



中國數碼信息有限公司
SINO-I TECHNOLOGY LIMITED

於香港註冊成立之有限公司
Incorporated in Hong Kong with limited liability

Stock Code 股份代碼 : 250

2019

INTERIM REPORT
中期報告

CORPORATE INFORMATION

公司資料

The information of the Company as at the date of this report was as follows:

於本報告日期，本公司之資料如下：

Directors

Executive Directors

Ms. Liu Rong (*Chairlady*)
Mr. Yu Pun Hoi
Mr. Chen Ming Fei (*Chief Executive Officer*)

董事

執行董事

劉榮女士(主席)
于品海先生
陳鳴飛先生(行政總裁)

Non-executive Directors

Mr. Lam Bing Kwan
Mr. Cheng Chih-Hung

非執行董事

林秉軍先生
鄭志宏先生

Independent Non-executive Directors

Mr. Fung Wing Lap
Prof. Jiang Ping
Mr. Xiao Sui Ning
Mr. Ho Yeung Nang

獨立非執行董事

馮榮立先生
江平教授
肖遂寧先生
何養能先生

Company Secretary

Ms. Jay Shree Aggarwal

公司秘書

Jay Shree Aggarwal 女士

Auditor

BDO Limited
Certified Public Accountants
Hong Kong

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港

Legal Adviser

Gerry K.C. Wai & Co., Solicitors

法律顧問

韋智理律師行

Registered Office

12/F., The Octagon
No. 6 Sha Tsui Road
Tsuen Wan
New Territories
Hong Kong

註冊辦事處

香港
新界
荃灣
沙咀道6號
嘉達環球中心12樓

CORPORATE INFORMATION (Continued)

Share Registrar

Tricor Abacus Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

Stock Code

250

Principal Bankers

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

Website Address

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

公司資料(續)

股份過戶登記處

卓佳雅柏勤有限公司
香港
皇后大道東183號
合和中心54樓

股份代號

250

主要往來銀行

星展銀行(香港)有限公司
香港上海滙豐銀行有限公司
中信銀行(國際)有限公司

網址

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

The board of directors (the “Board”) of Sino-i Technology Limited (the “Company”) hereby announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2019 together with the comparative figures for 2018 as follows:

中國數碼信息有限公司(「本公司」)董事會(「董事會」)謹此宣佈本公司及其附屬公司(「本集團」)截至2019年6月30日止六個月之未經審核綜合業績，連同2018年之比較數字如下：

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2019

簡明綜合收益表

截至2019年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
	Notes 附註		
Revenue	收益	473,272	508,516
Cost of sales and services provided	銷售及提供服務之成本	(84,127)	(84,780)
Gross profit	毛利	389,145	423,736
Other operating income	其他經營收入	68,003	68,394
Selling and marketing expenses	銷售及市場推廣開支	(295,672)	(333,459)
Administrative expenses	行政開支	(45,456)	(59,878)
Other operating expenses	其他經營開支	(103,832)	(123,406)
Finance costs	融資成本	(2,575)	(2,211)
Share of results of associates	應佔聯營公司業績	(4,388)	(2,831)
Gain on disposal of subsidiaries	出售附屬公司之收益	—	428,952
Profit before income tax	所得稅前溢利	5,225	399,297
Income tax expense	所得稅開支	(8,318)	(6,791)
(Loss)/Profit for the period	期內(虧損)/溢利	(3,093)	392,506
(Loss)/Profit for the period attributable to:	以下人士應佔期內(虧損)/溢利:		
Owners of the Company	本公司擁有人	(2,695)	393,560
Non-controlling interests	非控股權益	(398)	(1,054)
		(3,093)	392,506
		HK cent	HK cent
		港仙	港仙
(Losses)/Earnings per share for (loss)/profit attributable to the owners of the Company for the period	期內本公司擁有人應佔(虧損)/溢利之每股(虧損)/盈利		
— Basic	— 基本	(0.014)	1.976
— Diluted	— 攤薄	(0.014)	1.976

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

簡明綜合全面收益報表

截至2019年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
(Loss)/Profit for the period	期內(虧損)/溢利	(3,093)	392,506
Other comprehensive income	其他全面收益		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>其後可能重新分類至損益賬之項目：</i>		
Exchange differences on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌差額	(26,767)	(17,531)
Exchange differences on translation of investment in associates	換算投資聯營公司之匯兌差額	692	111
Release of reserve upon disposal of subsidiaries	於出售附屬公司時解除儲備	-	(137,543)
Total comprehensive income for the period	期內全面收益總額	(29,168)	237,543
Total comprehensive income attributable to:	以下人士應佔全面收益總額：		
Owners of the Company	本公司擁有人	(28,768)	261,562
Non-controlling interests	非控股權益	(400)	(24,019)
		(29,168)	237,543

CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION

簡明綜合財務狀況報表

As at 30 June 2019

於2019年6月30日

			30 June 2019 2019年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2018 2018年 12月31日 HK\$'000 千港元 (Audited) (經審核)
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	116,902	52,139
Prepaid land lease payments under operating leases	經營租賃下之預付土地租 賃費		–	11,148
Financial assets at fair value through other comprehensive income	按公允價值計入其他全面 收益之金融資產		324	324
Interests in associates	於聯營公司之權益		29,921	35,002
Goodwill	商譽		76,855	76,883
Other intangible assets	其他無形資產		89,554	92,189
Loan to immediate holding company	向直接控股公司貸款		1,376,661	356,995
			1,690,217	624,680
Current assets	流動資產			
Trade receivables	應收貿易款項	13	41,370	24,197
Deposits, prepayments and other receivables	按金、預付款項及其他應收 款項		95,933	98,689
Financial assets at fair value through profit or loss	按公允價值計入損益賬之 金融資產		–	47,765
Loan to immediate holding company	向直接控股公司貸款		–	1,127,112
Cash and cash equivalents	現金及等同現金項目		295,657	170,417
			432,960	1,468,180

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2019

簡明綜合財務狀況報表(續)

於2019年6月30日

			30 June 2019 2019年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2018 2018年 12月31日 HK\$'000 千港元 (Audited) (經審核)
	Notes 附註			
ASSETS AND LIABILITIES		資產及負債		
Current liabilities		流動負債		
Trade payables	14	應付貿易款項	47,899	54,350
Other payables and accruals		其他應付款項及應計費用	43,301	48,753
Contract liabilities		合約負債	197,238	211,128
Provision for tax		稅項撥備	166,012	158,591
Amount due to a director		欠一名董事款項	532	532
Amount due to immediate holding company		欠直接控股公司款項	28,040	33,544
Amounts due to associates		欠聯營公司款項	5,695	5,534
Bank borrowings, secured		有抵押銀行借貸	16,105	-
Other employee benefits		其他僱員福利	20,435	16,923
Finance lease liabilities		融資租賃負債	-	2
Lease liabilities		租賃負債	12,201	-
			537,458	529,357
Net current (liabilities)/assets		流動(負債)/資產淨值	(104,498)	938,823
Total assets less current liabilities		總資產減流動負債	1,585,719	1,563,503
Non-current liabilities		非流動負債		
Other employee benefits		其他僱員福利	27,247	27,260
Lease liabilities		租賃負債	50,788	-
Deferred tax liabilities		遞延稅項負債	4,018	4,475
			82,053	31,735
Net assets		資產淨值	1,503,666	1,531,768
EQUITY		權益		
Share capital	15	股本	240,597	240,597
Reserves		儲備	1,270,809	1,298,511
Equity attributable to the Company's owners		本公司擁有人應佔權益	1,511,406	1,539,108
Non-controlling interests		非控股權益	(7,740)	(7,340)
Total equity		權益總額	1,503,666	1,531,768

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量報表

For the six months ended 30 June 2019

截至2019年6月30日止六個月

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Net cash (used in)/generated from operating activities	經營業務(所耗)/所得現金淨額	(30,347)	35,981
Net cash generated from investing activities	投資活動所得現金淨額	193,810	555,982
Net cash used in financing activities	融資活動所耗現金淨額	(12,637)	(165,596)
Net increase in cash and cash equivalents	現金及等同現金項目增加淨額	150,826	426,367
Cash and cash equivalents at 1 January	於1月1日之現金及等同現金項目	170,417	304,874
Effect of foreign exchange rate changes, on cash held	外幣匯率變動對所持現金之影響	(25,586)	(26,412)
Cash and cash equivalents at 30 June	於6月30日之現金及等同現金項目	295,657	704,829
Analysis of the balances of cash and cash equivalents	現金及等同現金項目結餘之分析		
Cash at banks and in hand	銀行結存及庫存現金	295,657	704,829

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

簡明綜合權益變動表

截至2019年6月30日止六個月

		Equity attributable to the Company's owners 本公司擁有人應佔權益									
		Share capital	Capital distribution reserve	General reserve	Exchange reserve	Financial assets at fair value through other comprehensive income reserve	Share-based payments reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	資本分配儲備	一般儲備	匯兌儲備	按公允價值計入其他全面收益之金融資產之儲備	以股份支付之儲備	保留溢利	總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(note 15)									
		(附註15)									
At 1 January 2019 (audited)	於2019年1月1日(經審核)	240,597	52,622	(31,907)	1,501	(114)	178	1,276,231	1,539,108	(7,340)	1,531,768
Loss for the period	期內虧損	-	-	-	-	-	-	(2,695)	(2,695)	(398)	(3,093)
Other comprehensive income	其他全面收益										
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益賬之項目：										
— Exchange differences on translation of financial statements of foreign operations	— 換算海外業務財務報表之匯兌差額	-	-	-	(26,765)	-	-	-	(26,765)	(2)	(26,767)
— Exchange differences on translation of investment in associates	— 換算投資聯營公司之匯兌差額	-	-	-	692	-	-	-	692	-	692
Total comprehensive income for the period	期內全面收益總額	-	-	-	(26,073)	-	-	(2,695)	(28,768)	(400)	(29,168)
Share-based payment expense	以股份支付之開支	-	-	-	-	-	1,066	-	1,066	-	1,066
At 30 June 2019 (unaudited)	於2019年6月30日(未經審核)	240,597	52,622	(31,907)	(24,572)	(114)	1,244	1,273,536	1,511,406	(7,740)	1,503,666

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

簡明綜合權益變動表 (續)

For the six months ended 30 June 2019

截至2019年6月30日止六個月

		Equity attributable to the Company's owners 本公司擁有人應佔權益					Non-controlling interests 非控股權益		Total equity 權益總額
		Share capital 股本	Capital distribution reserve 資本分配儲備	General reserve 一般儲備	Exchange reserve 匯兌儲備	Retained profits 保留溢利	Total 總額		
		HK\$'000 千港元 (note 15) (附註 15)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At 31 December 2017 as originally presented (audited)	於2017年12月31日原列(經審核)	240,597	52,622	9,761	80,913	1,422,089	1,805,982	17,406	1,823,388
Initial application of HKFRS 15	首次應用香港財務報告準則第15號	-	-	-	-	(7,371)	(7,371)	-	(7,371)
Restated balance at 1 January 2018 (unaudited)	於2018年1月1日之重列結餘(未經審核)	240,597	52,622	9,761	80,913	1,414,718	1,798,611	17,406	1,816,017
Profit/(Loss) for the period	期內溢利/(虧損)	-	-	-	-	393,560	393,560	(1,054)	392,506
Other comprehensive income	其他全面收益								
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益賬之項目:								
— Exchange differences on translation of financial statements of foreign operations	— 換算海外業務財務報表之匯兌差額	-	-	-	(17,532)	-	(17,532)	1	(17,531)
— Exchange differences on translation of investment in associates	— 換算投資聯營公司之匯兌差額	-	-	-	111	-	111	-	111
— Release of reserves upon disposal of subsidiaries (note 16)	— 於出售附屬公司時解除儲備(附註16)	-	-	(41,668)	(72,909)	-	(114,577)	(22,966)	(137,543)
Total comprehensive income for the period	期內全面收益總額	-	-	(41,668)	(90,330)	393,560	261,562	(24,019)	237,543
Proposed special dividend for 2017 (note 10)	建議就2017年派發特別股息(附註10)	-	-	-	-	(99,573)	(99,573)	-	(99,573)
At 30 June 2018 (unaudited)	於2018年6月30日(未經審核)	240,597	52,622	(31,907)	(9,417)	1,708,705	1,960,600	(6,613)	1,953,987

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

截至2019年6月30日止六個月

1. GENERAL INFORMATION

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

The Group is principally engaged in the provision of enterprise cloud services.

The immediate holding company of the Company is Nan Hai Corporation Limited ("Nan Hai"), a company incorporated and domiciled in Bermuda and its shares are listed on the Main Board of the Hong Kong Stock Exchange. The directors consider the ultimate holding company of the Company is Dadi Holdings Limited, a limited liability company incorporated in Hong Kong.

These condensed consolidated interim financial statements are presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

These condensed consolidated interim financial statements are unaudited, but have been reviewed by the audit committee of the Company and approved and authorised for issue by the Board on 29 August 2019.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34, Interim Financial Reporting ("HKAS 34"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

These condensed consolidated interim financial statements have been prepared with the same accounting policies adopted in the 2018 annual financial statements, except for those that relate to new standards or interpretations effective for the first time for periods beginning on or after 1 January 2019. This is the first set of the Group's financial statements in which Hong Kong Financial Reporting Standard 16, Leases ("HKFRS 16"), has been adopted. Details of any changes in accounting policies are set out in note 3.

1. 一般資料

本公司為於香港註冊成立之有限公司及以香港為註冊地。其註冊辦事處及主要營業地點為香港新界荃灣沙咀道6號嘉達環球中心12樓。本公司股份於香港聯合交易所有限公司(「香港聯交所」)主板上市。

本集團之主要業務為提供企業雲服務。

本公司之直接控股公司為Nan Hai Corporation Limited(南海控股有限公司,「南海」),該公司於百慕達註冊成立及以百慕達為註冊地,其股份於香港聯交所主板上市。董事認為,本公司最終控股公司為大地控股有限公司,大地控股有限公司為在香港註冊成立之有限公司。

除另有指明者外,此等簡明綜合中期財務報表以港元(「港元」)呈列。

此等簡明綜合中期財務報表未經審核,惟已由本公司審核委員會審閱,並於2019年8月29日獲董事會批准及授權刊發。

2. 編製基準

此等簡明綜合中期財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」(「香港會計準則第34號」)及香港聯合交易所有限公司主板證券上市規則(「上市規則」)之適用披露規定編製。

此等簡明綜合中期財務報表已按照與2018年年度財務報表所採納之相同會計政策編製,惟不包括與2019年1月1日或之後開始之期間內首次生效之新訂準則或詮釋有關之會計政策。此乃本集團第一套採納香港財務報告準則第16號「租賃」(「香港財務報告準則第16號」)編製之財務報表。任何會計政策變動之詳情載列於附註3。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

2. BASIS OF PREPARATION (Continued)

The preparation of these condensed consolidated interim financial statements in compliance with HKAS 34 requires the use of certain judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates. The areas where significant judgements and estimates have been made in preparing these condensed consolidated interim financial statements and their effect are disclosed in note 4.

These condensed consolidated interim financial statements contain condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2018 annual financial statements. These condensed consolidated interim financial statements and notes do not include all of the information required for a complete set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (the "HKFRSs") and should be read in conjunction with the 2018 consolidated financial statements.

The financial information relating to the year ended 31 December 2018 that is included in the condensed consolidated interim financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) (the "Companies Ordinance") is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 406(2), 407(2) or (3) of the Companies Ordinance.

2. 編製基準(續)

編製符合香港會計準則第34號之此等簡明綜合中期財務報表須作出會影響政策應用以及年內迄今資產及負債、收入及開支呈報金額之若干判斷、估計及假設。實際結果可能與此等估計有所不同。編製此等簡明綜合中期財務報表時所作出重大判斷及估計的範圍及其影響於附註4中披露。

此等簡明綜合中期財務報表載有簡明綜合財務報表及選定說明附註。該等附註包括對理解本集團自2018年年度財務報表刊發以來財務狀況及業績變動而言屬重大之事件及交易說明。此等簡明綜合中期財務報表及附註並不包括根據香港財務報告準則(「香港財務報告準則」)編製整套財務報表所需之所有資料，並應與2018年綜合財務報表一併閱讀。

截至2018年12月31日止年度之財務資料作為比較資料載入簡明綜合中期財務報表，該等資料並不構成該年度本公司之法定年度綜合財務報表，但源自該等財務報表。有關須根據香港公司條例(第622章)(「公司條例」)第436條予以披露之法定財務報表之進一步資料如下：

按照公司條例第662(3)條及附表6第3條之規定，本公司已向公司註冊處處長遞交截至2018年12月31日止年度之財務報表。

本公司核數師已就該等財務報表出具報告。核數師報告為無保留意見，並無載有核數師於其報告出具無保留意見之情況下，提請注意任何引述之強調事項，並不載有根據公司條例第406(2)、407(2)或(3)條作出之陳述。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

2. BASIS OF PREPARATION (Continued)

These condensed consolidated interim financial statements have been prepared on the going concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding that the Group had net current liabilities of approximately HK\$104,498,000 (31 December 2018: net current assets of approximately HK\$938,823,000) as at 30 June 2019. The Board is of the opinion that the Group will have sufficient resources to satisfy its working capital and other financing requirement in the foreseeable future on the basis that the Board foresees that the Group is able to generate positive cash flows from operation for the next twelve months.

In the view of the above, the Board is of the opinion that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements. Accordingly, these condensed consolidated interim financial statements have been prepared on a going concern basis.

3. CHANGES IN HKFRSs

The HKICPA has issued a number of new or amended HKFRSs that are first effective for the current accounting period of the Group:

- HKFRS 16, Leases
- HK(IFRIC)-Int 23, Uncertainty over Income Tax Treatments
- Amendments to HKFRS 9, Prepayment Features and Negative Compensation
- Amendments to HKAS 19, Plan Amendment, Curtailment or Settlement
- Amendments to HKAS 28, Long-term Interests in Associates and Joint Ventures
- Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 included in Annual Improvements to HKFRSs 2015–2017 Cycle

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

2. 編製基準(續)

此等簡明綜合中期財務報表已按持續經營基準編製，假設於日常業務過程中變現資產及償付負債，而不論本集團於2019年6月30日有流動負債淨額約104,498,000港元(2018年12月31日：流動資產淨值約938,823,000港元)。基於董事會預期本集團可於未來十二個月自經營業務產生正數現金流，董事會認為本集團將有足夠資源應付其於可見未來之營運資金及其他融資需求。

基本上述原因，董事會認為本集團將有充足現金資源應付其未來營運資金及其他融資需求。因此，此等簡明綜合中期財務報表已按持續經營基準編製。

3. 香港財務報告準則變動

香港會計師公會已頒佈多項新訂或經修訂香港財務報告準則，該等準則於本集團之當前會計期間首次生效：

- 香港財務報告準則第16號，租賃
- 香港(國際財務報告詮釋委員會)－詮釋第23號，所得稅處理之不確定性
- 香港財務報告準則第9號之修訂，提前還款特性及負補償
- 香港會計準則第19號之修訂，計劃修訂、縮減或結清
- 香港會計準則第28號之修訂，於聯營公司及合營企業之長期權益
- 計入香港財務報告準則2015年至2017年週期年度改進之香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

3. CHANGES IN HKFRSs (Continued)

The impact of the adoption of HKFRS 16 has been summarised in below. The other new or amended HKFRSs that are effective from 1 January 2019 did not have any significant impact on the Group's accounting policies.

(I) IMPACT OF THE ADOPTION OF HKFRS 16

HKFRS 16 brings significant changes in accounting treatment for lease accounting, primarily for accounting for lessees. It replaces HKAS 17, Leases ("HKAS 17"), HK(IFRIC)-Int 4, Determining whether an Arrangement contains a Lease ("HK(IFRIC)-Int 4"), HK(SIC)-Int 15, Operating Leases — Incentives and HK(SIC)-Int 27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease. From a lessee's perspective, almost all leases are recognised in the statement of financial position as right-of-use assets and lease liabilities, with the narrow exception to this principle for leases which the underlying assets are of low-value or are determined as short-term leases. From a lessor's perspective, the accounting treatment is substantially unchanged from HKAS 17. For details of HKFRS 16 regarding its new definition of a lease, its impact on the Group's accounting policies and the transition method adopted by the Group as allowed under HKFRS 16, please refer to sections (II) to (IV) of this note.

The Group adopted HKFRS 16 using the modified retrospective approach with a date of initial application of 1 January 2019, under which the cumulative effect of initial application is recognised as at 1 January 2019. As a result, the comparative information in 2018 has not been restated.

3. 香港財務報告準則變動(續)

採納香港財務報告準則第16號之影響概述如下。自2019年1月1日起生效之其他新訂或經修訂香港財務報告準則對本集團之會計政策並無任何重大影響。

(I) 採納香港財務報告準則第16號之影響

香港財務報告準則第16號為租賃會計(主要於承租人會計處理方面)的會計處理方式帶來重大變動。其取代香港會計準則第17號「租賃」(「香港會計準則第17號」)、香港(國際財務報告詮釋委員會)－詮釋第4號「釐定安排是否包括租賃」(「香港(國際財務報告詮釋委員會)－詮釋第4號」)、香港(準則詮釋委員會)－詮釋第15號「經營租賃－優惠」及香港(準則詮釋委員會)－詮釋第27號「評估涉及租賃法律形式交易的內容」。就承租人角度而言，幾乎所有租賃均於財務狀況表中確認為使用權資產及租賃負債，此原則之少數例外為相關資產屬低價值之租賃或釐定為短期租賃之租賃。就出租人角度而言，與香港會計準則第17號相比，會計處理方式大致上維持不變。有關香港財務報告準則第16號有關其對租賃的新定義、其對本集團會計政策之影響及本集團按香港財務報告準則第16號所准許而採納之過渡方法之詳情，請參閱本附註第(II)至(IV)節。

本集團於初次應用日期2019年1月1日使用經修訂追溯法採納香港財務報告準則第16號，據此，初次應用的累計影響於2019年1月1日確認。因此，於2018年的可比較資料未經重列。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

3. CHANGES IN HKFRSs (Continued)

(I) IMPACT OF THE ADOPTION OF HKFRS 16

(Continued)

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of HKAS 17. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The lessee’s weighted average incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.11%.

The associated right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the condensed consolidated statement of financial position as at 1 January 2019. For all these right-of-use assets, the Group has applied HKAS 36, Impairment of Assets, at 1 January 2019 to assess if there was any impairment as on that date.

The following tables summarised the impact of transition to HKFRS 16 on the consolidated statement of financial position as of 31 December 2018 to that of 1 January 2019 (increase/(decrease)):

3. 香港財務報告準則變動(續)

(I) 採納香港財務報告準則第16號之影響(續)

於採納香港財務報告準則第16號後，本集團已就先前根據香港會計準則第17號之原則分類為「經營租賃」之租賃確認租賃負債。該等負債其後按剩餘租賃付款額之現值計量，並使用承租人於2019年1月1日之增量借貸利率貼現。承租人於2019年1月1日應用於租賃負債之加權平均增量借貸利率為7.11%。

相關使用權資產按相等於租賃負債之金額計量，並按照於2019年1月1日在簡明綜合財務狀況表確認與租賃有關之任何預付或應計租賃付款金額作出調整。就所有該等使用權資產而言，本集團已於2019年1月1日採納香港會計準則第36號「資產減值」，以評估截至該日是否出現任何減值。

下表概述過渡至香港財務報告準則第16號對2018年12月31日至2019年1月1日綜合財務狀況表之影響(增加/(減少)):

		HK\$'000 千港元 (Unaudited) (未經審核)
Impact on the condensed consolidated statement of financial position as at 1 January 2019		
對於2019年1月1日之簡明綜合財務狀況表之影響		
Non-current assets		
Right-of-use assets presented within properties, plant and equipment	非流動資產 於物業、廠房及設備呈列之使用權資產	92,895
Prepaid land lease payments under operating leases	經營租賃下之預付土地租賃費	(11,148)
		81,747
Non-current liabilities		
Lease liabilities	非流動負債 租賃負債	34,142
Current liabilities		
Lease liabilities	流動負債 租賃負債	47,605

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

3. CHANGES IN HKFRSs (Continued)

(I) IMPACT OF THE ADOPTION OF HKFRS 16

(Continued)

The following reconciliation explains how the operating lease commitments disclosed applying HKAS 17 as at 31 December 2018 could be reconciled to the lease liabilities at the date of initial application recognised in the condensed consolidated statement of financial position as at 1 January 2019:

Reconciliation of operating lease commitment to lease liabilities

3. 香港財務報告準則變動(續)

(I) 採納香港財務報告準則第16號之影響(續)

以下對賬闡釋於2018年12月31日應用香港會計準則第17號披露之經營租賃承擔如何與於2019年1月1日之簡明綜合財務狀況表中確認於首次應用日期之租賃負債進行對賬：

經營租賃承擔與租賃負債之對賬

		HK\$'000 千港元
Operating lease commitments disclosed as at 31 December 2018 (audited)	於2018年12月31日披露之經營租賃承擔(經審核)	49,518
Discounted using the lessee's incremental borrowing rate at the date of initial application	於首次應用日期使用承租人增量借貸利率貼現	(8,745)
Leases included in extension option which the Group considers reasonably certain to exercise	計入本集團認為合理確定行使延期選擇權之租賃	40,974
Lease liabilities recognised as at 1 January 2019 (unaudited)	於2019年1月1日確認之租賃負債(未經審核)	81,747
Of which are:	其中為：	
Current lease liabilities (unaudited)	流動租賃負債(未經審核)	47,605
Non-current lease liabilities (unaudited)	非流動租賃負債(未經審核)	34,142
		81,747

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

3. CHANGES IN HKFRSs (Continued)

(II) THE NEW DEFINITION OF A LEASE

Under HKFRS 16, a lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset for a period of time when the customer, throughout the period of use, has both: (a) the right to obtain substantially all of the economic benefits from use of the identified asset; and (b) the right to direct the use of the identified asset.

For a contract that contains a lease component and one or more additional lease or non-lease components, a lessee shall allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components, unless the lessee apply the practical expedient which allows the lessee to elect, by class of underlying asset, not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Group has elected not to separate non-lease components and account for all each lease component and any associated non-lease components as a single lease component for all leases.

(III) ACCOUNTING AS A LESSEE

Under HKAS 17, a lessee has to classify a lease as an operating lease or a finance lease based on the extent to which risks and rewards incidental to ownership of a lease asset lie with the lessor or the lessee. If a lease is determined as an operating lease, the lessee would recognise the lease payments under the operating lease as an expense over the lease term. The asset under the lease would not be recognised in the statement of financial position of the lessee.

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

3. 香港財務報告準則變動(續)

(II) 租賃的新定義

根據香港財務報告準則第16號，租賃被定義為以代價獲得資產(相關資產)於一段時間內的使用權的一項合約或合約的一部分。當客戶於整個使用期間同時：(a)有權獲取使用已識別資產帶來的絕大部分經濟利益；及(b)有權指示已識別資產的用途時，合約附帶權利可於一段時間內控制已識別資產的用途。

就含有租賃成分以及一項或多項額外租賃或非租賃成分的合約而言，承租人須將合約代價分配至各租賃成分，基準是租賃成分的相對獨立價格及非租賃成分的總獨立價格，除非承租人應用實際權宜方法使承租人可按相關資產類別選擇不從租賃成分中區分非租賃成分，而是將各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

本集團已選擇不區分非租賃成分並就所有租賃將所有各租賃成分及任何相關非租賃成分入賬列作單一租賃成分。

(III) 作為承租人的會計處理

根據香港會計準則第17號，承租人須根據租賃資產擁有權隨附風險及回報與出租人或承租人的相關程度將租賃分類為經營租賃或融資租賃。倘租賃釐定為經營租賃，承租人將於租賃期內將經營租賃項下的租賃付款確認為一項開支。租賃項下的資產將不會於承租人的財務狀況表內確認。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

3. CHANGES IN HKFRSs (Continued)

(III) ACCOUNTING AS A LESSEE (Continued)

Under HKFRS 16, all leases (irrespective of they are operating leases or finance leases) are required to be capitalised in the statement of financial position as right-of-use assets and lease liabilities, but HKFRS 16 provides accounting policy choices for an entity to choose not to capitalise (i) leases which are short-term leases and/or (ii) leases for which the underlying asset is of low-value. The Group has elected not to recognise right-of-use assets and lease liabilities for low-value assets and leases for which at the commencement date have a lease term less than 12 months. The lease payments associated with those leases have been expensed on straight-line basis over the lease term.

The Group recognised a right-of-use asset and a lease liability at the commencement date of a lease.

Right-of-use asset

The right-of-use asset should be recognised at cost and would comprise:

- (i) the amount of the initial measurement of the lease liability (see below for the accounting policy to account for lease liability);
- (ii) any lease payments made at or before the commencement date, less any lease incentives received;
- (iii) any initial direct costs incurred by the lessee; and
- (iv) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

3. 香港財務報告準則變動(續)

(III) 作為承租人的會計處理(續)

根據香港財務報告準則第16號，所有租賃(不論為經營租賃或融資租賃)須於財務狀況表資本化為使用權資產及租賃負債，惟香港財務報告準則第16號為實體提供會計政策選擇，可選擇不將(i)屬短期租賃的租賃及/或(ii)相關資產為低價值的租賃進行資本化。本集團已選擇不就低價值資產以及於開始日期租賃期少於12個月的租賃確認使用權資產及租賃負債。與該等租賃相關的租賃付款已於租賃期內按直線法支銷。

本集團於租賃開始當日確認使用權資產及租賃負債。

使用權資產

使用權資產應按成本確認並將包括：

- (i) 初步計量租賃負債的金額(見下文有關租賃負債入賬的會計政策)；
- (ii) 於開始日期或之前作出的任何租賃付款減已收取的任何租賃獎勵；
- (iii) 承租人產生的任何初步直接成本；及
- (iv) 承租人根據租賃條款及條件規定的情況下分解及移除相關資產時將產生的估計成本，除非該等成本乃為生產存貨而產生則除外。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

3. CHANGES IN HKFRSs (Continued) (III) ACCOUNTING AS A LESSEE (Continued) Right-of-use asset (Continued)

The Group measures the right-of-use assets applying a cost model. Under the cost model, the Group measures the right-to-use at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liability.

The Group has leased a number of properties under tenancy agreements which the Group exercises its judgement and determines that it is a separate class of asset apart from the leasehold land and buildings which is held for own use. As a result, the right-of-use asset arising from the properties under tenancy agreements are carried at depreciated cost.

Lease liability

The lease liability should be recognised at the present value of the lease payments that are not paid at the date of commencement of the lease. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group shall use the Group's incremental borrowing rate.

The following payments for the right-to-use the underlying asset during the lease term that are not paid at the commencement date of the lease are considered to be lease payments:

- (i) fixed payments less any lease incentives receivable;
- (ii) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at commencement date;
- (iii) amounts expected to be payable by the lessee under residual value guarantees;
- (iv) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- (v) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

3. 香港財務報告準則變動(續) (III) 作為承租人的會計處理(續) 使用權資產(續)

本集團採用成本模式計量使用權資產。根據成本模式，本集團按成本減任何累計折舊及任何減值虧損計量使用權資產，並就租賃負債的任何重新計量作出調整。

本集團已根據租賃協議租賃多個物業，而本集團對有關租賃作出判斷，並確定其為持作自用之租賃土地及樓宇以外之個別資產類別。因此，租賃協議項下物業所產生之使用權資產按折舊成本列賬。

租賃負債

租賃負債應按並非於租賃開始日期支付之租賃付款的現值確認。租賃付款將採用租賃暗含的利率貼現（倘該利率可輕易釐定）。倘該利率無法輕易釐定，本集團將採用本集團的增量借貸利率。

下列並非於租賃開始日期支付的租賃期內就使用相關資產權利支付的款項被視為租賃付款：

- (i) 固定付款減任何應收租賃獎勵；
- (ii) 初步按開始日期之指數或利率計量的浮動租賃付款（取決於指數或利率）；
- (iii) 承租人根據剩餘價值擔保預期將支付的款項；
- (iv) 倘承租人合理確定行使購買選擇權，該選擇權的行使價；及
- (v) 倘租賃期反映承租人行使選擇權終止租賃，終止租賃的罰款付款。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

3. CHANGES IN HKFRSs (Continued)

(III) ACCOUNTING AS A LESSEE (Continued)

Lease liability (Continued)

Subsequent to the commencement date, a lessee shall measure the lease liability by:

- (i) increasing the carrying amount to reflect interest on the lease liability;
- (ii) reducing the carrying amount to reflect the lease payments made; and
- (iii) remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. a change in future lease payments arising from change in an index or rate, a change in the lease term, a change in the in-substance fixed lease payments or a change in assessment to purchase the underlying asset.

(IV) TRANSITION

The Group has also applied the following practical expedients:

- (i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- (ii) applied the exemption of not to recognise right-of-use assets and lease liabilities for leases with term that will end within 12 months of the date of initial application (1 January 2019) and accounted for those leases as short-term leases;
- (iii) exclude the initial direct costs from the measurement of the right-of-use asset at 1 January 2019; and
- (iv) used hindsight in determining the lease terms if the contracts contain options to extend or terminate the leases.

In addition, the Group has also applied the practical expedients such that: (i) HKFRS 16 is applied to all of the Group's lease contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4; and (ii) not to apply HKFRS 16 to contracts that were not previously identified as containing a lease under HKAS 17 and HK(IFRIC)-Int 4.

3. 香港財務報告準則變動(續)

(III) 作為承租人的會計處理(續)

租賃負債(續)

於開始日期後，承租人將透過下列方式計量租賃負債：

- (i) 增加賬面值以反映租賃負債的利息；
- (ii) 減少賬面值以反映作出的租賃付款；及
- (iii) 重新計量賬面值以反映任何重估或租賃修改，如指數或利率變動導致日後租賃付款變動、租賃期變動、實質固定租賃付款變動或購買相關資產的評估變動。

(IV) 過渡

本集團亦已應用下列實際權宜方法：

- (i) 就具有合理相似特徵的租賃組合應用單一貼現率；
- (ii) 應用不確認租期將於首次應用日期(2019年1月1日)起計12個月內結束之使用權資產及租賃負債之豁免，並將該等租賃確認為短期租賃；
- (iii) 不包括於2019年1月1日計量使用權資產產生的初步直接成本；及
- (iv) 倘合約載有延長或終止租賃的選擇權，則於事後釐定租期。

此外，本集團亦已應用實際權宜方法以便：(i)將香港財務報告準則第16號應用於本集團先前應用香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號識別為租賃的所有租賃合約；及(ii)並無將香港財務報告準則第16號應用於先前並無根據香港會計準則第17號及香港(國際財務報告詮釋委員會)－詮釋第4號識別為含有租賃的合約。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

4. USE OF JUDGEMENTS AND ESTIMATES

In preparing these condensed consolidated interim financial statements, the significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to 2018 annual financial statements, except for new significant judgements and key sources of estimation uncertainty related to the application of HKFRS 16 as described in note 3.

5. SEGMENT INFORMATION

The Board has identified the enterprise cloud services as the only business component in internal reporting for their decisions about resources allocation and performance review.

4. 判斷及估計之運用

編製此等簡明綜合中期財務報表時，管理層在應用本集團會計政策時作出之重大判斷及估計不確定因素之主要來源與2018年年度財務報表所應用者相同，惟如附註3所述與應用香港財務報告準則第16號相關之新重大判斷及估計不確定因素之主要來源除外。

5. 分部資料

董事會確認企業雲服務乃彼等就決定資源分配及表現評審所作內部報告中唯一業務組成部分。

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Reportable segment revenue	可呈報分部收益	473,272	508,516
Reportable segment loss before income tax	可呈報分部所得稅前虧損	(42,632)	(55,613)
Bank interest income	銀行利息收入	255	645
Other interest income	其他利息收入	53,547	39,903
Exchange gain	滙兌收益	3,023	5,648
Gain on disposal of financial assets at fair value through profit or loss	出售按公允價值計入損益賬之金融資產之收益	3,917	1,529
Depreciation and amortisation	折舊及攤銷	(259)	(1,191)
Depreciation of right-of-use assets	使用權資產折舊	(1,195)	-
Finance costs	融資成本	(89)	(2)
Fair value loss on financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產公允價值虧損	-	(10,554)
Gain on disposal of subsidiaries	出售附屬公司之收益	-	428,952
Unallocated corporate expenses	未分配企業開支	(11,342)	(10,020)
Profit before income tax	所得稅前溢利	5,225	399,297

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

5. SEGMENT INFORMATION (Continued)

For the six months ended 30 June 2019, approximately HK\$103,699,000 (six months ended 30 June 2018: HK\$154,005,000) was recognised by point in time and HK\$369,573,000 (six months ended 30 June 2018: HK\$354,511,000) was recognised by over time respectively.

5. 分部資料(續)

截至2019年6月30日止六個月，約103,699,000港元(截至2018年6月30日止六個月：154,005,000港元)已按時間點確認，而約369,573,000港元(截至2018年6月30日止六個月：354,511,000港元)已隨時間確認。

		30 June 2019 2019年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2018 2018年 12月31日 HK\$'000 千港元 (Audited) (經審核)
Reportable segment assets	可呈報分部資產	560,196	502,754
Reportable segment liabilities	可呈報分部負債	(398,612)	(352,225)

6. REVENUE AND OTHER OPERATING INCOME

- (a) The Group's revenue represents revenue from enterprise cloud services.
- (b) Other operating income:

6. 收益及其他經營收入

- (a) 本集團收益指來自企業雲服務之收益。
- (b) 其他經營收入：

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Bank interest income	銀行利息收入	378	778
Other interest income	其他利息收入	53,604	40,170
Government grants	政府撥款	2,155	-
Rental income	租金收入	-	12,200
Refund of value-added tax	增值稅退款	4,672	6,522
Gain on disposal of financial assets at fair value through profit or loss	出售按公允價值計入損益賬之金融資產之收益	3,917	1,529
Exchange gain	匯兌收益	2,948	5,881
Sundry income	雜項收入	329	1,314
		68,003	68,394

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

7. FINANCE COSTS

7. 融資成本

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Interest on bank loans	銀行貸款利息	176	2,209
Interest on finance leases	融資租賃利息	–	2
Interest on leases liabilities	租賃負債利息	2,399	–
Amount recognised in profit or loss	於損益賬確認之金額	2,575	2,211

8. PROFIT BEFORE INCOME TAX

8. 所得稅前溢利

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
The Group's profit before income tax is arrived at after charging:	本集團所得稅前溢利乃經扣除下列各項後得出：		
Amortisation of intangible assets other than goodwill*	除商譽外之無形資產攤銷*	12,602	12,562
Depreciation of property, plant and equipment — owned assets*	物業、廠房及設備折舊 — 自置資產*	7,341	28,921
Depreciation of property, plant and equipment — right-of-use assets*	物業、廠房及設備折舊 — 使用權資產*	23,392	–
Operating lease charges on prepaid land lease*	預付土地租賃之經營租賃費用*	–	272
Write-off of property, plant and equipment*	物業、廠房及設備撇銷*	4,800	4

* included in other operating expenses

* 計入其他經營開支

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

9. INCOME TAX EXPENSE

9. 所得稅開支

		For the six months ended 30 June 截至6月30日止六個月	
		2019 HK\$'000 千港元 (Unaudited) (未經審核)	2018 HK\$'000 千港元 (Unaudited) (未經審核)
Current tax charge for period	期內即期稅項支出		
— Hong Kong profits tax	— 香港利得稅	5,222	5,222
— The People's Republic of China Enterprise Income Tax ("EIT")	— 中華人民共和國企業所得稅 (「企業所得稅」)	3,559	2,060
Deferred tax	遞延稅項	8,781 (463)	7,282 (491)
Income tax expense	所得稅開支	8,318	6,791

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No.7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity is taxed at 8.25%, and profits above HK\$2 million is taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates is insignificant to the condensed consolidated interim financial statements. Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for both periods.

EIT has been provided on the estimated assessable profits of subsidiaries operating in Mainland China at 25% (six months ended 30 June 2018: 25%), unless preferential rates are applicable in the cities where the subsidiaries are located.

於2018年3月21日，香港立法會通過2017年稅務(修訂)(第7號)條例草案(「條例草案」)，引入兩級制利得稅率制度。條例草案於2018年3月28日簽署成為法律並於翌日刊登憲報。根據兩級制利得稅率制度，合資格集團實體首2百萬港元溢利將按8.25%之稅率徵稅，而超過2百萬港元之溢利則按16.5%之稅率徵稅。不符合兩級制利得稅率制度資格之集團實體之溢利將繼續按16.5%之劃一稅率徵稅。

董事認為，兩級制利得稅率實施後所涉及之金額對簡明綜合中期財務報表而言並不重大。於該兩個期間，香港利得稅均按估計應課稅溢利之16.5%計算。

除非附屬公司所在城市設有優惠稅率，否則於中國大陸經營之附屬公司已就其估計應課稅溢利按25% (截至2018年6月30日止六個月：25%)之稅率作出企業所得稅撥備。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

10. DIVIDEND

No dividend was paid and declared during the six months ended 30 June 2019 (six months ended 30 June 2018: Nil).

A special dividend in respect of the year ended 31 December 2017 of 0.5 HK cents per ordinary share, amounting to a total dividend of approximately HK\$99,573,000 was proposed and approved at the annual general meeting of the Company held on 30 May 2018. Such dividend was paid on 5 July 2018.

11. (LOSSES)/EARNINGS PER SHARE

The calculation of basic (losses)/earnings per share for the six months ended 30 June 2019 is based on the loss for the period attributable to owners of the Company of approximately HK\$2,695,000 (six months ended 30 June 2018: profit of HK\$393,560,000) and on the weighted average number of approximately 19,914,505,000 ordinary shares in issue during the period after deducting the number of shares held by a custodian under the restricted share award scheme.

For the six months ended 30 June 2019, the computation of diluted losses per share does not assume the deemed vesting of share award as they would decrease the losses per share attributable to the owners of the Company and have anti-dilutive effect.

For the six months ended 30 June 2018, diluted earnings per share was equal to the basic earnings per share as there was no potential dilutive ordinary share in issue during the period.

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired property, plant and equipment other than right-of-use assets with total costs of approximately HK\$5,421,000 (six months ended 30 June 2018: HK\$2,509,000).

During the six months ended 30 June 2019, approximately HK\$4,800,000 property, plant and equipment (six months ended 30 June 2018: HK\$4,000) were written off by the Group.

As at 30 June 2019, the carrying amount of the Group's right-of-use assets is approximately HK\$71,389,000. During the six months ended 30 June 2019, the Group has entered into several leases for properties in Mainland China, and recognised the additions to right-of-use assets amounting to approximately HK\$1,500,000 for the current period.

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

10. 股息

截至2019年6月30日止六個月概無派付及宣派股息(截至2018年6月30日止六個月:無)。

截至2017年12月31日止年度之特別股息每股普通股0.5港仙,股息總額約為99,573,000港元已於本公司於2018年5月30日舉行之股東週年大會上提呈及批准。有關股息於2018年7月5日派付。

11. 每股(虧損)/盈利

截至2019年6月30日止六個月之每股基本(虧損)/盈利乃按本公司擁有人應佔期內虧損約2,695,000港元(截至2018年6月30日止六個月:溢利393,560,000港元)及期內已發行普通股加權平均數(經扣除一名託管人根據限制股份獎勵計劃持有之股份數目)約19,914,505,000股計算得出。

截至2019年6月30日止六個月,每股攤薄虧損的計算並無假設股份獎勵視作歸屬,原因是有關假設將會減少本公司擁有人應佔每股虧損以及具有反攤薄影響。

截至2018年6月30日止六個月,每股攤薄盈利相等於每股基本盈利,原因為期內並無已發行潛在攤薄普通股。

12. 物業、廠房及設備

截至2019年6月30日止六個月,本集團以總成本約5,421,000港元(截至2018年6月30日止六個月:2,509,000港元)採購除使用權資產外之物業、廠房及設備。

截至2019年6月30日止六個月,本集團撇銷賬面淨值約4,800,000港元(截至2018年6月30日止六個月:4,000港元)之物業、廠房及設備。

於2019年6月30日,本集團使用權資產的賬面值約為71,389,000港元。截至2019年6月30日止六個月,本集團就中國內地物業訂立多份租約,並於本期間確認新增約1,500,000港元之使用權資產。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

13. TRADE RECEIVABLES

Trade receivables are due on presentation of invoices. Based on the invoice dates, the aging analysis of the trade receivables is as follows:

		30 June 2019 2019年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2018 2018年 12月31日 HK\$'000 千港元 (Audited) (經審核)
0–90 days	0至90日	25,773	19,097
91–180 days	91至180日	9,809	3,075
181–270 days	181至270日	2,572	413
271–360 days	271至360日	1,702	2,494
Over 360 days	超過360日	5,283	2,889
Trade receivables, gross	應收貿易款項毛額	45,139	27,968
Less: Provision for impairment of receivables	減：應收款項減值撥備	(3,769)	(3,771)
Trade receivables, net	應收貿易款項淨額	41,370	24,197

14. TRADE PAYABLES

Based on invoice dates, the aging analysis of the trade payables is as follows:

		30 June 2019 2019年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2018 2018年 12月31日 HK\$'000 千港元 (Audited) (經審核)
0–90 days	0至90日	34,328	45,990
91–180 days	91至180日	5,755	2,862
181–270 days	181至270日	1,301	458
271–360 days	271至360日	1,364	1,336
Over 360 days	超過360日	5,151	3,704
		47,899	54,350

13. 應收貿易款項

應收貿易款項於出示發票時到期。應收貿易款項按發票日期作出之賬齡分析如下：

14. 應付貿易款項

應付貿易款項按發票日期作出之賬齡分析如下：

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

15. SHARE CAPITAL

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

15. 股本

		30 June 2019 2019年6月30日 (Unaudited) (未經審核)		31 December 2018 2018年12月31日 (Audited) (經審核)	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
Issued and fully paid:	已發行及繳足：				
Ordinary shares	普通股				
At beginning of the period/year	於期／年初	21,720,504,877	240,597	19,914,504,877	240,597
Issue of new shares (note a)	發行新股份(附註a)	-	-	1,806,000,000	-
At end of period/year	於期／年終	21,720,504,877	240,597	21,720,504,877	240,597

(a) On 19 December 2018, 1,806,000,000 ordinary shares were approved by the independent shareholders of the Company to be issued to a custodian at nil consideration according to the restricted share award scheme. The custodian will hold the restricted shares and such restricted shares shall be transferred to the selected participants upon satisfaction of their respective vesting conditions.

(a) 於2018年12月19日，根據限制性股份獎勵計劃，本公司獨立股東批准向一名託管人無償發行1,806,000,000股普通股。託管人將持有限制性股份，有關限制性股份須於各自歸屬條件獲達成後轉讓予獲選參與者。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

16. DISPOSAL OF SUBSIDIARIES

For the six months ended 30 June 2018, the Group entered into sale and purchase agreements to dispose of 92.36% equity interest in Digital HUIGU Real Estate Management Co., Ltd (“Digital Huigu”) and 100% equity interest in Dadi Music Holding Ltd. to subsidiaries of its immediate holding company at consideration of approximately HK\$520,600,000 and HK\$8 respectively. The disposal was completed on 21 June 2018 and 7 May 2018 respectively. The carrying amount of the net assets of these subsidiaries at the date of disposal was as follows:

16. 出售附屬公司

截至2018年6月30日止六個月，本集團分別向直接控股公司之附屬公司出售數碼慧谷置業管理股份有限公司（「數碼慧谷」）及Dadi Music Holding Ltd.之92.36%股權及100%股權，代價分別約為520,600,000港元及8港元。出售事項先後於2018年6月21日及2018年5月7日完成。該等附屬公司於出售日期之淨資產賬面值如下：

		2018 Carrying amount 賬面值 HK\$'000 千港元 (Unaudited) (未經審核)
Net assets disposed of:	所出售淨資產：	
Property, plant and equipment	物業、廠房及設備	575,151
Goodwill	商譽	3,142
Trade receivables	應收貿易款項	656
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	243,629
Cash and cash equivalents	現金及等同現金項目	1,160
Other payables and accruals	其他應付款項及應計費用	(580,547)
Trade payables	應付貿易款項	(5,828)
Provision for tax	稅項撥備	(8,172)
		229,191
Non-controlling interests	非控股權益	(22,966)
Exchange reserve released on disposal	出售時解除之匯兌儲備	(72,909)
General reserve released on disposal	出售時解除之一般儲備	(41,668)
Gain on disposal	出售收益	428,952
Total consideration	總代價	520,600
Satisfied by:	以下列方式償付：	
Cash	現金	520,600

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

16. DISPOSAL OF SUBSIDIARIES (Continued)

An analysis of net inflow of cash and cash equivalents in respect of the disposal of subsidiaries was as follows:

		2018 HK\$'000 千港元 (Unaudited) (未經審核)
Cash consideration received	已收現金代價	520,600
Cash and cash equivalents disposed of	所出售現金及等同現金項目	(1,160)
Net cash inflow arising on the disposal of subsidiaries	出售附屬公司所產生之現金流入淨額	519,440

17. CONTINGENT LIABILITIES

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

16. 出售附屬公司(續)

出售附屬公司之現金及等同現金項目流入淨額分析如下：

17. 或然負債

		30 June 2019 2019年 6月30日 HK\$'000 千港元 (Unaudited) (未經審核)	31 December 2018 2018年 12月31日 HK\$'000 千港元 (Audited) (經審核)
An associate (note)	一間聯營公司(附註)	20,692	20,350

Note: There have been no material developments in pending litigation against Banco de Oro Unibank (formerly known as Equitable PCI Bank Inc. and then as Banco de Oro-EPCI Inc.) ("Banco Unibank"), a Filipino bank, and Waterfront Philippines Inc., a Filipino company, as disclosed in the Group's annual audited financial statements for the year ended 31 December 2018. Due to the pending litigation, the Group is not able to obtain any updated indebtedness information from Banco Unibank. Given the foregoing limitation, it is estimated that the outstanding balance of the total indebtedness owing to Banco Unibank was approximately US\$2,649,000 (equivalent to approximately HK\$20,692,000) by reference to the unaudited financial statements of the associate as at 30 June 2019 (31 December 2018: US\$2,599,000 (equivalent to approximately HK\$20,350,000)).

附註：誠如本集團截至2018年12月31日止年度之年度經審核財務報表所披露，與菲律賓銀行Banco de Oro Unibank(前稱Equitable PCI Bank Inc.，其後稱為Banco de Oro-EPCI Inc.)(「Banco Unibank」)及菲律賓公司Waterfront Philippines Inc.之待決訴訟並無重大進展。由於待決訴訟，本集團無法取得Banco Unibank之最新債務資料。鑒於上述限制，參考聯營公司於2019年6月30日之未經審核財務報表，估計結欠Banco Unibank債項總額之未償還結餘約為2,649,000美元(相當於約20,692,000港元)(2018年12月31日：2,599,000美元(相當於約20,350,000港元))。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

18. CREDIT FACILITIES

As at 30 June 2019, the Group's bank borrowings were secured by charge over certain property, plant and equipment with a net carrying value of approximately HK\$10,268,000 (31 December 2018: Nil).

19. PENDING LITIGATIONS

There have been no material changes and developments in respect of pending litigation cases of the Group since the disclosures in the Group's annual financial statements for the year ended 31 December 2018.

20. RELATED PARTY TRANSACTIONS

Remuneration for key management personnel which represents amounts paid to the directors were as follows:

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

18. 信貸融資

於2019年6月30日，本集團之銀行借貸以賬面淨值約10,268,000港元(2018年12月31日：無)之若干物業、廠房及設備之押記作抵押。

19. 待決訴訟

自本集團於截至2018年12月31日止年度之年度財務報表披露以來，本集團之待決訴訟並無重大變動及進展。

20. 關連方交易

主要管理層人員之酬金指支付予董事之金額，詳情如下：

		For the six months ended 30 June	
		截至6月30日止六個月	
		2019	2018
		HK\$'000	HK\$'000
		千港元	千港元
		(Unaudited)	(Unaudited)
		(未經審核)	(未經審核)
Directors' fees	董事袍金	243	236
Basic salaries, housing, other allowances and benefits in kind	基本薪金、房屋、其他津貼及實物利益	303	309
Pension scheme contributions	退休金計劃供款	77	49
Share-based payments expense	以股份支付之開支	879	-
		1,502	594

Included in other interest income of HK\$53,604,000 (six months ended 30 June 2018: HK\$40,170,000), amount of HK\$53,491,000 (six months ended 30 June 2018: HK\$39,904,000) was interest income from immediate holding company in which Mr. Yu Pun Hoi has 59.25% (as at 30 June 2018: 59.25%) beneficial interests as at 30 June 2019.

在其他利息收入53,604,000港元(截至2018年6月30日止六個月：40,170,000港元)中，53,491,000港元(截至2018年6月30日止六個月：39,904,000港元)為來自于品海先生於2019年6月30日實益擁有59.25%(於2018年6月30日：59.25%)權益之直接控股公司之利息收入。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

20. RELATED PARTY TRANSACTIONS (Continued)

During the six months ended 30 June 2019, the Group had paid lease payments amounted to approximately HK\$3,253,000 (six months ended 30 June 2018: HK\$1,050,000) to certain subsidiaries of Nan Hai in which Mr. Yu Pun Hoi has 59.25% (as at 30 June 2018: 59.25%) beneficial interests as at 30 June 2019.

Included in the revenue of HK\$473,272,000 (six months ended 30 June 2018: HK\$508,516,000), amount of HK\$3,940,000 (six months ended 30 June 2018: HK\$4,633,000) and HK\$104,000 (six months ended 30 June 2018: HK\$217,000) were enterprise cloud service income from certain subsidiaries of Nan Hai in which Mr. Yu Pun Hoi has 59.25% (as at 30 June 2018: 59.25%) beneficial interests as at 30 June 2019 and companies in which Ms. Liu Rong has 72.47% to 80.00% (as at 30 June 2018: 72.47% to 80.00%) beneficial interests as at 30 June 2019 respectively.

During the six months ended 30 June 2018, included in the rental income of HK\$12,200,000, amounts of HK\$6,704,000 and HK\$751,000 were rental income from certain subsidiaries of Nan Hai in which Mr. Yu Pun Hoi has 59.25% beneficial interests as at 30 June 2018 and companies in which Ms. Liu Rong has 72.47% to 80.00% beneficial interests as at 30 June 2018 respectively.

Except as disclosed above and elsewhere in these condensed consolidated interim financial statements, there was no other material related party transaction during the periods.

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

20. 關連方交易(續)

截至2019年6月30日止六個月，本集團已向于品海先生於2019年6月30日實益擁有59.25%（於2018年6月30日：59.25%）權益之南海旗下若干附屬公司支付租賃付款約3,253,000港元（截至2018年6月30日止六個月：1,050,000港元）。

在收益473,272,000港元（截至2018年6月30日止六個月：508,516,000港元）中，3,940,000港元（截至2018年6月30日止六個月：4,633,000港元）及104,000港元（截至2018年6月30日止六個月：217,000港元）分別為來自于品海先生於2019年6月30日實益擁有59.25%（於2018年6月30日：59.25%）權益之南海旗下若干附屬公司及劉榮女士於2019年6月30日實益擁有72.47%至80.00%（於2018年6月30日：72.47%至80.00%）權益之公司之企業雲服務收入。

截至2018年6月30日止六個月，在租金收入12,200,000港元中，6,704,000港元及751,000港元分別為來自于品海先生於2018年6月30日實益擁有59.25%權益之南海旗下若干附屬公司及劉榮女士於2018年6月30日實益擁有72.47%至80.00%權益之公司之租金收入。

除上文及本簡明綜合中期財務報表其他章節所披露者外，期內並無其他重大關連方交易。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

21. FAIR VALUE MEASUREMENTS

The fair value of financial assets at fair value through other comprehensive income with standard terms and conditions and trade on active liquid markets are determined with reference to quoted market prices.

The following table presents financial assets and liabilities measured at fair value in the condensed consolidated statement of financial position in accordance with the fair value hierarchy. The hierarchy groups financial assets and liabilities into three levels based on the relative reliability of significant inputs used in measuring the fair value of these financial assets and liabilities. The fair value hierarchy has the following levels:

- Level 1: quoted price (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable of the asset and liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the financial asset or liability is categorised in its entirety is based on the lowest level of input that is significant to the fair value measurement.

21. 公允價值計量

附帶標準條款及條件並於活躍流通市場買賣之按公允價值計入其他全面收益之金融資產之公允價值乃參考市場報價而釐定。

下表呈列根據公允價值架構於簡明綜合財務狀況報表按公允價值計量之金融資產及負債。此架構根據計量此等金融資產及負債之公允價值所使用主要輸入數據之相對可靠性，將金融資產及負債劃分為三層。公允價值架構分為以下各層：

- 第1層：相同資產及負債於活躍市場之報價(未經調整)；
- 第2層：就資產及負債而直接(即價格)或間接(即從價格推算)可觀察之輸入數據(不包括第1層所包含之報價)；及
- 第3層：並非根據可觀察市場數據而得出之資產或負債資料輸入(無法觀察輸入)。

金融資產或負債整體所應歸入之公允價值架構內之層次，乃基於對公允價值計量屬重大之最低層次輸入資料劃分。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

21. FAIR VALUE MEASUREMENTS (Continued)

The financial assets and liabilities of the Group measured at fair value in the condensed consolidated statement of financial position are grouped into the fair value hierarchy as follows:

21. 公允價值計量(續)

本集團於簡明綜合財務狀況報表按公允價值計量之金融資產及負債乃劃分為以下公允價值架構：

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 30 June 2019 (Unaudited)	於2019年6月30日 (未經審核)				
Assets	資產				
Financial assets at fair value through loss other comprehensive income	按公允價值計入其他全面收益之金融資產	-	324	-	324
Total fair values	公允價值總額	-	324	-	324
At 31 December 2018 (Audited)	於2018年12月31日 (經審核)				
Assets	資產				
Financial assets at fair value through profit or loss	按公允價值計入損益賬之金融資產	47,765	-	-	47,765
Financial assets at fair value through other comprehensive income	按公允價值計入其他全面收益之金融資產	-	324	-	324
Total fair values	公允價值總額	47,765	324	-	48,089

The fair value of the club debenture is determined with reference to the quoted market bid price available to the second-hand market as at the reporting date. Given that the second hand market is not considered as an active market, the fair values of the club debenture are grouped into Level 2.

There have been no significant transfers between levels 1,2 and 3 in the reporting period. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

會所債券之公允價值乃參照於報告日期二手市場可得之市場投標報價而定。由於二手市場並不視為活躍市場，會所債券之公允價值列入第2層。

於報告期間，第1層、第2層與第3層之間並無重大轉撥。用於計量公允價值之方法及估值技術與過往報告期間維持不變。

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Continued)

For the six months ended 30 June 2019

簡明綜合中期財務報表附註

(續)

截至2019年6月30日止六個月

22. EVENT AFTER REPORTING DATE

On 31 May 2019, the Company and Nan Hai entered into a supplemental agreement (“Nan Hai Supplemental Agreement”) in relation to the variation of security under the loan agreement dated 29 May 2009 which was amended and supplemented by agreements dated 20 May 2011, 31 October 2012, 9 May 2013, 30 April 2015, 2 May 2017 and 21 March 2019.

On the same date, the Company and Digital Huigu also entered into a supplemental agreement (“Digital Huigu Supplemental Agreement”) in relation to the variation of security under the loan agreement dated 21 June 2018.

Both the Nan Hai Supplemental Agreement and Digital Huigu Supplemental Agreement (collectively the “Agreements”) are conditional upon (i) the receipt by the Company of the share mortgage duly executed by the mortgagor and other relevant parties; and (ii) the independent shareholders of the Company having approved the Agreements and the transactions contemplated thereunder in accordance with the provisions of the Listing Rules. On 29 August 2019, the Agreements were approved by independent shareholders of the Company and the Company received the share mortgage duly executed by the mortgagor. Details of the transactions have been set out in the Company’s announcement and circular dated 31 May 2019 and 26 July 2019 respectively.

22. 報告期後事項

於2019年5月31日，本公司與南海訂立補充協議（「南海補充協議」），內容有關更改日期為2009年5月29日之貸款協議（經日期為2011年5月20日、2012年10月31日、2013年5月9日、2015年4月30日、2017年5月2日及2019年3月21日之協議修訂及補充）項下之抵押品。

同日，本公司亦與數碼慧谷訂立補充協議（「數碼慧谷補充協議」），內容有關更改日期為2018年6月21日之貸款協議項下之抵押品。

南海補充協議及數碼慧谷補充協議（統稱「該等協議」）均須待下列各項達成後方可作實：(i)本公司接獲抵押人及其他相關訂約方妥為簽立之股份抵押；及(ii)本公司獨立股東根據上市規則條文批准該等協議及其項下擬進行交易。於2019年8月29日，該等協議已獲本公司獨立股東批准及本公司已接獲抵押人妥為簽立之股份抵押。交易詳情已載於本公司日期分別為2019年5月31日之公告及2019年7月26日之通函。

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

By virtue of the comprehensive cloud computing infrastructure services, e-commerce and total “Internet+” solutions offered for corporate clients in China, the Group spent unremitting efforts on the development of digitalization and smart operation. Leveraging on its unremitting efforts, the Group has successfully established an outstanding nation-wide business and localized service network in the industry, so as to effectively address “the last kilometer” problems from service providers to corporate clients. With the rapid development of mobile internet and establishment of de-centralized network ecosystem represented by WeChat applet, 中企動力科技股份有限公司 (CE Dongli Technology Company Limited, “CE Dongli”), a subsidiary of the Group, launched full network responsive portal on top of its original portal product as well as online and offline marketing and operating one-stop solutions such as “Youyi” (有翼) intelligent business. Together with 北京新網數碼信息技術有限公司 (Beijing Xinnet Cyber Information Company Limited, “Xinnet”)’s cloud computing services played a significant role in promoting the growth of the number of users.

During the reporting period, with key subsidiaries CE Dongli and Xinnet as its main business entities, efforts were continuously made in the development of cloud services for corporate digitalization and smart operation by providing comprehensive IaaS (Infrastructure as a service), cloud application, corporate e-commerce services, “corporate digitalization transformation” total solutions and big databased business intelligence cloud service to China market. During the reporting period, revenue of the Group was approximately HK\$473.3 million (for the six months ended 30 June 2018: HK\$508.5 million), representing a decrease of approximately 6.9% over the corresponding period last year. Loss for the period was approximately HK\$3.1 million (six months ended 30 June 2018: profit of HK\$392.5 million, which was primarily attributable to one-off gain arising from the completion of the disposal of 92.36% of 數碼慧谷置業管理股份有限公司 (Digital HUIGU Real Estate Management Co., Ltd.) during the six months ended 30 June 2018).

管理層討論與分析

業務回顧

本集團在向中國企業客戶提供全方位的雲計算基礎設施服務、電子商務和「互聯網+」整體解決方案的基礎上，持續推進其數字化智能經營進程。通過長期不懈的努力，已經成功建立了業內首屈一指的全國性的商務和本地化服務網絡，有效解決了服務商到企業客戶的「最後一公里」的問題。伴隨著移動互聯網的高速發展和以微信小程序為代表的去中心化網絡生態的建立，本集團下屬中企動力科技股份有限公司（「中企動力」）在原有門戶產品的基礎上推出的全網響應式門戶、有翼智慧商業等線上線下營銷經營一體化解決方案，和北京新網數碼信息技術有限公司（「新網」）的雲計算服務一起對於用戶量的增長起到了明顯的推動作用。

報告期內，本集團致力於企業數字化智能經營雲服務的發展，以旗下核心企業中企動力及新網為經營主體，面向中國市場提供全方位的IaaS（基礎設施即服務）、雲應用、企業電子商務服務、「企業數字化轉型」整體解決方案以及基於大數據的商業智能雲服務。報告期內，本集團收益約為4.733億港元（截至2018年6月30日止六個月：5.085億港元），同比下降約6.9%；期內虧損約為3.1百萬港元（截至2018年6月30日止六個月：溢利3.925億港元，主要是由於截至2018年6月30日止六個月，本集團完成處置數碼慧谷置業管理股份有限公司92.36%股權所產生的一次性收益）。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

CE Dongli

With 20 years' experience of being a services provider for enterprises in China, CE Dongli has successfully established a corporate "Internet+" product operating system as well as an extensive business and localized service network, providing corporate digitalization and operation solutions. During the reporting period, with 5G network launching in the near future, CE Dongli introduced the full network responsive portal product targeting optimization of mobile internet experience. Hence, the number of potential users increased while enhancing users' experience. For industrial solutions, the launching of foreign trading portal were well-received by the market. Number of foreign trade customers increased by more than 1,200 within six months. For the smart business aspect, CE Dongli launched "Youyi" (有翼) cloud product, providing mobile mall and smart store digital services for customers in the retail service industry. In addition to providing digitalization and operation solutions for SMEs, CE Dongli also expands its major client base by providing more high-end customers with a "MarTech" digitalization and smart operation flagship service. Since the launching of high-end customized brand CE Ultimate (中企高呈), it has provided digital operation services for more than 150 companies that are Fortune Global 500 companies or 100 top companies in various industries in China, enjoying a better competitiveness in various industries including finance, real estate, medical and retail etc. In the meantime, in the process of meeting the complex digital needs of high-end customers, CE Dongli has continued to build its product and service capabilities, perform sampling and integration, and rely on the support of the product research center, gradually forming specific products and industry solutions for different industries and meeting the needs of customers at different stages, achieving effective integration with small and medium business regarding marketing and design service. For research of new products, CE Dongli is gradually forming a development structure supported by the middle structure of business (業務中台). A flexible and feasible product and industry solution can be made promptly according to the needs of different industry and customer of different stage. Hence, the delivery efficiency of the product development is significantly improved.

管理層討論與分析 (續)

業務回顧 (續)

中企動力

中企動力基於為中國企業服務20年的經驗，為其搭建運營級的企業「互聯網+」產品體系，建立了龐大的商務和本地化服務網絡，為其提供企業數字化經營解決方案。報告期內，中企動力在5G來臨的大背景下，推出了針對移動互聯網體驗優化的全網響應式門戶產品，在提升用戶體驗的同時擴大了潛在用戶的數量。行業解決方案方面，外貿門戶的推出獲得了市場的高度認可，半年內新增超過1,200家外貿客戶。在智慧商業領域，中企動力推出有翼雲產品，為零售服務行業客戶提供移動商城與智慧門店類數字化服務。除了為中小企業提供數字化經營解決方案外，中企動力在大客戶領域的拓展也在持續進行，不斷的為更多高端客戶提供「MarTech」數字化智能經營旗艦級服務。自中企動力推出高端定製品牌中企高呈以來，已為150多家世界500強企業及中國行業百強企業提供數字化服務，在金融，地產，醫藥，零售等多個行業中具備了較強的競爭力。與此同時，在滿足高端客戶複雜數字化需求的服務過程中，中企動力不斷沉澱產品與服務能力，抽樣整合，依托產研中心的支撐，逐漸形成了針對不同行業、滿足不同階段客戶群需求的特定產品及行業解決方案，並與中小業務在市場營銷及設計服務方面做到了有效融合。在新產品的研發方面，中企動力逐步建成以業務中台為支撐的開發架構，可以根據不同行業、不同階段客戶的需求快速形成靈活可配置的產品和行業解決方案，大幅度提高了產品開發交付效率。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Business Review (Continued)

Xinnet

During the reporting period, Xinnet continued its cloud services such as IaaS, domain name hosting and synergistic communication for SMEs and micro-enterprises through internet online and distributor channels established across China. In 2017, after Xinnet officially launched "Arrow Cloud (箭頭雲)", its self-developed new generation cloud computing product, the Group continued to increase its investment in research and development, making reservation with cloud technology, while optimizing and perfecting the existing cloud business platform and operation platform, hence improving the operational efficiency while bringing better experience to customers. On this basis, Xinnet regard its own cloud products as its core and provides users with more extensive value-added products and a more comprehensive cloud service experience through the application and service market.

Prospects

The management of the Group considers that with the rapid development of mobile internet and gradual establishment of a de-centralized business model, enterprises in China will be facing a wave of digitalization transformation, and business intelligence services based on big data will be developed. Although it still takes time for market ramp-up and promotion, cloud services for corporate digitalization and smart operation and industrial solutions will enjoy the enormous room for development. Going forward, the Group will continue to improve its ground services capability by putting users as its core, relying on the industry and making full use of the Internet, which allows it to quickly respond to the needs of enterprises and provide timely solutions to issues. Meanwhile, the Group will enhance its overall operational capability and online services capability. In respect of product application, with an in-depth understanding of the industry's business scenarios, the Group will quickly respond to the needs of business scenarios in different industries based on the cloud product model and the middle structure of business (業務中台). Furthermore, the Group will also increase its capital investment in the data centre, cloud computing technology, automatic operation and maintenance technology as well as big data technology, and enhance its overall technical core competence to further develop and optimize its products and services for the enterprise's digital intelligent business scenario.

管理層討論與分析 (續)

業務回顧 (續)

新網

報告期內，新網繼續通過網絡在綫與遍布全國的代理商渠道，面向全國中小微企業開展 IaaS、域名托管、協同通訊等雲服務。繼 2017 年推出自主開發的新一代雲計算產品「箭頭雲」後，本集團在研發方面繼續增加投入，進行混合雲技術的儲備，同時優化和完善現有雲業務平台及運營平台，在為客戶帶來更好使用體驗的同時繼續提升運營效率。在此基礎上，新網以自有雲產品為核心，通過應用與服務市場，為用戶提供更加豐富的增值產品以及更加全面的雲服務體驗。

展望

本集團管理層認為，伴隨著移動互聯網高速發展和去中心化商業模式的逐漸確立，中國企業將迎來一次數字化轉型浪潮，基於大數據的智慧商業服務將會得到發展，雖然仍需一定的市場培育和推廣時間，但面向企業數字化智能經營的雲服務和行業解決方案會擁有廣闊的市場空間。未來，本集團將以用戶為核心，以行業為依托，充分利用互聯網手段，不斷提升自己的地面服務能力，對企業的需求、問題進行快速響應，及時解決，同時全面提升運營支撐能力和在綫服務能力。在產品應用方面，在深度理解行業商業場景的基礎上，以雲產品模型、業務中台做支撐，快速響應不同行業的商業場景需求。此外，本集團會持續加大對數據中心、雲計算技術、自動化運維技術、大數據技術的資本投入，全面提升核心技術能力，進一步研發和優化面向企業數字化智能經營商業場景的產品和服務。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

管理層討論與分析 (續)

Financial Resources and Liquidity

財務資源及流動資金

The Group continued to adopt prudent funding and treasury policies. As at 30 June 2019, net assets attributable to the owners of the Company amounted to approximately HK\$1,511.4 million (31 December 2018: HK\$1,539.1 million), including cash and bank balances of approximately HK\$295.7 million (31 December 2018: HK\$170.4 million) which were mainly denominated in Renminbi, US dollars and Hong Kong dollars. As at 30 June 2019, the Group's aggregate bank borrowings amounted to approximately HK\$16.1 million which were bearing interest at fixed rates (31 December 2018: Nil). The Group currently has not taken any interest rate hedge.

本集團繼續採取審慎之資金及財務政策。於2019年6月30日，本公司擁有人應佔資產淨值約為15.114億港元(2018年12月31日：15.391億港元)，包括現金及銀行結存約2.957億港元(2018年12月31日：1.704億港元)，主要以人民幣、美元及港元為單位。於2019年6月30日，按固定利率計息之本集團銀行借貸合共約為0.161億港元(2018年12月31日：無)。本集團目前並無實行任何利率對沖。

As at 30 June 2019, the Group's gearing ratio is calculated as net debt divided by the total equity plus net debt. The Group recorded net cash as at 30 June 2019, gearing ratio is therefore not applicable (31 December 2018: not applicable).

於2019年6月30日，本集團之資本負債比率按負債淨額除以權益總額加以負債淨額計算。本集團於2019年6月30日錄得現金淨額，因此資本負債比率不適用(2018年12月31日：不適用)。

As at 30 June 2019, the Group had no capital commitment (31 December 2018: Nil).

於2019年6月30日，本集團並無資本承擔(2018年12月31日：無)。

As at 30 June 2019, the Group's contingent liabilities were approximately HK\$20.7 million (31 December 2018: HK\$20.4 million) in connection with the guarantees given to secure credit facilities. Details are set out in note 17 to the financial statements.

於2019年6月30日，本集團之或然負債約為0.207億港元(2018年12月31日：0.204億港元)，乃就信貸融資提供之擔保所致。詳情載於財務報表附註17。

As at 30 June 2019, certain property, plant and equipment amounting to approximately HK\$10.3 million were pledged to secure the credit facilities granted to the Group (31 December 2018: Nil).

於2019年6月30日，本集團之信貸融資乃以約0.103億港元之若干物業、廠房及設備作抵押(2018年12月31日：無)。

MANAGEMENT DISCUSSION AND ANALYSIS (Continued)

Exposure to Fluctuation in Exchange Rates

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

Employees and Remuneration Policy

The Group employs and remunerates its employees based on their qualifications, experience and performance. In addition to basic salary payments, other benefits include housing, contributions to mandatory provident fund, group medical insurance, group personal accident insurance and, examination leave etc. Employees are eligible to be granted share options or restricted shares (as the case may be) under the Company's share option scheme or restricted share award scheme at the discretion of the Board. In general, salary review is conducted annually. As at 30 June 2019, the Group had approximately 5,701 employees (30 June 2018: 6,949 employees). The salaries of and allowances for the employees for six months ended 30 June 2019 were approximately HK\$299.6 million (for six months ended 30 June 2018: HK\$408.2 million).

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

Events after Reporting Date

Save as disclosed in note 22 to the financial statements of this report, there was no other significant event after the reporting date up to the date of this report.

管理層討論與分析 (續)

匯率波動風險

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

僱員及薪酬政策

本集團員工的聘用及薪酬均以員工之學歷、經驗和工作表現為基礎。除基本薪金外，其他福利包括住房、強制性公積金供款、團體醫療保險及團體個人意外保險及考試休假等。員工可根據本公司購股權計劃或限制性股份獎勵計劃並按董事會之酌情決定獲授購股權或限制性獎勵股份(視情況而定)。一般而言，每年均會進行薪金檢討。於2019年6月30日，本集團約有5,701名員工(2018年6月30日：6,949名)。截至2019年6月30日止六個月，員工之薪金及津貼約為2.996億港元(截至2018年6月30日止六個月：4.082億港元)。

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

報告日期後事項

除本報告財務報表附註22所披露者外，截至本報告日期，並無其他重大報告日期後事項。

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

董事於股份及相關股份之權益及淡倉

As at 30 June 2019, the interests and short positions of the directors and chief executive of the Company in shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

於2019年6月30日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有須記錄於根據證券及期貨條例第352條存置之登記冊中或已根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）以其他方式知會本公司及香港聯交所之權益及淡倉如下：

The Company

Long position in shares in issue

本公司

於已發行股份之好倉

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage holding	Notes
董事姓名	身份／權益性質	所持股份數目	持股概約百分比	附註
Yu Pun Hoi ("Mr. Yu") 于品海（「于先生」）	Corporate interest 公司權益	12,838,585,316 (L)	59.11%	1
Chen Ming Fei 陳鳴飛	Family interest 家族權益	6,120,000 (L)	0.03%	
	Corporate interest 公司權益	199,100,000 (L)	0.91%	2
	Other 其他	1,566,000,000 (L)	7.21%	3
Fung Wing Lap 馮榮立	Personal interest 個人權益	10,000 (L)	0.00005%	

Notes:

附註：

- Mr. Yu by means of his corporate interest controls the exercise of more than one-third of the voting power at general meetings of Nan Hai, the holding company of the Company. These 12,838,585,316 shares were collectively held by Goalrise Investments Limited, View Power Investments Limited and Wise Advance Investments Limited, all of which are wholly-owned subsidiaries of Nan Hai. As such, Mr. Yu was taken to be interested in these shares for the purposes of Part XV of the SFO.
 - These 199,100,000 shares were held by Top Standard Consultants Limited, a company wholly owned by Mr. Chen Ming Fei.
 - These 1,566,000,000 shares may be transferred to Mr. Chen Ming Fei as selected participant (which will be subject to the vesting conditions) pursuant to the restricted share award scheme adopted by the Company on 9 October 2018.
 - (L) denotes long position.
- 于先生透過其公司權益擁有於本公司控股公司南海之股東大會上控制行使超過三分之一投票權。該等12,838,585,316股股份分別由南海之全資附屬公司Goalrise Investments Limited、View Power Investments Limited及Wise Advance Investments Limited合共持有。因此，就證券及期貨條例第XV部而言，于先生被視為於該等股份中擁有權益。
 - 該等199,100,000股股份由陳鳴飛先生透過其全資擁有的公司Top Standard Consultants Limited持有。
 - 該等1,566,000,000股股份可能獲根據本公司於2018年10月9日採納之限制性股份獎勵計劃轉讓予陳鳴飛先生（作為獲選參與者），惟須受歸屬條件規限。
 - (L)指好倉。

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

Associated Corporations

As disclosed above, Mr. Yu is entitled to control the exercise of more than one-third of the voting power at general meetings of Nan Hai. As such, Mr. Yu is taken to be interested in the shares of the associated corporations of the Company within the meaning of Part XV of the SFO. Nan Hai is a company whose shares are listed on the Hong Kong Stock Exchange, and is an associated corporation of the Company within the meaning of Part XV of the SFO. As at 30 June 2019, the interests of the directors of the Company in shares and underlying shares of Nan Hai were as follows:

Nan Hai

Long and short positions in shares in issue

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage holding	Notes
董事姓名	身份／權益性質	所持股份數目	持股概約百分比	附註
Mr. Yu 于先生	Corporate interest 公司權益	40,673,177,261 (L)	59.25%	1
		9,734,516,130 (S)	14.18%	2
Chen Ming Fei 陳鳴飛	Family interest 家族權益	2,800,000 (L)	0.004%	
Fung Wing Lap 馮榮立	Personal interest 個人權益	15,756 (L)	0.00002%	
Cheng Chih-Hung 鄭志宏	Personal interest 個人權益	6,800,000 (L)	0.01%	

Notes:

- These 40,673,177,261 shares were collectively held by Rosewood Assets Ltd., Phippen Limited, Staverley Assets Limited, First Best Assets Limited and Unicorn Assets Group Limited, companies indirectly wholly owned by Mr. Yu through Dadi Holdings Limited, a company wholly owned by Mr. Yu.
- These 9,734,516,130 shares were charged by Phippen Limited, a company indirectly wholly owned by Mr. Yu through Dadi Holdings Limited, a company wholly owned by Mr. Yu.
- (L) denotes long position and (S) denotes short position.

Save as disclosed above, as at 30 June 2019, none of the directors nor chief executive of the Company had any interests or short positions in shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

董事於股份及相關股份之權益及淡倉(續)

相聯法團

如上述所披露，于先生擁有於南海之股東大會上可控制行使超過三分之一之投票權。因此，根據證券及期貨條例第XV部，于先生被視為擁有本公司相聯法團之權益。南海股份於香港聯交所上市，根據證券及期貨條例第XV部，亦被視為本公司之相聯法團。於2019年6月30日，本公司董事於南海擁有之股份及相關股份之權益如下：

南海

於已發行股份之好倉及淡倉

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage holding	Notes
董事姓名	身份／權益性質	所持股份數目	持股概約百分比	附註
Mr. Yu 于先生	Corporate interest 公司權益	40,673,177,261 (L)	59.25%	1
		9,734,516,130 (S)	14.18%	2
Chen Ming Fei 陳鳴飛	Family interest 家族權益	2,800,000 (L)	0.004%	
Fung Wing Lap 馮榮立	Personal interest 個人權益	15,756 (L)	0.00002%	
Cheng Chih-Hung 鄭志宏	Personal interest 個人權益	6,800,000 (L)	0.01%	

附註：

- 該等40,673,177,261股股份分別由于先生透過其全資擁有的公司大地控股有限公司間接全資擁有的Rosewood Assets Ltd.、Phippen Limited、Staverley Assets Limited、First Best Assets Limited及Unicorn Assets Group Limited共同持有。
- 該等9,734,516,130股股份由于先生透過其全資擁有的公司大地控股有限公司間接全資擁有的Phippen Limited抵押。
- (L)指好倉，而(S)指淡倉。

除上文所披露者外，於2019年6月30日，本公司董事及最高行政人員概無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有須記錄於根據證券及期貨條例第352條存置之登記冊中，或已根據上市規則附錄10所載的標準守則以其他方式知會本公司及香港聯交所之權益或淡倉。

SHARE OPTION SCHEME

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

Since the adoption of the Scheme and during the six months ended 30 June 2019, no share option has been granted, exercised, cancelled or lapsed under the Scheme and there was no outstanding share option under the Scheme as at 30 June 2019 and up to the date of this report.

EMPLOYEE BENEFITS

A. Restricted Share Award Scheme

On 9 October 2018, to recognise the contributions made by the Group's employees, the Company adopted a restricted share award scheme ("Restricted Share Award Scheme"), and the Restricted Share Award Scheme supersedes in its entirety the share award scheme ("Share Award Scheme") adopted by the Company on 8 February 2018 (Details of Share Award Scheme are set out in the Company's announcement dated 8 February 2018. No share award was granted by the Company under the Share Award Scheme). The Restricted Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the adoption date. The Restricted Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

Pursuant to the Restricted Share Award Scheme, the Board shall select eligible participants for participation in the Restricted Share Award Scheme and grant not more than a total of 2,462 million restricted shares to selected participants. The restricted shares to be granted may comprise of (i) new shares to be issued by the Company to the selected participants; or (ii) existing shares purchased by the custodian on the market, the costs of which will be borne by the Company, and such restricted shares will be held by the custodian for the benefit of the selected participants before vesting. The restricted shares and the related distribution shall be transferred to the selected participants when the relevant vesting conditions have been satisfied.

購股權計劃

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

自採納該計劃起及截至2019年6月30日止六個月期間，並無購股權根據該計劃獲授出、行使、註銷或失效，而於2019年6月30日及截至本報告日期，於該計劃項下概無任何尚未行使之購股權。

僱員福利

A. 限制性股份獎勵計劃

於2018年10月9日，為肯定本集團人員之貢獻，本公司採納一項限制性股份獎勵計劃（「限制性股份獎勵計劃」），而限制性股份獎勵計劃全面取代本公司於2018年2月8日採納之股份獎勵計劃（「股份獎勵計劃」）。股份獎勵計劃之詳情載於本公司日期為2018年2月8日之公告。本公司並無根據股份獎勵計劃授出股份獎勵。限制性股份獎勵計劃將於採納日期起計十（10）年內有效。限制性股份獎勵計劃並不構成上市規則第17章所界定之股份期權計劃，為本公司的酌情計劃。

根據限制性股份獎勵計劃，董事會將挑選合資格參與者參與限制性股份獎勵計劃，並向獲選參與者授出合共不多於24.62億股限制性股份。將予授出之限制性股份可包括(i)本公司將向獲選參與者發行之新股份；或(ii)託管人於市場上購回之現有股份，相關成本將由本公司承擔，而有關限制性股份於歸屬前將由託管人代獲選參與者之利益持有。當相關歸屬條件達成時，限制性股份及相關分派將轉移至獲選參與者。

EMPLOYEE BENEFITS (Continued)

A. Restricted Share Award Scheme (Continued)

As at 30 June 2019, the Company has granted a total of 1,806 million restricted shares to selected participants under the Restricted Share Award Scheme by way of issue and allotment of new shares, and such grant was approved by the independent shareholders of the Company at the general meeting on 19 December 2018. These restricted shares are held by the custodian on behalf of the selected participants. As at 30 June 2019, no restricted shares were vested under the Restricted Share Award Scheme.

B. Other Employee Benefits

In December 2017, CE Dongli, a subsidiary of the Company, implemented a scheme (the "CE Scheme") to incentivise the senior management of CE Dongli (the "CE Senior Management"). Pursuant to the CE Scheme, the Group will effectively grant a total of 15,996,402 units of right to receive profit-share and bonus reward (the "Bonus Reward") to CE Senior Management. The recipients of such Bonus Reward have the right to exercise at the price of RMB1 for each unit of Bonus Reward in return for one unit of equity interest in CE Dongli (the "CE Interest"). Upon the exercising of all units of Bonus Reward, the CE Senior Management will in substance indirectly hold a total of 6.6% of the CE Interests. Within one year after the expiry date of the CE Scheme (i.e. 31 December 2022), it is mandatory for the Group to buy back all of the CE Interests from the CE Senior Management (the "Buy-back") and there is no choice for the Group or the CE Senior Management to opt for alternative equity settlement. The CE Scheme is in substance a long-term employee benefits in form of profit-sharing and bonus plan and lasts for a period of 5 years up to 31 December 2021. The CE scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of CE Dongli.

As at 30 June 2019, a total of 9,716,300 units of the Bonus Reward were granted to the CE Senior Management and 7,044,500 units of which were exercised.

僱員福利(續)

A. 限制性股份獎勵計劃(續)

於2019年6月30日，本公司根據限制性股份獎勵計劃通過發行及配發新股份向獲選參與者授出合共18.06億股限制性股份，該等授出於2018年12月19日經本公司獨立股東於股東大會批准。該等限制性股份由託管人代獲選參與者持有。於2019年6月30日，概無限制性股份根據限制性股份獎勵計劃歸屬。

B. 其他僱員福利

於2017年12月，本公司附屬公司中企動力實施一項計劃(「中企動力計劃」)以激勵中企動力之高級管理人員(「中企高級管理人員」)。根據中企動力計劃，本集團將向中企高級管理人員實際授出合共15,996,402個收取溢利分享及花紅獎勵(「花紅獎勵」)之權利單位。獲授該等花紅獎勵的人士有權按人民幣1元行使各花紅獎勵單位以換取於中企動力一單位權益(「中企權益」)。於所有花紅獎勵單位獲行使後，中企高級管理人員將實際上間接持有合共6.6%之中企權益。於中企動力計劃屆滿日期後一年(即2022年12月31日)內，本集團必須向中企高級管理人員購回所有中企權益(「購回」)，且本集團或中企高級管理人員不得選擇其他股權結算方式。中企動力計劃實質上是溢利分享及花紅計劃形式提供之長期僱員福利，直至2021年12月31日止為期5年。中企動力計劃並不構成上市規則第17章所定義的購股權計劃，為中企動力的酌情計劃。

於2019年6月30日，已向中企高級管理人員授出合共9,716,300個花紅獎勵單位，其中7,044,500個花紅獎勵單位已行使。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

主要股東之權益及淡倉

As at 30 June 2019, those persons (other than directors and chief executive of the Company) who had interests or short positions in shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

於2019年6月30日，根據本公司按照證券及期貨條例第336條存置之登記冊所記錄，以下人士（本公司董事及最高行政人員除外）於本公司之股份或相關股份中擁有權益或淡倉：

Name of person holding an interest in shares which has been disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO	持有根據證券及期貨條例第XV部第2及3分部已向本公司披露股份權益之人士名稱	Nature of interest 權益性質	Number of shares in issue subject to long position 好倉涉及之已發行股份數目	Approximate percentage of issued share capital of the Company 佔本公司已發行股本之概約百分比	Notes 附註
Nan Hai	南海	Corporate interest 公司權益	12,838,585,316 (L)	59.11%	1
Webers Trust Management (Hong Kong) Limited	Webers Trust Management (Hong Kong) Limited	Custodian (other than an exempt custodian interest) 託管人(獲豁免託管人權益除外)	1,806,000,000 (L)	8.31%	2

Notes:

- Those 12,838,585,316 shares were collectively held by Goalrise Investments Limited, View Power Investments Limited and Wise Advance Investments Limited, all of which are wholly-owned subsidiaries of Nan Hai.
- Such shares represent the restricted shares granted to selected participants pursuant to the Restricted Share Award Scheme to be held by the custodian for the benefit of the selected participants before vesting.
- (L) denotes long position.

附註：

- 該等12,838,585,316股股份分別由南海之全資附屬公司Goalrise Investments Limited、View Power Investments Limited及Wise Advance Investments Limited共同持有。
- 該等股份指根據限制性股份獎勵計劃向獲選參與者授出且於歸屬前將由託管人為獲選參與者之利益持有之限制性股份。
- (L)指好倉。

Save as disclosed above, as at 30 June 2019, no person (other than directors and chief executive of the Company) had notified to the Company any interests or short positions in shares or underlying shares of the Company which was required to be recorded in the register kept by the Company under Section 336 of the SFO.

除上文所披露者外，於2019年6月30日，概無人士（本公司董事及最高行政人員除外）知會本公司，其於本公司之股份或相關股份中擁有須記錄於本公司按照證券及期貨條例第336條存置之登記冊之權益或淡倉。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of its listed securities during the six months ended 30 June 2019.

INTERIM DIVIDEND

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019 (for the six months ended 30 June 2018: Nil).

CORPORATE GOVERNANCE

In the opinion of the Board, the Company has complied with the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules throughout the six months ended 30 June 2019.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

On 29 May 2009, the Company as lender and Nan Hai, the immediate holding company and connected person of the Company, as borrower entered into a loan agreement (the "Loan Agreement") in relation to the loan in the principal amount of approximately HK\$1,645.5 million advanced by the Company to Nan Hai (the "Loan"). The Loan was advanced for the settlement of the consideration payable to the Company pursuant to the sale and purchase agreement entered into between the Company and Nan Hai on 13 November 2007, in relation to the sale of 51% issued share capital of Listar Properties Limited by the Company to Nan Hai. The Loan Agreement was later supplemented by the first supplemental agreement, the second supplemental agreement, the third supplemental agreement, the fourth supplemental agreement, the fifth supplemental agreement, the sixth supplemental agreement and the seventh supplemental agreement dated 20 May 2011, 31 October 2012, 9 May 2013, 30 April 2015, 2 May 2017, 21 March 2019 and 31 May 2019 respectively, which among other things extended the repayment date for the outstanding principal and varied certain terms and provisions of the Loan Agreement. On 21 March 2019, the Company as lender entered into a supplemental agreement with Nan Hai as borrower in relation to the extension of the repayment date for the outstanding principal for two years from 30 June 2019 to 29 June 2021.

購買、出售或贖回上市證券

本公司或其任何附屬公司於截至2019年6月30日止六個月內概無購買、出售或贖回其任何上市證券。

中期股息

董事會不建議派發截至2019年6月30日止六個月之中期股息(截至2018年6月30日止六個月：無)。

企業管治

董事會認為，截至2019年6月30日止六個月內，本公司一直遵守上市規則附錄14所載之《企業管治守則》及《企業管治報告》。

根據上市規則第13.20條作出之披露

於2009年5月29日，本公司(作為貸款人)與本公司直接控股公司兼關連人士南海(作為借款人)訂立貸款協議(「貸款協議」)，內容有關本公司向南海墊付本金額約為16.455億港元之貸款(「貸款」)。貸款乃墊付作清償根據本公司與南海於2007年11月13日所訂立買賣協議就本公司向南海銷售Listar Properties Limited已發行股本之51%而應付本公司之代價。貸款協議其後經日期分別為2011年5月20日、2012年10月31日、2013年5月9日、2015年4月30日、2017年5月2日、2019年3月21日及2019年5月31日之首份補充協議、第二份補充協議、第三份補充協議、第四份補充協議、第五份補充協議、第六份補充協議及第七份補充協議所補充，據此(其中包括)順延未償還本金之還款日期以及修訂貸款協議若干條款及條文。於2019年3月21日，本公司(作為貸款人)與南海(作為借款人)訂立補充協議，內容有關將未償還本金之還款到期日延長兩年，由2019年6月30日延至2021年6月29日。

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES (Continued)

根據上市規則第 13.20 條作 出之披露(續)

On 31 May 2019, the Company and Nan Hai entered into the seventh supplemental agreement (“Seventh Supplemental Agreement”) under which the Company conditionally agreed to (i) vary the security under the Loan Agreement (as supplemented by the first supplemental agreement, the second supplemental agreement, the third supplemental agreement, the fourth supplemental agreement, the fifth supplemental agreement and the sixth supplemental agreement) by substituting the share mortgage (by way of first fixed charge) in respect of the entire issued share capital of Nan Hai Development Limited, a wholly-owned subsidiary of Nan Hai (the “NHD Share Mortgage”) with the share mortgage (by way of first fixed charge) in respect of the entire issued share capital of Listar Properties Limited, a wholly-owned subsidiary of Nan Hai (the “Listar Share Mortgage”) and (ii) release of the NHD Share Mortgage pursuant to the Seventh Supplemental Agreement, subject to (1) the receipt by the Company of the Listar Share Mortgage duly executed by the mortgagor and the other relevant parties; and (2) the independent shareholders of the Company having approved the Seventh Supplemental Agreement and the transactions contemplated thereunder in accordance with the provisions of the Listing Rules. On 29 August 2019, the Seventh Supplemental Agreement was approved by independent shareholders of the Company, and the Listar Share Mortgage was duly executed and received by the Company.

As at 30 June 2019, the outstanding principal and the accrued interests are approximately HK\$1,005,858,000 and HK\$221,000 respectively. The Loan is subject to an interest rate of 8.0% per annum accrued daily during the extension period based on a 365-day year and shall be paid in arrears when the outstanding principal shall be repaid or prepaid. The default interest rate is 10.0% per annum on the default amount accrued daily based on a 365-day year.

於2019年5月31日，本公司與南海訂立第七份補充協議（「第七份補充協議」），據此，本公司有條件同意(i)更改貸款協議（經首份補充協議、第二份補充協議、第三份補充協議、第四份補充協議、第五份補充協議及第六份補充協議所補充）項下之抵押品，以第一固定押記形式將相關於南海之全資附屬公司Listar Properties Limited全部已發行股本作抵押（「Listar股份抵押」），取代以第一固定押記形式將相關於南海之全資附屬公司南海發展有限公司全部已發行股本作抵押（「南海發展股份抵押」）；及(ii)根據第七份補充協議解除南海發展股份抵押，惟有待(1)本公司接獲抵押人及其他相關訂約方妥為簽立之Listar股份抵押；及(2)本公司獨立股東根據上市規則條文批准第七份補充協議及其項下擬進行交易。於2019年8月29日，第七份補充協議已獲本公司獨立股東批准，且本公司已接獲妥為簽立之Listar股份抵押。

於2019年6月30日，未償還本金及累計利息分別約為1,005,858,000港元及221,000港元。貸款以年利率8.0厘計息，於經延長期限內以一年365日作基準按日累計，並須於償還或預付未償還本金時於期後支付。就拖欠款額按違約年利率10.0厘計算，並按一年365日之基準按日累計。

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES (Continued)

On 21 June 2018, the Company as lender and Digital HUIGU Real Estate Management Co.,Ltd. ("Digital Huigu"), the subsidiary of Nan Hai and a connected person of the Company, as borrower, entered into a loan agreement (the "Digital Huigu Loan Agreement") in relation to the loan in the principal amount of approximately HK\$342,506,000 owed and payable to the Company and its subsidiaries by the Digital Huigu. Such amount owed became a term loan repayable within three years from the date of the Digital Huigu Loan Agreement (the "Digital Huigu Loan").

On 31 May 2019, the Company and Digital Huigu entered into the Supplemental Digital Huigu loan agreement ("Supplemental Digital Huigu Loan Agreement") under which the Company conditionally agreed to (i) vary the security under the Digital Huigu Loan Agreement by substituting the NHD Share Mortgage with the Listar Share Mortgage; and (ii) release the NHD Share Mortgage pursuant to Supplemental Digital Huigu Loan Agreement, subject to (1) the receipt by the Company of the Listar Share Mortgage duly executed by the mortgagor and the other relevant parties; and (2) the independent shareholders of the Company having approved the Supplemental Digital Huigu Loan Agreement and the transactions contemplated thereunder in accordance with the provisions of the Listing Rules. On 29 August 2019, the Supplemental Digital Huigu Loan Agreement was approved by independent shareholders of the Company, and the Listar Share Mortgage was duly executed and received by the Company.

As at 30 June 2019, the outstanding principal and the accrued interests are approximately HK\$342,506,000 and HK\$28,076,000 respectively. The Digital Huigu Loan is subject to an interest rate of 8% per annum accrued daily based on a 365-day year and shall be paid in arrears when the outstanding principal (or the relevant part thereof) shall be repaid/prepaid. The default interest rate is 10% per annum on the default amount accrued daily based on a 365-day year.

根據上市規則第 13.20 條作出之披露(續)

於2018年6月21日，本公司(作為貸款人)與南海旗下附屬公司兼本公司關連人士數碼慧谷置業管理股份有限公司(「數碼慧谷」，作為借款人)訂立貸款協議(「數碼慧谷貸款協議」)，涉及數碼慧谷結欠及應付本公司及其附屬公司本金額約為342,506,000港元之貸款。有關欠款被視為有期貨款(「數碼慧谷貸款」)，須於數碼慧谷貸款協議日期起計三年內償還。

於2019年5月31日，本公司與數碼慧谷訂立數碼慧谷貸款補充協議(「數碼慧谷貸款補充協議」)，據此，本公司有條件同意(i)更改數碼慧谷貸款協議項下之抵押品，以Listar股份抵押取代南海發展股份抵押；及(ii)根據數碼慧谷貸款補充協議解除南海發展股份抵押。惟有待(1)本公司接獲抵押人及其他相關訂約方妥為簽立之Listar股份抵押；及(2)本公司獨立股東根據上市規則條文批准數碼慧谷貸款補充協議及其項下擬進行交易。於2019年8月29日，數碼慧谷貸款補充協議已獲本公司獨立股東批准，且本公司已接獲妥為簽立之Listar股份抵押。

於2019年6月30日，未償還本金及累計利息分別約為342,506,000港元及28,076,000港元。數碼慧谷貸款按年利率8厘計息，以一年365日作基準按日累計，並須於償還/預付未償還本金(或其相關部分)時於期後支付。拖欠款額按違約年利率10厘計息，以一年365日作基準按日累計。

CHANGES IN MEMBERSHIP OF THE BOARD AND THE DIRECTOR'S INFORMATION

The changes in membership of the Board since the date of the Company's 2018 Annual Report were as follows:

- Mr. Cheng Chih-Hung was appointed as the non-executive director of the Company, with effect from 31 May 2019.
- Mr. Ho Yeung Nang was appointed as the independent non-executive director of the Company and the member of audit committee, remuneration committee and nomination committee, with effect from 31 May 2019.

The changes in the information of the directors since the date of the Company's 2018 Annual Report were as follows:

- Mr. Xiao Sui Ning, an independent non-executive director of the Company, retired as an independent non-executive director of Haitong Securities Co., Ltd. (listed on the Hong Kong Stock Exchange, stock code: 6837) in June 2019.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules. Specific enquiries have been made to all the directors and the directors have confirmed that they have complied with the Model Code as set out in Appendix 10 to the Listing Rules throughout the six months ended 30 June 2019.

董事會成員及董事資料變動

自本公司2018年年報日期以來，董事會成員的變動如下：

- 鄭志宏先生已獲委任為本公司非執行董事，自2019年5月31日起生效。
- 何養能先生已獲委任為本公司獨立非執行董事兼審核委員會、薪酬委員會及提名委員會成員，自2019年5月31日起生效。

自本公司2018年年報日期以來，董事資料的變動如下：

- 本公司獨立非執行董事肖遂寧先生於2019年6月退任海通證券股份有限公司（於香港聯交所上市，股票代號：6837）之獨立非執行董事。

證券交易標準守則

本公司已採納上市規則附錄10所載之標準守則。本公司已向所有董事作出特別查詢，董事確認，彼等於截至2019年6月30日止六個月內一直遵守上市規則附錄10所載之標準守則。

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises all the independent non-executive directors of the Company, namely Mr. Fung Wing Lap, Prof. Jiang Ping, Mr. Xiao Sui Ning and Mr. Ho Yeung Nang. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group, the unaudited interim results for the six months ended 30 June 2019, and discussed the financial control, internal control and risk management systems.

By order of the Board
Sino-i Technology Limited
Liu Rong
Chairlady

Hong Kong, 29 August 2019

審核委員會

本公司審核委員會（「審核委員會」）包括本公司全體獨立非執行董事馮榮立先生、江平教授、肖遂寧先生及何養能先生。審核委員會已與管理層審閱本集團所採納之會計準則及實務、截至2019年6月30日止六個月之未經審核中期業績以及討論財務監控、內部監控及風險管理制度。

承董事會命
中國數碼信息有限公司
主席
劉榮

香港，2019年8月29日



SINO-I TECHNOLOGY LIMITED
Stock Code 股份代码: 250
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