管理層報告

### BUSINESS REVIEW

In 2017, the Group further adjusted its business structure by enhancing the Group's "Industrial Internet" strategy, and leveraged the ecological synergies in information flow, transactional flow and data follow through its three major segments, namely "information service, transaction service, and data service".

The Group aims at reforming the industry and transformation of empowered enterprise by utilizing the internet and the traditional industry which are data-empowered, and providing services to upstream and downstream enterprises through "information + transaction + data", thereby meeting the market demand and the nation's technological strategies. With the continuous deepening of the Group's service chain, the Group continues to expand its business presence geographically, transition its trading from domestic trades into domestic trades and foreign trades, and extend its business overseas under the national initiative of "Belt and Road". At the same time, the Group's business, which was previously driven by a single mode, i.e. serving small-to-medium enterprise, has been gradually changed to a dual mode, i.e. serving small-to-medium enterprise and large customers.

#### Information Services Segment

In 2017, the Group's hc360.com continued to undergo in-depth upgrade in relation to the internet information service, including improving and enhancing traditional product services such as Mai Mai Tong ("買賣通") and customer experiences, and focused on utilizing technological innovations to drive the upgrades of product, service and technologies as well as efficient operations. By utilizing artificial intelligence, the most suitable products and services can be matched up with vendors and purchasers more accurately, effectively reducing the operation cost of customers, accurately reaching target users and enhancing user experience, which would achieve the purpose of maximizing marketing effectiveness.

The Group's zol.com.cn, being the largest technology portal in China, continued to provide comprehensive service solutions integrating product information, professional consultancy, technology videos and interactive marketing to brand owners including a number of Fortune 500 companies. Relying on the refined cultivation and innovation of technology industries such as mobile phones, home appliances and commercial sectors, through professional evaluated content, website traffic acquisition and technology upgrades, we continuously expanding our position in the industry and increase our market share. We also elevate the Group's capability to influence brand customers and purchasers, so as to complete the layout of the vertical B2B product internet platform for the technology industry.

### 業務回顧

於二零一七年，本集團進一步調整業務架構，加碼「產業互聯網」之戰略布局，並通過「信息服務、交易服務及數據服務」三大主要板塊，充分發揮信息流、交易流、數據流於生態圈的協同效應。

本集團之目標為用互聯網及數據賦能傳統產業，在順應市場及國家戰略雙層次需求下，通過「信息+交易+數據」為產業鏈上下游企業服務，賦能企業轉型，聚力產業改造。隨著集團服務鏈不斷深化，集團產業邊際不斷擴大，從內貿逐步過渡到內貿外貿並重發展，並將隨「一帶一路」的國家戰略進軍海外。同時，本集團通過大數據業務，從服務中小企業單輪驅動模式，逐步切換到中小客戶和大客戶雙輪驅動模式。

#### 信息服務板塊

於二零一七年，本集團旗下慧聰網(hc360.com)圍繞互聯網信息服務持續深入升級，包括精進完善買賣通等傳統產品服務與客戶體驗，並專注利用科技創新驅動產品、服務和技術升級及高效運營，利用人工智能精準匹配買賣雙方最合適的產品和服務，有效降低客戶運營成本，精準觸達目標用戶並提升用戶體驗，實現營銷效果最大化之目的。

本集團旗下中關村在綫(zol.com.cn)作為中國最大的科技門戶網站，持續為包括多家世界500強在內之品牌用戶提供產品數據、專業諮詢、科技視頻、互動營銷為一體的綜合服務解決方案。依托在手機、家電及商用等科技產業領域的精細深耕和創新，通過專業評測內容、網站流量獲取、技術升級等方式，行業地位和市場份額持續擴大，提升集團對品牌客戶及採購者之影響能力，完成科技產業垂直B2B產品互聯網平台的布局。

## Management's Statement 管理層報告

In 2017, we continued to upgrade the quality of the services offered to users on zol.com.cn and achieved major breakthrough. We reached a strategic cooperation with Baidu, TouTiao, Tmall and JD in terms of data sharing. This cooperation establishes the main entrance for data traffic across the entire platform, and boosting the brand value for customers to a new level. In the coming 5G era, zol.com.cn is ready to take on the new round of outbreaks of the science and technology industry, and will gain tremendous room for growth and development opportunities.

During the whole year of 2017, the revenue of the Group's information service segment was approximately RMB999.8 million, representing a year-on-year increase of approximately 9.1% from RMB916.1 million for the previous year. The Group continued its result-oriented approach and increased its efforts in optimizing its information service solutions for brand customers and enhance the overall service experience for small – and medium-sized customers, which is the driving force behind the growth of information service revenue.

### Transaction Service Segment

After years of in-depth exploration in the industry, we have acquired profound understanding of the industry. An industry-wide platform has been set up through vertical injection of resources and reformation in relation to information flow, financial flow, and logistics and working together with ibuychem.com (which is internally equity-held), and by investing "UnionCotton" and "China Formwork", "Shanghai Huijing E-commerce Co., Ltd. (上海慧旌電子商務有限公司)" ("Shanghai Huijing"), a supply chain finance integrated service platform, and is wholly-owned by the Group has also been built up.

於二零一七年，中關村在綫在用戶優質服務運營繼續升級並獲得重大突破，分別與百度、今日頭條、天貓、京東達成內容生態戰略合作，佔據全平台強勁流量主要入口，助力客戶品牌價值提升邁上新臺階。在即將到來的5G時代，中關村在綫將迎來科技產業新一輪的爆發，獲得巨大的成長空間和發展機遇。

於二零一七年全年，本集團信息服務板塊收益約為人民幣999.8百萬元，較去年約人民幣916.1百萬元同比增長約9.1%。其中，本集團持續加大力度為品牌客戶優化信息服務方案，並輔以效果為導向持續增強中小客戶之服務體驗，是信息服務營收增長之原動力。

### 交易服務板塊

本集團深耕行業多年，對行業理解深刻，通過對垂直領域傾注資源，圍繞信息流、資金流和物流進行變革，通過內部孵化控股的「買化塑」(ibuychem.com)及參與投資的「棉聯」、「中模雲商」等構建起多個垂直行業的產業生態平台，並成功打造了本集團全資的供應鏈金融綜合服務平台「上海慧旌電子商務有限公司」(「上海慧旌」)。

## Management's Statement 管理層報告

lbuychem.com is originated from a chemical e-commerce platform which was established by the Group over 20 years ago, and it has developed into a leading B2B platform in the chemical industry. Its service covers nearly 1 million enterprises and 8 million members of the chemical rubber and plastics industry chain in China. The platform focuses on the spot trading of chemical rubber and plastic products, and its annual transaction size has exceeded RMB1 billion. "Shanghai Huijing" is a cross-industry supply chains comprehensive finance service platform that the Group built with great efforts. Capitalizing on experience in more than 50 sub-industries accumulated by HC over the years, we penetrate into all aspects along the supply chain to provide a full range of financial services to those in the supply chains, with an annual transaction size exceeding RMB1 billion. In addition, the "Union Cotton" and "China Formwork" which are invested by the Group, have huge potential for development. Of which, "Union Cotton", being one of the earliest entrants of B2B e-commerce operator in the cotton industry, has attracted leaders with extensive experience in the cotton industry and has significant market resources, with an annual transaction size of exceeding RMB1 billion. As for "China Formwork", it is committed to building up a leading comprehensive service platform in the construction framework industry, and it takes advantage of the Internet, big data, intelligent equipment and the Ethernet technology to reform the traditional framework supply chain industry, building up a materials bank in the construction formwork industry.

Relying on the strong industrial resources of the Group, the industrial platforms have injected capital flow, logistics and information flow service into the industrial chain, developing all-rounded solutions and penetrated deep into various vertical industries. The industrial platforms have also provided interactive marketing, consultancy and research, commodity transactions and supply chains services for upstream and downstream enterprises along the industrial chain. Through the Internet and the technologies present in various business aspects such as system support, finance, warehousing, logistics, and technological upgrade, we assist an enterprise in enhancing its intrinsic value in terms of "source identification, cost reduction, efficiency enhancement, risk avoidance" and in turn together we achieve mutual success, growth and sharing.

Through 2017, the income from transaction segment of the Group was approximately RMB2,490.6 million, representing an increase of 155.2% compared to RMB976.1 million from the same period last year. The continuous upgrade of the transaction platform and the realization of the ecology cycle cultivated by the Group over the years, we have achieved growth in our operating income.

「買化塑」起源於本集團旗下創建20餘年的化工電子商務平台，已發展成為國內領先的化工產業B2B平台，服務覆蓋中國化工橡塑產業鏈近100萬家企業和800萬網站會員，平台專注於化工橡塑產品的現貨交易，年交易規模已經突破十億元；「上海慧旌」是本集團著力打造的跨行業供應鏈金融綜合服務平台，依托慧聰多年積累的50餘個細分行業，深入供應鏈各個環節，提供全方位供應鏈金融服務，年交易規模已經突破十億元。另外，本集團投資的「棉聯」和「中模雲商」發展潛力巨大，其中，棉聯作為棉花行業B2B電商最早的進入者之一，彙聚了棉花行業豐富經驗的領導者以及重要的市場資源，年交易規模已經突破十億元；而「中模雲商」致力於打造建築模架行業領先的綜合服務平台，利用互聯網、大數據、智能設備及物聯網技術改造傳統的模架供應鏈產業，打造建築模架行業物資銀行。

產業平台依托本集團強大的行業資源，為產業鏈注入資金流、物流、信息流服務，搭建全場景解決方案，深度貫穿各垂直行業，為產業鏈上下游企業提供互動營銷、諮詢研究、商品交易和供應鏈服務。通過互聯網科技在系統支持、金融、倉儲、物流、技術升級等業務環節助力企業實現「尋源、降本、增效、避險」的本質提升，實現共贏共生共享。

於二零一七年全年，本集團交易板塊收入約人民幣2,490.6百萬元，較去年同期約人民幣976.1百萬元增長約155.2%。本集團對旗下控股交易平台之持續升級，及多年深耕的生態圈價值體現，成為交易營收增長之原動力。

## Management's Statement 管理層報告

### Data Service Segment

Data service is our Group's key development area. Currently, through the two companies, PanPass Information Technology Co., Ltd. (北京兆信信息技術股份有限公司) (Stock code: 430073) ("PanPass Information") and Tianjin Huijiayuantian Advertisement Media Company Limited and its subsidiaries ("Huijia"), the key aim is to construct a comprehensive data service system and build up an advanced technological segment within HC's system, forming an entire new service model with data as the core and technology as the motivation. With the three central features of advanced technology, big data and digitalization of data service, as well as the production and utilization of data, we aim to undergo rapid transformation for brand customers, building up the core competitiveness of data service of the Group.

As for data production, the Group has established an entrance for data through "PanPass Information" for the era of "Made in China 2025". Positioned as a leader in the global product digital identity management, PanPass Information engages in data identity management for Fortune China 500 and Fortune Global 500 companies. With vast amount of data collection with respect to brand anti-counterfeiting, smart source tracking, supply chain management and innovation, import and export certification, PanPass Information formed a high-flow of data entry and set up a huge industry database for data services. With 23 years of experience in the industry, PanPass Information owns 30 patented technologies, 30 branches and 6 service centers. Through the smart analysis of data, it helps brands enhance their operating efficiency and avoid potential risks. At present, PanPass Information has established good cooperative relationship with domestic and foreign organizations and enterprises including UNESCO, Petro China, Moutai, Xiaomi, Tong Ren Tang, Lulu and Junlebao.

As for data application, "Huijia", improves marketing for brand customers, promotes marketing efforts with data, and opens up new layout for data marketing through big data. Through the Group's self-generated data, Huijia helps to match products with their potential consumers. Meanwhile, it can also produce an in-depth user behaviors through the data-modelling based on the habits, behaviors and scene-based interaction, creating the shortest path for brands to reach their users.

### 數據服務板塊

數據服務是本集團重點發展的業務方向，本集團目前通過北京兆信信息技術股份有限公司(股份代號：430073)(「兆信股份」)與天津慧嘉元天廣告傳媒有限公司及其附屬公司(「慧嘉」)兩家公司，重點構建完善的數據服務體系，打造慧聰體系內的科技前沿板塊，形成以數據為核心、以技術為驅動的全新服務模式。通過對數據服務高科技、大數據、數字化三個中心特點的解讀和數據的生產及運用，為品牌客戶進行快速賦能，塑造本集團數據服務的核心競爭力。

在數據生產方面，本集團通過「兆信股份」建立中國製造2025時代的數據入口。兆信股份定位於全球產品數字身份管理引領者，為中國及世界500強企業進行數據身份管理。在品牌防偽、智慧溯源、供應鏈管理與創新、進出口認證方面聚力海量數據，形成高粘性的數據入口，為數據服務構建起龐大的產業數據庫。兆信股份已經深耕行業23年，擁有30項專利技術，30家分支機構，6大服務中心，通過全流程數據智能分析，幫助品牌提高運營效率，規避潛在風險。兆信股份目前已與包括聯合國教科文組織、中國石油、茅臺、小米、同仁堂、露露、君樂寶等國內外機構和企業建立了良好的合作關係。

在數據運用方面，「慧嘉」通過大數據對品牌客戶進行營銷賦能，用數據驅動營銷，開啟數據營銷的全新格局。慧嘉通過集團自產數據，幫助品牌的潛在消費者找到好產品，同時通過數據模型進行用戶行為的深度刻畫，以行為習慣及場景化互動為有效依托，實現品牌最短路徑的觸達用戶。

## Management's Statement 管理層報告

In the process of constructing a full-service chain in data marketing, Huijia has also cooperated with Tsinghua University, through which, both parties have jointly established a professional data research laboratory, targeting at the big data business of Huijia. They have also initiated in-depth cooperation in the field of identification of users of brand customers and the area of algorithm research, with the common aim of accurating delivery more value for well-known brand customers. Through the integrated application model of production-learning-research, it focused on the research and application of big data, user behavior mapping, machine learning and user identification. Making use of effective methods, Huijia created a highly effective driving engine for data module to grasp the pulse of brand data, optimizing the commercial behavior of brands, maintaining the sustainable development of brands, and promoting the continuous upgrade of branding business, so as to enable data to be the core power of brands.

Meanwhile, Huijia has continued to enrich its own data dimension through operators. A thorough understanding of users is achieved through their data resources from 31 provinces, cities and autonomous regions in China. Capitalizing on these high-valued data from operators, Huijia further explores users' behaviors by studying the characteristics of the user's consumption behavior, and create a behavior map of brand users. These efforts will achieve a more accurate and efficient reach for users, and provide more refined marketing solutions for brands. These efforts have won attraction from plenty of brand customers such as Faw Toyota, Benz and Subaru.

In addition to constructing the "data engine" under "Made in China 2025" of the Group, Panpass Information and Huijia also joined hands to build "Hui Chain", a core product of blockchain era. It is connected to supply chain and shared a credit system to settle the problem of "trust". At present, the Group is cooperating with Legend Holdings Joyvio Agriculture, Silk Road International Cooperation Working Committee, and China Electronic Commerce Association, and "Hui Chain", a blockchain, has been first applied to fields such as agriculture and international trade. "Hui Chain" will be useful to certain applications within the B2B industry to solve more problems for brands.

Throughout 2017, the Group has recorded a revenue from data service segment of approximately RMB212.0 million, representing a year-on-year increase of 220.6% from RMB66.1 million for last year.

Throughout 2017, approximately 27.0% of the Group's revenue was from information service sector, approximately 67.3% is from transaction service sector, and approximately 5.7% is from data service sector.

在構建數據營銷全服務鏈的過程當中，慧嘉還與清華大學形成了合作，雙方將一同成立專業的數據研究實驗室，針對慧嘉大數據業務以及品牌客戶的用戶挖掘與算法研究領域開展深度合作，一同為知名品牌客戶更加精準的傳遞自身價值進行深入探討。通過產、學、研一體化的應用模式，針對大數據應用與研究、用戶行為地圖、機器學習、用戶挖掘等方向，運用最新的理論與實踐相結合的方式，配合科學有效的方法，形成數據板塊的高效驅動引擎，從而把握品牌數據脈搏，優化品牌商業行為，保持品牌的持續發展，促進品牌業務不斷升級，讓數據成為品牌的核心動力。

與此同時，慧嘉還通過運營商繼續豐富自身的數據維度，通過全國31個省、市、自治區用戶的數據資源，實現用戶的完整洞察。憑藉運營商高價值密度的數據資源，慧嘉進行用戶行為的進一步挖掘，研究用戶消費行為特徵，標識品牌用戶行為地圖，實現了更為精準和高效的用戶觸達，為品牌提供更精細化的營銷解決方案，得到了如一汽豐田、奔馳、斯巴魯等大量品牌客戶的親睞。

兆信股份和慧嘉不僅將構建起本集團中國製造2025「數據引擎」，還將合力打造區塊鏈時代核心的產品「慧鏈」，連接供應鏈，共建信用體系，解決「信任」問題。目前，本集團已與聯想控股佳沃股份、絲綢之路國際合作工作委員會、中國電子商務協會開展合作，區塊鏈「慧鏈」已初步應用於農業、國際間貿易等領域。慧鏈將在B2B的行業裏找到若干應用場景，為品牌解決更多、更全面的問題。

於二零一七年全年，本集團數據服務板塊的收入約人民幣212.0百萬元，較去年人民幣66.1百萬元同期比增長約220.6%。

於二零一七年全年，本集團約27.0%之收入來自於信息服務板塊，約67.3%之收入來自於交易服務板塊，約5.7%之收入來自數據服務板塊。

## Management's Statement 管理層報告

### Prospects

The development and breakthrough of technologies such as the Internet, cloud computing, big data, and mobile communications have penetrated into the traditional fields, and industrial interconnection has emerged. Statistics showed that China's Internet economy accounted for only 4.4% of the GDP in 2013, and now it amounts to 10% of the GDP. The market size of the internet economy exceeds RMB7,000 billion, however, the size of the Internet economy of the traditional industries, is currently only RMB300 billion. With the introduction of China's "Made in China 2025" (《中國製造2025》), "Guidance on Actively Rolling out the Internet+ Initiative" (《關於積極推進“互聯網+”行動的指導意見》) and "Guidance on How to Boost the Coordinated Development between Manufacturing and the Internet" (《關於深化製造業與互聯網融合發展的指導意見》), the industrial Internet has been lifted up to the level of national strategy.

The Company was listed on the Growth Enterprise Market of the Stock Exchange in 2003, and had successfully transferred to the Main Board of the Stock Exchange on 10 October 2014. In August 2017, the Company was selected as a constituent stock of a number of index series by Hang Seng Indexes Company Limited, and was admitted to in Shenzhen-Hong Kong Stock Connect in September of the same year. With the vision to become a "leading Internet group in the industry", our integration of the three major segments through business linkage and synergistic experts optimizes our service systems gradually and continuously, so as to promote enterprises, businesses and industries, transforming the conventional trade to precision trading, thereby providing relevant industrial services to small – and medium-sized enterprises and large enterprises.

In 2018, the Group will continue its strategic upgrade.

As for the information service segment, the Group will fully take advantages of its experience accumulated in the industry over the years, together with its vast number of customers from various industries, and also through its technological capabilities, to reduce the cost while improve the efficiency for customers, ultimately creating a highly effective Internet service platform in the industry.

### 前景

互聯網、雲計算、大數據、移動通訊等技術的發展和突破，推動著互聯網向傳統領域滲透，產業互聯應運而生。數據顯示，二零一三年中國互聯網經濟佔GDP僅4.4%，如今佔比已達10%，市場規模超7萬億元，而作為與傳統產業融合的產業互聯網目前規模僅3000億元。隨著國家《中國製造2025》、《關於積極推進「互聯網+」行動的指導意見》和《關於深化製造業與互聯網融合發展的指導意見》的出台，產業互聯網被提到國家戰略高度。

本公司二零零三年於聯交所創業板上市，並於二零一四年十月十日成功轉入聯交所主板上市。二零一七年八月本公司獲恒生指數有限公司選為多個指數系列的成份股，同年九月被納入深港通。以成為「領先的產業互聯網集團」為願景，依托三大板塊的布局優勢，通過業務聯動、協同效應，循序漸進不斷加持優化服務體系，推動企業、行業、產業，從交易常態化、場景化向精準化的轉變，為中小企業及大型企業提供相關產業服務。

二零一八年，本集團將繼續進行戰略升級。

於信息服務板塊，本集團將充分利用多年行業積澱，和多行業海量客戶進行精準有效化學反應，並通過技術賦能，為客戶降低成本提升效率，最終實現搭建高粘性的產業互聯網服務平台之願景。

## Management's Statement 管理層報告

As for the transaction service segment, the Group will rely primarily on the self-operated trading platform. We will also invest in third-party's trading platform. We rely on the supply chain management, third-party warehousing services, financial instruments and the synergies generated from information services segment to fully manifest the Group's industry advantages in various industries. Meanwhile, we aim at expanding the scale of operating revenue from platform-based transactions, and ultimately bring benefits to shareholders. In the next three years, leading trading platforms such as "ibuychem.com", "Shanghai Huijing", and "Union Cotton" are expected to exceed the transaction volume of RMB10 billion, becoming the top leaders in their respective industries.

As for the data application segment, looking ahead, it will form a customer-centered strategy specificity on major customers. We will take time to identify major customers with a competitive advantage from industries and continue to implement the strategies targeting at major customers, and enhance the professionalism and impact of data service, allowing data to become the core motivation of brands.

At last, we would like to give our thanks to the Group's partners for their full assistance and unconditionally accompany. In the future, we will continue to spare no effort in building the leading industrial Internet platform in China.

On behalf of the Board, I would like to take this opportunity to thank the management and every member of the Group for their on-going dedication and hard work in the past year.

### Liu Jun

Chief Executive Officer and Executive Director

Beijing, PRC  
27 March 2018

於交易服務板塊，本集團將主要依托自營交易平台，並借力戰略投資的第三方交易平台，依托供應鏈管理，第三方倉儲服務、金融工具及和信息服務板塊產生的協同效應，充分發揮本集團在多個產業的行業優勢，擴大平台類交易營收之規模，並最終使股東獲益。未來三年，「買化塑」、「上海慧旌」、「棉聯」等領頭交易平台，年交易規模有望突破百億，成為各自行業首屈一指的領導者。

於數據應用板塊，未來，數據服務板塊將形成以大客戶為核心的客戶戰略，在具有優勢的行業內深入發掘大客戶，持續推進大客戶戰略，提高數據板塊的專業度及影響力，讓數據成為品牌的核心動力。

最後，感謝本集團合作夥伴的傾力相助、風雨同行。未來，我們將全力以赴，為打造中國領先的產業互聯網平台繼續努力。

本人謹代表董事會向管理層及集團員工致謝，感謝過去一年不斷投入付出、不懈努力。

### 劉軍

行政總裁兼執行董事

中國，北京  
二零一八年三月二十七日



## Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

### DIRECTORS

As at 31 December 2017, the Board comprised:

#### Executive Directors

##### LIU Jun

Aged 39, is an executive Director and the chief executive officer of the Company. Mr. Liu was appointed as an executive Director with effect from 12 September 2016.

Mr. Liu has also been the senior vice president of the Group since July 2016. From 2004 to 2011, Mr. Liu was the chief executive officer of 頤高集團有限公司 (Yigao Group Company Limited\*) leading the company to enter into the information technology businesses. Mr. Liu has also been a director of several subsidiaries of the Company. Mr. Liu has obtained the Master's degree in Chemical Engineering from Zhejiang University in March 2004 and Bachelor's degree in Chemical Engineering, Bio-engineering and Chemical Processing from Zhejiang University as well in June 2000.

##### LEE Wee Ong

Also known as Alex Lee, aged 48, is an executive Director and the chief financial officer of the Company. Mr. Lee was first appointed as an independent non-executive Director on 9 September 2011 and was re-designated as an executive Director on 1 July 2012.

Mr. Lee graduated from the Northern University of Malaysia with a bachelor degree in accounting in 1993. Mr. Lee spent 6 years with Colonial First State Investments Group and Hambros Australia as a fund manager and was seconded to CMG CH China Funds Management. Mr. Lee had been the chief financial officer of the Company, and subsequently the chief strategy officer of the Company from 2000 to 2006. Mr. Lee is the founder of AlexCybot (Beijing) Technology Company Limited (亞力賽博(北京)科技有限公司), while holding directorship in MultiVision (Beijing) Technology Company Limited (卯泰維視(北京)科技有限公司).

### 董事

於二零一七年十二月三十一日，董事會包括：

#### 執行董事

##### 劉軍

39歲，為本公司執行董事兼行政總裁。劉先生於二零一六年九月十二日獲委任為執行董事。

自二零一六年七月起，劉先生亦一直擔任本集團之高級副總裁。劉先生曾於二零零四年至二零一一年擔任頤高集團有限公司之行政總裁，引領該公司投入資訊科技業務。劉先生亦為本公司數間附屬公司之董事。劉先生於二零零四年三月取得浙江大學化學工程碩士學位，及於二零零零年六月取得浙江大學化學工程、生物工程及化學加工學士學位。

##### LEE Wee Ong

又名Alex Lee，48歲，為本公司執行董事兼首席財務官。Lee先生於二零一一年九月九日首次獲委任為獨立非執行董事，並於二零一二年七月一日調任執行董事。

Lee先生於一九九三年畢業於馬來西亞北方大學，獲頒會計學學士學位。Lee先生為Colonial First State Investments Group及Hambros Australia服務六年，擔任基金經理，並調配至CMG CH China Funds Management任職。於二零零零年至二零零六年，Lee先生曾先後出任本公司之首席財務官及首席戰略略官。Lee先生為亞力賽博(北京)科技有限公司之創始人，並同時擔任卯泰維視(北京)科技有限公司之董事。

## Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

### **GUO Jiang**

Aged 44, is an executive Director and the chairman of the Company. Mr. Guo is also the chairman of the nomination committee of the Company (the "Nomination Committee") and a member of the remuneration committee of the Company (the "Remuneration committee"). Mr. Guo was appointed as an executive Director with effect from 1 August 2006.

Mr. Guo joined the Group in 1996 as a sale manager and became the chief executive officer of the Group in 2008. He is responsible for overseeing the operations of the Group. Prior to that, Mr. Guo spent two years at the Broadcasting Science Institute of the State Administration of Radio, Film and Television as an assistant to director. Mr. Guo graduated from the Harbin University of Commerce, the PRC, in 1994 with a bachelor degree in computer science. He also attended the Business Administration Course for Senior Management of Modern Enterprises conducted by Guanghua Business School of Peking University, the PRC, in 2002.

Mr. Guo is the nephew of Mr. Guo Fansheng, a non-executive Director.

### **Non-Executive Directors**

#### **GUO Fansheng**

Aged 62, is a non-executive Director. Mr. Guo was appointed as an executive Director on 21 March 2000.

Mr. Guo found the Group in October 1992 and is responsible for the overall strategic development and policy of the Group. From 1990 to 1992, Mr. Guo worked as a manager in a State-owned business information company in Beijing, the PRC. From 1987 to 1990, Mr. Guo served as a director of the Liaison Office and General Office of the Economic System Reform Institute under the State Commission for Economic Restructuring, and as the deputy director of the Western China Development Research Centre. Prior to working at the State Commission for Economic Restructuring, Mr. Guo served from 1982 to 1987 as a senior official in the government of the Inner Mongolia Autonomous Region. Mr. Guo obtained a bachelor degree in industrial economics from Renmin University of China, the PRC in 1982.

Mr. Guo is the uncle of Mr. Guo Jiang.

### **郭江**

44歲，為本公司執行董事兼主席。彼亦為本公司提名委員會（「提名委員會」）主席兼本公司薪酬委員會（「薪酬委員會」）成員。郭先生於二零零六年八月一日獲委任為執行董事。

郭先生於一九九六年加盟本集團，出任銷售經理，並於二零零八年成為本集團之行政總裁，負責管理本集團之運營。在此之前，郭先生曾於廣電總局廣播電視科學院任職兩年，出任主任助理。郭先生於一九九四年畢業於中國哈爾濱商業大學，獲頒計算機科學學士學位，並於二零零二年修讀中國北京大學光華管理學院主辦之現代企業高級管理人員工商管理課程。

郭先生為非執行董事郭凡生先生之侄兒。

### **非執行董事**

#### **郭凡生**

62歲，為非執行董事。郭先生於二零零零年三月二十一日獲委任為執行董事。

郭先生於一九九二年十月創辦本集團，負責本集團整體策略發展及政策。於一九九零年至一九九二年，郭先生在中國北京一間國有商業信息公司擔任經理。於一九八七年至一九九零年，郭先生出任國家經濟體制改革委員會屬下經濟體制改革研究所之聯絡辦公室及行政辦公室主任，並為中國西部開發研究中心副主任。於國家經濟體制改革委員會任職前，郭先生在一九八二年至一九八七年出任內蒙古自治區政府之高級官員。郭先生於一九八二年獲授中國人民大學之工業經濟學學士學位。

郭先生為郭江先生之叔叔。

## Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

### **LI Jianguang**

Aged 52, is a non-executive Director and a member of the audit committee of the Company (the "Audit committee"). Mr. Li was appointed as a non-executive Director with effect from 1 August 2006.

Mr. Li is a senior partner of IDG Capital Partners. Mr. Li is also a member of IDG Technology Venture Investments, LLC, which is the general partner of IDG Technology Venture Investments, LP. Mr. Li is responsible for the investment management of IDG's China-related early funds and IDG Accel China Growth Fund. Prior to that, Mr. Li worked in Crosby Asset Management Limited as an investment manager. Mr. Li graduated from Peking University in 1987 with a bachelor degree in economics and attained a master degree from Guelph University in Canada in 1994.

Mr. Li is also a director of Tarena International, Inc., a company listed on NASDAQ since April 2014, a non-executive director of China Binary Sale Technology Limited, a company listed on Growth Enterprise Market of the Stock Exchange (stock code: 8255) and a director of 三湘印象股份有限公司 (Sanxiang Impression Company Limited\*), a company listed on Shenzhen Stock Exchange (stock code: 601898).

### **WONG Chi Keung**

Aged 51, is a non-executive Director and a member of the Remuneration Committee. Mr. Wong was appointed as a non-executive Director on 12 September 2016.

Mr. Wong is currently the company secretary of Digital China Holdings Limited (the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 00861)). Mr. Wong is mainly responsible for the financial reporting and listing issues of Digital China Holdings Limited. Previously, Mr. Wong worked for Ernst & Young, an international accounting firm, for 6 years. Mr. Wong graduated from The University of Hong Kong with a Bachelor's Degree in Social Sciences and is a fellow member of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has over 28 years of experience in financial management and corporate administration.

### **李建光**

52歲，為非執行董事及本公司審核委員會（「審核委員會」）成員。李先生於二零零六年八月一日獲委任為非執行董事。

李先生為IDG Capital Partners之高級合夥人。李先生亦為IDG Technology Venture Investments, LLC之股東，該公司為IDG Technology Venture Investments, LP之常務合夥人。李先生主管IDG旗下早期中國相關基金及IDG Accel China Growth Fund之投資管理工作。在此之前，李先生曾於Crosby Asset Management Limited擔任投資經理。李先生於一九八七年畢業於北京大學，獲授經濟學學士學位，並於一九九四年在加拿大取得Guelph University碩士學位。

自二零一四年四月起，李先生為Tarena International, Inc.（納斯達克上市公司）之董事、神州數字銷售技術有限公司（聯交所創業板上市公司，股份代號：8255）之非執行董事及三湘印象股份有限公司（深圳交易所上市公司，股份代號：601898）之董事。

### **王自強**

51歲，為非執行董事兼薪酬委員會成員。王先生於二零一六年九月十二日獲委任為非執行董事。

王先生現為神州數碼控股有限公司（於聯交所主板上市（股份代號：00861））之公司秘書。王先生專責處理神州數碼控股有限公司之財務申報及上市事務。王先生先前曾於安永會計師事務所（一間國際性會計師事務所）工作六年。王先生畢業於香港大學，持有社會科學學士學位，並為英國特許公認會計師公會之資深會員及香港會計師公會會員。王先生於財務管理及企業行政擁有逾28年經驗。

## Biographic Details of Directors and Senior Management

### 董事及高級管理人員簡介

#### Independent Non-Executive Directors

##### ZHANG Ke

Aged 64, is an independent non-executive Director. He is the chairman of the Audit Committee and the Remuneration Committee, respectively, and a member of the Nomination Committee. Mr. Zhang was appointed as an independent non-executive Director on 28 March 2003.

Mr. Zhang is a certified public accountant in the PRC and is currently the chairman and chief partner of Shine Wing Certified Public Accountants. He graduated from Renmin University of China in 1982 with a bachelor degree in economics majoring in industry economics. He has many years of experience in the fields of economics, accounting and finance. Mr. Zhang is currently a vice-president of the Chinese Institute of Certified Public Accountants, a member of Internal Control Standard Committee of the Ministry of Finance and the Chief Supervisor of Beijing Association of Forensic Science.

Mr. Zhang is also an independent director of 二六三網絡通信股份有限公司 (Erlusian Internet Communication Company Limited\*), a company listed on the Shenzhen Stock Exchange and an independent non-executive director of China Coal Energy Company Limited (中國中煤能源股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1898) and The Shanghai Stock Exchange (stock code: 601898).

##### ZHANG Tim Tianwei

Aged 54, is an independent non-executive Director. He is also a member of each of the Nomination Committee and the Remuneration Committee. Mr. Zhang was appointed as an independent non-executive Director on 1 November 2011.

Mr. Zhang graduated from Tsinghua University (清華大學) at the Faculty of Precision Instruments & Mechanology in July 1986. He obtained a Master of Economics from the Chinese Academy of Social Sciences (中國社會科學院) and a Master of Business Administration (MBA) from The University of Chicago. Mr. Zhang has over 20 years of experience in financial and business management. He was the founder and managing director of Taconic Capital Ltd. from September 2003 to September 2005. He acted as the vice-chairman and general manager of Unicredit China Capital Limited from September 2005 to June 2007. He served as the managing director of J.P. Morgan Securities (Asia Pacific) from July 2007 to October 2011 and acted as the chairman of J.P. Morgan (China) Venture Capital Investment Co. Ltd. since its foundation in 2010 to October 2011. He served as the managing director of Taconic Capital Group from November 2011 to March 2012, and as the chief operating officer of China Merchants Capital Management Limited from April 2012 to December 2014. He is the managing director of Mount Flag Capital Ltd. since January 2015 and is also the chief executive officer of Mount Flag LLC since August 2015. Mr. Zhang has been a non-executive director to China ITS (Holdings) Co., Ltd (stock code: 1900) since May 2014, whose shares are listed on the Main Board of the Stock Exchange.

#### 獨立非執行董事

##### 張克

64歲，為獨立非執行董事。彼分別為審核委員會及薪酬委員會之主席兼提名委員會之成員。張先生於二零零三年三月二十八日獲委任為獨立非執行董事。

張先生為中國執業會計師，現為信永中和會計師事務所之主席兼首席合夥人。彼於一九八二年畢業於中國人民大學，獲頒經濟學學士學位，主修工業經濟學。彼於經濟、會計及財務領域擁有多年經驗。張先生現時為中國註冊會計師協會副會長、財政部內部控制標準委員會成員及北京司法鑒定業協會首席監事長。

張先生亦為深圳證券交易所上市公司二六三網絡通信股份有限公司之獨立董事兼聯交所主板(股份代號：1898)及上海證券交易所(股票代碼：601898)上市公司中國中煤能源股份有限公司之獨立非執行董事。

##### 張天偉

54歲，為獨立非執行董事。彼亦為提名委員會及薪酬委員會之成員。張先生於二零一一年十一月一日獲委任為獨立非執行董事。

張先生於一九八六年七月畢業於清華大學精密儀器與機械學系。彼獲得中國社會科學院經濟學碩士及芝加哥大學工商管理學碩士(MBA)學位。張先生積逾20年財務及商業管理經驗。自二零零三年九月至二零零五年九月，彼為Taconic Capital Ltd.創辦人及董事總經理。自二零零五年九月至二零零七年六月，彼擔任聯合信貸(中國)金融有限公司副主席兼總經理。二零零七年七月至二零一一年十月期間，彼一直擔任J.P. Morgan Securities (Asia Pacific)董事總經理，並於二零一零年摩根大通(中國)創業投資有限公司成立後直至二零一一年十月期間擔任該公司主席。二零一一年十一月至二零一二年三月期間，張先生擔任Taconic Capital Group董事總經理。於二零一二年四月至二零一四年十二月期間，彼擔任招商局資本投資有限責任公司首席運營官。自二零一五年一月起，彼擔任Mount Flag Capital Ltd.之董事總經理及並自二零一五年八月起為Mount Flag LLC之首席執行官。自二零一四年五月起，張先生一直為中國智能交通系統(控股)有限公司(股份代號：1900)之非執行董事，該公司股份於聯交所主板上市。

## Biographic Details of Directors and Senior Management 董事及高級管理人員簡介

### Qi Yan

Aged 68, is an independent non-executive director of the Company. Ms. Qi was appointed as an independent non-executive Director on 30 November 2017.

Ms. Qi is currently the senior vice president of 小米科技有限責任公司 (Xiaomi Technology Co., Ltd\*), who has been so appointed since 2012. From September 2004 to September 2011, she served in 愛國者數碼科技有限責任公司 (Aigo Digital Technology Co., Ltd\*) as a vice president, and was subsequently promoted to the vice chairman and the chief executive officer from September 2011 to March 2012. She also served in 愛國者電子科技有限責任公司 (Aigo Electronics Technology Co. Ltd\*) as the chief executive officer from March 2012 to December 2012. She has over 20 years' experience in the area of business management. Ms. Qi was awarded the certificate of Postgraduate Master's degree in applied sociology from the Graduate School of 中國社會科學院 (Chinese Academy of Social Sciences) in June 1998. Ms. Qi joined the China National Democratic Construction Association ("CNDCA") in 1987 and had served the Central Committee of CNDCA and the Beijing Municipal Committee of CNDCA. Ms Qi is currently a representative of the 16th National People's Congress of Haidian District, Beijing City.

### SENIOR MANAGEMENT

As at 31 December 2017, the senior management of the Company comprised the following members:

#### LIU Xiaodong

Aged 45, is the president of the Group and the chief executive officer of zol.com.cn, a wholly-owned subsidiary of the Group. He is responsible for the Information service business segment of the Group. In July 2015, the Group has completed the full acquisition of zol.com.cn. Mr. Liu joined zol.com.cn in 2000 and served as a general manager of zol.com.cn in 2004. Mr. Liu also served as the vice president of CNET (China) in 2008. He served as a vice president of CBSI (China), a general manager of technology cluster and the consumer cluster of CBSI (China) from 2008 to 2014. Since 2015, he served as a chief executive officer of zol.com.cn. Mr. Liu has over 19 years of experience in media operation and management in the TMT field. Mr. Liu graduated and obtained a bachelor degree from International Modern Design Art College Of Inner Mongolia Normal University in July 1997, and obtained a master degree of business administration from China Europe International Business School in 2011.

### 祁燕

68歲，為本公司獨立非執行董事。祁女士於二零一七年十一月三十日獲委任為獨立非執行董事。

祁女士自二零一二年獲委任至今擔任小米科技有限責任公司之高級副總裁。於二零零四年九月至二零一一年九月，彼於愛國者數碼科技有限責任公司任職副總裁，其後於二零一一年九月至二零一二年三月升任為副董事長及行政總裁。彼亦於二零一二年三月至二零一二年十二月在愛國者電子科技有限責任公司擔任行政總裁。彼於業務管理範疇具有逾20年經驗。祁女士於一九九八年六月獲頒中國社會科學院研究生院應用社會學專業碩士研究生畢業證書。祁女士於一九八七年加入中國民主建國會(「民建」)，並曾於民建中央委員會及民建北京市委員會任職。祁女士現任北京市海定區第十六屆全國人民代表大會代表。

### 高級管理人員

於二零一七年十二月三十一日，本公司高級管理人員包括以下成員：

#### 劉小東

45歲，為本集團總裁兼本集團全資附屬公司—中關村在線(zol.com.cn)行政總裁，彼負責本集團信息服務業務分部。本集團於二零一五年七月完成對中關村在線之全資收購。劉先生於二零零零年加入中關村在線，於二零零四年出任中關村在線總經理。劉先生亦於二零零八年出任CNET(中國)副總裁。於二零零八年至二零一四年先後出任CBSI(中國)副總裁、CBSI(中國)科技群組及消費群組總經理。於二零一五年起，彼出任中關村在線行政總裁。劉先生於TMT領域擁有超過十九年之媒體運營和管理經驗。劉先生於一九九七年七月畢業於內蒙古師範大學國際現代設計藝術學院，獲得學士學位，並於二零一一年獲得中歐國際工商學院工商管理碩士學位。

## Biographic Details of Directors and Senior Management

### 董事及高級管理人員簡介

#### **LU Qingguo**

Aged 44, is the Board secretary of the Company and the general counsel of the Group. Mr. Lu joined the Group in May 1998 and has served as the Company lawyer, the head of legal department and chief legal officer, and was appointed as the Board secretary of the Company in 2011. Mr. Lu is mainly responsible for the legal affairs and listing affairs of the Group. Prior to joining the Group, Mr. Lu has taught in Guizhou Minzu University for two years. Mr. Lu graduated from Southwest University of Political Science & Law and obtained a bachelor degree of Laws, LL.B. Mr. Lu also passed the national lawyer qualification examination and obtained the certificate of lawyer qualification in 1997. Mr. Lu has over 19 years of experience in corporate legal affairs.

#### **WU Lei**

Aged 38, is the executive vice president of the Group, responsible for the management of transaction services business segment of the Group. Mr. Wu joined the Group in 2015 and has served as the managing director of the finance and leasing company, a wholly-owned subsidiary of the Group. Prior to joining the Group, Mr. Wu was the sales director for Eastern China region in Start Group (實達集團) and subsequently the assistant president of Zhejiang Fuyue Holding Group Co., Ltd. (浙江富越控股集團). Mr. Wu has over 10 years' experience in the operation and management in the industry. Mr. Wu graduated from Zhejiang University (浙江大學) in 2002 and obtained a bachelor degree of electronic engineering.

#### **HONG Chaoran**

Aged 35, is the executive vice president of the Group, responsible for the management of data services business segment of the Group, and he also serves as the chief executive of Huijia, a wholly-owned subsidiary of the Group. Mr. Hong established Huijia in 2013, and the Group completed the full acquisition of Huijia in February 2017. Prior to establishing Huijia, Mr. Hong served as the managing director of Beijing Yimao Technology Co., Ltd. (北京億茂科技有限公司). Mr. Hong has over 10 years' operating and managing experience in new media and big data marketing. Mr. Hong graduated from Hangzhou Dianzi Keji Technology University (杭州電子科技大學) in 2006 and obtained a bachelor degree of environmental engineering.

#### **盧慶國**

44歲，為本公司董事會秘書兼本集團首席法律顧問。盧先生於一九九八年五月加入本集團，歷任公司律師、法律部主任、法務總監，並於二零一一年獲委任為本公司董事會秘書。盧先生主要負責本集團的法律事務和上市事務。在加入本集團之前，盧先生曾於貴州民族大學任教兩年。盧先生畢業於西南政法大學，並取得法學學士學位。盧先生並於一九九七年通過全國律師資格考試取得律師資格證書。盧先生於企業法律事務方面擁有逾十九年之經驗。

#### **吳磊**

38歲，為本集團執行副總裁，主管本集團交易服務業務板塊。吳先生於二零一五年加入本集團，出任本集團全資附屬公司融資租賃公司總經理。於加入本集團之前，吳先生先後擔任實達集團華東大區銷售總監、浙江富越控股集團總裁助理。吳先生擁有逾十年之行業運營和管理經驗。吳先生於二零零二年畢業於浙江大學電子工程專業，獲學士學位。

#### **洪超然**

35歲，為本集團執行副總裁，主管本集團數據服務業務板塊，亦為本集團全資附屬公司慧嘉之行政總裁。洪先生於二零一三年創立慧嘉公司，本集團於二零一七年二月完成全資收購慧嘉。於成立慧嘉之前，洪先生擔任北京億茂科技有限公司總經理。洪先生於新媒體和大數據營銷擁有逾十年以上之運營和管理經驗。洪先生於二零零六年畢業於杭州電子科技大學環境工程專業，獲學士學位。

## Management's Discussion and Analysis

### 管理層討論和分析

#### LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2017, the Group's cash and bank balances decreased by approximately RMB561,605,000 from approximately RMB963,523,000 as at 31 December 2016 to approximately RMB401,918,000.

The Group had total borrowings (including convertible bonds — liabilities portion) and finance lease obligation amounted to approximately RMB1,538,517,000 as at 31 December 2017 (2016: RMB1,538,383,000). As at 31 December 2017, the gearing ratio of the Group was 20% (2016: 15%), whereas the Group's gearing ratio is calculated as net debt divided by total capital. The capital and reserves attributable to the Company's equity holders increased by approximately RMB665,309,000 as compared to last year.

The Group's net current assets amounted to approximately RMB1,578,519,000 as at 31 December 2017 (2016: RMB41,313,000). Its current ratio, which is calculated by dividing current assets by current liabilities, was approximately 2.22 times as at 31 December 2017 as compared to approximately 1.02 times as at 31 December 2016. The Group's trade receivables turnover has decreased from approximately 24.52 days in 2016 to approximately 21.98 days in 2017.

#### Contractual Arrangement Involving HC Construction

In light of the relevant PRC laws and regulations restricting the participation and operation of internet content services by foreign investors, the Group has engaged Beijing Huicong Construction Information Consulting Co., Ltd. (北京慧聰建設信息諮詢有限公司) ("HC Construction" or "Huicong Construction") to operate its online platform, and publish its business information on the internet pursuant to certain contractual arrangements (the "HC Contractual Arrangements"). The Group relies on the HC Contractual Arrangements in respect of its online services.

Please also refer to the prospectus of the Company dated 8 December 2003, the announcement of the Company dated 25 September 2014 in relation to the transfer of listing from GEM to the Main Board of the Stock Exchange (the "Transfer of Listing Announcement"), and the 2016 annual report of the Company for further details of the HC Contractual Arrangements.

For the year ended 31 December 2017, save as disclosed in this report, there was no material change in the HC Contractual Arrangements and/or the circumstances under which they were adopted.

For the reporting period, none of the structured contracts under the HC Contractual Arrangements had been unwound as none of the restrictions that led to the adoption of the said structured contracts had been removed.

#### 流動資金及財務資源

於二零一七年十二月三十一日，本集團的現金及銀行結餘由二零一六年十二月三十一日約人民幣963,523,000元減少約人民幣561,605,000元至約人民幣401,918,000元。

於二零一七年十二月三十一日，本集團的總借貸（包括可換股債券－負債部分）及融資租賃負債約為人民幣1,538,517,000元（二零一六年：人民幣1,538,383,000元）。於二零一七年十二月三十一日，本集團的資本負債比率為20%（二零一六年：15%），而本集團的資本負債比率乃按淨債務除總資本計算。本公司權益持有人應佔資本及儲備與去年比較增加約人民幣665,309,000元。

於二零一七年十二月三十一日，本集團之流動資產淨額約為人民幣1,578,519,000元（二零一六年：人民幣41,313,000元）。於二零一七年十二月三十一日，其流動比率（按流動資產除流動負債計算）約為2.22倍，而二零一六年十二月三十一日則約為1.02倍。本集團之應收賬款週轉天數由二零一六年約24.52天減少至二零一七年約21.98天。

#### 涉及慧聰建設之合約安排

鑒於相關中國法律及法規限制外國投資者參與及經營互聯網內容服務，本集團委聘北京慧聰建設信息諮詢有限公司（「慧聰建設」）經營其線上平台，及根據若干合約安排（「慧聰合約安排」）於互聯網發佈其業務信息。本集團之線上服務依據慧聰合約安排。

有關慧聰合約安排之進一步詳情，請亦參閱本公司日期為二零零三年十二月八日之招股章程、本公司日期為二零一四年九月二十五日有關自創業板轉往聯交所主板上市之公佈（「轉板上市公佈」）以及本公司二零一六年年報。

於截至二零一七年十二月三十一日止年度，除本報告披露者外，慧聰合約安排及／或根據其獲採納之狀況概無重大變動。

於報告期間，由於概無導致採納慧聰合約安排下之結構性合約之限制被刪除，故並無上述結構性合約被解除。

## Management's Discussion and Analysis

### 管理層討論和分析

To further strengthen the Group's protection under the HC Contractual Arrangements and its management and control over Huicong Construction, the Group amended certain terms of the then existing agreements and entered into new exclusive option agreement, equity pledge agreement and powers of attorney with Huicong Construction and/or its registered shareholders (namely, Mr. Guo Fansheng and Mr. Guo Jiang) on 15 September 2014. As a result of the HC Contractual Arrangements, Huicong Construction is considered to be a subsidiary of the Group and financial statements of Huicong Construction are included in the Group's consolidated financial statements from 15 September 2014.

As at the date of this report, agreements underlying the HC Contractual Arrangements include (i) the domain names and trademarks licence agreement, (ii) the technology services agreement, (iii) the online information distribution agreement, (iv) the online advertisement publication agreement, (v) the exclusive option agreement, (vi) the equity pledge agreement and (vii) the powers of attorney.

The Group depends on the HC Contractual Arrangements with Huicong Construction (who holds, among other things, the Telecommunications and Information Services Business Operation Licence (電訊與信息服務業務經營許可證) ("ICP Licence"), bearing a term through 9 March 2022) in respect of its online services. For the year ended 31 December 2017, revenue generated from related online services of the Group is RMB444,322,000 (2016: RMB594,079,000) represents approximately 12% (2016: approximately 30%) of the total revenue of the Group.

### Information of Huicong Construction

Huicong Construction is a limited liability company established in the PRC. As at the date of this report, the registered capital of Huicong Construction is owned as to 50% by Mr. Guo Fansheng (a non-executive Director) and 50% by Mr. Guo Jiang (a substantial Shareholder). Mr. Guo Jiang currently is the sole director and the legal representative of Huicong Construction, and he is responsible for making financial and management decisions of Huicong Construction, and overseeing their implementation, so as to ensure that Huicong Construction operates in accordance with the terms of the HC Contractual Arrangements. As each of Mr. Guo Fansheng and Mr. Guo Jiang holds 50% equity interests of Huicong Construction and they are the controllers of Huicong Construction, Huicong Construction is thus a connected person of the Company.

為進一步加強本集團於慧聰合約安排下之保障及其對慧聰建設之管理及控制，於二零一四年九月十五日，本集團修訂當時現有協議之若干條款及與慧聰建設及／或其註冊股東（包括郭凡生先生及郭江先生）訂立新獨家購股權協議、股權質押協議及授權書。由於慧聰合約安排，慧聰建設被視為本集團之附屬公司，而慧聰建設之財務報表自二零一四年九月十五日起納入本集團之合併財務報表。

於本報告日期，慧聰合約安排相關協議包括(i)域名及商標許可協議，(ii)技術服務協議，(iii)網上信息發佈協議，(iv)網上廣告刊登協議，(v)獨家購股權協議，(vi)股權質押協議及(vii)授權書。

本集團就其線上服務依賴與慧聰建設（其持有（其中包括）期限至二零二二年三月九日之電訊與信息服務業務經營許可證（「ICP許可證」））所訂立之慧聰合約安排。截至二零一七年十二月三十一日止年度，本集團相關線上服務產生之銷售收入為人民幣444,322,000元（二零一六年：人民幣594,079,000元），佔本集團總收入約12%（二零一六年：約30%）。

### 慧聰建設之資料

慧聰建設為於中國成立之有限責任公司。於本報告日期，非執行董事郭凡生先生擁有慧聰建設註冊資本50%，主要股東郭江先生則擁有50%。郭江先生現為慧聰建設之唯一董事及法定代表人，其亦負責為慧聰建設作出有關財務及管理之決定，並監督其推行，以確保慧聰建設按慧聰合約安排之條款經營。由於郭凡生先生及郭江先生分別持有慧聰建設50%股權及其為慧聰建設之控制方，故慧聰建設為本公司之關連人士。



## Management's Discussion and Analysis 管理層討論和分析

Set out below is the key financial information of Huicong Construction during the year ended 31 December 2017:

下表載列截至二零一七年十二月三十一日止年度慧聰建設之主要財務資料：

		Year ended 31 December 2017 RMB'000 截至二零一七年十二月三十一日止年度 人民幣千元
Revenue	銷售收入	1,254
Total assets	資產總值	15,883

To the best knowledge, information and belief of the Company and as confirmed by Mr. Guo Fansheng and Mr. Guo Jiang, save for the operation and provision of services for the Group as contemplated under the HC Contractual Arrangements, Huicong Construction has no other material business operation during the year ended 31 December 2017 and up to the date of this report.

據本公司所深知、全悉及確信及獲郭凡生先生及郭江先生所確認，除本集團根據慧聰合約安排擬進行之經營及擬提供之服務外，於截至二零一七年十二月三十一日止年度及截至本報告日期期間，慧聰建設並無其他重大業務經營。

### Views of the Independent Non-Executive Directors

The independent non-executive Directors have reviewed the HC Contractual Arrangements, and confirmed that for the financial year ended 31 December 2017, (1) the transactions carried out during the year have been entered into in accordance with the relevant provisions of the HC Contractual Arrangements, and (2) no dividends or other distributions have been made by Huicong Construction which are not otherwise subsequently assigned or transferred to the Group.

### 獨立非執行董事之意見

獨立非執行董事已審閱慧聰合約安排並確認，於截至二零一七年十二月三十一日止財政年度，(1)於該年進行之交易乃根據慧聰合約安排之有關條文訂立；及(2)慧聰建設並無支付任何其後不會以其他方式轉讓或轉撥予本集團之股息或其他分派。

### Major terms of the agreements underlying the HC Contractual Arrangements

#### Technology Services Agreement

Beijing Huicong International Information Co., Ltd. ("Beijing HC International") first entered into a technology services agreement (the "Technology Services Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Technology Services Agreement is three years commencing from 15 September 2017 to 14 September 2020, and may be renewed for additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance the applicable laws, rules and regulations (including applicable rules of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"))).

### 慧聰合約安排相關協議之主要條款

#### 技術服務協議

北京慧聰國際資訊有限公司(「北京慧聰國際」)最初於二零零二年一月二日與慧聰建設訂立技術服務協議(「技術服務協議」)，為期三年(及其後獲延長)。技術服務協議之現有期限自二零一七年九月十五日起至二零二零年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、法規及規定(包括聯交所證券上市規則(「上市規則」)之適用規則)取得所有必需批准及同意後，方可落實)。

## Management's Discussion and Analysis

### 管理層討論和分析

Pursuant to the Technology Services Agreement, Beijing HC International is appointed by Huicong Construction as its exclusive agent to provide Huicong Construction with technology support and services related to internet content provider business of Huicong Construction, which includes:

- (i) server maintenance services;
- (ii) the development, renewal and upgrading of server application software and its application in the internet content provider business;
- (iii) the development, renewal and upgrading of application software for internet user;
- (iv) the technology service of e-commerce;
- (v) the training of technical personnel; and
- (vi) other reasonable requests from Huicong Construction for technical services.

Under the Technology Services Agreement, Huicong Construction shall pay Beijing HC International an annual fee of RMB250,000 for the provision of the aforesaid services. The annual fee thereafter may be adjusted, but it shall not exceed 20% of the amount charged in the previous year.

#### **Domain Names and Trademarks Licence Agreement**

Beijing HC International first entered into a domain names and trademarks licence agreement (the "Domain Names and Trademarks Licence Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Domain Names and Trademarks Licence Agreement is three years commencing from 15 September 2017 to 14 September 2020, and may be renewed for additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules of the Listing Rules)).

根據技術服務協議，北京慧聰國際獲慧聰建設委任為其獨家代理，為慧聰建設提供與其互聯網內容供應商業務相關之技術支援及服務，包括：

- (i) 伺服器維護服務；
- (ii) 開發、更新及升級伺服器應用軟件及其於互聯網內容供應商業務之應用；
- (iii) 為互聯網用戶開發、更新及升級軟件應用；
- (iv) 電子商務技術服務；
- (v) 技術人員培訓；及
- (vi) 慧聰建設就技術服務提出之其他合理要求。

根據技術服務協議，慧聰建設須就提供上述服務向北京慧聰國際支付年費人民幣250,000元。其後年費可予調整，惟不得超過之前一年所支付金額之20%。

#### **域名及商標許可協議**

北京慧聰國際最初於二零零二年一月二日與慧聰建設訂立域名及商標許可協議(「域名及商標許可協議」)，為期三年(及其後獲延長)。域名及商標許可協議之現有期限自二零一七年九月十五日起至二零二零年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、法規及規定(包括上市規則之適用規則)取得所有必需批准及同意後，方可落實)。

## Management's Discussion and Analysis

### 管理層討論和分析

Pursuant to the Domain Names and Trademarks Licence Agreement, Beijing HC International licences Huicong Construction to use certain domain names and trademarks (including domain names and trademarks owned by Beijing HC International and to be obtained by it from time to time) for the sole purpose of operating the website and dissemination of information for the benefit of Beijing HC International in the PRC. Any intellectual properties developed by Huicong Construction during the term (including any renewed term) of the Domain Names and Trademarks Licence Agreement would belong to Beijing HC International. Parties further agreed that where any intellectual properties are required by law to be registered in the name of Huicong Construction, Huicong Construction shall, where permitted by applicable laws and regulations, upon request of Beijing HC International assign such intellectual property rights to Beijing HC International or a party as designated by Beijing HC International, and shall return any consideration received for such transfer. Huicong Construction has undertaken that they shall warrant and guarantee that such intellectual properties are flawless and it shall bear all damages and losses caused to Beijing HC International by any flaw of such intellectual properties. Beijing HC International has the right to recover all of its losses from Huicong Construction for liabilities to any third party.

Under the Domain Names and Trademarks Licence Agreement, Huicong Construction shall pay an annual fee of RMB250,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

#### **Online Information Distribution Agreement**

Beijing HC International first entered into an online information distribution agreement (the "Online Information Distribution Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Online Information Distribution Agreement is three years commencing from 15 September 2017 to 14 September 2020. And may be renewed for additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules of the Listing Rules)).

根據域名及商標許可協議，北京慧聰國際許可慧聰建設使用若干域名及商標（包括由北京慧聰國際擁有及由其不時取得之域名及商標），僅供於中國經營網站及發佈有利於北京慧聰國際利益之信息。慧聰建設於域名及商標許可協議期限（包括任何續訂期限）內所開發之任何知識產權將屬北京慧聰國際所有。訂約方進一步協定倘法律規定任何知識產權須以慧聰建設之名義登記，慧聰建設在獲適用法律及法規准許下，須應北京慧聰國際之要求轉讓該知識產權予北京慧聰國際或北京慧聰國際指定之一名訂約方，並須退還有關轉讓之任何代價。慧聰建設已承諾其須保證及擔保有關知識產權乃並無缺憾，及其須承擔因有關知識產權之任何缺憾導致北京慧聰國際蒙受之所有損失及虧損。北京慧聰國際有權就任何第三方之責任而向慧聰建設收回北京慧聰國際所有虧損。

根據域名及商標許可協議，慧聰建設須支付年費人民幣250,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。

#### **網上信息發佈協議**

北京慧聰國際於二零零二年一月二日與慧聰建設首次訂立網上信息發佈協議（「網上信息發佈協議」），為期三年（及其後獲延長）。網上信息發佈協議之現有期限自二零一七年九月十五日起自二零二零年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年（而有關續訂須待本公司根據適用法律、法規及規定（包括上市規則之適用規則）取得所有必需批准及同意後，方可落實）。

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Pursuant to the Online Information Distribution Agreement, Beijing HC International appoints Huicong Construction to exclusively publish the information collected, edited or produced by Beijing HC International on the website operated by Huicong Construction.

Under the Online Information Distribution Agreement, Beijing HC International shall pay an annual fee of RMB900,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

#### **Online Advertisement Publication Agreement**

HC Advertising first entered into an online advertisement publication agreement (the "Online Advertisement Publication Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Online Advertisement Publication Agreement is three years commencing from 15 September 2017 to 14 September 2020, and may be renewed for additional term of three years at the sole discretion of HC Advertising (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules of the Listing Rules)).

Pursuant to the Online Advertisement Publication Agreement, HC Advertising appoints Huicong Construction to publish exclusively advertisement designed, produced by or entrusted to HC Advertising on the website operated by Huicong Construction.

Under the Online Advertisement Publication Agreement, HC Advertising shall pay an annual fee of RMB900,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

#### **Exclusive Option Agreement**

Beijing HC International entered into the exclusive option agreement (the "Exclusive Option Agreement") with Huicong Construction, Mr. Guo Fansheng and Mr. Guo Jiang on 15 September 2014, pursuant to which Mr. Guo Fansheng and Mr. Guo Jiang jointly and severally granted to Beijing HC International (and Huicong Construction having consented to such grant) an irrevocable exclusive option for Beijing HC International (or such third party as it may designate) to purchase, to the extent permitted by PRC laws, all or part of their equity interests in Huicong Construction, at the consideration of RMB1,400,000 or a minimum purchase price permitted under PRC laws and regulations at the time of exercise of such option. Such exclusive option is for an indefinite term commencing on 15 September 2014 until (i) it is terminated by Beijing HC International in writing, or (ii) upon transfer of the entire equity interests held by Mr. Guo Fansheng and Mr. Guo Jiang in Huicong Construction. Such exclusive option may not be revoked or varied during the term of the Exclusive Option Agreement.

根據網上信息發佈協議，北京慧聰國際委任慧聰建設於慧聰建設營運之網站獨家發佈由北京慧聰國際收集、編輯或提供之信息。

根據網上信息發佈協議，北京慧聰國際須支付年費人民幣900,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。

#### **網上廣告刊登協議**

慧聰廣告最初於二零零二年一月二日與慧聰建設訂立網上廣告刊登協議（「網上廣告刊登協議」），為期三年（及其後獲延長）。網上廣告刊登協議之現有期限自二零一七年九月十五日起至二零二零年九月十四日止，為期三年，並可由慧聰廣告全權酌情續訂額外三年（而有關續訂須待本公司根據適用法律、規則及法規（包括上市規則之適用規則）取得所有必需批准及同意後，方可落實）。

根據網上廣告刊登協議，慧聰廣告委聘慧聰建設於慧聰建設營運之網站上獨家刊登由慧聰廣告設計、製作或負責之廣告。

根據網上廣告刊登協議，慧聰廣告須支付年費人民幣900,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。

#### **獨家購股權協議**

北京慧聰國際與慧聰建設、郭凡生先生及郭江先生於二零一四年九月十五日訂立獨家購股權協議（「獨家購股權協議」），據此，郭凡生先生及郭江先生共同及個別地向北京慧聰國際授出（而有關授出取得慧聰建設同意）不可撤回獨家購股權，以讓北京慧聰國際（或其指派之第三方）在中國法律允許之情況下購買彼等所持全部或部分慧聰建設股權，代價為人民幣1,400,000元或於有關購股權獲行使時中國法律及法規允許之最低收購價。有關獨家購股權不設期限，自二零一四年九月十五日起生效，直至(i)北京慧聰國際以書面形式終止協議，或(ii)郭凡生先生及郭江先生轉讓彼等所持全部慧聰建設股權為止。有關獨家購股權不可於獨家購股權協議期內撤回或修改。

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Pursuant to the Exclusive Option Agreement, each of Mr. Guo Fansheng and Mr. Guo Jiang has undertaken to Beijing HC International, among other things, that they shall not create any pledge, indebtedness or third party encumbrances, and shall not transfer, give by way of gift, pledge or otherwise dispose of its equity in Huicong Construction to any party other than Beijing HC International (or such third party as it may designate by it). Further, Huicong Construction has undertaken to Beijing HC International, among other things, that:

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| <p>(i) it will operate its business in accordance with laws, regulations, requirements and other management requirements or directions by relevant governmental department;</p>  | <p>(i) 其將根據相關政府部門之法律、法規、規定及其他管理規定或指示營運業務；</p>   |
| <p>(ii) it shall ensure the continual existence of Huicong Construction in accordance with good financial and business standards and practices, and shall prudently and effectively operate its business and transactions, and shall use its best endeavours to ensure Huicong Construction obtaining all licences, permits and approval requires for its operation, and to ensure that they shall not be cancelled, revoked or declared invalid;</p>  | <p>(ii) 其將確保慧聰建設繼續存在，符合良好財務及業務準則及慣例，亦會審慎及有效地營運業務及交易，並會竭盡所能確保慧聰建設取得業務營運所需一切牌照、許可證及批准，且確保有關牌照、許可及批准不會被撤銷、撤回或宣佈無效；</p>   |
| <p>(iii) Huicong Construction shall provide all its information in respect of its operation and finance at Beijing HC International's request;</p>   | <p>(iii) 慧聰建設將應北京慧聰國際要求提供有關其營運及財務事宜之所有資料；</p>   |
| <p>(iv) Huicong Construction shall not conduct any of the following matters unless with prior written approval from Beijing HC International: (a) sell, transfer, pledge or otherwise dispose of any assets, business, or income, or allow encumbrance be created thereon (save as in its ordinary course of business or with prior written approval from Beijing HC International); (b) enter into any transactions which will materially and adversely affect its assets, obligations, operation, equity interest and other legal rights (save as in its ordinary course of business or with prior written approval from Beijing HC International); (c) declare dividend, bonus to its shareholders; (d) incur, take up, guarantee or allow any indebtedness other than those in the ordinary course of business and with the prior written consent of Beijing HC International;</p> | <p>(iv) 除非事先取得北京慧聰國際之書面同意，否則慧聰建設不得進行以下任何行動：(a)出售、轉讓、抵押或以其他方式出售任何資產、業務或收入或允許就任何資產、業務或收入設置產權負擔(於其一般業務過程中或在事先取得北京慧聰國際書面同意之情況下則另作別論)；(b)訂立任何交易以致其資產、責任、營運、股權及其他法定權利遭受重大不利影響(於其一般業務過程中或在事先取得北京慧聰國際書面同意之情況下則另作別論)；(c)向其股東宣派股息及花紅；(d)產生或承擔任何債務、就任何債務作出擔保或允許任何債務(於其一般業務過程中及在事先取得北京慧聰國際書面同意之情況下則另作別論)；</p> |
| <p>(v) resolve any shareholders' resolution on increasing or decreasing its registered capital, or alerting its registered capital structure;</p>  | <p>(v) 就任何有關增加或削減其註冊資本或影響其註冊資本結構之股東決議案作出議決；</p>   |
| <p>(vi) alter its articles of association, or change its scope of business; and</p>  | <p>(vi) 修改其組織章程細則或變更其業務範疇；及</p>   |
| <p>(vii) change or remove any of its director or senior management.</p>  | <p>(vii) 更換或罷免其任何董事或高級管理人員。</p>   |

根據獨家購股權協議，郭凡生先生及郭江先生各自已向北京慧聰國際承諾，(其中包括)彼等不會設立任何質押、債務或第三方產權負擔，亦不會轉讓、贈送、抵押或以其他方式向北京慧聰國際(或其指派之第三方)以外任何人士出售所持慧聰建設股權。此外，慧聰建設已向北京慧聰國際承諾，其中包括：

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Each of Mr. Guo Fansheng and Mr. Guo Jiang, as registered shareholders of Huicong Construction, has executed a blank equity transfer agreement with respect of his equity interests in Huicong Construction to the custody of Beijing HC International, which may be effected by Beijing HC International (or such third party as it may designate) in the event he fails to discharge his obligations.

Huicong Construction, Mr. Guo Fansheng and Mr. Guo Jiang further executed an undertaking dated 15 September 2014 (the "Undertaking"), pursuant to which, among other things, they undertake to unconditionally return to the Group any consideration they receive in the event Beijing HC International acquires the equity interests in Huicong Construction, and to unconditionally transfer the domain name "hc360.com" and related registered trademark(s) to Beijing HC International (or such third party as it may designate by it) in the event that the agreements underlying the HC Contractual Arrangements lapse, expire or be terminated.

#### **Power of Attorney**

On 15 September 2014, each of Mr. Guo Fansheng and Mr. Guo Jiang has executed a power of attorney (the "Power of Attorney"). Pursuant to each of the Powers of Attorney, each of Mr. Guo Fansheng and Mr. Guo Jiang unconditionally and irrevocably authorises any individual designated by Beijing HC International (which shall be a director of the Company (other than Mr. Guo Fansheng, Mr. Guo Jiang or their close associates), and shall be a resident of PRC) to represent him in exercising all his rights as shareholders of Huicong Construction under applicable PRC laws, including without limitation, to transfer all his equity interests, to determine the consideration for such transfer, to complete all relevant procedures regarding such transfer, to attend general meetings and exercise voting rights, to execute all such relevant documents, agreements and resolutions, etc.. Such Powers of Attorney shall remain in full force and effect from 15 September 2014 until Mr. Guo Fansheng or Mr. Guo Jiang (as the case may be) ceases to be a shareholder of Huicong Construction.

#### **Equity Pledge Agreement**

Beijing HC International, Mr. Guo Fansheng and Mr. Guo Jiang entered into the equity pledge agreement (the "Equity Pledge Agreement") on 15 September 2014 (as supplemented by a supplemental agreement dated 15 September 2017), pursuant to which each of Mr. Guo Fansheng and Mr. Guo Jiang pledged all their respective equity interests in Huicong Construction to Beijing HC International to secure performance of all their obligations and the obligations of Huicong Construction under the Domain Names and Trademarks Licence Agreement, the Technology Services Agreement, the Online Information Distribution Agreement, the Online Advertisement Publication Agreement, the Exclusive Option Agreement and the Powers of Attorney.

郭凡生先生及郭江先生(作為慧聰建設之註冊股東)各自已就彼所持有之慧聰建設股權簽立一份留空之股權轉讓協議，並交由北京慧聰國際託管，可由北京慧聰國際(或其指派之第三方)於彼未能履行責任時啟動生效。

慧聰建設、郭凡生先生及郭江先生進一步簽立日期為二零一四年九月十五日之承諾書(「承諾」)，據此，(其中包括)彼等承諾於北京慧聰國際收購慧聰建設股權時無條件向本集團退還彼等所收取之任何代價，並於慧聰合約安排相關協議失效、到期或終止時無條件向北京慧聰國際(或其指派之第三方)轉讓域名「hc360.com」及相關註冊商標。

#### **授權書**

於二零一四年九月十五日，郭凡生先生及郭江先生各自已簽立一份授權書(「授權書」)。根據各份授權書，郭凡生先生及郭江先生各自無條件及不可撤回地授權北京慧聰國際指派之任何人士(須為本公司董事(郭凡生先生、郭江先生或彼等之緊密聯繫人士除外)及中國居民)代其根據適用中國法律行使其作為慧聰建設股東之所有權利，包括但不限於轉讓其所有股權、釐定有關轉讓之代價、完成有關轉讓之所有相關手續、出席股東大會及行使投票權、簽立所有相關文件、協議及決議案等等。有關授權書將自二零一四年九月十五日起具有十足效力，直至郭凡生先生或郭江先生(視情況而定)不再為慧聰建設股東。

#### **股權質押協議**

北京慧聰國際、郭凡生先生及郭江先生於二零一四年九月十五日(經二零一七年九月十五日之補充協議補充)訂立股權質押協議(「股權質押協議」)，據此，郭凡生先生及郭江先生各自向北京慧聰國際質押彼等各自所持全部慧聰建設股權，作為履行彼等及慧聰建設於域名及商標許可協議、技術服務協議、網上信息發佈協議、網上廣告刊登協議、獨家購股權協議及授權書項下之全部責任之擔保。

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Beijing HC International will be entitled to exercise the rights of pledge in the event Huicong Construction fails to pay the service fee under the Technology Services Agreement and the Domain Names and Trademarks Licence Agreement or fail to perform any other term of the above agreements, the Online Information Distribution Agreement and the Online Advertisement Agreement, or any of Huicong Construction, Mr. Guo Fansheng or Mr. Guo Jiang fails to perform any term of the Exclusive Option Agreement and the Powers of Attorney (as the case may be), upon reasonable notice. If Huicong Construction declares any dividend, bonus or adopt any proposal for distribution of profits during the term of the Equity Pledge Agreement, such dividends, bonus or economic benefits of all such proposal for distribution shall be delivered to Beijing HC International.

The Equity Pledge Agreement is for an indefinite term commencing from 15 September 2014 until (i) all the agreements (other than the Equity Pledge Agreement) underlying the HC Contractual Arrangements have been terminated by Beijing HC International and/or HC Advertising (as the case may be) or (ii) all the obligations under the Equity Pledge Agreement have been fulfilled. The Equity Pledge Agreement has been filed at relevant Industry and Commerce Bureau on 16 September 2014.

### Risks associated with the HC Contractual Arrangements

*The government may determine that the agreements underlying the HC Contractual Arrangements do not comply with applicable regulations, or these regulations or their interpretation may change in the future*

The Company is incorporated in the Cayman Islands and members of the Group established in the PRC are considered as foreign-invested enterprise. Currently, laws and regulations of the PRC restrict participation and operation of internet content services by foreign investors. The Group depends on the HC Contractual Arrangements with Huicong Construction in respect of its online services. Upon interview conducted by the PRC legal advisers with relevant responsible officer of the Telecommunication Department of Beijing Communications Administration (北京市通信管理局電信管理處), the PRC legal advisers were informed that currently, there is no prohibition of adoption of contractual arrangements or variable interest entity in the business of services, and there has been no law, rules, regulations or normative documents in the PRC which stipulates that such arrangements constitute "concealing illegal intentions with a lawful form" under PRC laws.

倘慧聰建設無法根據技術服務協議以及域名及商標許可協議支付服務費或無法履行上述協議、網上信息發佈協議及網上廣告刊登協議之任何其他條款，或慧聰建設、郭凡生先生或郭江先生任何一方無法履行獨家購股權協議及授權書(視情況而定)之任何條款，則北京慧聰國際將有權於發出合理通知後行使質押權利。倘慧聰建設於股權質押協議期內宣派任何股息、花紅或就分派溢利採納任何建議，則有關股息、花紅或所有有關分派建議之經濟利益均須交付予北京慧聰國際。

股權質押協議不設期限，自二零一四年九月十五日起生效，直至(i)構成慧聰合約安排之所有協議(股權質押協議除外)已由北京慧聰國際及/或慧聰廣告(視情況而定)終止或(ii)股權質押協議項下全部責任已獲履行。股權質押協議已於二零一四年九月十六日呈交相關工商局備案登記。

### 與慧聰合約安排有關之風險

*政府可釐定慧聰合約安排相關協議不符合適用法規，或該等法規或其詮釋可能於日後有所改變*

本公司於開曼群島註冊成立，而本集團於中國成立之成員公司被視為外商投資企業。現時，中國法律及法規限制外國投資者參與及營運互聯網內容服務。本集團就其線上服務依賴與慧聰建設訂立之慧聰合約安排。經由中國法律顧問與北京市通信管理局電信管理處相關負責官員會晤後，中國法律顧問獲告知，現時在服務業務方面並無禁止採用合約安排或可變收益實體，且中國並無任何法律、規則、法規或規範文件訂明該等安排根據中國法律構成「以合法形式掩蓋非法目的」。

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Save for matters as further discussed in the paragraph headed "Certain terms of the HC Contractual Arrangements may not be enforceable under PRC laws" below, our PRC legal advisers are of the opinion that the agreements underlying the HC Contractual Arrangements are, collectively and individually, legal and valid and do not violate PRC laws, rule and regulations. Although the Group has not received any interference regarding the legality of the Contractual Arrangements, there is no assurance that the PRC government or judicial authorities would agree that the HC Contractual Arrangements comply with PRC licensing, registration, other regulatory requirements or policies that may be adopted in the future. If the PRC government or judicial authorities determines that the Group or the HC Contractual Arrangements do not comply with applicable PRC laws and regulations, it could have discretion in dealing with such incompliance, including:

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| (i) discontinuing or placing restriction on the business operation of Beijing HC International, HC Advertising and/or Huicong Construction in the PRC; | (i) 終止或限制北京慧聰國際、慧聰廣告及／或慧聰建設於中國之業務運營；       |
| (ii) requiring reorganisation or restructuring of ownership or business of Beijing HC International and/or HC Advertising;                             | (ii) 規定重組或重整北京慧聰國際及／或慧聰廣告之所有權或業務；          |
| (iii) levying fines and/or confiscating the proceeds generated from the operations under the HC Contractual Arrangements;                              | (iii) 徵收罰款及／或沒收根據慧聰合約安排由經營業務產生之所得款項；       |
| (iv) taking other regulatory or enforcement actions that could have a material adverse effect over the Group's financial condition or business.        | (iv) 採取任何可能對本集團之財務狀況或業務造成重大不利影響之其他監管或執法行動。 |

The imposition of any of the above mentioned consequences could result in a material and adverse effect on the Group's ability to conduct its online business. In particular, in the event the imposition of any of these consequence prevent Huicong Construction from providing internet content provider services to the Group and the Group is unable to locate any substitute timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses (including among others, subscription for Mai-Mai-Tong and Biao-Wang search). Where the Group loses the right to direct the activities of Huicong Construction as a result of these consequences, the Group would also be no longer able to consolidate the financial results of Huicong Construction.

除於下文「慧聰合約安排之若干條款未必可根據中國法律強制執行」一段進一步討論之事項外，中國法律顧問認為慧聰合約安排相關協議共同及個別屬合法及有效，且並無違反中國法律、規則及法規。儘管本集團並無就有關合約安排之合法性遭受任何干預。無法保證中國政府或司法機關將同意慧聰合約安排乃符合中國許可證、登記、其他監管規定或日後可能採用之政策。倘中國政府或司法機關認為本集團或慧聰合約安排不符合中國適用之法律及法規，其可能會酌情處理有關不合規事宜，包括：

實行任何上述結果可導致對本集團進行其線上業務能力有重大不利影響。特別是，倘實行任何上述該等結果阻止慧聰建設提供互聯網內容供應商服務予本集團及本集團無法及時覓得任何替代方法，則本集團之平台營運或會嚴重受創，而本集團可能違反其線上業務之現有合約，其中包括認購買賣通及標王搜索。倘本集團因該等結果失去指示慧聰建設活動之權利，本集團亦將不能將慧聰建設之財務業績合併入賬。



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*The HC Contractual Arrangements may not provide control as effective as direct ownership*

The Group depends on the HC Contractual Arrangements with Huicong Construction, who hold key licences required, in respect of its online services. Huicong Construction is owned as to 50% by Mr. Guo Fansheng and as to 50% by Mr. Guo Jiang. The Company and its subsidiaries do not own or hold any equity interests in Huicong Construction.

The HC Contractual Arrangements may not be as effective in providing control over website operations in PRC as direct ownership in these businesses. For example, Huicong Construction and its shareholders could breach or fail to perform their obligations under the HC Contractual Arrangements. If Huicong Construction fails to perform its obligations under the HC Contractual Arrangements, the Group will have to resort to legal remedies under the PRC law, which could result in substantial litigation costs and divert the Group's management's time and efforts away from their running the regular business of the Group. There is uncertainty as to the outcome and duration of legal proceedings and its enforceable. In addition, the Group cannot be sure that contractual remedies would be effective or sufficient to enforce its interests. In the event Huicong Construction refuses or fails to provide the internet content services to the Group and the Group is unable to locate any substitute timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses.

The Group currently operates its online platform principally through the website of "hc360.com". Currently, Huicong Construction is the registrant of the domain name "hc360.com" in light of relevant requirements in the PRC on internet content provider business. Huicong Construction, Mr. Guo Fansheng and Mr. Guo Jiang have undertaken pursuant to the agreements underlying the HC Contractual Arrangements and the Undertaking that Huicong Construction will, so far as it is permitted under the PRC laws, transfer the domain name and trademark(s) to the Group (or the Group's nominee) in the event the HC Contractual Arrangements lapse, expire or be terminated. If the Group is unable to acquire the domain name from Huicong Construction, or if Huicong Construction declares bankruptcy or if the domain name, as part of Huicong Construction's assets, become subject to liens or rights of third party, the Group may be unable to continue its existing business using "hc360.com" and may be required to establish a new domain name, and to establish new trademark, which may disrupt the Group's operation, confuse users and damage the Group's reputation, and may materially and adversely affect the Group's results of operation.

慧聰合約安排賦予之控制權，未必如直接擁有一樣有效

本集團就其線上服務依賴與持有所需主要許可證之慧聰建設所訂立之慧聰合約安排。慧聰建設由郭凡生先生及郭江先生分別擁有50%權益。本公司及其附屬公司並無擁有或持有慧聰建設之任何股權。

在控制中國網站營運方面，慧聰合約安排或不能如直接擁有該等業務般有效。例如，慧聰建設及其股東可能違反或未能履行其於慧聰合約安排下之責任。倘慧聰建設未能履行其於慧聰合約安排下之責任，本集團將須根據中國法律訴諸法律之補救方法，而該等補救方法可能導致重大訴訟成本及分散本集團管理層經營本集團日常業務之時間及人力物力。無法確定該等法律程序之結果及所需時間，以及能否強制執行。此外，本集團不能確定合約補救方法可有效或足夠執行其利益。倘慧聰建設拒絕或未能向本集團提供互聯網內容服務，而本集團無法及時覓得任何替代方法，本集團之平台營運或會受到嚴重障礙，而本集團可能違反其線上業務之現有合約。

本集團現時主要透過網站「hc360.com」營運其線上平台。鑒於中國對互聯網內容供應商業務之相關規定，慧聰建設現時為域名「hc360.com」之註冊人。根據慧聰合約安排相關協議及承諾，慧聰建設、郭凡生先生及郭江先生已承諾，在中國法律准許之情況下，倘慧聰合約安排失效、屆滿或被終止，慧聰建設將轉讓其域名及商標予本集團或本集團之代名人。倘本集團未能向慧聰建設收購域名，或倘慧聰建設宣佈破產或倘域名（作為慧聰建設之資產一部分）受到留置權或第三方權利之限制，本集團可能未能使用「hc360.com」繼續經營其現有業務及可能須建立一個新域名及新商標，此舉可能干擾本集團之營運、混淆用戶及損害本集團之聲譽，並可能對本集團之經營業績造成重大不利影響。

## Management's Discussion and Analysis

### 管理層討論和分析

*The registered shareholders of Huicong Construction may have potential conflicts of interest with the Group*

As at the date of this report, equity interests of Huicong Construction is owned as to 50% by Mr. Guo Fansheng and 50% by Mr. Guo Jiang. Mr. Guo Fansheng is the sole director and the legal representative of Huicong Construction. The Directors are of the view that Mr. Guo Fansheng and Mr. Guo Jiang are controllers of Huicong Construction. Each of Mr. Guo Fansheng and Mr. Guo Jiang has undertaken to the Company that each of them will procure Huicong Construction in fulfilling its obligations under the agreements underlying the HC Contractual Arrangements. Each of Mr. Guo Fansheng and Mr. Guo Jiang, as a Director, also owes fiduciary duties to the Company and the Shareholders as a whole pursuant to relevant law of the Cayman Islands.

There is no assurance that when conflicts of interests arise, shareholders of Huicong Construction will act in the best interests of the Group, or that any conflicts of interests will be resolved in favour of the Group.

To further strengthen the protections to the Group over potential conflicts of interest between the registered shareholders of Huicong Construction, and the Group, on 15 September 2014, Beijing HC International entered into, among others, the Exclusive Option Agreement, the Equity Pledge Agreement and the Powers of Attorney with Huicong Construction. Pursuant to the Exclusive Option Agreement, Beijing HC International was granted the option to purchase from the registered shareholders their equity interest in Huicong Construction when and to the extent permitted by law. Pursuant to the Equity Pledge Agreement, Beijing HC International is entitled to dispose of the equity interests of Huicong Construction pledged, in the event of stipulated events regarding failure of performance by, among others, registered shareholders of Huicong Construction. Further, each of the Mr. Guo Fansheng and Mr. Guo Jiang has executed the Power of Attorney which authorises individual designated by Beijing HC International to exercise all of their rights and powers as shareholders of Huicong Construction.

*慧聰建設之登記股東可能與本集團有潛在利益衝突*

截至本報告日期，慧聰建設之股本權益分別由郭凡生先生及郭江先生擁有50%。郭凡生先生為慧聰建設之唯一董事及合法代表。董事認為郭凡生先生及郭江先生為慧聰建設之控權人。郭凡生先生及郭江先生各自已向本公司作出承諾，彼等各自將促使慧聰建設履行其於慧聰合約安排相關協議項下之責任。根據開曼群島相關法律，郭凡生先生及郭江先生各自作為董事亦對本公司及股東整體負有受信責任。

概不保證當有利益衝突時，慧聰建設之股東將以本集團之最佳利益行事，或以本集團有利之方式解決任何利益衝突之事宜。

為進一步加強慧聰建設登記股東與本集團發生潛在利益衝突時對本集團之保障，北京慧聰國際於二零一四年九月十五日與慧聰建設訂立(其中包括)獨家購股權協議、股權質押協議及授權書。根據獨家購股權協議，倘及在法例批准之情況下，北京慧聰國際獲授予購股權以向登記股東購買其於慧聰建設之股權。根據股權質押協議，倘發生有關(其中包括)慧聰建設登記股東未能履行協議所訂明之事件，北京慧聰國際有權利出售所質押之慧聰建設股權。此外，郭凡生先生及郭江先生各自已簽立授權書，授權由北京慧聰國際所指定之個別人士行使其作為慧聰建設股東之所有權利及權力。

## Management's Discussion and Analysis 管理層討論和分析

Since the entering into of the agreements underlying the HC Contractual Arrangements and up to the date of this report, neither Huicong Construction nor its registered shareholders commits any breach of the agreements underlying the HC Contractual Arrangements or undertakings. However, if shareholder(s) of Huicong Construction cause Huicong Construction to breach the HC Contractual Arrangements, or in the event Mr. Guo Fansheng and/or Mr. Guo Jiang breach the aforesaid undertakings, the Group will have to resort to legal remedies under the PRC law, which could result in substantial litigation costs and divert the Group's management's time and efforts away from their running the regular business of the Group. There is uncertainty as to the outcome and duration of legal proceedings and its enforceability, and the Group cannot be sure that contractual remedies would be effective or sufficient to enforce its interests. Acquisition by the Group (or by designees of the Group) of equity interests under the Exclusive Option Agreement and/or the Equity Pledge Agreement may further be subject to substantial transaction costs) and taxation. In the event that the HC Contractual Arrangements are breached and the Group is unable to locate any substitute to provide internet content services timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses, and the Group's operation, result of operations and financial conditions may be materially and adversely affected. Also, if the Group is unable to acquire the domain name in such events, or if Huicong Construction declares bankruptcy or if the domain name, as part of Huicong Construction's assets, become subject to liens or rights of third party, the Group may be unable to continue its existing business using the domain name of "hc360.com" and may be required to establish a new domain name, which may disrupt the Group's operation, confuse users and damage the Group's reputation, and may materially and adversely affect the Group's results of operation.

*The HC Contractual Arrangements may subject the Group to increased taxation due to different income tax rates applicable to Beijing HC International and Huicong Construction*

Pursuant to the Online Information Distribution Agreement, Huicong Construction provides internet content provider services for an annual fee of RMB900,000.

During the year ended 31 December 2015, 2016 and 2017, Beijing HC International is subject to a preferential tax rate of 15%, and Huicong Construction is subject to a tax rate of 25%.

自訂立慧聰合約安排相關協議起至本報告日期，慧聰建設或其登記股東概無作出任何違反慧聰合約安排相關協議或承諾之行為。然而，倘慧聰建設之股東促使慧聰建設違反慧聰合約安排，或倘郭凡生先生及／或郭江先生違反上述承諾，本集團將根據中國法律訴諸法律之補救方法，此舉可能導致重大訴訟成本，並分散本集團管理層經營本集團日常業務之時間及人力物力。無法確定該等法律程序之結果及所需時間，以及能否強制執行，而本集團不能確定合約補救方法可有效或足夠執行其利益。由本集團（或本集團指定人士）根據獨家購股權協議及／或股權質押協議進行之股權收購可能進一步受重大交易成本及稅項之限制。倘違反慧聰合約安排，而本集團未能及時找到任何提供互聯網內容服務之替代方法，則本集團之平台營運或會受到嚴重障礙；而本集團可能違反其線上業務之現有合約，以致本集團之業務營運及財務狀況可能受到重大不利影響。此外，倘本集團於該等情況下未能收購域名，或倘慧聰建設宣佈破產或倘作為慧聰建設資產一部分之域名受到優先權或第三方權利限制，本集團可能無法使用域名「hc360.com」繼續其現時業務，並可能需要建立一個新域名，此舉可能會干擾本集團之營運、混淆用戶及損害本集團之聲譽，並可能對本集團之經營業績造成重大不利影響。

*因北京慧聰國際及慧聰建設適用於不同所得稅率，故慧聰合約安排可使本集團繳納之稅項增加*

根據網上信息發佈協議，慧聰建設提供互聯網內容供應商服務，年費為人民幣900,000元。

於截至二零一五年、二零一六年及二零一七年十二月三十一日止年度，北京慧聰國際按15%之優惠稅率繳稅，而慧聰建設則按25%之稅率繳稅。

## Management's Discussion and Analysis 管理層討論和分析

In light of the different income tax rates applicable, the determination of such annual fee and other payment by the Group to Huicong Construction may be challenged by relevant PRC tax authorities as unfair, and may adjust the taxable income or tax amount payable by the Group, requesting outstanding tax amount be paid or imposing administrative penalty, thereby having adverse tax consequence and affect the Group's business, financial conditions and results of operations of the Group materially and adversely.

Since the entering into of the HC Contractual Arrangements and up to the date of this report, the Group has not received any interference from relevant PRC tax authorities as to the different income tax rates applicable.

*Huicong Construction may not provide internet content services to the Group if the HC Contractual Arrangements are not renewed or extended on equivalent or similar terms, or if Huicong Construction ceases its operation or corporate entity in the event of dissolution or liquidation, etc.*

The Group depends on the HC Contractual Arrangements with Huicong Construction, which holds key licences required, to operate the Group's online platform. Certain agreements underlying the Contractual Arrangements (other than the Exclusive Option Agreement, the Equity Pledge Agreement and the Powers of Attorney, which have an indefinite terms unless terminated) currently has a term of three years, and will expire by 14 September 2020, subject to renewal by Beijing HC International and/or HC Advertising at its respective discretion in accordance with the respective terms of the agreements. The Company expects that the Group will renew the agreements on equivalent or similar terms prior to their expiries.

If the HC Contractual Arrangements are not renewed or extended on equivalent or similar terms, or if Huicong Construction ceases its operation or corporate entity in the event of dissolution or liquidation, the Group would have to engage another PRC entity holding relevant licences required to provide internet content services to the Group.

由於適用不同所得稅率，中國相關稅務機構可能質疑本集團向慧聰建設支付該年費及其他款項之釐定方法屬不公平，而調整本集團應課稅收入或應付稅項，要求本集團償付未付之稅項或施加行政處罰，因而造成不利稅務後果及對本集團之業務、財務狀況及營運業績構成重大不利影響。

自訂立慧聰合約安排起至本報告日期，本集團並無就適用之不同所得稅率接獲中國相關稅務機構之任何干預。

*倘慧聰合約安排未能按相等或相若條款重續或延長，或倘慧聰建設於解散或清盤等情況下終止其營運或企業實體，慧聰建設或不向本集團提供互聯網內容服務*

本集團依賴與持有所需主要許可證之慧聰建設訂立之慧聰合約安排，以營運本集團之線上平台。若干合約安排相關協議（不包括獨家購股權協議、股權質押協議及授權書，除非被終止否則該等協議並無固定期限）現時為期三年，並將於二零二零年九月十四日屆滿，北京慧聰國際及／或慧聰廣告可根據協議之相關期限各自酌情決定予以重續。本公司預期本集團將於該等協議屆滿前按相等或相若條款重續。

倘慧聰合約安排未能按相等或相若條款重續或延長，或倘慧聰建設於解散或清盤等情況下終止其營運或企業實體，本集團將須委聘另一間持有相關所需許可證之中國實體為本集團提供互聯網內容服務。

## Management's Discussion and Analysis

### 管理層討論和分析

To strengthen the Group's protection, Beijing HC International entered into the Exclusive Option Agreement dated 15 September 2014, pursuant to which Beijing HC International (or such third party as it may designate) may purchase the equity interests of Mr. Guo Fansheng or Mr. Guo Jiang in Huicong Construction, among others, in the event that HC Contractual Arrangements are not renewed. The said option is for an indefinite period unless terminated by Beijing HC International or upon Beijing HC International acquiring all equity interests in Huicong Construction. Further, each of the registered shareholders of Huicong Construction (namely, Mr. Guo Fansheng and Mr. Guo Jiang) has executed the Power of Attorney which authorise individual designated by Beijing HC International to exercise all of their rights and powers as shareholders of Huicong Construction. In addition, as each of Mr. Guo Fansheng and Mr. Guo Jiang, being all registered shareholders of Huicong Construction, is a Director, each of them further owes a duty of care to the Company and the Shareholders as a whole under applicable laws. The Directors are of the view that Huicong Construction and/or its registered shareholders are not entitled to terminate the agreements underlying the HC Contractual Arrangements save for material breach by Beijing HC International and/or HC Advertising (as the case maybe). In such cases of termination, that the Group will be entitled to exercise its rights under the Equity Pledge Agreement to uphold its rights or have to resort to legal remedies under the PRC law.

There is no assurance that the Group can identify new entity which provides internet content services required for the Group's operation timely, or on equivalent or similar terms. In the event that existing PRC entity cannot be located, the Group may be required to engage other parties to set up new entity. Pursuant to the existing laws and regulations, approval procedures for key licences to operate internet content services usually takes three to six months, with such requirements including among others, the Qualification Requirement (as further discussed below) and a minimum requirement of registered capital of not less than RMB1,000,000, while there is no assurance that such approval will be granted, or will be granted on a timely manner.

In the event that the HC Contractual Arrangements are discontinued and the Group is unable to locate any substitute to provide internet content services timely, the operation of the Group's platform could be severely disrupted and the Group may breach its existing contracts for online businesses, which could materially and adversely affect the Group's business operation and financial results.

*Certain terms of the HC Contractual Arrangements may not be enforceable under PRC laws*

The HC Contractual Arrangements provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the Beijing Arbitration Commission in the PRC. The HC Contractual Arrangements also contain provisions to the effect that, the arbitral body may award remedies over shares and/or assets of Huicong Construction, injunctive relief and/or winding up of Huicong Construction, and that courts in Hong Kong and the Cayman Islands are of competent jurisdiction with power to grant interim remedies in support of arbitration pending formation of arbitral tribunal or in appropriate cases.

為加強本集團之保障，北京慧聰國際訂立日期為二零一四年九月十五日之獨家購股權協議，據此，倘慧聰合約安排未能重續，北京慧聰國際(或其可能指定之第三方)可購買(其中包括)郭凡生先生或郭江先生於慧聰建設之股本權益。除非北京慧聰國際予以終止或北京慧聰國際收購慧聰建設所有股本權益，否則上述購股權並無期限。再者，慧聰建設各登記股東(即郭凡生先生及郭江先生)已簽立授權書，授權由北京慧聰國際指定之人士行使彼等作為慧聰建設股東之一切權利及權力。此外，由於慧聰建設之登記股東郭凡生先生及郭江先生均為董事，根據適用法律，彼等各自亦對本公司及股東整體負上謹慎責任。董事認為慧聰建設及/或其登記股東無權終止慧聰合約安排相關協議，惟北京慧聰國際及/或慧聰廣告(視情況而定)嚴重違約則作別論。於終止協議之情況下，本集團將有權行使其於股權質押協議下之權利，以維護其權利或根據中國法例採取法律補救方法。

概不保證本集團可覓得新實體適時或按相等或相若之條款為本集團之營運提供所需互聯網內容服務。倘無法物色中國現有之實體，本集團或須僱用其他人士成立新實體。根據現行法例及法規，營運互聯網內容服務之主要許可證之審批程序一般需時三至六個月，有關要求包括(其中包括)資格要求(於下文進一步論述)及註冊資本之最低規定不少於人民幣1,000,000元，且亦不保證獲得有關批准，或適時獲得有關批准。

倘慧聰合約安排終止，而本集團未能適時找到提供互聯網內容服務之任何替代方法，本集團平台之營運可能嚴重受損，而本集團可能違反其線上業務之現有合約，以致本集團之業務營運及財務業績可能受到重大不利影響。

*慧聰合約安排之若干條款未必可根據中國法律強制執行*

慧聰合約安排規定，糾紛須在中國根據北京仲裁委員會之仲裁規則以仲裁方式解決。慧聰合約安排亦載有條文訂明仲裁機構可能就慧聰建設之股份及/或資產作出補救措施、發出禁制令及/或授予慧聰建設清盤，而香港及開曼群島之法院具有司法管轄權，有權力在成立仲裁法庭之前或在適當案例下授出臨時補救措施以支持仲裁。

## Management's Discussion and Analysis 管理層討論和分析

We have been advised by our PRC legal advisers that the above mentioned provisions regarding injunctive relief or interim remedies contained in the HC Contractual Arrangements may not be enforceable, and that under PRC laws, arbitral body does not have the power to grant any injunctive relief or liquidation order in case of dispute.

Accordingly, such remedies may not be available to us timely, or be available to us at all notwithstanding the relevant contractual provisions contained in the HC Contractual Arrangements.

*Exercise of option to acquire the equity interests in Huicong Construction may be subject to limitations and the ownership transfer may be subject to substantial costs*

Under the HC Contractual Arrangements, the Group has the option to purchase equity interests in Huicong Construction. It is the intention of the Group to unwind the HC Contractual Arrangements as soon as the law allows the business to operate without such HC Contractual Arrangements.

The Administrative Rules for Foreign Investments in Telecommunications Enterprises (2016 amended) (the "FITE Rules") currently stipulated that foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services, including internet content provider services. As the Company is a company incorporated in the Cayman Islands, all members of the Group controlled by the Company through majority shareholdings or equity interests are regarded as such foreign invested enterprise, which restrict the exercise of option.

In addition, under the FITE Rules, a foreign invested enterprise wishing to acquire any equity interest in a value-added telecommunications business in the PRC must demonstrate a good track record and experience in providing value-added telecommunications services overseas ("Qualification Requirement"). There is currently no clear guidance on the interpretation of the Qualification Requirement under the existing applicable PRC laws, regulations or rules, and the Company is therefore unable to ascertain the Qualification Requirement. There is no assurance that the Group will be able to sufficiently satisfy the Qualification Requirement, or there will not be any subsequent change, interpretation or guidance on the Qualification Requirement, or such other requirements concerning the operator of internet content provider services. If the restrictions on the percentage of foreign ownership in telecommunications services are removed, the Group may need to unwind the HC Contractual Arrangements before the Group is in a position to comply with the Qualification Requirement.

本公司已獲中國法律顧問告知，慧聰合約安排所載有關發出禁制令或臨時補救措施未必可強制執行，根據中國法律，倘出現糾紛，仲裁機構無權授出任何禁制令或清盤令。

因此，儘管慧聰合約安排載有相關合約條文，本集團未必可及時採用或將可採用該等補救措施。

*行使購股權以收購慧聰建設之股本權益或須受限制條件規限及擁有權轉讓或須受重大成本規限*

根據慧聰合約安排，本集團擁有購買慧聰建設股本權益之購股權。本集團有意於並無該慧聰合約安排情況下可獲法律允許業務營運後儘快解除慧聰合約安排。

外商投資電信企業管理規定(2016年修訂)(「外商投資電信企業管理規定」)現時規定外國投資者不可於一間提供增值電信服務(包括互聯網內容服務)之公司持有多於50%股本權益。由於本公司為開曼群島註冊成立之有限公司，本公司透過持有大部分股權或股本權益控制之所有本集團成員公司被視為外商投資企業，其限制購股權之行使。

此外，根據外商投資電信企業管理規定，外商投資企業欲收購中國增值電信服務業務之任何股本權益，須證明在提供境外增值電信服務方面具備良好往績記錄及經驗(「資格要求」)。根據現行適用之中國法律、法規或規則，現時並無對資格要求之詮釋提供明確指引，因此本公司無法確定具有資格要求。概無法保證本集團將可妥善符合資格要求，或資格要求不會出現任何後續變動、詮釋或指引，或有關互聯網內容服務供應商之營運者之其他要求。倘移除於電信服務之外資擁有權之百分比限制，本集團或需解除慧聰合約安排方能符合資格要求。

## Management's Discussion and Analysis 管理層討論和分析

The exercise of option to acquire equity ownership of Huicong Construction may incur substantial costs on the part of the Group. Pursuant to the HC Contractual Arrangements, the Group has an exclusive option to purchase, to the extent permitted by PRC laws, equity interests in Huicong Construction in all or part, at the consideration of RMB1,400,000 or a minimum purchase price permitted under PRC laws and regulations at the time of exercise of such option. Where the relevant PRC authorities determine that the purchase price is below the market value, they may require Beijing HC International to pay enterprise income tax for ownership transfer income with reference to the market value. The amount of tax may be substantial, which could materially and adversely affect the business, financial condition and results of operation of the Group.

*If Huicong Construction fails to obtain and maintain the requisite assets, licences and approvals as required under the regulatory environment for internet content provider business in the PRC, the business, financial condition and results of operations may be materially and adversely affected*

The telecommunications services industry in China is heavily regulated by the PRC government and numerous regulatory authorities of the central PRC government are empowered to issue and implement regulations governing various aspects of the telecommunications services industry. These telecommunications services-related laws and regulations are relatively new and evolving, and there are a certain degree of uncertainty especially on the interpretation and enforcement of these laws. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violations of applicable laws and regulations.

Huicong Construction is required to obtain and maintain certain assets relevant to its business as well as applicable licenses or approvals from the relevant regulatory authorities in order to provide its current services. These assets and licenses are essential to the operation of internet content provider business and are generally subject to annual review by the relevant governmental authorities. Also, Huicong Construction may need to obtain additional licenses. If Huicong Construction fails to obtain or maintain any of the required assets, licenses or approvals, its continued business operations in the telecommunications services industry may subject it to various penalties, including but not limited to fines and the discontinuation or restriction of its operations. Any such disruption in the business operations of Huicong Construction will materially and adversely affect our business, financial condition and results of operations.

對本集團而言，行使購股權以收購慧聰建設之股本擁有權或會產生重大成本。根據慧聰合約安排，本集團擁有獨家購股權，在中國法律允許之情況下，可以代價人民幣1,400,000元或根據行使該等購股權之時中國法律及法規允許之最低購買價購買慧聰建設全部或部分股本權益。倘中國相關機關認為購買價低於市價，彼等可要求北京慧聰國際參照市價就擁有權轉讓收入支付企業所得稅。稅額或會非常龐大，可能對本集團之業務、財務狀況及經營業績造成重大不利影響。

*倘慧聰建設未能按照監管環境規定為於中國經營互聯網內容供應商業務取得及維持必要資產、許可證及批文，則業務、財務狀況及經營業績或會受到重大不利影響*

中國之電信服務行業受中國政府密切監控，而中國中央政府多個監管機關有權頒佈及施行規管電信服務行業各方面之法規。該等電信服務相關之法律及法規相對較新及不斷演變，且就某種程度而言，該等法律及法規之詮釋及執行具重大不確定因素。因此，在若干情況下，可能難於釐定何種行為或遺漏或會被視為違反適用法律及法規。

慧聰建設須取得及維持與其業務有關之若干資產以及向相關監管機關取得適用之許可證及批文，以提供其現有服務。該等資產及許可證對營運互聯網內容服務供應商業務十分重要，一般而言須受有關政府機構每年審閱。此外，慧聰建設或需取得額外許可證。倘慧聰建設未能取得或維持任何必要之資產、許可證或批文，其於電信服務行業之持續業務營運或會遭到各類處罰，包括但不限於罰款及終止或限制其經營。倘慧聰建設之業務營運出現任何有關中斷，將會對本集團之業務、財務狀況及經營業績造成重大不利影響。

## Management's Discussion and Analysis

### 管理層討論和分析

*The Company may lose the ability to use and enjoy assets held by Huicong Construction that are important to the Group's business if Huicong Construction declares bankruptcy or becomes subject to a dissolution or winding up proceeding*

Huicong Construction holds certain assets that are important to the Group's business operations, primarily the ICP Licence and the domain name of "hc360.com". The HC Contractual Arrangements with Huicong Construction and its shareholders contain terms that specifically obligate Mr. Guo Fansheng and Mr. Guo Jiang to ensure the valid existence of Huicong Construction. However, in the event that Mr. Guo Fansheng or Mr. Guo Jiang breaches this obligation and voluntarily wind up Huicong Construction, or Huicong Construction declares bankruptcy or is otherwise dissolved, some or all of the Group's online business operations may have to be ceased, which could materially and adversely affect our business, financial condition and results of operations. If Huicong Construction undergoes a voluntary or involuntary winding-up proceeding, Mr. Guo Fansheng or Mr. Guo Jiang or any other third-party creditors may claim rights to some or all of these assets, resulting in hindrance to the Group's ability to operate the Group's online business, which could materially and adversely affect the Group's business, financial condition and results of operations.

*Even the transfer of trademark of "hc360" has been completed, there may still be potential penalties*

We have been advised by our PRC legal advisers that holders of the ICP License shall hold the domain name and the trademarks used for conducting the internet content provider business pursuant to the MIIT Notice.

In order to comply with the notice requirement of the ICP, Beijing HC International transferred the trademark "hc360" to Huicong Construction through the HC Contractual Arrangements. The Trademark Office issued a notice of acceptance of trademark transfer on 3 July 2014. On 25 January 2016, the trademark transfer was completed and Huicong Construction obtained the trademark certificate for "hc360" on 13 March 2016. The Company has been advised by the PRC Legal Advisers that, upon completion of the Trademark Transfer, it is unlikely for Huicong Construction be penalized in respect of failure to fulfill the trademark requirement under the MIIT Notice regarding any period prior to the Trademark Transfer.

*倘慧聰建設宣佈破產或面臨解散或清盤程序，則本公司可能失去使用及享有慧聰建設所擁有且對本集團業務而言屬重要之資產之能力*

慧聰建設擁有對本集團業務營運而言屬重要之若干資產，主要包括ICP許可證及「hc360.com」域名。與慧聰建設及其股東之慧聰合約安排載有條款，明確對郭凡生先生及郭江先生施以確保慧聰建設有效存續之責任。然而，倘郭凡生先生或郭江先生違反該責任及將慧聰建設自願清盤，或慧聰建設宣佈破產或以其他方式解散，本集團部分或全部線上業務營運或會終止，對本集團之業務、財務狀況及經營業績可能帶來重大不利影響。倘慧聰建設進行自願或非自願清盤程序，郭凡生先生或郭江先生或任何其他第三方債權人可能有權要求獲得部分或全部該等資產，從而削弱本集團營運線上業務之能力，並可能對本集團之業務、財務狀況及經營業績構成重大不利影響。

*儘管轉讓「hc360」之商標已完成，仍有可能遭到潛在處罰*

本公司已獲中國法律顧問告知，根據工信部通知，ICP許可證持有人須持有用於進行互聯網內容供應商業務之域名及商標。

為符合工信部通知的要求，經就慧聰合約安排，北京慧聰國際將「hc360」商標轉讓予慧聰建設，商標局於二零一四年七月三日簽發商標轉讓受理通知書。於二零一六年一月二十五日，商標轉讓完成，慧聰建設並於二零一六年三月十三日取得「hc360」商標證書。本公司已獲中國法律顧問告知，於商標轉讓完成後，慧聰建設就於商標轉讓前之任何期間因未能符合工信部通知項下之商標規定而受到有追溯效力之處罰之可能性甚微。



## Management's Discussion and Analysis 管理層討論和分析

### Structured Contracts involving Beijing Zhixing Ruijing

On 3 July 2015, the Group completed the acquisition of 100% of share capital of Orange Triangle Inc. ("Orange Triangle"). 北京橙三角科技有限公司 (Beijing Orange Triangle Technology Co., Ltd.) ("Orange Beijing"), a wholly owned subsidiary of Orange Triangle entered into certain structured contracts (the "BZR Structured Contracts") with Beijing Zhixing Ruijing Technology Co., Ltd. (北京知行銳景科技有限公司) ("Beijing Zhixing Ruijing") and/or its shareholders on 3 July 2015.

Pursuant to the BZR Structured Contracts, Orange Beijing or Orange Triangle will provide certain technical consultation and service, including but not limited to technical services support, intellectual property licensing, and business and management consultation, whereas Beijing Zhixing Ruijing will pay (a) the annual service fees RMB5 million to Orange Beijing; (b) the annual service fees which equal 12% of its annual revenue to Orange Triangle; and (c) the service fee equivalent to its revenue deducted by its expenses, net operation loss and reserve fund extracted to Orange Beijing. Orange Beijing relies on the BZR Structured Contracts to control the finance and operation of Beijing Zhixing Ruijing so as to obtain the economic benefits and the rights to variable returns from Beijing Zhixing Ruijing.

Please also refer to the announcements of the Company dated 17 March 2015, 8 May 2015 and 3 July 2015, respectively, and the circular of the Company dated 4 June 2015 for further details.

For the year ended 31 December 2017, save as disclosed in this report, there was no material change in the BZR Structured Contracts and/or the circumstances under which they were adopted.

For the reporting period, none of the structured contracts under the BZR Structured Contracts had been unwound as none of the restrictions that led to the adoption of the said structured contracts had been removed.

Further, the Group entered into the BZR Structured Contracts to conduct the restricted business in the PRC in order to comply with the abovementioned PRC laws and regulations and to assert management control over the operations of, and enjoy all of economic benefits of, Beijing Zhixing Ruijing on 3 July 2015, pursuant to which the Group has the right to enjoy all the economic benefits of Beijing Zhixing Ruijing, to exercise management control over the operations of Beijing Zhixing Ruijing, and to prevent any leakage of the assets and values of Beijing Zhixing Ruijing to the registered shareholders of Beijing Zhixing Ruijing. As a result of the BZR Structured Contracts, Beijing Zhixing Ruijing is consolidated into the accounts of the Group in accordance with the Group's accounting policies from 3 July 2015.

As at the date of this report, the Structured Contracts involving Beijing Zhixing Ruijing include (i) the exclusive technical services agreement, (ii) the exclusive licensing agreement on intellectual property, (iii) the exclusive right to share purchase agreement, (iv) the voting rights proxy agreement, (v) the pledge agreement and (vi) the business and management services agreement.

### 涉及北京知行銳景之結構性合約

於二零一五年七月三日，本集團完成收購Orange Triangle Inc. (「Orange Triangle」) 之全部股本。Orange Triangle之全資附屬公司北京橙三角科技有限公司(「橙三角」)與北京知行銳景科技有限公司(「北京知行銳景」)及／或其股東於二零一五年七月三日訂立若干結構性合約。

根據北京知行銳景結構性合約，橙三角或Orange Triangle將提供若干技術諮詢服務，包括但不限於技術服務支持、知識產權許可以及業務與管理諮詢，而北京知行銳景將(a)向橙三角支付年度服務費人民幣五百萬元；(b)向Orange Triangle支付相等於其之年度銷售收入12%之年度服務費；及(c)向橙三角支付相當於扣減開支後之銷售收入之服務費(惟不計及營運虧損及所提取之儲備基金)。橙三角憑藉北京知行銳景結構性合約控制北京知行銳景之財務及業務，從而自北京知行銳景取得經濟收益及有權獲得可變回報。

有關進一步詳情，請亦參閱本公司日期分別為二零一五年三月十七日、二零一五年五月八日及二零一五年七月三日之公佈以及本公司日期為二零一五年六月四日之通函。

截至二零一七年十二月三十一日止年度，除本報告所披露者外，北京知行銳景結構性合約及／或根據其獲採納之狀況概無重大變動。

於報告期間，由於概無導致採納北京知行銳景結構性合約下之結構性合約之限制被刪除，故並無上述結構性合約被解除。

此外，於二零一五年七月三日，本集團訂立北京知行銳景結構性合約以於中國進行受限制業務，從而遵守上述中國法律及法規，並向北京知行銳景之營運實施管理控制，且享有其全部經濟利益，據此，本集團有權享有北京知行銳景所有經濟利益，以對北京知行銳景之營運行使管理控制，並避免向北京知行銳景的登記股東洩漏其資產及價值。基於北京知行銳景結構性合約，根據本集團的會計政策，北京知行銳景自二零一五年七月三日起於本集團之會計賬目進行合併處理。

於本報告日期，結構性合約包括(i)獨家技術服務協議，(ii)獨家知識產權許可協議，(iii)獨家購股權協議，(iv)授權委託協議，(v)股權質押協議及(vi)業務及管理服務協議。

## Management's Discussion and Analysis 管理層討論和分析

The Group depends on the BZR Structured Contracts with Beijing Zhixing Ruijing (who holds, among other things, the value-added telecommunications business operating licence (增值電信業務經營許可證) ("VAT Licence"), being valid until 15 February 2020) in respect of its information service business within the second type of value-added telecommunication services (the "Value-added Telecommunications Businesses"). During the year ended 31 December 2017, revenue generated from Beijing Zhixing Ruijing is RMB374,137,000 (2016: 334,750,000), representing approximately 10% of the total revenue of the Group.

### Information of Beijing Zhixing Ruijing

Beijing Zhixing Ruijing is a limited liability company established in the PRC on 11 September 2014 with registered capital of RMB10 million and paid up capital of RMB10 million. As at the date of this report, the registered capital of Beijing Zhixing Ruijing is owned as to 60% by Mr. Guo Jiang (the chief executive officer of the Company and an executive Director) and 40% by Mr. Liu Xiaodong (劉小東), a shareholder of the Company and a director of several subsidiaries of the Company.

Set out below is the key information of Beijing Zhixing Ruijing during the year ended 31 December 2017:

		Year ended 31 December 2017 RMB'000 截至二零一七年十二月三十一日止年度 人民幣千元
Revenue	銷售收入	374,137
Total assets	總資產	466,051

As at the date of this report, the business of Beijing Zhixing Ruijing mainly involves the Value-added Telecommunications Businesses, excluding technology development; economic and trade consultancy; organisation of cultural and art exchange activities (not including commercial performances); and exhibition and demonstration hosting activities (the "Excluded Businesses").

To the best knowledge, information and belief of the Company and as confirmed by Mr. Guo Jiang and Mr. Liu Xiaodong, Beijing Zhixing Ruijing has no plan or road map to develop and operate the Excluded Businesses as at the date of this report.

### Major terms of the agreements underlying the BZR Structured Contracts

#### Exclusive Technical Services Agreement

Orange Beijing entered into an exclusive technical services agreement with Beijing Zhixing Ruijing on 3 July 2015 (the "Exclusive Technical Services Agreement"). The Exclusive Technical Services Agreement shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

本集團依賴與北京知行銳景(其持有,其中包括,於直至二零二零年二月十五日前有效之增值電信業務經營許可證(「增值電信許可證」))訂立之北京知行銳景結構性合約,內容有關屬第二類增值電信服務之資訊服務業務(「增值電訊業務」)。截至二零一七年十二月三十一日止年度,北京知行銳景產生的收入為人民幣374,137,000元(二零一六年:334,750,000),佔本集團總收入約10%。

### 有關北京知行銳景之資料

北京知行銳景為於二零一四年九月十一日在中國成立之有限公司,註冊資本為人民幣一千萬元,繳足資本為人民幣一千萬元。於本報告日期,本公司行政總裁兼執行董事郭江先生及劉小東先生分別擁有北京知行銳景之註冊資本60%及40%。彼為本公司股東及本公司若干附屬公司之董事。

北京知行銳景於截至二零一七年十二月三十一日止年度之主要資料載列如下:

於本報告日期,北京知行銳景之業務主要包括增值電信業務,不包括技術開發;經濟貿易諮詢;組織文化及藝術交流活動(不含營業性演出);以及承辦展覽及展示活動(「除外業務」)。

於本報告日期,據本公司獲郭江先生及劉小東先生所確認後之深知、全悉及確信,北京知行銳景並無發展及經營除外業務之計劃或路線圖。

### 北京知行銳景結構性合約之相關協議之主要條款

#### 獨家技術服務協議

橙三角與北京知行銳景於二零一五年七月三日訂立獨家技術服務協議(「獨家技術服務協議」)。獨家技術服務協議自簽署之日生效,且在北京知行銳景存續期間持續有效,除非根據該協議之條款終止。

## Management's Discussion and Analysis 管理層討論和分析

Pursuant to the Exclusive Technical Services Agreement, Orange Beijing is appointed by Beijing Zhixing Ruijing as its exclusive services provider to provide technical consulting service, other related technical services and related services agreed by both parties from time to time during the term of the Exclusive Technical Services Agreement in accordance with its terms and conditions.

Under the Exclusive Technical Services Agreement, Beijing Zhixing Ruijing shall pay Orange Beijing an annual services fee of RMB5 million.

### **Exclusive Licensing Agreement on Intellectual Property**

Orange Triangle entered into an exclusive licensing agreement on intellectual property with Beijing Zhixing Ruijing on 3 July 2015 (the "Exclusive Licensing Agreement on Intellectual Property"). The Exclusive Licensing Agreement on Intellectual Property shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

Pursuant to the Exclusive Licensing Agreement on Intellectual Property, the right of use of Orange Triangle's network domain names, registered trademarks, databases, software systems and other intellectual properties is granted to Beijing Zhixing Ruijing. Such rights cannot be transferred to any other third party.

Under the Exclusive Licensing Agreement on Intellectual Property, Beijing Zhixing Ruijing shall pay annual service fees equivalent to 12% of its total annual revenue to Orange Triangle. Beijing Zhixing Ruijing had also procured Mr. Guo Jiang and Mr. Liu Xiaodong to provide their holding shares of Beijing Zhixing Ruijing as a pledge to guarantee the payment of the payable service fee to Orange Triangle or its wholly owned subsidiaries.

### **Exclusive Right to Share Purchase Agreement**

Orange Beijing, Beijing Zhixing Ruijing, Mr. Guo Jiang and Mr. Liu Xiaodong entered into an exclusive right to share purchase agreement on 3 July 2015 (the "Exclusive Right to Share Purchase Agreement"). The Exclusive Right to Share Purchase Agreement shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

Pursuant to the Exclusive Right to Share Purchase Agreement, Mr. Guo Jiang and Mr. Liu Xiaodong jointly and individually granted Orange Beijing the exclusive right to purchase the shares of Beijing Zhixing Ruijing in accordance with the terms and conditions of the Exclusive Right to Share Purchase Agreement, irrevocably and without any additional conditions. Orange Beijing can, by its own will, decide the way to exercise the right and purchase all or part of shares held by shareholders of Beijing Zhixing Ruijing and/or any specified third party at the minimum price permitted by the relevant laws and regulations of the PRC at any time, by one or more times.

根據獨家技術服務協議，橙三角獲北京知行銳景委聘為其獨家服務供應商以於獨家技術服務協議期限內根據該協議之條款及條件提供技術諮詢服務、其他相關技術服務及訂約雙方不時協定之其他相關服務。

根據獨家技術服務協議，北京知行銳景須向橙三角支付年度服務費人民幣五百萬元。

### **獨家知識產權許可協議**

Orange Triangle與北京知行銳景於二零一五年七月三日訂立獨家知識產權許可協議（「獨家知識產權許可協議」）。獨家知識產權許可協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

根據獨家知識產權許可協議，北京知行銳景獲授予使用Orange Triangle網絡域名、註冊商標、數據庫、軟件系統及其他知識產權的權利。該等權利不可轉讓予任何其他第三方。

根據獨家知識產權許可協議，北京知行銳景應支付Orange Triangle年度服務費，金額等於其年度總收益之12%。北京知行銳景亦促使郭江先生及劉小東先生以彼等所持北京知行銳景股份作質押擔保應付Orange Triangle或其全資附屬公司服務費的支付。

### **獨家購股權協議**

橙三角、北京知行銳景、郭江先生及劉小東先生於二零一五年七月三日訂立獨家購股權協議（「獨家購股權協議」）。獨家購股權協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

根據獨家購股權協議，郭江先生及劉小東先生根據獨家購股權協議之條款及條件共同及個別不可撤回且無任何其他條件地授予橙三角購買北京知行銳景股份的獨家權利。橙三角可自行決定行使權利的方式及隨時分一次或多次按中國相關法例及法規准許的最低價格購買北京知行銳景的股東及／或指定任何第三方所持全部或部分股份。

## Management's Discussion and Analysis

### 管理層討論和分析

Under the Exclusive Right to Share Purchase Agreement, the share repurchase price shall be the minimum price permitted by the relevant laws and regulations of the PRC. The paid shareholder of Beijing Zhixing Ruijing will return the rest of the transfer price after deducting the paid-up capital injected by them to Beijing Zhixing Ruijing.

#### **Voting Rights Proxy Agreement**

Orange Beijing, Beijing Zhixing Ruijing, Mr. Guo Jiang and Mr. Liu Xiaodong entered into a voting rights proxy agreement on 3 July 2015 (the "Voting Rights Proxy Agreement"). The Voting Rights Proxy Agreement shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with the clauses of the agreement.

Pursuant to the Voting Rights Proxy Agreement, Orange Beijing (or its designated parties) was granted the power to, inter alia, exercise all the rights of Mr. Guo Jiang and Mr. Liu Xiaodong as the shareholders of Beijing Zhixing Ruijing, subject to applicable laws, regulations and Beijing Zhixing Ruijing's articles of association. No prior consent from Mr. Guo Jiang and Mr. Liu Xiaodong is required before exercising such right. Mr. Guo Jiang and Mr. Liu Xiaodong shall recognise Orange Beijing's voting result.

#### **Pledge Agreement**

Orange Beijing (as the pledgee), Beijing Zhixing Ruijing, Mr. Guo Jiang and Mr. Liu Xiaodong (as the pledgers) entered into a pledge agreement on 3 July 2015 (the "Pledge Agreement"), pursuant to which each of Mr. Guo Jiang and Mr. Liu Xiaodong pledged their equity interests in Beijing Zhixing Ruijing held by them as security for Orange Beijing's rights and interests granted by the Voting Proxy Rights Agreement and the Exclusive Licensing Agreement on Intellectual Property (collectively, the "Master Agreements"). Orange Beijing shall have the right to get compensation by converting the Equity interests into money and seek preferential payments from the proceeds from the auction or sales of the said equity interests concerned or other disposal methods as agreed by each party in accordance with relevant laws and regulations of the PRC.

Prior to the full discharge of the payments and obligations under the Master Agreements, without written consent of the pledgee, Mr. Guo Jiang and Mr. Liu Xiaodong shall not assign the said equity interests in Beijing Zhixing Ruijing.

The Pledge Agreement has become effective upon the execution date. Unless otherwise agreed by Orange Beijing in writing after the Pledge Agreement comes into effect, upon the full and complete performance of the Company and pledgors' obligations under the Master Agreements as well as Orange Beijing's written confirmation, the pledge shall be terminated.

根據獨家購股權協議，股份回購價將為相關中國法例及法規准許的最低價格。獲支付之北京知行銳景股東將於扣除彼等的繳足股本後歸還北京知行銳景餘下之轉讓價值。

#### **授權委託協議**

橙三角、北京知行銳景、郭江先生及劉小東先生於二零一五年七月三日訂立授權委託協議（「授權委託協議」）。授權委託協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

根據授權委託協議，橙三角（或其指定人士）獲授權力（其中包括）行使適用法例、法規及北京知行銳景之組織章程細則授予郭江先生及劉小東先生作為北京知行銳景股東之所有權利。於行使有關投票權前毋須經郭江先生及劉小東先生事先同意。郭江先生及劉小東先生須確認橙三角的投票結果。

#### **股權質押協議**

橙三角（作為承押人）、北京知行銳景、郭江先生及劉小東先生（作為質押人）於二零一五年七月三日訂立股權質押協議（「股權質押協議」），據此，郭江先生及劉小東先生各自向橙三角質押彼等於北京知行銳景所持之股權以就授權委託協議及知識產權獨家許可協議（統稱「總協議」）所授出之橙三角之權利及權益提供擔保。橙三角應有權透過將股權轉換為金錢及自有關股權拍賣或出售所得款項尋求優先付款或訂約各方根據中國相關法例及規例協定之其他處置方式獲得補償。

於全面履行總協議項下之付款及責任前，未經承押人書面同意，郭江先生及劉小東先生不得轉讓上述北京知行銳景之股權。

股權質押協議已於簽立日期起生效。除非於股權質押協議生效後獲橙三角書面另行同意，否則於全面及完全履行總協議項下本公司及質押人之責任以及獲得橙三角書面確認後，質押須予終止。

## Management's Discussion and Analysis 管理層討論和分析

### **Business and Management Services Agreement**

Orange Beijing, Beijing Zhixing Ruijing, Mr. Guo Jiang and Mr. Liu Xiaodong entered into a business and management services agreement on 3 July 2015 (the "Business and Management Services Agreement"), which shall remain in force during the existence of Beijing Zhixing Ruijing upon execution, unless it is terminated in accordance with clauses of the agreement.

Under the Business and Management Services Agreement, Beijing Zhixing Ruijing will appoint Orange Beijing as its exclusive services provider to provide complete management support, business support, technical support and related consulting services during the term of the Business and Management Services Agreement in accordance with its terms and conditions, which may include all necessary services within the scope of Beijing Zhixing Ruijing's business, such as but not limited to business consultations, marketing consultancy, technical services, intellectual properties licenses, product research and development, system maintenance, as well as general corporate management.

The service fee shall be payable to Orange Beijing by the Beijing Zhixing Ruijing, where the Beijing Zhixing Ruijing shall pay to Orange Beijing such fees equivalent to the amount of the Beijing Zhixing Ruijing's revenue deducted by Beijing Zhixing Ruijing's (and its subsidiaries') expenses (including Beijing Zhixing Ruijing's costs, depreciation, other expenses and payments, and relevant tax payments incurred during the term of the Business and Management Services Agreement), net operation loss made by Beijing Zhixing Ruijing and the reserve fund extracted by Beijing Zhixing Ruijing. The service fee shall be calculated within three (3) months since the end of each financial year based on the audited report prepared in accordance with the Chinese Accounting Standards for Business Enterprises and paid within fifteen (15) days of the issuance date of such audited report.

### **Risk associated with the BZR Structured Contracts**

*The PRC government may determine that BZR Structured Contracts are not in compliance with any existing or future applicable PRC laws or regulations*

If the PRC government finds that the BZR Structured Contracts (which establish the structure for operating the Value-added Telecommunications Businesses of Beijing Zhixing Ruijing in the PRC) do not comply with applicable PRC laws and regulations, or if these regulations or their interpretations change in the future, Beijing Zhixing Ruijing could be subject to severe consequences, including the nullification of the BZR Structured Contracts and the relinquishment of the interest of Orange Beijing in the BZR Structured Contracts.

### **業務及管理服務協議**

橙三角、北京知行銳景、郭江先生及劉小東先生於二零一五年七月三日訂立業務及管理服務協議（「業務及管理服務協議」）。業務及管理服務協議自簽署之日生效，且在北京知行銳景存續期間持續有效，除非根據該協議之條款終止。

根據業務及管理服務協議，北京知行銳景將委聘橙三角為其獨家服務供應商以根據業務及管理服務協議之條款及條件於該協議之期限內提供全面管理支持、業務支持、技術支持及相關諮詢服務，可能包括北京知行銳景業務範圍內之所有必要服務，例如但不限於業務諮詢、營銷諮詢、技術服務、知識產權許可、產品研發、系統維護以及整體企業管理。

倘北京知行銳景須向橙三角支付之有關費用相等於北京知行銳景經扣除北京知行銳景（及其附屬公司）之開支（包括北京知行銳景於業務及管理服務協議期限內產生之成本、折舊、其他開支及付款以及相關稅款）、北京知行銳景之營運虧損及北京知行銳景提取之儲備基金後之收益金額，則北京知行銳景將向橙三角支付服務費。服務費須於自各財政年度年結日起計三(3)個月內按根據中國企業會計準則編製之經審核報告計算並於該經審核報告刊發日期起計十五(15)日內支付。

### **北京知行銳景結構性合約之風險**

*中國政府可能決定北京知行銳景結構性合約不符合任何現有或未來適用之中國法律或法規。*

倘中國政府認為北京知行銳景結構性合約（為運營北京知行銳景於中國之電信增值業務設立結構）不符合適用中國法律及法規，或倘該等法規或其詮釋日後有所變動，北京知行銳景可能會面臨嚴重後果，包括北京知行銳景結構性合約無效及橙三角放棄於北京知行銳景結構性合約中之權益。

## Management's Discussion and Analysis 管理層討論和分析

According to the FITE Rules, foreign investors' ultimate equity ownership in an entity in the PRC which provides value-added telecommunications services must not exceed 50% and a foreign investor who wishes to acquire any equity interest in a value-added telecommunications business in the PRC must demonstrate (i) a good track record and (ii) experience in providing value-added telecommunications services ("Qualification Requirements").

Beijing Zhixing Ruijing has been engaging in the development and operation of the Value-added Telecommunication Businesses. Under the current PRC regulatory circumstances, Orange Beijing as a wholly foreign owned enterprise would not be able to obtain the VAT License and thus is unable to provide the value-added telecommunications services in the PRC directly.

On 13 July 2006, the Ministry of Information Industry (中華人民共和國信息產業部), currently known as MIIT (the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)) issued the Circular on Strengthening the Administration of Foreign Investment in Value-added Telecommunications Business (關於加強外商投資經營增值電信業務管理的通知) ("MIIT Notice"), which reiterated restrictions on foreign investment in the telecommunications businesses. Under the MIIT Notice, a domestic company that holds a VAT License is prohibited from leasing, transferring or selling the license to foreign investors in any form, and from providing any assistance, including providing resources, sites or facilities, to foreign investors to provide ICP services illegally in the PRC. Due to a lack of interpretative materials from the authorities, it cannot be assured that the MIIT will not consider the BZR Structured Contracts as a kind of foreign investment in telecommunication services, in which case Beijing Zhixing Ruijing and Orange Beijing may be found in violation of the MIIT Notice.

In addition, several recent articles published by some news agencies reported discussions that a recent PRC Supreme Court decision and two VIE structure-related arbitration decisions in Shanghai had cast doubt on the validity of the VIE structure. According to these articles, the PRC Supreme Court ruled in late 2012 that an entrustment agreement entered into by and between a Hong Kong company and a PRC domestic entity, which was purported to enable such Hong Kong company to make an equity investment in a PRC bank through the proxy PRC domestic entity, was void on the grounds that this agreement established an entrustment relationship meant to circumvent the PRC laws and regulations that prohibit foreign investment in PRC financial institutions and as such, constituted an act of concealing illegal intentions with a legitimate form. These articles argued that a contractual arrangement in a VIE structure and the entrustment agreement in the cited case, which were similar to the BZR Structured Contracts, were also designed to "get around" the regulatory restrictions on foreign investment in certain industries. As such, the articles noted that this Supreme Court decision might increase the uncertainties relating to the PRC government's view on the validity of the VIE structure. These articles also reported, without providing sufficient details, on two arbitration decisions by the then Shanghai CIETAC which invalidated the contractual arrangement used in a VIE structure in 2010 and 2011.

根據FITE規定，外國投資者於在中國從事提供增值電信服務之實體的最終股權所有權不得超過50%，而有意於中國收購增值電信公司任何股權之外國投資者須出示(i)良好往績記錄及(ii)提供增值電信服務之經驗(「資質規定」)。

北京知行銳景一直從事增值電信業務之開發及營運。根據目前中國監管環境，橙三角作為一間外商獨資企業將無法取得增值電信許可證，因此無法直接於中國提供增值電信服務。

於二零零六年七月十三日，中華人民共和國信息產業部(現稱工信部(中華人民共和國工業和信息化部))發出《關於加強外商投資經營增值電信業務管理的通知》(「工信部通知」)，重申外商投資電信業務之限制。根據工信部通知，持有增值電信許可證之境內公司禁止以任何形式向外國投資者租賃、轉讓或出售該許可證，亦不得向非法在中國提供ICP服務之外國投資者提供任何協助，包括提供資源、場所或設施。由於缺乏監管機構提供之解釋資料，無法保證工信部不會將北京知行銳景結構性合約視為電信服務之一種外商投資，在該情況下北京知行銳景及橙三角可能被認為違反工信部通知。

此外，近期部分新聞出版社刊登多份文章，報導中國最高人民法院近期之決定以及上海兩項有關可變動權益實體結構之仲裁決定引起質疑可變動權益實體結構之有效性之討論。根據該等文章，中國最高人民法院於二零一二年年底裁定由一間香港公司與一間中國內地實體之間訂立之委託協議(該協議旨在使有關香港公司透過有關中國境內實體代理於一間中國銀行作出股本投資)為無效，原因為該協議確立委託關係之意圖為規避禁止外商投資中國金融機構之中國法律法規，因此構成以合法形式隱瞞非法意圖之行為。該等文章認為可變動權益實體結構之合約安排及上述委託協議(與北京知行銳景結構性合約類似)，亦為「規避」對外商投資若干行業之監管限制而制定。因此，該等文章指出最高人民法院之決定可能增加中國政府對可變動權益實體結構之有效性之意見之不確定性。該等文章亦報導貿仲委上海分會所作之兩項仲裁決定，於二零一零年及二零一一年認定一個可變動權益實體結構所用之合約安排無效，但並無提供足夠詳情。

## Management's Discussion and Analysis

### 管理層討論和分析

The PRC legal advisor is of the opinion that, based on their understanding and the numerous precedents of PRC domestic internet content providers controlled by overseas companies through contractual arrangements that are similar to the BZR Structured Contracts, the BZR Structured Contracts do not result in a violation of PRC laws, or would not be deemed as “concealing illegal intentions with lawful forms” (as a matter concerning Article 52 of the PRC Contract Law). The BZR Structured Contracts are enforceable, valid and legally binding in accordance with their terms and provisions (except for part of the arbitration clauses contained therein setting forth that the arbitration tribunal may issue injunction or winding-up orders and the Courts of Hong Kong and the Cayman Islands have the jurisdiction to grant interim remedies in support of the arbitration pending formation of the arbitration tribunal).

However, according to the PRC legal advisor, it cannot be assured that the PRC government or judicial authorities would agree that the BZR Structured Contracts comply with current PRC laws or regulations, would not strictly enforce current PRC laws regulating the provision of internet content, or would not adopt new laws or policies in the future. If the PRC government or judicial authorities determine that the BZR Structured Contracts do not comply with applicable laws and regulations, such contracts would be deemed void and the PRC government or judicial authorities could have broad discretion in dealing with such non-compliance, including:

- (i) requiring the nullification of the BZR Structured Contracts;
- (ii) levying fines and/or confiscating the proceeds generated from the operations under the BZR Structured Contracts;
- (iii) revoking of the business licenses or operating licenses of Beijing Zhixing Ruijing;
- (iv) discontinuing or placing restrictions or onerous conditions on the business operations of Beijing Zhixing Ruijing; and
- (v) taking other regulatory or enforcement actions that could be harmful to or even shut down the business of Beijing Zhixing Ruijing and/or Orange Beijing.

In addition, where the Group loses the right to direct the activities of Beijing Zhixing Ruijing as a result of these consequences, the Group would no longer be able to consolidate the financial results of Beijing Zhixing Ruijing.

中國法律顧問認為，就其理解以及經參考透過類似於北京知行銳景結構性合約之合約安排受海外公司控制之中國內地互聯網內容提供商之多宗先例，北京知行銳景結構性合約並無違反中國法律，或不會被視為中國合同法第52條所載之「以合法形式掩蓋非法目的」。北京知行銳景結構性合約根據其條款及條文屬可強制執行、合法有效並具法律約束力（惟結構性合約之部分仲裁條文所述仲裁庭可發出禁止或清盤令，及於仲裁庭組成前，香港及開曼群島法庭有司法管轄權批予臨時救濟以協助仲裁則除外）。

然而，據中國法律顧問告知，無法確保中國政府或司法機關會認定北京知行銳景結構性合約已遵守現行之中國法律或法規，亦無法確保其不會加嚴實施現行之中國互聯網內容監管法律或不會於未來採納新的法律或政策。倘中國政府或司法機關認定北京知行銳景結構性合約並不符合適用法律及法規，則該等合約將被視作無效，而中國政府或司法機關於處置該等違規時具有相當大之酌情決定權，包括：

- (i) 要求取消北京知行銳景結構性合約；
- (ii) 徵收罰款及／或沒收根據北京知行銳景結構性合約經營產生之所得款項；
- (iii) 吊銷北京知行銳景的營業執照或經營許可證；
- (iv) 終止北京知行銳景之業務經營或對其實施限制或苛刻條件；及
- (v) 採取其他可能造成損害或甚至關閉北京知行銳景及／或橙三角業務之監管或強制性行動。

此外，倘本集團因上述影響而失去權利指令北京知行銳景之活動，本集團將不能將北京知行銳景之財務業績作合併處理。

## Management's Discussion and Analysis

### 管理層討論和分析

*Orange Beijing relies on BZR Structured Contracts to control and obtain the economic benefits from Beijing Zhixing Ruijing, which may not be as effective in providing operational control as direct ownership.*

Due to the PRC's legal restrictions on foreign investment in the value-added telecommunications services, Orange Beijing controls, through the BZR Structured Contracts rather than equity ownership, Beijing Zhixing Ruijing, the operating entity in the PRC and the holder-to-be of the key licenses required to operate the value-added telecommunications services in the PRC. However, the BZR Structured Contracts still may not be as effective as equity ownership in exercising control over Beijing Zhixing Ruijing. For example, Beijing Zhixing Ruijing and its shareholders could breach or fail to perform their obligations under the BZR Structured Contracts. If Orange Beijing had direct ownership of Beijing Zhixing Ruijing, Orange Beijing would be able to exercise its rights as a shareholder to effect changes in its board of directors, which in turn could effect changes, subject to any applicable fiduciary obligations, at management and operational level. Under the BZR Structured Contracts, Orange Beijing would need to rely on its rights under the BZR Structured Contracts to effect such changes, or designate new shareholders for Beijing Zhixing Ruijing.

If Beijing Zhixing Ruijing or its shareholders breach their obligations under the BZR Structured Contracts or if Orange Beijing loses the effective control over Beijing Zhixing Ruijing for any reason, Orange Beijing would need to bring a claim against them under the terms of the BZR Structured Contracts. The BZR Structured Contracts are governed by PRC law and provide that any dispute which arises will be submitted to the CIETAC, for arbitration, the ruling of which will be final and binding. Furthermore, personal liabilities of the shareholders of Beijing Zhixing Ruijing may also cause the equity interest they hold in Beijing Zhixing Ruijing to be subject to court preservation actions or enforcement. The legal framework and system in the PRC particularly that relates to the arbitration proceedings is not as developed as in other jurisdictions such as Hong Kong. As a result, significant uncertainties relating to the enforcement of legal rights through arbitration, litigation and other legal proceedings remain in the PRC, which could limit Orange Beijing's ability to enforce the BZR Structured Contracts and exert effective control over Beijing Zhixing Ruijing. If Beijing Zhixing Ruijing or any of its shareholders fails to perform its respective obligations under the BZR Structured Contracts, and Orange Beijing is unable to enforce the BZR Structured Contracts, or suffers significant delays or other obstacles in the process of enforcing the BZR Structured Contracts, the business and operations of Orange Beijing could be severely disrupted, which could materially and adversely affect operation results. As a result, the Company's investment in Orange Beijing could also be materially and adversely affected.

*橙三角依賴北京知行銳景結構性合約控制北京知行銳景並從中獲取經濟利益，而這在提供營運控制權方面未必如直接擁有權一樣有效。*

由於中國對外商投資增值電信服務實施法律限制，橙三角透過北京知行銳景結構性合約（而非透過擁有股權）控制北京知行銳景，其為中國經營實體並將持有於中國經營增值電信服務所必需之主要證書。然而，在對北京知行銳景實行控制方面，北京知行銳景結構性合約仍未必如擁有股權一樣有效。例如，北京知行銳景及其股東可能違法或未能履行其於北京知行銳景結構性合約項下之責任。倘橙三角擁有北京知行銳景之直接所有權，橙三角將能夠作為股東行使權利改變其董事會，從而在任何適用之受信責任之規限下於管理及營運層面作出改變。根據北京知行銳景結構性合約，橙三角需要依賴其於北京知行銳景結構性合約項下之權利促成有關改變，或為北京知行銳景委派新股東。

倘北京知行銳景或其股東違反其於北京知行銳景結構性合約項下之責任或倘橙三角因任何理由而失去對北京知行銳景之有效控制權，橙三角可能需要根據北京知行銳景結構性合約之條款向彼等提出申索。北京知行銳景結構性合約受中國法律規管並規定因該等安排出現之任何糾紛將提交至貿仲委進行仲裁，其裁決將為最終決定且具約束力。此外，北京知行銳景股東之個人責任亦可能使彼等於北京知行銳景持有之股權受到法院保護行動或強制執行所限。中國之法律框架及體系（尤其是與仲裁程序有關者）並不如香港等其他司法權區一樣完善。因此，中國仍存在與透過仲裁、訴訟及其他法律程序強制執行合法權利有關之重大不確定因素，這可能會限制橙三角強制執行北京知行銳景結構性合約及對北京知行銳景實行有效控制之能力。倘北京知行銳景或其任何股東未能履行其各自於北京知行銳景結構性合約項下之責任，且橙三角無法強制執行北京知行銳景結構性合約，或於強制執行北京知行銳景結構性合約過程中遭受重大延誤或其他阻礙，則橙三角之業務及營運或會遭受嚴重干擾，繼而可能對其經營業績產生重大不利影響。因此，本公司於橙三角之投資亦可能遭受重大不利影響。



## Management's Discussion and Analysis 管理層討論和分析

*Remedies of BZR Structured Contracts may not be obtained effectively under PRC laws.*

The BZR Structured Contracts provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the CIETAC in the PRC. The BZR Structured Contracts contain provisions to the effect that the arbitration tribunal may award remedies when Beijing Zhixing Ruijing breaches the BZR Structured Contracts. In addition, the BZR Structured Contracts contain provisions to the effect that the courts in Hong Kong and the Cayman Islands are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

However, the abovementioned provisions contained in the BZR Structured Contracts may not be enforced effectively. Under PRC laws, an arbitration tribunal does not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in Beijing Zhixing Ruijing in case of disputes, and the courts in Hong Kong and the Cayman Islands may not be empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal under PRC laws. As a result, the provisions may not effectively protect Orange Beijing, notwithstanding the relevant contractual provisions contained in the BZR Structured Contracts.

Therefore, in the event that Beijing Zhixing Ruijing breaches any of the BZR Structured Contracts, Orange Beijing may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Beijing Zhixing Ruijing and conduct its business could be materially and adversely affected and the financial performance of Orange Beijing could be materially and adversely affected. As a result, the Company's investment in Orange Beijing could also be materially and adversely affected.

*The shareholders of Beijing Zhixing Ruijing may potentially have a conflict of interests with the Group.*

The Group's control over Beijing Zhixing Ruijing is based on the contractual arrangement under the BZR Structured Contracts. Hence, conflict of interests of the shareholders of Beijing Zhixing Ruijing will adversely affect the interests of the Company. Pursuant to the Voting Rights Proxy Agreement, the shareholders of Beijing Zhixing Ruijing have irrevocably authorised Orange Beijing (or its designee) as their proxy to exercise all the rights of the shareholders of Beijing Zhixing Ruijing and such authorisation shall not be altered unless otherwise instructed by Beijing Zhixing Ruijing. Therefore, it is unlikely that there will be potential conflict of interests between the Company and the shareholders of Beijing Zhixing Ruijing. However, in the unlikely event that conflict of interests arises and cannot be resolved, the Company will consider removing and replacing the shareholders of Beijing Zhixing Ruijing.

*可能無法根據中國法律有效取得北京知行銳景結構性合約之救濟。*

北京知行銳景結構性合約規定糾紛須根據質仲委之仲裁規則以仲裁方式於中國解決。北京知行銳景結構性合約載有關於仲裁庭可於北京知行銳景違反結構性合約時批予救濟之條文。此外，北京知行銳景結構性合約訂有條文賦予香港及開曼群島法庭權力於仲裁庭組成前批予臨時救濟以協助仲裁。

然而，北京知行銳景結構性合約所載之上述條文未必能有效強制執行。根據中國法律，倘出現糾紛，仲裁庭無權就保障北京知行銳景之資產或任何股權授出任何禁令救濟或臨時或最終清盤令，而根據中國法律，香港及開曼群島法庭亦無權於仲裁庭組成前批予臨時救濟以協助仲裁。因此，儘管北京知行銳景結構性合約載有相關合約條文，該等條文未必能有效保護橙三角。

因此，倘北京知行銳景違反任何北京知行銳景結構性合約，橙三角未必能夠及時取得足夠救濟，其對北京知行銳景實行有效控制及其開展業務之能力可能會受到重大不利影響，而橙三角之財務表現亦可能受到重大不利影響。因此，本公司於橙三角之投資亦可能遭受重大不利影響。

*北京知行銳景股東與本集團之間可能存在潛在利益衝突。*

本集團對北京知行銳景之控制乃基於北京知行銳景結構性合約項下之合約安排。因此，北京知行銳景股東之利益衝突將對本公司利益產生不利影響。根據授權委託協議，北京知行銳景股東已不可撤回地授權橙三角(或其獲委派人)作為其代理人，以行使北京知行銳景股東之所有權利，且有關授權不得更改，除非北京知行銳景另有指示則作另論。因此，本公司與北京知行銳景股東之間不大可能出現潛在利益衝突。然而，倘萬一發生不能解決的利益衝突，則本公司將考慮罷免及更換北京知行銳景股東。

## Management's Discussion and Analysis 管理層討論和分析

*The contractual arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed.*

The Group could face material adverse tax consequences if the PRC tax authorities determine that the arrangements under the BZR Structured Contracts was not entered into based on arm's length negotiations. If the PRC tax authorities determine that these agreements were not entered into on an arm's length basis, they may adjust our income and expenses for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could adversely affect the Group's financial position by increasing the relevant tax liability without reducing the tax liabilities of Beijing Zhixing Ruijing, and this could further result in late payment fees and other penalties to Beijing Zhixing Ruijing for under-paid taxes. As a result, any transfer pricing adjustment could have a material adverse effect on the Group's financial position and results of operations.

*The Company does not have any insurance which covers the risks relating to the BZR Structured Contracts and the transactions contemplated thereunder.*

The insurance of the Group does not cover the risks relating to the BZR Structured Contracts and the transactions contemplated thereunder and the Company has no intention to purchase any new insurance in this regard. If any risk arises from the BZR Structured Contracts in the future, such as those affecting the enforceability of the BZR Structured Contracts and the relevant agreements for the transactions contemplated thereunder and the operation of Beijing Zhixing Ruijing, the results of the Group may be adversely affected. However, the Group has been monitoring the relevant legal and operational environment from time to time to comply with the applicable laws and regulations. In addition, the Group has been implementing relevant internal control measures to reduce the operational risk.

### **Actions taken to mitigate the risks associated with the BZR Structured Contracts**

The BZR Structured Contracts contain certain provisions in order to exercise effective control over and to safeguard the assets of Beijing Zhixing Ruijing, including but not limited to that, without the prior written consent of Orange Beijing, the shareholders of Beijing Zhixing Ruijing shall not at any time dispose, transfer, pledge, sell or create any charges over the assets, business, revenue or any beneficial interests of Beijing Zhixing Ruijing, Beijing Zhixing Ruijing shall conduct its business in its ordinary and usual course to preserve the asset value of Beijing Zhixing Ruijing and shall not engage in any act (or lack thereof) which may have any adverse effect on the business, operations and asset value of Beijing Zhixing Ruijing, and etc.

合約安排可能須受中國稅務機關審查及轉移價格調整及可能被徵收額外稅項。

倘中國稅務機關認定北京知行銳景結構性合約項下之安排並非基於公平磋商而訂立，則本集團可能面對重大不利稅務後果。倘中國稅務機關認定該等協議並非根據公平基準訂立，則其可能就中國稅務目的以轉移價格調整之方式對我們之收入及開支作出調整。轉移價格調整可能增加相關稅項負債而不減少北京知行銳景稅項負債，對本集團財務狀況構成不利影響，而這可能進一步導致就未付稅項向北京知行銳景支付滯納金及其他罰金。因此，任何轉移價格調整可能對本集團財務狀況及經營業績產生重大不利影響。

本公司並無任何保險覆蓋有關北京知行銳景結構性合約及其項下擬進行交易之風險。

本集團保險並無覆蓋有關北京知行銳景結構性合約及其項下擬進行交易之風險，且本公司無意就此增加購買任何保險。倘北京知行銳景結構性合約日後產生任何風險，如影響北京知行銳景結構性合約及其項下擬進行交易之相關協議強制執行及北京知行銳景營運之風險，則本集團業績可能受到不利影響。然而，本集團已不時監察相關法律及營運環境，以遵守適用法律及法規。此外，本集團已實施有關內部控制措施以減少營運風險。

### **減低與北京知行銳景結構性合約有關之風險所採取之行動**

北京知行銳景結構性合約載有若干條文以有效執行對北京知行銳景之控制權及保護北京知行銳景之資產，該等條文包括但不限於，未經橙三角事先書面同意，北京知行銳景股東不得於任何時間處理、轉讓、按揭、出售北京知行銳景之資產、業務、收益或任何實益權益或對其設立押記，北京知行銳景須於一般及日常業務過程中開展業務以保護其資產價值，且不得作出可能對北京知行銳景業務、營運及資產價值產生不利影響之任何行為(或遺漏作出任何行為)等。

## Management's Discussion and Analysis 管理層討論和分析

In addition to the abovementioned internal control measures as provided in the BZR Structured Contracts, the Company has implemented, through Orange Beijing, additional internal control measures against Beijing Zhixing Ruijing as appropriate, having regard to the internal control measures adopted by the Group from time to time, which may include (without limitation):

- (i) Beijing Zhixing Ruijing to make available monthly management accounts and submit key operating data after each month end and provide explanations on any material fluctuations to Orange Beijing;
- (ii) Beijing Zhixing Ruijing to assist and facilitate Orange Beijing to conduct quarterly on-site internal audit on Beijing Zhixing Ruijing; and
- (iii) if required, legal advisers and, or other professionals will be retained to deal with specific issues arising from the BZR Structured Contracts and to ensure that the operation of Beijing Zhixing Ruijing will comply with applicable laws and regulations.

Further information regarding risks associated with the Contractual Arrangements and the BZR Structured Contracts are also set out in the Transfer of Listing Announcement and the announcement of the Company dated 8 May 2015 respectively.

### Structured Contracts involving Hangzhou Saidian Technology

On 18 December 2015, the Company entered into sale and purchase agreement ("Zhongfu SPA") with Daxiong Holdings Limited ("Daxiong"), Hanson He Holdings Limited ("Hanson"), Richard Chen Holdings Limited ("Richard Chen"), Grand Novel Developments Limited (浩新發展有限公司) ("Grand Novel") and Mr Moustache Holdings Limited ("Moustache") (collectively, the "Zhongfu Sellers"), and Mr. Cao Guoxiong (曹國熊) ("Mr. Cao"), Mr. He Shunsheng (何順生), ("Mr. He") Mr. Chen Xuejun (陳學軍) ("Mr. Chen"), Mr. Guan Jianzhong (管建忠) ("Mr. Guan"), and Mr. Liao Bin (廖斌) ("Mr. Liao") (collectively, the "Zhongfu Seller Guarantors"), pursuant to which the Sellers has conditionally agreed to sell, and the Company has conditionally agreed to acquire the entire issued share capital of ZhongFu Holdings Limited, for an aggregate consideration of approximately HK\$170,807,500 (equivalent to RMB144,573,000).

Part of the consideration amounting approximately HK\$70,095,000 (equivalent to RMB59,329,000) was settled in cash and the remaining portion was settled by issuance and allotment of convertible bonds which are subject to downward adjustments stipulated in the sale and purchase agreement.

除北京知行銳景結構性合約規定之上述內部控制措施外，本公司已透過橙三角對北京知行銳景實施其他適當內部控制措施(當中已考慮本集團不時採納之內部控制措施)，該等措施可能包括(但不限於)：

- (i) 北京知行銳景於各月底向橙三角提供每月管理賬目及提交主要營運數據，並就任何重大波動提供解釋；
- (ii) 北京知行銳景協助並促使橙三角對北京知行銳景進行季度現場內部審核；及
- (iii) (如必要)法律顧問及／或其他專業人士將留任以處理北京知行銳景結構性合約所產生的具體問題，並確保北京知行銳景的營運將遵守適用的法律及法規。

與合約安排及北京知行銳景結構性合約之進一步資料分別載於轉板上市公佈及本公司日期為二零一五年五月八日之公佈。

### 涉及杭州賽點科技之結構性合約

於二零一五年十二月十八日，本公司與Daxiong Holdings Limited(「Daxiong」)、Hanson He Holdings Limited(「Hanson」)、Richard Chen Holdings Limited(「Richard Chen」)、浩新發展有限公司(「浩新」)及Mr Moustache Holdings Limited(「Moustache」)(統稱「中服賣方」)及曹國熊先生(「曹先生」)、何順生先生(「何先生」)、陳學軍先生(「陳先生」)、管建忠先生(「管先生」)及廖斌先生(「廖先生」)(統稱「中服賣方擔保人」)訂立買賣協議(「中服買賣協議」)，據此，賣方已有條件同意出售而本公司已有條件同意收購ZhongFu Holdings Limited全部已發行股本，總代價約為170,807,500港元(相當於人民幣144,573,000元)。

數額約為70,095,000港元(相當於人民幣59,329,000元)之部分代價以現金償付，餘下代價將透過發行及配發可換股債券之方式償付，惟須按買賣協議之規定可予下調。

## Management's Discussion and Analysis 管理層討論和分析

On 5 January 2016, Hangzhou Saidian Information Technology Company Limited\* 杭州賽典信息科技有限公司 (“Hangzhou Saidian Information”) (“杭州賽典信息”), a wholly owned subsidiary of ZhongFu Holdings Limited, entered into a series of structured contracts, including Exclusive Right to Purchase Agreement; Authorisation Agreement; Management and Operations Agreement and Pledge Agreement (as respectively defined below are collectively called the “ZhongFu Structured Contracts”) with the shareholders of Hangzhou Saidian Technology Company Limited 杭州賽點科技有限公司 (“Hangzhou Saidian Technology”) (“杭州賽點科技”), Mr. Guo Jiang (郭江), Mr. Chen Xuejun (陳學軍) (together the “PRC Equity Owners”).

The shareholders of Hangzhou Saidian Technology unconditionally and irrevocably authorise any individual designated by the Group to represent them in exercising all their rights as shareholders of Hangzhou Saidian Technology including without limitation, to transfer all their equity interests, to determine the consideration for such transfer, to complete all relevant procedures regarding such transfer, to attend general meetings and exercise voting rights, to execute all such relevant documents, agreements and resolutions. In addition, if Hangzhou Saidian Technology declares any dividend, bonus or adopts any proposal for distribution of profits, such dividends, bonus or economic benefits of all such proposal for distribution shall be delivered to the Group.

In accordance with the ZhongFu Structured Contracts, the Group has acquired the control over Hangzhou Saidian Technology as the Group has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the Hangzhou Saidian Technology's variable returns. The Group is also entitled to substantially all of the operating profits and residual interest generated by Hangzhou Saidian Technology. Hangzhou Saidian Technology in turn held 80.38% of the equity interest of Zhejiang ZhongFu Internet Technology Company Limited 浙江中服網絡科技有限公司 (“Zhejiang Zhongfu”). On 8 January 2016, the Group fulfilled all the conditions precedent set out in the sale and purchase agreement. The acquisition of 100% of equity interest of ZhongFu Holdings Limited (“Zhongfu Acquisition”) has been completed accordingly. Consequently, Zhejiang Zhongfu has become a subsidiary of the Group with effect from 8 January 2016.

The results and financial position of ZhongFu Holdings Limited have been included in the consolidated financial statements of the Group from 8 January 2016.

The goodwill of approximately RMB38,426,000 arising from the acquisition is attributable the synergies and technical talent and economies of scale expected from combining the operations of the Group and Zhejiang Zhongfu. None of the goodwill recognised is expected to be deductible for income tax purpose.

於二零一六年一月五日，杭州賽典信息科技有限公司（「杭州賽典信息」，ZhongFu Holdings Limited全資擁有之附屬公司）與杭州賽點科技有限公司（「杭州賽點科技」）之股東、郭江先生及陳學軍先生（統稱「中國股權擁有人」）訂立一系列結構性合約，包括獨家購買權協議、授權協議、管理及營運協議及抵押協議（各定義見下文，統稱為「中服結構性合約」）。

杭州賽點科技之股東無條件及不可撤回地授權本集團指定之任何人士代其行使其作為杭州賽點科技股東之所有權利，包括但不限於轉讓其所有股權、釐定有關轉讓之代價、完成有關轉讓之所有相關手續、出席股東大會及行使投票權、簽立所有相關文件、協議及決議案。此外，倘杭州賽點科技宣派任何股息、花紅或就分派溢利採納任何建議，則有關股息、花紅或所有有關分派建議之經濟利益均須交付予本集團。

根據中服結構性合約，當本集團擁有現時能主導相關業務（即重大影響杭州賽點科技可變回報之業務）之既定權利時，本集團取得對杭州賽點科技之控制權。本集團亦有權享有杭州賽點科技產生之絕大部分經營溢利及餘下權益。杭州賽點科技持有浙江中服網絡科技有限公司（「浙江中服」）80.38%之股權。於二零一六年一月八日，本集團達成買賣協議所載之所有先決條件，據此完成收購ZhongFu Holdings Limited全部股權（「中服收購」）。因此，浙江中服自二零一六年一月八日起成為本集團之附屬公司。

ZhongFu Holdings Limited之業績及財務狀況自二零一六年一月八日起已計入本集團之合併財務報表。

收購事項產生商譽約人民幣38,426,000元乃歸因於協同效益及技術人才以及合併本集團與浙江中服業務預期產生之規模經濟效益。預期概無已確認商譽須就所得稅扣減。

## Management's Discussion and Analysis

### 管理層討論和分析

#### Information of ZhongFu Holdings Limited and its subsidiaries (collectively, "Zhongfu Group")

ZhongFu Holdings Limited is an investment holding company incorporated in the BVI on 28 August 2015 with limited liability and issued capital of US\$50,000. As at the date of this report, ZhongFu Holdings Limited is a wholly-owned subsidiary of the Company.

ZhongFu Holdings Limited held the entire issued share capital in SaiDian HK Limited ("SaiDian HK"), an investment holding company incorporated in Hong Kong on 15 September 2015 with limited liability and issued capital of HK\$10,000, which in turn held the entire equity interest in Hangzhou Saidian Information, a company incorporated under the laws of the PRC.

Hangzhou Saidian Technology is a limited company established in the PRC on 8 December 2009 with paid up capital of RMB5,250,000 and is an investment holding company. It held 80.38% equity interest of Zhejiang Zhongfu which is a limited company established in the PRC on 18 June 2001 with paid up capital of RMB10,000,000. Zhejiang Zhongfu in turn wholly owned 深圳市中服引綫網絡科技有限公司 Shenzhen Zhongfu Yinxian Internet Technology Company Limited\* ("Shenzhen Zhongfu") and 浙江諾天網絡科技有限公司 Zhe Jiang Nuotian Internet Technology Company Limited\* ("Zhejiang Nuotian"). Shenzhen Zhongfu is a limited company established in the PRC on 21 May 2003 with paid up capital of RMB1,000,000. Zhejiang Nuotian is a limited company established in the PRC on 15 March 2007 with paid up capital of RMB5,000,000.

Set out below is the key financial information of Hangzhou Saidian Technology during the year ended 31 December 2017:

		Year ended 31 December 2017 截至二零一七年 十二月三十一 止年度 RMB'000 人民幣千元
Revenue	銷售收入	24,744
Total assets	資產總值	49,950

#### 有關ZhongFu Holdings Limited及其附屬公司之資料(統稱「中服集團」)

ZhongFu Holdings Limited為於二零一五年八月二十八日在英屬處女群島註冊成立之投資控股有限公司，已發行資本為50,000美元。於本報告日期，ZhongFu Holdings Limited是本公司之全資附屬公司。

ZhongFu Holdings Limited持有SaiDian HK Limited (「SaiDian HK」)全部已發行股本。SaiDian HK為於二零一五年九月十五日在香港註冊成立的投資控股有限公司，已發行資本為10,000港元。該公司則持有杭州賽典信息全部股權。杭州賽典信息為根據中國法律註冊成立之公司。

杭州賽點科技為一間於二零零九年十二月八日於中國成立之有限公司，繳足資本為人民幣5,250,000元，為投資控股公司。杭州賽點科技持有浙江中服(於二零零一年六月十八日於中國成立之有限公司，繳足資本為人民幣10,000,000元)80.38%股權。浙江中服則全資擁有深圳市中服引綫網絡科技有限公司(「深圳中服」)及浙江諾天網絡科技有限公司(「浙江諾天」)。深圳中服為一間於二零零三年五月二十一日於中國成立之有限公司，繳足資本為人民幣1,000,000元。浙江諾天為一間於二零零七年三月十五日於中國成立之有限公司，繳足資本為人民幣5,000,000元。

下表載列杭州賽點科技於截至二零一七年十二月三十一日止年度之主要財務資料：

## Management's Discussion and Analysis 管理層討論和分析

### Business overview and revenue model

Hangzhou Saidian Information, Zhejiang Zhongfu, Shenzhen Zhongfu and Zhejiang Nuotian (collectively referred to as the "VIE Group") is principally engaged in the provision of vertical websites in the garment industry in the PRC. It holds certain assets related to the operation of the websites under the key domain names: www.efu.com.cn (中國服裝網), www.yifu.net (壹服), www.51fashion.com.cn (時尚飾界), www.5143.cn (服裝加盟網), www.nynet.com.cn (中國內衣網) and www.kidsnet.cn (童裝加盟網), which are internet portals mainly providing information on fashion brands, finished garment products (such as men's wear, women's wear, children's wear, underwear, shoes, leather goods, down jackets and others), fabrics, ancillary materials (such as buttons, zippers), textile equipment (such as sewing machines, cutting machines, stitching machines, printing machines, automated systems) to business users (such as manufacturers, wholesalers, traders, department stores, shopping malls) in the garment industry.

Revenue of Zhejiang Zhongfu was generated from advertising income, marketing solution fees from domestic apparels, bags and accessories manufacturers for the advertisement placed with Zhejiang Zhongfu on its websites in relation to the products and/or brands. Revenue from one-stop solution providers for online and offline promotion solutions have been increasing their respective contribution. Revenue from provision of promotion solutions would be in the form of a pre-determined service fee.

### MAJOR TERMS OF THE ZHONGFU STRUCTURED CONTRACTS

#### 1. Exclusive Right to Purchase Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology and the PRC Equity Owners enter into an exclusive right to purchase agreement (the "Exclusive Right to Purchase Agreement"), under which the PRC Equity Owners will irrevocably, and jointly and individually grant Hangzhou Saidian Information the exclusive right to purchase the shares of Hangzhou Saidian Technology at the minimum price permitted by the relevant laws and regulations of PRC at any time, by one or more times. The PRC Equity Owners may not transfer their shares in Hangzhou Saidian Technology without written consent from Hangzhou Saidian Information.

### 業務概覽及收入模式

杭州賽典信息、浙江中服、深圳中服及浙江諾天(統稱為「可變權益實體集團」)主要為中國製衣業提供垂直網站。其持有有關經營主要域名網站: www.efu.com.cn(中國服裝網)、www.yifu.net(壹服)、www.51fashion.com.cn(時尚飾界)、www.5143.cn(服裝加盟網)、www.nynet.com.cn(中國內衣網)及www.kidsnet.cn(童裝加盟網)網站之若干資產。該等網站為主要向製衣業之業務用家(如製造商、批發商、商家、百貨公司、商場)提供有關時裝品牌、製成成衣產品(如男士服飾、女士服飾、兒童服飾、內衣褲、鞋、皮革製品、羽絨及其他)、紡織品、配件材料(如鈕扣、拉鍊)、紡織設備(如縫紉機、裁剪機、縫合機、印刷機、自動化系統)資料之互聯網門戶網站。

浙江中服之收入產生自本地服裝、手袋及配飾製造商於浙江中服網站投放有關產品及/或品牌廣告之廣告收入及市場營銷解決方案費用。線上及線下推廣解決方案之一站式解決方案提供商之收入一直增加其各自之貢獻。來自提供推廣解決方案之收入形式為預先釐定之服務費。

### 中服結構性合約之主要條款

#### 1. 獨家購買權協議

杭州賽典信息、杭州賽點科技及中國股權擁有人訂立獨家購買權協議(「獨家購買權協議」), 據此, 中國股權擁有人將共同及個別不可撤回地授予杭州賽典信息隨時分一次或多次按中國相關法律及法規准許之最低價格購買杭州賽點科技股份之獨家權利。中國股權擁有人未經杭州賽典信息之書面同意不得轉讓杭州賽點科技之股份。

## Management's Discussion and Analysis

### 管理層討論和分析

The exclusive purchase right may be exercised by Hangzhou Saidian Information by written notice to the PRC Equity Owners. Hangzhou Saidian Technology and the PRC Equity Owners shall provide all necessary information and documents for the share registration. In the situation that more than one shareholder holding the shares, the PRC Equity Owners and Hangzhou Saidian Technology shall procure any remaining shareholders of Hangzhou Saidian Technology, if any to agree to transfer the shares to Hangzhou Saidian Information and/or its designated parties in written statement, indicating their waiver of pre-emptive rights. In the event of transfer of shares, Hangzhou Saidian Technology shall procure the shareholders to sign a share purchase agreement with Hangzhou Saidian Information and/or designated parties upon the receipt of exercise notice. To ensure the performance of this agreement, a Pledge Agreement (as hereinafter defined) will be signed.

The price would be the minimum price permitted by the relevant laws and regulations of PRC. The paid shareholder will return the rest of the transfer price after deducting the paid-up capital by them to Hangzhou Saidian Technology. Any taxes, charges and fees shall be borne by the parties pursuant to relevant laws and regulations of the PRC.

The Exclusive Right to Purchase Agreement shall be effective upon execution and as long as Hangzhou Saidian Technology subsists. The parties agree that the Exclusive Right to Purchase Agreement can be terminated by Hangzhou Saidian Information by giving 30 days' written notice.

## 2. Authorisation Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology and the PRC Equity Owners entered into an authorisation agreement ("Authorisation Agreement"). Pursuant to the Authorisation Agreement, Hangzhou Saidian Information (or its designated parties who must be one of the Director and a PRC citizen, and must not be the PRC Equity Owners or their connected person(s) (the "Designated Party(ies)")) will have the power to, inter alia, exercise all shareholder's rights granted by applicable laws, regulations and Hangzhou Saidian Technology's articles of association, including but not limited to convening shareholders meeting, voting and signing resolutions at shareholders meeting, filing documents to company registration authorities, designating and appointing directors and supervisors, transferring or disposing off equity of Hangzhou Saidian Technology, participating in Hangzhou Saidian Technology's major decisions, and choosing management for Hangzhou Saidian Technology.

No prior consent from the PRC Equity Owners is required before Hangzhou Saidian Information (or its Designated Parties) exercise its voting rights. The PRC Equity Owners shall recognize Hangzhou Saidian Information's voting result.

杭州賽典信息可透過向中國股權擁有人發出書面通知行使獨家購買權。杭州賽點科技及中國股權擁有人須就股份登記提供所有必要資料及文件。倘超過一名股東持有股份，中國股權擁有人及杭州賽點科技須以書面聲明促使杭州賽點科技任何餘下股東(如有)同意轉讓股份予杭州賽典信息及/或其指定人士，表明其放棄優先購買權。倘轉讓股份，杭州賽點科技於收到行使通知後須促使股東與杭州賽典信息及/或其指定人士簽署購股協議。為確保本協議得以履行，將簽署抵押協議(定義見下文)。

價格將為相關中國法律及法規准許之最低價格。獲款股東將於彼等扣除實繳股本後向杭州賽點科技歸還餘下轉讓價值。根據中國相律法例及法規，任何稅項、收費及費用須由訂約方承擔。

獨家購買權協議於簽立後生效，直至杭州賽點科技不再存續為止。訂約方同意，杭州賽典信息可透過發出30天之書面通知終止獨家購買權協議。

## 2. 授權協議

杭州賽典信息、杭州賽點科技及中國股權擁有人訂立授權協議(「授權協議」)。根據授權協議，杭州賽典信息(或其指定人士(須為其中一名董事及中國公民，且不得為中國股權擁有人或彼等之關連人士))(「指定人士」)將有權(其中包括)行使適用法律、法規及杭州賽點科技之組織章程細則授予之所有股東權利，包括但不限於召開股東大會、於股東大會上投票及簽署決議案、向公司註冊機關提交文件、指定及委任董事及監事、轉讓或出售杭州賽點科技之權益、參與杭州賽點科技作出之重大決定，並為杭州賽點科技甄選管理人員。

杭州賽典信息(或其指定人士)於行使其投票權前毋須經中國股權擁有人事先同意。中國股權擁有人須確認杭州賽典信息之投票結果。

## Management's Discussion and Analysis

### 管理層討論和分析

The Authorisation Agreement shall be effective upon execution and as long as Hangzhou Saidian Technology's shareholders remain to be Hangzhou Saidian Technology's shareholders. The parties agree that the Authorisation Agreement can be terminated by Hangzhou Saidian Information each by giving 30 days' written notice.

### 3. Management and Operations Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology and the PRC Equity Owners entered into a management and operation agreement (the "Management and Operation Agreement").

Pursuant to the Management and Operations Agreement, Hangzhou Saidian Technology will appoint Hangzhou Saidian Information as its exclusive services provider of management and operations services. Such services include all necessary services within the scope of Hangzhou Saidian Technology's business, such as but not limited to business consultations, marketing consultancy, technical services, intellectual properties licenses, product research and development, system maintenance, as well as general corporate management.

The PRC Equity Owners and Hangzhou Saidian Technology shall procure the resignation of directors and supervisors whose appointment Hangzhou Saidian Information does not agree to. Those directors and supervisors shall be replaced by personnel appointed by Hangzhou Saidian Information.

Hangzhou Saidian Technology shall pay Hangzhou Saidian Information such service fees equivalent to the amount of the Hangzhou Saidian Technology's revenue deducted by Hangzhou Saidian Technology's (and its subsidiaries') expenses (including Hangzhou Saidian Technology's costs, depreciation, other expenses and payments, and relevant tax payments incurred during the term of the Management and Operations Agreement), loss covered by Hangzhou Saidian Technology and the relevant reserve fund extracted by Hangzhou Saidian Technology. The service fee shall be calculated within three months since the end of each financial year based on the audited report prepared in accordance with the PRC Accounting Standards for Business Enterprises and paid within 15 days of the issuance date of such audited report.

The Management and Operations Agreement shall be effective upon execution for three years, and upon expiry, Hangzhou Saidian Information has a sole discretionary right to renew the Management and Operations Agreement for another three years, subject to the applicable law, regulations and rules at that time (including the Listing Rules). The parties agree that the Management and Operations Agreement can be terminated by Hangzhou Saidian Information by giving 30 days' written notice.

授權協議於簽立後生效，直至杭州賽點科技之股東辭去其股東職務為止。訂約方同意，杭州賽典信息可透過發出30天之書面通知終止授權協議。

### 3. 管理及營運協議

杭州賽典信息、杭州賽點科技及中國股權擁有人訂立管理及營運協議(「管理及營運協議」)。

根據管理及營運協議，杭州賽點科技將委聘杭州賽典信息為其管理及營運服務之獨家服務供應商。該等服務包括杭州賽點科技業務範圍內之所有必要服務，例如但不限於業務諮詢、營銷諮詢、技術服務、知識產權許可、產品研發、系統維護以及一般企業管理。

中國股權擁有人及杭州賽點科技須促使不獲杭州賽典信息同意而獲委任之董事及監事辭任。該等董事及監事須由杭州賽典信息委聘之人員取代。

杭州賽點科技須向杭州賽典信息支付之有關服務費用相等於經扣除杭州賽點科技(及其附屬公司)之開支(包括杭州賽點科技於管理及營運協議期限內產生之成本、折舊、其他開支及付款以及相關稅款)、杭州賽點科技承擔之虧損及杭州賽點科技提取之相關儲備基金後杭州賽點科技之收入金額。服務費須於自各財政年度年結日起計三個月內按根據中國企業會計準則編製之經審計報告計算並於該經審計報告刊登日期起計15日內支付。

管理及營運協議於簽立後生效，為期三年，且於到期後，杭州賽典信息擁有獨家酌情權可重續管理及營運協議多三年，惟須受當時適用法律、法規及規則(包括上市規則)所限。訂約方同意，杭州賽典信息可透過發出30天之書面通知終止獨家技術服務協議。



## Management's Discussion and Analysis

### 管理層討論和分析

#### 4. Pledge Agreement

Hangzhou Saidian Information, Hangzhou Saidian Technology and the PRC Equity Owners entered into a pledge agreement (the "Pledge Agreement").

According to the Pledge Agreement, the PRC Equity Owners will pledge to Hangzhou Saidian Information their equity interests in Hangzhou Saidian Technology (the "Pledged Interests", being the entire equity interests in Hangzhou Saidian Technology) as security for Hangzhou Saidian Information's rights and interests granted by the Exclusive Right to Purchase Agreement, the Authorisation Agreement and the Management and Operations Agreement (the "Master Agreements") (including any payment (including legal expense), expense, loss, interests, liquidated damages, compensation, costs for realization of loans, costs and losses for specific performance of Hangzhou Saidian Technology, and the liabilities incurred as results of the termination, recession, whole or partial invalidation of the Master Agreements). Hangzhou Saidian Information shall have the right to compensation by converting the Pledged Interests into money and seek preferential payments from the proceeds from the auction or sales of the Pledged Interests concerned or other disposal methods as agreed by each party in accordance with relevant laws and regulations of the PRC.

The Pledge Agreement shall become effective upon the execution date. The PRC Equity Owners has cooperated with Hangzhou Saidian Technology and registered the pledge in shareholders' register with the relevant authorities.

Prior to the full discharge of the payments and obligations under the Master Agreements, without written consent of the Hangzhou Saidian Information, the PRC Equity Owners shall not assign any of the Pledged Interests.

Unless otherwise agreed by Hangzhou Saidian Information in writing, upon the full and complete performance of Hangzhou Saidian Technology and the PRC Equity Owners under the Master Agreements as well as Hangzhou Saidian Information's written confirmation, the Pledge Agreement shall be terminated. Costs reasonably incurred thereof shall be borne by the PRC Equity Owners.

In the event where Hangzhou Saidian Technology or the PRC Equity Owners failed to fully discharge their obligations under the Master Agreements, Hangzhou Saidian Information shall continuously enjoy the pledge until the above-mentioned obligations being fulfilled in a manner to its satisfaction.

#### 4. 抵押協議

杭州賽典信息、杭州賽點科技及中國股權擁有人訂立抵押協議(「抵押協議」)。

根據抵押協議，中國股權擁有人將向杭州賽典信息抵押彼等於杭州賽點科技所持之股權(「已抵押股權」，即杭州賽點科技之全部股權)以就獨家購買權協議、授權協議以及管理及營運協議(「總協議」)所授出之杭州賽典信息之權利及權益提供擔保，包括任何付款(包括法律費用)、開支、損失、利息、算定損害賠償、補償、貸款變現之成本、杭州賽點科技具體表現之成本及虧損以及因總協議被終止、被撤銷、全部或部分失效而產生之負債。杭州賽典信息將有權透過將已抵押股權轉換為金錢獲得補償，並於相關已抵押股權拍賣或出售之所得款項中或訂約各方根據中國相關法律及法規協定之其他處置方式尋求優先付款。

抵押協議須於簽立日期起生效。中國股權擁有人已配合杭州賽點科技向有關當局完成股權抵押登記。

於全面履行總協議項下之付款及責任前，未經杭州賽典信息書面同意，中國股權擁有人不得分派任何已抵押股權。

除非獲杭州賽典信息另行書面同意，否則於全面及完全履行總協議項下杭州賽點科技及中國股權擁有人之責任以及獲得杭州賽典信息書面確認後，抵押協議須予以終止。因此而合理產生之成本須由中國股權擁有人承擔。

倘杭州賽點科技或中國股權擁有人無法全面履行彼等於總協議項下之責任，則杭州賽典信息將繼續享有抵押直至上述責任以其信納之方式獲達成為止。

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The Company will unwind the ZhongFu Structured Contracts and directly hold the equity interests of Hangzhou Saidian Technology when the relevant restrictions no longer exist. The current legal or regulatory restrictions in exercising the purchase right under the Exclusive Right to Purchase Agreement is stipulated in the FITE Rules. Furthermore, even if the foreign ownership restriction is relaxed, the transfer of the equity interests in Hangzhou Saidian Technology from the shareholders of Hangzhou Saidian Technology to the Group may still be subject to substantial costs.

### Reasons for and the benefits of the sale and purchase agreement and the ZhongFu Structured Contracts

By leveraging on the combined customer base and business network of the Group and the Zhongfu Group, it is envisaged that the Group will have a wider and deeper access to different groups of customers who would require the existing services provided by the Group and/or facilitate the matching between the subscribers of the Group (being a customer or a supplier) with the customers and business network of the Zhongfu Group. Besides, upon completion of the Zhongfu Acquisition, the Group may widen its industry coverage and geographical coverage. Moreover, the Group may integrate the resources between the Group and the Zhongfu Group in various aspects (such as human resources, sales and marketing, financing, back office support, technical support and etc.) to achieve economy of scale, cost reduction and efficiency improvement. The Directors (including the independent non-executive Director) consider that (i) the Zhongfu SPA, the ZhongFu Structured Contracts and the transactions contemplated thereunder were entered into on normal commercial terms in the ordinary and usual course of business of the Company after arm's length negotiation, and that the terms of the Zhongfu SPA, the ZhongFu Structured Contracts and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) the amount of the annual caps for the transactions contemplated under the ZhongFu Structured Contracts are fair and reasonable.

For more details, please refer to the section headed "SEGMENT INFORMATION" on page 184 of this report.

本公司將於相關限制不再存在時解除中服結構性合約並直接持有杭州賽點科技之股權。有關行使獨家購買權協議項下購買權之現行法律或監管限制於外商投資電信企業管理規定中訂明，於下文「有關結構性合約之風險－中國政府可能將結構性合約定為不符合適用法律及法規」一段載述。此外，即使外資擁有權限制放寬，將杭州賽點科技之股權自杭州賽點科技之股東轉至本集團可能仍須承擔高昂成本。

### 訂立買賣協議及中服結構性合約之理由及裨益

透過利用本集團及中服集團所結合之客戶基礎及業務網絡，按照設想，本集團或將更為廣泛且深入接觸不同客戶群體，而彼等或會要求本集團提供現有服務及／或促進本集團用戶（客戶或供應商）與中服集團之客戶及業務網絡配對。此外，於完成中服收購時，本集團或會拓寬其行業及地域覆蓋範圍。另外，本集團或會於各方面（如人力資源、銷售及推廣、融資、後勤支持、技術支持等）整合本集團與中服集團之資源以實現規模經濟、削減成本及效益改善。董事（包括獨立非執行董事）認為，(i) 中服買賣協議、中服結構性合約及其項下擬進行之交易乃經公平磋商後於本公司日常及一般業務過程中按一般商業條款訂立，且中服買賣協議、中服結構性合約及其項下擬進行之交易之條款屬公平合理並符合本公司及股東之整體利益；及(ii) 中服結構性合約項下擬進行之交易之年度上限金額屬公平合理。

有關詳情，請參閱本報告第184頁「分部資料」一節。

## Management's Discussion and Analysis 管理層討論和分析

### Risks relating to the ZhongFu Structured Contracts

We refer to the above section titled "Risk associated with the BZR Structured Contracts", similar risks identified under the said section would be applicable to ZhongFu Structured Contracts as well, in particular; the following risks:

- (1) The PRC government may determine that the ZhongFu Structured Contracts do not comply with the applicable laws and regulations;
- (2) The ZhongFu Structured Contracts may not be as effective as direct ownership in providing control over Hangzhou Saidian Technology;
- (3) The PRC Equity Owners may potentially have a conflict of interests with the Group;
- (4) The contractual arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed;
- (5) The Company does not have any insurance which covers the risks relating to the ZhongFu Structured Contracts and the transactions contemplated thereunder.

### Impact of Foreign Investment Law of the PRC (Draft for Comment) on the ZhongFu Structured Contracts and the Business of Hangzhou Saidian Technology

On 19 January 2015, MOFCOM published the new draft of the Foreign Investment Law (Draft for Comment) (中華人民共和國外國投資法(草案徵求意見稿)) (the "Draft for Comment") for public comment. The new Foreign Investment Law (the "New Foreign Investment Law"), if finally adopted, may have significant impact on the foreign investment regime of the PRC.

Under the Draft for Comment, a negative list (the "Negative List") will be formulated and promulgated by the State Council, which will classify the foreign investment industries into the restricted list and prohibited list. For the industries not listed in the Negative List, foreign investors are allowed to make the investment without approval. For the industries listed in the restricted list of the Negative List, foreign investors need to obtain access permission from competent departments before it is allowed to make the investment. For the industries listed in the prohibited list of the Negative List, foreign investors are prohibited from making any investment.

### 有關中服結構性合約之風險

茲提述上文「有關北京知行銳景結構性合約之風險」一節，上述章節所發現之類似風險亦將適用於有關中服結構性合約之風險，特別是以下現有風險：

- (1) 中國政府可能將中服結構性合約定為不符合適用法律及法規；
- (2) 中服結構性合約於提供對杭州賽點科技之控制權方面未必如直接擁有權一樣有效；
- (3) 中國股權擁有人與本集團之間可能存在潛在利益衝突；
- (4) 合約安排可能須受中國稅務機關審查及受轉移價格調整所限且可能被徵收額外稅項；
- (5) 本公司並未持有保險以保障與中服結構性合約及其項下擬進行交易有關之風險。

### 中華人民共和國外國投資法(草案徵求意見稿)對中服結構性合約及杭州賽點科技之影響

於二零一五年一月十九日，商務部公佈《中華人民共和國外國投資法(草案徵求意見稿)》(「草案徵求意見稿」)向大眾徵求意見。新外國投資法(「新外國投資法」)一經最終採納，可能對中國的外國投資機制產生重大影響。

根據草案徵求意見稿，國務院將制定及頒佈一份負面清單(「負面清單」)，該清單將外國投資行業歸類為受限制及禁止名單。就未列於負面清單之行業而言，外國投資者獲准進行投資而毋須審批。就列於負面清單之受限制名單上之行業而言，外國投資者於獲允許進行投資前須取得主管部門之准入允許。就列於負面清單之禁止名單上之行業而言，外國投資者禁止進行任何投資。

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As the Draft for Comment is not formally promulgated and no Negative List is formulated or promulgated by the State Council according to the Draft for Comment, therefore, there is uncertainty as to whether the business of the VIE Group (including the operation of the vertical website business) will fall into the restricted list or prohibited list of the Negative List. According to current contents of the Draft for Comment and the Notes, with respect to investment arrangement through VIE structure before the New Foreign Investment Law taking effect, if the relevant investment still falls within restricted or prohibited industries for foreign investment, as mentioned above, it will be subject to (i) reporting; (ii) verification; or (iii) access permission requirement.

There is uncertainty as to which one of the three possible regimes will be finally adopted in the New Foreign Investment Law. Based on the Draft for Comment and the Notes, a VIE structure which is ultimately controlled by a PRC investor may be permitted to continue following reporting to, verification or access permission by MOFCOM, while a VIE structure which is ultimately controlled by a foreign investor may be permitted to continue following approval by MOFCOM after taking into account a number of consideration including, without limitation, the identity (whether PRC investor or foreign investor) of the Actual Controller.

Taking into account the facts that the consultation stage for public comment of the Draft for Comment ended in February 2015 and a number of legislative stages have to be undergone before the promulgation and implementation of the New Foreign Investment Law, and the Directors consider that proper arrangement has been made at this stage to mitigate against the risk to the minimal extent that, following the closing of the Acquisition, the business under the ZhongFu Structured Contracts may become non-compliant with the Draft for Comment.

#### **Three Options Proposed for the Treatment of the Existing VIE Structure under the Notes**

As mentioned above, with respect to investment arrangement through VIE structure before the Draft for Comment taking effect, if the relevant investment still falls within restricted or prohibited industries for foreign investment as and when the Draft for Comment effect, it will be subject to (i) reporting; (ii) verification; or (iii) access permission requirement. Based on the Draft for Comment and the Notes, a VIE structure which is ultimately controlled by a PRC investor may be permitted to continue following reporting to, verification or access permission by MOFCOM, while a VIE structure which is ultimately controlled by a foreign investor may be permitted to continue following approval by MOFCOM after taking into account a number of consideration including, without limitation, the identity (whether PRC investor or foreign investor) of the Actual Controller. The Company will comply with the disclosure requirements under paragraph 20 of Guidance Letter 77-14 issued by the Stock Exchange to keep the Shareholders informed of the VIE Group's business in the Company's annual reports.

由於國務院並未正式頒佈草案徵求意見稿及並無根據草案徵求意見稿制定或頒佈負面清單，因此，未能確定可變權益實體集團之業務(包括經營手機遊戲業務)是否將屬於負面清單之受限制名單或禁止名單。根據草案徵求意見稿及說明目前之內容，就於新外國投資法生效前透過可變權益實體結構之投資安排而言，倘相關投資仍屬於外國投資之受限制或禁止行業(如上文所述)，其將須遵守(i)申報；(ii)核查；或(iii)准入的規定。

現時尚未確定，三個可能制度當中，哪一個最終會於新外國投資法採用。根據草案徵求意見稿及說明，最終由中國投資者控制之可變權益實體結構在向商務部申報、獲商務部核查或授予准入後可繼續經營，而最終由外國投資者控制之可變權益實體結構經商務部批准並考慮多個因素(包括但不限於實際控制人之身份(不論為中國投資者或外國投資者))後可繼續經營。

考慮到草案徵求意見稿之公眾意見諮詢階段於二零一五年二月完結及多個立法階段須於頒佈及實行新外國投資法前進行，董事認為，已於此階段作出合適安排，以將風險降至最低程度，以令收購事項完成後中服結構性合約項下之業務可符合草案徵求意見稿。

#### **建議根據說明處理現有可變權益實體結構之三項選擇權**

如上文所述，就於草案徵求意見稿生效前透過可變權益實體結構之投資安排而言，倘相關投資仍屬於外國投資之受限制或禁止行業範疇，當草案徵求意見稿生效後，其將須遵守(i)申報；(ii)核查；或(iii)准入規定。根據草案徵求意見稿及說明，最終由中國投資者控制之可變權益實體結構在向商務部申報、核查或授予准入後可繼續經營，而最終由外國投資者控制之可變權益實體結構經商務部批准並考慮多個因素(包括但不限於實際控制人之身份(不論為中國投資者或外國投資者))後可繼續經營。本公司將遵守聯交所發出之指引函件77-14第20段之披露規定，於本公司年報中確保股東知悉可變權益實體集團之業務。

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Further details of the risks relating to ZhongFu Structured Contracts are also set out in the announcement of the Company dated 18 December 2015.

### INTERNAL CONTROL MEASURES TO BE IMPLEMENTED BY THE GROUP

The ZhongFu Structured Contracts contained certain provisions in order to exercise effective control over and to safeguard the assets of Hangzhou Saidian Technology. In addition to the internal control measures as provided in the ZhongFu Structured Contracts, it is the intention of the Company, following completion of the Sale and Purchase Agreement, to implement, through Hangzhou Saidian Information, additional internal control measures against Hangzhou Saidian Technology as appropriate, having regard to the internal control measures adopted by the Group from time to time, which may include but not limited to:

#### Management controls

- (i) The Group will appoint a board representative (the "Representative") to the board of Hangzhou Saidian Technology. The Representative is required to conduct reviews on the operations of Hangzhou Saidian Technology and shall submit the reviews to the Board. The Representative is also required to check the authenticity of the monthly management accounts of Hangzhou Saidian Technology;
- (ii) The Representative shall establish a team to be funded by the Group who shall station at Hangzhou Saidian Technology and shall be actively involved in various aspects of the daily managerial and operational activities of Hangzhou Saidian Technology;
- (iii) Upon receiving notification of any major events of Hangzhou Saidian Technology by the Representative, the registered shareholders of Hangzhou Saidian Technology must report to the company secretary of the Company (the "Company Secretary"), who must in turn report to the Board;
- (iv) The Company Secretary shall conduct regular site visits to Hangzhou Saidian Technology and conduct personnel interviews quarterly and submit reports to the Board; and
- (v) All seals, chops, incorporation documents and all other legal documents of Hangzhou Saidian Technology must be kept at the office of Hangzhou Saidian Information.

有關中服結構性合約之風險之進一步詳情，亦載於本公司日期為二零一五年十二月十八日之公佈。

### 由本集團實施之內部控制措施

中服結構性合約包括若干條款以有效行使對杭州賽點科技之控制權及保障其資產。除由中服結構性合約提供之內部控制措施外，本公司之意向為於買賣協議完成後，在適當的情況下透過杭州賽典信息向杭州賽點科技實施額外內部控制措施，當中考慮到本集團不時採納之內部控制措施，該等措施包括但不限於：

#### 管理監控

- (i) 本集團將向杭州賽點科技董事會委任一名董事會代表（「代表」）。代表須視察杭州賽點科技之營運，並向董事會呈交視察報告。代表亦須檢查杭州賽點科技每月管理賬目是否真確；
- (ii) 代表須籌組團隊，費用由本集團支付，該團隊將駐守杭州賽點科技，並須積極參與杭州賽點科技之日常管理及經營活動多個範疇；
- (iii) 於接獲代表發出有關杭州賽點科技任何主要事件之通知後，杭州賽點科技之登記股東須向本公司之公司秘書（「公司秘書」）匯報，而公司秘書其後須向董事會匯報；
- (iv) 公司秘書將定期造訪杭州賽點科技，並每季進行實地視察，且向董事會呈交報告；及
- (v) 杭州賽點科技所有印章、印鑑、註冊文件及所有其他法律文件必須存放於杭州賽典信息辦事處。

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### 管理層討論和分析

#### Financial controls

- (i) The financial controller of the Company (the "FC") shall collect monthly management accounts, bank statements and cash balances and major operational data of Hangzhou Saidian Technology for review. Upon discovery of any suspicious matters, the FC must report to the Company Secretary, who shall in turn report to the Board;
- (ii) If the payment of the service fees from Hangzhou Saidian Technology to Hangzhou Saidian Information is delayed, the FC must meet with Hangzhou Saidian Technology's Shareholders to investigate, and should report any suspicious matters to the Board. In extreme cases, the registered shareholder(s) of Hangzhou Saidian Technology will be removed and replaced;
- (iii) Hangzhou Saidian Technology must submit copies of latest bank statements for every bank accounts of Hangzhou Saidian Technology within 15 days after each month end; and
- (iv) Hangzhou Saidian Technology must assist and facilitate the Company to conduct quarterly on-site internal audit on Hangzhou Saidian Technology.

#### Qualification Requirements

It is the Company's intention to unwind the Arrangements as discussed above and to hold all necessary and relevant licences for operation of its business subject to such relevant laws and regulations as soon as the law allows the business to operate without such Arrangements.

As a result of there being no applicable PRC laws, regulations or rules which provides clear guidance on the interpretation of the Qualification Requirements, the Company is currently unable to ascertain whether it is capable for fulfilling all requirements of the necessary licence and approval for online operations and conducting Value-added Telecommunications Businesses when the laws allow the Group to directly operate the business.

#### 財務監控

- (i) 本公司財務總監(「財務總監」)將每月收集杭州賽點科技之管理賬目、銀行月結單及現金結餘以及主要營運數據，以進行審閱。倘發現任何可疑事件，財務總監須向公司秘書匯報，而公司秘書其後須向董事會匯報；
- (ii) 倘杭州賽點科技延遲向杭州賽典信息支付服務費，財務總監須與杭州賽點科技之股東會面以進行調查，並須向董事會匯報任何可疑事件。在嚴重情況下，杭州賽點科技之登記股東將被罷免並由他人接任；
- (iii) 杭州賽點科技須於每月結束後15日內提交杭州賽點科技各銀行賬戶之最新銀行對賬單副本；及
- (iv) 杭州賽點科技須協助及配合本公司對杭州賽點科技進行季度實地內部審核。

#### 資格要求

本公司有意解除上文所討論之安排及於並無該等安排情況下可獲法律允許業務營運後儘快持有其業務營運之所有必要及相關許可證，惟須受有關法律及規例所限。

由於現時中國適用法律、法規或規則概無就資格要求之詮釋提供清晰指引，故本公司現時未能確定於法律允許本集團直接營運該業務時本公司是否有能力符合線上營運及進行增值電訊業務所需許可證及批准之所有條件。

## Management's Discussion and Analysis

### 管理層討論和分析

The Group has gradually commence and strengthen its overseas value-added telecommunications services business operations with a view to demonstrate a good track record for meeting the Qualification Requirements in due course once the restrictions on the percentage of foreign ownership in telecommunications services are removed in the PRC by then the Group can unwind the Arrangements, and acquire the entire equity of Huicong Construction, Beijing Zhixing Ruijing and Hangzhou Saidian Technology, respectively.

In 2014, the Group has established a subsidiary in Hong Kong, namely, HC Group (Hong Kong) Limited ("Hong Kong HC"). Hong Kong HC will be principally engaged in the construction and operation of the Group's new overseas platform in Hong Kong, with an aim to making such platform the overseas platform and provide an expanded and upgraded services for the existing customers of the Group. Such additional platform will allow the existing and future high-quality customers to display their products and services online. Making use of the Group's strong customer base and media resources, Hong Kong HC and its overseas platform will help Hong Kong and overseas buyers to locate qualified PRC suppliers and facilitate transactions between them. The Directors consider the Group possesses the necessary technics and operating experiences as well as strong internal resources to facilitate the operation of Hong Kong HC with its overseas platform. Currently, Hong Kong HC is the registrant of the domain name "hc360.com.hk" and the Group has launched the construction of the Group's new overseas platform and expects to commit not less than HK\$2 million to the development and operation of the new overseas platform. Such financial commitment shall include, but not limited to, the establishment of the server, network services, staff costs and marketing costs. More financial resources will be committed by the Group according to the business needs of the new overseas platform.

As at the date of this report, the Group had completed the establishment of overseas platform (www.hc360.com.hk). The platform had gone online and entered into the trial operation stage. Hong Kong HC had formally operate the overseas platform in 2016. The Group will continue to input relevant resources to expand the overseas platform business.

本集團已逐步開展及加強其海外增值電信服務業務營運，展示良好往績記錄以於適當時候符合資格要求，以於中國一旦解除對外商於電信服務之擁有權百分比之限制時，本集團即可解除該等安排及分別收購慧聰建設、北京知行銳景及杭州賽點科技全部股權。

於二零一四年，本集團已於香港成立一家附屬公司 HC Group (Hong Kong) Limited (「Hong Kong HC」)。Hong Kong HC將主要從事建設及營運本集團之香港新海外平台，旨在令該平台成為海外平台及為本集團現有客戶提供已擴展及已升級服務。該新設平台讓現有及未來優質客戶於線上展示其產品及服務。為善用本集團強大之客戶基礎及媒體資源，Hong Kong HC及其海外平台將協助香港及海外買家物色合資格之中國供應商，並促成彼等間之交易。董事認為，本集團具備所需技術及營運經驗，加上充裕之內部資源，足以促進經營Hong Kong HC及其海外平台。目前，Hong Kong HC為域名(「hc360.com.hk」)之註冊人，而本集團亦已動工建設其新海外平台，並預期投放不少於200萬港元以發展及營運該新海外平台。該財務承諾須包括但不限於，建立伺服器、網絡服務、員工成本及營銷成本。本集團將根據新海外平台之業務需要投入更多財務資源。

截至本報告日期，本集團已完成海外平台(www.hc360.com.hk)的建設。Hong Kong HC於二零一六年正式運營該海外平台。本集團將繼續投入相關資源，拓展海外平台的業務。

## Management's Discussion and Analysis 管理層討論和分析

### DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF HUIJIA YUANTIAN LIMITED INVOLVING ISSUE OF CONVERTIBLE BONDS

On 13 January 2017, the Company entered into a sale and purchase agreement (“Huijia SPA”) with Mu Hao Holdings Limited, Hong Rui Technology Holdings Limited, Chance Technology Co. Ltd and Vanguard Technology Holdings Limited (together the “Huijia Sellers”) and Mr. Zou Kai (鄒凱), Mr. Hong Chaoran (洪超然), Ms. Wang Fei (王菲) and Mr. Sun Yi (孫毅) (together the “Huijia Seller Guarantors”) to acquire the entire equity interest of Huijia Yuantian Limited at a total consideration of HK\$409,090,909 (equivalent to RMB360,000,000). Part of the consideration in the amount of HK\$184,090,909 (equivalent to RMB162,000,000) was settled by cash, while the remaining portion was settled by issuance and allotment of convertible bonds in the aggregate principal amount of HK\$225,000,000 (equivalent to RMB198,000,000) (subject to adjustments).

The transaction had been completed on 3 February 2017 in accordance with the terms of the Huijia SPA. Please refer to the announcements of the Company dated 13 January 2017 and 3 February 2017 for further details.

### TERMINATION DEED IN RELATION TO A CONNECTED TRANSACTION OF THE COMPANY

On 20 January 2017, the Company has entered into a termination deed with Mr. Liu Xiaodong (the “Termination Deed”), pursuant to which, the Company and Mr. Liu Xiaodong mutually agreed to terminate the subscription agreement dated 9 December 2015 (“Subscription Agreement”) on the part of the Company and Mr. Liu Xiaodong only and in accordance with relevant clauses in the Subscription Agreement. With effect from the Termination Deed, Mr. Liu Xiaodong ceased to subscribe for the convertible bonds with a principal amount of HK\$120,000,000, and neither the Company nor Mr. Liu Xiaodong shall have any claim or action against each other in connection with the Subscription Agreement. The Board considered that the Termination Deed has no material adverse impact on the business operations and financial position of the Group.

For details, please refer to the Company's announcements dated 9 December 2015, 30 December 2015, 29 February 2016, 1 April 2016, 26 May 2016 and 20 January 2017 and the circular of the Company dated 12 January 2016.

### 有關收購慧嘉元天全部已發行股本並涉及發行可換股債券之須予披露交易

於二零一七年一月十三日，本公司及 Mu Hao Holdings Limited、Hong Rui Technology Holdings Limited、Chance Technology Co. Ltd 及 Vanguard Technology Holdings Limited (統稱「慧嘉賣方」) 與鄒凱先生、洪超然先生、王菲女士及孫毅先生 (統稱「慧嘉賣方擔保人」) 訂立股份買賣協議 (「慧嘉買賣協議」) 以收購慧嘉元天之全部股權，總代價為 409,090,909 港元 (相當於人民幣 360,000,000 元)。代價部分金額 184,090,909 港元 (相當於人民幣 162,000,000 元) 由現金償付，而餘下部分則透過發行及配發本金總額為 225,000,000 港元 (相當於人民幣 198,000,000 元) 之可換股債券 (可予調整) 之方式償付。

該交易已根據慧嘉買賣協議條款於二零一七年二月三日完成。有關進一步詳情，請參閱本公司日期為二零一七年一月十三日及二零一七年二月三日之公佈。

### 有關本公司關連交易之終止契據

於二零一七年一月二十日，本公司與劉小東先生訂立終止契據 (「終止契據」)，據此，本公司與劉小東先生共同協定，按照認購協議之相關條款，僅終止日期為二零一五年十二月九日之認購協議 (「認購協議」) 內有關本公司與劉小東先生之部分。自終止契據生效起，劉小東先生不再認購本金額為 120,000,000 港元之可換股債券，且本公司與劉小東先生均不得就認購協議向對方提出任何索償或採取任何行動。董事會認為，終止契據對本集團之業務營運及財務狀況並無重大不利影響。

有關詳情，請參閱本公司日期為二零一五年十二月九日、二零一五年十二月三十日、二零一六年二月二十九日、二零一六年四月一日、二零一六年五月二十六日及二零一七年一月二十日之公佈及本公司日期為二零一六年一月十二日之通函。



## Management's Discussion and Analysis 管理層討論和分析

### FULFILLMENT OF THE PERFORMANCE TARGET OF ZHEJIANG ZHONGFU FOR THE YEAR ENDED 31 DECEMBER 2016

Pursuant to the Zhongfu SPA entered into between Zhongfu Sellers, Zhongfu Seller Guarantors and the Company, the Company has conditionally agreed to acquire the entire issued share capital of ZhongFu Holdings Limited, for an aggregate consideration of HK\$170,807,500 (subject to downward adjustments) to be settled at completion by way of (i) cash; and (ii) issuance and allotment of the convertible bonds (the "Zhongfu CBs") (subject to downward adjustments). HK\$100,712,500 of the consideration (being the aggregate principal amount of the allotment and issue of the Zhongfu CBs) is subject to downward adjustments on the basis of a yearly target amount of RMB10,000,000, RMB13,000,000 and RMB16,900,000 of the audited consolidated distributable profit (after-tax) of Zhejiang Zhongfu for the year ended 31 December 2016, 2017 and 2018 respectively.

According to the audited consolidated financial statement of Zhejiang Zhongfu for the year ended 31 December 2016 dated 28 March 2017, the audited consolidated distributable profit (after-tax) of Zhejiang Zhongfu for the year ended 31 December 2016 exceeds RMB10,000,000. Accordingly, the relevant performance target for the first year has been met, and the Zhongfu Sellers shall convert the Zhongfu CBs in the principal amount of HK\$40,427,500 into ordinary shares of the Company (the "Shares") at the conversion price of HK\$10.00 per Share. Accordingly, a total of 4,042,750 Shares had been allotted and issued to the Zhongfu Sellers.

For details, please refer to the announcements of the Company dated 18 December 2015, 8 January 2016 and 28 March 2017.

### 浙江中服達成截至二零一六年十二月三十一日止年度之履約目標

根據中服賣方、中服賣方擔保人與本公司訂立之中服買賣協議，本公司已有條件同意收購ZhongFu Holdings Limited之全部已發行股本，總代價為170,807,500港元(可予下調)，且有關代價將於完成時透過(i)現金；及(ii)發行及配發可換股債券(「中服可換股債券」)(可予下調)之方式償付。代價之100,712,500港元(即配發及發行中服可換股債券之本金總額)須按浙江中服分別於截至二零一六年、二零一七年及二零一八年十二月三十一日止年度之經審計綜合可供分派溢利(除稅後)之年度目標金額人民幣10,000,000元、人民幣13,000,000元及人民幣16,900,000元之基準予以下調。

根據日期為二零一七年三月二十八日之浙江中服截至二零一六年十二月三十一日止年度之經審計合併財務報表，浙江中服截至二零一六年十二月三十一日止年度之經審計綜合可供分派溢利(除稅後)超過人民幣10,000,000元。因此，首個年度之相關履約目標已告達成，而中服賣方將按換股價每股10.00港元轉換本金額為40,427,500港元之中服可換股債券為本公司普通股(「股份」)。因此，中服賣方將獲配發及發行合共4,042,750股股份。

有關詳情，請參閱本公司日期為二零一五年十二月十八日、二零一六年一月八日及二零一七年三月二十八日之公佈。

## Management's Discussion and Analysis 管理層討論和分析

### FULFILLMENT OF THE PERFORMANCE TARGET OF ORANGE TRIANGLE INC., ORANGE (HK), ORANGE BEIJING AND BEIJING ZHIXING RUIJING FOR THE YEAR ENDED 30 JUNE 2017

Pursuant to a sale and purchase agreement dated 8 May 2015 entered into between NAVI-IT LIMITED (the "Orange Seller"), Mr. Liu Xiaodong (劉小東), Ms. Wang Qian (王倩), Mr. Shi Shilin (施世林) and Ms. Yang Ye (楊葉) (the "Orange Seller Guarantors") and the Company (the "Orange SPA"), the Company has conditionally agreed to acquire the entire issued share capital of Orange Triangle Inc. at a consideration of US\$ equivalent amount of RMB1,500,000,000. Pursuant to the Orange SPA, 70% of the consideration (i.e. the US\$ equivalent amount of RMB1,050,000,000) shall be settled by the allotment and issuance of 155,684,485 Shares at HK\$8.5 per Share (the "Consideration Shares"), subject to downward adjustments, among other things, on the basis of a yearly target amount of RMB100,000,000, RMB130,000,000 and RMB170,000,000 of after-tax profit of Beijing Zhixing Ruijing for each of three years from the first day of the month in which completion takes place.

According to the audited financial information of Beijing Zhixing Ruijing for the year ended 30 June 2017 issued by the Company's auditor on 28 August 2017, the after-tax profit of Beijing Zhixing Ruijing for the year ended 30 June 2017 exceeds RMB130,000,000. Accordingly, the relevant performance target of Beijing Zhixing Ruijing for the second year has been met and the Orange Seller Guarantors or their designated persons will not be required to compensate the Company. The Company and each Orange Seller Guarantor or their designated person shall jointly instruct the escrow agent, as the case may be, to release 44,479,057 Consideration Shares as agreed and all dividends attached to such Consideration Shares to the relevant Orange Seller Guarantor or its designated person pursuant to the terms of the Orange SPA.

For details, please refer to the announcements of the Company dated 8 May 2015, 2 June 2015 and 28 August 2017, and the circular of the Company dated 4 June 2015.

### ORANGE TRIANGLE INC.、ORANGE (HK)、ORANGE BEIJING及北京知行銳景達成截至二零一七年六月三十日止年度之履約目標

根據NAVIIT LIMITED(「Orange賣方」)以及劉小東先生、王倩女士、施世林先生及楊葉女士(「Orange賣方擔保人」)與本公司所訂立日期為二零一五年五月八日之買賣協議(「Orange買賣協議」)，本公司已有條件同意收購Orange Triangle Inc.之全部已發行股本以相當於人民幣1,500,000,000之等值美元代價。根據Orange買賣協議，代價之70%(即相當於人民幣1,050,000,000元之等值美元)須透過按每股8.5港元配發及發行155,684,485股(可予下調)股份(「代價股份」)償付，下調基準為(其中包括)按於完成後第一個月之首日起計三個年度各年之北京知行銳景除稅後溢利之年度目標金額人民幣100,000,000元、人民幣130,000,000元及人民幣170,000,000元。

根據本公司核數師於二零一七年八月二十八日所發出北京知行銳景截至二零一七年六月三十日止年度之經審核財務資料，北京知行銳景截至二零一七年六月三十日止年度之除稅後溢利超過人民幣130,000,000元。因此，北京知行銳景於第二個年度之相關履約目標已告達成，而Orange賣方擔保人或其指定人士毋須對本公司作出補償。本公司及各Orange賣方擔保人或其指定人士須共同指示託管代理(視情況而定)根據Orange買賣協議之條款向相關Orange賣方擔保人或其指定人士發放經協定之44,479,057股代價股份及該等代價股份附帶之全部股息。

有關詳情，請參閱本公司日期為二零一五年五月八日、二零一五年六月二日及二零一七年八月二十八日之公佈以及本公司日期為二零一五年六月四日之通函。

## Management's Discussion and Analysis 管理層討論和分析

### MAJOR AND CONNECTED TRANSACTION – ACQUISITION OF THE REMAINING EQUITY INTERESTS IN CHONGQING DIGITAL CHINA HUICONG MICRO-CREDIT CO., LTD AND DIGITAL CHINA'S SUBSCRIPTION OF THE COMPANY'S NEW SHARES UNDER A SPECIFIC MANDATE

On 19 May 2017, the Company, Digital China Holdings Limited (“Digital China”, a company listed on the Main Board of the Stock Exchange (stock code: 00861), and a substantial shareholder of the Company), Beijing Huicong Internet Information Technology Co., Ltd\* (北京慧聰互聯信息技術有限公司) (“Beijing Huicong Internet”, a wholly-owned subsidiary of the Company) (as purchaser) and Digital China Investments Limited\* (神州投資有限公司) (“Digital China Investments”, an indirectly wholly-owned subsidiary of Digital China) (as vendor) entered into a formal sale and purchase agreement (the “Formal SPA”) in relation to the acquisition of the remaining 60% equity interest (the “Sale Shares”) in Chongqing Digital China Huicong Micro-Credit Co., Ltd\* (重慶神州數碼慧聰小額貸款有限公司) (“Micro-Credit”) as contemplated under a framework agreement entered into between Digital China and the Company on 24 April 2017 (the “Acquisition”).

Micro-Credit is a company established in the PRC and is indirectly owned as to 40% by the Company and 60% by Digital China through their respective wholly-owned subsidiaries. The Acquisition will enhance the development and expansion potential of the Group's financial service cluster by providing more comprehensive services to small and medium size corporate customers in respect of supply chain and transaction funds etc.

Pursuant to the Formal SPA, Beijing Huicong Internet has conditionally agreed to purchase and Digital China Investments has conditionally agreed to sell the Sale Shares for a consideration of RMB1,083,637,320 (equivalent to HK\$1,227,000,000) (the “Consideration”). The Consideration is to be settled in cash by Beijing Huicong Internet within six months after the execution of the first equity transfer agreement to be executed between Beijing Huicong Internet and Digital China Investments in respect of the Acquisition.

Digital China has undertaken that upon Beijing Huicong Internet transferring any part of the Consideration to Digital China Investments in the PRC, Digital China will within 10 business days pay a sum equal to the said part of the Consideration to the Company in Hong Kong to subscribe for the new shares to be allotted and issued by the Company to Digital China or its designated wholly-owned subsidiary (the “Subscription”) pursuant to the Formal SPA at the issue price of HK\$7.0 each (the “New Shares”).

Upon the Purchaser paying the whole Consideration, a total of 175,285,714 New Shares shall be subscribed by Digital China or its designated wholly-owned subsidiary.

### 主要及關連交易－收購重慶神州數碼慧聰小額貸款有限公司剩餘股本權益及神州數碼根據特別授權認購本公司新股份

於二零一七年五月十九日，本公司、神州數碼控股有限公司(「神州數碼」，一家於聯交所主板上市公司(股份代號：00861)，為本公司主要股東)、本公司全資附屬公司北京慧聰互聯信息技術有限公司(「北京慧聰互聯」，作為買方)，及由神州數碼間接全資附屬公司神州投資有限公司(「神州數碼投資」，作為賣方)就有關收購重慶神州數碼慧聰小額貸款有限公司(「小額貸款」)正式買賣協議(「正式買賣協議」)，內容有關根據神州數碼與本公司於二零一七年四月二十四日訂立之框架協議擬進行之剩餘60%股權(「銷售股份」)收購(「收購事項」)。

小額貸款為於中國成立之公司，其由本公司及神州數碼透過彼等各自之全資附屬公司分別間接擁有40%及60%之權益。收購事項將透過向中小企業客戶提供供應鏈及交易資金等方面之更全面服務，提升本集團金融服務群組之開發及擴充潛力。

根據正式買賣協議，北京慧聰互聯網已有條件同意購買，而神州數碼投資已有條件同意以人民幣1,083,637,320元代價(相當於1,227,000,000港元)(「代價」)出售銷售股份。該代價將由北京慧聰互聯網於北京慧聰互聯網及神州數碼就收購事項簽立首份股份轉讓協議後六個月內以現金償付。

神州數碼已承諾，於北京慧聰互聯網在中國轉讓代價任何部分予神州數碼投資後，神州數碼將於十個工作天內於香港支付等於所述部分代價之金額予本公司，以根據買賣協議按發行價每股7.0港元認購本公司向神州數碼或其指定全資附屬公司(「認購事項」)配發或發行的新股份(「新股份」)。

買方悉數支付代價後，神州數碼或其指定全資附屬公司須認購合共175,285,714股新股份。

## Management's Discussion and Analysis 管理層討論和分析

The Acquisition constituted a major transaction of the Company. As Digital China is a substantial shareholder of the Company, the Acquisition and the Subscription constituted connected transactions of the Company. Completion to the above transactions are subject to the fulfilment of the conditions precedent as set out in the Formal SPA and the equity transfer agreement(s) to be executed between Beijing Huicong Internet and Digital China Investments in respect of the Acquisition in one batch or in stages as required by laws and regulations of People's Republic of China.

On 14 July 2017, the ordinary resolutions in relation to the Acquisition and the Subscription as set out in the notice of extraordinary general meeting dated 27 June 2017 were duly passed by the shareholders of the Company.

On 2 November 2017, 重慶市人民政府金融工作辦公室 (Chongqing Municipal People's Government Financial Affairs Office\*) has approved the transfer of 30% equity interest in Micro-Credit (the "Equity Transfer") from Digital China Investments to Beijing Huicong Internet. On 15 November 2017, the Purchaser had settled the consideration for the Equity Transfer of RMB541,818,660 ("First Consideration"). The amount of the First Consideration was ratified in a supplemental agreement entered into between the Purchaser and the Vendor on 10 November 2017 where reference to the First Consideration in the first Equity Transfer Agreement dated 25 October 2017, being HK\$613,500,000 in RMB equivalent at an exchange rate of 0.88316, should be RMB541,818,660 instead of RMB541,866,000.

On 17 November 2017, the Company had received the subscription money from Digital China and had allotted and issued a total of 87,642,857 New Shares for the First Subscription to Talent Gain Developments Limited, a designated nominee and wholly-owned subsidiary of Digital China. Immediately after completion of the First Subscription, Digital China and its associates held an aggregate of approximately 23.37% of the issued shares of the Company.

Further details of the Acquisition and the Subscription are set out in the announcements of the Company dated 17 August 2016, 24 April 2017, 19 May 2017 and 15 November 2017 and the circular of the Company dated 27 June 2017.

收購事項構成本公司之主要交易。因神州數碼為本公司主要股東，故收購事項及認購事項構成本公司之關連交易。上述交易須待由北京慧聰互聯網與神州數碼投資根據中華人民共和國法律及法規所規定就一次性或分階段進行收購事項將簽立之正式買賣協議及股權轉讓協議所載先決條件獲達成後方告完成。

於二零一七年七月十四日，就日期為二零一七年六月二十七日之股東特別大會通告所載有關收購事項及認購事項之普通決議案獲本公司股東正式通過。

於二零一七年十一月二日，重慶市人民政府金融工作辦公室已批准神州數碼投資向北京慧聰互聯網轉讓小額貸款30%股本權益（「股權轉讓」）。於二零一七年十一月十五日，買方已清償股權轉讓之代價人民幣541,818,660元（「首項代價」）。首項代價之金額已於經買方與賣方於二零一七年十一月十日訂立之補充協議所追認，當中提述於日期為二零一七年十月二十五日訂立之首份股權轉讓協議內之首項代價（即按0.88316之匯率換算等值為613,500,000港元的人民幣）應為人民幣541,818,660元，而非人民幣541,866,000元。

於二零一七年十一月十七日，本公司已收取神州數碼之首次認購款項，並已就認購事項配發及發行總計87,642,857股新股份予神州數碼之指定代名人及全資附屬公司Talent Gain Developments Limited。緊隨首次認購事項完成後，神州數碼及其聯營公司持有本公司已發行股份約23.37%。

有關收購事項及認購事項進一步詳情載於本公司日期為二零一六年八月十七日、二零一七年四月二十四日、二零一七年五月十九日及二零一七年十一月十五日以及本公司日期為二零一七年六月二十七日通函內。內。

## Management's Discussion and Analysis 管理層討論和分析

### CHANGE IN BOARD LOT SIZE

With effect from 28 September 2017, the board lot size of the Shares for trading on the Stock Exchange has been changed from 2,000 Shares to 500 Shares. For details, please refer to the Company's announcement dated 7 September 2017.

### GRANT OF SHARE OPTIONS

On 13 October 2017, the Board has resolved to conditionally grant 29,930,000 share options under the Company's share option scheme adopted on 22 May 2015 at an exercise price of HK\$6.476 per Share to Mr. Liu Jun, an executive Director, entitling him to subscribe for 29,930,000 Shares, subject to the independent shareholders' approval. The said grant has been approved by the Company's independent shareholders' at an extraordinary general meeting held on 8 December 2017.

For details of the share options granted to Mr. Liu Jun, please refer to the announcements of the Company dated 13 October 2017, 20 November 2017 and 8 December 2017 and the circular of the Company dated 20 November 2017.

### RE-DESIGNATION OF DIRECTORS AND CHANGES IN THE IMPORTANT FUNCTIONS OF DIRECTORS

With effect from 18 October 2017, (a) Mr. Guo Fansheng has been redesignated as a non-executive Director and resign as the chairman of the Board, the chairman of the nomination committee ("Nomination Committee"), authorised representative ("Authorised representative") and the compliance officer ("Compliance Officer") of the Company; (b) Mr. Guo Jiang has resigned as the chief executive officer of the Company ("Chief Executive Officer"), and has been appointed as the chairman of the Board, the chairman of the Nomination Committee and the Compliance Officer; and (c) Mr. Liu Jun has been appointed as the Chief Executive Officer and the Authorised Representative.

### PARTIAL REDEMPTION OF THE HK\$780,000,000 5.00 PER CENT. CONVERTIBLE BONDS DUE 2019

The Company had issued convertible bonds with an initial aggregate principal amount of HK\$780,000,000 ("Bonds") due 2019 pursuant to a subscription agreement dated 20 November 2014. A principal amount of HK\$728,400,000 of the Bonds had been fully redeemed and cancelled on 27 November 2017, and the outstanding amount due by the Company under the Bonds is HK\$51,600,000. For details, please refer to the announcements of the Company dated 20 November 2014, 27 November 2014 and 21 November 2017.

### 更改每手買賣單位

股份於聯交所買賣之每手單位已由2,000股股份更改為500股股份，自二零一七年九月二十八日起生效。有關詳情，請參閱本公司日期為二零一七年九月七日之公佈。

### 授出購股權

於二零一七年十月十三日，董事會決議根據本公司於二零一五年五月二十二日採納的購股權計畫有條件按6.476港元行使價授出29,930,000股購股權予本公司執行董事劉軍先生，賦予其認購29,930,000股股份的權利(須待獨立股東批准)。上述授出購股權已於二零一七年十二月八日於股東特別大會上獲本公司獨立股東批准。

有關授予劉軍先生購股權進一步詳情，請參閱本公司日期為二零一七年十月十三日、二零一七年十一月二十日及二零一七年十二月八日之公佈以及本公司日期為二零一七年十一月二十日的函函。

### 董事調任及董事重要職能的變動

(a)郭凡生先生已調任為非執行董事，並已辭任本公司董事會主席、提名委員會(「提名委員會」)主席、授權代表(「授權代表」)及監察主任(「監察主任」)；(b)郭江先生已辭任本公司行政總裁(「行政總裁」)，並已獲委任為董事會主席、提名委員會主席兼監察主任；及(c)劉軍先生已獲委任為行政總裁兼授權代表，自二零一七年十月十八日起生效。

### 贖回部分於二零一九年到期之780,000,000港元之5.00%可換股債券

本公司已根據日期為二零一四年十一月二十日之認購協議發行於二零一九年到期之初始本金總額為780,000,000港元之可換股債券(「債券」)。債券之本金額728,400,000港元已於二零一七年十一月二十七日悉數贖回及取消，而本公司於債券項下應付之尚未償還金額為51,600,000港元。有關詳情，請參閱本公司日期為二零一四年十一月二十日、二零一四年十一月二十七日及二零一七年十一月二十一日之公佈。

## Management's Discussion and Analysis 管理層討論和分析

### CHANGE OF INDEPENDENT NON-EXECUTIVE DIRECTOR AND MEMBERS OF COMMITTEES OF THE BOARD

With effect from 30 November 2017, (a) Mr. Tang Jie has resigned as an independent non-executive Director and members of the audit committee ("Audit Committee") and the remuneration committee ("Remuneration Committee") of the Company; and (b) Ms. Qi Yan has been appointed as an independent non-executive Director and members of the Audit Committee and the Remuneration Committee.

### CAPITAL STRUCTURE

During the year ended 31 December 2017, 474,000 Shares were issued upon the exercise of share options under the share option scheme of the Company.

On 8 May 2017, 4,042,750 Shares had been allotted and issued to the Zhongfu Sellers pursuant to the formal sale and purchase agreement dated 18 December 2015.

On 17 November 2017, 87,642,857 Shares were issued pursuant to the formal sale and purchase agreement dated 19 May 2017 (details of which are set out in the Company's circular dated 27 June 2017).

During the year ended 31 December 2016, 12,290,000 Shares were repurchased pursuant to the general mandate to repurchase shares and 5,990,000 Shares had been cancelled. The remaining 6,300,000 Shares had been cancelled on 17 February 2017.

During the year ended 31 December 2017, 4,844,000 Shares were repurchased pursuant to the general mandate to repurchase shares and 4,844,000 shares had been cancelled.

The total number of issued shares of the Company was 1,085,323,710 as at 31 December 2017 (2016:1,004,308,103).

### 獨立非執行董事及董事委員會成員變動

(a) 湯捷先生已辭任本公司獨立非執行董事以及審核委員會(「審核委員會」)及薪酬委員會(「薪酬委員會」)成員；及(b) 祁燕女士獲委任獨立非執行董事以及審核委員會及薪酬委員會成員，自二零一七年十一月三十日起生效。

### 資本結構

截至二零一七年十二月三十一日止年度，474,000股股份已根據行使本公司購股權計劃項下之購股權獲發行。

於二零一七年五月八日，4,042,750股股份已根據日期為二零一五年十二月十八日之正式買賣協議配發及發行予中服賣方。

於二零一七年十一月十七日，87,642,857股股份已根據日期為二零一七年五月十九日之正式買賣協議(有關詳情載於本公司日期為二零一七年六月二十七日之通函)發行。

截至二零一六年十二月三十一日止年度，12,290,000股股份已根據購回股份之一般授權獲購回，而5,990,000股股份已予註銷。餘下6,300,000股股份已於二零一七年二月十七日註銷。

截至二零一七年十二月三十一日止年度，4,844,000股股份已根據購回股份之一般授權獲購回，而4,844,000股份已予註銷。

於二零一七年十二月三十一日，本公司已發行股份總數為1,085,323,710股(二零一六年：1,004,308,103股)。

## Management's Discussion and Analysis 管理層討論和分析

### STAFF AND REMUNERATION

The success of the Group depends on the skills, motivation and commitment of its staff. As at 31 December 2017, the total number of Group's employees was 2,578, among which 1,147 were employed in the Sales and Marketing Division, 313 were employed in the Editorial Division, 391 were employed in the Information Technology Division and the remaining were employed in other divisions of the Group.

Remuneration of employees is generally in line with the market trend and commensurate with the salary level in the industry, with share options granted to employees based on individual performance. Other benefits to the Group's employees include medical insurance, retirement schemes, training programmes and educational subsidies.

### CHARGES ON GROUP ASSETS

As at 31 December 2017, part of the bank borrowings, amounting to RMB507,376,000 are secured by certain properties and land use right. Part of the other borrowings, amounting to RMB255,000,000 are secured by certain loans receivable.

### EXCHANGE RISK

As the Group's operations are principally in the PRC and majority of the assets and liabilities of the Group are denominated in RMB, the Directors believe that the Group is not subject to significant exchange risk.

### CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no contingent liability (2016: Nil).

### SUBSEQUENT EVENTS

#### Change of head office and principal place of business in the People's Republic of China

With effect from 1 January 2018, the address of the Company's head office and principal place of business in the PRC have been changed to 7/F, Tower A1, Junhao Central Park Plaza, No. 10 Chaoyang Park South Road, Chaoyang District, Beijing 100026.

### 員工及薪酬

本集團之成功，有賴於本集團員工所擁有之技能、拼勁及承諾。於二零一七年十二月三十一日，本集團共僱用2,578名僱員，當中1,147名屬於銷售及市場推廣部；313名屬於編輯部；391名屬於資訊科技部，剩餘僱員屬於本集團其他部門。

僱員薪酬大致上符合市場趨勢，並與業內薪金水平相符，而授予僱員之購股權則視乎個別僱員表現而定。本集團僱員可享受其他福利，包括醫療保險、退休計劃、培訓課程及教育津貼。

### 集團資產抵押

於二零一七年十二月三十一日，部分銀行借貸數額為人民幣507,376,000元，由若干物業及土地使用權作抵押。部分其他借貸為人民幣255,000,000元，由若干應收貸款作抵押。

### 匯兌風險

鑒於本集團業務主要位於中國，而本集團大部分資產及負債均以人民幣計量，董事認為本集團業務並無承受重大匯兌風險。

### 或然負債

於二零一七年十二月三十一日，本集團並無任何重大或然負債(二零一六年：無)。

### 期後事項

#### 總辦事處及於中華人民共和國之主要營業地點變動

本公司之總辦事處地址及於中國之主要營業地點已改為北京市朝陽區朝陽公園南路10號院駿豪中央公園廣場A1樓7層(100026)，自二零一八年一月一日起生效。

## Management's Discussion and Analysis 管理層討論和分析

### Subscription of new shares of the Company under general mandate in consideration of the Convertible Bonds

On 5 January 2018, the Company entered into the subscription agreements ("Exchange Subscription Agreements") with (i) the Zhongfu Sellers and (ii) the Huijia Sellers (collectively, the "Bondholders"), pursuant to which the Company agreed to allot 36,028,500 new shares ("Exchange Shares") in aggregate to each of the Bondholders in exchange for the surrender of the convertible bonds of the Company ("Convertible Bonds") issued to the Zhongfu Sellers and Huijia Sellers respectively pursuant to the Zhongfu SPA and the Huijia SPA which remain outstanding and unconverted as at 5 January 2018 (the "Exchange Shares Subscriptions"). The number of Exchange Shares allotted to each of the Zhongfu Sellers and the Huijia Sellers was calculated in accordance with the outstanding principal amount of the Convertible Bonds they are holding and the conversion price of HK\$10 per Share for Zhongfu Sellers or the conversion price of HK\$7.5 per Share for Huijia Sellers. Pursuant to the Exchange Subscription Agreement, the Exchange Shares allotted to the Bondholders will be put into custodian accounts and will only be released to the Bondholders upon ascertaining the level of fulfilment of the performance targets set out in the Exchange Subscription Agreement.

The total number of Exchange Shares under the Exchange Shares Subscriptions, being 36,028,500 Shares, represents approximately 3.32% of the issued share capital of the Company of 1,085,323,710 Shares as at 5 January 2018 and approximately 3.21% of the then issued share capital of 1,121,352,210 Shares as enlarged by the Exchange Shares Subscriptions. The aggregate nominal value of the Exchange Shares under the Exchange Shares Subscriptions was HK\$3,602,850. The Exchange Shares were allotted and issued pursuant to the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 26 May 2017.

The Exchange Shares were issued and allotted to the Bondholders on 16 January 2018 and the Convertible Bonds were cancelled accordingly.

### Change of Company name and chinese stock short name

To better reflect the existing corporate image for the Group, after the expansion and development of the Group over this decade, the Company has changed its name in Chinese from "慧聰網有限公司" to "慧聰集團有限公司", which is used for identification purposes only, with effect from 1 March 2018. Accordingly, the Chinese stock short name of the Company for trading of the Shares on the Stock Exchange has been changed from "慧聰網" to "慧聰集團" with effect from 9:00 a.m. on 6 March 2018.

### 根據一般授權認購本公司之新股份作為替可換股債券之代價

於二零一八年一月五日，本公司與(i)中服賣方及(ii)慧嘉賣方(統稱「債券持有人」)訂立認購協議，據此，本公司同意配發合計36,028,500股新股份(「兌換股份」)予各債券持有人，以換取交回分別根據中服買賣協議及慧嘉買賣協議發行予中服賣方及慧嘉賣方之本公司可換股債券(「可換股債券」)，該等可換股債券於二零一八年一月五日仍未償還及轉換(「兌換股份認購事項」)。配發予中服賣方及慧嘉賣方各自之兌換股份數目將根據彼等所持可換股債券之未償還金額以及給予中服賣方之轉換價每股10港元或給予慧嘉賣方之轉換價每股7.5港元計算得出。根據兌換認購協議，將配發予債券持有人之兌換股份將於託管賬戶存置，並僅在確定兌換認購協議所載履約目標達成程度後，方會向債券持有人發放。

兌換股份認購事項下兌換股份總數(即36,028,500股股份)相當於本公司於二零一八年一月五日1,085,323,710股股份之已發行股本約3.32%及經兌換股份認購事項而擴大之1,121,352,210股股份之當時已發行股本約3.21%。兌換股份認購事項下兌換股份之總面值為3,602,850港元。兌換股份根據股東於本公司在二零一七年五月二十六日舉行之股東週年大會上授予董事之一般授權配發及發行。

兌換股份於二零一八年一月十六日發行及配發予債券持有人，而可換股債券相應註銷。

### 更改公司名稱及股份之中文簡稱

經過此十年來之擴充及發展，為更能反映本集團現時的企業形象，本公司之中文名稱由「慧聰網有限公司」更改為「慧聰集團有限公司」(僅供識別)，自二零一八年三月一日起生效。因此，本公司於聯交所買賣本公司股份之中文簡稱將由「慧聰網」更改為「慧聰集團」，自二零一八年三月六日上午九時正起生效。



## Report of the Directors

### 董事會報告

The Directors submit their report together with the audited financial statements for the financial year ended 31 December 2017.

#### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 13 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities for the financial year ended 31 December 2017.

An analysis of the Group's performance for the financial year by business segment is set out in note 5 to the consolidated financial statements.

#### RESULTS AND APPROPRIATIONS

The results of the Group for the financial year are set out in the consolidated statement of comprehensive income on page 115.

The Directors do not recommend the payment of a final dividend for the year ended 31 December 2017.

#### RESERVES

Details of the movements in retained earnings of the Group during the financial year are set out on page 119.

Details of the movements in other reserves of the Group are set out in note 24 to the consolidated financial statements.

#### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 9 to the consolidated financial statements.

#### SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company are set out in note 23 to the consolidated financial statements.

#### DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2017, calculated under the Companies Law of Cayman Islands, amounted to approximately RMB2,470,373,000 (2016: RMB1,740,015,000).

#### 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 6 of this report.

董事會提呈其報告連同截至二零一七年十二月三十一日止財政年度之經審核財務報表。

#### 主要業務

本公司主要業務為投資控股。其主要附屬公司之業務載於合併財務報表附註13。截至二零一七年十二月三十一日止財政年度，本集團主要業務性質概無重大變動。

本集團於本財政年度內按業務分部劃分之表現分析載於合併財務報表附註5。

#### 業績及分派

本集團於本財政年度之業績載於第115頁之合併綜合收益表。

董事並不建議就截止二零一七年十二月三十一日止年度派付末期股息。

#### 儲備

本集團於本財政年度內之留存收益變動詳情載於第119頁。

本集團其他儲備之變動詳情載於合併財務報表附註24。

#### 物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於合併財務報表附註9。

#### 股本及購股權

本公司之股本及購股權變動詳情載於合併財務報表附註23。

#### 可供派發儲備

根據開曼群島公司法，本公司於二零一七年十二月三十一日之可供派發儲備約為人民幣2,470,373,000元(二零一六年：人民幣1,740,015,000元)。

#### 五年財務概要

本集團過去五個財政年度之業績以及資產及負債概要載於本報告第6頁。

## Report of the Directors 董事會報告

### DIRECTORS

The Directors who held office during the year and up to the date of this report were:

Mr. Guo Jiang (Chairman)	(appointed on 1 August 2006)
Mr. Liu Jun (Chief Executive Officer)	(appointed on 12 September 2016)
Mr. Lee Wee Ong (Chief Financial Officer)	(appointed on 9 September 2011 as an independent non-executive Director and re-designated as an executive Director on 1 July 2012)
Mr. Guo Fansheng <sup>Note1</sup>	(appointed on 21 March 2000 and re-designated as a non-executive Director on 18 October 2017)
Mr. Li Jianguang <sup>Note1</sup>	(appointed on 1 August 2006)
Mr. Wong Chi Keung <sup>Note1</sup>	(appointed on 12 September 2016)
Mr. Zhang Ke <sup>Note2</sup>	(appointed on 28 March 2003)
Mr. Zhang Tim Tianwei <sup>Note2</sup>	(appointed on 1 November 2011)
Mr. Tang Jie <sup>Note2</sup>	(appointed on 12 September 2016 and resigned on 30 November 2017)
Ms. Qi Yan <sup>Note2</sup>	(appointed on 30 November 2017)

Notes:

- 1 non-executive Directors
- 2 independent non-executive Directors

In accordance with Article 86 of the Company's articles of association ("Articles of Association"), Ms. Qi Yan will be subject to, and eligible offer himself for re-election at the forthcoming annual general meeting of the Company.

### 董事

本年度及直至本報告日期，在任董事如下：

郭江先生(主席)	(於二零零六年八月一日獲委任)
劉軍先生(行政總裁)	(於二零一六年九月十二日獲委任)
Lee Wee Ong先生 (首席財務官)	(於二零一一年九月九日獲委任為獨立非執行董事及於二零一二年七月一日調任為執行董事)
郭凡生先生 <sup>附註1</sup>	(於二零零零年三月二十一日獲委任及於二零一七年十月十八日調任為非執行董事)
李建光先生 <sup>附註1</sup>	(於二零零六年八月一日獲委任)
王自強先生 <sup>附註1</sup>	(於二零一六年九月十二日獲委任)
張克先生 <sup>附註2</sup>	(於二零零三年三月二十八日獲委任)
張天偉先生 <sup>附註2</sup>	(於二零一一年十一月一日獲委任)
湯捷先生 <sup>附註2</sup>	(於二零一六年九月十二日獲委任及於二零一七年十一月三十日辭任)
祁燕女士 <sup>附註2</sup>	(於二零一七年十一月三十日獲委任)

附註：

1. 非執行董事
2. 獨立非執行董事

根據本公司組織章程細則(「組織章程細則」)第86條，祁燕女士將須於本公司應屆股東周年大會上重選並合資格重選連任。

## Report of the Directors 董事會報告

In accordance with Article 87 of the Company's articles of association, Mr. Lee Wee Ong, Mr. Guo Fansheng, Mr. Li Jianguang will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company.

### DIRECTORS' PROFILE

The Directors' profile is set out on pages 16 to 21.

### DIRECTORS' SERVICE CONTRACTS

Each of Mr. Lee Wee Ong and Mr. Liu Jun has entered into a director's service contract with the Company, whereby each of them has accepted the appointment as an executive Director of the Company for a term of three years from 1 July 2015 and 12 September 2016 respectively, which may be terminated by either party giving three months' prior written notice or otherwise in accordance with the terms of their respective service contracts.

Each of the independent non-executive Directors, Mr. Zhang Ke, Mr. Zhang Tim Tianwei and Ms. Qi Yan has entered into a director's service contract with the Company, whereby each of them has accepted the appointment for a term of one year, and the service contracts shall be renewed automatically at the end of the term. Either party may terminate the service contract at any time by giving one month's prior written notice or in accordance with the terms of their respective service contracts. There is no service contract, which is not determinable by the Company within one year without payment of compensation (other than statutory compensation), in respect of any director proposed for re-election at the forthcoming annual general meeting.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed above and in note 29 and note 37 to the consolidated financial statements, no Director was materially interested, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its fellow subsidiaries and subsidiaries was a party subsisted at the end of the year or at any time during the year.

### DIRECTORS' AND SENIOR STAFF EMOLUMENTS

Details of Directors and senior staff emoluments for the year are set out in notes 36 and 37 to the consolidated financial statements.

The emoluments of the Directors and the senior staff are determined based on the operating results of the Group, individual performance and/or prevailing market conditions. The Company has also adopted the Share Option Scheme and the Share Award Scheme as an incentive to Directors and senior staff.

根據本公司組織章程細則第87條，Lee Wee Ong先生、郭凡生先生及李建光先生將於本公司應屆股東週年大會上退任，惟彼等合資格並願意重選連任。

### 董事簡介

董事簡介載於第16至21頁。

### 董事服務合約

Lee Wee Ong先生及劉軍先生已各自與本公司訂立董事服務合約，據此，彼等各自己同意獲委任為本公司執行董事，分別由二零一五年七月一日及二零一六年九月十二日起計為期三年，服務合約可由任何一方發出三個月事先書面通知或根據彼等各自服務合約條款予以終止。

獨立非執行董事張克先生、張天偉先生及祁燕女士已各自與本公司訂立董事服務合約，據此，彼等各自己接受有關委任，為期一年，而該等服務合約於期滿後將自動重續。服務合約可隨時由任何一方發出一個月事先書面通知或根據彼等各自服務合約條款予以終止。概無就於應屆股東週年大會建議重選任何董事訂立不可由本公司於一年內毋須支付賠償(法定賠償除外)而終止之服務合約。

### 董事於合約之權益

除上文及合併財務報表附註29及附註37所披露者外，於年終或年內任何時間，概無董事於對本集團業務而言屬重大，且本公司、其控股公司或其任何同系附屬公司及附屬公司為其中之訂約一方且仍然生效之任何合約中直接或間接擁有重大權益。

### 董事及高級僱員之薪酬

本年度董事及高級僱員之薪酬詳情載於合併財務報表附註36及37。

董事及高級僱員之薪酬乃根據本集團之經營業績、個人表現及/或當前市況釐定。本公司亦採納購股權計劃及股份獎勵計劃作為董事及高級僱員之獎勵。

## Report of the Directors 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2017, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

#### (a) Directors' Long Positions in the Shares and Underlying Shares of the Company

Name of Director 董事姓名	Class of Shares 股份類別	Capacity 身份	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益	Total number of Shares 股份總數	Percentage of shareholding (approximate) 股權百分比 (概約)
Guo Jiang 郭江	Ordinary 普通股	Beneficial owners/ family interest 實益擁有人/ 家族權益	161,425,146 (note 1) (附註1)	10,784,625 (note 1) (附註1)	-	-	172,209,771 (note 1) (附註1)	15.87%
Liu Jun 劉軍	Ordinary 普通股	Beneficial owners 實益擁有人	74,800,000 (note 2) (附註2)	-	-	-	74,800,000 (note 2) (附註2)	6.89%
Guo Fansheng 郭凡生	Ordinary 普通股	Beneficial owners 實益擁有人	57,749,015 (note 3) (附註3)	-	-	-	57,749,015 (note 3) (附註3)	5.32%
Li Jianguang 李建光	Ordinary 普通股	Interest of controlled corporation 受控制公司權益	-	-	32,000,384 (note 4) (附註4)	-	32,000,384	2.95%
Lee Wee Ong	Ordinary 普通股	Beneficial owners 實益擁有人	26,850,672 (note 5) (附註5)	-	-	-	26,850,672 (note 4) (附註4)	2.47%

### 董事及行政總裁於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一七年十二月三十一日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部之第7及第8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉)，或須記入本公司根據證券及期貨條例第352條所存置登記冊之權益及淡倉，或根據上市規則所載上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

#### (a) 董事於本公司股份及相關股份之好倉

## Report of the Directors

### 董事會報告

#### (b) Directors' Short Positions

Name of Director	Class of Shares	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total number of Shares	Percentage of shareholding (approximate)
董事姓名	股份類別	身份	個人權益	家族權益	公司權益	其他權益	股份總數	股權百分比 (概約)
Guo Jiang 郭江	Ordinary 普通股	Beneficial owners 實益擁有人	40,000,000	-	-	-	40,000,000	3.69%

#### Note:

- Such interest in the Company comprises:
  - 128,858,771 Shares of which 118,074,146 Shares are held by Mr. Guo and 10,784,625 Shares are held by Ms. Geng Yi, who is Mr. Guo's spouse;
  - 8,351,000 underlying Shares derived from the awarded shares granted to Mr. Guo under the employees' share award scheme adopted on 17 November 2011; and
  - 35,000,000 Shares which were borrowed by Mr. Guo Jiang from Mr. Guo Fansheng pursuant to a stock borrowing agreement dated 9 May 2016 entered into between Mr. Guo Jiang and Mr. Guo Fansheng, of which 35,000,000 Shares were subsequently pledged to an independent third party.

Mr. Guo is deemed, or taken to have, interested in the shares and underlying shares held by Ms. Geng Yi pursuant to the SFO.
- Such interests in the Company comprise: (i) 44,870,000 Shares and (ii) 29,930,000 underlying Shares derived from the Share Options held by Mr. Liu Jun.
- Such interest in the Company comprises:
  - 35,000,000 Shares (long position) held by Mr. Guo Fansheng; and
  - 22,749,015 Shares (long position) held by a trustee of a trust of which Mr. Guo Fansheng is a beneficiary.
- The references to 32,000,384 shares of the Company relate to the same block of shares of the Company held by Callister Trading Limited, the entire share capital of which is owned by Mr. Li Jianguang. Accordingly, Mr. Li Jianguang is deemed, or taken to have, interested in the said 32,000,384 shares of the Company pursuant to the SFO.
- Such interests in the Company comprise: (i) 25,350,672 Shares and (ii) 1,500,000 underlying Shares derived from the Share Options held by Mr. Lee Wee Ong.

Save as disclosed above, none of the Directors and chief executive of the Company has any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO) or required to be entered in the register maintained by the Company pursuant to section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code.

#### (b) 董事之淡倉

#### 附註：

- 該等本公司權益包括：
  - 128,858,771 股股份，其中 118,074,146 股股份由郭先生持有及 10,784,625 股股份由郭先生之配偶耿怡女士持有；
  - 根據二零一一年十一月十七日採納之僱員股份獎勵計劃向郭先生授出之獎勵股份所涉及之 8,351,000 股相關股份；及
  - 根據郭江先生與郭凡生先生所訂立日期為二零一六年五月九日之借股協議，郭先生自郭凡生先生借入 35,000,000 股股份，其中 35,000,000 股股份隨後抵押予一名獨立第三方。

根據證券及期貨條例，郭江先生被當作或視作於耿怡女士所持有之股份及相關股份中擁有權益。
- 該等本公司權益包括(i) 44,870,000 股股份及(ii) 劉軍先生持有之購股權所涉及之 29,930,000 股相關股份。
- 該等本公司權益包括：
  - 郭凡生先生所持 35,000,000 股股份(好倉)；及
  - 以郭凡生先生為受益人之信託之受託人所持 22,749,015 股股份(好倉)。
- 該等 32,000,384 股本公司股份與 Callister Trading Limited 所持本公司同一批股份有關，而該公司之全部股本由李建光先生擁有。因此，根據證券及期貨條例，李建光先生被當作或視作於上述 32,000,384 股本公司股份中擁有權益。
- 該等本公司權益包括(i) 25,350,672 股股份及(ii) Lee Wee Ong 先生持有之購股權所涉及之 1,500,000 股相關股份。

除上文披露者外，概無董事及本公司行政總裁於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)之股份、相關股份及債券中，擁有根據證券及期貨條例第 XV 部第 7 及第 8 分部須知會本公司及聯交所之任何權益或淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉)，或須記入本公司根據證券及期貨條例第 352 條所存置登記冊之任何權益或淡倉，或根據標準守則須知會本公司及聯交所之任何權益或淡倉。

## Report of the Directors 董事會報告

### SHARE OPTION SCHEMES

Pursuant to written resolutions of the shareholders of the Company dated 30 November 2003, among others, a share option scheme (the "Share Option Scheme") was adopted by the Company. The principal terms of the Share Option Scheme were summarised in the paragraph headed "Share options" under the section headed "Statutory and General Information" in Appendix V of the prospectus of the Company dated 8 December 2003. Following the listing of the Shares being transferred from the Growth Enterprise Market to the Main Board of the Stock Exchange on 10 October 2014, the Share Option Scheme adopted by the Company was terminated on 10 October 2014. Notwithstanding the termination of the Share Option Scheme, the outstanding options under the Share Option Scheme shall continue to be valid and exercisable in accordance with the Share Option Scheme.

On 22 May 2015, a new share option scheme were approved by the shareholders of the Company ("2015 Share Option Scheme"). The principal terms of the 2015 Share Option Scheme were summarized in the Appendix of the circular of the Company dated 5 May 2015.

### OUTSTANDING SHARE OPTIONS

#### Share Option Scheme

As at 31 December 2017, options to subscribe for an aggregate of 13,510,000 Shares granted pursuant to the Share Option Scheme and 29,930,000 Shares granted pursuant of the 2015 Share Option Scheme were outstanding. Details of which were as follows:

Name of grantee	Date of grant	Exercise price per share	Number of share options				As at 31 December 2017
			As at 1 January 2017	Granted during the period	Exercised during the period	Lapsed during the period	
承授人姓名	授出日期	每股行使價 HK\$ 港元	於 二零一七年 一月一日	於期內授出	於期內行使	於期內失效	於 二零一七年 十二月三十一日 (Note 1) (附註1)
<b>Directors</b>							
<b>董事</b>							
Liu Jun (Note 2)	13 October 2017	6.476		29,930,000			29,930,000
劉軍(附註2)	二零一七年十月十三日						
Lee Wee Ong	3 April 2013	4.402	1,500,000				1,500,000
	二零一三年四月三日						

### 購股權計劃

根據本公司日期為二零零三年十一月三十日之股東書面決議案(其中包括)，本公司採納一項購股權計劃(「購股權計劃」)。購股權計劃之主要條款已於本公司日期為二零零三年十二月八日之招股章程附錄五「法定及一般資料」一節「購股權」一段概述。股份於二零一四年十月十日由聯交所創業板轉至主板上市，其後，本公司所採納之購股權計劃於二零一四年十月十日終止。儘管購股權計劃已終止，惟購股權計劃項下尚未行使之購股權仍將保持效力並可根據購股權計劃予以行使。

於二零一五年五月二十二日，本公司股東批准新購股權計劃(「二零一五年購股權計劃」)。二零一五年購股權計劃之主要條款已於本公司日期為二零一五年五月五日之通函附錄概述。

### 尚未行使之購股權

#### 購股權計劃

於二零一七年十二月三十一日，根據購股權計劃授予可認購合共13,510,000股股份及根據二零一五年購股權計劃授予可認購合共29,930,000股股份之購股權尚未行使。有關詳情如下：

## Report of the Directors

### 董事會報告

Name of grantee	Date of grant	Exercise price per share	Number of share options				As at 31 December 2017
			As at 1 January 2017	Granted during the period	Exercised during the period	Lapsed during the period	
承授人姓名	授出日期	每股行使價 HK\$ 港元	於 二零一七年 一月一日	於期內授出	於期內行使	於期內失效	於 二零一七年 十二月三十一日 (Note 1) (附註1)
<b>Other employees</b>							
<b>其他僱員</b>							
In aggregate	11 July 2007	1.24	1,454,000		(474,000)	(980,000)	-
合計	二零零七年七月十一日						
In aggregate (Note 3)	29 September 2008	0.604	400,000				400,000
合計(附註3)	二零零八年九月二十九日						
In aggregate (Note 4)	7 April 2010	0.82	1,438,000				1,438,000
合計(附註4)	二零一零年四月七日						
In aggregate (Note 5)	28 March 2011	1.108	200,000				200,000
合計(附註5)	二零一一年三月二十八日						
In aggregate (Note 6)	18 Novmeber 2013	9.84	9,972,000				9,972,000
合計(附註6)	二零一三年十一月十八日						
Total			14,964,000	29,930,000	(474,000)	(980,000)	43,440,000
總計							

## Report of the Directors 董事會報告

### Notes:

- Each option has a 10-year exercise period, which may be exercised after the expiry of twelve months from the date of the grant of options.

For the options exercisable at HK\$1.24 granted on 11 July 2007, the relevant grantees may exercise options up to 50% and in full, respectively, of the shares of the Company comprised in his or her option (less any number of shares of the Company in respect of which the option has been previously exercised), commencing from the first and second anniversaries of the date of the grant of options.

For the options exercisable at HK\$0.604 granted on 29 September 2008, the relevant grantees may exercise these options in a 10-year period starting from the expiry of twelve months from the date of the grant of options. For the options exercisable at HK\$0.82 granted on 7 April 2010, the relevant grantees may exercise options up to 50% and 100%, respectively, of the shares of the Company comprised in his or her option (less any number of shares of the Company in respect of which the option has been previously exercised), commencing from the first and second anniversaries of the date of the grant of options.

For the options exercisable at HK\$1.108 granted on 28 March 2011, the relevant grantees may exercise options up to 50% and 100%, respectively, of the shares of the Company comprised in his or her option (less any number of shares of the Company in respect of which the option has been previously exercised), commencing from the first and second anniversaries of the date of the grant of options.

For the options exercisable at HK\$4.402 granted on 3 April 2013, the relevant grantee may exercise options up to 20%, 40%, 60%, 80% and 100%, of the shares of the Company comprised in his option (less any number of shares of the Company in respect of which the option has been previously exercised), commencing from the first, second, third, fourth and fifth anniversaries of the date of the grant of options respectively.

For the options exercisable at HK\$9.84 granted on 18 November 2013, the relevant grantees may exercise options up to 10%, 20%, 40%, 70% and 100%, respectively, of the shares of the Company comprised in his or her option (less any number of shares of the Company in respect of which the option has been previously exercised), commencing from the first, second, third, fourth and fifth anniversaries of the date of the grant of options.

For the options exercisable at HK\$6.476 granted on 13 November 2013, the relevant grantees may exercise options up to 20%, 40%, 60%, 80% and 100%, respectively, of the shares of the Company comprised in his or her option (less any number of shares of the Company in respect of which the option has been previously exercised), commencing from the first, second, third, fourth and fifth anniversaries of the date of the grant of options.

### 附註：

- 每份購股權之行使期為10年，於購股權授出日期起計十二個月屆滿後可予行使。

就於二零零七年七月十一日授出可按1.24港元行使之購股權而言，有關承授人於自購股權授出日期第一及第二周年起，最多可分別行使彼所持購股權所涉及本公司股份之50%及全數(扣除任何過往已行使購股權所涉及之本公司股份數目)之購股權。

就於二零零八年九月二十九日授出可按0.604港元行使之購股權而言，有關承授人可於購股權授出日期十二個月屆滿後之10年期間內行使該等購股權。就於二零一零年四月七日授出可按0.82港元行使之購股權而言，有關承授人於自購股權授出日期第一及第二周年起，最多可分別行使彼所持購股權所涉及本公司股份之50%及全數(扣除任何過往已行使購股權所涉及之本公司股份數目)之購股權。

就於二零一一年三月二十八日授出可按1.108港元行使之購股權而言，有關承授人於自購股權授出日期第一及第二周年起，最多可分別行使彼所持購股權所涉及本公司股份之50%及全數(扣除任何過往已行使購股權所涉及之本公司股份數目)之購股權。

就於二零一三年四月三日授出可按4.402港元行使之購股權而言，有關承授人於自購股權授出日期第一、第二、第三、第四及第五周年起，最多可分別行使彼所持購股權所涉及本公司股份之20%、40%、60%、80%及全數(扣除任何過往已行使購股權所涉及之本公司股份數目)之購股權。

就於二零一三年十一月十八日授出可按9.84港元行使之購股權而言，有關承授人於自購股權授出日期第一、第二、第三、第四及第五周年起，最多可分別行使彼所持購股權所涉及本公司股份之10%、20%、40%、70%及全數(扣除任何過往已行使購股權所涉及之本公司股份數目)之購股權。

就於二零一三年十一月十三日授出可按6.476港元行使之購股權而言，有關承授人於自購股權授出日期第一、第二、第三、第四及第五周年起，最多可分別行使彼所持購股權所涉及本公司股份之20%、40%、60%、80%及全數(扣除任何過往已行使購股權所涉及之本公司股份數目)之購股權。



## Report of the Directors 董事會報告

2. Mr. Liu Jun has been granted options under the 2015 Share Option Scheme to subscribe for 29,930,000 Shares at HK\$6.476 per Share.
  3. 1 employee has been granted options under the Share Option Scheme to subscribe an aggregate of 400,000 Shares at HK\$0.604 per Share.
  4. 3 employees have been granted options under the Share Option Scheme to subscribe an aggregate of 1,438,000 Shares at HK\$0.82 per Share.
  5. 2 employees have been granted options under the Share Option Scheme to subscribe an aggregate of 200,000 Shares at HK\$1.108 per Share.
  6. 56 employees have been granted options under the Share Option Scheme to subscribe an aggregate of 9,972,000 Shares at HK\$9.84 per Share.
  7. The fair value of options granted under the Share Option Scheme on 18 February 2004, determined using the Binomial Model value model, was approximately RMB20,193,000. The significant inputs into the model were the exercise price of HK\$2.4, standard deviation of expected share price returns of 32%, expected life of options ranging from 5.4 to 6.6 years, expected dividend paid out rate of 0% and annual risk-free interest rate ranging from 1.34% to 4.43%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
  8. The fair value of options granted under the Share Option Scheme on 23 June 2006, determined using the Binomial Model valuation model, was approximately RMB3,919,000. The significant inputs into the model were exercise price of HK\$1.49, standard deviation of expected share price returns of 34.8%, expected life of options ranging from 3.2 to 5.5 years expected dividend paid out rate of 0% and annual risk free interest rate of 4.911%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
  9. The fair value of options granted under the Share Option Scheme on 11 July 2007, determined using the Binomial Model valuation model, was approximately RMB9,390,000. The significant inputs into the model were exercise price of HK\$1.24 standard deviation of expected share price returns of 49.0%, expected life of options ranging from 2.4 to 6.2 years expected dividend paid out rate of 0% and annual risk-free interest rate of 4.757%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
2. 根據二零一五年購股權計劃已向劉軍先生授出可按每股6.476港元認購29,930,000股股份之購股權。
  3. 根據購股權計劃已向1名僱員授出可按每股0.604港元認購合共400,000股股份之購股權。
  4. 根據購股權計劃已向3名僱員授出可按每股0.82港元認購合共1,438,000股股份之購股權。
  5. 根據購股權計劃已向2名僱員授出可按每股1.108港元認購合共200,000股股份之購股權。
  6. 根據購股權計劃已向56名僱員授出可按每股9.84港元收購合共9,972,000股股份之購股權
  7. 使用二項式估值模式計算於二零零四年二月十八日根據購股權計劃所授出購股權之公平值約為人民幣20,193,000元。輸入該模式之主要參數為行使價2.4港元、預計股價回報率標準偏差32%、購股權預計年期介乎5.4年至6.6年不等、預計派息率0%及年度無風險利率1.34%至4.43%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
  8. 使用二項式估值模式計算於二零零六年六月二十三日根據購股權計劃所授出購股權之公平值約為人民幣3,919,000元。輸入該模式之主要參數為行使價1.49港元、預計股價回報率標準偏差34.8%、購股權預計年期介乎3.2年至5.5年不等、預計派息率0%及年度無風險利率4.911%。按照預計股價回報率標準偏差計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
  9. 使用二項式估值模式計算於二零零七年七月十一日根據購股權計劃所授出購股權之公平值約為人民幣9,390,000元。輸入該模式之主要參數為行使價1.24港元、預計股價回報率標準偏差49.0%、購股權預計年期介乎2.4年至6.2年不等、預計派息率0%及年度無風險利率4.757%。按照預計股價回報率標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。

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10. The fair value of options granted under the Share Option Scheme on 29 September 2008, determined using the Binomial Model valuation model, was approximately RMB2,756,000. The significant inputs into the model were exercise price of HK\$0.604 standard deviation of expected share price returns of 72.2%, expected life of options ranging from 3.8 to 4.8 years expected dividend paid out rate of 0% and annual risk-free interest rate of 3.133%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
11. The fair value of options granted under the Share Option Scheme on 7 April 2010, determined using the Binomial Model valuation model, was approximately RMB12,527,000. The significant inputs into the model were exercise price of HK\$0.82 standard deviation of expected share price returns of 79.8%, expected life of options ranging from 3.4 to 5.9 years expected dividend paid out rate of 0% and annual risk-free interest rate of 2.865%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
12. The fair value of options granted under the Share Option Scheme on 28 March 2011, determined using the Binomial Model valuation model, was approximately RMB1,377,000. The significant inputs into the model were exercise price of HK\$1.108 standard deviation of expected share price returns of 77.4%, expected life of options ranging from 3.8 to 4.9 years expected dividend paid out rate of 0% and annual risk-free interest rate 2.82%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
10. 使用二項式估值模式計算於二零零八年九月二十九日根據購股權計劃所授出購股權之公平值約為人民幣2,756,000元。輸入該模式之主要參數為行使價0.604港元、預計股價回報率標準偏差72.2%、購股權預計年期介乎3.8年至4.8年不等、預計派息率0%及年度無風險利率3.133%。按照預計股價回報率標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
11. 使用二項式估值模式計算於二零一零年四月七日根據購股權計劃所授出購股權之公平值約為人民幣12,527,000元。輸入該模式之主要參數為行使價0.82港元、預計股價回報率標準偏差79.8%、購股權預計年期介乎3.4年至5.9年不等、預計派息率0%及年度無風險利率2.865%。按照預計股價回報率標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
12. 使用二項式估值模式計算於二零一一年三月二十八日根據購股權計劃所授出購股權之公平值約為人民幣1,377,000元。輸入該模式之主要參數為行使價1.108港元、預計股價回報率之標準偏差77.4%、購股權預計年期介乎3.8年至4.9年不等、預計派息率0%及年度無風險利率2.82%。按照預計股價回報率標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。

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### 董事會報告

13. The fair value of options granted under the Share Option Scheme on 3 April 2013, determined using the Binomial Model valuation model, was approximately RMB3,754,000. The significant inputs into the model were exercise price of HK\$4.402 standard deviation of expected share price returns of 75%, expected life of options ranging from 9.1 to 9.6 years expected dividend paid out rate of 0% and annual risk-free interest rate 1.111%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
14. The fair value of options granted under the Share Option Scheme on 18 November 2013, determined using the Binomial Model valuation model, was approximately RMB50,125,000. The significant inputs into the model were exercise price of HK\$9.84 standard deviation of expected share price returns of 71.5%, expected life of options ranging from 4.7 to 7.9 years expected dividend paid out rate of 0% and annual risk-free interest rate 1.915%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
15. The fair value of options granted under the Share Option Scheme on 13 October 2017, determined using the Binomial Model valuation model, was approximately RMB100,356,000. The significant inputs into the model were exercise price of HK\$6.476 standard deviation of expected share price returns of 62%, expected life of options 4.9 years expected dividend paid out rate of 0.9% and annual risk-free interest rate 1.745%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
16. In respect of employees resigned during the period whose share options have not been vested, such share options are lapsed, and the share compensation costs recognised previously are credited to condensed consolidated final statement of comprehensive income.
17. The values of share options recognised in share-based compensation reserves are subject to a number of assumptions and with regard to the limitation of the valuation model.
18. The weighted average closing price of the Shares immediately before the date on which these options were exercised was approximately HK\$5.72 per share.
13. 使用二項式估值模式計算於二零一三年四月三日根據購股權計劃所授出購股權之公平值約為人民幣3,754,000元。輸入該模式之主要參數為行使價4.402港元、預計股價回報率標準偏差75%、購股權預計年期介乎9.1年至9.6年不等、預計派息率0%及年度無風險利率1.111%。按照預計股價回報率標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
14. 使用二項式估值模式計算於二零一三年十一月十八日根據購股權計劃所授出購股權之公平值約為人民幣50,125,000元。輸入該模式之主要參數為行使價9.84港元、預計股價回報率標準偏差71.5%、購股權預計年期介乎4.7年至7.9年不等、預計派息率0%及年度無風險利率1.915%。按照預計股價回報率標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
15. 使用二項式估值模式計算於二零一七年十月十三日根據購股權計劃所授出購股權之公平值約為人民幣100,356,000元。輸入該模式之主要參數為行使價6.476港元、預計股價回報率標準偏差62%、購股權預計年期4.9年、預計派息率0.9%及年度無風險利率1.745%。按照預計股價回報率標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動統計數據分析計算。
16. 就於期內辭任而其購股權尚未歸屬之僱員而言，有關購股權均予失效，而過往已確認之股份補償成本則計入全年簡明合併綜合收益表。
17. 在以股份為基礎之補償儲備中確認之購股權價值須受多項假設規限，並與估值模式之限制有關。
18. 於緊接該等購股權獲行使日期前股份加權平均收市價約為每股5.72港元。

## Report of the Directors 董事會報告

### EMPLOYEES' SHARE AWARD SCHEME

On 17 November 2011, the Board adopted an employees' share award scheme pursuant to which existing shares of the Company will be acquired by the trustee from the market at the cost of the Company and be held in trust for the selected employees until such shares are vested with the relevant selected employees in accordance with the provision of the share award scheme. For principal terms of the employees' share award scheme, please refer to the announcement of the Company dated 17 November 2011.

Since the adoption date, a total of 46,881,000 Shares has been granted up to the date of this report, representing approximately 4.18% of the issued share capital of the Company as at the date of this report. The awarded shares remain outstanding as at 31 December 2017 are set out below:

Name of Grantee	Date of grant	As at 1 January 2017 於 二零一七年 一月一日	Granted during the period 期內授出	Vested during the period 期內歸屬	As at 31 December 2017 於 二零一七年 十二月三十一日
<b>Directors</b>					
<b>董事</b>					
Guo Jiang	20 August 2012 二零一二年八月二十日	8,351,000			8,351,000
<b>Other employees</b>					
<b>其他僱員</b>					
In aggregate (Note 1)	23 November 2011 二零一一年十一月二十三日	11,384,125		(6,374,682)	5,009,443
合計(附註1)	17 January 2014 二零一四年一月十七日	2,000,000			2,000,000
Total		21,735,125		(6,374,682)	15,360,443
總計					

### 僱員股份獎勵計劃

於二零一一年十一月十七日，董事會採納僱員股份獎勵計劃，據此，受託人將自市場購入本公司現有股份（費用由本公司承擔）並以信託形式為經選定僱員持有，直至該等股份根據股份獎勵計劃條文歸屬予相關經選定僱員為止。有關僱員股份獎勵計劃之主要條款，請參閱本公司日期為二零一一年十一月十七日之公佈。

自採納日期直至本報告日期，授出合共46,881,000股股份，相當於本報告日期本公司已發行股本約4.18%。於二零一七年十二月三十一日，尚未歸屬之獎勵股份載列如下：

## Report of the Directors

### 董事會報告

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2017, the interest of persons (not being a Director or chief executive of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

### 主要股東及其他人士於本公司股份及相關股份之權益及淡倉

於二零一七年十二月三十一日，於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須知會本公司及聯交所，或須記入本公司根據證券及期貨條例第336條所存置登記冊之權益之人士（並非董事或本公司行政總裁）如下：

Name of Shareholder	Class of Shares	Long position	short position	Capacity	Approximate percentage of shareholding as at 31 December 2017 於二零一七年十二月三十一日之股本概約百分比
股東姓名／名稱	股份類別	好倉	淡倉	身份	
Talent Gain Developments Limited	Ordinary 普通股	253,671,964 (note 1) (附註1)		Beneficial owner and interest in controlled corporation 實益擁有人及受控制公司權益	23.37%
Digital China Holdings Limited	Ordinary 普通股	341,314,821 (note 1) (附註1)		Beneficial owner and interest in controlled corporation 實益擁有人及受控制公司權益	31.45%
Geng Yi 耿怡	Ordinary 普通股	172,209,771 (note 2) (附註2)	40,000,000	Beneficial Owner and Family Interest 實益擁有人及家族權益	15.87% (long position) (好倉) 3.69% (short position) (淡倉)
Liu Xiaodong (Note 3) 劉小東(附註3)	Ordinary 普通股	62,273,794 (note 3) (附註3)		Beneficial Owner and Interest in controlled corporation 實益擁有人及受控制公司權益	5.74%
Wisdom Limited (Note 4) (附註4)	Ordinary 普通股	62,273,794 (note 4) (附註4)		Beneficial Owner and Interest in controlled corporation 實益擁有人及受控制公司權益	5.74%

## Report of the Directors 董事會報告

### Notes:

- Such interests in the Company comprise: (i) 230,263,964 Shares held by Talent Gain Developments Limited; (ii) 23,408,000 Shares held by Unique Golden Limited and (iii) 87,642,857 underlying shares derived from the proposed subscription of the Company by Digital China Holdings Limited pursuant to the Formal sale and purchase agreement dated 19 May 2017. Unique Golden Limited is wholly and beneficially owned by Talent Gain Developments Limited, which in turn is wholly and beneficially owned by Digital China (BVI) Limited and indirectly wholly and beneficially owned by Digital China Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 861). Therefore, Talent Gain Developments Limited, is deemed to be interested in the Shares held by Unique Golden Limited, and each of Digital China (BVI) Limited and Digital China Holdings Limited is deemed to be interested in the Shares held by Talent Gain Developments Limited and Unique Golden Limited.

- Ms. Geng Yi is the spouse of Mr. Guo Jiang. Such interest in the Company comprises: (a) 118,074,146 Shares are held by Mr. Guo Jiang and 10,784,625 Shares are held by Ms. Geng Yi; (b) 8,351,000 underlying Shares derived from the awarded shares granted to Mr. Guo Jiang under the employees' share award scheme adopted on 17 November 2011; and (c) 35,000,000 Shares which were borrowed by Mr. Guo Jiang from Mr. Guo Fansheng pursuant to a stock borrowing agreement dated 9 May 2016 entered into between Mr. Guo Jiang and Mr. Guo Fansheng, of which 35,000,000 Shares were subsequently pledged to an independent third party.

Ms. Geng is deemed, or taken to have, interested in the shares and underlying shares held by Mr. Guo Jiang pursuant to the SFO.

- Such interests in the Company comprise: 62,273,794 Shares held by Wisdom Limited (a company wholly and beneficially owned by Mr. Liu Xiaodong). Mr. Liu Xiaodong is deemed, or taken to have, interested in all the Shares held by Wisdom Limited pursuant to the SFO.
- Wisdom Limited is a company wholly and beneficially owned by Mr. Liu Xiaodong.

Save as disclosed above, as at 31 December 2017, the Company had not been notified of any interests or short positions of substantial shareholders or other persons in the shares and underlying shares of the Company which are required to be kept under Section 336 of the SFO.

### 附註：

- 該等於本公司之權益包括：(1) 由 Talent Gain Developments Limited 持有之 230,263,964 股股份；(ii) 由 Unique Golden Limited 持有之 23,408,000 股股份；及 (iii) 根據日期為二零一七年五月十九日之正式買賣協議，神州數碼控股有限公司建議認購本公司所涉及之 87,642,857 股相關股份。Unique Golden Limited 由 Talent Gain Developments Limited 全資及實益擁有，而 Talent Gain Developments Limited 則由 Digital China (BVI) Limited 全資及實益擁有並由神州數碼控股有限公司（其股份於聯交所上市（股份代號：861））間接全資及實益擁有。因此，Talent Gain Developments Limited 被當作於 Unique Golden Limited 所持有之股份中擁有權益，而 Digital China (BVI) Limited 及神州數碼控股有限公司各自被當作於 Talent Gain Developments Limited 及 Unique Golden Limited 所持有之股份中擁有權益。

- 耿怡女士為郭江先生之配偶。該等於本公司之權益包括：(a) 118,074,146 股股份由郭江先生持有及耿怡女士所持有之 10,784,625 股股份；(b) 郭江先生根據於二零一一年十一月十七日採納之僱員股份獎勵計劃所獲授之獎勵股份產生之 8,351,000 股相關股份；及 (c) 郭江先生根據郭江先生及郭凡生先生所訂立日期為二零一六年五月九日之借股協議向郭凡生先生借入之 35,000,000 股股份，其中 35,000,000 股股份隨後抵押予一名獨立第三方。

根據證券及期貨條例，耿女士被當作或被視為於郭江先生所持有之股份及相關股份中擁有權益。

- 該等於本公司之權益包括：由 Wisdom Limited（由劉小東先生全資及實益擁有之公司）持有之 62,273,794 股股份。根據證券及期貨條例，劉小東先生被當作或視作於 Wisdom Limited 所持有之全部股份中擁有權益。
- Wisdom Limited 為由劉小東先生全資及實益擁有之公司。

除上文披露者外，於二零一七年十二月三十一日，本公司並不知悉主要股東或其他人士於本公司股份及相關股份中擁有須記入本公司根據證券及期貨條例第 336 條所存置登記冊之任何權益或淡倉。

## Report of the Directors 董事會報告

### CONNECTED TRANSACTION/CONTINUING CONNECTED TRANSACTION

The connected transactions of the Company are set out on pages 63 to 67 in the section headed “Management’s Discussion and Analysis” in this report.

Details of the continuing connected transactions of the Company are as follows:

#### Zhongfu Structured Contracts

On 5 January 2016 Hangzhou Saidian Information, Hangzhou Saidian Technology and the PRC Equity Owners entered into the Zhongfu Structured Contracts, which constituted continuing connected transactions of the Company. Details of the Zhongfu Structured Contracts are set out in the paragraph headed “Major Terms of the Zhongfu Structured Contracts” of the “Management’s Discussion and Analysis” section in this report. The Directors estimated that the respective annual caps for the transactions contemplated under the Structured Contracts for the three years ending 31 December 2016, 2017 and 2018 are RMB11,000,000, RMB14,000,000 and RMB18,000,000 respectively being the expected maximum sums received by the Company under the Management and Operations Agreement. The transaction amount for the year ended 31 December 2017 was RMB8,547,000.

Save as disclosed above, all the related party transaction, as disclosed in Note 29 and 47 to the consolidated financial statement, did not constitute connected transaction or continuing connected transaction of the Company under Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders’ approval requirements under the Listing Rules.

The transaction in Note 47 were provided under the service contracts of relevant management and thus were all fully exempted pursuant to Chapter 14A of the Listing Rules.

Also, as the loan granted by the Group to Hui De Holding Co., Ltd., an associate of the Group was conducted on normal commercial terms, such financial assistance was fully exempted pursuant to Chapter 14A of the Listing Rules.

The Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules from time to time in respect of the aforementioned connected transactions or continuing connected transactions.

The aforesaid continuing connected transactions have been reviewed by independent non-executive Directors. The independent non-executive Directors confirmed that these connected transactions were entered into (a) in the usual course of business of the Group; (b) on normal commercial terms or better terms; (c) in accordance with the agreements relating to the transactions on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and (d) without exceeding the relevant cap amount disclosed in the previous announcements.

### 關連交易／持續關連交易

本公司之關連交易載於本報告第63至67頁「管理層討論和分析」一節。

有關本公司持續關連交易之詳情如下：

#### 中服結構性合約

於二零一六年一月五日，杭州賽典信息、杭州賽點科技及中國股權擁有人訂立中服結構性合約，而有關交易構成本公司持續關連交易。有關中服結構性合約之詳情載於本報告「管理層討論和分析」一節「中服結構性合約之主要條款」一段。董事估計，截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度，結構性合約項下擬進行交易各自之年度上限分別為人民幣11,000,000元、人民幣14,000,000元及人民幣18,000,000元，即本公司預期根據管理及營運協議收取之最高總額。截至二零一七年十二月三十一日止年度之交易額為人民幣8,547,000元。

除上文披露者外，誠如合併財務報表附註29和47所披露，遵照上市規則第14A章，所有關聯人士交易並不構成本公司之關連交易或持續關連交易，故毋須遵守上市規則項下任何申報、公布或獨立股東批准之規定。

附註47中之交易乃根據相關管理層之服務合約提供，故根據上市規則第14A章，有關交易均獲全面豁免。

此外，本集團授予本集團聯營公司慧德控股有限公司之貸款乃按正常商業條款作出，故根據上市規則第14A章該財務援助獲全面豁免。

本公司已就上述關連交易或持續關連交易遵守上市規則第14A章不時訂立之披露規則。

獨立非執行董事已審核上述持續關連交易。獨立非執行董事確認，該等關連交易(a)於本集團之日常業務過程中訂立；(b)按一般商業條款或更佳條款訂立；(c)根據有關該等交易之協議按公平合理條款訂立，且符合股東之整體利益；及(d)並無超出過往公佈所披露之相關上限金額。

## Report of the Directors 董事會報告

The Company's auditor was engaged to report on the group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the aforesaid continuing connected transactions in accordance with rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

### MAJOR SUPPLIERS AND CUSTOMERS

The Group's customers are a vast amount of small and medium sized enterprises in the PRC and certain well-known companies. Most of the Group's revenue is derived from B2B trading platform and online products. The major customers of trading platforms include a large number of small and medium sized enterprises and factories. The sales contracts are entered according to orders. Online products mainly consist of B2B member service and online advertising. The sale agreements have a term of one or two years, which, depending on different contracts, shall be renewed by the customers upon such sale agreements expired. As the price of each online product is not significant and the online products are sold to the large number of customers, each customer's contribution towards the Group's revenue is relatively small. Therefore, the Company merely relies on individual customers.

The Group's major suppliers are as follows: (i) the major suppliers of B2B trading platform are large-scale factories and traders; (ii) the suppliers of online products provide search engine and promotion services, allowing our paid members to have a higher exposure of their products by getting more search engine hits and promoting their products and achieving transactions. We currently have four search product suppliers which are leading search engine providers like Baidu and 360 Search and the respectively service contracts with them are renewed on a yearly basis.

Save as disclosed in this annual report, none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the major suppliers or customers noted above.

根據《香港核證聘用準則3000》[歷史財務資料審計或審閱以外的核證聘用]及參考香港會計師公會所頒布之實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之核數師已獲委聘，以就本集團之持續關連交易作出報告。核數師已根據上市規則第14A.56段就上述持續關連交易之發現及結論出具無保留意見之函件。本公司已向聯交所提供核數師函件副本。

### 主要供應商及客戶

本集團之客戶多為中國中小型企業及部分知名品牌公司。本集團大部分銷售收入來自B2B交易平台收入及線上產品。交易平台的主要客戶為大量中小型批發商及工廠。依據訂單簽訂銷售合約。線上產品主要包括B2B會員服務及線上廣告。銷售協議之年限期分為一年或兩年，或依不同合同而定，待銷售協議到期後，客戶可重新續簽。由於各線上產品之價格並不高昂且線上產品售予大量客戶，因此各客戶佔本集團銷售收入之比重相對較小。因此，本公司對於單個客戶之依賴程度不高。

本集團之主要供應商為：(i) B2B交易平台的主要供應商為大型工廠及貿易商；(ii) 線上產品供應商提供搜索引擎及推廣服務，讓我們繳費會員之產品獲得更多搜索引擎點擊次數，從而取得更高曝光率，並可推廣彼等之產品及促成交易。我們目前擁有四間搜索產品供應商，該等公司均為首屈一指之搜索引擎供應商，如百度及360搜索等，而我們與該等供應商訂立之相關服務合約乃按年重續。

除本年報內披露者外，概無董事、彼等聯繫人或任何股東（就董事所知擁有超過本公司已發行股本5%）於上述主要供應商或客戶擁有權益。



## Report of the Directors 董事會報告

### AUDIT COMMITTEE

The Company established an audit committee on 24 July 2003 with written terms of reference based on the guidelines set out in "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants.

The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control procedures of the Group. The audit committee comprises two independent non-executive Directors, Mr. Zhang Ke and Ms. Qi Yan and a non-executive Director, Mr. Li Jianguang. Mr. Zhang Ke is the Chairman of the audit committee.

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, the internal control procedures, the annual results of the Company for the year ended 31 December 2017 and has met with external auditors and discussed the financial matters of the Group that arose during the course of audit for the year ended 31 December 2017. The audit committee held 2 meetings during the year.

### CODE ON CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2017, the Company had complied with the code provisions of the Code on Governance contained in Appendix 14 to the Listing Rules. Details of the Group's corporate governance practices are set out in the Corporate Governance Report contained on pages 90 to 103 of this report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company total issued share capital was held by the public as at the date of this report.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors and their respective associates (as defined in the Main Board Listing Rules) has confirmed that none of them had any business or interest in any company that materially competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the year ended 31 December 2017.

### 審核委員會

本公司已於二零零三年七月二十四日成立一個具備書面職權範圍之審核委員會。書面職權範圍乃根據香港會計師公會頒布之「審核委員會有效運作指引」所載指引制定。

審核委員會之主要職責為檢討及監察本集團之財務申報過程及內部監控程序。審核委員會由兩名獨立非執行董事張克先生及祁燕女士以及非執行董事李建光先生組成。審核委員會主席由張克先生擔任。

審核委員會已聯同本公司管理層一並審閱本集團採納之會計原則及常規、內部監控程序、本公司截至二零一七年十二月三十一日止年度之年度業績，以及與外聘核數師會面並討論就截至二零一七年十二月三十一日止年度進行審核期間發現之本集團財務事項。審核委員會於年內共舉行兩次會議。

### 企業管治常規守則

截至二零一七年十二月三十一日止年度，本公司已遵守上市規則附錄14所載企業管治守則之守則條文。本集團企業管治常規的詳情載於本報告第90至103頁的企業管治報告內。

### 足夠公眾持股量

根據本公司所得公開資料及就董事所知，直至本報告日期，本公司已發行股本總額至少25%由公眾持有。

### 董事於競爭業務之權益

截至二零一七年十二月三十一日止年度，各董事及彼等各自之聯繫人士(定義見主板上市規則)均已確認，彼等概無在與本集團業務構成或可能構成任何重大競爭之任何公司中擁有任何業務或權益，而任何該等人士與本集團利益亦無任何其他利益衝突。

## Report of the Directors 董事會報告

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Directors a written confirmation or an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the independent non-executive Directors are or have been remained independent.

### PERMITTED INDEMNITY

Pursuant to Article 167 of the Articles of Association of the Company, the Directors and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices. This indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of said persons. Such provisions were in force during the financial year ended 31 December 2017 and remained in force as of the date of this report. The Company has also arranged appropriate directors and officers liability insurance in respect of potential legal action against Directors and other officers.

### PRE-EMPTIVE RIGHTS

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

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December 2017, 4,844,000 Shares repurchased under the general mandates to repurchase Shares and 11,144,000 Shares had been cancelled. Save as disclosed in this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company during the year ended 31 December 2017.

### AUDITORS

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board  
**HC International, Inc.**  
**Liu Jun**  
*Chief Executive Officer and Executive Director*

Beijing, PRC, 27 March 2018

### 獨立非執行董事

本公司已收到各獨立非執行董事根據上市規則第3.13條就其獨立性而作出之書面確認函或年度確認函，且本公司認為獨立非執行董事屬或仍屬獨立人士。

### 准許彌償

根據本公司組織章程細則第167條，本公司董事及其他高級職員有權自本公司資產及溢利中獲得彌償及擔保，使彼等不會因在各自職位履行其職責或建議職責而作出、應允或遺漏或與之相關之任何行為而理應或可能引致或蒙受之所有訴訟、成本、費用、損失、損害及開支而蒙受損害，惟此項彌償不得延伸至可能與任何上述人士欺詐或不誠實有關之任何事宜。該等條文於截至二零一七年十二月三十一日止財政年度生效，並將維持效力直至本報告日期。本公司亦已就董事及其他高級職員可能面臨之法律行動安排適當之董事及高級職員責任險。

### 優先購股權

本公司之組織章程細則或開曼群島法例概無優先購股權之條文，以規定本公司須按比例向本公司現有股東發售新股份。

### 購買、出售或贖回證券

截至二零一七年十二月三十一日止年度，根據購回股份之一般授權購回4,844,000股股份及11,144,000股股份已被註銷。除本報告所披露者外，截至二零一七年十二月三十一日止年度，本公司及其任何附屬公司並無購買、出售或贖回本公司任何股份。

### 核數師

財務報表由羅兵咸永道會計師事務所審計，羅兵咸永道會計師事務所將任滿告退，惟合資格並願意膺選連任。

承董事會命  
**慧聰集團有限公司**  
**劉軍**  
*行政總裁兼執行董事*

中國，北京，二零一八年三月二十七日

# Corporate Governance Report

## 企業管治報告

### INTRODUCTION

Maintaining high standards of business ethics and corporate governance practices has always been one of the Company's goals. This corporate governance report describes its corporate governance practices, explains the applications of the principles of the Code on Corporate Governance contained in Appendix 14 of the Listing Rules (the "Code") and deviations, if any.

### CORPORATE GOVERNANCE PRACTICES

During the year ended 31 December 2017, the Company has complied with the code provisions of the Code. The Company believes that by achieving high standard of corporate governance, the corporate value and accountability of the Company can be enhanced and the shareholders' interests can be maximised. The Board has continued to monitor and review the Company's progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the year and where appropriate, circulars and other guidance notes were issued to the Directors and senior management of the Company to ensure awareness to issues regarding corporate governance practices.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions set out in code provision D3.1 of the Code. As at the date of this report, the Board has reviewed and monitored: (a) the Company's corporate governance policies and practices, (b) training and continuous professional development of directors and senior management, (c) the Company's policies and practices on compliance with legal and regulatory requirements, (d) the Company's code of conduct and (e) the Company's compliance with the Code disclosures requirements.

### 序言

本公司一直以維持高水準之商業道德與企業管治常規為目標。本企業管治報告描述其企業管治常規，並解釋上市規則附錄14所載企業管治守則（「守則」）之應用與偏離情況（如有）。

### 企業管治常規

截至二零一七年十二月三十一日止年度，本公司已遵守守則之守則條文。本公司深信通過維持高水準之企業管治，可以提高本公司之企業價值與問責性，並將股東利益最大化。董事會持續監察並檢討本公司之企業管治常規之合規情況，以保證遵守守則。董事會全年均有召開且於適當之情況下向本公司董事及高級管理人員發出通告與其他指引，以確保其注意企業管治常規相關之事項。

### 企業管治職能

董事會負責履行守則第D3.1條守則條文所載企業管治職能。於本報告日期，董事會已審閱及監控：(a)本公司企業管治政策及常規；(b)董事及高級管理層人員之培訓及持續專業發展；(c)本公司遵守法律及規管規定之政策及常規；(d)本公司操守守則及(e)本公司遵守守則披露規定。

## Corporate Governance Report 企業管治報告

### DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms not less than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the year ended 31 December 2017.

On 20 March 2006, the Board also adopted written guidelines on terms not less than the required standard of dealings for relevant employees in respect of their dealings in the securities of the Company. Prior to the adoption of such an internal code of conduct regarding securities transactions by employees, relevant employees who had in their possession of price-sensitive information were formally briefed on the dealing restrictions in relation to the securities of the Company at management meetings during the reporting period.

### THE BOARD OF DIRECTORS

#### Composition

As at 31 December 2017 and as at the date of this report, the Board comprises nine (9) Directors, of whom three are executive Directors, three are non-executive Directors and three are independent non-executive Directors. The participation of non-executive Directors in the Board provides the Company with a wide range of expertise and experience, and plays an important role in the work of the Board and brings independent judgement on issues relating to the Company's strategy, performance, conflicts of interest and management process to ensure that the interests of all shareholders of the Company have been duly considered. All Directors have given sufficient time and attention to the affairs of the Company. Each executive Director has sufficient experience to hold the position so as to carry out his/her duties effectively and efficiently.

In full compliance with Rule 3.10(1) and (2) of the Listing Rules, the Company has appointed three independent non-executive Directors, at least one of whom has appropriate professional qualifications or accounting or related financial management expertise. The Company has received from each independent non-executive Director an annual confirmation of his independence, and the Company considers such Directors to be independent in accordance with each and every guideline set out in Rule 3.13 of the Listing Rules.

### 董事及僱員之證券交易

本公司已採納有關董事進行證券交易之書面指引，其條款不遜於上市規則附錄10所載買賣準則。本公司經向全體董事明確查詢後，董事於截至二零一七年十二月三十一日止年度一直遵守操守則與所規定之買賣準則，以及董事進行證券交易之操守則。

於二零零六年三月二十日，董事會亦採納相關僱員買賣本公司證券之書面指引，其條款不遜於所規定買賣準則。於採納僱員進行證券交易之內部操守則前，掌握股價敏感資料之相關僱員已於報告期間之管理層會議上獲得正式簡介，得以瞭解關於本公司證券之交易限制。

### 董事會

#### 組成

於二零一七年十二月三十一日及於本報告日期，董事會由九(9)名董事組成，其中三名為執行董事、三名為非執行董事及三名為獨立非執行董事。董事會中非執行董事之參與為本公司帶來廣泛專業知識及豐富經驗，並在董事會工作中擔當重要角色，且為本公司策略、表現、利益衝突、管理過程等事項提供獨立判斷，以確保充分考慮本公司全體股東之利益。全體董事均能付出足夠時間及精力處理本公司之事務。各執行董事均有足夠之經驗任職，以充分且有效地履行其職責。

為充分遵守上市規則第3.10(1)及(2)條，本公司已委任三名獨立非執行董事，其中至少一名具備適當之專業資格或會計或相關之財務管理專業知識。本公司已從各獨立非執行董事收到有關獨立性之年度確認函，而本公司認為該等董事均符合上市規則第3.13條所列各項關於獨立性之指引。

## Corporate Governance Report 企業管治報告

Pursuant to the Code, the Board adopted a board diversity policy. The Company recognise the benefits of diversity of Board members, and will ensure that the Board has a balance of skills, experiences and diversity of prospect appropriate to the Company's business need prospectus.

The Board as at 31 December 2017 comprised:

### Executive Directors

Guo Jiang (Chairman) (Note 1 and 2), Liu Jun (Chief Executive Officer), Lee Wee Ong (Chief Financial Officer)

### Non-executive Directors

Guo Fansheng (Note 1), Li Jianguang, Wong Chi Keung

### Independent non-executive Directors

Zhang Ke, Zhang Tim Tianwei, Qi Yan

Except that Mr. Guo Fansheng is the uncle of Mr. Guo Jiang (Chairman), there are no financial, business, family or other relationships among the members of the Board.

All independent non-executive Directors are identified as such in all corporate communications containing the names of the Directors.

Notes:

- With effect from 18 October 2017, Mr. Guo Fansheng has been re-designated as a non-executive Director and resigned as the chairman of the Board, the chairman of the nomination committee of the Company (the "Nomination Committee"), the authorised representative of the Company (the "Authorised Representative") and the compliance officer of the Company (the "Compliance Officer"), and Mr. Guo Jiang was appointed as the chairman of the Board, the chairman of the Nomination Committee, the Authorised Representative and the Compliance Officer.
- After the publication of the annual results of the Company, with effect from 27 March 2018, Mr. Guo Jiang resigned as an executive Director, the chairman of the Board, the chairman of the Nomination Committee, the member of the Remuneration Committee, an Authorised Representative and the Compliance Officer. Following Mr. Guo's resignation, (i) Mr. Liu Jun has been appointed as the chairman of the Board, the chairman of the Nomination Committee, the member of the Remuneration Committee and the Compliance Officer; and (ii) Mr. Lee Wee Ong has been appointed as an Authorised Representative, all with effect from 27 March 2018. For details, please refer to the announcement of the Company dated 27 March 2018.

根據守則，董事會已採納董事會成員多元化政策。本公司認同董事會成員多元化之裨益，並將確保董事會擁有均衡技能、經驗及多元化展望，以符合本公司業務所需。

於二零一七年十二月三十一日，董事會成員為：

### 執行董事

郭江(主席)(附註1及2)、劉軍(行政總裁)、Lee Wee Ong(首席財務官)

### 非執行董事

郭凡生(附註1)、李建光、王自強

### 獨立非執行董事

張克、張天偉、祁燕

除郭凡生先生為郭江先生(主席)之叔叔外，董事會成員之間概無存在財務、業務、家族或其他關係。

所有載有董事姓名之公司通訊中，已說明全體獨立非執行董事身份。

附註：

- 郭凡生先生已調任為非執行董事，並已辭任董事會主席、本公司提名委員會(「提名委員會」)主席、本公司授權代表(「授權代表」)及本公司監察主任(「監察主任」)，而郭江先生已獲委任為董事會主席、提名委員會主席、授權代表兼監察主任，自二零一七年十月十八日起生效。
- 於本公司刊發全年業績後，郭江先生辭任執行董事、董事會主席、提名委員會主席、薪酬委員會成員、授權代表及監察主任，自二零一八年三月二十七日起生效。於郭先生辭任後，(i)劉軍先生已獲委任為董事會主席、提名委員會主席、薪酬委員會成員兼監察主任；而(ii) Lee Wee Ong先生已獲委任為授權代表，均自二零一八年三月二十七日起生效。有關詳情，請參閱本公司日期為二零一八年三月二十七日之公佈。

## Corporate Governance Report 企業管治報告

### Board meetings and general meetings

The Board meets in person or through other electronic means of communication at least four times every year. At least 14 days' notice of all board meetings were given to all Directors (unless waived in accordance with the Articles of Association of the Company), who were all given an opportunity to include matters in the agenda for discussion. The Board secretary of the Company (the "Board Secretary") assists the Chairman in preparing the agenda for the meeting, and ensures that all applicable rules and regulations regarding the meetings are observed. The meeting agenda and accompanying board papers are sent to all Directors prior to meetings. During the financial year ended 31 December 2017, 7 Board meetings and 3 general meetings were held and the following is an attendance record of the meetings by each Director:

	Attendance	
	Board Meetings	General Meetings
<b>Executive Directors</b>		
Guo Jiang	7/7	2/3
Lee Wee Ong	7/7	3/3
Liu Jun	7/7	3/3
<b>Non-executive Directors</b>		
Guo Fansheng	7/7	1/3
Li Jianguang	7/7	1/3
Wong Chi Keung	7/7	3/3
<b>Independent non-executive Directors</b>		
Zhang Ke	7/7	2/3
Zhang Tim Tianwei	7/7	2/3
Tang Jie (Resigned on 30 November 2017)	6/6	1/2
Qi Yan (Appointed on 30 November 2017)	1/1	1/1

Notes:

- (1) Three general meeting of the Company was held during the financial year ended 31 December 2017.
- (2) Non-executive Directors (including independent non-executive Directors) have been invited by the Company but some of them were unable to attend the general meeting held during the year due to other engagements. The non-executive Directors actively participates in the Board and will attend the general meetings of the Company if possible.
- (3) Excluding Board meeting at which relevant Director is required to abstain pursuant to the Listing Rules and/or the Articles of Association of the Company.

### 董事會會議及股東大會

董事會會議每年召開至少四次。董事均親身出席或透過其他電子通訊方法參與。全體董事至少14天前就全部董事會會議接獲通知(惟根據本公司組織章程細則予以豁免者除外)，全體董事均有機會提出商討事項列入會議議程。本公司之董事會秘書(「董事會秘書」)協助主席為會議準備議程，以確保遵守所有有關會議之適用規則及規例。會議議程及相關會議文件均於會議舉行前送交全體董事。截至二零一七年十二月三十一日止財政年度，共召開七次董事會會議及三次股東大會，各董事出席會議之記錄如下：

	出席次數	
	董事會會議	股東大會
<b>執行董事</b>		
郭江	7/7	2/3
Lee Wee Ong	7/7	3/3
劉軍	7/7	3/3
<b>非執行董事</b>		
郭凡生	7/7	1/3
李建光	7/7	1/3
王自強	7/7	3/3
<b>獨立非執行董事</b>		
張克	7/7	2/3
張天偉	7/7	2/3
湯捷(於二零一七年十一月三十日辭任)	6/6	1/2
祁燕(於二零一七年十一月三十日獲委任)	1/1	1/1

附註：

- (1) 本公司於截至二零一七年十二月三十一日止財政年度舉行三次股東大會。
- (2) 本公司已邀請非執行董事(包括獨立非執行董事)，惟部分董事因其他事務未能出席年內舉行之股東大會。非執行董事積極參與董事會並將在可能情況下出席本公司股東大會。
- (3) 不包括相關董事根據上市規則及/或本公司組織章程細則須放棄表決之董事會會議。

## Corporate Governance Report 企業管治報告

During regular meetings of the Board, the Directors discuss and formulate the overall strategies of the Company, monitor financial performances and discuss the annual and interim results, set annual budgets, as well as discuss and decide on other significant matters.

The Board Secretary records the proceedings of each Board meeting in detail by keeping detailed minutes, including all decisions made by the Board together with concerns raised and dissenting views expressed (if any). Drafts of board minutes are circulated to all Directors for comments and approval as soon as practicable after the meeting. All minutes are open for inspection at any reasonable time on request by any Director. All Directors have access to relevant and timely information at all times as the Chairman ensures that management will supply the Board and its committees with all relevant information in a timely manner. The Directors acknowledge their responsibility for preparing the accounts and statement.

### Delegation by the Board

The Company has set out the respective functions and responsibilities reserved to the Board and those delegated to management. The Board delegates day to day operations of the Group to executive Directors and senior management while reserving certain key matters for its approval. The Board is responsible for the approval and monitoring of the Company's overall strategies and policies; approval of business plans; evaluating the performance of the Company and oversight of management. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs.

Decisions of the Board are communicated to the management through executive Directors who have attended at board meetings.

### INDUCTION AND PROFESSIONAL DEVELOPMENT

Newly appointed Directors will receive guideline and reference materials to enable them to familiarise with the Group's business operations and the Board's policies.

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills. The Company has circulated to Directors training materials relevant to the directors duties and responsibilities and prepared a training record and the Directors have reviewed the training materials.

在董事會定期會議中，董事商討並制定本公司之整體策略、監察財務表現及商討全年及中期業績、設定年度預算以及商討及作出其他重大決定。

董事會秘書就各董事會會議作出詳細會議記錄，以記錄議程，包括董事會作出之所有決策，以及於會議上提出之任何疑慮及表達之反對意見(如有)。於會議結束後，董事會秘書將於實際可行情況下儘快將董事會會議記錄送交全體董事傳閱，以聽取意見及取得批准。任何董事可在任何合理時段查閱所有會議記錄。主席促使管理層向董事會及其轄下委員會適時提供一切相關資料，以使全體董事能夠在任何情況下均掌握有關及時資料。董事知悉彼等有關編製賬目及報表之責任。

### 董事會權利之授權

本公司已規定董事會與授予管理層各自職能與職責。董事會委派本集團之日常營運工作予執行董事及高級管理層，同時保留若干主要事項由董事會批准。董事會負責批准及監察本公司之整體策略及政策；批准業務計劃；評估本公司之表現及管理層之監管。董事會亦負責透過指導及監察本公司之事務，促進本公司及其業務之成功。

董事會會透過出席董事會會議之執行董事向管理層傳達其決策。

### 入職簡報及專業發展

新委任董事將獲發指引及參考資料，以便其熟識本集團業務運作及董事會政策。

本公司鼓勵董事參加持續專業發展，以發展並更新董事之知識和技能。本公司已將與董事職務及職責相關之培訓材料供董事傳閱，並編製培訓記錄，而董事已審閱有關培訓材料。

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During the reporting period, all Directors have participated in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations, and the individual training record is summarized below:

Attending seminar(s)/ relevant materials		出席會議/ 相關材料	
<b>Executive Directors</b>		<b>執行董事</b>	
Guo Jiang	YES	郭江	是
Liu Jun	YES	劉軍	是
Lee Wee Ong	YES	Lee Wee Ong	是
<b>Non-executive Directors</b>		<b>非執行董事</b>	
Guo Fansheng	YES	郭凡生	是
Li Jianguang	YES	李建光	是
Wong Chi Keung	YES	王自強	是
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>	
Zhang Ke	YES	張克	是
Zhang Tim Tianwei	YES	張天偉	是
Tang Jie (Resigned on 30 November 2017)	YES	湯捷(於二零一七年十一月三十日辭任)	是
Qi Yan (Appointed on 30 November 2017)	YES	祁燕(於二零一七年十一月三十日獲委任)	是

### Term of Appointment and Re-election

Under the provision A.4.1, non-executive Directors should be appointed for a specific term, subject to re-election. Each of the existing non-executive Directors, namely Mr. Li Jianguang, Mr. Wong Chi Keung, Mr. Zhang Ke, Mr. Zhang Tim Tianwei and Ms. Qi Yan was appointed for a fixed term of one year, subject to rotation and/or re-election at the annual general meeting of the Company, as specified by the Articles of Association of the Company. Under the provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

On 10 November 2006, a special resolution was passed by the shareholders of the Company to approve the amendments to the Company's Articles of Association to ensure compliance with the Code. Pursuant to the amended provisions of the Articles of Associations of the Company, any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

於報告期間，全體董事已透過出席培訓課程或閱覽主題與企業管治及法規有關之相關材料參與持續專業發展，而個別培訓記錄概述如下：

### 任期與重選

根據第A.4.1條規定，非執行董事之委任應有指定任期，並可予重選。各現任非執行董事（即李建光先生、王自強先生、張克先生、張天偉先生及祁燕女士）獲委任一年之固定任期，並根據本公司組織章程細則之規定於本公司股東週年大會上輪值告退及／或重選。第A.4.2條規定，所有為填補臨時空缺而獲委任之董事應在接受委任後之首次股東大會上接受股東選舉，而各董事（包括有指定任期之董事）須最少每三年輪值告退一次。

於二零零六年十一月十日，本公司股東通過特別決議案，批准修訂本公司章程細則，以確保遵守守則。根據本公司組織章程細則之經修訂條文，獲董事會委任之董事任期僅至本公司下屆股東大會止（填補空缺之情況下）或直至本公司下屆股東週年大會（為增加董事會席位之情況下），惟屆時合資格於該大會膺選連任。在每屆股東週年大會上，當時三分之一之董事（或倘人數並非三(3)之倍數，則以最接近但不少於三分之一之人數為準）須輪值告退，惟各董事（包括按指定任期委任之董事）須最少每三年輪值告退一次。



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### CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

Code provision A.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

During the reporting period, the roles of the Chairman and the chief executive officer of the Company are segregated and are not exercised by the same individual.

The Chairman is responsible for ensuring that the Board functions effectively and smoothly. In doing so, the Chairman ensures that good corporate governance practices and procedures are established and followed, and that all Directors are properly briefed and received all relevant information prior to each meeting.

The Chairman was responsible for overseeing the implementation of corporate strategies of the Company. The chief executive officer of the Company was responsible for overseeing the day-to-day operations of the Company.

Upon the appointment of Mr. Liu Jun as the chairman of the Board with effect from 27 March 2018, Mr. Liu Jun will perform the roles as the chairman of the Board and the chief executive officer of the Company, which deviates from code provision A.2.1. After evaluation of the current situation of the Company and taking into account the experience and past performance of Mr. Liu, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage of Mr. Liu to hold both positions as the chairman and chief executive officer of the Company as it helps to maintain the continuity of the policies and the stability of the operation of the Company. Furthermore, the Board considers that this arrangement will not impair the balance of power and authority between the Board and the management of the Company as a majority of the Board members are non-executive Directors and independent non-executive Directors and the Board meets regularly to consider major matters affecting the operations of the Group and all Directors are properly and promptly briefed on such matters with adequate, complete and reliable information.

### REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 March 2006. As at 31 December 2017 and as at the date of this report, the chairman of the Remuneration Committee is Mr. Zhang Ke (independent non-executive Director) and other members include Mr. Guo Jiang (executive Director), Mr. Wong Chi Keung (non-executive Director), Mr. Zhang Tim Tianwei (independent non-executive Director) and Ms. Qi Yan (independent non-executive Director).

### 主席與行政總裁

守則之守則條文第A.2.1條規定，主席與行政總裁之角色應予區分，不應由一人同時兼任。

於報告期間，本公司主席與行政總裁職務劃分，並非由同一人擔任。

主席負責確保董事會有效及順利地運作。主席可藉此確保本公司制定及遵守良好之企業管治常規及程序，及確保全體董事於每次會議前獲悉並收到一切有關資料。

主席負責監督本公司企業策略實施。本公司行政總裁則負責監督本公司日常營運。

隨著劉軍先生自二零一八年三月二十七日起獲委任為董事會主席，劉軍先生將同時兼任董事會主席及本公司行政總裁，因此偏離守則之守則條文第A.2.1條規定。經評估本公司現況及考慮劉軍先生的經驗及以往表現後，董事會認為於現階段由劉軍先生兼任本公司主席及行政總裁兩個職務是合適及符合本公司之最佳利益，這可以讓本公司維持政策的延續及業務的穩定。此外，董事會認為此項安排不會削弱董事會與本公司管理層間之權力及權限制衡，此乃由於董事會之絕大部分成員為非執行董事及獨立非執行董事，董事會定期舉行會議以考慮對本集團業務營運具有影響之重大事項，且董事會以充分、完整及可靠之資料適當及即時地向全體董事通報有關事項。

### 薪酬委員會

薪酬委員會於二零零六年三月二十日成立。於二零一七年十二月三十一日及於本報告日期，張克先生（獨立非執行董事）擔任薪酬委員會主席，其他成員包括郭江先生（執行董事）、王自強先生（非執行董事）、張天偉先生（獨立非執行董事）及祁燕女士（獨立非執行董事）。

## Corporate Governance Report 企業管治報告

During the year, the Remuneration Committee was responsible for formulating and recommending the Board in relation to the remuneration policy, determining the remunerations of executive Directors and members of the senior management of the Company, and reviewing and making recommendations on the Company's share option scheme and share award scheme, bonus structure, provident fund and other compensation-related issues. The Remuneration Committee consults with the Chairman and/or the chief executive officer of the Company on its proposals and recommendations.

The Remuneration Committee is provided with other resources enabling it to discharge its duties such as the access to professional advice if and when necessary. For the financial year ended 31 December 2017, the Remuneration Committee held 2 meetings. The individual attendance record of each member is as follows:

Members	Attendance	成員	出席次數
Zhang Ke	2/2	張克	2/2
Zhang Tim Tianwei	2/2	張天偉	2/2
Guo Jiang	2/2	郭江	2/2
Wong Chi Keung	2/2	王自強	2/2
Tang Jie (Resigned on 30 November 2017)	2/2	湯捷(於二零一七年十一月三十日辭任)	2/2
Qi Yan (Appointed on 30 November 2017)	N/A	祁燕(於二零一七年十一月三十日獲委任)	不適用

Full minutes of the Remuneration Committee's meetings are properly kept by the Company. In line with practices consistent with meetings of the Board and other committee meetings, draft and final versions of Remuneration Committee meeting minutes are circulated to all members of the Remuneration Committee for comments, approval and record as soon as practicable after each meeting.

At the meetings of the Remuneration Committee held in the period under review, the members of the Remuneration Committee have reviewed the Group's remuneration policy and discussed the remuneration packages of Directors and senior management for the forthcoming financial year.

The emoluments of the Directors and the management are determined based on the operating results of the Company, individual performance and/or prevailing market conditions. The Company has also adopted the Share Option Scheme and Share Award Scheme as an incentive to Directors and senior management.

年內，薪酬委員會負責制定薪酬政策及就薪酬政策向董事會提出建議，釐定本公司執行董事及高級管理人員之薪酬，以及檢討本公司之購股權計劃及股份獎勵計劃、分紅機制、公積金與其他薪酬相關事宜，並就此提出建議。薪酬委員會就其建議及推薦意見諮詢本公司主席及／或行政總裁之意見。

薪酬委員會獲提供額外資源以履行其職責，包括在需要時諮詢專業意見。截至二零一七年十二月三十一日止財政年度，薪酬委員會共舉行二次會議，各成員之出席記錄如下：

本公司妥為保存薪酬委員會之完整會議記錄。根據董事會及其他委員會會議之慣例，薪酬委員會會議記錄草稿及最終定稿在每次會議後於實際可行情況下儘快送交全體薪酬委員會成員傳閱，以作表達意見、批准及記錄之用。

於回顧期內舉行之薪酬委員會會議上，薪酬委員會成員已檢閱本集團之薪酬政策，並討論下一財政年度董事及高級管理人員之薪酬組合。

董事及管理人員之酬金水平乃根據本公司經營業績、個人表現及／或當時市況釐定。本公司亦已採納購股權計劃及股份獎勵計劃以激勵董事及高級管理人員。

## Corporate Governance Report 企業管治報告

### NOMINATION COMMITTEE

With effect from 20 March 2012, the Company established the Nomination Committee and written terms of reference of the nomination committee have been adopted. As at 31 December 2017 and the date of this report, the chairman of the Nomination Committee was Mr. Guo Jiang (executive Director) and other members include Mr. Zhang Ke (independent non-executive Director) and Mr. Zhang Tim Tianwei (independent non-executive Director). The Nomination Committee is responsible for reviewing the structure, size, diversity and composition of the Board, identifying individual suitably qualified to become Board members, selecting or making recommendation to the Board on selection of individuals nominated for directorship, assessing the independence of independent non-executive Director and making recommendation to the Board on the appointment or reappointment of Directors and succession planning for Directors. During the year ended 31 December 2017, the Nomination Committee also reviewed the structure and composition of the Board.

New Directors are selected on the basis of their qualifications, skills and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board.

In August 2013, amendments to the written terms of reference of the nomination committee have been adopted. In deciding the composition of the Board, the Company will consider the Board diversity from various perspectives, including but not limited to sex, age, cultural and academic background, race, professional experience, skills, knowledge and terms of services.

For the financial year ended 31 December 2017, the Nomination Committee held 2 meetings. The Individual attendance record of each members is as follows:

Members	Attendance
Guo Fansheng (Resigned on 18 October 2017)	2
Zhang Ke	2
Zhang Tim Tianwei	2
Guo Jiang (Appointed on 18 October 2017)	N/A

### 提名委員會

自二零一二年三月二十日起，本公司成立提名委員會，並採納提名委員會之書面職權範圍。於二零一七年十二月三十一日及本報告日期，提名委員會主席為郭江先生(執行董事)，其他成員包括張克先生(獨立非執行董事)及張天偉先生(獨立非執行董事)。提名委員會負責檢討董事會之架構、人數、多元化及組成、識別合資格人士出任董事會成員、挑選及向董事會建議供挑選提名為董事之人士、評核獨立非執行董事之獨立性及就委任或重新委任董事以及董事繼任計劃向董事會作出建議。於截至二零一七年十二月三十一日止年度，提名委員會亦曾檢討董事會之架構及組成。

新董事乃根據提名委員會認為人選之資歷、技能及經驗會對董事會工作表現作出積極貢獻為準則選出。

於二零一三年八月，提名委員會書面職權範圍之修訂已予採納。於釐定董事會組成時，本公司將從多個角度考慮董事會之成員多元化，包括但不限於性別、年齡、文化及學歷背景、種族、專業經驗、技能、知識及服務年期。

截至二零一七年十二月三十一日止財政年度，提名委員會曾舉行二次會議。各成員之出席記錄如下：

成員	出席次數
郭凡生(於二零一七年十月十八日辭任)	2
張克	2
張天偉	2
郭江(於二零一七年十月十八日獲委任)	不適用

## Corporate Governance Report 企業管治報告

### AUDIT COMMITTEE AND ACCOUNTABILITY

Management of the Company provides all relevant information and records to the Board enabling the Board to make assessment and to prepare the financial statements and other financial disclosures. In full compliance with Rules 3.21 and 3.23 of the Listing Rules, the audit committee of the Company ("Audit Committee") was established in July 2003 and is currently chaired by Mr. Zhang Ke (independent non-executive Director). Other members of the Audit Committee include Mr. Li Jianguang (non-executive Director) and Ms. Qi Yan (independent non-executive Director).

During the year, the Audit Committee's primary duties include ensuring the Company's financial statements, annual and interim reports, and the auditor's report present a true and balanced assessment of the Company's financial position; reviewing the Company's financial control, internal control and risk management systems; and reviewing the Company's financial and accounting policies and practices.

The Audit Committee is provided with sufficient resources enabling it to discharge its duties. For the financial year ended 31 December 2017, the Audit Committee held 2 meetings. The individual attendance record of each member is as follows:

Members	Attendance
Zhang Ke	2/2
Li Jianguang	2/2
Tang Jie (Resigned on 30 November 2017)	2/2
Qi Yan (Appointed on 30 November 2017)	N/A

The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, the internal control procedures, the financial results of the Group during the year ended 31 December 2017 and met with external auditors and discussed the financial matters of the Group that arose during the course of audit during the year ended 31 December 2017. In the opinion of the Audit Committee, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group'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 discussion of the external auditors.

Full minutes of all Audit Committee meetings are properly kept by the Company. In line with practices consistent with meetings of the Board and other committee meetings, draft and final versions 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.

### 審核委員會與問責

本公司管理層向董事會提供所有相關資訊與記錄，致使董事會進行評估並編製財務報表及其他財務披露資料。為充分遵守上市規則第3.21及3.23條，本公司於二零零三年七月成立審核委員會（「審核委員會」），目前由張克先生（獨立非執行董事）擔任主席。審核委員會之其他成員包括李建光先生（非執行董事）及祁燕女士（獨立非執行董事）。

年內，審核委員會之主要職責包括確保本公司之財務報表、年報及中期報告以及核數師報告真實公平地呈列本公司之財務狀況；檢討本公司之財務監控、內部監控及風險管理制度；及檢討本公司之財務及會計政策以及常規。

審核委員會獲提供足夠資源以履行其職責。截至二零一七年十二月三十一日止財政年度，審核委員會共舉行二次會議。各成員之出席記錄如下：

成員	出席次數
張克	2/2
李建光	2/2
湯捷(於二零一七年十一月三十日辭任)	2/2
祁燕(於二零一七年十一月三十日委任)	不適用

審核委員會已與本公司管理層一併審閱本集團採納之會計原則及常規、內部監控程序以及本集團截至二零一七年十二月三十一日止年度之財務業績，以及與外聘核數師會面並討論就截至二零一七年十二月三十一日止年度進行審核期間發現之本集團財務事項。審核委員會認為，概無重大不確定事件或情況，可能令本集團持續經營能力嚴重成疑。董事會及審核委員會概無就外聘核數師之甄選、委任、辭任或討論產生爭議。

本公司妥為保存審核委員會之完整會議記錄。根據董事會及其他委員會會議之慣例，審核委員會會議記錄草稿及最終定稿在每次會議後於實際可行情況下儘快送交全體審核委員會成員傳閱，以作表達意見、批准及記錄之用。

## Corporate Governance Report 企業管治報告

The Directors' responsibilities for the financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 112 to 114 of this report.

### AUDITOR'S REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditors and reviewing any non-audit function performed by external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Company. The Group's external auditor is PricewaterhouseCoopers. The remuneration paid or payable to the external auditor of the Group in relation to the year ended 31 December 2017 comprised fees for audit services of HKD5,440,000 (2016: HKD3,950,000) and HKD3,660,000 (2016: HKD2,450,000) for non-audit related services, included providing professional services on interim review, merger and acquisition.

### COMPANY SECRETARY

The Company engages an external service provider to provide company secretarial services and Ms. Kwong Yin Ping Yvonne is appointed as the Company Secretary. The primary contact person in the Company for Ms. Kwong in relation to corporate secretarial matters is Mr. Lu Qingguo, the Board Secretary and the General Counsel of the Company.

Ms. Kwong Yin Ping Yvonne has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements during the year ended 31 December 2017.

### SENIOR MANAGEMENT REMUNERATION

#### Senior management remuneration by band

The emoluments fell within the following bands:

	Number of individuals 人數	
	2017 二零一七年	2016 二零一六年
Nil to HKD1,000,000 零至1,000,000港元	3	1
HKD1,000,000 to HKD2,000,000 1,000,000港元至2,000,000港元	1	-
HKD2,000,000 to HKD3,000,000 2,000,000港元至3,000,000港元	-	2

董事對財務報表之責任，以及外聘核數師對股東之責任載於本報告第112至114頁。

### 核數師薪酬

審核委員會負責考慮外聘核數師之委任及審查外聘核數師進行之任何非核數工作，包括有關非核數工作會否對本公司構成任何潛在重大不利影響。本集團外聘核數師為羅兵咸永道會計師事務所。截至二零一七年十二月三十一日止年度，已付或應付本集團外聘核數師之薪酬包括核數服務費用5,440,000港元(二零一六年：3,950,000港元)及非審計相關服務(包括提供中期審閱、併購之專業服務)費用3,660,000港元(二零一六年：2,450,000港元)。

### 公司秘書

本公司委任外部服務供應商提供公司秘書服務，鄭燕萍女士獲委任為公司秘書。本公司與鄭女士就公司秘書事宜之主要連絡人士為本公司董事會秘書兼首席法律顧問盧慶國先生。

截至二零一七年十二月三十一日止年度，鄭燕萍女士已遵守上市規則第3.29條有關專業培訓之規定。

### 高級管理人員薪酬

#### 按組別劃分之高級管理人員酬金

酬金範圍如下：

## Corporate Governance Report 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective risk management and internal control systems for the Group to safeguard the Company's assets and shareholders' interests, as well as for reviewing such systems' effectiveness. The Board conducts review of the Company's internal control systems periodically, covering financial, operational and compliance controls and risk management functions. In such review, the Board has considered factors such as changes since the last review; scope and quality of management's monitoring of risks; incidence of significant control failings and weaknesses identified; and effectiveness relating to financial reporting and compliance with the Listing Rules.

On 28 December 2015, the Company adopted the new terms of reference of the Audit Committee in accordance with the amendments to the Corporate Governance Code and Corporate Governance Report made by the Stock Exchange, which is applicable to the accounting period beginning from 1 January 2016. In addition, the Company set up a Group Audit Department in order to enhance the internal control and risk management of the Company.

Each year, external auditors will also report on issues in the Group's internal control and accounting procedure which have come to their attention during the course of their audit, if any.

The Audit Committee periodically considers the risk management and internal control issues raised by the Company's management, if any. The Audit Committee will then review the remedial plans proposed by the management in addressing the issues and will then be submitted to the Board for consideration.

For the year of 2017, no critical internal control issues have been identified.

### INVESTOR RELATIONS

The Company discloses all necessary information to the shareholders in compliance with the Listing Rules. The Directors host the annual general meeting each year to meet the shareholders of the Company and answer their enquiries (if any). The Directors make efforts to attend annual general meetings so that they may answer any question raised by the shareholders of the Company.

There is no significant change in the memorandum of association and articles of association of the Company during the year ended 31 December 2017.

The proceedings of the annual general meetings are reviewed from time to time to ensure the Company conforms to the best practices regarding corporate governance.

### 風險管理及內部監控

董事會負責維持本集團穩健及有效之風險管理及內部監控制度，以保障本公司資產及股東之利益，以及檢討該等制度之成效。董事會定期檢討本公司之內部監控制度，包括財務、運作、合規監控及風險管理功能。在該檢討中，董事會考慮到許多因素，包括自上一次檢討後之轉變；管理層監察風險之工作範疇及素質；發生重大監控失誤及發現重大監控弱項之次數；及有關財務報告及遵守上市規則之規定是否有效。

於二零一五年十二月二十八日，本公司根據聯交所制訂之企業管治守則及企業管治報告之修訂本採納審核委員會之新訂職權範圍，該職權範圍適用於自二零一六年一月一日起開始之會計期間。此外，本公司成立集團審核部門，從而加強本公司內部監控及風險管理。

每年，外聘核數師亦將匯報彼等於審核過程中所發現本集團內部監控及問責過程之弱點(如有)。

審核委員會定期考慮本公司管理層所提出的風險管理及內部監控問題(如有)。審核委員會屆時將會審閱管理層就解決有關問題所提出的補救計劃並會將其呈交董事會考慮。

於二零一七年，並無發現任何重要內部監控問題。

### 投資者關係

為遵守上市規則，本公司向股東披露所有必要資料。董事每年於股東週年大會上會見本公司股東並回答股東詢問(如有)。董事均盡其最大努力出席股東週年大會，以便回答本公司股東之任何提問。

截至二零一七年十二月三十一日止年度，本公司之組織章程大綱及組織章程細則概無任何重大變動。

本公司不時檢討股東週年大會之程序，以確保本公司已遵守最佳之企業管治守則。

## Corporate Governance Report 企業管治報告

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

A Shareholders communication policy was reviewed and updated on 20 March 2012 to comply with code provision E.1.4 of the Code.

### Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Investor Relations Department of the Company whose contact details are as follows:

7/F, Tower A1, Junhao Central Park Plaza  
No.10 Chaoyang Park South Road  
Chaoyang District  
Beijing 100026  
The People's Republic of China  
Email: ir@hcgrou.com  
Tel No: (8610) 6592 0102  
Fax No: (8610) 6592 0068

Investor Relations Department of the Company handles both telephone and written enquiries from Shareholders from time to time.

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

### Shareholders' right to convene an extraordinary general meeting

Pursuant to Article 58 of the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. Any one 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 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 (2) months after the deposit of such requisition. If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

本公司亦透過其年度、中期及季度報告與其股東溝通。董事、公司秘書或其他合適之高級管理人員均會就股東及投資者之問題作出迅速回應。

股東溝通政策已根據守則之守則條文第E.1.4條進行檢討並已於二零一二年三月二十日更新。

### 股東向董事會提出查詢之程序

股東可隨時以書面透過本公司投資者關係部向董事會提出查詢及疑問，投資者關係部之聯絡詳情如下：

中華人民共和國  
北京市  
朝陽區  
朝陽公園南路10號院  
駿豪中央公園廣場A1樓7層(100026)  
電郵：ir@hcgrou.com  
電話：(8610) 6592 0102  
傳真：(8610) 6592 0068

本公司投資者關係部不時處理股東之來電及書面查詢。

在適當情況下，股東之查詢及疑問將轉交董事會及／或本公司相關董事會委員會，以解答股東之提問。

### 股東召開股東特別大會之權利

根據組織章程細則第58章，董事會可酌情召開股東特別大會。於遞交書面要求日期持有不少於附帶本公司股東大會表決權之本公司實繳股本十分之一之任何一名或以上股東，於任何時間均有權向董事會或公司秘書發出書面要求，以要求董事會召開股東特別大會處理有關要求內所訂明之任何事項；且有關大會應於遞交有關要求後兩(2)個月內舉行。倘於遞交要求後二十一(21)日內董事會未能召開大會，遞交要求人士可以相同形式自行召開有關大會。遞交要求人士因董事會未能召開大會而產生之所有合理費用應由本公司向遞交要求人士償付。

## Corporate Governance Report 企業管治報告

### Procedures for putting Forward Proposals at General Meetings by Shareholders

Pursuant to Article 88 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

The procedures for Shareholders to propose a person for election as a Director is posted on the Company's website at <http://www.hcgroup.com>.

### 股東於股東大會上提出動議之程序

根據組織章程細則第88條，除非獲董事推薦參選，否則除會上退任董事外，概無任何人士合資格於任何股東大會上參選董事，除非由正式合資格出席大會並於會上投票之股東（並非擬參選人）簽署通告，其內表明建議提名該人士參選之意向，另外，由獲提名人士簽署通告，表明願意參選。該等通告須呈交總辦事處或過戶登記處，惟該等通告之最短通告期限為至少七(7)日，而呈交該等通告之期間由寄發就該推選所指定之股東大會通告日期起計至不遲於該股東大會舉行日期前七(7)日止。

股東建議人選參選董事之程序於本公司網站 <http://www.hcgroup.com> 刊載。



## Independent Auditor's Report

### 獨立核數師報告



**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF HC INTERNATIONAL, INC.**  
*(incorporated in the Cayman Islands with limited liability)*

### OPINION

#### What we have audited

The consolidated financial statements of HC International, Inc. (the "Company") and its subsidiaries (the "Group") set out on pages 115 to 280, which comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

*PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong*  
*T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com*

羅兵咸永道

#### 獨立核數師報告

致慧聰集團有限公司股東  
 (於開曼群島註冊成立的有限公司)

### 意見

#### 我們已審計的內容

慧聰集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第115至280頁的合併財務報表，包括：

- 於二零一七年十二月三十一日的合併財務狀況表；
- 截至該日止年度的合併損益表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

#### 我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

## Independent Auditor's Report

### 獨立核數師報告

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

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.

#### KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Impairment assessment of loans to customers
- Impairment assessments of goodwill
- Non-listed available-for-sale financial assets, valued using market information and significant unobservable input
- Business combination – contingent considerations

#### 意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

#### 獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

#### 關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 客戶貸款減值評估
- 商譽減值評估
- 非上市可供出售金融資產，以市場資料及重大不可觀察數據輸入估值
- 業務合併—或然代價

## Independent Auditor's Report 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p><b>Impairment assessment on loans to customers</b> 客戶貸款減值評估</p> <p><i>Refer to Note 4 and Note 12 to the consolidated financial statements.</i> 請參閱合併財務報表附註4及附註12。</p> <p>As at 31 December 2017, the Group has gross loans to customers amounted to RMB1,632,113,000 and accumulated impairment allowance of RMB77,250,000 was recognised. 於二零一七年十二月三十一日，貴集團客戶貸款總額為人民幣1,632,113,000元，而累計減值撥備為人民幣77,250,000元。</p> <p>Impairment allowance represented management's best estimates of losses incurred for loans to customers as at the date of consolidated statement of financial position. The allowance was assessed individually or on a collective basis, where appropriate. The Group first assesses whether objective evidence of impairment exists individually, if the Group determines that no objective evidences exists for individual assessment, it grouped loans with similar credit risk characteristics and collectively assesses them for impairment. 減值撥備是管理層於合併財務狀況表日期因向客戶貸款所產生減值虧損之最佳估計。該撥備是在合適情況下按個別或共同方式進行評估。貴集團首先評估是否存在個別客觀減值證據，倘貴集團確定並不存在個別客觀減值證據，則將信貸風險特徵相近之貸款分組並進行共同評估。</p>	<p>In the evaluation of management's impairment assessment of loans to customers, we have performed the following procedures: 於評價管理層對客戶貸款之減值評估時，我們已進行以下程序：</p> <ul style="list-style-type: none"> <li>Assess the design, implementation and operating effectiveness of key internal controls over the approval, recording and monitoring of loans to customers. 評估有關批准、記錄及監控發放予客戶貸款之關鍵內部控制之設計、實施及運作效益。</li> <li>Understood, evaluated and validated the design and operating effectiveness of the controls over impairment assessment of loans receivable, which relate to management's identification of events that triggered the provision for impairment of loans receivable and estimation of the amount of provisions; 瞭解、評價並核證應收貸款減值評估控制之設計及運作效益，其涉及管理層所確認觸發應收貸款減值撥備之事項以及撥備金額估算；</li> <li>Carried out procedures, on a sample basis, to test the existence and accuracy of the aging of loans receivable as at the reporting date; 以抽樣方式執执行程序，以測試應收貸款於報告日期之存續及其賬齡的準確性；</li> </ul>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p>We focused on this area due to the size of the balance of loans to customers are significant to the consolidated financial statements and the impairment allowance involved significant judgements and estimates.</p> <p>由於客戶貸款結餘在合併財務報表較為重大而減值撥備涉及重大判斷及估計，故此我們專注於此範疇。</p>	<ul style="list-style-type: none"> <li>Reviewed management's assessment on the adequacy of provision for individual impairment based on customer's ability to repay the outstanding loans receivable and the value of underlying collaterals attached to the loans receivable; and 按照客戶償還應收貸款之能力，檢討管理層就個別減值撥備充足性之評估以及管理層對應收貸款附帶相關抵押品價值之評估；及</li> <li>Re-performed management's calculation of collective impairment assessment which grouped together all the receivables with similar risk characteristics and based on the reference to the actual loss rates. 重新執行管理層對共同減值評估之計算方法，有關評估將所有風險特徵相近之應收款項歸為一組並根據實際虧損率作出。</li> </ul> <p>We found the judgements made by the management in relation to the impairment assessment of loans to customers were supported by available evidence.</p> <p>我們認為管理層對客戶貸款減值評估所用方法、關鍵假設、判斷及估計均有證據支持。</p>

## Independent Auditor's Report 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p><b>Impairment assessments of goodwill</b> 商譽減值評估</p> <p>Please refer to Note 4 and Note 10 to the consolidated financial statements. 請參閱合併財務報表附註4及附註10。</p> <p>As at 31 December 2017, the goodwill of the Group amounted to RMB1,325,227,000 which were arisen from business acquisitions in previous and current years. 於二零一七年十二月三十一日，貴集團之商譽為人民幣1,325,227,000元，產生自過往年度及本年度業務收購。</p> <p>The Group's goodwill were allocated to five cash-generating units ("CGUs"), namely (i) anti-counterfeiting products and services; (ii) online services – B2B2C business; (iii) online services – garment industry; (iv) integrated marketing and advertising services; and (v) financing services. 貴集團之商譽分配至五個現金產生單位(「現金產生單位」)，即(i)防偽產品及服務；(ii)互聯網服務—B2B2C業務及(iii)互聯網服務—製衣業；(iv)整合營銷及廣告服務；及(v)金融服務。</p>	<p>In the evaluation of management's impairment assessments over the goodwill balance, we have performed the following procedures: 於評價管理層就商譽結餘之減值評估時，我們已進行以下程序：</p> <ul style="list-style-type: none"> <li>Evaluated the composition of the Group's future cash flow forecasts in developing the VIU calculations of all the CGUs, and the process by which they were drawn up, including testing the underlying calculations and comparing the forecasts to the latest budgets approved by the board of directors; 評價 貴集團就所有現金產生單位之使用價值計算及其擬訂之過程(包括測試相關計算及與董事會最近批准之預算案預測比較)之未來現金流量預測組合。</li> <li>Challenged the key assumptions including the revenue growth rate, gross profit margin and customer attrition rate in the forecasts, by making reference to the historical performance and future business plans of the CGUs and by benchmarking those assumptions to our independent market analysis; and 質疑主要假設，包括預測銷售收入增長率、毛利率及客戶流失率，當中經參考現金產生單位之過往表現及未來業務計劃以及以我們獨立市場分析作為該等假設之指標；及</li> </ul>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p>As described in the Accounting Policies in Note 2(k) to the consolidated financial statements, the Group is required to, at least annually, test goodwill for impairment. In carrying out the goodwill impairment assessments, management determines the recoverable amount of each CGU by using value in use calculation ("VIU"). These assessments involved significant management judgments and estimates in the determination of valuation model and the application of assumptions in the model, including forecast revenue growth rate, gross profit margin, customer attrition rate, terminal growth rate, and volatility and cost of equity for discount rate used in the projection period. Based on the management's assessment, there is no impairment required for goodwill.</p> <p>誠如合併財務報表附註2(k)會計政策所述，貴集團須最少每年就商譽減值進行測試。於進行商譽減值評估時，管理層透過利用使用價值計算，釐定各現金產生單位之可收回金額。該等評估涉及管理層於釐定估值模型及於該模型中應用假設(包括於預測期間所用之預測銷售收入增長率、毛利率、客戶流失率、最終增長率以及股權貼現率之波動性及成本)之重大判斷及估計。根據管理層之評估，毋須就商譽減值。</p> <p>We focused on this area due to the size of goodwill balance. Furthermore, the management's goodwill impairment assessments involved significant judgements and estimates.</p> <p>由於商譽結餘較為重大以及管理層就商譽減值評估涉及之重大判斷及估計，故此我們專注於此範疇。</p>	<ul style="list-style-type: none"> <li>Challenged management's sensitivity calculations over all the CGUs. We determined that the calculations were most sensitive to the assumptions for revenue growth rates and discount rates. We calculated the degree to which these assumptions would need to change before an impairment conclusion was triggered.</li> </ul> <p>質疑管理層對所有現金產生單位之敏感度測算。我們確定，該等計算最易受銷售收入增長率及貼現率影響。我們計算該等假設需要變動之程度，直至得出減值結論。</p> <p>We found management's judgements and estimates applied on the impairment assessments in respect of the goodwill were supported by available evidence.</p> <p>我們認為管理層就商譽所用減值評估判斷及估計均有證據支持。</p>

## Independent Auditor's Report 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p><b>Non-listed available-for-sale financial assets, valued using market information and significant unobservable input</b> 非上市可供出售金融資產、以市場資料及重大不可觀察數據輸入估值</p> <p>Refer to Note 4 and Note 16 to the consolidated financial statements. 請參閱合併財務報表附註4及附註16。</p> <p>The Group held certain non-listed shares of Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company which were classified as available-for-sale financial assets ("AFS") and were measured at fair value. 貴集團持有內蒙古呼和浩特金谷農村商業銀行股份有限公司之若干非上市股份，該等股份分類為可供出售金融資產及按公平值計量。</p> <p>Management engaged an external valuer to determine the year-end fair value of the non-listed AFS based on market approach. The valuation of this AFS required the use of market information (net assets value and price to book ratio of comparable companies in the industry) and significant unobservable input (discount for lack of marketability). 管理層已委聘外聘估值師，以釐定非上市可供出售金融資產按市場法計算之年終公平值。該可供出售金融資產估值過程須使用市場資料(業內可資比較公司資產淨值及市賬率)及重大不可觀察輸入數據(缺乏市場流通性貼現)。</p> <p>We focused on this area due to the carrying amount of this AFS is significant to the consolidated financial statements (RMB447,000,000 as at 31 December 2017) and significant management's judgements were involved in the choice of comparable companies and the determination of discount for lack of marketability in the fair value measurement of the AFS. 由於該可供出售金融資產賬面值對合併財務報表而言屬重大(於二零一七年十二月三十一日為人民幣447,000,000元)以及選擇可資比較公司及就可供出售金融資產公平值計量釐定缺乏市場流通性貼現涉及重大管理層判斷，故此我們專注於此範疇。</p>	<p>In assessing management's valuation of the AFS, we have performed the following procedures: 於評估管理層對可供出售金融資產之評估時，我們進行以下程序：</p> <ul style="list-style-type: none"> <li>Assessed the objectivity, independence and competence of the external appraiser engaged by the Group; 評估 貴集團委聘之外聘估值師是否客觀、獨立及有能力；</li> <li>Assessed the appropriateness of the selection of comparable companies by reference to their business nature and size of market capitalisation available in public market; 參考可資比較公司之業務性質及於公開市場之市值規模，以評估選定之可資比較公司是否合適；</li> <li>Tested the accuracy of the net assets value, price to book ratio of the comparable companies by checking to their audited financial statements available publicly; and 檢查可公開獲取之可資比較公司經審核財務報表，以測試其資產淨值及市賬率是否準確；及</li> <li>Utilised our internal valuation specialists to critically assess the determination of discount for lack of marketability by reference to market practice and research. 我們之內部估值專家，以藉參考市場慣例及研究，嚴格評估缺乏市場流通性貼現之釐定方法。</li> </ul> <p>We found the judgements made by the management in relation to the valuation of the AFS were supported by available evidence. 我們認為管理層就可供出售金融資產估值之判斷均有證據支持。</p>

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p><b>Business combination – contingent considerations</b> 業務合併－或然代價</p> <p>Refer to Note 4, Note 15 and Note 17 to the consolidated financial statements 請參閱合併財務報表附註4、附註15及附註17</p> <p>The Group recognised financial assets at fair value through profit or loss (“FATPL”) in relation to the contingent consideration arrangement of acquiring Orange Triangle Inc. during the year ended 31 December 2015 and financial liabilities at fair value through profit or loss (“FLTPL”) in relation to the contingent consideration arrangement of acquiring Zhongfu Holdings Limited and Huijia Yuantian Limited during the year ended 31 December 2016 and 2017, respectively. 貴集團確認有關於截至二零一五年十二月三十一日止年度收購 Orange Triangle Inc.之或然代價安排為按公平值計入損益之金融資產(「按公平值計入損益之金融資產」)，及有關於截至二零一六年及二零一七年十二月三十一日止年度分別收購 Zhongfu Holdings Limited及慧嘉元天之或然代價安排為按公平值計入損益之金融負債(「按公平值計入損益之金融負債」)。</p> <p>Management engaged an external valuer to determine the fair values of FATPL and FLTPL as at 31 December 2017. 管理層委聘外聘估值師，以釐定於二零一七年十二月三十一日按公平值計入損益之金融資產及按公平值計入損益之金融負債之公平值。</p> <p>As at 31 December 2017, the carrying amounts of FATPL and FLTPL amounted to RMB2,100,000 and RMB169,000,000, respectively. 於二零一七年十二月三十一日，按公平值計入損益之金融資產及按公平值計入損益之金融負債之賬面值分別為人民幣2,100,000元及人民幣169,000,000元。</p> <p>We focused on this area due to significant management judgements and assumptions involved in the determination of fair values of these financial instruments, which included the determination of valuation methodology, estimation of the respective probability of investee’s achievement of the profit guarantee, risk-free rate and discount rate. 由於釐定該等金融工具之公平值涉及重大管理層判斷及假設，包括估值方法之釐定、就被投資者達成溢利保證之概率之估計、無風險利率及貼現率，故此我們專注於此範疇。</p>	<p>In the evaluation of valuation of the financial instruments, we have performed the following procedures: 於評價金融工具估值時，我們進行以下程序：</p> <ul style="list-style-type: none"> <li>Assessed the objectivity, independence and competence of the external appraiser engaged by the Group; 評估 貴集團委聘之外聘估值師是否客觀、獨立及有能力；</li> <li>Utilised our internal valuation specialists to critically assess the model used in the valuation by referencing to market practices; 我們之內部估值專家，以藉參考市場慣例，嚴格評估估值所用模型；</li> <li>Challenged management’s assumption of the probability of fulfilling the remaining profit guarantee by the investees with reference to market research on the industry performance and forecast, historical performance of the investees and business plan of the Company in relation to the development of the investees; and 質疑管理層對被投資者達成餘下溢利保證之概率之假設，當中經參考行業表現及預測之市場研究、被投資者過往表現及 貴公司就被投資者發展之業務計劃；及</li> <li>Tested the integrity of the valuation calculations by checking the formula applied in the calculations and comparing the underlying inputs such as risk-free rate and discount rate with market data. 核對計算採用公式並將相關輸入數據(如無風險利率及貼現率)與市場數據相比較，以測試估值計算之完整性。</li> </ul> <p>We found the judgements and assumptions made by the management in relation to the valuation of the financial instruments were supported by available evidence. 我們認為管理層就金融工具估值之判斷及假設均有證據支持。</p>



## Independent Auditor's Report 獨立核數師報告

### OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the management's statement, report of the directors and corporate governance report (but does not include the financial statements and our auditor's report thereon), which are expected to be made available to us after the date of this auditor's report.

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

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

When we read the management's statement, report of the directors and corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

### RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

### 其他信息

董事須對其他信息負責。其他信息包括預期會在本核數師報告日後取得的管理層報告、董事會報告及企業管治報告(但不包括財務報表及我們的核數師報告)。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦將不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀上述的其他信息(當我們可取得該等信息時)，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

當我們閱讀管理層報告、董事會報告及企業管治報告後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審核委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

### 董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督 貴集團的財務報告過程。

## Independent Auditor's Report 獨立核數師報告

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

### 核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

## Independent Auditor's Report 獨立核數師報告

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

(Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Ka Keung, Johnny.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 27 March 2018

### 核數師就審計合併財務報表承擔的責任(續)

- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

出具本獨立核數師報告的審計項目合夥人是黃家強。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零一八年三月二十七日

# Consolidated Statement of Comprehensive Income

## 合併綜合收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
Revenue	銷售收入	5	<b>3,702,466</b>	1,958,283
Cost of revenue	銷售成本		<b>(2,397,882)</b>	(706,264)
Other income	其他收入	33	<b>44,359</b>	19,590
Other gains, net	其他收益淨額	34	<b>168,255</b>	106,153
Selling and marketing expenses	銷售及市場推廣費用		<b>(708,070)</b>	(698,524)
Administrative expenses	行政費用		<b>(304,467)</b>	(249,869)
Operating profit	經營溢利		<b>504,661</b>	429,369
Finance cost, net	財務成本淨額	38	<b>(85,962)</b>	(49,998)
Share of post-tax losses of associates	分佔聯營公司除稅後虧損	14	<b>(22,405)</b>	(13,502)
Share of post-tax profits of joint ventures	分佔合營公司除稅後溢利	14	<b>19,774</b>	27,633
Profit before income tax	除所得稅前溢利		<b>416,068</b>	393,502
Income tax expense	所得稅開支	39	<b>(98,758)</b>	(92,826)
Profit for the year	本年度溢利	35	<b>317,310</b>	300,676
Other comprehensive income:	其他全面收入：			
<i>Items that may be reclassified to profit or loss</i>	<i>可重新分類至損益之項目</i>			
Fair value (loss)/gain on available-for-sale financial assets	可供出售金融資產公平值(虧損)/收益	24	<b>(48,875)</b>	62,400
Fair value release on disposal of available-for-sale financial assets	出售可供出售金融資產撥回之公平值	24	<b>(28,605)</b>	(95,755)
Currency translation differences	貨幣匯兌差異	24	<b>13,724</b>	13,876
Total comprehensive income for the year, net of tax	本年度全面收入總額，扣除稅項		<b>253,554</b>	281,197
Profit attributable to:	下列人士應佔溢利：			
Equity holders of the Company	本公司權益持有人		<b>267,777</b>	181,784
Non-controlling interests	非控股權益		<b>49,533</b>	118,892
			<b>317,310</b>	300,676

## Consolidated Statement of Comprehensive Income

### 合并综合收益表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
Total comprehensive income attributable to:	下列人士應佔全面收入總額：			
Equity holders of the Company	本公司權益持有人		<b>204,021</b>	162,305
Non-controlling interests	非控股權益		<b>49,533</b>	118,892
			<b>253,554</b>	281,197
Earnings per share attributable to the equity holders of the Company (expressed in RMB per share)	本公司權益持有人應佔每股盈利(以每股人民幣列值)			
Basic earnings per share	每股基本盈利	40	<b>0.2651</b>	0.1882
Diluted earnings per share	每股攤薄盈利	40	<b>0.2559</b>	0.1852

The notes on pages 122 to 280 are an integral part of these consolidated financial statements.

第122至280頁之附註為本合併財務報表之整體部分。

## Consolidated Statement of Financial Position

## 合并財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註			
<b>Assets</b>		<b>資產</b>		
<b>Non-current assets</b>		<b>非流動資產</b>		
Land use rights	6	土地使用權	166,671	171,408
Investment properties	7	投資物業	642,087	660,345
Property, plant and equipment	9	物業、廠房及設備	286,358	309,516
Intangible assets	10	無形資產	2,376,400	1,521,619
Long term deposits, prepayments and other receivables	11	長期按金、預付款項及其他應收款項	11,146	2,589
Loans and interest receivable	12	貸款及應收利息	304,400	29,422
Deferred income tax assets	31	遞延所得稅資產	21,115	11,386
Investments accounted for using equity method	14	採用權益法列賬之投資	124,583	579,023
Available-for-sale financial assets	16	可供出售金融資產	528,960	484,071
Financial assets at fair value through profit or loss	17(a)	按公平值計入損益之金融資產	-	4,600
			<b>4,461,720</b>	3,773,979
<b>Current assets</b>		<b>流動資產</b>		
Completed properties held for sale	8	持作銷售竣工物業	110,750	364,617
Deferred expenses	19	遞延開支	49,335	81,351
Finance leases receivables	20	融資租賃應收款項	155,587	352,327
Loans and interest receivable	12	貸款及應收利息	1,345,918	52,714
Deposits, prepayments and other receivables	11	按金、預付款項及其他應收款項	164,046	119,997
Trade receivables	11	應收賬款	290,848	154,989
Inventories	21	存貨	142,910	3,590
Available-for-sale financial assets	16	可供出售金融資產	39,500	212,646
Financial assets at fair value through profit or loss	17(a)	按公平值計入損益之金融資產	172,021	172,686
Cash and cash equivalents	22	現金及現金等值物	401,918	963,523
			<b>2,872,833</b>	2,478,440
<b>Total assets</b>		<b>總資產</b>	<b>7,334,553</b>	6,252,419
<b>Equity</b>		<b>權益</b>		
<b>Equity attributable to the Company's equity holders</b>		<b>本公司權益持有人應佔權益</b>		
Share capital	23	股本	100,740	93,885
Other reserves	24	其他儲備	2,737,941	2,307,761
Retained earnings		留存收益	815,417	587,143
			<b>3,654,098</b>	2,988,789
<b>Non-controlling interests</b>		<b>非控股權益</b>	<b>803,031</b>	279,354
<b>Total equity</b>		<b>總權益</b>	<b>4,457,129</b>	3,268,143

## Consolidated Statement of Financial Position

### 合併財務狀況表

As at 31 December 2017 於二零一七年十二月三十一日

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Liabilities</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Non-current portion of bank borrowings	銀行借貸之非流動部分	29	712,376	127,376
Non-current portion of other borrowings	其他借貸之非流動部分	29	267,412	22,206
Deferred government grants	遞延政府補助	27	175,658	185,508
Deferred income tax liabilities	遞延所得稅負債	31	271,710	144,654
Receipt in advance	預收款項	26	40,282	40,282
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	17(b)	115,672	27,123
			<b>1,583,110</b>	547,149
<b>Current liabilities</b>	<b>流動負債</b>			
Current portion of finance lease obligations	融資租賃負債之流動部分		-	158
Trade payables	應付賬款	28	19,482	7,916
Accrued expenses and other payables	應計費用及其他應付款項	28	219,864	216,882
Deferred revenue	遞延收入	28	158,983	244,367
Current portion of bank borrowings	銀行借貸之流動部分	29	393,837	724,528
Current portion of other borrowings	其他借貸之流動部分	29	123,505	9,372
Deferred government grants	遞延政府補助	27	20,627	14,500
Receipt in advance	預收款項	26	163,581	453,540
Convertible bonds – liabilities portion	可換股債券－負債部分	30	41,387	654,743
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	17(b)	53,328	14,377
Other taxes payables	其他應繳稅項	32	34,422	36,898
Income tax payables	應繳所得稅	32	65,298	59,846
			<b>1,294,314</b>	2,437,127
<b>Total liabilities</b>	<b>總負債</b>		<b>2,877,424</b>	2,984,276
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>7,334,553</b>	6,252,419

The consolidated financial statements on pages 115 to 121 were approved by the Board of Directors on 27 March 2018 and were signed on its behalf.

**LIU Jun**  
Director  
劉軍  
董事

第115至121頁之合併財務報表於二零一八年三月二十七日獲董事會批准並由下列董事代表董事會簽署。

**LEE Wee Ong**  
Director  
LEE Wee Ong  
董事

The notes on pages 122 to 280 are an integral part of these consolidated financial statements.

第122至280頁之附註為本合併財務報表之整體部分。

# Consolidated Statement of Changes in Equity

## 合併權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to the Company's equity holders 本公司權益持有人應佔					Total 總計
		Share capital 股本 RMB'000 人民幣千元	Other reserves 其他儲備 (Note 24) (附註24) RMB'000 人民幣千元	Retained Earnings 留存收益 RMB'000 人民幣千元	Sub-total 小計 RMB'000 人民幣千元	Non-controlling interests 非控股權益 RMB'000 人民幣千元	
Balance at 1 January 2016	於二零一六年一月一日結餘	85,090	1,976,484	405,359	2,466,933	132,013	2,598,946
<b>Comprehensive income</b>	<b>全面收入</b>						
Profit for the year	本年度溢利	-	-	181,784	181,784	118,892	300,676
<b>Other comprehensive income/(loss)</b>	<b>其他全面收入/(虧損)</b>						
Fair value gain on available-for-sale financial assets, net of deferred tax	可供出售金融資產之公平值收益，扣除遞延稅項	24	62,400	-	62,400	-	62,400
Fair value release on disposal of available-for-sale financial assets, net of deferred tax	出售可供出售金融資產撥回之公平值，扣除遞延稅項	24	(95,755)	-	(95,755)	-	(95,755)
Currency translation differences	貨幣匯兌差異	24	13,876	-	13,876	-	13,876
<b>Total comprehensive (loss)/income</b>	<b>全面(虧損)/收入總額</b>	-	(19,479)	181,784	162,305	118,892	281,197
<b>Transactions with owners</b>	<b>與權益持有人進行之交易</b>						
Issuance of shares upon conversion of convertible bonds	於轉換可換股債券後發行股份	23	8,045	326,506	334,551	-	334,551
Buy-back of shares	購回股份	23	(529)	(60,410)	(60,939)	-	(60,939)
Exercise of share options	行使購股權	23, 24	1,279	10,429	11,708	-	11,708
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	24	-	29,566	29,566	-	29,566
Share purchase for Share Award Scheme	就股份獎勵計劃購買股份		-	(6,386)	(6,386)	-	(6,386)
Non-controlling interests arising on business combination	業務合併產生之非控股權益		-	-	-	14,085	14,085
Contribution from non-controlling shareholders of subsidiaries	附屬公司非控股股東之注資		-	-	-	11,112	11,112
Transactions with non-controlling interests	與非控股權益進行之交易	25	-	51,051	51,051	3,252	54,303
<b>Total transactions with owners</b>	<b>與權益持有人進行之交易總額</b>	8,795	350,756	-	359,551	28,449	388,000
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	93,885	2,307,761	587,143	2,988,789	279,354	3,268,143

The notes on pages 122 to 280 are an integral part of these consolidated financial statements. 第122至280頁之附註為本合併財務報表之整體部分。



## Consolidated Statement of Changes in Equity

### 合併權益變動表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

		Attributable to the Company's equity holders 本公司權益持有人應佔					Non-controlling interests	Total
	Note	Share capital	Other reserves	Retained Earnings	Sub-total			
	附註	股本	其他儲備	留存收益	小計	非控股權益	總計	
		(Note 23)	(Note 24)					
		(附註23)	(附註24)					
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 1 January 2017	於二零一七年一月一日結餘	93,885	2,307,761	587,143	2,988,789	279,354	3,268,143	
<b>Comprehensive income</b>	<b>全面收入</b>							
Profit for the year	本年度溢利	-	-	267,777	267,777	49,533	317,310	
<b>Other comprehensive (loss)/income</b>	<b>其他全面(虧損)/收入</b>							
Fair value loss on available-for-sale financial assets, net of deferred tax	可供出售金融資產之公平值虧損，扣除遞延稅項	24	(48,875)	-	(48,875)	-	(48,875)	
Fair value release on disposal of available-for-sale financial assets, net of deferred tax	出售可供出售金融資產撥回之公平值，扣除遞延稅項	24	(28,605)	-	(28,605)	-	(28,605)	
Currency translation differences	貨幣匯兌差異	24	13,724	-	13,724	-	13,724	
<b>Total comprehensive (loss)/income</b>	<b>全面(虧損)/收入總額</b>		<b>(63,756)</b>	<b>267,777</b>	<b>204,021</b>	<b>49,533</b>	<b>253,554</b>	
<b>Transactions with owners</b>	<b>與權益持有人進行之交易</b>							
Issuance of shares in relation to contingent consideration arrangement	就或然代價安排發行股份	23	358	24,352	-	24,710	24,710	
Issuance of new shares	發行新股份	23	7,438	513,227	-	520,665	520,665	
Buy-back of shares	購回股份	23	(982)	(24,317)	(982)	(26,281)	(26,281)	
Exercise of share options	行使購股權	23, 24	41	476	-	517	517	
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	24	-	33,815	-	33,815	33,815	
Partial redemption of convertible bonds – equity portion	部分贖回可換股債券 – 股權部分		-	(47,494)	22,817	(24,677)	(24,677)	
Non-controlling interests arising on business combination	業務合併產生之非控股權益		-	-	-	471,808	471,808	
Contribution from non-controlling shareholders of subsidiaries	附屬公司非控股股東之注資		-	-	-	8,713	8,713	
Transactions with non-controlling interests	與非控股權益進行之交易	25	-	(6,123)	-	(6,377)	(12,500)	
Dividend paid	已派付股息		-	(61,338)	(61,338)	-	(61,338)	
<b>Total transactions with owners</b>	<b>與權益持有人進行之交易總額</b>		<b>6,855</b>	<b>493,936</b>	<b>(39,503)</b>	<b>474,144</b>	<b>935,432</b>	
Balance at 31 December 2017	於二零一七年十二月三十一日結餘		100,740	2,737,941	815,417	3,654,098	803,031	4,457,129

The notes on pages 122 to 280 are an integral part of these consolidated financial statements.

第122至280頁之附註為本合併財務報表之整體部分。

# Consolidated Cash Flow Statement

## 合併現金流量表

For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度

	Note	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Cash flows from operating activities</b>			
Cash generated from/(used in) operations	42(a)	144,371	(177,511)
Interest received		17,527	45,899
Interest paid		(89,910)	(59,386)
The People's Republic of China ("PRC") income tax paid		(104,305)	(20,890)
Net cash used in operating activities		(32,317)	(211,888)
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired		(630,511)	(49,029)
Additions of property, plant and equipment		(9,521)	(32,981)
Additions of intangible assets		(256)	(1,765)
Additions of investment properties		-	(119,311)
Proceeds from disposal of property, plant and equipment	42(b)	925	1,406
Proceeds from disposal of available-for-sale financial assets		125,675	247,704
Proceeds from disposal of an associate		3,200	-
Proceeds from disposal of financial assets at fair value through profit or loss		586	864
Dividend received		6,010	1,037
Loans to an associate		(18,000)	(5,940)
Loans to a joint venture		-	(45,000)
Loan repayment received from a joint venture		-	245,000
Loans to third parties		-	(612,355)
Loan repayment received from third parties and employees		18,137	717,530
Investment in available-for-sale financial assets		(58,400)	(407,935)
Investment in financial assets at fair value through profit or loss		(7,930)	(178,160)
Investment in associates	14	(8,228)	(54,550)
Net cash used in investing activities		(578,313)	(293,485)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of new shares		520,689	-
Buy-back of shares		(26,281)	(60,939)
Dividend paid		(61,338)	-
Prepayment for buy-back of shares		-	(13,688)
Proceeds from bank borrowings		887,400	910,376
Proceeds from other borrowings		-	2,376
Proceeds from issuance of convertible bonds		-	312,254
Partial redemption of convertible bonds		(611,707)	-
Purchase of shares under share award scheme		-	(6,386)
Repayment of bank borrowings		(633,000)	(559,000)
Repayment of other borrowings		(11,800)	-
Transaction with non-controlling interests		(12,500)	-
Capital contribution from non-controlling interests		8,713	63,415
Exercise of share options		517	11,708
Repayments for finance lease obligation		(158)	(825)
Net cash generated from financing activities		60,535	659,291
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(550,095)</b>	<b>153,918</b>
Cash and cash equivalents at beginning of the year		963,523	790,701
Exchange (loss)/gain on cash and cash equivalents		(11,510)	18,904
<b>Cash and cash equivalents at end of the year</b>	22	<b>401,918</b>	<b>963,523</b>

The notes on pages 122 to 280 are an integral part of these consolidated financial statements.

第122至280頁之附註為本合併財務報表之整體部分。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is 4 Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman, Cayman Islands, British West Indies. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The core business of the HC International, Inc. (the "Company") and its subsidiaries (collectively, the "Group") is to organise a business-to-business ("B2B") community across People's Republic of China (the "PRC") by providing business information through both online and offline channels.

The Group is principally engaged in the following activities in the PRC:

- Providing industrial search result prioritising services through its B2B website "hc360.com" and offering comprehensive IT-related product information by "zol.com.cn";
- Providing cross-industrial integrated marketing and advertising services;
- Providing transaction and agency services through its B2B trading platform;
- Hosting exhibitions and seminars;
- Providing anti-counterfeiting products and services to enterprises;
- Engaging in financing business; including lease financing, factoring services and micro-credit financing;
- Sale of properties and provision of property rental and management services via its O2O business exhibition centre.

### 1 一般資料

本公司是一家於開曼群島註冊成立之有限公司，其註冊辦事處位於4 Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman, Cayman Islands, British West Indies。本公司於香港聯合交易所有限公司(「聯交所」)主板第一上市。

慧聰集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)之核心業務為透過線上及線下渠道提供商業信息，於中華人民共和國(「中國」)各地建立企業之間(「B2B」)之社區。

本集團於中國主要從事以下活動：

- 透過其B2B網站「hc360.com」提供行業搜尋結果優先順序服務，並透過利用「zol.com.cn」提供全面之IT相關產品信息；
- 提供跨行業整合營銷及廣告服務；
- 透過其B2B交易平台提供交易服務及代理服務；
- 舉辦展覽及研討會；
- 向企業提供防偽產品及服務；
- 從事金融業務，包括融資租賃、保理服務及小額貸款融資；
- 透過其O2O商業展覽中心銷售物業及提供物業租賃及管理服務。

## Notes to the Consolidated Financial Statements

合併財務報表附註

**1 GENERAL INFORMATION (Continued)**

On 3 February 2017, the Group completed the acquisition of the entire equity interest of Huijia Yuantian Limited, which in turn holds entire interest of Beijing Huijia Yuantian Advertisement Media Company Limited (“北京慧嘉元天文化傳媒有限公司” or “Beijing Huijia”). The acquiree through its subsidiaries are principally engaged in provision of marketing and public relations services mainly via mobile terminal in the PRC. The results from Beijing Huijia have been reflected in the “Online services” segment (Note 5).

On 28 November 2017, The Group also completed the acquisition of an additional 30% of equity interest in Chongqing Digital China Huicong Micro-Credit Company Limited (“重慶神州數碼慧聰小額貸款有限公司” or “Micro-Credit”). The Company indirectly owns 70% of the equity interest of Micro-Credit upon completion of the acquisition. The acquiree principally engaged in micro-credit financing business. The result from Micro-Credit has been reflected in the “Financing Services” segment (Note 5).

These consolidated financial statements are presented in thousands of units of Renminbi (RMB'000), unless otherwise stated.

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of HC International, Inc. and its subsidiaries.

**(a) Basis of preparation****(i) Compliance with HKFRS**

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”).

**1 一般資料(續)**

於二零一七年二月三日，本集團完成收購慧嘉元天之全部股權，而慧嘉元天持有北京慧嘉元天文化傳媒有限公司(或「北京慧嘉」)之全部股權。被收購方主要透過其附屬公司在中國從事透過移動終端提供市場推廣及公眾關係服務。北京慧嘉之業績已反映於「互聯網服務」分部(附註5)。

於二零一七年十一月二十八日，本集團亦完成收購重慶神州數碼慧聰小額貸款有限公司(或「小額貸款」)之額外30%股權。於收購完成後本公司間接擁有小額貸款70%股權。被收購方主要從事小額貸款融資業務。小額貸款之業績已反映於分部「金融服務」(附註5)。

除另有說明外，該等合併財務報表以人民幣千元(人民幣千元)列值。

**2 主要會計政策概要**

本附註提供編製該等合併財務報表時採納之主要會計政策清單。除另有說明外，該等政策均貫徹應用於所呈報之所有年度。合併財務報表是為本集團(由慧聰集團有限公司及其附屬公司組成)而作出。

**(a) 編製基準****(i) 遵守香港財務報告準則**

本集團合併財務報表已按照香港財務報告準則(「香港財務報告準則」)編製。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (a) Basis of preparation (Continued)

#### (ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss, which are measured at fair value.

#### (iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments to HKFRS issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time for their annual reporting period commencing 1 January 2017:

HKAS 7 (Amendments)	Statement of cash flows
HKAS 12 (Amendments)	Income taxes
HKFRS 12 (Amendments)	Disclosure of interest in other entities

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

## 2 主要會計政策概要(續)

### (a) 編製基準(續)

#### (ii) 歷史成本法

除按公平值計量之可供出售金融資產、公平值計入損益之金融資產及金融負債外，合併財務報表乃按照歷史成本基準編製。

#### (iii) 本集團所採納之新訂及經修訂準則

於二零一七年一月一日開始之年度報告期間，本集團已首次應用以下由香港會計師公會(「香港會計師公會」)頒佈之準則及香港財務報告準則之修訂本：

香港會計準則 第7號(修訂本)	現金流量表
香港會計準則 第12號(修訂本)	所得稅
香港財務報告準則 第12號(修訂本)	於其他實體之權益披露

於本年度應用香港財務報告準則之修訂對本集團於本年度及上年度之財務表現及狀況及／或此等合併財務報表所載之披露資料並無造成重大影響。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

## (a) Basis of preparation (Continued)

(iv) **New standards and amendments to HKFRS in issue but not yet effective**

Certain new accounting standards and amendments have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Group.

Amendments to HKFRS	Annual improvements to HKFRS 2015-2017 cycle <sup>(2)</sup>
HKAS 28 (Amendments)	Investments in associates and joint ventures <sup>(1)</sup>
HKAS 40 (Amendments)	Transfer of investment property <sup>(1)</sup>
HKFRS 1 (Amendments)	First time adoption of HKFRS <sup>(1)</sup>
HKFRS 2 (Amendments)	Classification and measurement of share-based payment transactions <sup>(1)</sup>
HKFRS 4 (Amendments)	Applying HKFRS 9 financial instruments with HKFRS 4 insurance contracts <sup>(1)</sup>
HKFRS 9	Financial instruments <sup>(1)</sup>
HKFRS 9 (Amendments)	Prepayment features with negative compensation <sup>(2)</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate and joint venture <sup>(4)</sup>
HKFRS 15	Revenue from contracts with customers <sup>(1)</sup>
HKFRS 15 (Amendments)	Clarifications to HKFRS 15 <sup>(1)</sup>
HKFRS 16	Leases <sup>(2)</sup>
HKFRS 17	Insurance contracts <sup>(3)</sup>
HK(IFRIC)-Int22	Foreign currency transactions and advance consideration <sup>(1)</sup>
HK(IFRIC)-Int23	Uncertainty over income tax treatments <sup>(2)</sup>

Note:

- (1) Effective for the Group for annual period beginning on 1 January 2018.
- (2) Effective for the Group for annual period beginning on 1 January 2019.
- (3) Effective for the Group for annual period beginning on 1 January 2021.
- (4) Effective date to be determined.

## (a) 編製基準(續)

(iv) **已頒佈但尚未生效之新訂準則及香港財務報告準則之修訂**

於二零一七年十二月三十一日報告期間已頒佈但並未強制生效且本集團並無提早採納之若干新訂會計準則及修訂本：

香港財務報告準則修訂	香港財務報告準則二零一五年至二零一七年度之年度改進 <sup>(2)</sup>
香港會計準則第28號(修訂本)	於聯營公司及合營公司投資 <sup>(1)</sup>
香港會計準則第40號(修訂本)	轉讓投資物業 <sup>(1)</sup>
香港財務報告準則第1號(修訂本)	首次採納香港財務報告準則 <sup>(1)</sup>
香港財務報告準則第2號(修訂本)	以股份為基礎付款之交易之分類及計量 <sup>(1)</sup>
香港財務報告準則第4號(修訂本)	香港財務報告準則第9號金融工具與香港財務報告準則第4號保險合約一併應用 <sup>(1)</sup>
香港財務報告準則第9號	金融工具 <sup>(1)</sup>
香港財務報告準則第9號(修訂本)	具有負補償之提前還款特性 <sup>(2)</sup>
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司及合營公司之間資產出售或注資 <sup>(4)</sup>
香港財務報告準則第15號	客戶合約收入 <sup>(1)</sup>
香港財務報告準則第15號(修訂本)	香港財務報告準則第15號之澄清 <sup>(1)</sup>
香港財務報告準則第16號	租賃 <sup>(2)</sup>
香港財務報告準則第17號	保險合約 <sup>(3)</sup>
香港(國際財務報告詮釋委員會)一詮釋第22號	外幣交易及預付代價 <sup>(1)</sup>
香港(國際財務報告詮釋委員會)一詮釋第23號	所得稅不確定性之處理 <sup>(2)</sup>

附註：

- (1) 於二零一八年一月一日開始之年度期間對本集團生效。
- (2) 於二零一九年一月一日開始之年度期間對本集團生效。
- (3) 於二零二一年一月一日開始之年度期間對本集團生效。
- (4) 生效日期待定。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (iv) New standards and amendments to HKFRS in issue but not yet effective (Continued)

###### HKFRS 9 Financial Instruments

HKFRS 9, "Financial Instruments" replaces the whole of HKAS 39. HKFRS 9 has three financial asset classification categories for investments in debt instruments: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. Classification is driven by the entity's business model for managing the debt instruments and their contractual cash flow characteristics. Investments in equity instruments are always measured at fair value. However, management can make an irrevocable election to present changes in fair value in OCI, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in OCI, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is no subsequent recycling of the amounts in OCI to profit or loss. For financial liabilities held for trading (including derivative financial liabilities), all changes in fair value are presented in profit or loss. HKFRS 9 introduces a new model for the recognition of impairment losses – the expected credit losses (ECL) model, which constitutes a change from the incurred loss model in HKAS 39. HKFRS 9 contains a 'three stage' approach, which is based on the change in credit quality of financial assets since initial recognition. Assets move through the three stages as credit quality changes and the stages dictate how an entity measures impairment losses and applies the effective interest rate method. The new rules mean that on initial recognition of a non-credit impaired financial asset carried at amortised cost a day-1 loss equal to the 12-month ECL is recognised in profit or loss. In the case of accounts receivables this day-1 loss will be equal to their lifetime ECL. Where there is a significant increase in credit risk, impairment is measured using lifetime ECL rather than 12-month ECL. HKFRS 9 applies to all hedging relationships, with the exception of portfolio fair value hedges of interest rate risk. The new guidance better aligns hedge accounting with the risk management activities of an entity and provides relief from the more "rule-based" approach of HKAS39. The Group is currently assessing the impact of adopting HKFRS 9 and, based on its preliminary assessment, the impact on the Group's financial statements are not expected to be significant.

### 2 主要會計政策概要(續)

#### (a) 編製基準(續)

##### (iv) 已頒佈但尚未生效之新訂準則及香港財務報告準則之修訂(續)

###### 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「金融工具」完全取代香港會計準則第39號。香港財務報告準則第9號將債務工具投資歸納為三個金融資產分類：攤銷成本、按公平值計入其他全面收益(「其他全面收益」)及按公平值計入損益。分類乃取決於實體管理債務工具之業務模式及其合約現金流特徵。權益工具投資一直按公平值計量。然而，管理層可作出一項不可撤回之選擇，於其他全面收益內呈列公平值之變動，前提是該工具並非持作買賣。倘權益工具乃持作買賣，則公平值之變動於損益內呈列。金融負債被歸納為兩個分類：攤銷成本以及按公平值計入損益。倘非衍生金融負債被指定為按公平值計入損益，則負債本身之信貸風險變動所導致之公平值變動於其他全面收益內確認，除非有關公平值變動會引致損益中出現會計錯配；在此情況下，所有公平值變動於損益內呈列。香港財務報告準則第9號亦為確認減值虧損引入了一個新模式－預期信貸虧損(預期信貸虧損)模式，以取代香港會計準則第39號已產生虧損模式。香港財務報告準則第9號包含一種「三階段」方法，即以初始確認後金融資產信貸質素之變動為基礎。資產隨信貸質素變動在這三個階段內轉變，不同階段決定實體對減值虧損之計量方法及實際利率法之運用方式。新規定意味著，實體在對未發生信用減值按攤銷成本計量之金融資產初始確認時，必須將12個月內之預期信貸虧損作為首日損失在損益中確認。對於應收賬款，首日損失將等於其整個生命期之預期信貸虧損。倘信貸風險顯著增加，使用整個生命期之預期信貸虧損(而非12個月內之預期信貸虧損)計量減值。香港財務報告準則第9號適用於所有對沖關係，惟利率風險之組合公平值對沖除外。新指引將對沖會計與實體之風險管理活動作更佳配合，並較香港會計準則第39號中更注重「規則為本」之方法更為寬鬆。本集團目前正評估採納香港財務報告準則第9號之影響。根據初步評估，預計其對本集團財務報表之影響並不重大。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (a) Basis of preparation (Continued)

##### (iv) *New standards and amendments to HKFRS in issue but not yet effective (Continued)*

##### *HKFRS 15 Revenue from Contracts with Customers*

HKFRS 15 replaces the previous revenue standards: HKAS 18 Revenue and HKAS 11 Construction Contracts, and the related Interpretations on revenue recognition. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (1) Identify the contract(s) with customer; (2) Identify separate performance obligations in a contract; (3) Determine the transaction price; (4) Allocate transaction price to performance obligations; and (5) Recognise revenue when performance obligation is satisfied. The core principle is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

It moves away from a revenue recognition model based on an 'earnings processes to an 'asset-liability' approach based on transfer of control. HKFRS 15 provides specific guidance on capitalisation of contract cost and licence arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Group has performed preliminary assessment on the adoption of HKFRS 15 and the initial result indicated that the impact on the Group's financial statements are not expected to be significant other than changes on the disclosure.

#### (a) 編製基準(續)

##### (iv) *已頒佈但尚未生效之新訂準則及香港財務報告準則之修訂(續)*

##### *香港財務報告準則第15號客戶合約收入*

香港財務報告準則第15號取代以往之收入準則：香港會計準則第18號收益及香港會計準則第11號建造合約以及與收入確認相關之詮釋。香港財務報告準則第15號通過五步法構建一個綜合框架以釐定確認收入之時間及確認收入之金額：(1)識別與客戶之合約；(2)識別合約中之獨立履約責任；(3)釐定交易價格；(4)將交易價格分配至履約責任；及(5)於履約責任達成時確認收入。此準則之核心原則為公司所確認描述向客戶轉讓承諾貨品或服務之收入金額，應為能反映該公司預期就交換該等貨品或服務有權獲得之代價。

此準則從基於「盈利過程」之收入確認模式轉向基於控制權轉移之「資產－負債」法。香港財務報告準則第15號就合約成本資本化及特許權安排提供具體指引。此準則亦就實體於客戶之合約所產生之收入及現金流量之性質、金額、時間及不明朗因素設定一套嚴密之披露規定。

本集團已對採納香港財務報告準則第15號作出初步評估，初步結果顯示，除披露之變動外，其對本集團財務報表之影響預計並不重大。



## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (iv) New standards and amendments to HKFRS in issue but not yet effective (Continued)

###### HKFRS 16 Leases

HKFRS 16, "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces HKAS 17 "Leases", and related interpretations.

The Group is a lessee of various properties which are currently classified as operating leases. The Group's current accounting policy for such operating lease payment is accounted for in the consolidated statements of profit or loss when incurred and the Group's future operating lease commitments are not reflected in the consolidated statement of financial position. As of 31 December 2017, the Group's total operating lease commitments amounted to RMB205,310,000.

However, the Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payment and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognized on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flow going forward.

The standard will be mandatory for adoption by the Group for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### 2 主要會計政策概要(續)

#### (a) 編製基準(續)

##### (iv) 已頒佈但尚未生效之新訂準則及香港財務報告準則之修訂(續)

###### 香港財務報告準則第16號租賃

香港財務報告準則第16號「租賃」列明租賃之定義、租賃之確認及計量，以及制訂向財務報表使用者呈報有關承租人及出租人租賃活動之原則。香港財務報告準則第16號衍生之主要變動為大部分經營租賃將於資產負債表內以承租人入賬。該項準則取代了香港會計準則第17號「租賃」及相關詮釋。

本集團為多項目前分類為經營租賃之物業之承租人。本集團目前就該等經營租賃付款於產生時於合併損益表列賬，而本集團之未來經營租賃承擔不會於合併財務狀況表內反映。截至二零一七年十二月三十一日，本集團之經營租賃承擔總額為人民幣205,310,000元。

然而，本集團並無對其他必要調整(如有)作出評估，如因租期之定義變更及不同租賃付款與續租及終止選擇權之不同處理。因此，尚未能估計於採納新訂準則時必須確認之使用權資產及租賃負債金額及其將可能如何影響本集團之損益及未來現金流量分類。

本集團將自二零一九年一月一日或之後開始之財政年度採納該準則。在此階段，本集團並無計劃於其生效日期前採納該準則。本集團擬應用簡化過渡方法，且不會重列首次採納前年度之比較金額。

概無尚未生效且預期對實體於目前或未來報告期間以及對可見未來交易造成重大影響之其他準則。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

## (a) Basis of preparation (Continued)

(iv) **New standards and amendments to HKFRS in issue but not yet effective** (Continued)*HKFRS 16 Leases (Hong Kong)*

For the other amendments to standards presented, management is in the process of making an assessment of the likely impact of these changes but is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and/or the presentation of its financial statements will result.

## (b) Principles of consolidation and equity accounting

(i) **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to Note 2(c)). Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

## (a) 編製基準(續)

(iv) **已頒佈但尚未生效之新訂準則及香港財務報告準則之修訂(續)***香港財務報告準則第16號租賃(香港)*

就所呈列之其他規則修訂本而言，管理層現正就該等變動可能產生之影響進行評估，但尚無法說明是否會導致本集團重大會計政策及／或其財務報表呈列產生任何重大變動。

## (b) 綜合及股權會計原則

(i) **附屬公司**

附屬公司為本集團對其擁有控制權之所有實體(包括結構實體)。當本集團可透過參與實體之業務而就其變回報承擔風險或享有當中權利及有能力通過其權力指導實體活動從而影響該等回報時，則本集團可控制實體。附屬公司自控制權轉移至本集團之日起悉數合併。其於控制權終止之日終止合併。

本集團之業務合併採用會計收購法入賬(請參閱附註2(c))。公司間之交易、結餘及集團公司間交易之未變現收益得予以對銷。除非交易提供證據證明所轉讓資產出現減值，否則未變現虧損亦予以對銷。附屬公司之會計政策已按需要作出修改，以確保與本集團採納之政策保持一致。

附屬公司之業績及權益中之非控股權益分別於合併損益表、全面收益表、權益變動表及財務狀況表中單獨列示。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Principles of consolidation and equity accounting (Continued)

##### (ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

##### (iii) Joint arrangements

Under HKFRS 11 Joint Arrangements investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has both joint operations and joint ventures.

Interests in joint ventures are accounted for using the equity method (see (iv) below), after initially being recognised at cost in the consolidated statement of financial positions.

##### (iv) Equity accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

### 2 主要會計政策概要(續)

#### (b) 綜合及股權會計原則(續)

##### (ii) 聯營公司

聯營公司指所有本集團對其有重大影響力但並無控制權之實體。通常是本集團持有20%至50%之投票權。於初步按成本確認後，於聯營公司之投資以權益會計法入賬(見下文(iv))。

##### (iii) 聯合安排

根據香港財務報告準則第11號聯合安排，於聯合安排之投資分類為合營業務或合營企業。該分類視乎各投資者之合約權利及責任，而非聯合安排之法律架構。本公司擁有合營業務及合營企業。

於合併財務狀況表初步按成本確認後，於合營企業之權益使用權益法(請參閱下文(iv))入賬。

##### (iv) 權益會計

根據權益會計法，投資初步以成本確認，其後予以調整，以確認本集團分佔收購後溢利或於損益中被投資者之虧損以及本集團分佔其他全面收入之被投資者其他全面收入變動。已收或應收聯營公司及合營企業之股息確認為投資賬面值之減少。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (b) Principles of consolidation and equity accounting (Continued)

##### (iv) Equity accounting (Continued)

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in Note 2(l).

#### (b) 綜合及股權會計原則(續)

##### (iv) 權益會計(續)

當本集團分佔權益會計投資之虧損相當於或超過其於實體之權益(包括任何其他無抵押長期應收款項)時，本集團並不會確認進一步虧損，除非其已承擔責任或代表其他實體進行付款。

本集團與其合營公司及聯營企業間交易之未變現收益按本集團於該等實體之權益予以對銷。未變現虧損亦予以對銷，除非交易提供證據證明所轉讓資產出現減值。權益入賬被投資者之會計政策已按需要作出修改，以確保與本集團採納之政策貫徹一致。

權益入賬投資之賬面值乃按附註2(l)所述政策作減值測試。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Principles of consolidation and equity accounting (Continued)

##### (v) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### 2 主要會計政策概要(續)

#### (b) 綜合及股權會計原則(續)

##### (v) 擁有權權益之變動

本集團將不會引致失去控制權之非控股權益交易視為與本集團權益持有人之交易。擁有權權益變動導致控股與非控股權益賬面值間之調整以反映其於附屬公司之相關權益。非控股權益調整數額與任何已付或已收代價間之任何差額於本公司擁有人應佔權益中之獨立儲備內確認。

倘本集團因喪失控制權、共同控制權或重大影響力而終止就投資綜合入賬或按權益入賬，則於實體之任何保留權益按其公平值重新計算，而賬面值變動則於損益內確認。就隨後入賬列作聯營公司、合營企業或金融資產之保留權益而言，該公平值成為初步賬面值。此外，先前於其他全面收入內確認與該實體有關任何金額按猶如該集團已直接出售有關資產或負債之方式入賬。此可能意味著先前在其他全面收入內確認之金額重新分類至損益或轉撥至適用香港財務報告準則所指／准許之另一權益類別。

倘於合營企業或聯營公司之擁有權權益減少，而共同控制權或重大影響力獲保留，則僅部分先前於其他全面收入內確認之金額重新分類至損益(倘適用)。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (c) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity.

#### (c) 業務合併

所有業務合併採用會計收購法入賬，不論是否購買權益工具或其他資產。購買附屬公司所轉讓之代價包括：

- 所轉讓資產之公平值
- 對所收購業務之前擁有人承擔之負債
- 本集團發行之股權
- 或然代價安排所產生之任何資產或負債之公平值，及
- 附屬公司中任何先前股權之公平值。

在業務合併中所收購可識別資產以及所承擔之負債及或然負債，初步以其於收購日期之公平值計量(於有限之例外情況下)。本集團按逐項收購基準以公平值或非控股權益應佔所收購實體可識別資產，確認任何於所收購實體之非控股權益。

收購相關成本於產生時支銷。

以下各項

- 所轉讓代價，
- 於所收購實體之任何非控股權益之金額，及
- 任何先前於所收購實體之股權於收購日期之公平值。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Business combinations (Continued)

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at from such remeasurement are recognised in profit or loss.

#### (d) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

#### (e) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The executive directors are regarded as the chief operating decision maker who will review the operating results of the Group on a consolidated basis, and make strategic decisions.

### 2 主要會計政策概要(續)

#### (c) 業務合併(續)

超出所收購可識別資產淨值之公平值之差額列賬為商譽。倘該等金額低於所收購業務可識別資產淨值之公平值，則該差額直接於損益確認為議價收購。

或然代價分類為權益或金融負債。分類為金融負債之金額隨後重新計量至公平值，而公平值變動則於損益內確認。

倘業務合併分階段進行，收購方原先所持被收購方股權於收購日期之賬面值重新計量至公平值，重新計量於損益確認。

#### (d) 單獨財務報表

於附屬公司之投資按成本扣除減值列賬。成本包括投資之直接歸屬成本。附屬公司業績由本公司按已收及應收股息之基準入賬。

於收到該等投資之股息時，倘股息超過附屬公司在宣派股息期間之全面收入總額，或倘在單獨財務報表之投資賬面值超過被投資方淨資產(包括商譽)在合併財務報表之賬面值時，則必須對於附屬公司之投資進行減值測試。

#### (e) 分部報告

經營分部之報告方式與提供予主要經營決策者之內部報告所使用報告方式一致。

執行董事被視為主要經營決策者，並將審閱本集團按合併基準之經營業績並作出策略性決定。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (f) Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"). Hong Kong Dollars is regarded as the Company's functional currency.

##### (ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains or losses that related to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss. All other foreign exchange gains or losses are presented in the consolidated statement of profit or loss.

Change in the fair value of debt securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from the changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in consolidated statement of profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

#### (f) 外幣換算

##### (i) 功能及呈報貨幣

本集團各實體之財務報表所包括項目，按該實體經營所在主要經濟環境之貨幣(「功能貨幣」)計量。合併財務報表以人民幣(「人民幣」)呈列。港元被視為本公司之功能貨幣。

##### (ii) 交易及結餘

外幣交易均按交易日期當時或項目重新計量估值日期之匯率換算為功能貨幣。因該等交易結算及按年結日之匯率換算以外幣計值之貨幣資產及負債而產生之外幣匯兌收益及虧損，均於合併損益表確認。

有關借貸及現金及現金等值物之外幣匯兌收益或虧損列示於合併損益表內。其他全部外幣匯兌收益或虧損列示於合併損益表內。

以外幣計值且分類為可供出售之債務證券之公平值變動，按照證券之攤銷成本變動以及該證券賬面值之其他變動所產生之換算差額進行分析。與攤銷成本變動有關之換算差額於合併損益表確認，而賬面值之其他變動於其他全面收入內確認。

非貨幣性金融資產及負債(例如按公平值計入損益之權益)之換算差額作為部分公平值收益或虧損於損益中確認。非貨幣性金融資產(例如分類為可供出售之權益)之換算差額計入其他全面收入。



## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (f) Foreign currency translation (Continued)

##### (iii) Group companies

The results and financial positions of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

#### (g) Land use rights

Land use rights are recorded at cost less subsequent accumulated amortisation and accumulated impairment losses, if any. Land use rights are amortised using the straight-line method over their lease terms from 40 to 50 years.

### 2 主要會計政策概要(續)

#### (f) 外幣換算(續)

##### (iii) 集團公司

所有功能貨幣與呈報貨幣不一致之集團實體業績及財務狀況均按以下方法換算為呈報貨幣：

- (i) 各財務狀況表呈列之資產及負債均按照該財務狀況表結算日之收市匯率換算；
- (ii) 各損益表之收入及開支按照平均匯率換算(除非平均匯率並非交易日期現行匯率累計影響之合理約數，在此情況下，收支項目按交易日期之匯率換算)；及
- (iii) 所有產生之匯兌差額均於其他全面收入確認。

收購海外實體時產生之商譽及公平值調整乃作為該海外實體之資產及負債處理，並按收市匯率換算。貨幣換算產生之差額於其他全面收入內確認。

#### (g) 土地使用權

土地使用權按成本減其後累計攤銷及累計減值虧損(如有)列賬。土地使用權以直線法按租賃年期40至50年攤銷。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (h) Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at carrying values, representing cost less depreciation and impairment provision. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives of 40 years.

If an investment property becomes owner-occupied or commences to be further developed for sale, it is reclassified as property, plant and equipment and land use right or properties under development, and its fair value at the date of change in use becomes its cost for accounting purposes.

#### (i) Completed properties held for sale

Completed properties remaining unsold at the end of reporting period are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

#### (h) 投資物業

投資物業(主要包括租賃土地及樓宇)乃持作賺取長期租金收入或資本增值或兩者兼備,且並非由本集團佔用。投資物業亦包括正在建造或開發供未來作投資物業使用之物業。投資物業初步按成本(包括相關交易成本及(如適用)借貸成本)計量。於初步確認後,投資物業按賬面值(成本減折舊及減值撥備)列賬。折舊乃以直線法於估計可用年期40年將成本分配至剩餘價值計算。

倘投資物業由業主自用或開始進一步發展以供出售,則重新分類為物業、廠房及設備及土地使用權或發展中物業,而就會計目之而言,其於改變用途之日之公平值將為其成本。

#### (i) 持作銷售竣工物業

於報告期末尚未出售之竣工物業按成本與可變現淨值兩者之較低者列賬。成本包括尚未出售物業應佔發展成本。

可變現淨值乃參考於一般業務過程中已售物業之銷售所得款項,減適用可變銷售開支,或由管理層按現行市況估計。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Property, plant and equipment

Property, plant and equipment, comprising buildings, computer and telecommunications equipment, fixtures, fittings and office equipment, leasehold improvements and motor vehicles, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Motor vehicles classified as finance lease commences depreciation from the time when the assets become available for its intended use. Depreciation of property, plant and equipment is calculated using the straight line method to allocate their cost to their residual values over its estimated useful lives, at the following rates per annum:

Leasehold improvements	
租賃物業裝修	
Buildings	
樓宇	
Computer and telecommunications equipment	
電腦及電訊設備	
Fixtures, fittings and office equipment	
傢具、裝置及辦公室設備	
Motor vehicles	
汽車	

### 2 主要會計政策概要(續)

#### (j) 物業、廠房及設備

物業、廠房及設備，包括樓宇、電腦及電訊設備、傢具、裝置及辦公室設備、租賃裝修及汽車，按成本減累計折舊及累計減值虧損(如有)列賬。歷史成本包括收購項目直接應佔開支。

僅當與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本方會計入資產賬面值或確認為一項獨立資產(如適用)。已更換零件之賬面值已被剔除入賬。所有其他維修及保養則於產生之財政期間內於合併損益表內扣除。

歸類為融資租賃的汽車於資產可供作擬定用途時開始計算折舊。物業、廠房及設備之折舊乃採用直線法於其估計可使用年限內將成本分配至剩餘價值，年率如下：

Over the lease terms from 2 to 5 years	
介乎租賃年期2至5年	
	2% - 5%
	2%至5%
	20% - 33%
	20%至33%
	20% - 33%
	20%至33%
	10% - 20%
	10%至20%

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (j) Property, plant and equipment (Continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the consolidated statement of profit or loss.

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less impairment losses, if any. No provision for depreciation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use. On completion, the relevant assets are transferred to property, plant and equipment at cost less accumulated impairment losses.

#### (k) Intangible assets

##### (i) Goodwill

Goodwill is measured as described in note 2(m). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purpose.

#### (j) 物業、廠房及設備(續)

資產剩餘價值及可使用年限於各財務狀況表日期審閱，並作出調整(如適用)。

倘資產賬面值超過其估計可收回金額，則資產賬面值即時撇減至可收回金額。

出售收益或虧損乃透過比較所得款項與賬面值釐定，並於合併損益表內確認為行政費用。

在建工程為建設中或需要安裝之物業、廠房及設備，按照成本扣除減值虧損(如有)列賬。建設中資產不計提折舊，直至有關資產完工並可供擬定用途。完工時，有關資產按成本減累計減值虧損轉撥至物業、廠房及設備。

#### (k) 無形資產

##### (i) 商譽

商譽按附註2(m)所述計量。收購附屬公司之商譽計入無形資產。商譽不作攤銷，惟須每年進行減值測試，或當有事件出現或情況變動顯示可能出現減值時，則進行更頻密減值測試，並按成本減累計減值虧損入賬。出售一間實體之收益及虧損包括所售實體有關之商譽賬面值。

商譽就減值測試而分配至現金產生單位(「現金產生單位」)。該分配乃就預期受益於產生商譽之業務合併的各個現金產生單位或現金產生單位組別作出。該等單位或單位組別按在商譽被監控作內部管理用途之最低級別予以識別。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Intangible assets (Continued)

##### (ii) Contractual customer, distributor relationship and non-compete agreement

Contractual customer, distributor relationships and non-compete agreement acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer/distributor relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from eight to seventeen years over the expected life of the customer, distributor relationship and non-compete agreement.

##### (iii) Patents

Separately acquired patents are shown at historical cost. Patents acquired in a business combination are recognised at fair value at the acquisition date. The patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method of eight years over the expected life of the patents.

##### (iv) Trade name and domain name

Trade name, domain name acquired in a business combination are recognised at fair value at the acquisition date. Trade name, domain name have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method of ten to fifteen years over the expected life of the trade name, domain name.

##### (v) Software license and order backlog

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to their intended use. Order backlog are recognised at fair value at the acquisition date. These costs are amortised over their estimated useful lives of one to five years.

### 2 主要會計政策概要(續)

#### (k) 無形資產(續)

##### (ii) 合約客戶、分銷商關係及非競爭協議

於業務合併時收購之合約客戶、分銷商關係及非競爭協議按收購日期之公平值確認。合約客戶／分銷商關係具有有限可使用年期及按成本減累計攤銷列賬。攤銷以直線法將客戶、分銷商關係及非競爭協議之預計年期分攤為八至十七年計算。

##### (iii) 專利

單獨收購之專利按歷史成本值列示。業務合併所取得之專利於收購日期按公平值確認。專利有有限可使用年期，並按成本減累計攤銷列賬。攤銷以直線法將專利之預計使用年期分攤為八年計算。

##### (iv) 商號及域名

業務合併所取得之商號及域名於收購日期按公平值確認。商號、域名有有限可使用年期，並按成本減累計攤銷列賬。攤銷以直線法將商號、域名之預期年期分攤為十至十五年計算。

##### (v) 軟件許可證及積壓訂單

所收購電腦軟件許可證按購入軟件及軟件可達致其擬定用途所產生之成本撥充資本。積壓訂單於收購日期按公平值確認。該等成本於其估計使用年期一至五年內予以攤銷。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

## (k) Intangible assets (Continued)

## (vi) Data library

Costs incurred on acquiring the data library are recognised as an intangible asset where the technical feasibility has been demonstrated, and there is an ability to sell or to use the assets that will generate probable future economic benefits. Such acquisition cost is recognised as an asset and amortised on a straight-line basis over a period of three years to reflect the pattern in which the related economic benefits are recognised.

## (vii) License

License acquired in a business combination are recognised at fair value at the acquisition date. The license has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the useful life of the license.

## (viii) Technical knowhow

Technical knowhow acquired in a business combination are recognised at fair value at the acquisition date. The technical knowhow has a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over the useful life of the seven years.

## (l) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating-units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

## (k) 無形資產(續)

## (vi) 資料庫

收購資料庫產生之成本於證實技術可行性後，以及有能力出售或使用可能產生未來經濟利益之資產時確認為無形資產。該收購成本確認為一項資產，並以直線法於三年期間內攤銷，以反映確認相關經濟利益之模式。

## (vii) 牌照

於業務合併中獲得的牌照可在收購日期按公平值確認。牌照具有有限使用年期並按成本減累計攤銷列賬。攤銷於牌照使用年限內按直線法計算。

## (viii) 技術知識

於業務合併中獲得的技術知識在收購日期按公平值確認。技術知識具有有限使用年限並按成本減累計攤銷入賬。攤銷於技術知識使用年限七年內按直線法計算。

## (l) 非金融資產之減值

無限定使用年限之無形資產毋須攤銷，惟須每年進行減值測試。當有事件出現或情況變動顯示賬面值可能無法收回時，將檢討受攤銷影響之資產是否減值。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額為資產公平值扣除銷售成本與使用價值兩者間之較高者。於評估減值時，資產計入可分開識別現金流量（現金產生單位）之最低層次組別。於各報告日期就減值撥回之可能性檢討商譽以外出現減值之非金融資產。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Financial assets and liabilities

##### (i) Classification

The Group classifies its financial assets and liabilities in the following categories:

- financial assets and liabilities at fair value through profit or loss;
- loans and receivables; and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition.

##### 1. *Financial assets and liabilities at fair value through profit or loss*

The Group classifies financial assets and liabilities at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, ie are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

### 2 主要會計政策概要(續)

#### (m) 金融資產及負債

##### (i) 分類

本集團將金融資產及負債分類為以下類別：

- 按公平值計入損益之金融資產及負債；
- 貸款及應收款項；以及
- 可供出售金融資產。

分類乃視乎購入投資之目的而定。

管理層於初步確認時釐定其投資分類。

##### 1. *按公平值計入損益之金融資產及負債*

倘所收購之金融資產及負債主要作短期出售(即持作買賣)，則本集團將其按公平值計入損益予以分類。倘其預期於報告期間結算日後12個月內出售，則呈列為流動資產；否則呈列為非流動資產。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (m) Financial assets and liabilities (Continued)

##### (i) Classification (Continued)

##### 2. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. The Group's loans and receivables comprise of trade receivables, deposits, prepayments and other receivables, loan receivables, finance lease receivables and cash and cash equivalents in the consolidated statement of financial position.

##### 3. Available-for-sale financial assets

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. Financial assets that are not classified into any of the other categories (at FVTPL, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

The financial assets are presented as non-current assets unless they mature, or management intends to dispose within 12 months of the end of the reporting period.

#### (m) 金融資產及負債(續)

##### (i) 分類(續)

##### 2. 貸款及應收款項

貸款及應收款項指並非活躍市場上具備固定或可予釐定款項之非衍生金融資產。倘預計在一年或更短時間內收取該等金額，則將其分類為流動資產；否則，則呈列為非流動資產。本集團之貸款及應收款項由合併財務狀況表之應收賬款、按金、預付款項及其他應收款項、應收貸款、應收融資租賃及現金及現金等值物組成。

##### 3. 可供出售金融資產

倘投資並無固定到期日或固定或可予釐定款項，且管理層擬在中長期持有，則其被指定為可供出售金融資產。並無分類為任何其他類別(按公平值計入損益、貸款及應收款項或持有至到期投資)之金融資產亦計入可供出售類別。

除非金融資產到期或管理層有意於報告期間結算日後12個月內出售，否則金融資產呈列為非流動資產。



## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Financial assets and liabilities (Continued)

##### (ii) Reclassification

The Group may choose to reclassify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the Group may choose to reclassify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made. Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

##### (iii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other profit or loss are reclassified to profit or loss as gains and losses from investment securities.

### 2 主要會計政策概要(續)

#### (m) 金融資產及負債(續)

##### (ii) 重新分類

倘金融資產不再持作短期出售，則本集團可能選擇將分類為持作買賣類別之非衍生交易性金融資產重新分類。貸款及應收款項除外的金融資產僅在出現罕見且短期內極不可能發生的單一事件導致之罕見情況下方可獲准自持作買賣重新分類。此外，倘本集團有意並有能力於預見未來或直至重新分類日期到期止持有金融資產，則本集團可選擇將符合貸款及應收款項定義之金融資產自持作買賣或可供出售類別重新分類。

按重新分類日期之公平值進行重新分類。公平值成為新成本或攤銷成本(倘適用)，而於重新分類日期前所錄得之公平值收益或虧損隨後並無作出撥回。重新分類至貸款及應收款項以及持有至到期類別之金融資產之實際利率於重新分類日期釐定。現金流量估計進一步增加按預期基準調整實際利率。

##### (iii) 確認及剔除確認

正常途徑買賣之金融資產於交易日期確認，交易日期為本集團承諾購買或出售資產之日期。金融資產於收取金融資產現金流之權利屆滿或已轉讓，且本集團已轉讓擁有權之絕大部分風險及回報時剔除確認。

當歸類為可供出售的證券售出時，於其他損益確認的累計公平值調整重新分類至損益，作為投資證券的收益及虧損。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (m) Financial assets and liabilities (Continued)

##### (iv) Measurement

At initial recognition, the Group measures a financial asset and liabilities at its fair value plus, in the case of a financial asset and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset and liabilities. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

- for “financial assets and liabilities at fair value through profit or loss” – in profit or loss within other gains, net
- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

#### (m) 金融資產及負債(續)

##### (iv) 計量

於初步確認時，本集團按其公平值加上(倘金融資產及負債並非按公平值計入損益計量)收購金融資產及負債直接應佔之交易成本計量金融資產及負債。按公平值計入損益列賬的金融資產及負債的交易成本於損益支銷。

貸款及應收款項以及持有至到期投資隨後以實際利率法按攤銷成本列賬。

可供出售金融資產以及按公平值計入損益之金融資產及負債隨後以公平值列賬。公平值變動產生之收益或虧損確認如下：

- 就「按公平值計入損益之金融資產及負債」而言－在損益表其他收益淨額內
- 就以外幣計值貨幣證券之可供出售金融資產而言－證券攤銷成本變動有關之匯兌差異於損益中確認，而賬面值其他變動於其他全面收入中確認
- 就分類為可供出售其他貨幣及非貨幣證券而言－於其他全面收入內。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Financial assets and liabilities (Continued)

##### (iv) Measurement (Continued)

Dividends on financial assets at fair value through profit or loss and available-for-sale equity instruments are recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established.

Interest income from financial assets at fair value through profit or loss is included in the other income in the consolidated statement of profit or loss. Interest on available-for-sale securities and loans and receivables calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of revenue from continuing operations.

Details on how the fair value of financial instruments is determined are disclosed in Note 3.3.

#### (n) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforce right must not be contingent on future event and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### (o) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

### 2 主要會計政策概要(續)

#### (m) 金融資產及負債(續)

##### (iv) 計量(續)

按公平值計入損益之金融資產及可供出售股本工具之股息於確立本集團收取付款之權利時，於損益表作為持續經營業務收入之一部分確認。

按公平值計入損益之金融資產之利息收入計入合併損益表中之其他收入。使用實際利率法計算之可供出售證券以及貸款及應收款項之利息於合併損益表中按持續經營業務銷售收入之一部分確認。

財務工具公平值釐定方式詳情於附註3.3中披露。

#### (n) 抵銷金融工具

當有法定強制執行權利可抵銷已確認金額，且有意按淨額結算或同時變現資產及結算負債時，有關金融資產與負債可互相抵銷，並在合併財務狀況表報告其淨值。法定強制執行權利不得依賴未來事件而定及須於一般業務過程中及在本公司或對手方出現違約、無償債能力或破產時行使。

#### (o) 金融資產減值

本集團於各報告期末評估是否存在客觀憑證證明金融資產或金融資產組別出現減值。僅當有客觀憑證證明於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組金融資產之未來估計現金流量構成可以合理估計之影響，有關金融資產才算出現減值及產生減值虧損。倘股權投資歸類為可供出售，證券公平值大幅或長期低於其成本被視為資產出現減值跡象。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

## (o) Impairment of financial assets (Continued)

**Assets carried at amortised cost**

For loans and interest receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss. Impairment testing of trade receivables is described in note 11.

**Assets classified as available-for-sale**

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

## (o) 金融資產減值(續)

**按攤銷成本列賬之資產**

就應收貸款及利息而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現而估計之未來現金流量(不包括仍未產生之未來信用損失)之現值兩者之差額計量。資產賬面值予以削減，而虧損金額則在損益確認。如貸款或持至到期投資有浮動利率，計量任何減值虧損之貼現率為按合同釐定之當前實際利率。作為可行權宜之計，本集團可按某工具可觀察市價為公平值之基礎計量其減值。

如在後期，減值虧損之款項減少，而此減少可客觀地聯繫至減值確認後才發生之事件(例如債務人之信用評級有所改善)，則撥回之前已確認之減值虧損可在損益中確認。應收賬款減值測試於附註11詳述。

**分類為可供出售之資產**

倘有客觀跡象證明可供出售金融資產出現減值，累計虧損(按收購成本與現時公平值之差額，減該金融資產之前在損益確認之任何減值虧損計量)自權益剔除，並在損益確認。

在損益中確認的權益工具減值虧損不會於其後期間透過損益撥回。

倘分類為可供出售的債務工具公平值於其後期間增加，且有關增加客觀上與減值虧損於損益確認後發生之事件有關，則減值虧損透過損益撥回。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods comprises merchandises and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### (q) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

#### (r) Deferred expenses

Deferred expenses, which principally are comprised of sales commissions and agency fees paid in respect of subscription revenue received in advance, are deferred and are charged ratably to the consolidated statement of revenue and loss over the term of the respective service contracts when the services are rendered.

#### (s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### 2 主要會計政策概要(續)

#### (p) 存貨

存貨乃按成本及可變現淨值兩者之較低者入賬。成本乃使用先入先出法釐定。製成品之成本包括貨品及其他直接成本。可變現淨值乃按日常業務過程中之估計售價減適用之浮動銷售費用計算。

#### (q) 應收賬款

應收賬款是於日常業務過程中向客戶銷售貨品或提供服務而應收之款項。倘應收賬款預期將在一年或以內(若更長則在業務正常經營週期內)收回,則歸類為流動資產,否則,呈列為非流動資產。

應收賬款初步按公平值確認,其後則以實際利率法按攤銷成本扣除減值撥備計算。

#### (r) 遞延開支

遞延開支主要包括就預收訂購收入支付之銷售佣金及代理費用,於提供服務之各服務合約期內遞延及按比例計入合併收益表。

#### (s) 現金及現金等值物

就呈列現金流量表而言,現金及現金等值物包括手頭現金、金融機構活期存款、原定到期日為三個月或以內且可隨時轉換為已知數額現金而並無重大價值變動風險之其他短期高流通性投資以及銀行透支。銀行透支列入財務狀況表中流動負債的借貸內。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

**(t) Share capital and shares held for employee share scheme**

Ordinary shares are classified as equity (note 23).

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where the company's shares are acquired from the market under the employee share scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for employee share scheme and deducted from total equity. Upon vesting, the related costs of the vested shares for employee share scheme purchased from the market are credited to shares held for employee share scheme, with a corresponding decrease in employee share-based compensation reserve for employee share scheme.

**(u) Trade and other payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

**(t) 股本及僱員股份計劃持有之股份**

普通股乃分類列作權益(附註23)。

發行新股份或購股權直接產生之遞增成本，乃列作所得款項扣除稅項後之扣減於權益入賬。

倘公司股份是根據僱員股份計劃從市場中購得，則從市場購得股份的總代價(包括任何直接應佔遞增成本)呈列為僱員股份計劃持有的股份並於總權益中扣除。歸屬後，從市場購得僱員股份計劃之歸屬股份之相關成本計入僱員股份計劃持有的股份，並相應減少僱員股份計劃中之僱員股份補償準備金。

**(u) 應付賬款及其他應付款項**

應付賬款為在日常業務活動中從供應商購買商品或服務而應支付之責任。如應付款項之支付日期在一年或以內(若更長則在業務正常經營週期內)，其被分類為流動負債；否則呈列為非流動負債。

應付賬款初始以公平值確認，其後利用實際利率法按攤銷成本計量。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawn down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceed is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in statement of profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

### 2 主要會計政策概要(續)

#### (v) 借貸

借貸初步按公平值扣除已產生之交易成本確認，其後按攤銷成本計量。所得款項（扣除交易成本）與贖回價值之間的任何差額於借貸期採用實際利率法於損益中確認。在貸款將很有可能部分或全部提取之情況下，就設立貸款融資支付之費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款將很有可能部分或全部提取之情況下，該費用撥充資本作為流動資金服務之預付款項，並於其相關融資期間內予以攤銷。

可換股債券負債部分的公平值按等值不可換股債券之市場利率釐定。該金額按攤銷成本基準列作負債，直至債券兌換或到期時清償為止。所得款項餘下部分分配至兌換選擇權，會予以確認並計入股東權益（扣除所得稅影響）。

當合約中規定的義務被解除、註銷或屆滿時，借貸將從財務狀況表中剔除。已清償或轉移至另一方的金融負債賬面值與已付代價之間的差額，包括任何已轉移非現金資產或已承擔負債，均在損益表中確認為其他收入或財務成本。

倘金融負債條款重新協商且實體向債權人發行權益工具以清償全部或部分負債（債務股權置換），則收益或虧損於損益表中確認，並按金融負債賬面值與已發行權益工具公平值間之差額計量。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則借貸將被分類為流動負債。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

## (w) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the period which they are incurred.

## (x) Compound financial instruments

Compound financial instruments issued by the Group companies convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

## (w) 借貸成本

收購、建設或生產合資格資產直接應佔之一般及特定借貸成本，於完成資產及將資產達致擬定用途或可供出售狀態所需之一段時間內撥充資本。需要一段長時間方達致擬定用途或可供出售狀態之資產為合資格資產。

特定借貸之暫時投資賺取之投資收入在有待用作合資格資產開支時，乃自合資格撥充資本之借貸成本中扣除。

其他借貸成本於產生期間支銷。

## (x) 複合金融工具

本集團發行之複合金融工具包括可按持有人選擇兌換為股本之可換股票據，而將予發行之股份數目不會隨公平值變動而改變。

複合金融工具之負債部分初步按並無權益兌換選擇權之類似負債之公平值確認。權益部分初步按複合金融工具整體公平值與負債部分公平值之差額確認，計入其他儲備之股東權益內。任何直接應佔交易成本按負債及權益部分初始賬面值之比例分配至負債及權益部分。

初始確認後，複合金融工具之負債部分利用實際利率法按攤銷成本計量。除非獲兌換或到期，否則複合金融工具之權益部分在初始確認後不再重新計量。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則可兌換工具之負債部分將被分類為流動負債。



## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (y) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

##### (i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (ii) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

### 2 主要會計政策概要(續)

#### (y) 當期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區之適用所得稅稅率就當期應課稅收入支付之稅項，而該開支或抵免會因暫時差額及未動用稅項虧損所引致之遞延稅項資產及負債變動而作出調整。

##### (i) 當期所得稅

當期所得稅支出根據本公司之附屬公司及聯營公司營運及產生應課稅收入之國家於報告期末已通過或大致上通過之稅法計算。管理層就適用稅務規例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

##### (ii) 遞延所得稅

遞延所得稅以負債法按資產及負債之稅基與其賬面值產生之暫時差額，在合併財務報表悉數計提撥備。然而，倘遞延稅項負債來自商譽之初步確認，則不予確認；而倘遞延所得稅來自初步確認一項於交易時不影響會計及應課稅損益之交易(業務合併除外)之資產及負債，則遞延所得稅不予入賬。遞延所得稅以報告期末已通過或大致上通過之稅率(及稅法)釐定，預計將於有關遞延所得稅資產變現或遞延所得稅負債清償時應用。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

### (y) Current and deferred income tax (Continued)

#### (ii) *Deferred income tax* (Continued)

Deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred tax assets are recognised only if it is probable that future taxable amount will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### (y) 當期及遞延所得稅(續)

#### (ii) *遞延所得稅* (續)

釐定按公平值計量之投資物業之遞延稅項負債時乃假設該物業將透過出售完全收回。

遞延稅項資產僅在未來應課稅金額將可用於抵銷該等暫時差額及虧損時予以確認。

倘本公司能控制撥回暫時差額之時間及該等差額很可能不會於可見將來撥回，則不會就海外業務投資賬面值與稅基之間之暫時差額確認遞延稅項負債及資產。

倘若存在可依法強制執行之權利將當期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有可依法強制執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債，則當期稅項資產與稅項負債相互抵銷。

當期及遞延稅項於損益中確認，惟與於其他全面收入或直接於權益確認之項目有關者則除外。在此情況下，稅項亦分別於其他全面收入或直接於權益中確認。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (z) Employee benefits

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (i) Retirement benefit costs

The full-time employees of the Group are covered by various government-sponsored pension plans under which the employees are entitled to a monthly pension based on certain formulas.

The relevant government agencies are responsible for the pension liabilities to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made.

Contributions to these plans are expensed as incurred.

#### (ii) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

### 2 主要會計政策概要(續)

#### (z) 僱員福利

僱員享用病假及產假之權利於休假時始行確認。

#### (i) 退休福利成本

本集團全職僱員均受政府設立之各種退休金計劃保障，據此，僱員享有按特定公式計算之每月退休金。

有關政府機構有責任向該等退休僱員支付退休金。本集團按月向該等退休金計劃供款。根據該等計劃，本集團除上述供款外概無其他退休後福利責任。

向該等計劃作出之供款於發生時列作費用。

#### (ii) 獎金福利

當本集團因僱員已提供之服務須承擔現有法律或推定責任，而責任能可靠估算時，則將獎金之預期成本確認為負債。

獎金之負債預期須在12個月內償付，並根據償付時預期支付之金額計算。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

## (z) Employee benefits (Continued)

## (iii) Share-based compensation

The Group operates equity settled, share-based compensation plans. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Under the Share Award Scheme, the directors and certain employees of the Group are entitled to receive shares in the Company. The shares held under trust by a financial institution ("Trustee") for the benefit of the director and employees, would be paid and the paid up consideration would be capitalised in the Company's reserves. The Trustee has been instructed to buy shares from the market using the funds held by the Trustee to grant shares to the director and employees.

The Company has also adopted the Share Option Scheme under which options may be granted to subscribe for the Company's shares.

The fair value of the employee services received in exchange for the grant of the share options and shares awarded is recognised as an expense.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options and shares granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of shares or share options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each statement of financial position date, the Group revises its estimates of the number of shares or share options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated statement of comprehensive income, and a corresponding adjustment to equity.

## (z) 僱員福利(續)

## (iii) 以股份支付之補償

本集團設有以權益償付、以股份支付為補償之計劃。當購股權獲行使時，已收取所得款項(扣除任何直接應佔交易成本)均列入股本(面值)及股份溢價。

根據股份獎勵計劃，本集團董事及若干僱員有權取得本公司股份。股份由一間金融機構(「受託人」)以董事及僱員為受益人以信託方式持有，並已繳付股款。已付清之代價將於本公司儲備中資本化。受託人已獲指示利用受託人所持之資金於市場回購股份，以向董事及僱員授予股份。

本公司亦已採納購股權計劃，據此，購股權可予授出以認購本公司股份。

僱員就換取獲授之購股權及股份獎勵而提供之服務之公平值確認為開支。

於歸屬期內列作開支之總金額，乃參照已授出購股權及股份之公平值釐定，不包括任何非市場歸屬條件(例如盈利能力及銷售增長目標)之影響。於假設預期可予歸屬股份或購股權數目時，將會計及非市場歸屬條件。總支出於整個歸屬期(即達成所有特定歸屬條件之期間)確認。於各財務狀況表日期，本集團會根據非市場歸屬條件修改其估計預期可予歸屬之股份或購股權數目。修改原估計數目(如有)之影響將於合併綜合收益表內確認，並對權益作出相應調整。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (z) Employee benefits (Continued)

##### (iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

##### (aa) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

### 2 主要會計政策概要(續)

#### (z) 僱員福利(續)

##### (iv) 離職福利

離職福利於僱員在正常退休日期前被本集團終止僱用，或當僱員接受自願遣散以換取此等福利時支付。本集團在能證明以下承諾時確認離職福利：根據一項不可撤回之詳盡正式計劃終止僱用現有僱員；或就提出一項要約以鼓勵自願遣散而提供離職福利。在財務狀況表日期後超過12個月到期支付之福利貼現為現值。

##### (aa) 撥備

倘本集團須就過去事項承擔現有法律或推定責任、履行該責任可能導致資源流出、及有關金額能可靠估計，方就法律索償、服務權證及履行義務確認撥備。概不就未來營運虧損確認撥備。

倘出現多項類似責任，因履行責任導致資源流出之可能性乃考慮責任之整體類別後釐定。即使同類責任中有關任何一項可能流出資源之機會不大，仍須確認撥備。

撥備按管理層對報告期末履行現有責任所需支出之最佳估計之現值計量。用於釐定現值之貼現率為反映現時市場對金錢時間值及負債特定風險之評估之稅前利率。隨著時間流逝而增加之撥備確認為利息開支。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## 2 主要會計政策概要(續)

### (ab) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The Group evaluates whether it is appropriate to record the gross amount of sales of goods and the related costs or the net amount earned as commission. When the Group has the primary responsibility for providing the goods to the customer or for fulfilling the order, is subject to inventory risk, has latitude in establishing prices and bears the customer's credit risk, or has several but not all of these indicators, revenues is recognised on a gross basis. When the Group does not have exposure to the significant risks and rewards associated with the sale of goods, revenues are recorded on a net basis.

#### (i) Revenue from online services and advertisement

Advertising income from internet portals, mobile devices, trade catalogues, yellow page directories and printed periodicals is recognised on the date of publication.

Subscription fee income from online services is recognised over the period of contracts entered with the customers. The unrecognised portions of contract sum are recognised as deferred revenue.

#### (ii) Revenue from marketing events, seminars and other services

Revenue from the hosting of marketing events, trade exhibitions and business seminars is recognised upon conclusion of the exhibitions or seminars.

### (ab) 銷售收入確認

銷售收入按已收或應收代價之公平值計量。所披露之收益款項已扣除退貨、貿易撥備、回扣及代表第三方收取之款項。

當銷售收入數額能可靠地計量，而未來經濟利益可能流入該實體，且符合以下本集團各業務特定準則時，本集團方會確認銷售收入。本集團基於其以往業績，考慮顧客類型、交易類型及各項安排細節作出估計。

本集團會評估將銷售貨品之總額及相關成本或所賺取作為佣金之淨額入賬是否適當。倘本集團之主要責任為向客戶提供貨品或履行訂單，並須承受存貨風險，可自由設定價格及承擔客戶之信貸風險，或存在若干(而非所有)上述指標，則銷售收入按總額基準確認。倘本集團不會面對與銷售貨品相關之重大風險及回報，則銷售收入按淨額基準入賬。

(i) 來自互聯網服務及廣告之銷售收入  
來自行業門戶網站、移動設備、工商業目錄、黃頁目錄及印刷期刊之廣告收入於出版日期確認。

來自互聯網服務之訂閱費收入於與客戶訂立合約期間內確認。合約金額之未確認部分確認為遞延收入。

#### (ii) 來自營銷活動，研討會及其他服務之銷售收入

舉辦營銷活動，貿易展覽及商務研討會之銷售收入於展覽或研討會結束時予以確認。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (ab) Revenue recognition (Continued)

##### (iii) Revenue from anti-counterfeiting business

Revenue from anti-counterfeiting products is recognised when a group's entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

Revenue from anti-counterfeiting services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

##### (iv) Revenue from O2O business exhibition centre

Revenue from sale of properties is recognised when the risk and rewards of the properties are transferred to the purchasers, which occurs when legally binding unconditional sales contracts were entered, the construction of the relevant properties has been completed, the properties have been delivered to the purchasers pursuant to the sale contracts and collectability of related receivables is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet as receipts in advance from customers.

Rental income from investment properties is recognised in the consolidated statement of profit or loss on a straight-line basis over the term of the lease.

##### (v) Revenue from B2B trading platform

Revenue from B2B trading platform primarily comprised commission income and revenue from merchandise sales. Commission income is recognised for transactions where the Group is not the primary obligor, is not subject to inventory risk, and does not have latitude in establishing prices and selecting suppliers. Commission income is recognised on a net basis which is based on a fixed percentage of the sales amount.

Revenue from merchandise sales and related costs is recognised on a gross basis when the Group acts as a principal. Commission income and revenue from merchandise sales are recognised when the customer has accepted the goods and the related risks and rewards of ownership.

### 2 主要會計政策概要(續)

#### (ab) 銷售收入確認(續)

##### (iii) 來自防偽業務之銷售收入

防偽產品之銷售收入於集團實體向客戶運送產品時；客戶承認產品及合理確定相關應收款項可收回性時確認。

防偽服務之銷售收入於提供服務之會計期間按照特定交易完成階段確認，並根據所提供實際服務佔將予提供服務總量之比例予以評估。

##### (iv) 來自O2O商業展覽中心之銷售收入

銷售物業之銷售收入於物業之風險及回報轉讓至買方，即訂立具法律約束力之無條件銷售合約、有關物業竣工，物業已根據銷售合約交付買方且能合理確保有關應收款項可予以收回時，方予確認。在銷售收入確認日期前就已售物業所收取之按金及分期付款於合併資產負債表內列作預收客戶款項。

來自投資物業之租金收入按租賃年期以直線法於合併損益表內確認。

##### (v) 來自B2B交易平台之銷售收入

來自B2B交易平台之銷售收入主要包括佣金收入及貨品銷售之銷售收入。倘本集團並非主要義務人，毋須承擔存貨風險及在定價和供應商選擇方面並無自主權，則本集團會確認交易佣金收入。佣金收入按淨額基準確認，以銷售金額之固定百分比計算。

來自貨品銷售之銷售收入及相關成本乃於本集團作為主事人時按總額確認。佣金收入及來自貨品銷售之銷售收入乃於客戶接受貨品及所有權之相關風險以及回報時確認。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (ab) Revenue recognition (Continued)

##### (vi) Revenue from financing services

Lease income attributable to finance leases is recognised over the lease term on a systematic and rational basis so as to produce a constant rate of return on the net investment in the finance lease.

Interest income and expense for asset factoring and micro-credit financing services are recognised within “revenue-interest income” and “direct cost-interest expense” in profit and loss using the effective interest method, while the interest from bank deposits are recognised within “finance income” in the consolidated statement of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and payments paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

#### (ab) 銷售收入確認(續)

##### (vi) 來自金融服務之銷售收入

融資租賃應佔租賃收入按系統及合理基準記錄，於租期內確認以得出該融資租賃投資淨額之固定回報率。

所有資產保理及小額貸款融資服務之利息收入及開支乃採用實際利率法於損益中之「銷售收入－利息收入」及「直接成本－利息開支」內確認，惟銀行存款利息則於合併損益中之「財務收入」內確認。

實際利率法乃計算金融資產或金融負債之攤銷成本及於相關期間攤分利息收入或利息開支之方法。實際利率指按金融工具預計年期或較短時間內(如適用)將估計未來現金支出或收入準確貼現至金融資產或負債之賬面淨值之利率。計算實際利率時，本集團在考慮金融工具之一切合約條款(例如提早償還選擇權)但並無考慮未來信貸虧損後估計現金流量。計算範圍包括訂約各方所付或所收構成實際利率之一切費用及付款、交易成本及其他所有溢價或折讓。一項金融資產或一組類似之金融資產因減值虧損而撇減時，按就計量減值虧損用於貼現未來現金流量之利率確認利息收入。

一項金融資產或一組類似之金融資產因減值虧損而撇減時，按就計量減值虧損用於貼現未來現金流量之利率確認利息收入。



## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (ac) Leases

##### (i) Operating lease – as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of profit or loss on a straight-line basis over the period of the lease.

##### (ii) Operating lease – as a lessor

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the assets. Lease income on operating lease is recognised over term of the lease on a straight-line basis.

##### (iii) Finance lease – as a lessee

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of profit or loss over the lease period so as to produce a constant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

### 2 主要會計政策概要(續)

#### (ac) 租賃

##### (i) 經營租賃－作為承租人

凡出租人仍保留擁有權之絕大部分風險及回報之租賃，均分類為經營租賃。經營租賃之租金(扣除自出租人收取之任何優惠)會按租賃年期以直線法計入合併損益表。

##### (ii) 經營租賃－作為出租人

當資產根據經營租賃租出時，資產將根據資產性質計入財務狀況表。經營租賃之租賃收入會按租賃年期以直線法確認。

##### (iii) 融資租賃－作為承租人

本集團租賃若干物業、廠房及設備。如本集團大致上承受擁有權之絕大部分風險和回報，則物業、廠房及設備之租賃歸類為融資租賃。融資租賃在租賃開始時，按租賃物業之公平值或最低租賃付款現值兩者之較低者資本化。

每項租金均分攤為負債及融資支出。相應租賃責任在扣除融資支出後計入其他長期應付款項。財務成本之利息部分於租賃期內在合併損益表中扣除，以計算常數。根據融資租賃而獲得之設備按資產可使用年期與租賃期兩者之較短者進行折舊。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

#### (ac) Leases (Continued)

##### (iv) Finance lease – as a lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

The method for allocating gross earnings to accounting periods is referred to as the 'actuarial method'. The actuarial method allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the lessor's net investment in the lease.

#### (ad) Government grants

Grants from the government are recognised at their fair values when there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to costs are deferred and recognised within "other income" in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

#### (ae) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

#### (ac) 租賃(續)

##### (iv) 融資租賃 – 作為出租人

以融資租賃出租資產時，租賃付款之現值確認為應收款項。應收款項總額與應收款項現值之差額確認為未賺取財務收入。

於會計期間分配盈利總額之方法被稱為「精算法」。精算法於各會計期間在財務收入及償還資本之間分配租金，據此方法，財務收入將以出租人於租賃淨投資之固定回報率出現。

#### (ad) 政府補助

當可合理地確定本集團將獲得政府補助，並符合該補助所有附帶條件，政府補助以公平值確認。

有關成本之政府補助已被遞延，於其與擬定補償成本配對之所需期間於合併損益表確認。

有關成本之政府補助已被遞延，於其與擬定補償成本配對之所需期間於合併損益表確認為「其他收入」。

#### (ae) 股息分派

向本公司股東派付之股息於本公司股東批准派息之期間在本集團及本公司之財務報表內確認為負債。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (af) Financial guarantee liabilities

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to the banks for property purchasers.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such liabilities are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation of fees recognised.

Financial guarantee liabilities are derecognised from the balance sheet when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

#### (ag) Sale and leaseback transaction

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term. If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortised over the period for which the asset is expected to be used.

### 3 FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 2 主要會計政策概要(續)

#### (af) 財務擔保負債

本集團就物業買家向銀行提供之財務擔保確認財務擔保負債。

財務擔保負債初步以公平值加發行財務擔保負債直接應佔之交易成本確認。於初步確認後，有關負債按解除現有責任所需支出之最佳估計現值或初步已確認數額減已確認累計攤銷費(以較高者為準)計量。

只有在合約訂明之責任獲解除或撤銷或屆滿時，才從資產負債表剔除確認財務擔保負債。

#### (ag) 銷售及回租交易

銷售及回租交易涉及出售資產及將同一資產回租。租賃付款及售價經協定為相關，通常會相互影響。銷售及回租交易之會計處理取決於所涉及之租賃種類。倘銷售及回租交易導致融資租賃，則銷售所得款項超出賬面值之任何差額將於租期內遞延及攤銷。倘銷售及回租交易導致經營租賃，且交易明顯按公平值進行，則即時確認任何損益。倘售價低於公平值，則即時確認任何損益，惟倘虧損以低於市價之未來租賃付款補償，則於該資產之預期使用年期按租賃付款比例遞延及攤銷。倘售價高於公平值，則超出公平值之差額須於該資產之預期使用年期遞延及攤銷。

### 3 財務風險管理

#### 3.1 財務風險因素

本集團因其業務活動面臨各種財務風險：市場風險(包括外匯風險、價值利率風險及價格風險)、信貸風險及流動資金風險。本集團之整體風險管理計劃著重於金融市場之變數及致力減低潛在負面因素對本集團財務表現帶來之影響。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 3 FINANCIAL RISK MANAGEMENT (Continued)

## 3.1 Financial risk factors (Continued)

Risk management is carried out by a central finance department (the "Finance Department") headed by the Chief Financial Officer of the Group. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units to cope with overall risk management as well as specific areas such as market risk, credit risk and liquidity risk.

## (a) Market risk

## (i) Foreign exchange risk

The Group operates in Hong Kong and the PRC and majority of its transactions are denominated in the functional currencies of the respective entities. The Group has no material foreign currency denominated assets and liabilities and does not have material exposure on foreign exchange risk.

## (ii) Interest rate risk

The Group's income and operating cash flows are substantially independent from changes in market interest rates and the Group has no significant interest-bearing assets except for fixed deposit categorised in "loans and interest receivable", "cash and cash equivalents", details of which have been disclosed in Notes 12 and 22.

The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 29. Borrowings carry at fixed rates expose the Group to low fair value interest-rate risk.

Borrowings at variable rates expose the Group to cash flow interest-rate risk. As at 31 December 2017, if interest rate had increased/decreased by 50 basis points (2016: 50 basis points) with all other variable constant, the Group's profit after tax and total comprehensive income would have been approximately RMB1,415,000 (2016: RMB928,000) lower/higher.

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements and regular reporting is provided to the management for the Group's debt and interest rates exposure.

## 3 財務風險管理(續)

## 3.1 財務風險因素(續)

風險管理由本集團首席財務官領導之中央財務部門(「財務部」)進行。財務部與本集團之營運部門緊密合作，以識別及評估財務風險，以處理整體風險管理以及特定範疇(如市場風險、信貸風險及流動資金風險)之風險。

## (a) 市場風險

## (i) 外匯風險

本集團在香港及中國經營，其大部分交易以有關實體之功能貨幣計值。本集團並無重大外幣計值資產及負債，且無面對重大外匯風險。

## (ii) 利率風險

本集團之收入及經營現金流量幾乎完全不受市場利率變動之影響，除「應收貸款及利息」組別內之定期存款、「現金及現金等值物」外，本集團並無重大計息資產，有關詳情已於附註12及22披露。

本集團亦因其借貸而面對利率變動之風險，有關詳情已於附註29披露。按固定利率計息之借貸使本集團面對低公平值利率風險。

本集團就按浮動利率計息之借貸而面臨現金流量利率風險。於二零一七年十二月三十一日，倘利率上升/下跌50個基點(二零一六年：50個基點)，而所有其他變量維持不變，則本集團之除稅後溢利及全面收入總額將減少/增加約人民幣1,415,000元(二零一六年：人民幣928,000元)。

本集團會定期監察其利率風險，以確保並無不適當之重大利率波動風險，並定期向管理層匯報本集團之債務及利率風險。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (iii) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the consolidated statement of financial position either as available-for-sale (Note 16) or at fair value through profit or loss (Note 17).

Post-tax profit for the period would increase/decrease by approximately RMB270,000 (2016: RMB10,184,000) as a result of 10% gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease by approximately RMB53,793,000 (2016: RMB69,672,000) as a result of 10% gains/losses on equity securities classified as available-for-sale.

##### (b) Credit risk

Credit risk is managed on a group basis. The credit risk mainly arisen from a customer's inability or unwillingness to meet its financial obligations. It arises primary from the loan receivables from the financing service segment.

##### *Credit risk arising from financing services business*

The credit risk mainly arises from micro-credit business. The Group has established relevant mechanism to cover credit risk in key operational phases of micro-credit business, including pre-lending evaluations, credit approval, and post-lending monitoring. The Group conducts customer acceptance and due diligence by operating department and risk management department in the pre-lending evaluations. In the credit approval phase, all loans applications are subject to the assessment and approval of the Department Manager, General Manager and Risk Assessment Committee, depending on the amount and nature of the loans. During the post-lending monitoring, the Group conducts on-site inspections and off-site inquiries to detect potential risks by evaluating various aspects, including but not limited to the customer's operational and financial conditions, status of collaterals and other sources of repayment.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (iii) 價格風險

本集團承受其持有投資所產生之股權證券價格風險，並於合併財務狀況表分類為可供出售(附註16)或按公平值計入損益(附註17)。

期內除稅後溢利將增加/減少約人民幣270,000元(二零一六年：人民幣10,184,000元)，乃由於分類為按公平值計入損益之股權證券收益/虧損10%。股權之其他組成部分將增加/減少約人民幣53,793,000元(二零一六年：人民幣69,672,000元)，乃由於分類為可供出售之股權證券收益/虧損10%。

##### (b) 信貸風險

信貸風險乃按組別管理。信貸風險主要於客戶無力或不願履行其財務責任時產生。其主要源自融資服務分部之應收貸款。

##### *融資服務業務產生之信貸風險*

信貸風險主要來自小額貸款業務。本集團已設立相關機制，用以抵銷小額貸款業務各關鍵經營階段所產生之信貸風險，包括貸前評估、信貸審批及貸後監察。於貸前評估階段，本集團委派業務部門及風險管理部門進行客戶接納及盡職審查。於信貸審批階段，視乎貸款數額及性質而定，所有貸款申請須接受部門經理、總經理及風險評估委員會評估及批核。於貸後監察階段，本集團進行現場視察及遙距查詢，透過對不同範疇進行評估識別潛在風險，包括但不限於客戶的經營及財務狀況、抵押品狀況及其他還款來源。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### *Credit risk arising from financing services business (Continued)*

In accordance with the regulations issued by the local regulatory authority, Chongqing Financial Affairs Office (重慶市金融工作辦公室), the Group has established a loan credit risk classification system based on the type of collateral and credit period, and performs credit risk management based on loan classification in one of five categories. The Group classifies loans into the following five categories: normal, special-mention, substandard, doubtful and loss. Loans classified as substandard, doubtful and loss are regarded as nonperforming loans. The primary factors considered in loan impairment assessment include probability of loan repayment and recoverability of principal and interest, which reflect borrowers' repayment ability, repayment record and intention, projected profitability, bank guarantees or collateral and legal responsibility of repayment. The allowance for impairment losses is assessed collectively or individually, as appropriate.

The definitions of the five categories of loans receivables are set out below:

Normal:	Borrowers can honour the terms of their loans. There is no reason to doubt their ability to repay principal and interest in full on a timely basis.	正常類： 借款人能夠履行貸款條款。概無理由懷疑其按時悉數償還本息之能力。
Special-mention:	Borrowers are currently able to service their loans and interest, although repayment may be adversely affected by specific factor.	關注類： 儘管借款人目前有能力償還貸款及利息，但還款情況或會受到特定因素之不利影響。
Substandard:	Borrowers' ability to service their loans is in question and they cannot rely entirely on normal business revenues to repay principal and interest. Losses may ensue even when collateral or guarantees are invoked.	次級類： 借款人之還款能力存疑，其無法完全依靠正常業務收益償還本息。即使進行抵押或擔保，亦可能因而造成損失。
Doubtful:	Borrowers cannot repay principal and interest in full and significant losses will need to be recognised even when collateral or guarantees are invoked.	可疑類： 借款人無法悉數償還本息，即使援引抵押物或擔保，亦須確認重大虧損。
Loss:	Principal and interest of loans cannot be recovered or only a small portion of them can be recovered after taking all possible measure or resorting to all necessary legal procedures.	損失類： 在採取所有可能措施或付諸一切必要法律程序之後，本息仍然無法收回，或只能收回少部分。

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

###### *融資服務業務產生之信貸風險(續)*

根據當地監管機構重慶市金融工作辦公室頒佈之法規，本集團已根據抵押品類型及信貸期設立貸款信貸風險分類系統，並根據五個類別之一貸款分類進行信貸風險管理。本集團將貸款分為以下五個類別：正常類、關注類、次級類、可疑類及損失類。分為次級類、可疑類及損失類之貸款視為不履約貸款。貸款減值評估過程中所考慮之主要因素包括貸款還款之可能性以及本息之可收回程度，其反映借款人之還款能力、還款記錄以及意向、預期可能性、銀行擔保或抵押品及還款之法律責任。減值虧損撥備按共同或個別基準(如適合)作出評估。

五類應收貸款之定義載列如下：

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

*Credit risk arising from financing services business (Continued)*

The balance of each categories of loans receivable (excluding the corresponding interest receivables) as at the reporting date is as follows:

		As at 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元
Normal	正常類	1,513,132
Special-mention	關注類	45,679
Substandard	次級類	784
Doubtful	可疑類	29,200
Loss	損失類	43,318
		<b>1,632,113</b>

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

*融資服務業務產生之信貸風險(續)*

各類應收貸款(不包括相應之應收利息)於報告日期之結餘如下:

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

*Credit risk arising from financing services business (Continued)*  
*Impairment and provisioning policies*

Individual assessment

All loans receivable are individually reviewed for objective evidence of impairment and classified based on a five-tier classification system. Loans that are classified as substandard, doubtful or loss are assessed individually for impairment.

If there is objective evidence that an impairment loss on a loan or receivables has been incurred on an individual basis, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The allowance for impairment loss is deducted in the carrying amount. The impairment loss is recognised in profit or loss. In determining allowances on an individual basis, the following factors are considered:

- The sustainability of the counterparty's business plan;
- The borrower's ability to improve performance once a financial difficulty has arisen;
- Projected receipts and the expected pay out should bankruptcy ensue;
- The availability of other financial support and the realizable value of collateral; and
- The timing of the expected cash flows.

It may not be possible to identify a single, discrete event that caused the impairment, but it may be possible to identify impairment through the combined effect of several events. The impairment losses are evaluated at the end of the reporting period, unless unforeseen circumstances require more careful attention.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

*融資服務業務產生之信貸風險(續)*  
*減值及撥備政策*

個別評估

所有應收貸款就減值之客觀證據進行個別審閱，並根據五級分類系統進行分類。分為次級類、可疑類或損失類之貸款就減值進行個別評估。

倘有客觀證據顯示，按個別基準評估之某一項貸款或應收款項產生減值虧損，則虧損金額按資產賬面值與估計未來現金流量按資產原有實際利率貼現之現值兩者之差額計量。減值虧損撥備於賬面值中扣減。減值虧損於損益中確認。按個別基準釐定撥備時會考慮下列因素：

- 對手方業務計劃之可持續性；
- 借款人在發生財務困難時改善業績之能力；
- 預計收款及於破產時之預期分派；
- 可取得之其他財務援助及抵押品之可變現價值；及
- 預期現金流量時間。

可能無法確定導致減值之單一分散事件，惟可透過若干事件所產生之綜合影響確定減值。除非出現須更審慎關注之不可預見情況，否則會在報告期末對減值虧損進行評估。



## Notes to the Consolidated Financial Statements 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

*Credit risk arising from financing services business (Continued)*  
*Impairment and provisioning policies (Continued)*

Collective assessment

Loans and receivables which are assessed collectively for impairment include individually assessed loans and receivables with no objective evidence of impairment on an individual basis, and homogeneous groups of loans and receivables which are not considered individually significant and not assessed individually. Loans and receivables are grouped for similar credit risk characteristics for collective assessment. The objective evidence of impairment mainly includes that, though it is unable to identify the decrease of cash flow of each individual asset, after collective assessment based on observable data, there is observable evidence indicating that there is a measurable decrease in the estimated future cash flow from a group of financial assets since the initial recognition of those assets.

Collateral and other credit enhancements

The amount and type of collateral required depends on the assessment of the credit risk of the counterparty.

Guidelines are in place covering the acceptability and valuation of each type of collateral.

The collateral obtained by the Group mainly consists of mortgages on land use rights, building ownership rights or equipment and pledge on shares. All collateral is registered in accordance with the relevant laws and regulations. The credit officers inspect the collateral and assess the changes in the value of the collateral regularly.

Although collateral can mitigate credit risk to a certain extent, the Group mostly grants loans based on the assessment of the borrowers' ability to meet obligations out of their cash flows, instead of the value of collateral. The necessity of collateral is dependent on the nature of the loan.

In the event of default, the Company might sell the collateral for repayment. Management monitors the market value of collateral and will request additional collateral in accordance with the underlying agreement.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

*融資服務業務產生之信貸風險(續)*  
*減值及撥備政策(續)*

共同評估

按共同基準進行減值評估之貸款及應收款項包括按個別基準進行評估且於個別評估時並無客觀減值證據之貸款及應收款項，以及被視為個別並不重大且未有進行個別評估之同類貸款及應收款項組別。貸款及應收款項按相若信貸風險特徵分組，以進行共同評估。減值之客觀證據主要包括，儘管未能識別各項個別資產之現金流量減少，但根據可觀察數據進行共同評估後，有可觀察證據顯示自初始確認該等資產後，某一組金融資產之估計未來現金流量出現可計量下降。

抵押品及其他信用增強

所需抵押品之金額及類型取決於對手方之信貸風險評估。

已制訂之指引涵蓋各類抵押品之可接受程度及估值。

本集團所取得之抵押品主要為土地使用權、房產所有權或設備抵押及股權質押。所有抵押品均須按照相關法律及法規辦理登記。信貸人員定期對抵押品進行檢查，並對抵押品價值變化情況進行評估。

雖然抵押品可在一定程度上降低信用風險，惟本集團之貸款基礎主要為評估借款人以現金流量履行責任之能力，而非抵押品之價值。是否需要抵押品視乎貸款性質而定。

在違約事件中，本公司或會出售抵押品還款。管理層會監察抵押品之市值，並將根據相關協議要求額外抵押品。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

*Credit risk arising from financing services business (Continued)*  
*Impairment and provisioning policies (Continued)*

Collateral and other credit enhancements (Continued)

Please refer to Note 12 for individually assessed and collectively assessed impairment allowances arising from unsecured, guaranteed loans and unsecured loans.

##### *Other credit risk*

Credit risk also arises from cash and cash equivalents, as well as credit exposures to trade and other receivables. The finance department has policies in place to monitor the exposures to these credit risks on an on-going basis.

The Group has put in place policies to ensure that provision of services is made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

For balance with a related company and loan to a third party and the employees, management assesses the recoverability of the balances taking into account the history of default of these companies and the employees, and their financial performance.

The table below shows the cash and cash equivalents held by different type of financial institutions at statement of financial position date.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash at banks and bank deposits	銀行現金及銀行存款		
Listed financial institutions	上市金融機構	273,369	655,570
Unlisted financial institutions	非上市金融機構	128,366	307,803
Cash on hand	庫存現金	183	150
<b>Total</b>	<b>總計</b>	<b>401,918</b>	<b>963,523</b>

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信貸風險(續)

*融資服務業務產生之信貸風險(續)*  
*減值及撥備政策(續)*

共同評估(續)

有關來自無抵押、有擔保貸款及無抵押貸款之按個別及共同基準評估之減值撥備，請參閱附註12。

##### 其他信貸風險

信貸風險亦主要來自現金及現金等值物，以及應收賬款及其他應收款項。財務部已制訂政策，以持續監察所面臨之該等信貸風險。

本集團已採取政策確保服務乃向具良好信貸記錄之客戶提供，而本集團亦對其客戶進行定期信用評估。

就與一間關聯公司之結餘及向第三方及僱員作出之貸款而言，管理層經計及該等公司及僱員之拖欠記錄及財務表現評估結餘之可收回程度。

下表載列由不同金融機構於財務狀況表日期所持現金及現金等值物。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk

Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining sufficient cash from operating activities.

As at 31 December 2017, the cash and cash equivalents of the Group approximated RMB401,918,000 (2016: RMB963,523,000).

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險

由於相關業務之多變性質，本集團透過在經營業務中維持足夠現金以維持資金靈活性。

於二零一七年十二月三十一日，本集團現金及現金等值物約為人民幣401,918,000元(二零一六年：人民幣963,523,000元)。

		Less than 1 year 1年內 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2017</b>	<b>於二零一七年 十二月三十一日</b>					
Trade payables	應付賬款	19,482	-	-	-	19,482
Accrued expenses and other payables	應計費用及 其他應付款項	219,864	-	-	-	219,864
Borrowings	借貸	593,539	905,801	165,597	-	1,664,937
Convertible bonds	可換股債券	2,157	45,290	-	-	47,447
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>					
Trade payables	應付賬款	7,916	-	-	-	7,916
Accrued expenses and other payables	應計費用及 其他應付款項	216,882	-	-	-	216,882
Finance lease obligations	融資租賃負債	158	-	-	-	158
Borrowings	借貸	775,930	150,750	2,804	-	929,484
Convertible bonds	可換股債券	34,886	34,886	575,617	-	645,389

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

The table above summarises the maturity analysis shows the cash outflow based on the earliest date in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The amounts include interest payments computed using contractual rates.

The table above excludes the amount of guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties as the directors consider the likelihood of default in payments by the purchasers is minimal. As at 31 December 2017, there is RMB287,763,000 outstanding guarantees for mortgages (2016: RMB357,430,000).

Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of one to two years upon the completion of guarantee registration; or (ii) the full repayment of mortgaged loan by the purchasers of properties.

Management monitors the Group's liquidity through cash flow projections covering a period of twelve months on a rolling basis. Based on the cash flow projection, taking into account the reasonably possible changes in the operational performance and the continuous availability of banking facilities, management considers that there will be sufficient financial resources in the coming twelve months to meet its financial obligations as and when they fall due.

### 3 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動資金風險(續)

上表概述到期分析，該分析乃根據本集團須支付之最早日期(即倘貸款人援引其無條件權利以即時收回貸款)顯示現金流出。該等金額包括按合約利率計算之利息還款。

上表不包括給予銀行作授予本集團物業之若干買家之按揭融資之擔保金額，乃由於董事認為買家拖欠付款之可能性很低。於二零一七年十二月三十一日，按揭之未償還擔保金額為人民幣287,763,000元(二零一六年：人民幣357,430,000元)。

有關擔保於下列日期較早者終止：  
(i)發行一般可於完成擔保登記後平均一至兩年取得之房地產權益權證；或(ii)物業買家悉數償還按揭貸款。

管理層透過涵蓋十二個月期間之現金流量預測以滾動方式監察本集團之流動資金。根據現金流量預測，經考慮營運表現及持續可用之銀行融資之合理可能變動，管理層認為，於未來十二個月將有充足財務資源，以於其財務責任到期時履行。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including convertible bonds) and finance lease obligations less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. Accordingly, the gearing ratios at 31 December 2017 and 2016 were as follows:

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Bank borrowings (Note 29)	銀行借貸(附註29)	1,106,213	851,904
Other borrowings (Note 29)	其他借貸(附註29)	390,917	31,578
Finance lease obligation	融資租賃負債	-	158
Convertible bonds – liabilities portion (Note 30)	已發行可換股債券—負債部分 (附註30)	41,387	654,743
Less: cash and cash equivalents (Note 22)	減：現金及現金等值物(附註22)	(401,918)	(963,523)
Net debt	淨債務	1,136,599	574,860
Total equity	總權益	4,457,129	3,268,143
Total capital	總資本	5,593,728	3,843,003
Gearing ratio	資本負債比率	20%	15%

### 3 財務風險管理(續)

#### 3.2 資本風險管理

本集團管理資金之目的乃保障本集團持續經營之能力，以為股東帶來回報，同時為其他利益關係者帶來利益，並維持最佳資本結構以減低資本成本。

為維持或調整資本結構，本集團可能會調整派付股東之股息金額、向股東退還資本、發行新股份或出售資產以減低債務。

本集團根據資本負債比率監察其資本，該比率乃按淨債務除以總資本計算。淨債務之計算方法為將總借貸(包括已發行可換股債券)及融資租賃負債減現金及現金等值物。總資本之計算方法為將「權益」(於合併財務狀況表列示)加淨債務。因此，於二零一七年及二零一六年十二月三十一日之資本負債比率如下：

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 3 FINANCIAL RISK MANAGEMENT (Continued)

## 3.3 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, trade and other receivables, finance lease receivable, trade payables, accruals and other payables, borrowings and finance lease obligation and amount due from a related company, approximate their fair values due to their short maturities.

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2017 and 2016 by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## 3 財務風險管理(續)

## 3.3 公平值估計

本集團之金融資產及負債包括現金及現金等值物、應收賬款及其他應收款項、融資租賃應收款項、應付賬款、應計費用及其他應付款項、借貸及融資租賃負債以及應收關聯公司款項，由於該等金融資產及負債在短期內到期，故賬面值與其公平值相若。

下表按用於計量公平值之估值方法所用輸入數據之層級，分析於二零一七年及二零一六年十二月三十一日本集團按公平值列賬之金融工具。有關輸入數據乃分類為公平值架構內之下列三個層級：

- 相同資產或負債在活躍市場之報價(未經調整)(第一級)。
- 資產或負債中可直接(即例如價格)或間接(即自價格引申)觀察之輸入數據，不包括第一級內之報價(第二級)。
- 資產或負債中並非依據可觀察市場數據輸入(即不可觀察輸入)(第三級)。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are at fair value at 31 December 2017 and 2016.

		Level 1 第一級 RMB\$'000 人民幣千元	Level 2 第二級 RMB\$'000 人民幣千元	Level 3 第三級 RMB\$'000 人民幣千元	Total 總額 RMB\$'000 人民幣千元
<b>At 31 December 2016</b>	於二零一六年 十二月三十一日				
<b>Assets</b>	<b>資產</b>				
Available-for-sale financial assets	可供出售金融資產	212,646	–	484,071	696,717
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	172,686	–	4,600	177,286
		385,332	–	488,671	874,003
<b>Liabilities</b>	<b>負債</b>				
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	–	–	41,500	41,500
		–	–	41,500	41,500
<b>At 31 December 2017</b>	於二零一七年 十二月三十一日				
<b>Assets</b>	<b>資產</b>				
Available-for-sale financial assets	可供出售金融資產	39,500	–	528,960	568,460
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	169,921	–	2,100	172,021
		209,421	–	531,060	740,481
<b>Liabilities</b>	<b>負債</b>				
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	–	–	169,000	169,000
		–	–	169,000	169,000

There were no transfers between Level 1 and 3 and no other changes in valuation techniques during the year.

年內，第一級與第三級之間並無轉移，估值方法亦無其他變化。

### 3 財務風險管理(續)

#### 3.3 公平值估計(續)

下表呈列本集團於二零一七年及二零一六年十二月三十一日按公平值計量之金融資產及負債。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quote market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, price services or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

##### (b) Financial instruments in level 3

The following table represents the changes in level 3 instruments for the year ended 31 December 2017.

		Available-for-sale financial assets (Note i)	Financial assets at fair value through profit or loss (Note ii)	Financial liabilities at fair value through profit or loss (Note iii)
		可供出售金融資產 (附註i)	按公平值計入損益之金融資產 (附註ii)	按公平值計入損益之金融負債 (附註iii)
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2017	於二零一七年一月一日	484,071	4,600	(41,500)
Additions	添置	18,900	-	-
Acquisition of subsidiaries	收購附屬公司	-	-	(182,200)
Issuance of shares in related to contingent consideration arrangement	就或然代價安排發行股份	-	-	24,686
Fair value changes (charged)/credited to consolidated statement of profit or loss	於合併損益表(扣除)/計入之公平值變動	-	(2,075)	18,472
Fair value changes credited to other comprehensive income	於其他全面收入計入之公平值變動	25,989	-	-
Currency translation differences	貨幣滙兌差異	-	(425)	11,542
As at 31 December 2017	於二零一七年十二月三十一日	528,960	2,100	(169,000)

### 3 財務風險管理(續)

#### 3.3 公平值估計(續)

##### (a) 第一級之金融工具

在活躍市場買賣之金融工具之公平值根據財務狀況表日期之市場報價計算。當可即時及定期從證券交易所、經銷商、經紀、業內人士、報價服務或者監管代理取得報價，而有關報價代表按公平交易基準進行之實際與常規市場交易時，該市場被視為活躍市場。

##### (b) 第三級之金融工具

下表呈列截至二零一七年十二月三十一日止年度第三級工具之變動。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (b) Financial instruments in level 3 (Continued)

The following table represents the changes in level 3 instruments for the year ended 31 December 2016.

		Available-for-sale financial assets (Note i) 可供出售金融資產 (附註i) RMB'000 人民幣千元	Financial assets at fair value through profit or loss (Note ii) 按公平值計入損益之金融資產 (附註ii) RMB'000 人民幣千元	Financial liabilities at fair value through profit or loss (Note iii) 按公平值計入損益之金融負債 (附註iii) RMB'000 人民幣千元
As at 1 January 2016	於二零一六年一月一日	92,553	5,100	–
Additions	添置	377,435	–	–
Acquisition of subsidiaries	收購附屬公司	–	–	(36,800)
Disposals	出售	(32,553)	–	–
Fair value changes charged to consolidated statement of profit or loss	於合併損益表扣除之公平值變動	–	(500)	(4,700)
Fair value changes credited to other comprehensive income	於其他全面收入計入之公平值變動	46,636	–	–
As at 31 December 2016	於二零一六年十二月三十一日	484,071	4,600	(41,500)

The Group's finance department includes a team that performs the valuation of financial asset required for financial reporting purposes, including Level 3 fair values. This team report directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussion of valuation processes and results are held between the CFO, AC and the valuation team at least once before the reporting date of every quarter, in line with the Group's quarterly reporting dates.

本集團財務部設有一支團隊，負責就財務報告進行所需之金融資產(包括第三級之公平值)估值。該團隊直接向首席財務官(首席財務官)及審核委員會(審核委員會)匯報。為符合本集團之季度報告日期，首席財務官、審核委員會及估值團隊至少每季報告日前就估值程序及結果進行討論。

### 3 財務風險管理(續)

#### 3.3 公平值估計(續)

##### (b) 第三級之金融工具(續)

下表呈列截至二零一六年十二月三十一日止年度第三級工具之變動。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 3 FINANCIAL RISK MANAGEMENT (Continued)

## 3.3 Fair value estimation (Continued)

## (b) Financial instruments in level 3 (Continued)

- i) The fair value of the Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company ("Jingu"), which classified as available-for-sale financial assets were estimated by market comparison approach, required the use of market information (the comparable companies in the industry) and significant unobservable input (the lack of marketability discount rate). Significant management's judgement was involved in the choice of comparable companies and the determination of discount rate.

For the remaining available-for-sale financial assets, the Group estimates the fair value based on the latest unit selling price of the financial assets on an arm's length basis and the market data of comparable companies.

- ii) The fair value of the financial assets through profit or loss, which represent contingent consideration arrangement related to the acquisition of Orange Triangle Inc. (refer to Note 17(a)), was estimated by applying income approach which considers the probability that Seller Guarantors could achieve the performance target and the market prices of the consideration share at the valuation date. The key unobservable assumptions in calculating this contingent consideration are:

		31 December 2017 二零一七年 十二月三十一日	31 December 2016 二零一六年 十二月三十一日
Risk-free rate	無風險利率	0.28%-1.22%	0.91%-1.11%
Probabilities to achieve the performance target	達成履約目標之概率	90%	90%

## 3 財務風險管理(續)

## 3.3 公平值估計(續)

## (b) 第三級之金融工具(續)

- i) 分類為可供出售金融資產之內蒙古呼和浩特金谷農村商業銀行股份有限公司(「金谷」)之公平值以市場比較法估算，該比較法需要使用市場資料(行業內可資比較公司)及重大不可觀察數據輸入(缺乏市場流通性貼現率)。選擇可資比較公司及釐定貼現率涉及管理層重大判斷。

就餘下可供出售金融資產而言，本集團按公平基準根據金融資產之最新單位售價及可資比較公司之市場數據估計公平值。

- ii) 計入損益之金融資產之公平值指與收購Orange Triangle Inc.有關之或然代價安排(詳見附註17(a))，該公平值以收入法計算，其考慮賣方擔保人達成履約目標之可能性及代價股份於估值日期之市價。計算該或然代價之主要不可觀察假設為：

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 3 FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### (b) Financial instruments in level 3 (Continued)

- iii) The fair value of the financial liabilities through profit or loss, which represent contingent consideration arrangement related to the acquisition of Zhongfu Holdings Limited and the contingent consideration arrangement related to the acquisition of Huijia Yuantian Limited (refer to Notes 15(a) and 17(b)), was estimated by applying income approach which considered the probabilities that the performance targets the seller guarantors could achieve and the market prices of the consideration share at the valuation date.

The key unobservable assumptions in the calculation are:

### 3 財務風險管理(續)

#### 3.3 公平值估計(續)

##### (b) 第三級之金融工具(續)

- iii) 計入損益之金融負債之公平值指與收購Zhongfu Holdings Limited有關之或然代價安排及與收購慧嘉元天有關之或然代價安排(詳見附註15(a)及附註17(b))，該公平值以收入法計算，其考慮賣方擔保人達成履約目標之可能性及代價股份於估值日期之市價。

計算該或然代價之主要不可觀察假設為：

		Zhongfu Holdings Limited 中服控股		Huijia Yuantian Limited 慧嘉元天	
		31 December 2017 二零一七年 十二月三十一日	31 December 2016 二零一六年 十二月三十一日	31 December 2017 二零一七年 十二月三十一日	3 February 2017 (Acquisition date) 二零一七年 二月三日 (收購日期)
Risk-free rate	無風險利率	1.05%-1.36%	1.11%-1.35%	1.36%-1.49%	0.9%-1.02%
Probabilities to achieve the performance target	達成履約目標之概率	80%	80%	90%	90%

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### (a) Impairment of goodwill

The Group tests annually whether goodwill have suffered any impairment, in accordance with the accounting policy stated in Note 2(m). The recoverable amounts of cash-generating units have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

#### (b) Useful lives of intangible assets

Significant judgement is exercised in the assessment of the useful lives of the intangible assets. In making its judgement, management considers a wide range of factors such as the attrition rates and obsolescence rates.

## 4 重要會計估計及判斷

估計及假設乃基於過往經驗及其他因素而持續進行評估，當中包括按情況對日後事件作出相信屬合理之預測。

### 4.1 重要會計估計及假設

本集團就未來作出估計及假設。所得會計估計按定義甚少與有關實際結果相同。下文將討論存在重大風險可導致下個財政年度之資產及負債賬面值造成重大調整之估計及假設。

#### (a) 商譽減值

本集團每年根據附註2(m)所述之會計政策對商譽進行減值測試。現金產出單位之可收回金額乃根據使用價值計算或公平值減出售成本的較高者釐定。該等計算方法需要使用判斷及估計。於資產減值，特別是評估以下項目時需要管理層判斷：(i) 是否發生可能顯示相關資產價值可能無法收回之事件；(ii) 一項資產之賬面值是否可由可收回金額(即公平值減出售成本及根據於業務中持續使用資產估計之未來現金流量現值淨額，以較高者為準)支持；及(iii) 應用於編製現金流量預測之適用重要假設，包括該等現金流量預測是否按適用比率折讓。改變管理層於評估減值時所選擇之假設(包括現金流量預測之貼現率或增長率假設)可能對減值測試所用之現值淨額造成重大影響，繼而影響本集團之財務狀況及經營業績。

#### (b) 無形資產之可使用年期

於評估無形資產之可使用年期時須作出重大判斷。管理層作出判斷時會考慮一系列因素，如流失率及過時率。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (c) Impairment of non-financial assets

At each date of statement of financial position, the Group reviews internal and external sources of information to identify indications that the interests in associates and joint venture which are significant to the Group may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

The sources utilised to identify indications of impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given reporting date. If an indication of impairment is identified, such information is further subject to an exercise that requires the Group to estimate the recoverable amount, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment. Regardless of the resources utilised, the Group is required to make many assumptions to make this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of any asset.

### 4 重要會計估計及判斷(續)

#### 4.1 重要會計估計及假設(續)

##### (c) 非金融資產減值

於各財務狀況表日期，本集團審閱內部及外部資料來源，以辨識對本集團而言屬重大之聯營公司及合營公司權益可能減值或過往確認之減值虧損不再存在或可能已減低之跡象。倘出現任何有關跡象，將估計資產之可收回金額。每當一項資產之賬面值超出其可收回金額，則於合併損益表確認減值虧損。

用於辨識減值跡象之來源通常屬主觀性質，而本集團須於對其業務應用有關資料時使用判斷。本集團對此資料之詮釋對是否於任何已有報告日期進行減值評估具有直接影響。倘辨識到減值跡象，則有關資料將須本集團進一步估計可收回金額（即資產公平值減出售成本或其使用減值，以較高者為準）。視乎本集團對所審閱資產之整體重要性及產生可收回金額合理估計之複雜性之評估，本集團可能利用內部資源進行有關評估或本集團可能委聘外部顧問以為本集團進行此評估時提供諮詢。本集團須為估值作出假設，包括有關資產之使用、將予產生之現金流量、適用市場之貼現率及預測市場及監管情況。任何該等假設之變動可能對任何資產之可收回金額之未來估計造成重大影響。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued) 4 重要會計估計及判斷(續)

## 4.1 Critical accounting estimates and assumptions

(Continued)

(d) *Provision of impairment of loans and interest receivable*

Significant judgement is exercised in the assessment of the collectability of loans and interest receivable from each counter party. In making its judgement, management considers a wide range of factors such as results of following-up procedures performed by customer relationship personnel, counter parties' payment record, creditability, nature of loans, underlying security and subsequent settlements.

(e) *Share-based payment*

Significant judgement is exercised in the assessment of the fair value of the share-based payments. In making its judgement, management considers a wide range of factors such as the share price of the Group and the expected vesting number of share options.

(f) *Taxes*

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the provision for various kinds of taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the consolidated statement of profit or loss in the period in which such determination is made.

## 4.1 重要會計估計及假設(續)

(d) *就應收貸款及利息減值計提撥備*

於評估應收各對手方之貸款及利息之可收回性時須作出重大判斷。管理層作出判斷時會考慮一系列因素，如客戶關係人員進行跟進程序之結果、對手方還款記錄、信譽度、貸款性質、相關擔保及後續付款。

(e) *以股份為基礎之付款*

於評估以股份為基礎之付款之公平值時須作出重大判斷，管理層作出判斷時會考慮一系列因素，例如本集團之股價及購股權之預期歸屬數目。

(f) *稅項*

本集團需要在多個司法權區繳納稅項。在釐定各種稅項撥備時，需要作出重大判斷。有許多未能確定最終稅款之交易及計算。本集團根據對是否需要繳付額外稅款之估計，就預期稅務審計項目確認負債。如此等事件之最終稅務後果與最初記錄金額不同，此等差額將影響作出此等釐定期間之合併損益表。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions

(Continued)

##### (g) Fair value of non-listed available-for-sale financial assets

The Group has a significant amount of investments that are not classified as Level 1 investments under HKFRS 13: Fair Value Measurement. The valuations have been determined based on quotes from alternative pricing sources supported by observable inputs, latest transactions prices or by using valuation technique.

In particular, the fair value of the Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company (“Jingu”), which classified as available-for-sale financial assets was estimated by market comparison approach, required the use of market information (the comparable companies in the industry) and significant unobservable input (the lack of marketability discount). Significant management’s judgement was involved in the choice of comparable companies and the determination of discount rate.

##### (h) Fair value of contingent consideration

The fair value of financial assets and liabilities through profit or loss, were determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions, including the discount rates and fair value of the Company’s shares, which are mainly based on market conditions existing at the end of each reporting period. Changes in assumption used could materially affect the fair value of these balances and as a result affect the Group’s financial condition and results of operation.

### 4 重要會計估計及判斷(續)

#### 4.1 重要會計估計及假設(續)

##### (g) 非上市可供出售金融資產之公平值

本集團擁有大量並非根據香港財務報告準則第13號：公平值計量分類為第一級投資之投資。該等估值乃基於其他有可觀察輸入支持之報價來源、最新成交價或使用估值技術釐定。

特別是，分類為可供出售金融資產之內蒙古呼和浩特金谷農村商業銀行股份有限公司(「金谷」)之公平值以市場比較法估算，該比較法需要使用市場資料(行業內可資比較公司)及重大不可觀察數據輸入(缺乏市場流通性折讓)。選擇可資比較公司及釐定貼現率涉及重大管理層判斷。

##### (h) 或然代價之公平值

計入損益之金融資產及負債之公平值通過使用估值技術釐定。本集團運用其判斷選擇多種方法，並主要根據各報告期末當時之市況作出假設，包括本公司股份之貼現率及公平值。倘所採用之假設有任何變動，或會對該等結餘之公平值造成重大影響，並因而影響本集團之財務狀況及經營業績。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued) 4 重要會計估計及判斷(續)

#### 4.2 Critical judgement in applying the Company's accounting policies

##### (a) Fair value of sale and lease back properties

The Group had started the pre-sale of the O2O business exhibition centre in the PRC to third parties through its indirectly owned subsidiary, Guangdong Huicong Household Appliances City Investment Co., Ltd.\* (“廣東慧聰家電城投資有限公司”) since 2014.

Some of the properties sale transactions were subject to sale and lease back arrangement, in which the properties buyers entered into sale contracts with Guangdong Huicong Household Appliances City Investment Co., Ltd. and non-cancellable lease back agreements with Foshan Huiconghui E-commerce Co., Ltd\* (“佛山市慧從匯電子商務有限公司”), another indirectly owned subsidiary of the Group. Pursuant to the lease back agreement, the buyers would lease back the units purchased to the Group in 20 years terms. At consolidation level, the above contracts involved the sale and lease back of same assets form a sale and finance lease back transaction.

During the year ended 31 December 2017, the Group has completed the handover of certain units which under the sale and lease back transaction with contract amount of approximately RMB56,276,000 (2016: RMB502,225,000), and recognises the revenue. The fair value of the properties amounted approximately RMB54,000,000 (2016: RMB482,000,000). The excess amount between the contracted selling price and the fair value has been deferred in accordance with the accounting policy stated in Note 2(ag).

The Group assesses the fair value of these properties based on valuations prepared by independent and professional qualified valuer. The fair value is determined by reference to current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts) with adjustments to reflect any changes in market and economic conditions; and discounted cash flow projections based on reliable estimates of future cash flows of current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

#### 4.2 應用本公司會計政策之重要判斷

##### (a) 銷售及租回物業之公平值

自二零一四年起，本集團已開始透過其間接擁有附屬公司廣東慧聰家電城投資有限公司(「廣東慧聰家電城投資有限公司」)向第三方預售於中國之O2O商業展覽中心。

若干物業銷售交易須遵守銷售及租回安排，當中物業買家與廣東慧聰家電城投資有限公司訂立銷售合同及與本集團另一間間接擁有附屬公司佛山市慧從匯電子商務有限公司(「佛山市慧從匯電子商務有限公司」)訂立不可註銷之租回協議。根據租回協議，買家將於20年年期內向本集團租回已購買之單位。於合併層面，上述涉及銷售及租回相同資產之合同構成銷售及金融租回交易。

於截至二零一七年十二月三十一日止年度，本集團已完成銷售及租回交易項下若干單位的交接，合約金額約為人民幣56,276,000元(二零一六年：人民幣502,225,000元)，並確認收入。該等物業之公平值約為人民幣54,000,000元(二零一六年：人民幣482,000,000元)。合約售價及公平值間之過量金額已根據附註2(ag)所述之會計政策予以遞延。

本集團根據獨立專業合資格估值師編製之估值評估該等物業之公平值。公平值乃經參考不同性質、狀況或地點(或按不同租約或其他合同)物業之活躍市場當前價格(經調整以反映市場及經濟狀況之任何變動)；及根據相同地點及狀況之類似物業目前市場租金之可靠未來現金流量估計，並使用反映現金流量金額及時間不確定性之目前市場評估之貼現率而作出之折讓現金流量預測後釐定。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 5 SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) has been identified as the Executive Directors. The Executive Directors review the Group’s internal report in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors assess the performance of the operating segments based on a measure of profit/(loss) before income tax. This measurement basis excludes the effect of finance income and cost, other income, other gains/(losses), and net share of post-tax (losses)/profit from associates and joint ventures.

As at 31 December 2017, the Group is organised into the following business segments:

- (i) Online services – provision of a reliable platform and digital interactive media marketing tools to customers to do business and meet business partners online and provide advertisement services.
- (ii) Seminars and other services – services for hosting of seminars.
- (iii) O2O business exhibition centre – sales of properties and provision of property rental and management services.
- (iv) B2B trading platform – provisions of trading and agency services via its B2B trading platform.
- (v) Anti-counterfeiting products and services – provision of products meticulous digital identity management services, consumer goods tracing and anti-counterfeiting services to enterprises.
- (vi) Financing services – provision of micro-credit financing business, finance leasing and factoring services in the PRC.

There were no sales or other transactions between the business segments for the year ended 31 December 2017.

#### 5 分部資料

主要經營決策制定者(「主要經營決策制定者」)被認為執行董事。執行董事審閱本集團之內部報告，以評估表現並分配資源。管理層已根據該等報告釐定經營分部。

執行董事根據除所得稅前溢利/(虧損)計量評估經營分部表現。是項計量基準不包括財務收入及成本、其他收入、其他收益/(虧損)以及分佔聯營公司及合營公司之除稅後(虧損)/溢利淨額。

於二零一七年十二月三十一日，本集團可分為下列業務分部：

- (i) 互聯網服務—為客戶提供可靠平台及數字化互動媒體營銷工具在線上經營業務、結識業務夥伴及提供廣告服務。
- (ii) 會議及其他服務—主辦會議服務。
- (iii) O2O商業展覽中心—出售物業及提供物業租賃及管理服務。
- (iv) B2B交易平台—透過其B2B交易平台提供買賣及代理服務。
- (v) 防偽產品及服務—向企業提供精細化產品數字身份管理服務、消費品追溯及防偽服務。
- (vi) 金融服務—於中國提供小額信貸金融業務、融資租賃及保理服務。

截至二零一七年十二月三十一日止年度，各業務分部之間並無銷售或其他交易。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 5 SEGMENT INFORMATION (Continued)

## 5 分部資料(續)

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度						
		Online Services	Seminars and other services	O2O business exhibition centre	B2B trading platform	Anti-counterfeiting products and services	Financing services	Total
		(Note a)	(Note b)	(Note a)	(Note b)	(Note b)	(Note b)	
		互聯網服務	及其他服務	O2O商業	B2B交易平臺	防偽產品	金融服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	銷售收入	951,170	131,723	433,097	2,041,038	106,066	39,372	3,702,466
Segment results	分部業績	202,789	9,358	72,408	(17,797)	(5,546)	30,835	292,047
Other income	其他收入							44,359
Other gains, net	其他收益淨額							168,255
Share of post-tax losses of associates	應佔聯營公司除稅後虧損	(6,902)	-	(15,035)	-	(468)	-	(22,405)
Share of post-tax profits of joint ventures	應佔合營企業除稅後溢利	-	-	-	-	-	19,774	19,774
Finance income	財務收入							21,105
Finance cost	財務成本							(107,067)
Profit before income tax	除所得稅前溢利							416,068
Other information:	其他資料:							
Depreciation and amortisation	折舊及攤銷	81,062	4,022	24,319	224	6,380	1,223	117,230
Share based compensation expense	以股份為基礎之補償開支	24,493	1,932	4,708	345	1,380	957	33,815

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 5 SEGMENT INFORMATION (Continued)

#### 5 分部資料(續)

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度						
		Online Services	Seminars and other services	O2O business exhibition centre	B2B trading platform	Anti-counterfeiting products and services	Financing services	Total
		互聯網服務	會議及其他服務	O2O商業展覽中心	B2B交易平台	防偽產品及服務	金融服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	銷售收入	823,106	93,179	842,081	126,197	66,137	7,583	1,958,283
Segment results	分部業績	76,597	4,509	226,294	(11,667)	(17,542)	4,571	282,762
Other income	其他收入							19,590
Other gains, net	其他收益淨額							127,017
Share of post-tax (losses)/profit of associates	應佔聯營公司除稅後(虧損)/溢利	(19,355)	-	5,855		(2)	-	(13,502)
Share of post-tax profits of joint ventures	應佔合營公司除稅後溢利	-	-	-		-	27,633	27,633
Finance income	財務收入							47,375
Finance cost	財務成本							(97,373)
Profit before income tax	除所得稅前溢利							393,502
Other information:	其他資料:							
Depreciation and amortisation	折舊及攤銷	69,119	2,221	4,252	128	6,310	-	82,030
Share based compensation expense	以股份為基礎之補償開支	21,538	2,568	3,678	1,368	414	-	29,566

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 5 SEGMENT INFORMATION (Continued)

- (a) The segment revenue and result of B2B trading platform for the year end 31 December 2016 was previously included in online services.
- (b) The segment revenue and result of financing services included thereafter the Group's acquisition of Micro-Credit from 28 November 2017.

Further to the announcement made by the Group, subsequent to the year end, on 21 March 2018, the Group would adjust its organisation structure into three business sectors, namely (i) Information Services Segment, (ii) Transaction Services Segment and (iii) Data Services Segment.

- (i) Information Services Segment, which mainly include the online services "hc360.com" and "zol.com.cn" and seminars and other services.
- (ii) Transaction Services Segment, which mainly include the O2O business exhibition centre, B2B trading platform and financing services.
- (iii) Data Services Segment, which mainly include the anti-counterfeiting products and services, and advance marketing services utilising the digital big data and tools being conducted by – Beijing Huijia. (The segment results of Huijia has been included in the "online services" segment above in 2017.)

The Group is domiciled in the PRC. All the revenue were generated from external customers in the PRC for the year ended 31 December 2017 (2016: same).

As at 31 December 2017, the total non-current assets other than long term deposits, prepayments and other receivables, loans and interest receivable, investments accounted for using equity method, available-for-sale financial assets, financial assets at fair value through profit or losses and deferred tax assets located in the PRC is approximately RMB3,471,516,000 (2016: RMB2,662,888,000), and the total of these non-current assets located in other countries is Nil (2016: Nil).

The comparative amounts have been reclassified to conform with current year's presentation.

### 5 分部資料(續)

- (a) B2B 交易平台截至二零一六年十二月三十一日止年度之分部收入及業績已計入互聯網服務。
- (b) 金融服務之分部收入及業績已自二零一七年十一月二十八日本集團完成收購小額貸款後入賬。

本集團於二零一八年三月二十一日進一步公佈，於本集團本年度結束後，本集團將其組織架構調整為三個業務領域，即(i)信息服務板塊，(ii)交易服務板塊及(iii)數據服務板塊。

- (i) 信息服務板塊，主要包括「hc360.com」及「zol.com.cn」互聯網服務、會議及其他服務。
- (ii) 交易服務板塊，主要包括O2O商業展覽中心，B2B交易平台及金融服務。
- (iii) 數據服務板塊，主要包括防偽產品和服務，以及透過其附屬公司北京慧嘉所進行之大數據和數據化提升營銷服務。(慧嘉的分部業績已於二零一七年列入上述「互聯網服務」分部)。

本集團常駐於中國。截至二零一七年十二月三十一日止年度，所有銷售收入均來自中國外界客戶(二零一六年：相同)。

於二零一七年十二月三十一日，位於中國之長期存款、預付款項及其他應收款項、應收貸款及利息、使用權益法列賬之投資、可供出售金融資產、按公平值計入損益之金融資產及遞延稅項資產以外之非流動資產總值約為人民幣3,471,516,000元(二零一六年：人民幣2,662,888,000元)，該等位於其他國家之非流動資產總值為零(二零一六年：無)。

可資比較金額已重新分類，以符合本年度之呈列方式。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 6 LAND USE RIGHTS

The Group's interests in land use rights in the PRC represent prepaid operating lease payments with lease period of 40 to 50 years and their net book value is analysed as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	171,408	176,145
Amortisation	攤銷	(4,737)	(4,737)
At 31 December	於十二月三十一日	166,671	171,408

Amortisation of the Group's land use rights is included in administrative expenses in the consolidated statement of profit or loss.

#### 6 土地使用權

本集團於中國土地使用權之權益指租期為40至50年之預付經營租賃付款，其賬面淨值分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	171,408	176,145
Amortisation	攤銷	(4,737)	(4,737)
At 31 December	於十二月三十一日	166,671	171,408

本集團土地使用權之攤銷計入合併損益表之行政費用內。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Outside Hong Kong, held on: Leases of between 40 to 50 years	於香港以外持有： 租期介乎40至50年	166,671	171,408

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 7 INVESTMENT PROPERTIES

## 7 投資物業

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	660,345	510,551
Additions	添置	-	161,263
Interest capitalised	資本化利息	-	4,837
Amortisation charge capitalised in investment properties	於投資物業資本化之攤銷支出	-	3,590
Transfer to property, plant and equipment (Note 9)	轉撥至物業、廠房及設備(附註9)	-	(16,853)
Amortisation	攤銷	(18,258)	(3,043)
At 31 December	於十二月三十一日	642,087	660,345

The investment properties are carried at cost. The Group has completed the construction of the investment properties during the year ended 31 December 2016.

An independent valuation of the Group's investment properties was performed by the valuer, Vigers Appraisal and Consulting Limited, to determine the fair value of the investment properties which amounted to RMB946,000,000 as at 31 December 2017 (2016: RMB1,192,000,000). Fair value of the investment properties is derived using the market comparison approach. This valuation method is essentially a means of valuing the completed properties by assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and with adjustments to valuer's interpretation on the difference in factors such as location and property size.

The fair value is valued by independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the location of the investment property valued.

The Group's finance department includes a team that reviews the valuation performed by the independent valuer for financial reporting purpose. This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

該等投資物業按成本列賬。本集團已於截至二零一六年十二月三十一日止年度完成建設該等投資物業。

本集團投資物業之獨立估值由估值師威格斯資產評估顧問有限公司進行，以釐定投資物業於二零一七年十二月三十一日之公平值，其為人民幣946,000,000元（二零一六年：人民幣1,192,000,000元）。投資物業公平值乃以市場比較法計算。此估值法為評估已竣工物業之必要方式，假設於該等物業各自之現況下以附帶空置擁有權利益之方式將其出售。透過參考相關市場可得之銷售交易，已選擇鄰近地點之可資比較物業（按估值師之詮釋就地點及物業規模等因素調整）。

公平值由獨立專業合資格估值師進行估值，該估值師持有經認可相關專業資格並擁有所估值投資物業所在地區近期估值經驗。

本集團財務部設有一支團隊，負責審閱由獨立估值師就財務報告所進行之估值。該團隊直接向首席財務官（首席財務官）及審核委員會（審核委員會）匯報。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 7 INVESTMENT PROPERTIES (Continued)

At each financial year end, finance department

- Verifies all major inputs to the independent valuation report;
- Assesses property valuations movements when comparing to the prior year valuation report;
- Holds discussion with the independent valuer.

#### 8 COMPLETED PROPERTIES HELD FOR SALE

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	364,617	-
Transferred from properties under development	自發展中物業轉撥	-	836,783
Properties sold (Note 35)	已售物業(附註35)	(253,867)	(472,166)
<hr/>			
At 31 December	於十二月三十一日	110,750	364,617

All completed properties held for sale are located in the PRC. The cost of properties sold recognised as expense and included in "cost of revenue" amounted to approximately RMB253,867,000 (2016: RMB472,166,000).

所有持作出售竣工物業均位於中國。已售物業之成本確認為開支，並計入「收入成本」，金額約為人民幣253,867,000元(二零一六年：人民幣472,166,000元)。

#### 7 投資物業(續)

於各財政年度末，財務部

- 核實獨立估值報告內所有主要輸入數據；
- 評估物業估值相較上一年估值報告之變動；
- 與獨立估值師展開討論。

#### 8 持作銷售竣工物業

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 9 PROPERTY, PLANT AND EQUIPMENT

## 9 物業、廠房及設備

		Construction in progress	Buildings	Computer and telecom- munications equipment	Fixtures, fittings and office equipment	Leasehold improve- ments	Motor vehicles	Total
		在建工程 RMB'000 人民幣千元	樓宇 RMB'000 人民幣千元	電腦及電訊 設備 RMB'000 人民幣千元	裝置、裝備及 辦公設備 RMB'000 人民幣千元	租賃物業 裝修 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<b>At 1 January 2016</b>	於二零一六年一月一日							
Cost	成本	-	300,853	87,275	23,534	8,328	32,986	452,976
Accumulated depreciation	累計折舊	-	(63,939)	(57,728)	(17,833)	(6,288)	(16,115)	(161,903)
Net book amount	賬面淨值	-	236,914	29,547	5,701	2,040	16,871	291,073
<b>Year ended 31 December 2016</b>	截至二零一六年 十二月三十一日止年度							
Opening net book amount	年初賬面淨值	-	236,914	29,547	5,701	2,040	16,871	291,073
Acquisition of subsidiaries (Note 15)	收購附屬公司(附註15)	-	-	1,250	-	-	31	1,281
Additions	添置	1,094	18,038	11,878	1,702	9	260	32,981
Disposals	出售	-	-	(8)	-	-	(972)	(980)
Depreciation (a)	折舊(a)	-	(13,341)	(4,957)	(2,590)	(766)	(5,992)	(27,646)
Transfer from investment properties (Note 7)	自投資物業轉撥(附註7)	-	16,853	-	-	-	-	16,853
Government grant received	已收政府資助	-	-	(4,046)	-	-	-	(4,046)
Closing net book amount	年終賬面淨值	1,094	258,464	33,664	4,813	1,283	10,198	309,516
<b>At 31 December 2016 and 1 January 2017</b>	於二零一六年十二月三十一日 及二零一七年一月一日							
Cost	成本	1,094	335,744	90,309	25,224	8,337	28,376	489,084
Accumulated depreciation	累計折舊	-	(77,280)	(56,645)	(20,411)	(7,054)	(18,178)	(179,568)
Net book amount	賬面淨值	1,094	258,464	33,664	4,813	1,283	10,198	309,516
<b>Year ended 31 December 2017</b>	截至二零一七年十二月 三十一日止年度							
Opening net book amount	年初賬面淨值	1,094	258,464	33,664	4,813	1,283	10,198	309,516
Acquisition of subsidiaries (Note 15)	收購附屬公司(附註15)	-	-	458	4	-	-	462
Additions	添置	-	-	4,384	-	4,089	1,048	9,521
Disposals	出售	-	-	(100)	(73)	-	(644)	(817)
Depreciation (a)	折舊(a)	-	(14,275)	(8,841)	(1,795)	(1,457)	(4,056)	(30,424)
Transfer from construction in progress	自在建工程轉撥	(1,094)	1,094	-	-	-	-	-
Government grant received	已收政府資助	-	-	(1,900)	-	-	-	(1,900)
Closing net book amount	年終賬面淨值	-	245,283	27,665	2,949	3,915	6,546	286,358
<b>At 31 December 2017</b>	於二零一七年十二月三十一日							
Cost	成本	-	336,837	92,341	24,948	12,426	23,929	490,481
Accumulated depreciation	累計折舊	-	(91,554)	(64,676)	(21,999)	(8,511)	(17,383)	(204,123)
Net book amount	賬面淨值	-	245,283	27,665	2,949	3,915	6,546	286,358

(a) Depreciation of approximately RMB4,477,000 (2016: RMB4,854,000) is included in selling and marketing expenses; and RMB25,947,000 (2016: RMB22,792,000) in administrative expenses in the consolidated statement of profit or loss.

(a) 折舊約人民幣4,477,000元(二零一六年: 人民幣4,854,000元)及人民幣25,947,000元(二零一六年: 人民幣22,792,000元)分別計入合併損益表之銷售及市場推廣費用以及行政費用內。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 10 INTANGIBLE ASSETS

#### 10 無形資產

		Goodwill 商譽 RMB'000 人民幣千元	Customer relationship 客戶關係 RMB'000 人民幣千元	Trade name and domain name 商號及域名 RMB'000 人民幣千元	License 牌照 RMB'000 人民幣千元	Technical Knowhow 技術知識 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 1 January 2016</b>	於二零一六年一月一日							
Cost	成本	1,030,561	343,900	92,000	-	-	47,189	1,513,650
Accumulated amortisation	累計折舊	-	(18,903)	(3,125)	-	-	(29,900)	(51,928)
Net book amount	賬面淨值	1,030,561	324,997	88,875	-	-	17,289	1,461,722
<b>Year ended 31 December 2016</b>	截至二零一六年十二月三十一日止年度							
Opening net book amount	年初賬面淨值	1,030,561	324,997	88,875	-	-	17,289	1,461,722
Acquisitions (Note 15)	收購(附註15)	38,426	-	68,300	-	-	1,600	108,326
Additions	添置	-	-	-	-	-	1,765	1,765
Amortisation (a)	攤銷(a)	-	(31,430)	(12,997)	-	-	(5,767)	(50,194)
Closing net book amount	年終賬面淨值	1,068,987	293,567	144,178	-	-	14,887	1,521,619
<b>At 31 December 2016 and 1 January 2017</b>	於二零一六年十二月三十一日及二零一七年一月一日							
Cost	成本	1,068,987	343,900	160,300	-	-	50,554	1,623,741
Accumulated amortisation	累計攤銷	-	(50,333)	(16,122)	-	-	(35,667)	(102,122)
Net book value	賬面淨值	1,068,987	293,567	144,178	-	-	14,887	1,521,619

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 10 INTANGIBLE ASSETS (Continued)

## 10 無形資產(續)

		Goodwill 商譽 RMB'000 人民幣千元	Customer relationship 客戶關係 RMB'000 人民幣千元	Trade name and domain name 商號及域名 RMB'000 人民幣千元	License 牌照 RMB'000 人民幣千元	Technical Knowhow 技術知識 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>							
Opening net book amount	年初賬面淨值	1,068,987	293,567	144,178	-	-	14,887	1,521,619
Acquisitions (Note 15)	收購(附註15)	269,722	-	-	554,000	105,500	7,900	937,122
Additions	添置	-	-	-	-	-	256	256
Disposals	出售	-	-	(101)	-	-	-	(101)
Amortisation (a)	攤銷(a)	-	(31,431)	(12,997)	(972)	(13,555)	(4,856)	(63,811)
Currency translation differences	貨幣匯兌差異	(13,482)	-	-	-	(5,203)	-	(18,685)
Closing net book amount	年終賬面淨值	1,325,227	262,136	131,080	553,028	86,742	18,187	2,376,400
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>							
Cost	成本	1,325,227	343,900	160,199	554,000	100,297	58,711	2,542,334
Accumulated amortisation	累計攤銷	-	(81,764)	(29,119)	(972)	(13,555)	(40,524)	(165,934)
Net book value	賬面淨值	1,325,227	262,136	131,080	553,028	86,742	18,187	2,376,400

- (a) Amortisation of intangible assets is included in administrative expenses in the consolidated statement of profit or loss.
- (a) 無形資產之攤銷計入合併損益表之行政費用內。
- (b) The comparative amounts have been reclassified to conform with current year's presentation.
- (b) 比較金額已重新分類以符合本年度之呈列。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 10 INTANGIBLE ASSETS (Continued)

##### Impairment test for goodwill

Management reviews the business performance based on type of business. Goodwill are allocated to five cash-generating units ("CGUs") identified which is the business of providing anti-counterfeiting products and services to enterprise; online services – B2B2C business, online services – garment industry, integrated marketing and advertising services and financing services in the PRC. Goodwill is monitored by the management at the operating segment level.

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Anti-counterfeiting products and services	防偽產品及服務	50,314	50,314
Online services – B2B2C business	互聯網服務—B2B2C業務	980,247	980,247
Online services – garment industry	互聯網服務—製衣業	38,426	38,426
Integrated marketing and advertising services	整合營銷及廣告服務	236,614	—
Financing services	金融服務	19,626	—
		<b>1,325,227</b>	1,068,987

The recoverable amount of the CGUs are determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. Management estimates the pre-tax discount rate that reflects market assessment of the time value of money and specific risk relating to the industry.

#### 10 無形資產(續)

##### 商譽減值測試

管理層基於業務類型審閱業務表現。商譽分配予本集團五個已識別之現金產生單位(「現金產生單位」)，該現金產生單位為於中國向企業提供防偽產品及服務；互聯網服務—B2B2C業務、互聯網服務—製衣業、整合營銷及廣告服務以及金融服務。商譽由管理層按經營分部層次進行監察。

現金產生單位之可收回金額按使用價值法計算釐定。該等計算採用根據管理層批准涵蓋五年期間之財政預算作出之稅前現金流量預測。五年期間後之現金流量採用下列估計增長率推算。管理層估計反映市場評估與該行業相關之貨幣時間值及特定風險之稅前貼現率。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 10 INTANGIBLE ASSETS (Continued)

## Impairment test for goodwill (Continued)

Key assumptions of the financial budgets covering the five-year period and other key assumptions used in the calculations are as follows:

## 10 無形資產(續)

## 商譽減值測試(續)

涵蓋五年期間之財政預算主要假設及其他用計算時所用主要假設如下：

		As at 31 December 2017 於二零一七年 十二月三十一日	As at 31 December 2016 於二零一六年 十二月三十一日
<b>Anti-counterfeiting products and services</b>	<b>防偽產品及服務</b>		
Average growth rate (note a)	平均增長率(附註a)	11%	11%
Discount rate (note b)	貼現率(附註b)	13%	13%
Terminal growth rate	最終增長率	3%	3%
<b>Online services – B2B2C business</b>	<b>互聯網服務 – B2B2C業務</b>		
Average growth rate (note a)	平均增長率(附註a)	10%	10%
Discount rate (note b)	貼現率(附註b)	19%	19%
Terminal growth rate	最終增長率	3%	3%
<b>Online services – garment industry</b>	<b>互聯網服務 – 製衣業</b>		
Average growth rate (note a)	平均增長率(附註a)	14%	14%
Discount rate (note b)	貼現率(附註b)	16%	16%
Terminal growth rate	最終增長率	3%	3%
<b>Integrated marketing and advertising services</b>	<b>整合營銷及廣告服務</b>		
Average growth rate (note a)	平均增長率(附註a)	12%	–
Discount rate (note b)	貼現率(附註b)	15%	–
Terminal growth rate	最終增長率	3%	–
<b>Financing services</b>	<b>金融服務</b>		
Average growth rate (note a)	平均增長率(附註a)	21%	–
Discount rate (note b)	貼現率(附註b)	12%	–
Terminal growth rate	最終增長率	3%	–

(a) Average revenue growth rate used in the budget for the five-year period ending 31 December 2022.

(b) The discount rate used is pre-tax and reflects specific risks relating to the relevant business.

(c) Reasonably possible change in key assumptions would not cause the recoverable amount to fall below the carrying value of the respective cash-generating unit.

(a) 預算所用之平均收入增長率為就截至二零二二年十二月三十一日止五年期間作出。

(b) 所用之貼現率為除稅前，並反映相關業務特定風險。

(c) 主要假設中合理可能之變動將不會致使可回收金額下跌低於各現金產生單位之賬面值。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 11 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

#### 11 應收賬款、按金、預付款項及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables (Note a)	應收賬款(附註a)	308,762	162,632
Less: provision for impairment of trade receivables	減: 應收賬款減值撥備	(17,914)	(7,643)
Trade receivables – net	應收賬款 – 淨值	290,848	154,989
Deposits, prepayments and other receivables (Note b)	按金、預付款項及其他應收款項(附註b)	175,192	122,586
		466,040	277,575
Less: Non-current deposit, prepayments and other receivables (Note b)	減: 非流動按金、預付款項及其他應收款項(附註b)	(11,146)	(2,589)
Current portion	流動部分	454,894	274,986

##### (a) Trade receivables

The Group generally grants a credit period ranging from 90 days to 270 days to customers depending on business segment. The aging analysis of the gross trade receivables based on invoice date is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current to 90 days	即期至90天	176,883	98,603
91 to 180 days	91至180天	59,654	37,608
181 to 270 days	181至270天	32,837	17,085
271 to 365 days	271至365天	16,045	3,098
Over 1 year	超過一年	23,343	6,238
		308,762	162,632

The carrying amounts of trade receivables approximate their fair values.

##### (a) 應收賬款

本集團一般依據業務分部給予客戶介乎90天至270天之信貸期。應收賬款總額按發票日期之賬齡分析如下：

應收賬款之賬面值與其公平值相若。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 11 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

#### (a) Trade receivables (Continued)

Balances are denominated in RMB and there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers nationally dispersed.

The Group has recognised a loss of approximately RMB13,459,000 for the impairment of its trade receivables during the year ended 31 December 2017 (2016: RMB878,000).

As at 31 December 2017, trade receivables of approximately RMB17,914,000 (2016: RMB7,643,000) were impaired and have been provided for. The individually impaired receivables mainly represent sales made to customers which have remained long overdue.

As at 31 December 2017, trade receivables of approximately RMB27,891,000 (2016: RMB21,552,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
91 to 180 days	91至180天	2,759	2,773
181 to 270 days	181至270天	1,805	15,502
271 to 365 days	271至365天	14,466	2,876
Over 1 year	超過一年	8,861	401
		<b>27,891</b>	21,552

### 11 應收賬款、按金、預付款項及其他應收款項(續)

#### (a) 應收賬款(續)

結餘以人民幣計值，由於本集團眾多客戶分散於中國各地，故本集團之應收賬款概無集中信貸風險。

截至二零一七年十二月三十一日止年度，本集團已確認其應收賬款減值虧損約人民幣13,459,000元(二零一六年：人民幣878,000元)。

於二零一七年十二月三十一日，應收賬款約人民幣17,914,000元(二零一六年：人民幣7,643,000元)已減值並計提撥備。個別減值應收款項主要指向客戶銷售而長期到期未付款項。

於二零一七年十二月三十一日，應收賬款約人民幣27,891,000元(二零一六年：人民幣21,552,000元)為逾期但未減值。該等賬款與多名獨立客戶有關，彼等近期並無拖欠記錄。該等應收賬款之賬齡分析如下：

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 11 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

##### (a) Trade receivables (Continued)

Movements in the provision for impairment of trade receivables are as follows:

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	7,643	9,371
Provision for impairment of trade receivables	應收賬款減值撥備	13,459	878
Write off for impaired trade receivables	應收賬款減值撇銷	(3,188)	(2,606)
At 31 December	於十二月三十一日	17,914	7,643

The creation and release of provision for impaired receivables have been included in the consolidated statement of profit or loss. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the fair values of trade receivables disclosed above. The Group did not hold any collateral as security.

#### 11 應收賬款、按金、預付款項及其他應收款項(續)

##### (a) 應收賬款(續)

應收賬款之減值撥備變動如下:

已減值應收款項撥備之增設及解除已計入合併損益表內。計入撥備賬之款項一般於預期無法收回額外現金時撇銷。

於報告日期之最高信貸風險為上文所披露應收賬款之公平值。本集團並無持有任何抵押品作擔保。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 11 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

(Continued)

## 11 應收賬款、按金、預付款項及其他應收款項(續)

## (b) Deposits, prepayments and other receivables

## (b) 按金、預付款項及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current portion:	非流動部分：		
– Deposits	– 按金	5,715	2,589
– Prepayment of leasehold improvements	– 租賃裝修預付款項	5,431	–
		11,146	2,589
Current portion:	流動部分：		
– Deposits	– 按金	18,141	17,207
– Prepayments (Note (i))	– 預付款項(附註(i))	128,138	53,129
– Prepayments for tax (Note (ii))	– 預付稅項(附註(ii))	–	33,513
– Other receivables	– 其他應收款項	17,767	16,148
		164,046	119,997
		175,192	122,586
The fair values are as follows:	有關公平值如下：		
– Deposits	– 按金	23,856	19,796
– Prepayments	– 預付款項	133,569	86,642
– Other receivables	– 其他應收款項	17,767	16,148
		175,192	122,586
Denominated in:	以下列貨幣計值：		
HK dollars	港元	6,978	14,999
Renminbi	人民幣	168,214	107,587
		175,192	122,586

Note (i): At 31 December 2017, the amount mainly represented prepayment to suppliers for B2B trading platform business (2016: mainly prepayment to suppliers for technical services fee).

附註(i)：於二零一七年十二月三十一日，該金額主要指預付B2B交易平台業務供應商之款項(二零一六年：主要指預付技術服務供應商之款項)。

Note (ii): At 31 December 2016, the amount represented prepayment of tax associated with the presale of properties in O2O business exhibition centre.

附註(ii)：於二零一六年十二月三十一日，該金額指與O2O商業展覽中心物業預售有關之預付稅項。

The other classes within trade and other receivables do not include a provision for impairment of other receivables.

應收賬款及其他應收款項之其他類別內並無包括其他應收款項之減值撥備。

The comparative amounts have been reclassified to conform with the current year's presentation.

比較金額已重新分類以符合本年度之呈列。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 12 LOANS AND INTEREST RECEIVABLE

Loans and interest receivables reflect the outstanding balance of loans granted to associates, employees and customers.

#### 12 應收貸款及利息

應收貸款及利息反映授予聯營公司、僱員及客戶之貸款未償還結餘。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loans to associates (Note 47(c))	貸款予聯營公司(附註47(c))	65,540	47,540
Loans to employees (Note 47(c))	貸款予僱員(附註47(c))	10,350	28,824
Loans to customers (Note a)	貸款予客戶(附註a)	1,632,113	–
Interest receivables	應收利息	19,565	5,772
Loans and interest receivable, gross	應收貸款及利息總額	1,727,568	82,136
Less: impairment allowance	減：減值撥備		
– Collective assessed	– 共同評估	(16,176)	–
– Individually assessed	– 個別評估	(61,074)	–
Total impairment allowance	減值撥備總額	(77,250)	–
Loans and interest receivable, net	應收貸款及利息淨額	1,650,318	82,136
Less: Non-current portion	減：非流動部分	(304,400)	(29,422)
Current portion	流動部分	1,345,918	52,714

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 12 LOANS AND INTEREST RECEIVABLE (Continued)

## 12 應收貸款及利息(續)

## (a) Analysed by nature

Note a: The balance comprises of loans granted in micro-credit financing business, and finance leasing business:

## (a) 按性質分析

附註a: 有關結餘包括授予小額貸款融資業務及融資租賃業務之貸款:

		2017 二零一七年 RMB'000 人民幣千元
Individual loans	個人貸款	847,989
Corporate loans	公司貸款	784,124
Loans to customers, gross	貸款予客戶總額	1,632,113
Less: impairment allowance	減: 減值撥備	
– Collective assessed	– 共同評估	(16,176)
– Individually assessed	– 個別評估	(61,074)
Total impairment allowance	減值撥備總額	(77,250)
Loans receivable, net	應收貸款淨額	1,554,863
Less: Non-current portion	減: 非流動部分	(269,794)
Current portion	流動部分	1,285,069

For the year ended 31 December 2017, the weighted average annual interest rate for the loans receivable were approximately 12.7%, and the outstanding loan receivables were RMB1,632,113,000 as at 31 December 2017.

截至二零一七年十二月三十一日止年度，應收貸款之加權平均年利率約為12.7%，於二零一七年十二月三十一日，尚未償還應收貸款為人民幣1,632,113,000元。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 12 LOANS AND INTEREST RECEIVABLE (Continued)

#### 12 應收貸款及利息(續)

##### (b) Analysed by type of collateral

##### (b) 按抵押品類型分析

		2017 二零一七年 RMB'000 人民幣千元
Unsecured loans	無抵押貸款	762,174
Guaranteed loans	有擔保貸款	400,822
Collateralised loans	已質押貸款	469,117
Loan receivables, gross	應收貸款總額	1,632,113
Less: impairment allowance	減：減值撥備	
– Collective assessed	– 共同評估	(16,176)
– Individually assessed	– 個別評估	(61,074)
Total impairment allowance	減值撥備總額	(77,250)
Loans receivable, net	應收貸款淨額	1,554,863

##### (c) Overdue loans analysed by type of collateral and overdue period

##### (c) 按抵押品類型及逾期期限分析之逾期貸款

		As at 31 December 2017 於二零一七年十二月三十一日				
		Overdue				
	Not overdue	Overdue within 3 months	more than 3 months to one year	Overdue more than one year	Total	
	未逾期	逾期不足 3個月	逾期超過 3個月至一年	逾期超過 一年	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Unsecured loans	無抵押貸款	718,911	82	40,450	2,731	762,174
Guaranteed loans	有擔保貸款	335,203	9,980	31,606	24,033	400,822
Collateralised loans	已質押貸款	463,017	6,100	–	–	469,117
		1,517,131	16,162	72,056	26,764	1,632,113

Overdue loans represent loans receivable of which the whole or part of the principal or interest was overdue for one day or more. All amounts are shown as gross amount of overdue loans before any allowance for impairment losses.

逾期貸款指全部或部分本金或利息逾期超過一日或以上之應收貸款。於作出任何減值虧損撥備前，所有金額作為逾期貸款之總金額列示。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 12 LOANS AND INTEREST RECEIVABLE (Continued)

## (d) Movement of allowances for impairment losses

		Collectively assessed 共同評估 RMB'000 人民幣千元	Individually assessed 個別評估 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2017	於二零一七年一月一日	-	-	-
Acquisition of a subsidiary	收購一間附屬公司	15,705	74,951	90,656
Charge/(reverse) for the period from 29 November 2017 to 31 December 2017	於二零一七年十一月 二十九日起至 二零一七年 十二月三十一日期內 扣除/(撥回)	471	(13,877)	(13,406)
As at 31 December 2017	於二零一七年 十二月三十一日	16,176	61,074	77,250

## 13 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2017:

## 13 附屬公司

以下為於二零一七年十二月三十一日主要附屬公司之清單：

Name	Place of incorporation and kind of legal entity 註冊成立地點及 法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 非控股權益所持 普通股比例(%)
<sup>1</sup> Hong Kong Huicong International Group Limited ("HKHC") 香港慧聰國際集團有限公司 (「香港慧聰」)	British Virgin Islands, limited liability company 英屬處女群島, 有限公司	Investment holding in Hong Kong 投資控股—香港	21,000,000 ordinary shares of US\$0.01 each 21,000,000股每股 面值0.01美元之普通股	100%	-
<sup>1</sup> HC Group (Hong Kong) Limited 慧聰網(香港)有限公司	Hong Kong, liability company 香港, 有限公司	Investment holding in Hong Kong 投資控股—香港	500,000 ordinary shares of HK\$1 each 500,000股每股面值 1港元之普通股	100%	-
Orange Triangle Inc.	State of Delaware, USA 美國, 德拉瓦州	Investment holding in the State of Delaware 投資控股—德拉瓦州	200 shares of US\$0.01 200股每股面值0.01美元之股份	100%	-

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2017:  
(Continued)

#### 13 附屬公司(續)

以下為於二零一七年十二月三十一日主要附屬公司之清單：(續)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of registered share capital	Effective interest held	Proportion of ordinary shares held by non-controlling interests (%)
名稱	註冊成立地點及法定實體類別	主要業務及經營地點	已註冊股本詳情	所持有有效權益	普通股比例(%)
Orange Triangle (HK) Limited	Hong Kong, liability company 香港，有限公司	Investment holding in Hong Kong 投資控股—香港	10,000 ordinary shares of HK\$1 each 10,000每股面值1港元之普通股	100%	—
ZhongFu Holdings Limited	British Virgin Islands, limited liability company 英屬處女群島，有限公司	Investment holding in BVI 投資控股—英屬處女群島	50,000 ordinary shares of US\$1 each 50,000股每股面值1美元之普通股	100%	—
Saidan HK Limited	Hong Kong, liability company 香港，有限公司	Investment holding in Hong Kong 投資控股—香港	10,000 ordinary shares of HK\$1 each 10,000股每股面值1港元之普通股	100%	—
北京慧聰國際資訊有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB110,000,000 人民幣110,000,000元	100%	—
北京慧聰互聯信息技術有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB2,200,000,000 人民幣2,200,000,000元	100%	—
北京慧聰建設信息諮詢有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB36,000,000 人民幣36,000,000元	100%	—

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2017:  
(Continued)

## 13 附屬公司(續)

以下為於二零一七年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 非控股權益所持普通股比例(%)
2 廣東慧聰家電城投資有限公司	The PRC, limited liability company 中國·有限公司	Construction and sale of properties in the PRC 建設及銷售物業—中國	RMB166,670,000 人民幣166,670,000元	37.49%	62.51%
2 佛山市慧從匯電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of properties management services in the PRC 提供物業管理服務—中國	RMB555,500 人民幣555,500元	37.49%	62.51%
3 慧聰(天津)電子商務產業投資有限公司	The PRC, limited liability company 中國·有限公司	Investment holding in the PRC 投資控股—中國	RMB91,750,000 人民幣91,750,000元	60%	40%
4 廣州慧聰網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB8,333,000 人民幣8,333,000元	60%	40%
北京兆信信息技術股份有限公司	The PRC, limited liability company 中國·有限公司	Anti-counterfeiting Technology Development in the PRC 開發防偽技術—中國	RMB54,927,000 人民幣54,927,000元	55.53%	44.47%
慧聰融資租賃有限公司	The PRC, limited liability company 中國·有限公司	Finance leasing services in the PRC 融資租賃服務—中國	US\$30,000,000 30,000,000美元	100%	—
北京橙三角科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	US\$150,000 150,000美元	100%	—
北京知行銳景科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB10,000,000 人民幣10,000,000元	100%	—

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2017:  
(Continued)

#### 13 附屬公司(續)

以下為於二零一七年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有有效權益	Proportion of ordinary shares held by non-controlling interests (%) 非控股權益所持普通股比例(%)
寧波慧聰供應鏈管理有限公司	The PRC, limited liability company 中國·有限公司	Provision of trading and agency services in the PRC 提供買賣及代理服務—中國	RMB10,000,000 人民幣10,000,000元	60%	40%
上海慧旌電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of trading and agency services in the PRC 提供買賣及代理服務—中國	RMB80,600,000 人民幣80,600,000元	100%	—
廣東慧鼎投資有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB220,000,000 人民幣220,000,000元	100%	—
北京凱迅兆通防偽科技有限公司	The PRC, limited liability company 中國·有限公司	Anti-counterfeiting Technology Development in the PRC 開發防偽技術—中國	RMB10,000,000 人民幣10,000,000元	55.53%	44.47%
杭州賽典資訊科技有限公司	Hong Kong, limited liability company 中國·有限公司	Investment holding in the PRC 投資控股—中國	US\$1,000,000 1,000,000美元	100%	—
杭州賽點科技有限公司	The PRC, limited liability company 中國·有限公司	Investment holding in the PRC 投資控股—中國	RMB5,250,000 人民幣5,250,000元	100%	—

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2017:  
(Continued)

## 13 附屬公司(續)

以下為於二零一七年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 非控股權益所持普通股比例(%)
浙江中服網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB10,000,000 人民幣10,000,000元	80.38%	19.62%
浙江諾天網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB5,000,000 人民幣5,000,000元	80.38%	19.62%
5 重慶神州數碼慧聰小額貸款有限公司	The PRC, limited liability company 中國·有限公司	Provision of loan service in the PRC 提供貸款服務—中國	RMB1,000,000,000 人民幣1,000,000,000元	70%	30%
6 北京慧嘉元天文化傳媒有限公司	The PRC, limited liability company 中國·有限公司	Provision of marketing services, project, exhibition in the PRC 提供市場營銷服務、項目、展覽—中國	USD1,050,000 1,050,000美元	100%	—
6 天津慧嘉元天廣告傳媒有限公司	The PRC, limited liability company 中國·有限公司	Provision of marketing services, project, exhibition in the PRC 提供市場營銷服務、項目、展覽—中國	RMB20,000,000,000 人民幣20,000,000,000元	100%	—
6 北京億茂廣告有限公司	The PRC, limited liability company 中國·有限公司	Provision of marketing services, project, exhibition in the PRC 提供市場營銷服務、項目、展覽—中國	RMB10,000,000 人民幣10,000,000元	100%	—



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2017:  
(Continued)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of registered share capital	Effective interest held	Proportion of ordinary shares held by non-controlling interests (%)
名稱	註冊成立地點及法定實體類別	主要業務及經營地點	已註冊股本詳情	所持有效權益	普通股比例(%)
6 廣州慧嘉元天廣告傳媒有限公司	The PRC, limited liability company 中國·有限公司	Provision of marketing services, project, exhibition in the PRC 提供市場營銷服務、項目、展覽—中國	RMB2,700,000 人民幣2,700,000元	100%	-
6 上海慧嘉嘉岑廣告傳播有限公司	The PRC, limited liability company 中國·有限公司	Provision of marketing services, project, exhibition in the PRC 提供市場營銷服務、項目、展覽—中國	RMB1,000,000 人民幣1,000,000元	60%	40%
1		Shares held directly by the Company.			
2		Guangdong Huicong Household Appliances City Investment Co., Ltd and Foshan Huiconghui E-commerce CO., Ltd are indirectly held through the Company's 60% owned subsidiary, Huicong (Tianjin) E-commerce Company Limited* ("慧聰(天津)電子商務有限公司") ("Huicong Tianjin"). Huicong Tianjin directly holds 53.1% equity interest in these two companies and indirectly holds 9.39% (2016: 9.39%) of equity interest in these two companies through its 20% held associate, Hui De Holding Co., Ltd* ("慧德控股有限公司"). Hence, the Group effectively hold 37.49% (2016: 37.49%) of Guangdong Huicong Household Appliances City Investment Co., Ltd and Foshan Huiconghui E-commerce CO., Ltd.			
3		The Group holds 60% equity interest of Huicong Tianjin, and the remaining 40% is held by a non-controlling interest company ("NCI Company"). Liu Jun, an executive director and the chief executive officer of the Company, holds 62.5% equity interest of the NCI Company, and in turn effectively holds 25% of equity interest in Huicong Tianjin.			
4		Liu Jun, an executive director and the chief executive officer of the Company, directly holds 24% equity interest in Guangzhou Huicong Internet Technology Co. Ltd* (廣州慧聰網絡科技有限公司) and is a director of the company.			
5		The Company is step-acquired during the year ended 31 December 2017.			
6		These companies are newly acquired during the year ended 31 December 2017.			

#### 13 附屬公司(續)

以下為於二零一七年十二月三十一日主要附屬公司之清單：(續)

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 13 SUBSIDIARIES (Continued)

## (a) Material non-controlling interests

**Summarised financial information on subsidiaries with material non-controlling interests**

Set out below are the summarised financial information Guangdong Huicong Household Appliances City Investment Co., Ltd and Micro-credit that has non-controlling interests that are material to the Group.

**Summarised statement of financial position**

		Guangdong Huicong Household Appliances City Investment Co., Ltd 廣東慧聰家電城投資有限公司		Micro-credit 小額貸款
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 (note) 二零一七年(附註) RMB'000 人民幣千元
Current Assets	流動資產	<b>343,033</b>	616,935	<b>1,295,283</b>
Liabilities	負債	<b>(121,575)</b>	(750,535)	<b>(51,463)</b>
Net current assets/(liabilities)	流動資產/(負債)淨額	<b>221,458</b>	(133,600)	<b>1,243,820</b>
Non-current Assets	非流動資產	<b>811,993</b>	835,588	<b>282,647</b>
Liabilities	負債	<b>(593,317)</b>	(353,166)	<b>(355,000)</b>
Net non-current assets/(liabilities)	非流動資產/(負債)淨額	<b>218,676</b>	482,422	<b>(72,353)</b>
Net assets	資產淨值	<b>440,134</b>	348,822	<b>1,171,467</b>
Accumulated non-controlling interest	累計非控股權益	<b>216,303</b>	170,205	<b>477,867</b>

As at 31 December 2017, the non-controlling interests balances of Guangdong Huicong Household Appliances City Investment Co., Ltd and Micro-Credit amounted approximately RMB216,303,000 (2016: RMB170,205,000) and RMB477,867,000 (2016: Nil) respectively.

\* English names are translated for identification purpose only.

## 13 附屬公司(續)

## (a) 重大非控股權益

**具重大非控股權益附屬公司之財務資料概要**

下文載列廣東慧聰家電城投資有限公司及小額貸款之財務資料概要，該兩間公司擁有對本集團而言屬重大之非控股權益。

**財務狀況表概要**

於二零一七年十二月三十一日，廣東慧聰家電城投資有限公司及小額貸款之非控股權益結餘分別約為人民幣216,303,000元(二零一六年：人民幣170,205,000元)及人民幣477,867,000元(二零一六年：無)。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 13 SUBSIDIARIES (Continued)

#### (a) Material non-controlling interests (Continued)

*Summarised financial information on subsidiaries with material non-controlling interests (Continued)*

#### Summarised statement of comprehensive income

		Guangdong Huicong Household Appliances City Investment Co., Ltd 廣東慧聰家電城投資有限公司		Micro-credit 小額貸款
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 (note) 二零一七年(附註) RMB'000 人民幣千元
Revenue/Interest Income	銷售收入／利息收入	428,023	859,441	188,861
Profit before tax	除所得稅前溢利	112,473	287,089	97,785
Income tax expenses	所得稅開支	(40,771)	(88,407)	(27,905)
Profit after tax	除稅後溢利	71,702	198,682	69,880
Other comprehensive income	其他全面收入	-	-	-
Total comprehensive income	全面收入總額	71,702	198,682	69,880
Total comprehensive income allocated to non-controlling interests	分配至非控股權益之全面收入總額	46,098	123,637	6,356
Dividends paid to non-controlling interests	已付非控股權益股息	-	-	-

Note: The figures shown above represented the financial position of Micro-credit as at 31 December 2017 and the 12 months statement of comprehensive income of micro-credit for the year ended 31 December 2017.

### 13 附屬公司(續)

#### (a) 重大非控股權益(續)

*具重大非控股權益附屬公司之財務資料概要(續)*

#### 綜合收益表概要

附註：上述數字指小額貸款於二零一七年十二月三十一日之財務狀況及小額貸款於截至二零一七年十二月三十一日止年度之12個月之全面收益表。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 13 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)  
Summarised financial information on subsidiaries with material non-controlling interests (Continued)

## Summarised cash flow statement

	Guangdong Huicong Household Appliances City Investment Co., Ltd 廣東慧聰家電城投資有限公司			Micro-credit 小額貸款
	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 (note) 二零一七年(附註) RMB'000 人民幣千元	
Net cash (used in)/generated from operating activities 經營業務(所用)/產生現金淨額	(120,571)	342,387	160,460	
Net cash used in investing activities 投資活動所用現金淨額	(190,500)	(324,383)	(6)	
Net cash generated from/(used in) financing activities 融資活動產生/(所用)現金淨額	130,000	107,096	(136,876)	
<b>Net (decrease)/increase in cash and cash equivalents</b> 現金及現金等值物淨值(減少)/增加	<b>(181,071)</b>	125,100	<b>23,578</b>	

Note: The cash flow statement represented the 12 months cash flows of Micro-credit for the year ended 31 December 2017.

附註：現金流量表反映截至二零一七年十二月三十一日止年度之小額貸款於12個月之現金流量。

\* English names are translated for identification purpose only.

## 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

## 14 按權益法列賬之投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Associates 聯營公司		124,418	138,595
Joint ventures 合營公司		165	440,428
		<b>124,583</b>	<b>579,023</b>

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### 14 按權益法列賬之投資(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Movements in the investment in associates are as follows:	於聯營公司之投資變動如下：		
At 1 January	於一月一日	138,595	105,921
Addition	添置	8,228	54,550
Share of post-tax losses	分佔除稅後虧損	(22,405)	(13,502)
Impairment	減值	-	(8,374)
At 31 December	於十二月三十一日	124,418	138,595

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Movements in the investment in joint ventures are as follows:	於合營公司之投資變動如下：		
At 1 January	於一月一日	440,428	412,795
Share of post-tax profits	分佔除稅後溢利	19,774	27,633
Carrying amount of deemed disposal of joint venture	視作出售合營公司之賬面值	(460,037)	-
At 31 December	於十二月三十一日	165	440,428

Set out below are associates and joint ventures which, in opinion of directors, are material to the Group as at 31 December 2017 and 2016. The associates and joint ventures as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of establishment or registration is also their principal place of business.

以下載列董事認為於二零一七年及二零一六年十二月三十一日對本集團屬重大之聯營公司及合營公司。下列聯營公司及合營公司之股本中僅包括普通股，由本集團直接持有，而成立或註冊國家亦為其主要營業地點。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 14 按權益法列賬之投資(續)

Name of entity 實體名稱	Place of business/ country of establishment 營業地點/成立國家	% of effective interest 實際權益百分比		Nature of the relationship 關係性質	Measurement method 計量方式	Carrying amount 賬面值	
		2017 二零一七年	2016 二零一六年			2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
慧德控股有限公司 (Hui De Holding Co., Ltd.*)	PRC 中國	12.0	12.0	Associate Note 1 聯營公司 附註1	Equity 權益	25,320	28,746
浙江慧聰投資有限公司 (Zhejiang Huicong Investment Co., Ltd*)	PRC 中國	29.6	29.6	Associate Note 2 聯營公司 附註2	Equity 權益	32,608	45,271
中模(北京)國際品牌管理 有限公司 (China Formwork (Beijing) International Brand Management Limited*)	PRC 中國	19.4	19.4	Associate Note 3 聯營公司 附註3	Equity 權益	10,489	10,361
北京颶風伙伴網絡科技有限 公司 (Beijing Hurricane Partner Internet Technology Company Limited*)	PRC 中國	10.0	10.0	Associate Note 4 聯營公司 附註4	Equity 權益	7,366	5,857
重慶神州數碼慧聰小額貸款 有限公司 (Chongqing Digital China Huicong Micro-credit Co. Ltd.*)	PRC 中國	-	40.0	Joint venture Note 5 合營公司 附註5	Equity 權益	-	440,257

\* English names are translated for identification purpose only

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

- Note 1: Hui De Holding Co., Ltd\* (“慧德控股”) provides investment management and project investments in the PRC. The Group holds 60% interests of its subsidiary, 慧聰(天津)電子商務有限公司, which in turn holds 20% of interests in慧德控股.
- Note 2: Zhejiang Huicong Investment Co., Limited\* (“浙江慧聰”) engages in investment in real estate construction and management. The Group directly holds 20% equity shares of 浙江慧聰 and indirectly holds 9.6% equity interests through 慧德控股. Hence, the Group effectively holds 29.6% equity interest in 浙江慧聰.
- Note 3: The Group directly holds 19.4% of interests in China Formwork (Beijing) International Brand Management Limited\* (“北京中模”). 北京中模 engages in e-commerce business for the building equipment leasing industry in the PRC.
- Note 4: The Group directly holds 10.0% of interest in Beijing Hurricane Partner Information Technology Company Limited\* (“北京颶風”). 北京颶風 engages in e-commerce business platform for tyre in the PRC.
- Note 5: The Group directly holds 40% of interest of Chongqing Digital China Huicong Micro-Credit Co., Ltd.\* (“Micro-Credit”) which provides development and operation of the micro-credit financing business in the PRC. During the year ended 31 December 2017. The Group has step-acquired 30% of equity interest of Micro-Credit. Upon completion of step acquisition, the Group holds 70% of the equity interest in Micro-Credit and has accounted for its interest as investment in subsidiary. (Note to 15(b))

### 14 按權益法列賬之投資(續)

- 附註1：慧德控股有限公司(「慧德」)於中國從事提供投資管理及項目投資業務。本集團持有其附屬公司慧聰(天津)電子商務有限公司之60%權益，而慧聰(天津)電子商務有限公司持有慧德控股之20%權益。
- 附註2：浙江慧聰投資有限公司(「浙江慧聰」)從事房地產投資建築及管理業務。本集團直接持有浙江慧聰之20%股權，並透過慧德間接持有其9.6%股權。因此，本集團實際上持有浙江慧聰之29.6%股權。
- 附註3：本集團直接持有中模(北京)國際品牌管理有限公司(「北京中模」)之19.4%權益。北京中模於中國建築器材租賃業從事電子商貿業務。
- 附註4：本集團直接持有北京颶風伙伴網絡科技有限公司(「北京颶風」)之10.0%權益。北京颶風於中國從事輪胎電子商貿業務。
- 附註5：本集團直接持有重慶神州數碼慧聰小額貸款有限公司(「小額貸款」)之40%權益，其於中國提供小額貸款融資業務之發展及營運。截至二零一七年十二月三十一日止年度，本集團已分階段收購小額貸款之30%股本權益。於分階段收購事項完成後，本集團持有小額貸款70%之股本權益，並已作為於附屬公司之投資入賬為權益。(附註15(b))

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 14 按權益法列賬之投資(續)

#### (a) Investment in associates

##### Summarised consolidated financial information for associates

Set out below are the summarised financial information for the associates which, in the opinion of director, are material to the Group and are accounted for using the equity method.

#### (a) 於聯營公司之投資

##### 聯營公司之合併財務資料概要

下文載列董事認為對本集團屬重大且按權益法列賬之聯營公司之財務資料概要。

		慧德控股		浙江慧聰		中模(北京)		北京真風	
		2017	2016	2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Current</b>	<b>流動</b>								
Total current assets	流動資產總值	770,066	635,023	733,392	619,154	38,848	37,270	9,332	11,626
Total current liabilities	流動負債總額	(366,122)	(317,794)	(337,068)	(246,392)	(24,285)	(23,638)	(5,951)	(5,139)
<b>Non-current</b>	<b>非流動</b>								
Total non-current (liabilities)/assets	非流動(負債)/資產總值	(231,378)	(112,314)	(231,395)	(144,518)	10,622	10,892	19,807	107
Net assets	資產淨值	172,566	204,915	164,929	228,244	25,185	24,524	23,188	6,594
Opening net assets	年初資產淨值	204,915	128,933	228,244	246,067	24,524	23,885	6,594	8,024
Capital injection	注資	-	-	-	-	-	-	16,500	-
(Loss)/profit for the year	年內(虧損)/溢利	(32,349)	75,982	(63,315)	(17,823)	661	639	94	(1,430)
Closing net assets	年末資產淨值	172,566	204,915	164,929	228,244	25,185	24,524	23,188	6,594
Direct equity interest held	所持直接股本權益	12%	12%	20%	20%	19.4%	19.4%	10%	10%
Share of interest held by Group	本集團分佔權益	20,708	24,590	32,986	45,649	4,886	4,758	2,319	659
Carrying amount	賬面值	26,386	28,746	32,608	45,271	10,489	10,361	7,366	5,857



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

#### 14 按權益法列賬之投資(續)

##### (a) Investment in associates (Continued)

##### Summarised consolidated statement of comprehensive income

##### (a) 於聯營公司之投資(續)

##### 合併綜合收益表概要

		慧德控股		浙江慧聰		中樞(北京)		北京鳳凰	
		2017	2016	2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	銷售收入	3,161	2,122	-	-	17,818	13,141	6,841	-
(Loss)/profit after tax	除稅後(虧損)/溢利	(32,349)	75,982	(63,315)	(17,823)	661	639	94	(1,430)
Other comprehensive income	其他全面收入	-	-	-	-	-	-	-	-
Total comprehensive (loss)/income	全面(虧損)/收入總額	(32,349)	75,982	(63,315)	(17,823)	661	639	94	(1,430)

The information above reflects the amounts presented in the consolidated financial statements of the associates (and not HC International, Inc.'s share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

上述資料反映於聯營公司合併財務報表所呈列之金額(並非慧聰集團有限公司所佔該等金額)，因本集團與聯營公司之會計政策差異而作出調整。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 15 BUSINESS COMBINATIONS

#### (a) Huijia Yuantian Limited

On 13 January 2017, Mu Hao Holdings Limited, Hong Rui Technology Holdings Limited, Chance Technology Co., Ltd and Vanguard Technology Holdings Limited (Collectively, the “HJ Sellers”), the Company and Mr. Zou Kai (鄒凱), Mr. Hong Chaoran (洪超然), Ms. Wang Fei (王菲) and Mr. Sun Yi (孫毅) (collectively, the “HJ Seller Guarantors”) entered into the sale and purchase agreement, pursuant to which the HJ Sellers have conditionally agreed to sell, and the Company has conditionally agreed to acquire the entire issued share capital of Huijia Yuantian Limited, for an aggregate consideration of RMB362,000,000 (equivalent to approximately HK\$409,091,000). Part of the consideration amounting to RMB162,652,000 (equivalent to approximately HK\$184,091,000) in cash and the remaining portion was settled by issuance and allotment of convertible bonds which are subject to downward adjustments stipulated in the sale and purchase agreement.

On 3 February 2017, all the conditions precedent under the sale and purchase agreement have been fulfilled and the entire shares of Huijia Yuantian Limited has been transferred to the Company and the acquisition has been completed, which the Group has acquired the control over Huijia Yuantian Limited as the Group has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the its variable returns.

The goodwill of RMB250,096,000 arising from the acquisition is attributable to the synergies from combining the operations of the Group and Huijia Yuantian Limited. None of the goodwill recognised is expected to be deductible for income tax purpose.

### 15 業務合併

#### (a) 慧嘉元天

於二零一七年一月十三日，Mu Hao Holdings Limited、Hong Rui Technology Holdings Limited、Chance Technology Co. Ltd及 Vanguard Technology Holdings Limited (統稱「HJ賣方」)、本公司與鄒凱先生、洪超然先生、王菲女士及孫毅先生 (統稱「HJ賣方擔保人」) 訂立買賣協議，據此，HJ賣方已有條件同意出售而本公司已有條件同意收購慧嘉元天全部已發行股本，總代價為人民幣362,000,000元 (相當於約409,091,000港元)。代價部分金額人民幣162,652,000元 (相當於約184,091,000港元) 以現金償付，而餘下部分則透過發行及配發可換股債券之方式償付，惟按買賣協議之規定可予下調。

於二零一七年二月三日，買賣協議項下之所有先決條件已告達成，慧嘉元天之所有股份已轉讓予本公司，而收購事項已告完成，據此本集團取得對慧嘉元天之控制權，原因為本集團之現有權利目前賦予其指示相關業務 (即大幅影響可變回報之業務) 之能力。

收購事項產生商譽約人民幣250,096,000元乃歸因於合併本集團與慧嘉元天業務之協同作用。預期概無已確認商譽可扣所得稅。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 15 BUSINESS COMBINATIONS (Continued)

##### (a) Huijia Yuantian Limited (Continued)

The following table summarises the consideration paid for Huijia Yuantian Limited, the fair value of assets acquired and liabilities assumed at the acquisition date.

		RMB'000 人民幣千元
<b>Consideration:</b>	<b>代價：</b>	
<b>On 3 February 2017</b>	<b>於二零一七年二月三日</b>	
Cash	現金	162,652
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	182,200
<b>Total consideration</b>	<b>代價總額</b>	<b>344,852</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>所收購可識別資產及所承擔負債之已確認金額</b>	
Cash and cash equivalents	現金及現金等值物	3,753
Property, plant and equipment	物業、廠房及設備	379
Trade and other receivables	應收賬款及其他應收款項	5,645
Intangible assets – technical knowhow (Note 10)	無形資產 – 技術知識(附註10)	105,500
Trade and other payables	應付賬款及其他應付款項	(4,266)
Deferred tax liabilities	遞延稅項負債	(15,825)
Income tax payable	應繳所得稅	(133)
<b>Total identifiable net assets</b>	<b>可識別資產淨值總額</b>	<b>95,053</b>
Non-controlling interest	非控股權益	(297)
Goodwill	商譽	250,096
		<b>344,852</b>

#### 15 業務合併(續)

##### (a) 慧嘉元天(續)

下表概述於收購日期就慧嘉元天支付之代價以及所收購資產及所承擔負債之公平值。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 15 BUSINESS COMBINATIONS (Continued)

## (a) Huijia Yuantian Limited (Continued)

Acquisition-related costs RMB205,000 (included in administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2017).

## 15 業務合併(續)

## (a) 慧嘉元天(續)

截至二零一七年十二月三十一日止年度，收購相關成本人民幣205,000元已計入合併損益表之行政費用。

		3 February 2017 於二零一七年 二月三日 RMB'000 人民幣千元
Cash consideration	現金代價	162,652
Cash and cash equivalent in subsidiaries acquired	已收購附屬公司之現金及現金等值物	(3,753)
Outflow of cash to acquire business, net of cash acquired		158,899

**Revenue and profit contribution**

The acquired business contributed revenue of RMB123,505,000 and net profit of RMB27,846,000 to the Group for the period from 3 February 2017 to 31 December 2017. If acquisition had occurred on the 1 January 2017, consolidated revenue and consolidated profit of the Group for the year ended 31 December 2017 would have been RMB3,702,623,000 and RMB314,431,000 respectively.

**收入及溢利貢獻**

於二零一七年二月三日至二零一七年十二月三十一日期間，所收購業務為本集團貢獻收入人民幣123,505,000元及純利人民幣27,846,000元。倘收購事項於二零一七年一月一日發生，本集團截至二零一七年十二月三十一日止年度之合併收入及合併溢利將分別為人民幣3,702,623,000元及人民幣314,431,000元。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 15 BUSINESS COMBINATIONS (Continued)

##### (a) Huijia Yuantian Limited (Continued)

###### **Huijia Performance Targets and adjustment mechanism**

As aforesaid, part of the Consideration is subject to downward adjustments on the basis of the performance targets to each of the HJ Sellers. In the event that the performance targets are achieved in each of the performance undertaking years, the following principal amounts of the convertible bonds will be allotted and issued to each of the HJ Sellers:

Pursuant to the sale and purchase agreement, the HJ Seller Guarantors jointly, severally and irrevocably covenant and undertake to the Company that the audited consolidated distributable profit (after-tax) of Beijing Huijia shall achieve the Performance Targets for the relevant Performance Undertaking Years:

Financial year 財政年度	Performance Targets 履約目標
Year ending 31 December 2017 (“First Performance Undertaking Year”) 截至二零一七年十二月三十一日止年度(「首個履約承諾年度」)	RMB20,000,000 人民幣20,000,000元
Year ending 31 December 2018 (“Second Performance Undertaking Year”) 截至二零一八年十二月三十一日止年度(「第二個履約承諾年度」)	RMB26,000,000 人民幣26,000,000元
Year ending 31 December 2019 (“Third Performance Undertaking Year”) 截至二零一九年十二月三十一日止年度(「第三個履約承諾年度」)	RMB33,800,000 人民幣33,800,000元

By the end of each performance undertaking year, the Company shall procure the Huijia Yuantian Limited to prepare the audited consolidated financial statements of Beijing Huijia (the “Audited HJ Financial Statements”) in accordance with HKFRSs, and provide the HJ Sellers with the Audited HJ Financial Statements within 90 days from the end of the relevant performance undertaking year.

As at 3 February 2017, financial liabilities at fair value through profit or loss of approximately RMB182,200,000 in relation to this arrangement were recognised in the consolidated statement of financial position based on the performance adjustment mechanism. Please refer to note 17b for details.

#### 15 業務合併(續)

##### (a) 慧嘉元天(續)

###### **Huijia履約目標以及調整機制**

如上所述者，部分代價可按各HJ賣方之履約目標予以下調。倘於各履約承諾年度內達成各履約目標，則將向各HJ賣方配發及發行下列本金額之可換股債券：

根據買賣協議，HJ賣方擔保人共同及個別且不可撤回地向本公司訂約及承諾，北京慧嘉之經審核合併可分派溢利(除稅後)將達致相關履約承諾年度之履約目標：

於各履約承諾年度末前，本公司須促使慧嘉元天根據香港財務報告準則編製北京慧嘉經審核合併財務報表(「經審核HJ財務報表」)，並於相關履約承諾年度末起計90日內向HJ賣方提供經審核HJ財務報表。

於二零一七年二月三日，有關該安排之按公平值計入損益之金融負債約人民幣182,200,000元已根據履約調整機制於合併財務狀況表內確認。有關詳情請參閱附註17b。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 15 BUSINESS COMBINATIONS (Continued)

#### (b) Chongqing Digital China Huicong Micro-Credit Co. Ltd

On 25 October 2017, the Group entered into equity transfer agreement for further acquisition of 30% of equity interest of Micro-Credit with Digital China Holdings Limited at consideration of RMB541,819,000.

On 28 November 2017, all the condition precedent under the equity transfer agreement have been fulfilled and the Group completed the acquisition of additional 30% equity interest in Micro-Credit. The Group has acquired the control over Micro-Credit and reclassified the interest in Micro-Credit as investment in subsidiary. Gain on the 40% equity interest were carried at equity method and amounting to RMB460,037,000 before the Step acquisition. Step acquisition represents the fair value gain of RMB117,963,000 on remeasuring the existing 40% equity interest held by the Group at the step acquisition date.

The goodwill of RMB19,626,000 arising from the step-acquisition is attributable to the synergies from combining the operations of the Group and Micro-Credit. None of the goodwill recognised is expected to be deductible for income tax purpose.

### 15 業務合併(續)

#### (b) 重慶神州數碼慧聰小額貸款有限公司

於二零一七年十月二十五日，本集團訂立股權轉讓協議以進一步收購小額貸款之30%股本權益，代價為人民幣541,819,000元。

於二零一七年十一月二十八日，首份股權轉讓協議項下所有先決條件均已告達成，小額貸款之30%股本權益已轉讓予本集團，而分階段收購事項已告完成，據此本集團取得對小額貸款之控制權，並將其投資重分類為附屬公司之投資。分階段收購事項所得收益為於分階段收購日期重新計量本集團所持40%現有股本權益而產生之公平值收益人民幣117,963,000元。於分段收購事項前，該40%股本權益透過權益法釐定，為人民幣460,037,000元。

分階段收購事項產生商譽人民幣19,626,000元乃歸因於合併本集團與小額貸款業務之協同作用。預期概無已確認商譽可扣所得稅。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 15 BUSINESS COMBINATIONS (Continued)

##### (b) Chongqing Digital China Huicong Micro-Credit Co. Ltd (Continued)

The following table summarises the consideration paid for Mirco-Credit, the fair value of assets acquired and liabilities assumed at the acquisition date.

		RMB'000 人民幣千元
<b>Consideration:</b>	<b>代價：</b>	
<b>On 28 November 2017</b>	<b>於二零一七年十一月二十八日</b>	
Cash consideration	現金代價	541,819
Fair value of existing shares held by the Group	本集團所持現有股份之公平值	578,000
<b>Total consideration</b>	<b>代價總額</b>	<b>1,119,819</b>
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>所收購可識別資產及所承擔負債之已確認金額</b>	
Cash and cash equivalents	現金及現金等值物	70,207
Property, plant and equipment	物業、廠房及設備	83
Prepayment, deposit and other receivables	預付款項、按金及其他應收款項	14,290
Loans and interest receivable, net of provision	貸款及應收利息，扣除撥備	1,472,046
Deferred tax assets	遞延稅項資產	15,991
Intangible assets – license (Note 10)	無形資產 – 許可證(附註10)	554,000
Intangible assets – software (Note 10)	無形資產 – 軟件(附註10)	7,900
Accrued and other payables	應計費用及其他應付款項	(30,883)
Other borrowings	其他借貸	(368,890)
Deferred tax liabilities	遞延稅項負債	(140,475)
Income tax payable	應繳所得稅	(21,489)
Other taxes payable	其他應繳稅項	(1,076)
<b>Total identifiable net assets</b>	<b>可識別資產淨值總額</b>	<b>1,571,704</b>
Non-controlling interest	非控股權益	(471,511)
Goodwill	商譽	19,626
		<b>1,119,819</b>

#### 15 業務合併(續)

##### (b) 重慶神州數碼慧聰小額貸款有限公司(續)

下表概述於收購日期就小額貸款支付之代價以及所收購資產及所承擔負債之公平值。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 15 BUSINESS COMBINATIONS (Continued)

#### (b) Chongqing Digital China Huicong Micro-Credit Co. Ltd (Continued)

Acquisition-related costs RMB4,009,000 (included in administrative expenses in the consolidated statement of profit or loss for the year ended 31 December 2017).

### 15 業務合併(續)

#### (b) 重慶神州數碼慧聰小額貸款有限公司(續)

截至二零一七年十二月三十一日止年度，收購相關成本人民幣4,009,000元已計入收益表之行政費用。

		At 30 November 2017 二零一七年 十一月三十日 RMB'000 人民幣千元
Cash consideration	現金代價	541,819
Cash and cash equivalents in subsidiaries acquired	已收購附屬公司之現金及現金等值物	(70,207)
Inflow of cash to acquire business, net of cash acquired		收購業務之現金流出量，扣除已收現金
		471,612

On 28 November 2017, the fair value of the existing 40% equity interest in Micro-Credit held by the Group before step acquisition amounted RMB578,000,000, while the carrying amount of such interest amounted RMB460,037,000. Hence, a fair value gain on step acquisition amounting to RMB117,963,000 has been recognised in "other gain, net" in the consolidated statement of profit or loss.

於二零一七年十一月二十八日，本集團於分階段收購前所持小額貸款40%股本權益之公平值為人民幣578,000,000元，而該等權益之賬面值為人民幣460,037,000元。因此，分階段收購所得公平值收益人民幣117,963,000元已於合併損益表「其他收益淨額」內確認。

#### Revenue and profit contribution

The acquired business contributed revenue of RMB16,858,000 and net profit of RMB20,431,000 to the Group for the period from 30 November 2017 to 31 December 2017. If acquisition had occurred on the 1 January 2017, consolidated revenue and consolidated profit for the year ended 31 December 2017 would have been RMB3,874,669,000 and RMB366,759,000 respectively.

#### 收入及溢利貢獻

於二零一七年十一月三十日至二零一七年十二月三十一日期間，所收購業務為本集團貢獻收入人民幣16,858,000元及純利人民幣20,431,000元。倘收購事項於二零一七年一月一日發生，截至二零一七年十二月三十一日止年度之合併收入及合併溢利將分別為人民幣3,874,669,000元及人民幣366,759,000元。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

#### 16 可供出售金融資產

		Listed securities (Note i) 上市證券 (附註i) RMB'000 人民幣千元	Unlisted securities 非上市證券 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	329,137	92,553	421,690
Additions	添置	–	407,935	407,935
Disposals	出售	(181,340)	(32,553)	(213,893)
Fair value gain recognised in other comprehensive income	於其他全面收入確認之 公平值收益	27,257	46,636	73,893
Currency translation differences	貨幣匯兌差異	7,092	–	7,092
At 31 December 2016	於二零一六年 十二月三十一日	182,146	514,571	696,717
Less: non-current portion	減：非流動部分	–	(484,071)	(484,071)
Current portion	流動部分	182,146	30,500	212,646
At 1 January 2017	於二零一七年一月一日	182,146	514,571	696,717
Additions	添置	–	58,400	58,400
Disposals	出售	(91,935)	(30,500)	(122,435)
Fair value (loss)/gain recognised in other comprehensive income	於其他全面收入確認之 公平值(虧損)/收益	(84,989)	25,989	(59,000)
Currency translation differences	貨幣匯兌差異	(5,222)	–	(5,222)
At 31 December 2017	於二零一七年 十二月三十一日	–	568,460	568,460
Less: non-current portion	減：非流動部分	–	(528,960)	(528,960)
Current portion	流動部分	–	39,500	39,500

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 16 AVAILABLE-FOR-SALE FINANCIAL ASSETS 16 可供出售金融資產(續)

(Continued)

Set out below are securities which, in opinion of directors, are material to the Group as at 31 December 2017.

以下載列於二零一七年十二月三十一日董事認為對本集團屬重大之證券。

Name of the security 證券名稱	Nature of the security 證券性質	Total amount 總金額	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
內蒙古呼和浩特金谷農村商業銀行股份有限公司 ("Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Limited"*)	Unlisted ordinary shares 非上市普通股	<b>447,000</b>	422,000

Note i: The balance represents the fair value of the ordinary shares of companies listed in Main Board of The Stock Exchange of Hong Kong Limited.

附註：該餘額主要指於香港聯合交易所有限公司主板上市公司之普通股公平值。

There were no impairment provisions on available-for-sale financial assets made during the year ended 31 December 2017 (2016: Nil).

截至二零一七年十二月三十一日止年度，概無計提可供出售金融資產減值撥備(二零一六年：無)。

\* English name is translated for identification purpose only.

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 17 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

#### 17 按公平值計入損益之金融資產及負債

##### (a) Financial assets at fair value through profit or loss

##### (a) 按公平值計入損益之金融資產

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Contingent shares in relation to acquisition of Orange Triangle Inc.	有關收購Orange Triangle Inc.之或然股份		
– Current	– 流動	2,100	–
– Non-current	– 非流動	–	4,600
Trading securities – listed securities (Note (i))	交易證券—上市證券(附註(i))	169,921	172,686
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	172,021	177,286

As at 31 December 2017, the fair value of contingent consideration was approximately RMB2,100,000 (31 December 2016: RMB4,600,000), the change in the fair value amounted RMB2,500,000 for the year was charged to “other gains, net” in the statement of profit or loss.

The fair value of the contingent consideration arrangement was estimated by applying income approach which considers the probabilities that the performance target could be completed and the market prices of the consideration share at the valuation date.

For the fair value of the financial assets at fair value through profit or loss, please refer to Note 3.3.

於二零一七年十二月三十一日，或然代價之公平值約為人民幣2,100,000元（二零一六年十二月三十一日：人民幣4,600,000元），年內公平值變動人民幣2,500,000元於合併損益表「其他收益淨額」中扣除。

或然代價安排之公平值應用收益法估算，當中考慮完成履約目標之概率及代價股份於估值日期之市價。

按公平值計入損益之金融資產之公平值，請參閱附註3.3。

## Notes to the Consolidated Financial Statements

合併財務報表附註

**17 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS** (Continued)**(a) Financial assets at fair value through profit or loss**  
(Continued)**Note (i): Trading securities – listed securities**

The balance represents the listed securities held for trading by the Group. All of the trading securities are listed in the Shenzhen Stock Exchange, Shanghai Stock Exchange and Hong Kong Stock Exchange and their fair value were based on their current bid prices in active market at the date of statement of financial position, which are within level 1 of the fair value hierarchy (Note 3.3).

**(b) Financial liabilities at fair value through profit or loss****17 按公平值計入損益之金融資產及負債**(續)**(a) 按公平值計入損益之金融資產**  
(續)**附註(i): 交易證券 – 上市證券**

此結餘指本集團持作買賣之上市證券。所有交易證券均於深圳證券交易所、上海證券交易所及香港聯交所上市，其公平值按其於財務狀況表日期在活躍市場之現行買入價計算，屬公平值架構之第一級(附註3.3)。

**(b) 按公平值計入損益之金融負債**

		Zhongfu Holdings Limited		Huijia Yuantian Limited		Total 總計	
		31 December 2017	31 December 2016	31 December 2017	3 February 2017 (Acquisition date)	31 December 2017	31 December 2016
		二零一七年 十二月 三十一日	二零一六年 十二月 三十一日	二零一七年 十二月 三十一日	二零一七年 二月三日 (收購日期)	二零一七年 十二月 三十一日	二零一六年 十二月 三十一日
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Current	流動	<b>14,393</b>	14,377	<b>38,935</b>	49,688	<b>53,328</b>	14,377
Non-current	非流動	<b>12,607</b>	27,123	<b>103,065</b>	132,512	<b>115,672</b>	27,123
		<b>27,000</b>	41,500	<b>142,000</b>	182,200	<b>169,000</b>	41,500

During the year ended 31 December 2017, the change in the fair value amounting to RMB18,472,000 was charged to "other gain, net" in the consolidated statement of profit or loss.

截至二零一七年十二月三十一日止年度，公平值變動人民幣18,472,000元已於合併損益表「其他收益淨額」扣除。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 18 FINANCIAL INSTRUMENTS BY CATEGORY

#### 18 按類別劃分之金融工具

		Financial assets at amortised cost 按攤銷成本計量之金融資產 RMB'000 人民幣千元	Assets at fair value through profit or loss 按公平值計入損益之資產 RMB'000 人民幣千元	Assets at fair value through other comprehensive income 按公平值計入其他全面收入之資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2017</b>	<b>於二零一七年十二月三十一日</b>				
Available-for-sale financial asset	可供出售金融資產	-	-	568,460	568,460
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	-	172,021	-	172,021
Trade and other receivables (excluding non-financial assets)	應收賬款及其他應收款項(不包括非金融資產)	338,172	-	-	338,172
Finance lease receivables	融資租賃應收款項	155,587	-	-	155,587
Loans and interest receivable	貸款及應收利息	1,650,318	-	-	1,650,318
Cash and cash equivalents	現金及現金等值物	401,918	-	-	401,918
<b>Total</b>	<b>總計</b>	<b>2,545,995</b>	<b>172,021</b>	<b>568,460</b>	<b>3,286,476</b>

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 18 FINANCIAL INSTRUMENTS BY CATEGORY 18 按類別劃分之金融工具(續)

(Continued)

	Financial assets at amortised cost 按攤銷成本計量之金融資產 RMB'000 人民幣千元	Assets at fair value through profit or loss 按公平值計入損益之資產 RMB'000 人民幣千元	Assets at fair value through other comprehensive income 按公平值計入其他全面收入之資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2016</b>				
Available-for-sale financial asset	可供出售金融資產	–	696,717	696,717
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	–	177,286	177,286
Trade and other receivables (excluding non-financial assets)	應收賬款及其他應收款項(不包括非金融資產)	263,331	–	263,331
Finance lease receivables	融資租賃應收款項	352,327	–	352,327
Loans and interest receivable	貸款及應收利息	82,136	–	82,136
Cash and cash equivalents	現金及現金等值物	963,523	–	963,523
<b>Total</b>	<b>總計</b>	<b>1,661,317</b>	<b>696,717</b>	<b>2,535,320</b>

Notes to the Consolidated Financial Statements  
 合併財務報表附註

18 FINANCIAL INSTRUMENTS BY CATEGORY 18 按類別劃分之金融工具(續)  
 (Continued)

		Liabilities at amortised cost 按攤銷成本計量 之負債 RMB'000 人民幣千元	Liability at fair value through profit or loss 按公平值計入 損益之負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2017</b>	<b>於二零一七年 十二月三十一日</b>			
Bank borrowings	銀行借貸	1,106,213	–	1,106,213
Other borrowings	其他借貸	390,917	–	390,917
Financial liabilities at fair value through profit or loss	按公平值計入損益之 金融負債	–	169,000	169,000
Trade payables	應付賬款	19,482	–	19,482
Other payables (excluding non-financial liabilities)	其他應付款項 (不包括非金融負債)	219,864	–	219,864
Convertible bonds – liabilities portion	可換股債券 – 負債部分	41,387	–	41,387
<b>Total</b>	<b>總計</b>	<b>1,777,863</b>	<b>169,000</b>	<b>1,946,863</b>

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 18 FINANCIAL INSTRUMENTS BY CATEGORY 18 按類別劃分之金融工具(續)

(Continued)

		Liabilities at amortised Cost 按攤銷成本計量 之負債 RMB'000 人民幣千元	Liability at fair value through profit or loss 按公平值計入 損益之負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>			
Bank borrowings	銀行借貸	851,904	–	851,904
Other borrowings	其他借貸	31,578	–	31,578
Financial liabilities at fair value through profit or loss	按公平值計入損益之 金融負債	–	41,500	41,500
Trade payables	應付賬款	7,916	–	7,916
Other payables (excluding non-financial liabilities)	其他應付款項 (不包括非金融負債)	216,882	–	216,882
Convertible bonds – liabilities portion	可換股債券 – 負債部分	654,743	–	654,743
<b>Total</b>	<b>總計</b>	<b>1,763,023</b>	<b>41,500</b>	<b>1,804,523</b>

## 19 DEFERRED EXPENSES

Upon the receipt of subscription revenue from third party customers, the Group is obliged to pay sales commissions and agency fees to the salespersons and agents. The subscription revenue are initially deferred and recognised in the consolidated statement of profit or loss in the period during which the services are rendered. Accordingly, the commissions and agency fees, which are directly attributable to earning from such subscription revenue during the service period, are deferred and recognised, in agency cost, employees benefit expense, sales commission and direct expenses of online services, respectively, of the consolidated statement of profit or loss throughout the same period.

## 19 遞延開支

自收訖第三方客戶之訂購收入起，本集團即有責任向銷售員及代理支付銷售佣金及代理費用。訂購收入初步為遞延並於提供服務期間在合併損益表確認。因此，於服務期間賺取有關訂購收入而直接產生之佣金及代理費用為遞延並於同期在合併損益表分別確認為代理成本、僱員福利開支、銷售佣金及互聯網服務之直接費用。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 20 FINANCE LEASE RECEIVABLES

Certain equipments have been leased out through finance leases entered into by the Group. These leases have remaining terms within one year. Finance lease receivables comprised of the following:

#### 20 融資租賃應收款項

若干設備已通過由本集團訂立之融資租賃出租。該等租賃之餘下租期為一年內。融資租賃應收款項包括以下部分：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Current receivables</b>	<b>即期應收款項</b>		
Finance leases – gross receivables	融資租賃 – 應收款項總額	<b>162,370</b>	371,800
Unearned finance income	未賺取之融資收入	<b>(6,783)</b>	(19,473)
<b>Total finance leases receivables</b>	<b>融資租賃應收款項總額</b>	<b>155,587</b>	352,327
Gross receivables from finance leases: – No later than 1 year	來自融資租賃之應收款項總額： – 不遲於一年	<b>162,370</b>	371,800
Unearned future finance income on finance leases	融資租賃未賺取之 未來融資收入	<b>(6,783)</b>	(19,473)
<b>Net investment in finance leases</b>	<b>於融資租賃之投資淨值</b>	<b>155,587</b>	352,327
The net investment in finance leases may be analysed as follows: – No later than 1 year	融資租賃之投資淨值 可按以下年期分析： – 不遲於一年	<b>155,587</b>	352,327
<b>Total</b>	<b>總計</b>	<b>155,587</b>	352,327

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 21 INVENTORIES

## 21 存貨

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Merchandise	貨品	142,910	3,590

The cost of inventories recognised as expense and included in "cost of revenue" amounted to approximately RMB2,081,764,000 (31 December 2016: RMB160,446,000).

確認為開支並計入「銷售成本」之存貨成本金額約為人民幣2,081,764,000元(二零一六年十二月三十一日：人民幣160,446,000元)。

## 22 CASH AND CASH EQUIVALENTS

## 22 現金及現金等值物

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash at bank and on hand	銀行現金及手頭現金	401,918	931,523
Fixed deposits	定期存款	-	32,000
		401,918	963,523
Denominated in:	以下列貨幣計值：		
- Hong Kong Dollars	- 港元	592	172,127
- Renminbi	- 人民幣	374,028	755,020
- US Dollars	- 美元	27,298	36,376
		401,918	963,523

The fixed deposits were highly liquid with original maturities of three months or less. As at 31 December 2017, cash and cash equivalents of approximately RMB373,852,000 (2016: RMB754,809,000) of the Group were denominated in Renminbi and deposited with banks in the PRC. The conversion of the Renminbi denominated balance into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

定期存款具高流動性，原到期日為三個月或以下。於二零一七年十二月三十一日，本集團之現金及現金等值物約人民幣373,852,000元(二零一六年：人民幣754,809,000元)以人民幣計值，並已存入中國之銀行。將以人民幣計值之結餘款項兌換為外幣須受中國政府頒佈之外匯管制規則及規例所規限。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 23 SHARE CAPITAL

### 23 股本

		Number of ordinary shares 普通股數目	Par value 面值 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	899,946,103	85,090
Issuance of shares upon conversion of convertible bonds	兌換可換股債券後發行股份	95,000,000	8,045
Buy-back shares	購回股份	(5,990,000)	(529)
Exercise of share options	行使購股權	15,352,000	1,279
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	1,004,308,103	93,885
Issuance of shares upon conversion of convertible bonds (Note a)	兌換可換股債券後發行股份(附註a)	4,042,750	358
Issuance of new shares (Note b)	發行新股份(附註b)	87,642,857	7,438
Buy-back shares (Note c)	購回股份(附註c)	(11,144,000)	(982)
Exercise of share options	行使購股權	474,000	41
At 31 December 2017	於二零一七年十二月三十一日	1,085,323,710	100,740

The total authorised number of ordinary shares is 2,000,000,000 shares (2016: 2,000,000,000 shares) with a par value of HK\$0.1 per share (2016: HK\$0.1 per share). All issued shares are fully paid.

During the year ended 31 December 2017, 474,000 shares of the Company were issued upon the exercise of share options under the share option scheme of the Company at exercise price of HK\$1.24 and resulted in approximately RMB41,000 increase in share capital and RMB476,000 increase in share premium.

The total number of issued shares of the Company was 1,085,323,710 as at 31 December 2017 (2016: 1,004,308,103).

普通股法定總數為每股面值0.1港元(二零一六年：每股0.1港元)之2,000,000,000股股份(二零一六年：2,000,000,000股股份)。所有已發行股份均已繳足。

於截至二零一七年十二月三十一日止年度，於本公司根據購股權計劃按行使價1.24港元行使購股權後，474,000股本公司股份已予發行，並致使股本及股份溢價分別增加約人民幣41,000元及人民幣476,000元。

於二零一七年十二月三十一日，本公司已發行股份總數為1,085,323,710股(二零一六年：1,004,308,103股股份)。

## Notes to the Consolidated Financial Statements

合併財務報表附註

### 23 SHARE CAPITAL (Continued)

#### (a) Issuance of share upon conversion of convertible bond

According to the audited consolidated financial statement of Zhejiang Zhongfu Internet Technology Company Limited ("Zhejiang Zhongfu"), a subsidiary of Zhongfu Holdings Limited for the year ended 31 December 2016, the audited consolidated distributable profit after-tax of Zhejiang Zhongfu for the year ended 31 December 2016 exceeds RMB10,000,000. Accordingly, the relevant performance target for the first performance undertaking year has been met, and the sellers shall convert the convertible bonds in the principal amount of HK\$40,427,500 into conversion shares at the conversion price of HK\$10.00 per share. Accordingly, a total of 4,042,750 conversion shares had been allotted and issued to the sellers on 8 May 2017 and resulted in approximately RMB358,000 increase in share capital and RMB24,352,000 in share premium. The financial liabilities at fair value through profit or loss amounted RMB24,686,000 has been utilised at the conversion date.

#### (b) Issuance of new shares

During the year ended 31 December 2017, the Group has allotted 87,642,857 shares at issue price of HK\$7 per share to Digital China Holdings Limited. Approximately RMB7,438,000 increase in share capital and RMB513,227,000 in share premium respectively.

#### (c) Buy-back of shares

The Company acquired 12,290,000 of its own shares through purchase on the Hong Kong Stock Exchange during year ended 31 December 2016. The total amount paid to acquire the shares was RMB60,939,000. Part of the Share (5,990,000 shares) repurchased had been cancelled in the Stock Exchanges as at 31 December 2016, hence the related amount RMB529,000 and RMB29,861,000 has been deducted from share capital and share premium respectively. The remaining 6,300,000 shares ("remaining share") repurchase but not yet cancelled, which amounting to RMB30,549,000 was debited from share redemption reserves as at 31 December 2016.

During the year ended 31 December 2017, the remaining 6,300,000 share has been cancelled, hence RMB30,549,000 was credited to share redemption reserves and the related amount of RMB556,000 and RMB29,993,000 has been deducted from share capital and share premium respectively.

### 23 股本(續)

#### (a) 兌換可換股債券後發行股份

根據浙江中服網絡科技有限公司(「浙江中服」)(Zhongfu Holdings Limited之附屬公司)截至二零一六年十二月三十一日止年度之經審核合併財務報表，浙江中服截至二零一六年十二月三十一日止年度之經審核合併除稅後可供分派溢利超過人民幣10,000,000元。因此，首個履約承諾年度之相關履約目標已告達成，而賣家將按兌換價每股10.00港元兌換本金額40,427,500港元之可換股債券。因此，合共4,042,750股換股股份已於二零一七年五月八日配發並發行予賣家，導致股本增加約人民幣358,000元及股份溢價增加約人民幣24,352,000元。按公平值計入損益之金融負債人民幣24,686,000元已於兌換日期動用。

#### (b) 發行新股份

於截至二零一七年十二月三十一日止年度，本集團已按發行價每股7港元向神州數碼控股有限公司配發87,642,857股股份。股本及股份溢價分別增加約人民幣7,438,000元及人民幣513,227,000元。

#### (c) 購回股份

於截至二零一六年十二月三十一日止年度，本公司透過在香港聯交所進行採購以收購自有股份之12,290,000股股份。收購股份之已付總額為人民幣60,939,000元。部分已購回股份(5,990,000股股份)已於二零一六年十二月三十一日在聯交所獲註銷，故相關款項人民幣529,000元及人民幣29,861,000元已分別從股本及股本溢價中扣除。餘下6,300,000股股份(「餘下股份」)已予購回惟尚未註銷，即相當於人民幣30,549,000元已於二零一六年十二月三十一日自股份贖回儲備扣除。

於截至二零一七年十二月三十一日止年度，餘下6,300,000股股份已獲註銷，故人民幣30,549,000元已計入股份贖回儲備及相關款項人民幣556,000元及人民幣29,993,000元已分別從股本及股本溢價中支銷。

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 23 SHARE CAPITAL (Continued)

#### (d) Share options

After the cancellation mentioned above, the Company has further acquired 4,844,000 of its own shares. As at 31 December 2017, 4,844,000 shares were repurchased and cancelled during the year. Hence RMB426,000 and RMB25,853,000 has been deducted from share capital and share premium respectively.

On 3 April 2013, a total of 1,500,000 share options were granted to an employee pursuant to share option scheme. The grantee can exercise these options at an exercise price of HK\$4.402 per share in ten years period starting from the expiry of twelve months from the date of the granting of options, being 3 April 2013. Commencing from the first anniversaries of the date of grant, the relevant grantees may exercise options up to 10% and gradually up to 100% at the fifth anniversary of the date of grant. During the years ended 31 December 2016 and 2017, no share options were exercised.

On 18 November 2013, a total of 10,000,000 share options were granted to certain employees pursuant to share option scheme. The grantees can exercise these options at an exercise price of HK\$9.84 per share in ten years period starting from the expiry of the twelve months from the date of granting of options, being 18 November 2013. Commencing from the first anniversaries of the date of grant, the relevant grantees may exercise options up to 10% and gradually up to 100% at the fifth anniversary of the date of grant.

On 13 October 2017, a total of 29,930,000 share options were granted to a director pursuant to share option scheme. The grantee can exercise these options at a exercise price of HK\$6.474 per share in ten years period starting from the expiry of the twelve months from the date of granting of option, being 13 October 2017. Commencing from the first anniversaries of the date of grant, the relevant grantees may exercise option up to 20% and gradually up to 100% at the fifth anniversary of the date of grant.

During the year ended 31 December 2017, 474,000 share option under the 11 July 2007 share option scheme were exercised (2016: 28,000 share options were exercised under the 18 November 2013 share option scheme).

### 23 股本(續)

#### (d) 購股權

於上述註銷後，本公司已進一步收購自有股份之4,844,000股股份。於二零一七年十二月三十一日，4,844,000股股份已於年內購回及獲註銷。故人民幣426,000元及人民幣25,853,000元已分別從股本及股本溢價中支銷。

於二零一三年四月三日，根據購股權計劃，合共1,500,000份購股權已授予一名僱員。承授人可於購股權授出日期(即二零一三年四月三日)起計十二個月屆滿開始之十年內，按行使價每股4.402港元行使該等購股權。自授出日期一週年後，有關承授人可行使最多10%購股權，並可逐步行使至授出日期五週年之最多100%購股權。於截至二零一六年及二零一七年十二月三十一日止年度，概無購股權獲行使。

於二零一三年十一月十八日，根據購股權計劃，合共10,000,000份購股權已授予部分僱員。承授人可於購股權授出日期(即二零一三年十一月十八日)起計十二個月屆滿開始之十年內，按行使價每股9.84港元行使該等購股權。自授出日期一週年後，有關承授人可行使最多10%購股權，並可逐步行使至授出日期五週年之最多100%購股權。

於二零一七年十月十三日，根據購股權計劃，合共29,930,000份購股權已授予一名董事。承授人可於購股權授出日期(即二零一七年十月十三日)起計十二個月屆滿開始之十年內，按行使價每股6.474港元行使該等購股權。自授出日期一週年後，有關承授人可行使最多20%購股權，並可逐步行使至授出日期五週年之最多100%購股權。

於截至二零一七年十二月三十一日止年度，二零一七年七月十一日購股權計劃項下的474,000份購股權已獲行使(二零一六年：二零一三年十一月十八日購股權計劃項下的28,000份購股權已獲行使)。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 23 SHARE CAPITAL (Continued)

## (d) Share options (Continued)

The assumptions for valuation of fair value of share options are as follows:

	23 June 2006 二零零六年 六月二十三日	11 July 2007 二零零七年 七月十一日	29 September 2008 二零零八年 九月二十九日	7 April 2010 二零一零年 四月七日	28 March 2011 二零一一年 三月二十八日	3 April 2013 二零一三年 四月三日	18 November 2013 二零一三年 十一月十八日	13 October 2017 二零一七年 十月十三日	
Exercise price (in HK dollar)	行使價(港元)	1.49	1.24	0.604	0.82	1.108	4.402	9.84	6.476
Fair value of the options (in RMB)	購股權公平值(人民幣)	3,919,000	9,390,000	2,756,000	12,527,000	1,377,000	3,754,000	50,125,000	100,356,000
Risk free interest rate (in %)	無風險利率(%)	4.911	4.757	3.133	2.865	2.820	1.111	1.915	1.745%
Expected life (in years)	預計年期(年)	3.2-5.5	2.4-6.2	3.8-4.8	3.4-5.9	3.8-4.9	9.1-9.6	4.7-7.9	4.9
Volatility (in %)	波動(%)	34.8	49	72.2	79.8	77.4	75	71.5	62
Expected dividend per share (HK cents)	預期每股 股息(分)	-	-	-	-	-	-	-	5.67

At the working date before options were granted, 22 June 2006, 10 July 2007, 26 September 2008, 6 April 2010, 25 March 2011, 2 April 2013, 15 November 2013 and 12 October 2017, the market value per share was HK\$1.45, HK\$1.24, HK\$0.55, HK\$0.82, HK\$1.1, HK\$4.3, HK\$9.23 and HK\$6.48 respectively.

## 23 股本(續)

## (d) 購股權(續)

評估購股權公平值所用之假設如下：

於購股權獲授出前之工作日(二零零六年六月二十二日、二零零七年七月十日、二零零八年九月二十六日、二零一零年四月六日、二零一一年三月二十五日、二零一三年四月二日、二零一三年十一月十五日及二零一七年十月十二日)，每股市值分別為1.45港元、1.24港元、0.55港元、0.82港元、1.1港元、4.3港元、9.23港元及6.48港元。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 23 SHARE CAPITAL (Continued)

##### (d) Share options (Continued)

Movements in the number of share options outstanding and their exercise prices are as follows:

##### (i) Share Option Scheme

Expiry date 到期日	2017 二零一七年		2016 二零一六年	
	Exercise price in HK\$ 每股港元 行使價	Share options 購股權	Exercise price in HK\$ 每股港元 行使價	Share Options 購股權
At 1 January 於一月一日	1.49	-	1.49	1,458,000
	1.24	1,454,000	1.24	3,698,000
	0.604	400,000	0.604	2,900,000
	0.82	1,438,000	0.82	10,588,000
	1.108	200,000	1.108	200,000
	4.402	1,500,000	4.402	1,500,000
	9.84	9,972,000	9.84	9,972,000
	6.476	-	-	NA
Granted 已授出	1.49	-	1.49	-
	1.24	-	1.24	-
	0.604	-	0.604	-
	0.82	-	0.82	-
	1.108	-	1.108	-
	4.402	-	4.402	-
	9.84	-	9.84	-
	6.476	29,930,000	-	NA
Lapsed and exercised 已失效及行使	1.49	-	1.49	(1,458,000)
	1.24	(1,454,000)	1.24	(2,244,000)
	0.604	-	0.604	(2,500,000)
	0.82	-	0.82	(9,150,000)
	1.108	-	1.108	-
	4.402	-	4.402	-
	9.84	-	9.84	-
	6.476	-	-	NA

#### 23 股本(續)

##### (d) 購股權(續)

未行使購股權數目及行使價之變動如下：

##### (i) 購股權計劃

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 23 SHARE CAPITAL (Continued)

## 23 股本(續)

## (d) Share options (Continued)

## (d) 購股權(續)

## (i) Share Option Scheme (Continued)

## (i) 購股權計劃(續)

Expiry date 到期日	2017 二零一七年		2016 二零一六年	
	Exercise price in HK\$ 每股港元 行使價	Share options 購股權	Exercise price in HK\$ 每股港元 行使價	Share Options 購股權
At 31 December 於十二月三十一日				
23 June 2016 二零一六年六月二十三日	1.49	–	1.49	–
11th July 2017 二零一七年七月十一日	1.24	–	1.24	1,454,000
29 September 2018 二零一八年九月二十九日	0.604	400,000	0.604	400,000
7 April 2020 二零二零年四月七日	0.82	1,438,000	0.82	1,438,000
27 March 2021 二零二一年三月二十七日	1.108	200,000	1.108	200,000
3 April 2023 二零二三年四月三日	4.402	1,500,000	4.402	1,500,000
18 November 2023 二零二三年十一月十八日	9.84	9,972,000	9.84	9,972,000
13 October 2027 二零二七年十月十三日	6.476	29,930,000	–	NA

## (e) Share Award Scheme

## (e) 股份獎勵計劃

On 23 November 2011 and pursuant to the Share Award Scheme, the Board resolved to grant an aggregate of 24,181,000 shares to 72 selected employees (including an executive director of the Company).

於二零一一年十一月二十三日，根據股份獎勵計劃，董事會決議向72位經甄選僱員(包括本公司一名執行董事)授予合共24,181,000股股份。

On 14 June 2012, the Board resolved to grant Lee Wee Ong, an executive director of the Company, 3,000,000 shares, subjected to a vesting period of 36 months.

於二零一二年六月十四日，董事會決議向本公司執行董事Lee Wee Ong授予3,000,000股股份，歸屬期為36個月。

On 20 August 2012, the shareholders resolved to grant Guo Jiang, an executive director of the Company, 16,700,000 shares, subjected to a vesting period of 72 months.

於二零一二年八月二十日，股東決議向本公司執行董事郭江授予16,700,000股股份，歸屬期為72個月。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 23 SHARE CAPITAL (Continued)

##### (e) Share Award Scheme (Continued)

The awarded shares will be held by the trustee in accordance with the rules of the Share Award Scheme and the relevant trust period.

The awarded shares are subject to vesting periods from 6 months to 72 months.

The following table represents the movements for number of shares under the Share Award Scheme for the year ended 31 December 2017.

		Number of shares (in thousand unit) 股份數目(千股)
At 1 January 2016	於二零一六年一月一日	21,877
Shares vested during the year	本年度已歸屬股份	(1,457)
Shares purchased from the market	於市場已購買股份	1,315
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	21,735
Shares vested during the year	本年度已歸屬股份	(6,375)
At 31 December 2017	於二零一七年十二月三十一日	15,360

The following is a summary of the shares granted, vested and lapsed during the year since the set up of the Share Award Scheme:

		Number of shares (in thousand unit) 股份數目(千股)	
		2017 二零一七年	2016 二零一六年
At 1 January	於一月一日	<b>21,735</b>	23,192
Shares vested	歸屬股份	<b>(6,375)</b>	(1,457)
Allocated but not vested	已分配但未歸屬	<b>15,360</b>	21,735

The Group has adopted the requirements under HKFRS 2 to account for the equity compensation expenses of the shares granted at the date of grant at fair value.

#### 23 股本(續)

##### (e) 股份獎勵計劃(續)

該等獎勵股份將由受託人根據股份獎勵計劃之規則於相關信託期間持有。

該等獎勵股份之歸屬期為6個月至72個月。

下表列示於截至二零一七年十二月三十一日止年度股份獎勵計劃項下股份數目之變動。

以下為自股份獎勵計劃成立起本年度已授出、歸屬及失效之股份概要：

本集團已採納香港財務報告準則第2號之規定，於授出日期按公平價值將已授出股份之權益補償費用入賬。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 24 OTHER RESERVES

## 24 其他儲備

		Share premium	Convertible bond reserve	Other reserve	Merger reserve	Share-based compensation reserves	Share redemption reserve	Exchange Reserve	Available-for-sale financial assets reserve	Shares held for share reward scheme	Total
		股份溢價	債券儲備	其他儲備	合併儲備	以股份為基礎之補償儲備	股份贖回儲備	匯兌儲備	可供出售金融資產儲備	股份獎勵計劃所持股份	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日	1,709,370	50,858	(17,421)	109,817	93,908	496	(28,286)	174,350	(116,608)	1,976,484
Fair value gain on available-for-sale financial assets, net of deferred tax (Notes 17 & 31)	可供出售金融資產公平值收益，扣除遞延稅項（附註17及31）	-	-	-	-	-	-	-	62,400	-	62,400
Fair value release on disposal of available-for-sale financial assets, net of deferred tax	出售可供出售金融資產時撥回之公平值，扣除遞延稅項	-	-	-	-	-	-	-	(95,755)	-	(95,755)
Currency translation difference	貨幣匯兌差異	-	-	-	-	-	-	13,876	-	-	13,876
Issuance of shares upon conversion of convertible bonds	兌換可換股債券後發行股份	326,506	-	-	-	-	-	-	-	-	326,506
Buy-back of shares	贖回股份	(29,861)	-	-	-	-	(30,549)	-	-	-	(60,410)
Exercise of new share options	行使新購股權	10,429	-	-	-	-	-	-	-	-	10,429
Share based compensation – value of employee services	以股份支付之補償－僱員服務價值	-	-	-	-	29,566	-	-	-	-	29,566
Share purchase under Share Award Scheme	根據股份獎勵計劃購入股份	-	-	-	-	-	-	-	-	(6,386)	(6,386)
Vesting of awarded shares	歸屬獎勵股份	3,075	-	-	-	(6,387)	-	-	-	3,312	-
Transactions with non-controlling interests (Notes 25)	與非控股權益進行之交易（附註25）	-	-	51,051	-	-	-	-	-	-	51,051
At 31 December 2016	於二零一六年十二月三十一日	2,019,519	50,858	33,630	109,817	117,087	(30,053)	(14,410)	140,995	(119,682)	2,307,761
At 1 January 2017	於二零一七年一月一日	2,019,519	50,858	33,630	109,817	117,087	(30,053)	(14,410)	140,995	(119,682)	2,307,761
Fair value loss on available-for-sale financial assets, net of deferred tax (Notes 17 & 31)	可供出售金融資產之公平值虧損，扣除遞延稅項（附註17及31）	-	-	-	-	-	-	-	(48,875)	-	(48,875)
Fair value release on disposal of available-for-sale financial assets, net of deferred tax	出售可供出售金融資產時撥回之公平值，扣除遞延稅項	-	-	-	-	-	-	-	(28,605)	-	(28,605)
Currency translation difference	貨幣匯兌差異	-	-	-	-	-	-	13,724	-	-	13,724
Issuance of shares in relation to contingent consideration arrangement	就或然代價安排發行股份	24,352	-	-	-	-	-	-	-	-	24,352
Issuance of new shares	發行新股份	513,227	-	-	-	-	-	-	-	-	513,227
Buy-back of shares	贖回股份	(55,848)	-	-	-	-	31,531	-	-	-	(24,317)
Share based compensation – value of employee services	以股份支付之補償－僱員服務價值	-	-	-	-	33,815	-	-	-	-	33,815
Exercise of share options	行使購股權	476	-	-	-	-	-	-	-	-	476
Vesting of awarded shares	歸屬獎勵股份	8,049	-	-	-	(28,313)	-	-	-	20,264	-
Partial redemption of convertible bonds – equity portion	部分贖回可換股債券－股權部分	-	(47,494)	-	-	-	-	-	-	-	(47,494)
Transactions with non-controlling interests (Notes 25)	與非控股權益進行之交易（附註25）	-	-	(6,123)	-	-	-	-	-	-	(6,123)
At 31 December 2017	於二零一七年十二月三十一日	2,509,775	3,364	27,507	109,817	122,589	1,478	(686)	63,515	(99,418)	2,737,941

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 24 OTHER RESERVES (Continued)

In accordance with the relevant PRC regulations applicable to wholly foreign owned enterprises, the PRC subsidiaries are required to appropriate to reserve fund an amount of not less than 10% of the profit after income tax, calculated based on the PRC accounting standards. Should the accumulated total of this reserve fund reach 50% of the registered capital of the PRC subsidiaries, the subsidiaries will not be required to make any further appropriation. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital.

During the year ended 31 December 2017, retained earnings amounted approximately RMB20,325,000 (2016: RMB23,840,000) had been transferred to the statutory reserve. As at 31 December 2017, retained earnings comprise statutory reserve fund amounting to RMB108,081,000 (2016: RMB87,756,000).

### 25 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

#### (a) Acquisition of additional interest in subsidiaries

On 21 July 2016, Beijing Zaichuang technology Co., Ltd\* (“北京慧聰再創科技有限公司”), a wholly-owned subsidiary of the Group, has entered into a share purchase agreement with Mr. Yu Zhiguo (喻治國). Pursuant to the agreement, Mr. Yu Zhiguo agreed to transfer 24% of the issued shares of Guanggong Shunde Huihui trading Co., Ltd (“廣東順德慧匯貿易有限公司”, or “Shunde Huihui”) for a purchase consideration of RMB1. The carrying amount of the non-controlling interests in Shunde Huihui held by Mr. Yu Zhiguo at the date of acquisition was RMB9,030. The Group recognised a decrease in non-controlling interests of RMB9,030 and increase in equity attributable to owners of the company of RMB9,029. After the transaction, the Group holds 84% of the issued shares of Shunde Huihui.

### 24 其他儲備(續)

根據適用於外商獨資企業之相關中國法規，中國附屬公司須按照中國會計準則算法撥出不少於除所得稅後溢利10%至儲備金。倘此儲備金累計總額達致中國附屬公司之註冊資本50%，則附屬公司將毋須作出任何進一步撥資。於獲得股東大會或同類權力機關之批准後，該儲備金僅可用作抵銷累計虧損或增資。

截至二零一七年十二月三十一日止年度，留存收益約人民幣20,325,000元(二零一六年：人民幣23,840,000元)已轉撥至法定儲備。於二零一七年十二月三十一日，留存收益包括法定儲備金人民幣108,081,000元(二零一六年：人民幣87,756,000元)。

### 25 與非控股權益之交易

#### (a) 收購附屬公司之額外權益

於二零一六年七月二十一日，本集團全資附屬公司北京慧聰再創科技有限公司(「北京慧聰再創科技有限公司」)與喻治國先生訂立購股協議。根據協議，喻治國先生同意按購買代價人民幣1元轉讓廣東順德慧匯貿易有限公司(「廣東順德慧匯貿易有限公司」或「順德慧匯」)已發行股份之24%。喻治國先生於收購日期於順德慧匯所持有之非控股權益賬面值為人民幣9,030元。本集團確認非控股權益減少人民幣9,030元及本公司擁有人應佔權益增加人民幣9,029元。於交易後，本集團持有順德慧匯已發行股份之84%。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 25 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued) 25 與非控股權益之交易(續)

## (a) Acquisition of additional interest in subsidiaries (Continued)

On 22 July 2016, 北京慧聰再創科技有限公司, a wholly-owned subsidiary of the Group, has entered into a share purchase agreement with Mr. Yu Zhiguo (喻治國). Pursuant to the agreement, Mr. Yu Zhiguo agreed to transfer 40% of the issued shares of Guangdong Shunde Congcong information technology Co., Ltd\* (“廣東順德聰聰網絡科技有限公司”, or “Shunde Congcong”) for a purchase consideration of RMB1. The carrying amount of the non-controlling interests in Shunde Congcong held by Mr. Yu Zhiguo at the date of acquisition was RMB71,726. The Group recognised a decrease in non-controlling interests of RMB71,726 and increase in equity attributable to owners of the company of RMB71,725. After the transaction, the Group holds 100% of the issued shares of Shende Congcong.

On 4 November 2017, Beijing Panpass Information Technology Co., Ltd\* (“北京兆信信息技術股份有限公司”), a subsidiary of the Group, has entered in a share purchase agreement with Beijing Kaixun Huishang anti-counterfeiting technology Co., Ltd\* (“北京凱迅惠商防偽技術有限責任公司”, or “Huishang”). Pursuant to the agreement, Huishang agreed to transfer 49% of the issued shares of Beijing Kaixun Zhaotong anti-counterfeiting technology Co., Ltd\* (“北京凱迅兆通防偽科技有限公司”, or “Zhaotong”) for a consideration of RMB12,500,000. The carrying amount of the non-controlling interests in Zhaotong held by Huishang at the date of acquisition was RMB6,377,000. The Group recognised a decrease in non-controlling interests of RMB6,377,000 and increase in other reserve of RMB6,123,000. After the transaction, the Group holds 100% of the issued shares of Zhaotong.

## (a) 收購附屬公司之額外權益(續)

於二零一六年七月二十二日，本集團全資附屬公司北京慧聰再創科技有限公司與喻治國先生訂立購股協議。根據協議，喻治國先生同意按購買代價人民幣1元轉讓廣東順德聰聰網絡科技有限公司（「廣東順德聰聰網絡科技有限公司」或「順德聰聰」）發行股份之40%。喻治國先生於收購日期於順德聰聰所持有之非控股權益賬面值為人民幣71,726元。本集團確認非控股權益減少人民幣71,726元及本公司擁有人應佔權益增加人民幣71,725元。於交易後，本集團持有順德聰聰之全部已發行股份。

於二零一七年十一月四日，本集團附屬公司北京兆信信息技術股份有限公司與北京凱迅惠商防偽技術有限責任公司（「惠商」）訂立購股協議。根據協議，惠商同意按代價人民幣12,500,000元轉讓北京凱迅兆通防偽科技有限公司（「北京凱迅兆通防偽科技有限公司」或「兆通」）發行股份之49%。惠商於收購日期於兆通所持有之非控股權益賬面值為人民幣6,377,000元。本集團確認非控股權益減少人民幣6,377,000元及其他儲備增加人民幣6,123,000元。於交易後，本集團持有兆通之全部已發行股份。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

## 25 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

### (b) Changes in ownership interests in subsidiaries without change of control

- (i) On 15 March 2016, Mr. Liu Jun (劉軍), Mr. Song Bingchen (宋冰晨), Mr. Han Gang (韓剛) and Mr. Xu Ke (許可) (collectively, the "GZ Subscribers") entered into a capital increase agreement with Shenzhen Jinhuicong Internet Technology Co. Ltd ("深圳市京慧聰網絡科技有限公司"), Beijing Huicong Information Technology Co. Ltd ("北京慧聰互聯資訊技術有限公司") and Guangzhou Huicong Internet Technology Co. Ltd ("廣州慧聰網絡科技有限公司" or "Guangzhou Huicong"), each of them being an indirect wholly-owned subsidiary of the Company.

Pursuant to the agreement, the parties agreed to increase the registered capital of Guangzhou Huicong from RMB5,000,000 to RMB8,333,333, comprising RMB3,333,333 to be contributed to the increase in registered capital of Guangzhou Huicong, and RMB5,000,000 to be contributed to the capital reserve of Guangzhou Huicong.

As at 31 December 2016, the total capital contribution by the GZ Subscribers amounted approximately RMB53,333,333, comprising approximately RMB3,333,333 contributed to the increase in registered capital of Guangzhou Huicong, and the remaining RMB50,000,000 was contributed to the capital reserve of Guangzhou Huicong.

After the transaction, the Group's equity interest in Guangzhou Huicong was diluted from 100% to 60%, while the remaining 40% equity interest was held by the GZ Subscribers.

## 25 與非控股權益之交易(續)

### (b) 不導致改變控制權之附屬公司擁有權益變動

- (i) 於二零一六年三月十五日，劉軍先生、宋冰晨先生、韓剛先生及許可先生(統稱「GZ認購人」)與深圳市京慧聰網絡科技有限公司、北京慧聰互聯資訊技術有限公司及廣州慧聰網絡科技有限公司(「廣州慧聰」)(各為本公司之間接全資附屬公司)訂立增資協議。

根據協議，訂約方同意將廣州慧聰之註冊資本由人民幣5,000,000元增加至人民幣8,333,333元，包括將對廣州慧聰註冊資本增加出資之人民幣3,333,333元及將對廣州慧聰資本儲備出資之人民幣50,000,000元。

於二零一六年十二月三十一日，GZ認購人合共出資約人民幣53,333,333元，包括將對廣州慧聰註冊資本增加出資約人民幣3,333,333元，而餘下人民幣50,000,000元已向廣州慧聰之資本儲備出資。

於交易後，本集團於廣州慧聰之股權已自100%攤薄至60%，而餘下40%股權則由GZ認購人持有。

		RMB'000 人民幣千元
Carrying amount of non-controlling interest disposed	所出售非控股權益之賬面值	-
Consideration received for the non-controlling interests	就非控股權益所收取之代價	(50,000)
Consideration paid in excess of carrying value recognised within equity	於權益內確認超出賬面值之已付代價	(50,000)

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 25 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued) 25 與非控股權益之交易(續)

## (b) Changes in ownership interests in subsidiaries without change of control (Continued)

- (ii) On 13 December 2016, a new shareholder injected capital amounting to RMB1,500,000 into Beijing Huicong Minan Tz-Commerce Co. Ltd\* (“北京慧聰民安電子商務有限公司”, or “Huicong Minan”), a non-wholly-owned controlling subsidiary of the Group. The new shareholder subscribes 15% of the equity interest of Huicong Minan. After the transaction, the Group's equity interest in Huicong Minan was diluted from 60% to 51%.

The carrying amount of the non-controlling interest disposed and consideration paid in excess of carrying value recognised within equity as a result of the transaction with non-controlling interests were as follows:

		2016 二零一六年 RMB'000 人民幣千元
Carrying amount of non-controlling interests disposed	所出售非控股權益之賬面值	530
Consideration received from the non-controlling interests	就非控股權益所收取之代價	(1,500)
Consideration paid in excess of carrying value recognised within equity	於權益內確認超出賬面值之已付代價	(970)

## (b) 不導致改變控制權之附屬公司擁有權權益變動(續)

- (ii) 於二零一六年十二月十三日，一名新股東向本集團非全資控股附屬公司北京慧聰民安電子商務有限公司(「慧民安」)注資人民幣1,500,000元。新股東認購慧民安15%股權。於交易後，本集團於慧民安之股權已自60%攤薄至51%。

由於與非控股權益進行交易，所出售非控股權益之賬面值及於權益內確認超出賬面值之已付代價載列如下：

\* English names are translated for identification purpose only

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 26 RECEIPT IN ADVANCE

#### 26 預收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Receipt in advance for O2O business exhibition centre business	就O2O商業展覽中心業務預收款項	40,282	473,970
Receipt in advance for B2B trading platform business	就B2B交易平台業務預收款項	150,506	7,720
Other receipt in advance	其他預收款項	13,075	12,132
		<b>203,863</b>	493,822
Less: Non-current	減：非流動	<b>(40,282)</b>	(40,282)
		<b>163,581</b>	453,540
Current	流動		

#### 27 DEFERRED GOVERNMENT GRANTS

#### 27 遞延政府補助

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current	非流動	175,658	185,508
Current	流動	20,627	14,500
		<b>196,285</b>	200,008

As at 31 December 2017, deferred government grants mainly represented a government grant amounted RMB185,508,000 (2016: RMB195,358,000) which was to subsidise the Group to provide rental discount to the prospective tenants of the O2O business exhibition centre in Shunde of Guangzhou. The conditions attached to the grant has been satisfied during the year ended 31 December 2016.

於二零一七年十二月三十一日，遞延政府補助主要指約人民幣185,508,000元(二零一六年：人民幣195,358,000元)之政府補助，用以資助本集團向廣州順德O2O商業展覽中心之準租戶所提供之租金折扣。此補助附帶之條件已於截至二零一六年十二月三十一日止年度達成。

## Notes to the Consolidated Financial Statements

合併財務報表附註

**28 TRADE PAYABLES, DEFERRED REVENUE AND ACCRUED EXPENSES AND OTHER PAYABLES****28 應付賬款、遞延收入以及應計費用及其他應付款項**

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables (Note a)	應付賬款(附註a)	19,482	7,916
Deferred revenue	遞延收入	158,983	244,367
Accrued salaries and staff benefits	應計薪酬及員工福利	28,190	22,826
Accrued agency commissions	應計代理佣金	17,564	15,385
Accrued expenses	應計費用	72,903	109,647
Deposit from customers	客戶存款	73,507	51,528
Other payables	其他應付款項	27,700	17,496
		<b>398,329</b>	469,165

(a) The aging analysis of trade payables is as follows:

(a) 應付賬款之賬齡分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current to 90 days	即期至90天	9,843	6,136
91 to 180 days	91至180天	6,426	1,163
181 to 365 days	181至365天	2,142	395
Over 1 year	超過一年	1,071	222
		<b>19,482</b>	7,916



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 29 BORROWINGS

#### 29 借貸

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current portion:	非流動部分：		
Bank borrowings	銀行借貸	712,376	127,376
Other borrowings	其他借貸	267,412	22,206
		<b>979,788</b>	149,582
Current portion:	流動部分：		
Bank borrowings	銀行借貸	393,837	724,528
Other borrowings	其他借貸	123,505	9,372
		<b>517,342</b>	733,900
		<b>1,497,130</b>	883,482

Movements in borrowings is analysed as follows:

借貸之變動分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	883,482	527,309
Acquisition of a subsidiary	收購一間附屬公司	368,890	–
Additions of borrowings	新增借貸	944,368	940,818
Repayments of borrowings	償還借貸	(699,610)	(584,645)
At 31 December	於十二月三十一日	<b>1,497,130</b>	883,482

## Notes to the Consolidated Financial Statements

合併財務報表附註

**29 BORROWINGS** (Continued)

Bank borrowings bear average interest rate of 5.98% per annum (2016: 5.95% per annum), part of which amounting to RMB507,376,000 are secured by certain properties and land use right with carrying value amounting to RMB1,054,040,000 (2016: RMB257,271,000).

Other borrowings of RMB27,816,000 were obtained for the investment in an associate are provided by the non-controlling shareholder of Huicong Tianjin, in which 25% of its equity interest is effectively held by Liu Jun, an executive director and the chief executive officer of the Company as disclosed in Note 13. The borrowings are unsecured, mature ranging from 2017 to 2019 and bear average interest rate of 6.2% per annum (2016: 6.3% per annum). During the year ended 31 December 2017, the corresponding interest expenses was approximately RMB1,639,000 (2016: RMB1,652,000).

Other borrowings also included loans of RMB355,000,000 provided by independent asset management companies and private equity fund for operational purpose. The loans from third parties bear average interest rate of 6.2% per annum. Part of which amounting to RMB255,000,000 are secured by certain loans receivable with carrying value amounting to RMB381,730,000.

The carrying amounts of borrowings approximate their fair values and are denominated in RMB.

**29 借貸(續)**

到期之銀行借貸按平均年利率5.98厘(二零一六年：年利率5.95厘)計息，部分借貸人民幣507,376,000元以賬面值為人民幣1,054,040,000元(二零一六年：人民幣257,271,000元)之若干物業及土地使用權作抵押。

就於一間聯營公司投資取得之共人民幣27,816,000元其他借貸由慧聰天津之非控股股東提供，而誠如附註13所披露，慧聰天津25%之股本權益由本公司執行董事兼行政總裁劉軍實際擁有。該借貸為無抵押，並於二零一七年至二零一九年到期，且按平均年利率6.2厘(二零一六年：年利率6.3厘)計息。截至二零一七年十二月三十一日止年度，有關利息開支約為人民幣1,639,000元(二零一六年：人民幣1,652,000元)。

其他借貸亦包括由獨立資產管理公司所提供人民幣355,000,000元之貸款及用於營運之私募股權基金。來自第三方之貸款按平均年利率6.2厘計息。部分借貸人民幣255,000,000元以賬面值為人民幣381,730,000元之若干應收貸款作抵押。

該借貸之賬面值與其公平值相若，並以人民幣列值。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 29 BORROWINGS (Continued)

The table below summarises the maturity analysis of bank and other borrowings based on agreed scheduled repayments set out in the loan agreements.

		Bank borrowings		Other borrowings	
		銀行借貸		其他借貸	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within 1 year	一年內	393,837	724,528	123,505	9,372
Between 1 and 2 years	一年至兩年內	572,376	127,376	257,555	19,792
Between 2 and 5 years	兩年至五年內	140,000	–	9,857	2,414
		<b>1,106,213</b>	851,904	<b>390,917</b>	31,578

As at 31 December 2017, the Group has no undrawn banking facilities (2016: RMB12,624,000).

#### 30 CONVERTIBLE BONDS

The Company issued convertible bonds with a coupon rate of 5% per annum at a total principal value of HK\$780,000,000 (Equivalent to approximately RMB615,342,000) on 27 November 2014 (the "2014 Convertible Bonds"). The 2014 Convertible Bonds will mature on 27 November 2019 at its principal amount or can be converted into the Group's shares at the bondholder's option at rate of HK\$11.63 per share or at the option of the bondholder to redeem all or some only of the convertible bonds on 27 November 2017, with unconditional right, at their principal amount together with interest accrued but unpaid to such date. The convertible bonds is classified as current liabilities.

#### 29 借貸(續)

下表概述按貸款協議所載經協定預設還款日期編製之銀行借貸及其他借貸到期日分析。

#### 30 可換股債券

本公司於二零一四年十一月二十七日發行本金總額為780,000,000港元(相當於約人民幣615,342,000元)，票面息率每年5%之可換股債券(「二零一四年可換股債券」)。二零一四年可換股債券將於二零一九年十一月二十七日按其本金額到期或根據債券持有人的選擇以每股11.63港元兌換為本集團股份或於二零一七年十一月二十七日按債券持有人的選擇以本金額連同直至該日期尚未償付之累計利息以無條件權利贖回全部或部分可換股債券。可換股債券分類為流動負債。

## Notes to the Consolidated Financial Statements

合併財務報表附註

**30 CONVERTIBLE BONDS (Continued)**

On 26 May 2016, the Company issued another zero-coupon convertible bond to three executive director of the Company, in an aggregate principal amount of HK\$380,000,000 ("2016 Convertible Bonds"). The convertible bonds will mature on 25 May 2019 at its principal amount or can be converted into the Group's shares at the bondholder's option at rate of HK\$4 per share. On 31 May 2016, the Company received conversion notices from the bondholders. As a result of the Conversion, on 1 June 2016, the Company allotted and issued in aggregate of 95,000,000 share (Note 23) to the bondholder.

On 27 November 2017, at the request of the 2014 Convertible Bonds holders, the Company redeemed HK\$728,400,000 (equivalent to RMB616,059,000) of the outstanding principle of the bonds, which represent approximately 93.38% of the initial principal amount of the bond. The liabilities component of convertible bonds recognised in the consolidated statement of financial position were as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
2014 Convertible bond	二零一四年可換股債券	41,387	654,743
2016 Convertible bond	二零一六年可換股債券	-	-
At 31 December		41,387	654,743

**30 可換股債券(續)**

於二零一六年五月二十六日，本公司向三名本公司執行董事發行另一項本金總額為380,000,000港元之零息可換股債券(「二零一六年可換股債券」)。二零一六年可換股債券將於二零一九年五月二十五日按其本金額到期或根據債券持有人之選擇以每股4港元兌換為本集團股份。於二零一六年五月三十一日，本公司自債券持有人接獲兌換通知。於二零一六年六月一日，本公司因進行兌換而向債券持有人配發及發行合共95,000,000股股份(附註23)。

於二零一七年十一月二十七日，按二零一四年可換股債券持有人之要求，本公司贖回債券之尚未償還本金728,400,000港元(相當於人民幣616,059,000元)，相當於債券初始本金額約93.38%。於合併財務狀況表確認之可換股債券負債部分如下：

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 30 CONVERTIBLE BONDS (Continued)

#### 30 可換股債券(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>2014 Convertible bond</b>	<b>二零一四年可換股債券</b>		
At 1 January	於一月一日	<b>654,743</b>	600,225
Effective interest expense (Note 38)	實際利息開支(附註38)	<b>43,893</b>	46,632
Fair value loss on early redemption (Note 38)	提早贖回之公平值虧損(附註38)	<b>2,702</b>	–
Currency translation differences	貨幣匯兌差異	<b>(39,235)</b>	41,249
Principal redeemed	已贖本金	<b>(587,030)</b>	–
Interest paid	已付利息	<b>(33,686)</b>	(33,363)
At 31 December	於十二月三十一日	<b>41,387</b>	654,743

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>2016 Convertible bond</b>	<b>二零一六年可換股債券</b>		
Fair value of convertible bond issued on 26 May 2016	於二零一六年五月二十六日發行之可換股債券之公平值	–	343,017
Equity component	股權部分	–	(157,323)
Fair value loss recognised	已確認公平值虧損	–	22,297
Conversion of convertible bonds	兌換可換股債券	–	(207,991)
At 31 December	於十二月三十一日	–	–

The carrying amounts of convertible bonds – liabilities component are denominated in HK\$.

可換股債券 – 負債部分之賬面值以港元計值。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 31 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same tax jurisdiction. The offset amounts are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Deferred income tax assets (to be recovered after more than 12 months)	遞延所得稅資產 (將於超過十二個月後退回)	21,115	11,386
Deferred income tax liabilities (to be settled after more than 12 months)	遞延所得稅負債 (將於超過十二個月後清繳)	(271,710)	(144,654)
		<b>(250,595)</b>	<b>(133,268)</b>

The net movement on the deferred income tax account is as follows:

遞延所得稅賬目變動淨額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	(133,268)	(130,860)
Acquisition of subsidiaries (Note 15)	收購附屬公司(附註15)	(140,309)	(10,513)
Charged to the other comprehensive income	於其他全面收入支銷	15,779	7,428
Charged to the consolidated statement of profit or loss	於合併損益表扣除	6,423	677
Currency translation differences	貨幣匯兌差異	780	-
At 31 December	於十二月三十一日	<b>(250,595)</b>	<b>(133,268)</b>

As at 31 December 2017, deferred income tax liabilities of RMB131,325,000 (2016: RMB93,879,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of subsidiaries in the PRC. The unremitted earnings are to be used for reinvestment. The income tax liability is not recognised where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

於二零一七年十二月三十一日，尚未就中國附屬公司之未匯出盈利而應付之預扣稅確認為遞延所得稅負債人民幣131,325,000元(二零一六年：人民幣93,879,000元)。未匯出盈利將用作再投資。倘暫時差額撥回之時間由本集團控制及暫時差額在可預見未來將不會撥回，所得稅負債則不予確認。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 31 DEFERRED INCOME TAX (Continued)

The movements in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same taxation jurisdiction, are as follows:

##### Deferred tax assets

		Tax losses		Bad debt provision		Total	
		稅項虧損		壞賬撥備		總計	
		2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	11,171	17,149	215	122	11,386	17,271
Acquisition of subsidiaries (Note 15)	收購附屬公司 (附註15)	-	12	15,991	-	15,991	12
(Charged)/credited to the consolidated statement of profit or loss	於合併損益表 (扣除)/計入	(3,043)	(5,990)	(3,219)	93	(6,262)	(5,897)
At 31 December	於十二月三十一日	8,128	11,171	12,987	215	21,115	11,386

#### 31 遞延所得稅(續)

年內遞延稅項資產與負債變動(未計及抵銷同一稅務司法權區結餘)如下：

##### 遞延稅項資產

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 31 DEFERRED INCOME TAX (Continued)

## 31 遞延所得稅(續)

## Deferred tax liabilities

## 遞延稅項負債

		Fair value gains		Dividends		Deferred expenses		Total	
		公平值收益		股息		遞延開支		總計	
		2017	2016	2017	2016	2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	124,506	133,696	-	-	20,148	14,435	144,654	148,131
Acquisition of subsidiaries (Note 15)	收購附屬公司(附註15)	156,300	10,525	-	-	-	-	156,300	10,525
Credited to the other comprehensive income	於其他全面收入計入	(15,779)	(8,553)	-	-	-	-	(15,779)	(8,553)
(Credited)/charged to the consolidated statement of profit or loss	於合併損益表(扣除)/計入	(12,428)	(11,162)	4,579	-	(4,836)	5,713	(12,685)	(5,449)
Currency translation difference	貨幣匯兌差異	(780)	-	-	-	-	-	(780)	-
At 31 December	於十二月三十一日	251,819	124,506	4,579	-	15,312	20,148	271,710	144,654

Deferred income tax assets are recognised for tax loss carried forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group have no unrecognised tax losses as at 31 December 2017 (2016: Nil).

相關稅務利益很大可能透過未來應課稅溢利變現時，方就遞延所得稅資產確認結轉稅項虧損。本集團於二零一七年十二月三十一日概無未確認稅項虧損(二零一六年：無)。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

### 32 INCOME TAX PAYABLE AND OTHER TAXES PAYABLE 32 應繳所得稅及其他應繳稅項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Income tax payable:	應繳所得稅：		
Corporate income tax	企業所得稅	65,298	59,846
Other taxes payable:	其他應繳稅項：		
Value added tax	增值稅	3,427	9,965
Cultural and development tax	文化及發展稅	5,681	4,749
Land appreciation tax	土地增值稅	20,373	15,788
Other taxes	其他稅項	4,941	6,396
		34,422	36,898

### 33 OTHER INCOME 33 其他收入

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Government grants	政府補助	38,349	18,553
Dividend income	股息收入	6,010	1,037
		44,359	19,590

Various government grants have been received from the local government authority for promoting electronic trading platform among the enterprise in the PRC. The conditions specified in the government approval were fully achieved during the year.

本集團已就於中國推行企業間電子貿易平台收取當地政府機構之多項政府補助。年內，政府批准之特定條件已悉數達成。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 34 OTHER GAINS, NET

## 34 其他收益淨額

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Impairment loss recognised in respect of investment in associates	就於聯營公司投資確認之減值虧損	—	(8,374)
Gains on disposal of an associate	出售一間聯營公司收益	5,000	—
Gains on disposal of available-for-sale financial assets	出售可供出售金融資產收益	34,217	148,488
Change in fair value on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動	(6,913)	(8,397)
Fair value gains on step acquisition (Note 15(b))	分階段收購之公平值收益(附註15(b))	117,963	—
Exchange loss	匯兌虧損	(484)	(20,864)
Change in fair value on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債公平值變動	18,472	(4,700)
		<b>168,255</b>	<b>106,153</b>

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 35 PROFIT BEFORE INCOME TAX

#### 35 除所得税前溢利

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
The profit before income tax is arrived at after charging:	除所得税前溢利經扣除以下各項後達致：		
Cost of properties sold	已售物業成本	253,867	472,166
Direct expenses of B2B trading platform	B2B買賣平台之直接費用	2,027,703	126,429
Agency cost	代理商費用	68,047	97,116
Marketing and consultancy expenses	市場推廣及諮詢費用	189,803	193,468
Amortisation of land use rights (Note 6)	土地使用權攤銷(附註6)	4,737	1,147
Amortisation of investment properties (Note 7)	投資物業攤銷(附註7)	18,258	3,043
Amortisation of intangible assets (Note 10)	無形資產攤銷(附註10)	63,811	50,194
Depreciation of property, plant and equipment (Note 9)	物業、廠房及設備折舊(附註9)	30,424	27,646
Auditor's remuneration	核數師酬金		
– Audit services	– 審核服務	4,716	3,379
– Non – audit services	– 非審核服務	3,508	2,096
Employee benefits expenses (Note 36)	僱員福利開支(附註36)	404,796	367,694
Staff commission	員工佣金	70,582	72,059
Provision for impairment of trade receivables	應收賬款之減值撥備	13,549	878
Reversal of provision of impairment of loans receivable	應收貸款減值撥備撥回	(13,406)	–
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	(108)	(426)
Operating lease payments in respect of land and buildings	有關土地及樓宇之經營租約付款	56,945	34,945

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 36 EMPLOYEE BENEFITS EXPENSES

## 36 僱員福利開支

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Wages and salaries	工資及薪金	313,801	281,275
Retirement benefits costs (a)	退休福利成本(a)	57,180	56,853
Share based compensation – Share Option Scheme	以股份支付之補償－購股權計劃	17,786	11,245
Share based compensation – Share Award Scheme	以股份支付之補償－股份獎勵計劃	16,029	18,321
		<b>404,796</b>	367,694

The employee benefits expenses amounting to RMB181,073,000 (2016: RMB173,432,000) and RMB223,723,000 (2016: RMB194,262,000) are recognised in administrative expenses and selling and marketing expenses, respectively in the consolidated statement of comprehensive income.

- (a) In accordance with the PRC regulations, the Group is required to make annual contributions to the state retirement plans calculated at 20% of the basic salaries of the employees, and employees are required to contribute 8% of their basic salaries to the plans. The Group has no obligations for further pension payments or any post-retirement benefits beyond these annual contributions. The retirement benefits are paid directly from the plan assets to the retired employees and are calculated by reference to their monthly basic salaries at the date of retirement and periods of service rendered.

As at 31 December 2017, there were no forfeited contributions available to offset future retirement benefit obligations of the Group.

金額為人民幣181,073,000元(二零一六年：人民幣173,432,000元)及人民幣223,723,000元(二零一六年：人民幣194,262,000元)之僱員福利開支分別計入合併綜合收益表之行政費用以及銷售及市場推廣費用。

- (a) 根據中國規例，本集團每年須按僱員基本薪金20%向國家退休計劃供款，僱員則須向該等計劃作出其基本薪金8%之供款。除該等年度供款外，本集團毋須承擔其他退休金付款或任何退休後福利。退休福利由該等計劃資產直接向退休僱員支付，並參考其於退休日期之基本月薪及提供服務之年期計算。

於二零一七年十二月三十一日，概無沒收供款可供用於抵銷本集團日後退休福利責任。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 36 EMPLOYEE BENEFITS EXPENSES (Continued)

##### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2016: two) directors whose emolument is reflected in the analysis presented above. The emoluments paid and payable to the two (2016: three) individuals during the year are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	3,307	7,175
Retirement plan contributions	退休計劃供款	164	101
		<b>3,471</b>	<b>7,276</b>

The emoluments for these two individuals (2016: three) fell within the following bands:

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
Nil to HKD1,000,000	零至1,000,000港元	-	1
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	1	-
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	1	-
HKD2,000,001 to HKD2,500,000	2,000,001港元至2,500,000港元	-	-
HKD2,500,001 to HKD3,000,000	2,500,001港元至3,000,000港元	-	2

- (c) During the year, no emoluments have been paid by the Group to the directors or the five highest paid individuals mentioned above as an inducement to join or upon joining the Group, or as compensation for loss of office (2016: Nil).

#### 36 僱員福利開支(續)

##### (b) 五位最高薪人士

年內，本集團五位最高薪人士包括三名(二零一六年：兩名)董事，董事之酬金已於上文所呈列之分析中反映。於年內已付及應付予該兩名(二零一六年：三名)人士之酬金如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	3,307	7,175
Retirement plan contributions	退休計劃供款	164	101
		<b>3,471</b>	<b>7,276</b>

該兩名(二零一六年：三名)人士之酬金範圍如下：

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
Nil to HKD1,000,000	零至1,000,000港元	-	1
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	1	-
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	1	-
HKD2,000,001 to HKD2,500,000	2,000,001港元至2,500,000港元	-	-
HKD2,500,001 to HKD3,000,000	2,500,001港元至3,000,000港元	-	2

- (c) 年內，本集團並無向董事或上述五位最高薪人士支付任何酬金，作為加入或於加入本集團時之報酬或離職補償(二零一六年：無)。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 37 BENEFITS AND INTERESTS OF DIRECTORS

## 37 董事福利及權益

## (a) Directors' and chief executive's emoluments

The remuneration of every director and chief executive for the year ended 31 December 2016 and 2017 is set out below:

## (a) 董事及主要行政人員之酬金

截至二零一六年及二零一七年十二月三十一日止年度，各董事及主要行政人員之薪酬載列如下：

Name 姓名	Fees 袍金 RMB'000 人民幣千元	Salary 薪金 RMB'000 人民幣千元	Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking 就擔任本公司或其附屬公司事務董事之人士已付或應收之酬金：		Total 總計 RMB'000 人民幣千元	
			Estimated value of other benefit 估計其他福利之貨幣價值 RMB'000 人民幣千元	Employer's contribution to a retirement benefit scheme 僱主對退休福利計劃的供款 RMB'000 人民幣千元		
<b>2017:</b>						
<b>二零一七年：</b>						
Mr. Guo Fansheng (Note i)	郭凡生先生(附註i)	-	500	-	82	582
Mr. Guo Jiang	郭江先生	-	600	5,011	82	5,693
Mr. Lee Wee Ong	Lee Wee Ong先生	-	720	219	137	939
Mr. Liu Jun	劉軍先生	-	600	10,293	82	10,975
Mr. Zhang Ke	張克先生	250	-	-	-	250
Mr. Zhang Tim Tianwei	張天偉先生	220	-	-	-	220
Mr. Tang Jie (Note ii)	湯捷先生(附註ii)	242	-	-	-	242
Mr. Wong Chi Keung	王自強先生	-	-	-	-	-
Mr. Li Jianguang	李建光先生	-	-	-	-	-
Ms. Qi Yan (Note iii)	祁燕女士(附註iii)	18	-	-	-	18
<b>2016:</b>						
<b>二零一六年：</b>						
Mr. Guo Fansheng	郭凡生先生	-	600	-	76	676
Mr. Guo Jiang	郭江先生	-	600	5,011	76	5,687
Mr. Lee Wee Ong	Lee Wee Ong先生	-	720	438	-	1,158
Mr. Liu Jun	劉軍先生	-	600	-	76	676
Mr. Zhang Ke	張克先生	250	-	-	-	250
Mr. Zhang Tim Tianwei	張天偉先生	230	-	-	-	230
Mr. Tang Jie	湯捷先生	73	-	-	-	73
Mr. Wong Chi Keung (Note iv)	王自強先生(附註iv)	-	-	-	-	-
Mr. Li Jianguang	李建光先生	-	-	-	-	-
Dr. Xiang Bing (Note v)	項兵博士(附註v)	165	-	-	-	165
Mr. Guo Wei (Note vi)	郭為先生(附註vi)	-	-	-	-	-

## Notes to the Consolidated Financial Statements 合併財務報表附註

### 37 BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

#### (a) Directors' and chief executive's emoluments

(Continued)

Note:

- (i) Mr. Guo was re-designated as a non-executive director with effect from 18 October 2017.
- (ii) Mr. Tang Jie had resigned as an independent non-executive director with effect from 30 November 2017.
- (iii) Ms Qi Yan was appointed as an independent non-executive director with effect from 30 November 2017.
- (iv) Mr. Wong Chi Keung was appointed as a non-executive director with effect from 12 September 2016.
- (v) Dr. Xiang Bing has resigned as an independent director with effect from 12 September 2016.
- (vi) Mr. Guo Wei had resigned as a non-executive director with effect from 12 September 2016.

#### (b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31 December 2017 (2016: Nil).

#### (c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 December 2017 (2016: Nil).

#### (d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2017, the Company did not pay consideration to any third parties for making available directors' services (2016: Nil).

### 37 董事福利及權益(續)

#### (a) 董事及主要行政人員之酬金(續)

附註：

- (i) 郭凡生先生獲調任為非執行董事，自二零一七年十月十八日起生效。
- (ii) 湯捷先生辭任獨立非執行董事，自二零一七年十一月三十日起生效。
- (iii) 祁燕女士獲委任為獨立非執行董事，自二零一七年十一月三十日起生效。
- (iv) 王自強先生獲委任為非執行董事，自二零一六年九月十二日起生效。
- (v) 項兵博士辭任獨立董事，自二零一六年九月十二日起生效。
- (vi) 郭為先生辭任非執行董事，自二零一六年九月十二日起生效。

#### (b) 董事退休福利

截至二零一七年十二月三十一日止年度，概無董事已收取或將收取任何退休福利(二零一六年：無)。

#### (c) 董事終止僱傭福利

截至二零一七年十二月三十一日止年度，概無董事已收取或將收取任何終止僱傭福利(二零一六年：無)。

#### (d) 就作出董事服務向第三方提供之代價

截至二零一七年十二月三十一日止年度，本公司概無就作出董事服務向任何第三方支付代價(二零一六年：無)。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 37 BENEFITS AND INTERESTS OF DIRECTORS 37 董事福利及權益(續)

(Continued)

**(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**

During the year ended 31 December 2017, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2016: Nil).

**(f) Directors' material interests in transactions, arrangements or contracts**

Save as disclosed in Note 29 and Note 47, no other transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiary was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the years or at any time during the years.

**(g) No director received any housing allowance; emolument from the Group as an inducement to join or leave the Group or compensation for loss of office; emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking during the years ended 31 December 2017 (2016: Nil).****(e) 有關以董事、受控制法人團體及該等董事之關連實體為受益人之貸款、準貸款及其他交易之資料**

截至二零一七年十二月三十一日止年度，概無有關以董事或受控制法人團體及該等董事之關連實體為受益人之貸款、準貸款及其他交易安排(二零一六年：無)。

**(f) 董事於交易、安排或合約中之重大權益**

除附註29及附註47所披露者外，本集團概無就其業務訂立本公司附屬公司為其中訂約方及本公司董事直接或間接擁有重大權益而於該等年度終或該等年度內任何時間仍然存續之重大交易、安排及合約。

**(g) 截至二零一七年十二月三十一日止年度，概無董事已收取任何房屋津貼、來自本集團之酬金以作為加入或離開本集團時之報酬或離職補償或董事就管理本公司或其附屬公司事務之其他服務已付或應收取酬金(二零一六年：無)。**



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 38 FINANCE COST, NET

#### 38 財務成本淨額

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest expense:	利息開支：		
– Bank borrowings	– 銀行借貸	(54,405)	(36,088)
– Other borrowings	– 其他借貸	(1,639)	(1,655)
– Convertible bonds (Note 30)	– 可換股債券(附註30)	(43,893)	(46,632)
– Others	– 其他	(4,428)	(375)
Fair value loss on early redemption of convertible bonds	提早贖回可換股債券之公平值 虧損	(2,702)	–
Fair value loss on issuance of convertible bonds	發行可換股債券之公平值虧損	–	(22,297)
		<b>(107,067)</b>	(107,047)
Less: amounts capitalised on qualifying assets	減：合資格資產之資本化金額	–	9,674
Finance cost	財務成本	<b>(107,067)</b>	(97,373)
<b>Finance income</b>	<b>財務收入</b>	<b>21,105</b>	47,375
<b>Finance cost, net</b>	<b>財務成本淨額</b>	<b>(85,962)</b>	(49,998)

Finance costs of the loans used to finance the O2O business exhibition centre development projects have been capitalised in properties under development and investment properties up to the completion of construction, at a capitalisation rate of 6.48% for the year ended 31 December 2016. The construction has been completed during the year ended 31 December 2016.

用作撥付O2O商業展覽中心發展項目之貸款財務成本已按截至二零一六年十二月三十一日止年度的資本化率6.48%於發展中物業及投資物業中撥充資本，直至完工。建造工作於截至二零一六年十二月三十一日止年度完成。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 39 INCOME TAX EXPENSE

## 39 所得稅開支

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current income tax expense	當期所得稅開支		
– Hong Kong profits tax (Note a)	– 香港利得稅(附註a)	–	–
– The PRC Corporate income tax (“CIT”) (Note b)	– 中國企業所得稅(「企業所得稅」)(附註b)	65,335	57,316
– The PRC land appreciation tax (“LAT”) (Note c)	– 中國土地增值稅(「土地增值稅」)(附註c)	17,046	36,187
– The PRC Withholding tax (Note d)	– 中國預提所得稅(附註d)	22,800	–
Deferred income tax (credit)/expense	遞延所得稅(抵免)/開支		
– The PRC Corporate income tax (Note 31)	– 中國企業所得稅(附註31)	(11,002)	(677)
– The PRC Withholding tax (Note e)	– 中國預提所得稅(附註e)	4,579	–
		<b>98,758</b>	<b>92,826</b>

- (a) No Hong Kong profits tax has been provided as there is no assessable profit arising in Hong Kong for the year (2016: Nil).
- (a) 由於年內並無於香港產生應課稅溢利，故並未就香港利得稅作出撥備(二零一六年：無)。
- (b) The PRC corporate income tax represents taxation charged on assessable profits for the year at the rates of taxation prevailing in the cities in the PRC in which the Group operates.
- The tax rate applicable to the subsidiaries in the PRC is 25%, except for certain subsidiaries of the Group in the PRC that were approved as High and New Technology Enterprise, and accordingly, they were subject to a reduced preferential CIT rate of 15% for a 3-year period according to the applicable CIT Law, and would successively expire by 2020.
- (b) 中國企業所得稅指於本年度按本集團於中國業務所在各個城市現行稅率就應課稅溢利繳納之稅項。
- 中國之附屬公司之適用稅率為25%，惟獲批准作為高新技術企業之本集團若干中國附屬公司則除外，根據適用所得稅法，其於三年期間按15%之較低優惠企業所得稅稅率繳付稅項，並將於二零二零年前相繼屆滿。
- (c) The PRC Land Appreciation Tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use right and all property development expenditures.
- (c) 中國土地增值稅乃就土地增值數額(即銷售物業所得款項減包括土地使用權及所有物業發展開支在內之可扣減開支)按介乎30%至60%之遞增稅率徵收。
- (d) According to applicable tax regulations prevailing in the PRC, dividends distributed by a company established in the PRC to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to a 10% withholding tax.
- (d) 根據中國現行適用之稅務規例，於中國成立之公司向其境外投資者派付於二零零八年一月一日之後賺取之溢利所產生股息，將須繳納10%之預提所得稅。
- (e) As at 31 December 2017, the Group recognised the relevant deferred tax liabilities of RMB4,579,000 (31 December 2016: Nil) on dividend declared by a PRC subsidiary but not yet paid.
- (e) 於二零一七年十二月三十一日，本集團就一間附屬公司為確認但尚未償還之相關遞延稅項負債為人民幣4,579,000元(二零一六年十二月三十一日：無)。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 39 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before tax from continuing operations differs from the theoretical amount that would arise using the taxation rate of the home country of the Group companies as follows:

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	除所得稅前溢利	416,068	393,502
Tax calculated at 25% (2016: 25%)	按25%稅率計算之稅項 (二零一六年：25%)	104,017	98,376
Effect of different taxation rates in other cities/ under preferential tax treatment	其他城市採納不同稅率/ 根據優惠稅率之影響	(33,966)	(31,575)
Income not taxable	毋須課稅收入	(33,433)	(24,501)
PRC land appreciation tax deductible for PRC corporate income tax purposes	已就中國企業所得稅作出扣減的 中國土地增值稅	(4,262)	(9,047)
Expenses not deductible for tax purposes	不可扣稅之費用	26,556	23,386
Withholding tax for dividend paid	已付股息之預提稅	22,800	—
PRC corporate income tax	中國企業所得稅	81,712	56,639
PRC land appreciation tax	中國土地增值稅	17,046	36,187
Income tax expense	所得稅開支	98,758	92,826

#### 39 所得稅開支(續)

本集團有關持續經營業務除稅前溢利之稅項與採用本集團公司所在國家之稅率計算所得理論數額差異如下：

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 40 EARNINGS PER SHARE

## 40 每股盈利

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit attributable to equity holders of the Company 本公司權益持有人應佔溢利		<b>267,777</b>	181,784
		2017 二零一七年 No. of shares 股份數目 (‘000) (千股)	2016 二零一六年 No. of shares 股份數目 (‘000) (千股)
Weighted average number of shares in issue 已發行股份之加權平均數		<b>1,010,215</b>	965,982
Incremental shares from assumed exercise of share options granted 假設行使已授出購股權而增加之股份		<b>36,083</b>	15,728
Diluted weighted average number of shares 攤薄股份之加權平均數		<b>1,046,298</b>	981,710
Basic earnings per share (in RMB) 每股基本盈利(人民幣)		<b>0.2651</b>	0.1882
Diluted earnings per share (in RMB) 每股攤薄盈利(人民幣)		<b>0.2559</b>	0.1852

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company (Note 23).

每股基本盈利按本公司擁有人應佔溢利除以年內已發行普通股加權平均數計算(不包括本公司購買之普通股)(附註23)。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 40 EARNINGS PER SHARE (Continued)

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has two categories of dilutive potential ordinary shares: convertible debt and share options. The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. Since diluted earnings per share is increased when taking into account the adjustment on conversion of the convertible debt, the convertible debt is anti-dilutive and is ignored in the calculation of diluted earnings per share.

#### 41 DIVIDENDS

#### 40 每股盈利(續)

每股攤薄盈利按調整流通在外的普通股加權平均數以假設所有潛在攤薄普通股已獲轉換而計算。本公司有兩類潛在攤薄普通股：可換股債項及購股權。可換股債項假設已轉換為普通股，而純利經已調整以撇銷利息開支扣除稅務影響。就購股權而言，假設購股權獲行使時應已發行之股份數目扣除按相同所得款項總額公平值（按年度每股股份之平均市價釐定）可予發行之股份數目後，即得出無償發行之股份數目。由於計入調整兌換可換股債務會增加每股攤薄盈利，故可換股債務具反攤薄影響，且並無用作計算每股攤薄盈利。

#### 41 股息

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interim dividend paid of HK\$0.02 (2016: Nil) per share (Note a)	已付中期股息每股0.02港元 (二零一六年：無)(附註a)	17,953	-
No proposed final dividend (2016: final dividend of HK\$0.05 per share (Note b))	概無建議末期股息(二零一六年： 末期股息每股0.05港元 (附註b))	-	43,385
		<b>17,953</b>	<b>43,385</b>

Notes:

- (a) An interim dividend of HK\$0.02 per share (2016 Nil) was declared paid on 18 September 2017.
- (b) No final dividend of financial year ended 31 December 2017 was declared (2016: final dividend of HK\$0.05 per share, amounting to RMB43,385,000 was paid on 30 June 2017.)

附註：

- (a) 中期股息每股0.02港元(二零一六年：無)已於二零一七年九月十八日派付。
- (b) 截至二零一七年十二月三十一日止財政年度，概無宣派末期股息(二零一六年：末期股息每股0.05港元，合共人民幣43,385,000元，已於二零一七年六月三十日派付。)

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 42 CASH GENERATED FROM OPERATIONS

## 42 經營業務產生之現金

## (a) Reconciliation of profit before taxation to net cash generated from operating activities

## (a) 除稅前溢利與經營業務產生之現金淨額對賬

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	416,068	393,502
Adjustments for:	調整：		
Depreciation of property, plant and equipment (Note 9)	物業、廠房及設備之折舊(附註9)	30,424	27,646
Amortisation of intangible assets (Note 10)	無形資產攤銷(附註10)	63,811	50,194
Provision for impairment of trade receivables (Note 11)	應收賬款之減值撥備(附註11)	13,459	878
Reversal of provision of impairment of loans receivable	應收貸款減值撥備撥回	(13,406)	—
Amortisation of land use rights	土地使用權攤銷	4,737	1,147
Amortisation of investment properties	投資物業攤銷	18,258	3,043
Impairment loss of investment in associate	於聯營公司投資之減值虧損	—	8,374
Gains on disposal of an associate	出售一間聯營公司之收益	(5,000)	—
Government grants income	政府補助收入	(38,349)	(1,642)
Share based compensation – value of employee services (Note 36)	以股份支付之補償－僱員服務價值(附註36)	33,815	29,566
Gain on disposal of property, plant and equipment (Note b)	出售物業、廠房及設備之收益(附註b)	(108)	(426)
Gain on disposal of available-for-sale financial assets	出售可供出售金融資產之收益	(34,217)	(148,488)
Dividend income	股息收入	(6,010)	(1,037)
Finance income	財務收入	(21,105)	(47,375)
Finance expense	財務開支	104,365	75,076
Share of loss/(profit) from investments accounted for using equity method	分佔按權益法入賬之投資虧損/(溢利)	2,631	(14,131)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損	6,913	8,397
Fair value (gain)/loss on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債公平值(收益)/虧損	(18,472)	4,700
Fair value gain on step acquisition	分階段收購事項所得公平值收益	(117,963)	—
Fair value loss on early redemption of convertible bonds	提前贖回可換股債券之公平值虧損	2,702	—
Fair value loss on issuance of convertible bonds	發行可換股債券之公平值虧損	—	22,297
Operating profit before working capital changes	營運資金變動前經營溢利	442,553	411,721

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 42 CASH GENERATED FROM OPERATIONS (Continued)

#### 42 經營業務產生之現金(續)

##### (a) Reconciliation of profit before taxation to net cash generated from operating activities (Continued)

##### (a) 除稅前溢利與經營業務產生之現金淨額對賬(續)

		2017	2016
		二零一七年	二零一六年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating profit before working capital changes	營運資金變動前經營溢利	442,553	411,721
Changes in working capital:	營運資金變動：		
Changes of properties under development and completed properties held of sales	發展中物業及持作出售竣工物業變動	253,867	352,855
Changes in trade receivables	應收賬款變動	(147,037)	(44,073)
Changes in deposits, prepayments and other receivables	按金、預付款項及其他應收款項變動	(42,469)	56,251
Changes in finance lease receivables	應收融資租賃款項變動	196,740	(259,481)
Changes in loan and interest receivables	貸款及應收利息變動	(69,870)	–
Changes in inventories	存貨變動	(139,320)	(517)
Changes in deferred expenses	遞延開支變動	32,016	23,965
Changes in trade payables	應付賬款變動	9,737	4,237
Changes in accrued expenses and other payables	應計費用及其他應付款項變動	(32,428)	(26,027)
Changes in deferred government grants	遞延政府補助變動	36,526	2,750
Changes in deferred revenue	遞延收入變動	(85,384)	(28,181)
Changes in receipt in advance	預收款項變動	(289,959)	(648,281)
Changes in other tax payable	其他應繳稅項變動	(20,601)	(22,730)
Net cash generated from/(used in) operations	經營業務產生/(所用)之現金淨額	144,371	(177,511)

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 42 CASH GENERATED FROM OPERATIONS (Continued) 42 經營業務產生之現金(續)

## (b) Proceeds from disposal of property, plant and equipment

In the consolidated cash flow statements, proceeds from disposal of property, plant and equipment comprise:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net book amount:	賬面淨值：		
Property, plant and equipment (Note 9)	物業、廠房及設備(附註9)	817	980
Gain on disposal of property, plant and equipment (Note 35)	出售物業、廠房及設備之收益(附註35)	108	426
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	925	1,406

## (b) 出售物業、廠房及設備之所得款項

在合併現金流量表內，出售物業、廠房及設備之所得款項包括：

## (c) Net debt reconciliation

This section sets out an analysis of net debt and the movement in net debt for each of the year presented.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值物	401,918	963,523
Liquid investment (i)	流動投資(i)	169,921	172,686
Bank and other borrowings	銀行及其他借貸	(1,497,130)	(883,482)
Convertible bonds – liabilities portions	可換股債券－負債部分	(41,387)	(654,743)
Current portion of finance lease obligations	融資租賃負債之流動部分	-	(158)
Net debts	債務淨額	(966,678)	(402,174)
Cash and liquid investments	現金及流動投資	571,839	1,136,209
Gross debt at fixed interest rate	按固定利率計算之債務	(1,201,141)	(1,288,007)
Gross debt at floating interest rate	按浮動利率計算之債務	(337,376)	(250,376)
Net debts	債務淨額	(966,678)	(402,174)

## (c) 債務淨額對賬

本節載列各年度之債務淨額及債務淨額變動之分析。

(i) Liquid investment comprise current investments that are traded in an active market, being the Group's financial assets held at fair value through profit or loss, excluding contingent shares in relation to acquisition of Orange Triangle Inc.

(i) 流動投資包括於活躍市場買賣之流動投資，即本集團持有按公平值計入損益之金融資產不包括有關收購Orange Triangle Inc.之或然股份。



## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 42 CASH GENERATED FROM OPERATIONS (Continued) 42 經營業務產生之現金(續)

##### (c) Net debt reconciliation (Continued)

		Cash and cash equivalents	Liquid Investment	Bank and other borrowing	Convertible bonds – liabilities portions	Finance lease obligations	Total
		現金及現金等值物	流動投資	銀行及其他借貸	可換股債券 – 負債部分	融資租賃負債	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Net debt as at 31 December 2016	於二零一六年十二月三十一日之債務淨額	963,523	172,686	(883,482)	(654,743)	(158)	(402,174)
Net cash flows	淨現金流量	(550,095)	7,344	(187,790)	620,716	158	(109,667)
Exchange adjustment	匯兌調整	(11,510)	(5,271)	-	39,235	-	22,454
Step-acquisition of a subsidiary	分階段收購一間附屬公司	-	-	(368,890)	-	-	(368,890)
Other non-cash movements	其他非現金變動	-	(4,838)	(56,968)	(46,595)	-	(108,401)
Net debt as at 31 December 2017	於二零一七年十二月三十一日之債務淨額	401,918	169,921	(1,497,130)	(41,387)	-	(966,678)

#### 43 COMMITMENTS

##### (a) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	-	1,900

##### (c) 債務淨額對賬(續)

#### 43 承擔

##### (a) 資本承擔

於本年度末已訂約但尚未產生之資本開支如下：

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 43 COMMITMENTS (Continued)

## (b) Financial commitments

Financial commitments at the end of the year are analysed as follows:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Injection of investment in available-for-sale financial assets	33,000	42,000

## (c) Commitments under operating leases

## (i) As a lessee

At 31 December 2017, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of buildings which expire as follows:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	27,952	24,720
In the second to fifth year inclusive	177,358	145,193
Over the fifth year	-	138
	<b>205,310</b>	170,051

## 43 承擔(續)

## (b) 財務承擔

於本年度末之財務承擔分析如下：

## (c) 經營租約承擔

## (i) 作為承租人

於二零一七年十二月三十一日，本集團就樓宇之已到期不可撤銷經營租約日後應付之最低租賃款項總額如下：

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 43 COMMITMENTS (Continued)

##### (c) Commitments under operating leases (Continued)

###### (ii) As a lessor

At 31 December 2017, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of buildings which expire as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within one year	一年內	3,904	5,780
In the second to fifth year inclusive	二至五年(包括首尾兩年)	15,877	19,918
Over the fifth year	五年以上	42,194	33,431
		<b>61,975</b>	<b>59,129</b>

#### 44 CONTINGENT LIABILITIES

As at 31 December 2017, there were no material contingent liabilities to the Group (2016: Nil).

#### 45 FINANCIAL GUARANTEES

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. As at 31 December 2017, the amount of outstanding guarantees for mortgages were approximately RMB287,763,000 (2016: RMB357,430,000).

The directors consider that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value is immaterial.

#### 43 承擔(續)

##### (c) 經營租約承擔(續)

###### (ii) 作為出租人

於二零一七年十二月三十一日，本集團就樓宇之已到期不可撤銷經營租約日後應收之最低租賃款項總額如下：

#### 44 或然負債

於二零一七年十二月三十一日，本集團概無重大或然負債(二零一六年：無)。

#### 45 財務擔保

本集團為本集團物業單位之若干買家安排銀行融資，並提供擔保以作為該等買家還款責任之抵押。該等擔保於以下較早者發生時終止：(i) 於完成擔保登記時發出一般將於平均兩至三年期間取得之房產證；或(ii)物業買家償付按揭貸款。

根據擔保條款，倘該等買家拖欠按揭還款，本集團須負責償還拖欠之按揭貸款以及應計利息及違約買家結欠銀行之罰款，而本集團有權接管及擁有相關物業之合法業權。本集團之擔保期由授出按揭貸款當日起計。於二零一七年十二月三十一日，按揭之未償還擔保金額約為人民幣287,763,000元(二零一六年：人民幣357,430,000元)。

董事認為買家拖欠付款之可能性很低，故按公平值計量之財務擔保並不重大。

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 46 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY 46 本公司財務狀況表及儲備變動

## Statement of financial position of the Company

## 本公司財務狀況表

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
		Note 附註	
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司之投資	<b>1,555,244</b>	1,367,882
		<b>1,555,244</b>	1,367,882
<b>Current assets</b>	<b>流動資產</b>		
Loan to a subsidiary	貸款予一間附屬公司	<b>1,010,316</b>	1,052,450
<b>Total assets</b>	<b>總資產</b>	<b>2,565,560</b>	2,420,332
<b>EQUITY</b>	<b>權益</b>		
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	<b>100,740</b>	93,885
Other reserves	其他儲備	<b>2,462,198</b>	1,950,238
Accumulated losses	累計虧損	<b>(39,462)</b>	(279,504)
<b>Total equity</b>	<b>總權益</b>	<b>2,523,476</b>	1,764,619
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Convertible bond – liabilities component	可換股債券－負債部分	<b>41,387</b>	654,744
		<b>41,387</b>	654,744
<b>Current liabilities</b>	<b>流動負債</b>		
Accrued expenses and other payables	應計費用及其他應付款項	<b>697</b>	969
<b>Total liabilities</b>	<b>總負債</b>	<b>42,084</b>	655,713
<b>Total equity and liabilities</b>	<b>總權益及負債</b>	<b>2,565,560</b>	2,420,332

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 46 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

#### 46 本公司財務狀況表及儲備變動 (續)

##### (a) Reserve movement of the Company

##### (a) 本公司之儲備變動

		Accumulated losses 累計虧損 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元
<b>At 1 January 2016</b>	於二零一六年一月一日	(179,610)	1,688,035
<b>Comprehensive loss</b>	<b>全面虧損</b>		
Loss for the year	本年度虧損	(99,894)	–
<b>Other comprehensive loss</b>	<b>其他全面虧損</b>		
Currency translation differences	貨幣匯兌差額	–	(37,501)
<b>Transactions with owners</b>	<b>與擁有人進行之交易</b>		
Issuance of shares upon conversion of convertible bonds	兌換可換股債券後發行股份	–	326,506
Buy-back shares	購回股份	–	(60,410)
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	–	29,566
Share purchase under Share Award Scheme	根據股份獎勵計劃買入股份	–	(6,387)
Exercise of share options	行使購股權	–	10,429
<b>At 31 December 2016 and 1 January 2017</b>	於二零一六年十二月三十一日及二零一七年一月一日	(279,504)	1,950,238
<b>Comprehensive loss</b>	<b>全面虧損</b>		
Loss for the year	本年度虧損	(81,440)	–
<b>Other comprehensive income</b>	<b>其他全面收入</b>		
Currency translation differences	貨幣匯兌差額	–	11,901
<b>Transactions with owners</b>	<b>與擁有人進行之交易</b>		
Issuance of shares upon conversion of convertible bonds	兌換可換股債券後發行股份	–	24,352
Issuance of shares in related to business combination	就業務合併發行股份	–	513,227
Buy-back shares	購回股份	(982)	(24,317)
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	–	33,815
Redemption of convertible bond	贖回可換股債券	–	(47,494)
Exercise of share options	行使購股權	–	476
Dividend income from subsidiaries	來自附屬公司之股息收入	383,802	–
Dividend paid	已付股息	(61,338)	–
<b>At 31 December 2017</b>	於二零一七年十二月三十一日	(39,462)	2,462,198

## Notes to the Consolidated Financial Statements

合併財務報表附註

## 47 RELATED-PARTY TRANSACTIONS

## 47 關聯人士交易

## (a) Key management compensation

The remuneration of directors and other members of key management during the year were as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	4,944	6,075
Share-based payments	以股份為基礎之付款	19,863	8,130
		<b>24,807</b>	14,205

## (a) 主要管理人員薪酬

年內董事及主要管理層其他成員之薪酬如下：

## (b) Related party transaction

Other than those disclosed elsewhere in the consolidated financial statements, transactions were carried out with related parties in normal course of Group's business.

## (b) 關聯人士交易

除合併財務報表其他部分所披露者外，本集團與關連人士進行之交易於日常業務過程中展開。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	<b>Nature of transactions</b> 交易性質		
Associates Note (i) 聯營公司 附註(i)	Interest income 利息收入	4,014	3,030
Joint venture Note (i) 合營公司 附註(i)	Interest income 利息收入	-	12,593
Key management personnel Note (i) 關鍵管理人員 附註(i)	Interest income 利息收入	1,596	1,415

Note (i): The Group has granted loan receivables to certain associates, a joint venture and certain key management personnel of the Group and subsidiaries. The loans are charged at terms mutually agreed by the parties concerned or in accordance with the terms of the underlying agreements, where appropriate.

附註(i)：本集團已向若干聯營公司、一間合營公司以及本集團及附屬公司之若干關鍵管理人員授出應收貸款。該等貸款按有關各方共同協定之條款或根據有關協議之條款(倘適用)收取費用。

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 47 RELATED-PARTY TRANSACTIONS (Continued)

##### (c) Related party balance

Saved as disclosed in Note 29 to the consolidated financial statements, the Group has following balances with related parties as at 31 December 2017 and 2016, respectively.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loan and interest receivable from: Associates (Note i)	應收以下各方貸款及利息： 聯營公司(附註i)	83,441	53,312
Key management personnel (Note ii)	關鍵管理人員(附註ii)	86,496	28,824
Deposit received from: Associates (Note iii)	應收以下各方按金： 聯營公司(附註iii)	3,992	—
Key management personnel (Note iii)	關鍵管理人員(附註iii)	2,440	—

Note (i): The Group granted loans amounting to RMB20,800,000, RMB20,800,000 and RMB5,940,000 to 慧德控股有限公司 (“Hui De”) during the years ended 31 December 2014, 2015 and 2016 respectively. The loans will mature during the years ending 31 December 2020, 2018 and 2019 respectively, and are interest bearing at a rate of 7%, 7% and 6% per annum.

The balance includes loan receivable from 北京融商通聯科技有限公司 (“Rongshangtonglian”), amounting to RMB18,000,000, granted during the year ended 31 December 2017. The loan will mature during the year ending 31 December 2018 and is interest bearing at 8% per annum.

The remaining balance also includes loans granted to certain associates amounting RMB8,310,000 through financing services company of the Group. The loans will mature during the year ending 31 December 2018 and is interest bearing at 15% per annum. These loans are granted under ordinary course of business with terms and conditions mutually agreed by parties concerned on an arm's length basis.

#### 47 關聯人士交易(續)

##### (c) 關聯人士結餘

除合併財務報表附註29所披露者外，於二零一七年及二零一六年十二月三十一日，本集團與關連人士有關之結餘分別如下。

附註(i)：截至二零一四年、二零一五年及二零一六年十二月三十一日止年度，本集團分別向慧德控股有限公司(「慧德」)授出貸款人民幣20,800,000元、人民幣20,800,000元及人民幣5,940,000元。該等貸款分別將於截至二零二零年、二零一八年及二零一九年十二月三十一日止年度到期，分別按年利率7%、7%及6%計息。

該結餘亦包括應收北京融商通聯科技有限公司(「融商通聯」)貸款人民幣18,000,000元，有關貸款於截至二零一七年十二月三十一日止年度授出。該貸款將於截至二零一八年十二月三十一日止年度到期，按年利率8%計息。

餘下結餘亦包括本集團透過旗下金融服務公司向若干聯營公司授出之貸款人民幣8,310,000元。有關貸款將於截至二零一八年十二月三十一日止年度到期，按年利率15%計息。該等貸款為於日常商業過程中按有關各方共同協定之條款及條件授出。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 47 RELATED-PARTY TRANSACTIONS (Continued)

#### (c) Related party balance (Continued)

Note (ii): The Group granted loans amounting to RMB7,770,000 (2016: RMB25,907,000) to several management personnel of Beijing Panpass Information Technology Co., Ltd ("Panpass"), a subsidiary acquired by the Group on 8 October 2014, for their sole purpose of purchase of shares of Panpass at market price and the shares purchased are pledged to secure the loans. The loans will mature on 28 September 2021, and is interest bearing at a rate of 5% per annum. These management members hold 6% (2016: 20%) issued share capital of Panpass after the acquisition of Panpass by the Group on 8 October 2014.

The Group granted loans amounting to RMB2,400,000 (2016: RMB2,400,000) in connection with the Employee Share Scheme. On 21 December 2012, the Group granted loans to several employees of the Group for the sole purpose of purchase of shares of the Group at market price. Maturity date of the loans have been extended from 21 December 2017 to 21 December 2018, and is interest bearing at a rate of 5% per annum. The loans are denominated in HK dollars.

The balance also includes loans granted to certain key management personnel through a financing services company of the Group. Loans amounting to RMB74,050,000 will mature during the year ending 31 December 2018, and the remaining balance of RMB2,000,000 will mature during the year ending 31 December 2019. The loans are interest bearing at rate ranging from 8% to 12%. These loans are granted under ordinary course of business with terms and conditions mutually agreed by parties concerned on an arm's length basis.

Note (iii): The balance includes deposits received by a financing services company of the Group from certain associates and a key management personnel of the Company as guarantee for the loan granted to their customers and himself. The deposit would be refunded upon the repayment of the loans which will mature during the year ended 31 December 2018.

### 47 關聯人士交易 (續)

#### (c) 關聯人士結餘 (續)

附註(ii)：本集團授出貸款人民幣7,770,000元（二零一六年：人民幣25,907,000元），指授予本集團於二零一四年十月八日收購之附屬公司北京兆信信息技術股份有限公司（「兆信」）若干管理層成員之貸款，僅用作以市場價格購買兆信之股份，並由所購股份作為貸款抵押。該筆貸款將於二零二一年九月二十八日到期，並按年利率5%計息。該等管理層成員在本集團於二零一四年十月八日收購兆信後，持有兆信6%（二零一六年：20%）已發行股本。

本集團就僱員股份計劃授出貸款人民幣2,400,000元（二零一六年：人民幣2,400,000元）。於二零一二年十二月二十一日，本集團向其若干僱員授出貸款，僅用作以市價購買本集團股份。該筆貸款之到期日由二零一七年十二月二十一日延長至二零一八年十二月二十一日，並按年利率5%計息。該筆貸款以港元計值。

該結餘亦包括本集團透過旗下金融服務公司向若干關鍵管理人員授出之貸款。貸款人民幣74,050,000元將於截至二零一八年十二月三十一日止年度到期，而餘下結餘人民幣2,000,000元將於截至二零一九年十二月三十一日止年度到期。有關貸款按利率介乎8%至12%計息。該等貸款為於日常商業過程中按有關各方共同協定之條款及條件授出。

附註(iii)：該結餘包括本集團旗下金融服務公司應收若干聯營公司及本公司一名關鍵管理人員之按金，以作為向其客戶及其自身所授出貸款之擔保。有關按金將於償還貸款後退回，而有關還款將於截至二零一八年十二月三十一日止年度到賬。



## Notes to the Consolidated Financial Statements 合併財務報表附註

### 48 EVENT AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

The Group has completed the acquisition of Zhongfu Holdings Limited and Huijia Yuantian Limited on 5 January 2016 and 3 February 2017, respectively. Pursuant to the corresponding sales and purchase agreement, part of the consideration would be settled by issuance and allotment of convertible bonds which are subject to downward adjustments.

Subsequent to the year ended 31 December 2017, the Company has entered into subscription agreements (“Exchange Subscription Agreement”) with the Zhongfu Sellers and Huijia Sellers (collectively, the “Bondholders”), pursuant to which the Company agreed to allot 36,028,500 new shares (“Exchange Shares”) in aggregate to each of the Bondholders in exchange for the surrender of the convertible bonds of the Company (“Convertible Bonds”) issued to the Zhongfu Sellers and Huijia Sellers respectively. Pursuant to the Exchange Subscription Agreement, the Exchange Shares allotted to the Bondholders will be put into custodian accounts and would be released to the Bondholders or repurchased by the Company subjected to the performance as set out in the Exchange Subscription Agreement.

The total number of Exchange Shares under the subscription (“Subscriptions”), being 36,028,500 Shares, represent approximately 3.32% of the existing issued share capital of the Company of 1,085,323,710 Shares and approximately 3.21% of the then issued share capital of 1,121,352,210 Shares as enlarged by the Subscriptions. The aggregate nominal value of the Exchange Shares under the Subscriptions will be HK\$3,602,850. The Exchange Shares will be allotted and issued pursuant to the General Mandate. The Subscription has been completed on 16 January 2018.

### 48 財務狀況表日期後事件

本集團分別於二零一六年一月五日及二零一七年二月三日完成收購Zhongfu Holdings Limited及Huijia Yuantian Limited。根據相關銷售及購買協議，部分代價將由發行及配發可換股債券（可予下調）償付。

於二零一七年十二月三十一日止年度後，本公司已與中服賣方及慧嘉賣方（統稱「債券持有人」）訂立認購協議（「兌換認購協議」），據此，本公司同意配發合計36,028,500股新股份（「兌換股份」）予各債券持有人，以換取交回分別發行予中服賣方及慧嘉賣方之本公司可換股債券（「可換股債券」）。根據兌換認購協議，將配發予債券持有人之兌換股份將於託管賬戶存置，並在確定兌換認購協議所載履約目標達成程度後，方會向債券持有人發放或由本公司購回。

認購事項（「認購事項」）下兌換股份總數（即36,028,500股股份）相當於本公司之現有已發行股本（1,085,323,710股股份）約3.32%及經認購事項擴大之當時已發行股本（1,121,352,210股股份）約3.21%。認購事項下兌換股份之總面值將為3,602,850港元。兌換股份將根據一般授權配發及發行。認購事項已於二零一八年一月十六日完成。

