



ANNUAL REPORT 年報

2016

HC INTERNATIONAL, INC.
慧聰網有限公司

Stock Code 股票代碼 : HK2280



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Corporate Information

公司資料

EXECUTIVE DIRECTORS

GUO Fansheng (Chairman)
GUO Jiang (Chief Executive Officer)
LEE Wee Ong (Chief Financial Officer)
LIU Jun

NON-EXECUTIVE DIRECTORS

LI Jianguang
WONG Chi Keung

INDEPENDENT NON-EXECUTIVE DIRECTORS

ZHANG Ke
ZHANG Tim Tianwei
TANG Jie

COMPANY SECRETARY

KWONG Yin Ping Yvonne (HKICS)

AUDIT COMMITTEE

ZHANG Ke (Chairman)
LI Jianguang
TANG Jie

REMUNERATION COMMITTEE

ZHANG Ke (Chairman)
GUO Jiang
ZHANG Tim Tianwei
WONG Chi Keung
TANG Jie

NOMINATION COMMITTEE

GUO Fansheng (Chairman)
ZHANG Ke
ZHANG Tim Tianwei

COMPLIANCE OFFICER

GUO Fansheng

AUTHORISED REPRESENTATIVES

GUO Fansheng
GUO Jiang

AGENT FOR ACCEPTANCE OF SERVICE OF PROCESS IN HONGKONG

KWONG Yin Ping Yvonne

執行董事

郭凡生(主席)
郭江(行政總裁)
LEE Wee Ong(首席財務官)
劉軍

非執行董事

李建光
王自強

獨立非執行董事

張克
張天偉
湯捷

公司秘書

鄺燕萍(香港特許秘書公會會士)

審核委員會

張克(主席)
李建光
湯捷

薪酬委員會

張克(主席)
郭江
張天偉
王自強
湯捷

提名委員會

郭凡生(主席)
張克
張天偉

監察主任

郭凡生

法定代表

郭凡生
郭江

於香港接收法律程序文件代理人

鄺燕萍



Corporate Information

公司資料



STOCK CODE

02280

COMPANY'S WEBSITE

www.hc360.com

www.hcgroup.com

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

HONG KONG LEGAL ADVISORS

Lin and Associates

PRINCIPAL BANKER

The Hong Kong and Shanghai Banking Corporation Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

REGISTERED OFFICE

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

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Tower B, Jingyi Technical Building
No. 9 Dazhongsi East Road Haidian District
Beijing 100098
The People's Republic of China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

股份代號

02280

公司網頁

www.hc360.com

www.hcgroup.com

核數師

羅兵咸永道會計師事務所
執業會計師

香港法律顧問

林華榕律師事務所

主要往來銀行

香港上海滙豐銀行有限公司

香港股份過戶登記分處

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

註冊辦事處

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

總辦事處及主要營業地點

中華人民共和國
北京市
海澱區大鐘寺東路9號
京儀科技大廈B座(100098)

香港主要營業地點

香港灣仔
皇后大道東28號
金鐘匯中心18樓



Corporate Portfolio

公司概況

CORPORATE PORTFOLIO

HC International, Inc. (the “Company”) and its subsidiaries (collectively referred as the “Group”) is one of the leading domestic B2B e-commerce operators in the People’s Republic of China (the “PRC” or “China”). With its professional information services and advanced internet technologies, it has established a reliable demand and supply platform for small to medium enterprises (“SMEs”), and has been providing them with complete business solutions. Through dedicated efforts and developments over the past 24 years, the Group has expanded its business scope to cover more than 100 cities nationwide, with branches in 9 cities and a service team of about 2,964 individuals as at 31 December 2016.

With its professional experience and skills acquired from various industries over the past 24 years, the Group provides SMEs with B2B1.0 marketing solutions of Mai-Mai-Tong, an internet information based product, and keyword search, and also offers customers with effective B2B2.0 service experience through professional matching team, the entrusted operation team, Xunpanbao products, Super Trade Catalogues and Liuliangbao under the core principle of facilitating transaction conclusion by providing effective buyer information to achieve buyer-seller interaction. In addition, the Group successfully hosted Feasts for Industry Brands for about 50 industry sectors through the Group’s strong media recourses and customer base, which help SMEs to build up their brand names and promote their business transactions. The Group also offers customers with internet financing products through the joint venture established with Digital China Holdings Limited (“Digital China”) (the shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Stock code: 861)); the landing project of online-to-offline business model of the Group – Shunde O2O business exhibition centre completed on schedule and put into operation. Such a complementary and multi-dimensional structure allows the Group to create a unique development path amid the rapid expansion of the B2B industry in China.

Through the determined implementation of the professional and focused strategy, the Group has been offering professional and all dimensional marketing solutions to customers in those traditional industrial sectors during the past several years. At the same time, the Group has been actively expanding into the market segment of fast-moving consumer goods in the field of high added-value service. Based upon the different natures in our targeted markets, the Group has developed two unique business models for relationship-based customers and transaction-based customers, separately. Along with our direct sales, agency sales and telemarketing sales teams, the Group provides the relationship-based customers with one-to-one, indepth and professional solutions, and transaction-based customers with efficient, user-friendly and standardised solutions and business platforms. Through these services, the Group satisfies its different customers’ needs. The Group is committed in providing professional and innovative services and products to meet market and users’ needs, and facilitating the conclusion of transactions. Customer experience and service quality are our constant focus. Within the last several years, the Group’s businesses became more focused, product portfolio became more precise, and business model and market demands became more in line.

公司概況

慧聰網有限公司(「本公司」)及其附屬公司(統稱「本集團」)是中華人民共和國(「中國」)領先之內貿B2B電子商務運營商之一。本公司憑藉專業之資訊服務與先進之互聯網技術，為中小型企業(「中小企業」)搭建可靠之供需平台，提供全面之商務解決方案。經過過去24年之不懈努力與發展，本集團之業務範圍已經拓展至全國上百城市，在9個城市擁有分公司。截至到二零一六年十二月三十一日，服務團隊約2,964人。

憑藉過去24年來在各行業市場積累之專業經驗和技能，本集團以提供有效買家信息，撮合買賣雙方互動，最終完成交易為核心，為中小企業提供以互聯網信息為基礎的買賣通及關鍵詞搜索之B2B1.0營銷解決方案，還通過專業撮合團隊，代運營團隊，詢盤寶產品，超級商情，及流量寶等產品為客戶提供交易效果可見的B2B2.0之服務體驗。此外，本集團透過其強大之媒體資源及客戶基礎，成功舉辦涉及約50個行業界別之行業品牌盛宴，助中小企業樹立品牌和促進業務交易。本集團亦通過與神州數碼控股有限公司(「神州數碼」)(其股份於香港聯合交易所有限公司(「聯交所」)主板上市(股份代號：861))成立的合資公司為客戶提供互聯網金融產品；本集團線上到線下商業模式的落地項目—順德O2O商展中心如期完工並投入運營。這種優勢互補、縱橫立體之架構，使本集團在中國B2B行業之快速發展下，打造出一條獨特之發展道路。

在過去之幾年裏，本集團堅定地執行專業、專注之策略，為傳統行業客戶提供專業、全方位之營銷解決方案。同時，本集團亦積極拓展高增值服務領域之快速消費品市場。本集團根據目標市場性質之差異，開發了兩種分別適用於關係型客戶與交易型客戶之獨特業務模式，配合本集團之直銷、代理商銷售及電話銷售團隊，為關係型客戶提供一對一、深入及專業之解決方案；為交易型客戶提供高效、易用及標準之解決方案與業務平台。透過提供此等服務，滿足本集團不同客戶之需求。本集團承諾會以專業和創新之服務與產品來迎合市場和用戶需求，及促使達成交易。我們一直致力於客戶體驗與服務質量。在過去幾年內，本集團之業務更加專注、產品組合更加簡明、業務模式更加切合市場需求。

Financial Highlights

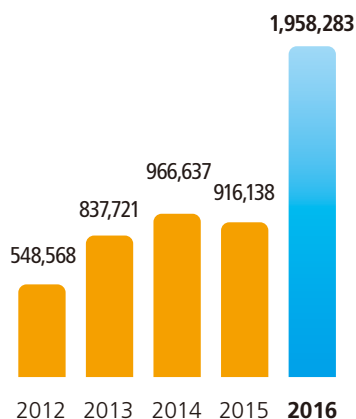
財務摘要

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Revenue	銷售收入	1,958,283	916,138	966,637	837,721	548,568
Gross profit	毛利	1,252,019	820,625	894,204	769,518	479,884
EBITDA	EBITDA	555,096	121,215	277,584	216,414	97,111
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	181,784	52,552	187,633	153,326	66,724
<hr/>						
Earnings per share (RMB)	每股盈利(人民幣元)					
– Basic	– 基本	0.1882	0.0696	0.2833	0.2634	0.1204
– Diluted	– 攤薄	0.1852	0.0679	0.2729	0.2489	0.1133
<hr/>						
Financial position	財務狀況					
Net current assets	流動資產淨值	41,313	141,176	936,319	585,484	171,338
Total assets	總資產	6,252,419	5,687,042	3,250,155	1,956,782	855,199
Total liabilities	總負債	2,984,276	3,088,096	1,934,988	946,308	412,507
Total equity	總權益	3,268,143	2,598,946	1,315,167	1,010,474	442,692

REVENUE

銷售收入

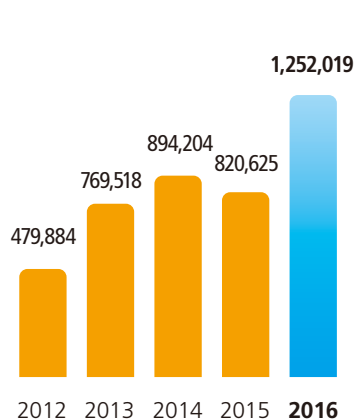
RMB'000
人民幣千元



GROSS PROFIT

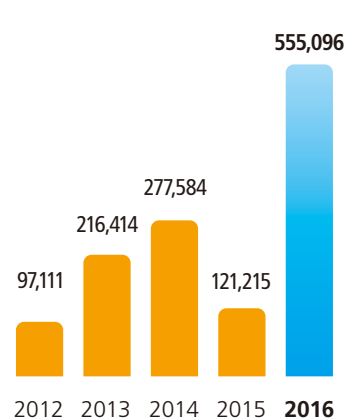
毛利

RMB'000
人民幣千元



EBITDA

RMB'000
人民幣千元

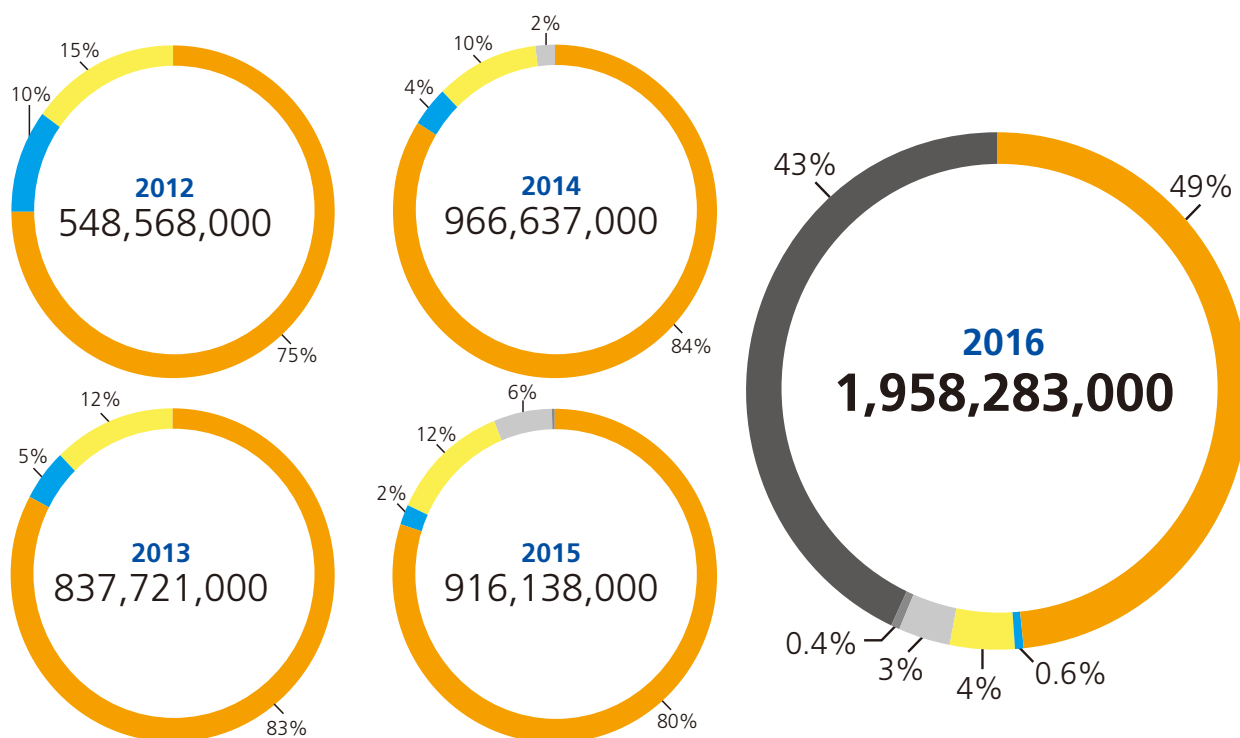


Financial Highlights

財務摘要

REVENUE ANALYSIS 銷售收入分析

		Online services 互聯網服務 RMB'000 人民幣千元	Trade catalogues and yellow page directories 工商業目錄及黃頁目錄 RMB'000 人民幣千元	Seminars and other services 會議及其他服務 RMB'000 人民幣千元	Anti-counterfeiting products and services 防偽產品及服務 RMB'000 人民幣千元	Financing services 金融服務 RMB'000 人民幣千元	O2O business exhibition centre O2O商業展覽中心 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
2016	二零一六年	949,303	11,268	81,911	66,137	7,583	842,081	1,958,283
2015	二零一五年	733,309	18,251	109,364	55,168	46	-	916,138
2014	二零一四年	812,935	35,630	101,879	16,193	-	-	966,637
2013	二零一三年	693,903	42,924	100,894	-	-	-	837,721
2012	二零一二年	411,462	54,866	82,240	-	-	-	548,568



- Trade catalogues and yellow page directories
工商業目錄及黃頁目錄
- Anti-counterfeiting products and services
防偽產品及服務
- Financing services
金融服務
- On-line services
互聯網服務
- Seminars and other services
會議及其他服務
- O2O business exhibition centre
O2O商業展覽中心



Management's Statement

管理層報告

FINANCIAL REVIEW

For the financial year ended 31 December 2016, the Group generated a total revenue of approximately RMB1,958,283,000 (2015: RMB916,138,000). This represented an increase of approximately 113.8% in revenue as compared to that in 2015.

For the Group's financial performance in different segments, a total revenue of approximately RMB949,303,000 was achieved from the online services segment in 2016, and represented an increase of approximately 29.5% from approximately RMB733,309,000 in 2015. Revenue from the Group's trade catalogues and yellow page directories segment decreased from approximately RMB18,251,000 in 2015 to approximately RMB11,268,000 in 2016 which represented a decrease of approximately 38.3%. Revenue derived from seminars and other services segment was approximately RMB81,911,000 in 2016, which represented a decrease of approximately 25.1% from approximately RMB109,364,000 in 2015. Revenue from anti-counterfeiting products and services segment increased from approximately RMB55,168,000 in 2015 to approximately RMB66,137,000 in 2016 which represented an increase of approximately 19.9%. Revenue from financing services segment was approximately RMB7,583,000. Revenue from O2O business exhibition centre was approximately RMB842,081,000.

The gross profit margin of the Group decreased by 25.7 percentage points to approximately 63.9% in 2016 (2015: 89.6%). It was mainly due to the lower gross profit margin of the income from O2O.

During the financial year ended 31 December 2016, the Group increased its operating expenses from approximately RMB797,100,000 in 2015 to approximately RMB969,257,000 which was mainly due to the increase of staff salaries and marketing expenses.

The Group achieved a profit for the year of approximately RMB300,676,000 in 2016 (2015: RMB23,058,000).

During the year of 2016, cash generated from operating activities was approximately RMB211,888,000, while cash generated from operating activities was approximately RMB209,130,000 in 2015.

The board (the "Board") of directors (the "Directors") of the Company recommend the payment of final dividend of HK\$0.05 per share of the Company for the year ended 31 December 2016 (2015: Nil).

財務回顧

截至二零一六年十二月三十一日止財政年度，本集團錄得總銷售收入約人民幣1,958,283,000元(二零一五年：人民幣916,138,000元)，較二零一五年錄得之銷售收入增加約113.8%。

就本集團不同業務分部之財務表現而言，於二零一六年來自互聯網服務分部之總銷售收入約為人民幣949,303,000元，較二零一五年約人民幣733,309,000元增長約29.5%。本集團來自工商業目錄及黃頁目錄分部之銷售收入由二零一五年約人民幣18,251,000元減少約38.3%至二零一六年約人民幣11,268,000元。二零一六年來自會議及其他服務分部之銷售收入約為人民幣81,911,000元，較二零一五年約人民幣109,364,000元減少約25.1%。防偽產品及服務分部之銷售收入由二零一五年約人民幣55,168,000元增加至二零一六年約人民幣66,137,000元，升幅約為19.9%，金融服務分部之銷售收入約人民幣7,583,000元。O2O商業展覽中心之銷售收入約為人民幣842,081,000元。

二零一六年本集團之毛利率減少25.7個百分點至約63.9%(二零一五年：89.6%)，主要是由於O2O收入毛利率較低。

截至二零一六年十二月三十一日止財政年度，本集團之經營開支由二零一五年約人民幣797,100,000元增加至約人民幣969,257,000元，主要是由於員工薪金和市場推廣費用增加所致。

於二零一六年，本集團錄得本年度溢利約人民幣300,676,000元(二零一五年：人民幣23,058,000元)。

於二零一六年，經營活動所產生之現金約為人民幣211,888,000元，二零一五年經營活動產生之現金則約為人民幣209,130,000元。

本公司董事(「董事」)會(「董事會」)建議就截至二零一六年十二月三十一日止年度派發每股本公司股份0.05港元之末期股息(二零一五年：無)。



Management's Statement 管理層報告

BUSINESS REVIEW

In 2016, the Group continued its reforms of B2B business. According to the “active transaction”, the Group has deeply mined the trading information of vertical industries by internally relying on more than 10 platforms like household appliances, machinery, hardware tools, chemicals and textile, and it has assisted the customers to complete their transaction, payment, storage and transportation. Throughout the year 2016, the Group has assisted SMEs to complete Gross Merchandise Volume (“GMV”) amount of approximately RMB41.6 billion while throughout the year 2015, the Group had completed GMV amount of approximately RMB5.62 billion, representing an increase of approximately 640%.

In 2016, the Group had gone through a series of reformation in the internet technology service, including continuously enhancing the Xunpanbao product, using artificial intelligence to match the needs of buyers and sellers, enabling the sellers to manage needs of matched buyer via back-office system, establishing and matching customized team, establishing entrusted operation team that could assist clients to operate the online shops, promoting result-driven products like Liuliangbao for which customers could flexibly select product according to their demand, and adjust marketing strategies at any time. In 2016, the contribution of B2B1.0 (including online services, trade catalogues and yellow page, seminars and anti-counterfeiting products) to the Group's revenue grew by approximately 21.1% year on year.

As for finance cluster, the Group provided micro-loan products through its joint ventures, and provided finance lease services through its wholly-owned subsidiaries. As the “lubricant” for transactions, micro-loan products and finance leases have become the growth engine of profits while strengthened the financial capacity of seller's supply chain. In addition, through the internal industry platforms and the B2B trading platforms of some joint-stock enterprises, SMEs' customers are able to flexibly use the online payment tool “HuiFuBao” to enjoy online payment without an upper limit and to safeguard fund security, thereby facilitating the completion of transaction.

業務回顧

於二零一六年，本集團持續對B2B業務進行改革。圍繞「活躍性交易」，本集團對內依托家電、機械、五金工具、化工及紡織等十餘個平台深挖垂直行業之交易信息，並協助客戶完成交易、支付及倉儲運輸。本集團於二零一六年全年共協助中小企業完成交易總額（「GMV」）約人民幣416億元，二零一五年全年完成GMV約人民幣56.2億元，增加約640%。

於二零一六年，本集團在互聯網技術服務方面歷經一系列變革，包括持續優化詢盤寶產品，利用人工智能匹配買賣雙方需求，賣家於後台查看被匹配的買家需求；建立及撮合定制化團隊；建設協助客戶運營線上商鋪的代運營團隊；並推出成效至上類產品如流量寶，客戶可根據需求靈活選擇產品，隨時調整營銷策略等。於二零一六年，B2B1.0（包括互聯網服務、工商業目錄及黃頁目錄、會議及防偽產品）於本集團銷售收入之貢獻同比增長約21.1%。

於發展金融板塊方面，本集團通過合資公司提供小額貸款產品，並通過其全資附屬公司提供融資租賃服務。小貸產品及融資租賃在驅動溢利增長的同時亦作為交易的「潤滑劑」，加強了賣家之供應鏈金融能力。此外，通過內部行業平台及部分參股企業之B2B交易平台，中小企業客戶能靈活使用線上支付工具「慧付寶」，享受線上支付無上限的同時保障資金的安全，促進交易完成。



Management's Statement 管理層報告

The business exhibition center of the Group related to small household electrical appliances was officially completed and commenced operation on 18 March 2016. More than 700 enterprises of small household electrical appliances made use of the Group's business exhibition center to trade with the large distributors as well as small to medium online and offline distributors of small household electrical appliances local and abroad by leveraging on the natural advantages of "store in the front, factory at the back" in Shunde. Except the mall used for sales and exhibition, surrounding buildings were built for developing office space. The business exhibition center has become the first domestic O2O mall of B2B nature thanks to the unremitting efforts of the Group and its business partners. Such project contributed significantly to the profit while promoted the B2B trade of small household electrical appliances in its completion year when certain revenue was recognised at the end of 2016.

In addition, development of applications of mobile terminals in B2B e-commerce transactions, B2B warehousing and logistics services provided by third parties through strategic cooperation, technical support of anti-counterfeiting and anti-channel conflict etc. provided by holding company are all significant components of the B2B ecosystem. Apart from product information in relation to B2B e-commerce value, the value of new generation of B2B2.0 business has been widely recognized by more customers in 2016.

The Group encountered a tough transformation from offline to online under the internet boom, successfully spanning into the ninth year of operations under the internet environment indicating a new milestone for us. Now, we are facing another wave of B2B e-Commerce reform. We need to take the initiative to undergo changes while upgrading our B2B1.0 into a more vertically in-depth and transaction oriented platform. We are also strategically planning for B2B2.0 which is a transaction based strategy, under which other B2B related services, along with finance cluster will be implemented to upgrade products and create innovation, and at the same time, to enhance the quality of services so that we will eventually have a charging system based on performance results. To ensure a sound balance of the ecosystem of the B2B platform, we have been adhering to the motto of "servicing the buyers" since 2013 and providing high quality procurement service for buyers to maintain the balance between demand and supply and thus facilitate completion of deals.

於二零一六年三月十八日，本集團小家電相關之商展中心正式竣工並投入運營。七百餘家小家電企業，依托順德之「前店後廠」天然優勢，進駐本集團之商展中心，與海內外小家電大型分銷商及中小型線上及線下經銷商進行交易。除用於銷售及展銷的商城外，周邊樓宇則專門用於開發辦公處場所，得益於本集團和商業合作夥伴之不懈努力，商展中心成為國內第一家B2B性質的O2O商城，隨著二零一六年底部分銷售收入之確認，此項目於竣工當年貢獻可觀溢利並推動小家電的B2B交易。

此外，開發移動終端在B2B電子商務交易中的應用，通過戰略合作由第三方提供B2B倉儲及物流服務，通過控股公司提供防偽防串技術支持等，皆為B2B生態圈之重要組成部分。B2B電子商務價值除產品資訊外，新一代B2B2.0業務價值在二零一六年已得到越來越多的客戶廣泛認可。

本集團曾在互聯網繁榮時代由線下到線上經歷過艱難的轉型。成功進入互聯網環境下運營的第九個年頭見證了我們一個新的里程碑。現在，我們面臨著另一輪B2B電子商務變革。我們需要主動迎接變化，繼續升級我們的B2B1.0模式至一個重度垂直及以交易為導向的平台。我們也要為B2B2.0進行戰略規劃，B2B2.0指的是以交易為核心策略，據此，其他B2B相關服務及金融板塊將可用於產品升級及創新，並能同時提升服務質量，最終落實按效果收費系統。為確保一個良好平衡的B2B生態平台，我們自二零一三年提出「服務買家」的口號，透過向買家提供高質量採購服務以維持供求平衡，並以此促進交易達成。



Management's Statement 管理層報告

We assisted the niche marketing and result-oriented payment between buyers and sellers through online Biao-Wang Search, Mai-Mai-Tong, Cai-Gou-Tong and value-added services such as Liu-Liang-Bao, (which are developed on the basis of Mai-Mai-Tong,) and assisted completion of deals through system matched Xunpanbao and artificial professional matching team. As the “lubricant” for transaction, Internet financial products have assisted sellers to strengthen the financial capacity of short-term supply chain, and HuiFuBao serves as an online transaction payment tool to ensure buyers’ fund security. At the same time, we also promoted the communication and activities within the community of industry via various offline forums, trade fairs, expositions, Feasts for Industry Brands, enhancing the complementary effect of online and offline marketing in such a way that the marketing efforts of e-commerce will be maximised, so as to increase the successful rate of transactions.

In 2016, approximately 48.5% of the revenue of the Group was generated from internet services, approximately 43.0% of the revenue was from O2O business exhibition center, approximately 4.7% was from paper media, seminars and other activities, approximately 0.4% was from finance cluster and approximately 3.4% was from anti-counterfeiting products and services.

(1) Products

Online Products

The Group provides its internet services mainly through the platform of “www.hc360.com” and its mobile end application, on which business information is collected and disseminated with an aim to facilitate the location and matching of buyers and sellers.

The online platform is further divided by industries (such as household appliances, electronics and chemical painting, etc.) to assist users by providing information and updates of the relevant industries. The Group currently derives revenues from its internet services mainly through Mai-Mai-Tong, Biao-Wang Member, entrusted operation and Xunpanbao performance-based services.

我們通過線上的標王搜索、買賣通、採購通及在買賣通基礎上開發的流量寶等增值服務來幫助買家及賣家利基市場營銷及按效果付費，並通過系統速配的詢盤寶和人工專業撮合團隊協助完成交易。互聯網金融產品作為交易的「潤滑劑」協助賣家增強短期供應鏈金融能力，慧付寶作為線上交易支付工具確保買家資金安全。同時我們也通過各種線下洽談會、交易會、展會、行業品牌盛會等促進業界溝通與活動，加強線上線下營銷互補效應，最大化電子商務營銷效果，從而提高交易成功率。

於二零一六年，本集團約48.5%之收入來自於互聯網服務，約43.0%之收入來自於O2O商展中心，約4.7%之收入來自於紙媒、會議及其他形式，約0.4%之收入來自於金融板塊，而約3.4%之收入來自防偽產品及服務。

(1) 產品

在線產品

本集團主要通過「www.hc360.com」平台及移動端的應用提供互聯網服務，在該平台上業務信息得以收集及傳播，藉以促進買賣方之分布及匹配。

在線平台進一步按行業劃分(如家電、電子及化工塗料等)，透過提供相關行業之信息及最新數據協助用戶。本集團之收入目前源自互聯網服務，其透過向主要服務包括買賣通及標王會員，代運營及詢盤寶效果類服務等。



Management's Statement 管理層報告

Mai-Mai-Tong

Mai-Mai-Tong is one of the principal B2B product of the Group. Currently, Mai-Mai-Tong offers free subscription membership and fee-paying membership (with subscription fee varying based on the packaged services attached). After registering for Mai-Mai-Tong, users may establish their online store on the Group's online platform, on which they may disseminate and promote products and services information subject to vetting of the Group. Users may join industry portals on the platform, and may view messages disseminated by competitors on the platform. Supplementary services provided to Mai-Mai-Tong users include precise search, Cai-Gou-Tong, user quick match, Hui-Fu-Bao, visitor analysis, Wechat customer service and other integrated e-commerce services (such as industry news access, online consulting, smart shop back-office, credit certification, independent website).

The Group also engages third party institutions to provide identity certification to fee-paying enterprises members of Mai-Mai-Tong. Services of Mai-Mai-Tong may be offered to users alone or together with other value-added services (for example, Biao-Wang search) as a package. In 2015 and 2016, we carried out a series of reforms based on Mai-Mai-Tong and added value-added services:

(a) *Mobile End Services*

We introduced the mobile version of Mai-Mai-Tong services and provided online-shops on Wechat platform for customers which have served over 100,000 customers in aggregate.

At the end of 2016, the Group began to develop the "Super Trade Catalogues", the mobile end application products to gradually replace the printed magazines "HC Trade Catalogues" and "HC Yellow Page Directory". The Group together with Huijia Yuantian Limited, a wholly-owned subsidiary of the Group, have developed mobile end APPs for different industries with social media as carrier, and utilised the industry information and big data analysis to carry out the vertical niche industry marketing with specific targets. At the end of 2016, the Super Trade Catalogues of household appliance industry and the hospitality industry has been online. In February 2017, the Super Trade Catalogue of machinery industry was brought online and was named "Zhaojihui".

買賣通

買賣通乃本集團主要B2B產品之一。目前，買賣通提供免費會員及付費會員(會員費因綁定的打包服務而有所差異)。用戶註冊買賣通後，可於本集團在線平台成立其在線商店，用戶可於平台上發佈信息(惟須由本集團審查)以及推廣產品及服務。用戶可於平台上加入行業門戶網站，並可於平台上觀看競爭對手發佈之訊息。所提供予買賣通用戶之附加服務包括精準搜索、採購通、買家速配、慧付寶、訪客分析、微信客服等綜合電子商務服務(如行業信息定制、在線諮詢、智能店鋪後台、信譽認證、獨立網站)。

本集團亦委托第三方機構為買賣通付費企業用戶提供資質認證。買賣通服務可單獨提供予用戶或連同其他增值服務(如標王搜索)以組合方式提供予用戶。於二零一五年及二零一六年，我們基於買賣通進行一系列革新，增加附加價值服務：

(a) *移動端服務*

推出移動版買賣通服務，為客戶提供微信商鋪相關服務，累計已經服務超過100,000家客戶。

本集團於二零一六年底開始研發移動端應用產品「超級商情」，以逐步代替紙刊《慧聰商情廣告》與《中國資訊大全》。本集團攜手Huijia Yuantian Limited(本集團全資附屬公司)開發的針對不同行業的移動端APP以社交媒體為載體，利用行業資訊和大數據分析，針對特定目標展開垂直利基行業的市場營銷。於二零一六年底，上線了家電行業及酒店行業的超級商情，於二零一七年二月上線了針對機械行業的超級商情，命名「找機匯」。



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(b) *Transaction Matching Services*

In July 2015, the Group established transaction matching teams to provide trade-matching services for various B2B industries buyers and sellers based on Mai-Mai-Tong. The average number of daily service is over 10,000.

Currently, over 1,000 effective purchasing contracts are bridged daily by the transaction matching team, of which some fund transactions are completed via Huifubao online payment system. The matched transactions are mainly relevant to industries of engineering machinery, chemical engineering, textile, tool and household appliance etc.

(c) *Xun-Pan-Bao Services*

Xun-Pan-Bao aims at searching products with high cost-effectiveness and sellers for buyers, which is part of the value-added services of Mai-Mai-Tong currently. The Group plans to charge sellers based on effective number of buyers via progressively increasing grades in the future.

(d) *Entrusted Operation Services*

The Group launched entrusted operation services at the end of 2015. With a view to assisting small enterprises for starting their e-commerce operation business, the services provided for customers include website decoration, products releasing, buyer reception and real time maintenance. The entrusted operation services have been recognised by customers. Currently, more than 2,000 customers subscribe such services monthly.

(e) *Liu-Liang-Bao*

The Group launched Liu-Liang-Bao product at the end of 2016, which is a marketing model with precise promotion and flexible operation, and its advertising service fees are charged on the basis of promotion results which will save cost for enterprises. It provides not only internal advertising spots of multiple sub-division on the website, but also huge external network directional linkages and niche marketing, which enable the promotional products to obtain free mass exposure, and charges on the basis of per click. It is a new generation of value-added performance-based service that the Group introduced to the Mai-Mai-Tong members.

(b) *交易撮合服務*

本集團於二零一五年七月，成立多個交易撮合團隊，在買賣通基礎上為各類B2B行業買家賣家提供交易撮合服務，日均服務人數在一萬人次以上。

目前，交易撮合團隊每日成功撮合的交易單數在一千單以上，部分資金交易透過慧付寶在線支付系統完成。撮合交易主要與工程機械、化工、紡織、工具、家電等行業有關。

(c) *詢盤寶服務*

詢盤寶旨在為買家找到高性價比產品及商家，目前是買賣通的增值服務的一部分，於未來，本集團計劃按逐層遞增級別中的有效買家數量向賣方收費。

(d) *代運營服務*

本集團於二零一五年底推出代運營服務。旨在幫助小微企業開展電商運營業務。為客戶提供裝修網店、發布產品、接待買家、實時維護等服務。代運營服務已獲得客戶認可，目前每月超過兩千家客戶報名使用該服務。

(e) *流量寶*

本集團於二零一六年底推出流量寶產品，是一款推廣精準、操作靈活、按推廣效果付費的廣告將為企業節約成本的營銷模式。不僅在站內擁有內部廣告位可進行多向分流，並且有龐大的外部網絡以提供定向連接及利基市場營銷，可以使推廣的商品獲得免費海量曝光，按點擊付費。是本集團為買賣通會員推出的新一代增值效果類服務。



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Search Products

Search products, operated under the brand “Biao-Wang”, are one of the services provided to fee-paying Mai-Mai-Tong users. It provides keyword search result services through improving and prioritizing users’ page links/products’ ranking and providing scrolling display on the Group’s platform upon searching specific keywords. The Group currently derives revenue from its search products by charging service fees annually per keyword. Such fixed fees are determined based on the ranking and display position on the Group’s platform, and are being charged on a pre-paid basis upon entering into service contracts with users, without regard to number of clicks.

Online Transaction Service

“Hui-Fu-Bao” is a payment tool developed by the Group to facilitate online transactions. In light of the increasing demand of SMEs for transaction safety, speed and convenience, online transaction has become the future development of the B2B market. Based on its own strategies and business characteristics, and at the aim of fully satisfying customers’ requests, the Group has developed online transaction service tailored to the B2B market, which facilitates high value payment and addresses customers’ concern about the transaction safety. Hui-Fu-Bao is a product provided to Mai-Mai-Tong users with an aim to assisting transactions between buyers and sellers of the online platform. HuiFuBao operates through the operation and cooperation pursuant to a payment services agreement (支付服務協議) and a transaction funding escrow services cooperation agreement (交易資金監管服務合作協議). For the principal terms of such agreements, please refer to the announcement of the Company dated 25 September 2014. Currently, the Group does not derive any revenue from or charge buyers or sellers for the use of Hui-Fu-Bao service. Focusing on the B2B transactions, the Group has continued to extend its online transaction services and develop respective transaction modules based on the needs of different industries so as to continue with the transactions of each sector. In order to build a B2B transaction platform, the Group will continue to explore various approaches to enhance the stability of the B2B close-loop operations, and to include various elements (such as O2O and Internet finance) in order to further smoothen the operation.

搜索產品

以「標王」品牌經營之搜索產品乃其中一項向買賣通付費用戶提供之服務。其透過改良及優先處理用戶頁面鏈接／產品排名及於搜索特定關鍵詞後在本集團平台上提供滾動條顯示，提供關鍵詞搜索結果服務。本集團目前透過每年收取每個關鍵詞之服務費用，賺取搜索產品收入。該固定費用按本集團平台之排名及顯示狀況界定，並與用戶訂立服務合約後按預繳基準收取費用，而不論點擊次數。

在線交易服務

「慧付寶」是本集團為促進線上交易開發的支付工具。隨著中小企業對交易安全、快捷及方便等要求之提升，在線交易成為B2B市場未來之發展方向。為全面滿足客戶需求，本集團根據自身戰略以及業務特點，開發了針對B2B市場之在線交易服務，以幫助客戶進行大額支付，及解決其對資金安全之擔憂。慧付寶乃提供予買賣通用戶之產品，旨在協助買賣雙方於在線平台進行交易。根據支付服務協議及交易資金監管服務合作協議，慧付寶之運作乃透過營運及合作進行。有關該等協議之主要條款，請參閱本公司日期為二零一四年九月二十五日之公布。目前，本集團並無就使用慧付寶服務賺取任何收入或收取買方或賣方任何費用。本集團專注於B2B交易，繼續擴展其在線交易服務，並根據不同行業之需求，開發相應交易模塊，使其更貼合各個行業之交易持續。為建立B2B交易平台，本集團將繼續探索不同方法，提高B2B閉環操作之穩定性，加入不同元素(如O2O及互聯網金融)使其運作更為暢順。



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Online Advertising

Online advertising services are also provided by the Group on the online platform and subdivided industry webpages. The Group derives advertisement income, which are determined based on, among others, display position and size, frequency of display, without regard to number of clicks.

Financial Service Products

Mai Mai Loan, a finance product developed by our joint venture company, Digital China HC Micro-Credit Co., Ltd (神州數碼慧聰小額貸款有限公司), is a service which can promote the development of B2B transaction platform. In addition, we also cooperate with financial institutions to provide microfinance products to SMEs. Today, SMEs are facing difficulties in securing bank loans with stringent requirements of loan approval resulted from the tighter monetary policies in China. Mai Mai Loan and microfinance products offer our customers opportunities to apply for microloan from our joint ventures and financial institutions which cooperate with us. Internet financial products can to certain extent help SMEs improve their cash flows.

Offline Products

As for trade catalogues, "HC Trade Catalogues", is an authoritative industry purchasing guide in China. It covers a myriad of corporate information and price dynamics with extensive coverage and strong industrial influence established over the years. It is one of the leading catalogues in B2B industry. As for yellow page directories, as a business yearbook for specific industries, the "Yellow Page Directories" feature a systematic compilation of industry information, product technology and industry yellow page information. This product acts as an important reference that bridges manufacturers, suppliers, administrative organisations and users within an industry. Nevertheless, with the emerging of internet technologies and products, more and more users have migrated to our new online substitutes.

As a result, the Group would transit the specially customized information and advertisement of paper media to developed new product of broadcasting mobile-end content via multiple media carriers (representative new product is "Super Trade Catalogues"). Customer interested in the paper media product would also be covered by new products eventually.

網絡廣告

本集團亦於在線平台及細分行業網頁上提供網絡廣告服務。本集團賺取廣告收入，該收入按(其中包括)顯示位置及大小、顯示頻率釐定，而不論點擊次數。

金融服務產品

買賣貸(由我們之合資公司神州數碼慧聰小額貸款有限公司開發之金融產品)為其中一項可促進B2B交易平台發展之服務。此外，我們亦與金融機構合作，向中小企業提供小額金融產品。目前隨著中國緊縮的貨幣政策，導致批貸條件變嚴，中小企業難以獲得銀行貸款。買賣貸及小額金融產品為客戶提供機會，向我們之合資公司及與我們合作之財務機構申請微型信貸借貸。互聯網金融產品能夠在一定程度上協助中小企業改善其資金流。

線下產品

工商業目錄「慧聰商情廣告」是中國知名行業採購名錄，其彙集海量之企業信息與產品價格動態，發行範圍廣泛，長年以來行業影響力深遠，是B2B業主要目錄之一。黃頁目錄「行業信息大全」通過對行業信息、產品技術及行業黃頁信息進行歸納匯總，系統化地整編成行業信息年鑒，為業內生產商、供貨商、管理機構及用戶溝通提供重要參考。儘管如此，隨著互聯網技術及產品的湧現，越來越多用戶已轉向使用我們新的在線替代品。

因此，本集團將焦點自紙媒體特定資訊及廣告業務轉移至開發透過多媒體載體為傳播移動端資訊之新產品(新產品代表為「超級商情」)。偏好紙媒體產品之客戶亦將逐漸被新產品覆蓋。



Management's Statement 管理層報告

Feasts for Industry Brands

The Group launched promotion campaigns for various industry brands in 2008, which aims at rewarding people and enterprises which made significant contribution to the industrial development, reform and transformation, building up brand influence for leading enterprises in the industry and thereby promoting industrial progress. In 2016, the Group once again successfully organised feasts for industry brands, and drove industry development with the theme of “influence changes the future of the industry”.

Anti-counterfeiting Products and Services

This segment provides digital identity management services and unique identification labels and tools (such as anti-counterfeiting tags) to customers that require source-tracing, logistics-tracking and consumer brand building for “Original Brand”. The services and their database are rendered via both PC and mobile apps. Such business is operated by our acquired subsidiary, Beijing Panpass Information Technology Company Limited.

B2B2C Products and Services

Since the acquisition of Orange Triangle Inc. (Zol.com.cn, 中關村在線), the service scope of IT consumer products such as mobile and accessories, wearable devices, computer, camera, computer hardware and software has been expanded to large-scale customers leveraging on the more than 70% coverage of tech-sensitive user in China, and also opened up the information and advertising channels for IT consumer product producer, capillary retailers and end-consumers.

Since the acquisition of ZhongFu Holdings Limited (efu.com.cn, 浙江中服), the serving scope of consumer product of clothing industry (fashion brand, clothing, colth etc.) has been expanded to distribution of product and brand advertisements for large-scale distributor, capillary retailers shops and end-customers, and also opened up B2B2C channel via online & offline promotion activities.

行業品牌盛宴

本集團於二零零八年為多個行業推出行業品牌推廣活動，通過表彰為行業發展、革新及變革做出巨大貢獻之人士及企業，為行業中領先企業打造品牌影響力，從而推動行業發展。二零一六年，本集團又成功地舉辦一系列行業品牌盛宴，以「影響力改變行業未來」為主題，推動行業之發展。

防偽產品及服務

此分部向需要源頭追蹤、物流追蹤之客戶提供電子識別管理服務及獨特識別標籤及工具(如防偽標貼)及為客戶提供品牌建立，以建立「原創品牌」。該服務及其數據庫乃通過計算機及流動應用程序提供。有關業務由所收購附屬公司北京兆信信息技術股份有限公司經營。

B2B2C產品及服務

自收購Orange Triangle Inc.(Zol.com.cn中關村在線)後，憑藉中國超過70%之科技產品愛好者覆蓋率，IT消費類產品(如手機及配件、穿戴式設備、電腦、相機、電腦硬件及軟件)之服務範圍已擴展至大客戶，並為IT消費類產品之生產商、毛細血管零售商及終端消費者打通資訊及廣告渠道。

自收購ZhongFu Holdings Limited(efu.com.cn，浙江中服)後，服裝業(時裝品牌、服裝、布料等)消費品之服務範圍擴展至分銷產品及為大型分銷商、毛細血管零售商及終端消費者製作品牌廣告，並通過互聯網及線下推廣活動開啟B2B2C渠道。

(2) Marketing Channels

Through three sales teams, namely the Industry Direct Sales, the Agency Sales and the Telemarketing Sales teams, hc360.com provides online and offline products and services of the Company to customers in segmented professional marketplaces. Established since 2006, such sales model helps enterprises to realise steady revenue growth with mature and active attitude to respond to changes in marketing. As one of the major sales forces of the Group, the Direct Sales Team focuses on selling high-end online and offline products, targeting at value-based and relationship-based customers. It also provides vertical and professional products and services to customers of various industries so as to achieve value enhancement. The Telemarketing Sales Team was formed in August 2006 to meet the needs of high value-added services and consumer product markets. The growth in its performance has been derived from the strengthening of its managing system, resulting in improvement in its working efficiency and market promotion ability. Today, the Telemarketing Sales Team has become a critical sales channel of the internet products of the Group. The Agency Sales team has been extending the regional market reach for the Group to the maximum degree and promoting brands. It has become an important supplementary sales force of the Group.

(3) Major Customers and Suppliers

The Group's customers consist of a vast amount of SMEs in the PRC. Most of the Group's revenue is derived from online products and since the relevant price of each online product is not significant and the online products are sold to a large number of customers, each customer's contribution towards the Group's revenue is relatively small. Therefore, the Company's reliance on any individual customer is low. In respect of Mai-Mai-Tong, Biao-Wang products and services, sales agreements are entered into between the Group and its customers. The terms of the sale agreements are divided into one year, and/or two year depending on different products. Upon the expiry of the sales agreements, customers have an option to renew the sales agreements.

The Company's major suppliers are as follows: (i) the verification supplier provides verification services for Mai-Mai-Tong members. Our verification supplier is an independent third-party company with the relevant verification qualifications, and is paid on a monthly basis according to the number of verifications carried out in that particular month. We have cooperated with this verification supplier for several years and our supply contract with the current verification supplier is renewed yearly; (ii) the search product suppliers provide search engine and promotion services for Biao Wang products, allowing our paid members to have a higher exposure of their products by getting more search engine hits and promoting their products and achieving transactions. We currently have 6 search product suppliers which are leading search engine providers like Baidu and 360 Search and the respective service contracts with them are renewed on a yearly basis.

(2) 銷售渠道

慧聰網通過行業直銷、代理銷售及電話銷售三大銷售團隊向細分專業市場客戶提供本公司線上線下產品與服務。該銷售模型自二零零六年成立以來，幫助企業以成熟積極之態度應對市場宣傳變量，從而實現收入穩步增長。作為本集團主要銷售力量之一，行業直銷團隊專注於高端之在線、線下產品銷售，同時主攻價值型、關係型客戶，為各行業客戶提供垂直專業之產品與服務，從而實現價值提升。電話銷售團隊成立於二零零六年八月，以滿足高增值服務消費品市場之需求。電話銷售業績之增長源自增強團隊之管理體系，從而使工作效率及市場推廣能力得以提升，目前已成爲本集團互聯網產品銷售渠道之重要力量。代理商則爲本集團最大範圍地打開區域市場及推廣品牌，已成爲本集團銷售力量之重要補充。

(3) 主要客戶及供貨商

本集團之客戶多爲中國中小企業。本集團大部分銷售收入來自在線產品。由於各在線產品之價格並不昂貴，且在線產品售予大量客戶，因而各客戶佔本集團銷售收入之比重相對較少。因此，本公司對於單個客戶之依賴程度不高。就買賣通、標王產品及服務而言，本集團與其客戶訂立銷售協議。銷售協議之年期分爲一年及／或兩年，視乎不同產品而定。待銷售協議到期後，客戶可選擇重續銷售協議。

本公司之主要供貨商爲：(i) 認證供貨商，爲買賣通會員提供認證服務。我們之認證供貨商爲一名獨立第三方，具備相關認證資格，根據每月進行之認證數目按月向其付款。我們與該認證供貨商已合作數年，並每年重續與該認證供貨商訂立之供應合約；(ii) 搜索產品供貨商，爲標王產品提供搜索引擎及推廣服務，讓我們繳費會員之產品獲得更多搜索引擎點擊次數，從而取得更高曝光率，並可推廣彼等之產品及促成交易。我們目前擁有六個搜索產品之供貨商，該等公司均爲首屈一指之搜索引擎供貨商，如百度及360搜索等，我們與該等供貨商訂立之相關服務合約按年重續。



Management's Statement 管理層報告

(4) Customer Service

With its business covering around 50 sectors, the Group has dedicated service team serving both purchasers and clients. It facilitates transactions by way of supply and demand matching, online negotiations, offline trade meetings and group purchasing. The Group provides "Report on Purchasers Practice Analysis" and "Report on Big Data Analysis", in order to thoroughly study the industry characteristics, member types and their spreads, process of making buying decision, buying practice, buying cycle and change of concerns, and also made predictions and justifications on buying trend to assist purchasers to complete their transactions in a more effective way.

Member Care

The Group sets up and improves customer service ratings system on the basis of the integration of various resources under hc360.com. To meet the changing requirements of the customers, the Group aims at investing more resources in research and development for online products and the operation of online projects to introduce product and service systems more tailored to the market needs. The Group launched customised services in accordance with the status of the members in order to improve the experience and degree of satisfaction of users as well as building up a closely bound internet community.

PROSPECTS

Since being listed on the GEM in 2003 and the transfer of listing to the Main Board in 2014, the Company has transformed from a traditional media company to a B2B online company and explored its most appropriate development path through transitions. A vertical in-depth services model is clearly formed. We again increased the trading properties of the platform, achieved by developing a series of services in trade-matching and pay-for-performance products in 2015 and 2016. We will continue to increase the frequency and self-motivated driven B2B trade in 2017.

In 2017, we will continue to provide services for the SMEs of B2B domestic trading and explore effective purchaser information in segmented industry by using the cloud computing to provide appropriate management tool to sellers. At the same time, we will enhance the transaction matching function of hc360.com as an integrated transaction platform, the function of online transaction payment, finance cluster, third-party logistics, anti-counterfeiting and anti-channel conflict services, in order to increase the transaction interaction between the upstream sellers and downstream buyers; of which the promotion of performance based products, the development of niche marketing mobile applications, the rendering of added-value service for active transactions, is one of the major task for this year.

(4) 客戶服務

本集團業務涉及約50個行業，設有完善之買家和客戶服務團隊，提供供求匹配、在線洽談會、線下供需見面會、團購等方式協助企業實現交易。本集團為客戶提供電子版之《買家採購行為分析報告》及《行業大數據分析報告》，以深入研究行業特色、買家會員類型及其分布、採購決策流程、採購慣例、採購周期及關注度變化，並據此對採購趨勢做出預判，從而更有效地幫助買家達成交易。

會員關懷

本集團通過整合慧聰網下之多種資源運用，形成並完善了一套客戶服務滿意機制。同時為了滿足客戶之變化需求，本集團力求加大在線產品之研發力度、增加在線項目之運營投入，打造更貼合市場需求之產品及服務體系。通過根據會員狀態提供針對性服務，持續改善使用者體驗及滿意度，打造有粘性之網絡商圈。

前景

自二零零三年在創業板上市及二零一四年轉主板上上市以來，本公司從傳統媒體公司轉型為B2B互聯網公司，通過轉型找到最適合自身之發展道路，行業垂直縱深基因清晰顯現。我們透過於二零一五年及二零一六年開發一系列交易撮合服務及按效果付費類產品，再次增加平台的交易屬性。於二零一七年，我們將繼續增加自發性B2B貿易之頻率。

二零一七年，我們將繼續服務B2B內貿之中小企業，並利用雲計算，深挖細分行業之有效買家信息，提供賣家合理管理之工具；同時加強hc360.com作為綜合交易平台的撮合交易功能、線上交易支付功能、金融板塊、第三方物流、及防偽防串服務，強化上游賣家與下游買家的交易互動。其中推廣按效果付費類產品，研發利基市場營銷類移動端應用，為活躍交易提供增值服務是今年之重要任務之一。



Management's Statement 管理層報告

In 2017, we will continue to integrate internal resources and develop professional B2B platform in segmented areas. Meanwhile, we will enhance strategic cooperation with B2B portals of the Group (participated or controlled), expecting to enhance the trading properties of the platform. Meanwhile, in the light of a deep understanding of upstream and downstream value chain, we will initiate and further expand consignment sales.

Since the Group and Digital China Holdings Limited jointly established Chongqing Digital China Huicong Micro-Credit Co., Ltd.* (重慶神州數碼慧聰小額貸款公司) (“Micro-Credit Company”) in September 2014, the Group sensibly utilised resources to assist customers in completing single or a combination of finance solutions such as trade loans, credit loans and guaranteed loan.

In November 2016, the Group further subscribed to approximately 9.72% shareholding in Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company (“Jingu Bank”). The Group will explore the potential business opportunities of Jingu Bank in this regard, and continue to provide micro-loan and finance lease services to SME customers through the Micro-Credit Company and Huicong Finance Leasing Company Limited (慧聰融資租賃有限公司).

In 2017, under the strategy of trade and finance, the Group's financial products are expected to act as “lubricant” so as to help customers complete B2B transactions while bring better prospect in future profits for the Group.

The Group collaborated with its business partners to acquire lands with areas of 43,965 sq.m. and 48,103 sq.m. in Shunde District, Guangdong Province and Yuyao City, Zhejiang Province in February 2013 and December 2014, respectively. Among others, Huicong Shunde Household Electrical Appliances Center (“Shunde Household Electrical Appliances Center”) located in Guangdong Province has completed construction by the end of 2015, and an opening ceremony was held in 18 March 2016. Huicong Yuyao Household Electrical Appliances Center (慧聰余姚家電城) (apart from household electrical appliance end-products, which are planned to trade plastic and plastic moulds manufactured for household electrical appliances) has commenced construction in March 2015 with construction term for approximately 3 years.

Under the strategy of O2O business exhibition center, in 2017, the Group expects that Shunde Household Electrical Appliances Center will continue to increase the trading properties of the Group, make outstanding contribution to the construction of B2B ecosystem and collaborate with finance cluster and the traditional business of B2B1.0 to create enormous synergy.

於二零一七年，我們將繼續整合內部資源，培養細分領域專業的B2B平台；同時，與本集團之B2B門戶網站加強戰略合作(已參股或控股)，以期增強平台之交易屬性。與此同時，我們將利用對價值鏈上下游之深入理解，創造及進一步擴大寄售銷售。

自二零一四年九月和神州數碼有限公司合資成立重慶神州數碼慧聰小額貸款公司(「小貸公司」)以來，本集團合理應用資源協助客戶完成貿易貸款，信用貸款及抵押貸款等單一或組合融資方案。

於二零一六年十一月，本集團進一步認購內蒙股呼浩特金谷農村商業銀行股份有限公司(「金谷銀行」)約9.72%之股權。藉此，本集團將發掘金谷銀行之潛在商機，在小貸公司和慧聰融資租賃有限公司的基礎上，持續向中小企業客戶提供小額貸款及融資租賃服務。

在交易加金融的戰略下，於二零一七年，本集團之金融產品將繼續發揮「潤滑劑」作用，協助客戶完成B2B交易並為本集團的未來溢利帶來更光明的前景。

本集團攜手商業夥伴，分別於二零一三年二月和二零一四年十二月收購了位於廣東省順德區和浙江省余姚市的面積為43,965平方米和48,103平方米之土地。其中，位於廣東省的慧聰順德家電商城(「順德家電商城」)已於二零一五年底完成工程建設，並已於二零一六年三月十八日舉行開業典禮。慧聰余姚家電城(除小家電終端產品也計劃買賣小家電生產之塑膠及塑膠模具)於二零一五年三月開工建設，工期約為3年。

在O2O商業展覽中心的戰略下，本集團預期二零一七年，順德家電商城將持續在增加本集團交易屬性，構築B2B生態圈等方面有突出貢獻，並和金融板塊及B2B1.0之傳統業務產生協同效應。



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In February 2017, the Group successfully completed 100% acquisition of Huijia Yuantian Limited, a company with mobile terminals as its carrier, developing digital interactive media marketing tools and driving marketing through technology to help customers build a cross-media integrated marketing platform. With the Group's extensive industry information, in 2017, the Group is expected to develop a technology system for SMEs in different industries through an open mobile platform to achieve the commercial value of niche marketing, e-commerce and distribution as well as interactive media.

Professionalism and dedication are always the core DNA of hc360.com. These characteristics determine our focus on vertical integration and horizontal alignments strategies. With our distinguished way of doing business, along with our leading partners, we are able to provide one-stop solution for SMEs via our platform, helping them to build a long standing business with track records and heritage.

The Group is 25 years old now. During the 25 years, the Company and SMEs across the country grew up together in the face of hardship. In the future, we will continue to make our best efforts to build a B2B e-commerce platform for China's domestic trading. This will be a challenge with a bright future and a heavy task but full of glory.

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

Guo Jiang

Chief Executive Officer and Executive Director

Beijing, PRC
28 March 2017

於二零一七年二月，本集團成功完成對 Huijia Yuantian Limited 之百分之百收購。此公司主要以移動終端為載體，發展數字化互動媒體營銷工具，以技術驅動營銷，幫助客戶打造跨媒體整合營銷平台。依托於本集團豐富的行業資訊，二零一七年本集團有望透過開放式移動平台開發針對不同行業中小企業的技术系統，以實現利基市場營銷、電子商務及分銷以及互動媒體之商業價值。

專業、專注是慧聰網DNA中之核心部分，這決定了我們將更加重視合縱連橫之策略。專業之人做專業之事，我們之合作多半在其領域都處於領先地位，基於慧聰平台之合作將解決中小企業之一籃子問題，幫助中小企業成為有歷史、有傳承之常青樹。

本集團25歲了，這25年慧聰網與全國中小企業共同成長、風雨同行。未來，我們將繼續努力打造好中國內貿B2B電子商務平台，一個前景美好、任務艱巨，卻充滿榮耀之挑戰！

最後，本人謹代表董事會向管理層及本集團員工致謝，感謝彼等於過去一年不斷投入付出、一直努力不懈。

郭江

行政總裁兼執行董事

中國·北京
二零一七年三月二十八日

Biographic Details of Directors and Senior Management

董事及高級管理人員簡介

DIRECTORS

As at 31 December 2016, the Board comprised the following members:

Executive Directors

GUO Fansheng

Aged 61, is an executive Director and the chairman of the Board (the "Chairman"). He is also the chairman of the nomination committee of the Company (the "Nomination Committee"). Mr. Guo was appointed as an executive Director on 21 March 2000.

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

Mr. Guo is the uncle of Mr. Guo Jiang, an executive Director and the chief executive officer of the Company.

GUO Jiang

Aged 43, is an executive Director and the chief executive officer of the Company. Mr. Guo is also a member of the remuneration committee of the Company (the "Remuneration Committee"). Mr. Guo was appointed as an executive Director with effect from 1 August 2006.

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

Mr. Guo is a non-executive director of Cogobuy Group (stock code: 00400) a company, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Guo is also a director of 神州數碼集團股份有限公司 (stock code: 000034), a company listed on the Shenzhen Stock Exchange.

Mr. Guo is the nephew of Mr. Guo Fansheng, an executive Director and the Chairman and the spouse of Ms. Geng Yi, a vice-president of the Group.

董事

於二零一六年十二月三十一日，董事會包括以下成員：

執行董事

郭凡生

61歲，為執行董事兼董事會主席（「主席」）。彼亦為本公司提名委員會（「提名委員會」）主席。郭先生於二零零零年三月二十一日獲委任為執行董事。

郭先生於一九九二年十月創辦本集團，負責本集團整體策略發展及政策。於一九九零年至一九九二年間，郭先生在中國北京一家國有商業信息公司擔任經理。彼於一九八七年至一九九零年間，出任國家經濟體制改革委員會屬下經濟體制改革研究所之聯絡辦公室及行政辦公室主任，並為中國西部開發研究中心副主任。郭先生於國家經濟體制改革委員會任職前，於一九八二年至一九八七年間出任內蒙古自治區政府之高級官員。郭先生於一九八二年取得中國人民大學頒授之工業經濟學學士學位。

郭先生為本公司之執行董事兼行政總裁郭江先生之叔叔。

郭江

43歲，為本公司執行董事兼行政總裁。郭先生亦為本公司薪酬委員會（「薪酬委員會」）成員。郭先生於二零零六年八月一日獲委任為執行董事。

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

郭先生為香港聯合交易所有限公司（「聯交所」）主板上市公司科通芯城集團（股份代號：00400）之非執行董事。郭先生亦為深圳證券交易所上市公司神州數碼集團股份有限公司（股票代碼：000034）之董事。

郭先生為執行董事兼主席郭凡生先生之侄兒及本集團副總裁耿怡女士之配偶。



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

LEE Wee Ong

Also known as Alex Lee, aged 47, is an executive Director and the chief financial officer of the Company. Mr. Lee was first appointed as an independent non-executive Director on 9 September 2011 and was re-designated as an executive Director on 1 July 2012.

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

Liu Jun

Aged 38, is an executive Director of the Company. Mr. Liu was appointed as an executive Director with effect from 12 September 2016.

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

LEE Wee Ong

又名Alex Lee，47歲，為本公司執行董事兼首席財務官。Lee先生於二零一一年九月九日首次獲委任為獨立非執行董事，並於二零一二年七月一日調任執行董事。

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

劉軍

38歲，為本公司執行董事。劉先生於二零一六年九月十二日獲委任為執行董事。

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



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

Non-Executive Directors

Li Jianguang

Aged 51, is a non-executive Director and a member of the audit committee of the Company (the "Audit Committee"). Mr. Li was appointed as a non-executive Director with effect from 1 August 2006.

Mr. Li is a senior partner of IDG Capital Partners. Mr. Li is also a member of IDG Technology Venture Investments, LLC, which is the general partner of IDG Technology Venture Investments, LP. Mr. Li is responsible for the investment management of IDG's China-related early funds and IDG – Accel China Growth Fund. Prior to that, Mr. Li worked in Crosby Asset Management Limited as an investment manager. Mr. Li graduated from Peking University in 1987 with a bachelor degree in economics and attained a master degree from Guelph University in Canada in 1994. Mr. Li is also a director of Tarena International, Inc., a company listed on NASDAQ since April 2014.

Wong Chi Keung

Aged 50, is a non-executive Director and a member of the Remuneration Committee. Mr. Wong was appointed as a non-executive Director with effect from 12 September 2016.

Mr. Wong is currently the company secretary of Digital China Holdings Limited (the shares of which are listed on the Stock Exchange (Stock code: 00861)). Mr. Wong is mainly responsible for the financial reporting and listing issues of Digital China Group. Previously, Mr. Wong worked for Ernst & Young, an international accounting firm, for 6 years. Mr. Wong graduated from The University of Hong Kong with a Bachelor's Degree in Social Sciences and is a fellow member of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Wong has over 27 years of experience in financial management and corporate administration.

非執行董事

李建光

51歲，為非執行董事及本公司審核委員會（「審核委員會」）成員。李先生於二零零六年八月一日獲委任為非執行董事。

李先生為IDG Capital Partners之高級合夥人。李先生亦為IDG Technology Venture Investments, LLC之成員，該公司是IDG Technology Venture Investments, LP之普通合夥人。李先生主管IDG旗下中國早期基金及IDG – Accel China Growth Fund之投資管理工作。在此之前，李先生曾於Crosby Asset Management Limited擔任投資經理。李先生於一九八七年畢業於北京大學，獲授經濟學學士學位，並於一九九四年取得加拿大Guelph University之碩士學位。二零一四年四月起，李先生為納斯達克上市公司Tarena International, Inc.之董事。

王自強

50歲，為非執行董事及薪酬委員會成員。王先生於二零一六年九月十二日獲委任為非執行董事。

王先生現為神州數碼控股有限公司（其股份於聯交所（股份代號：00861）上市）之公司秘書。王先生主要負責神州數碼集團之財務申報及上市事務。此前，王先生曾於一間國際會計師行安永會計師事務所工作六年。王先生於香港大學畢業，並取得社會科學學士學位，且為英國特許公認會計師公會之資深會員及香港會計師公會會員。王先生於財務管理及企業行政擁有逾27年經驗。



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

Independent Non-Executive Directors

ZHANG Ke

Aged 63, is an independent non-executive Director. He is the chairman of the Audit Committee and the Remuneration Committee, respectively, and a member of the Nomination Committee. Mr. Zhang was appointed as an independent non-executive Director on 28 March 2003.

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

Mr. Zhang is also an independent director of E-Commerce China Dangdang Inc., a company listed on the New York Stock Exchange, an independent director of Guiyang Long master Information & Technology Co., Ltd (貴陽朗瑪信息技術股份有限公司) (stock code: 300288), a company listed on the Shenzhen Stock Exchange, and an independent non-executive director of China Coal Energy Company Limited (中國中煤能源股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1898) and The Shanghai Stock Exchange (stock code: 601898).

ZHANG Tim Tianwei

Aged 53, is an independent non-executive Director. He is also a member of each of the Nomination Committee and the Remuneration Committee. Mr. Zhang was appointed as an independent non-executive Director on 1 November 2011.

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

獨立非執行董事

張克

63歲，為獨立非執行董事。彼分別為審核委員會及薪酬委員會之主席以及提名委員會之成員。張先生於二零零三年三月二十八日獲委任為獨立非執行董事。

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

張先生亦為紐約證券交易所上市公司中國當當電子商務股份有限公司之獨立董事、深圳證券交易所上市公司貴陽朗瑪信息技術股份有限公司(股票代碼：300288)之獨立董事以及聯交所主板(股份代號：1898)及上海證券交易所(股票代碼：601898)上市公司中國中煤能源股份有限公司之獨立非執行董事。

張天偉

53歲，為獨立非執行董事。彼亦為提名委員會及薪酬委員會之成員。張先生於二零一一年十一月一日獲委任為獨立非執行董事。

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



Biographic Details of Directors and Senior Management

董事及高級管理人員簡介

TANG Jie

Aged 42, is an independent non-executive Director and a member of Audit Committee and the Remuneration Committee, respectively. Mr. Tang was appointed as an independent non-executive Director with effect from 12 September 2016.

Mr. Tang is currently the general vice-president of 佳沃農業 (Jiawo Agriculture*) and president of 豐聯酒業控股集團有限公司 (Fenglian Wine Holding Group Company Limited*) of 聯想控股 (Legend Holdings*). He joined Legend Holdings in 2000 as the general manager and the vice-president in the Greater China region responsible for the management of its business platform, channel business and consumption business. Mr. Tang has obtained the Master's degree in Business Administration from China Europe International Business School in October 2011 and Master's degree in Science from Zhejiang University in March 2003.

SENIOR MANAGEMENT

As at 31 December 2016, the senior management of the Company comprised the following members:

GENG Yi

Aged 43, is a senior vice-president of the Group, Ms. Geng joined the Group in August 1995 as an editor and was appointed as the sales director of the Group in January 2006. Ms. Geng graduated from the University of International Business and Economics and gained an MBA degree. Ms. Geng Yi is the spouse of Mr. Guo Jiang, an executive Director.

LIU Xiaodong

Aged 44, is a chief executive officer of zol.com.cn, a wholly-owned subsidiary of the Group. He is responsible for the operational management of the zol.com.cn segment. In July 2015, the Group has completed the full acquisition of zol.com.cn. Mr. Liu joined zol.com.cn in 2000 and served as a general manager of zol.com.cn in 2004. Mr. Liu also served as the vice president of CNET (China) in 2008. He served as a vice president of CBSI (China), a general manager of technology cluster and the consumer cluster of CBSI (China) from 2008 to 2014. Since 2015, he served as a chief executive officer of zol.com.cn. Mr. Liu has over 18 years of experience in media operation and management in the TMT field. Mr. Liu graduated and obtained a bachelor degree from International Modern Design Art College Of Inner Mongolia Normal University in July 1997, and obtained a master degree of business administration from China Europe International Business School in 2011.

湯捷

42歲，為獨立非執行董事及分別為審核委員會及薪酬委員會之成員。湯先生於二零一六年九月十二日獲委任為獨立非執行董事。

湯先生現為佳沃農業之常務副總裁及聯想控股旗下豐聯酒業控股集團有限公司之總裁。彼於二零零零年加入聯想控股，並出任總經理兼大中華區副總裁，負責管理其業務平台、渠道業務及消費業務。湯先生分別於二零一一年十月及二零零三年三月在中歐國際工商學院及浙江大學取得工商管理碩士學位及理學碩士學位。

高級管理人員

於二零一六年十二月三十一日，本公司之高級管理人員包括以下成員：

耿怡

43歲，為本集團高級副總裁。耿女士於一九九五年八月加盟本集團，出任編輯，並於二零零六年一月獲委任為本集團之銷售總監。耿女士畢業於對外經濟貿易大學，並獲頒工商管理碩士學位。耿怡女士為執行董事郭江先生之配偶。

劉小東

44歲，為本集團全資附屬公司—中關村在線(zol.com.cn)行政總裁，彼負責中關村在線板塊的運營管理。本集團於二零一五年七月完成對中關村在線的全資收購。劉先生於二零零零年加入中關村在線，於二零零四年出任中關村在線總經理。劉先生亦於二零零八年出任CNET(中國)副總裁。於二零零八年至二零一四年先後出任CBSI(中國)副總裁、CBSI(中國)科技群組及消費群組總經理。於二零一五年起，出任中關村在線行政總裁。劉先生於TMT領域擁有超過十八年之媒體運營和管理經驗。劉先生於一九九七年七月畢業於內蒙古師範大學國際現代設計藝術學院獲學士學位，並於二零一一年獲得中歐國際工商學院工商管理碩士學位。



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

LU Qingguo

Aged 43, is the Board secretary of the Company and the general counsel of the Group. Mr. Lu joined the Group in May 1998 and has served as the Company lawyer, the head of legal department and chief legal officer, and was appointed as the Board secretary of the Company in 2011. Mr. Lu is mainly responsible for the legal affairs and listing affairs of the Group. Prior to joining the Group, Mr. Lu has taught in Guizhou Minzu University for two years. Mr. Lu graduated from Southwest University of Political Science & Law and obtained a bachelor degree of Laws, LL.B. Mr. Lu also passed the national lawyer qualification examination and obtained the certificate of lawyer qualification in 1997. Mr. Lu has over 18 years of experience in corporate legal affairs.

LI Tao

Aged 38, is a vice-president of the Group and a general manager of a subsidiary of the Company. Mr. Li joined the Group in October 1998 and has assumed various positions including IT operation director and information director, responsible for the Informatization of hc360.com, building of call center platform, network operation and optimization of basic information system. He was appointed as the chief marketing officer of the Group in December 2012. Accumulated over 10 years of experience in Internet technology and operation, he is also the committee member of iTech Club, a renowned club for Internet technology elites. Mr. Li graduated from the Renmin University of China with a bachelor degree in management. On 19 November 2015, Mr. Li was awarded the degree of Master of Business Administration upon completion of a programme in Executive Master of Business Administration (Chinese) at the Chinese University of Hong Kong.

GUO Gang

Aged 37, is a vice-president of the Group and a general manager of a subsidiary of the Company. Mr. Guo joined the Group in December 2004 and has assumed various positions including manager of Mai-Mai-Tong development department, research and development director of Mai-Mai-Tong development department and research and development director of core product research and development center. Mr. Guo has accumulated over 11 years of experience in respect of software research and development and team management in the areas of B2B and telecommunication. Before joining the Group, he worked for “北京天銀通聯科技有限公司” and “北京數碼明天科技有限公司”, responsible for software research and development and team management. Mr. Guo graduated from the Inner Mongolia University in 2002, and obtained master degree in engineering from the Beijing University of Posts and Telecommunications in 2011. On 18 January 2017, he was awarded Postgraduate diploma in Information Strategy and Business Transformation with Distinction by The University of Hong Kong.

盧慶國

43歲，為本公司董事會秘書兼任本集團首席法律顧問。盧先生於一九九八年五月加入本集團，歷任公司律師、法律部主任、法務總監，並於二零一一年獲委任為本公司董事會秘書。盧先生主要負責本集團的法律事務和上市事務。在加入本集團之前，盧先生曾於貴州民族大學任教兩年。盧先生畢業於西南政法大學，並取得法學學士學位。盧先生並於一九九七年通過全國律師資格考試取得律師資格證書。盧先生於企業法律事務方面擁有逾十八年之經驗。

李韜

38歲，為本集團副總裁兼本公司一間附屬公司總經理。李先生於一九九八年十月加盟本集團，歷任IT運維總監、信息總監，負責慧聰網信息化建設、呼叫中心平台建設、網絡運營和基礎信息系統優化工作，二零一二年十二月出任本集團市場總監。李先生擁有十年以上之互聯網技術運維經驗，並出任著名互聯網技術精英俱樂部iTech Club理事。李先生畢業於中國人民大學，獲得管理學學士學位。於二零一五年十一月十九日，李先生於香港中文大學完成EMBA課程後獲得工商管理碩士學位。

郭剛

37歲，為本集團副總裁兼本公司一間附屬公司總經理。郭先生於二零零四年十二月加盟本集團，歷任買賣通開發部經理、買賣通開發部研發總監及核心產品研發中心研發總監。郭先生在B2B領域及電信領域有超過11年之軟件研發及團隊管理經驗。在加盟本集團之前，彼在「北京天銀通聯科技有限公司」及「北京數碼明天科技有限公司」擔任軟件研發及團隊管理工作。郭先生二零零二年畢業於內蒙古大學，並於二零一一年於北京郵電大學獲頒工程碩士學位。於二零一七年一月十八日，彼獲香港大學頒授信息戰略與企業轉型研究生(優異)文憑。



Management's Discussion and Analysis

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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group's cash and bank balances increased by approximately RMB172,822,000 from approximately RMB790,701,000 as at 31 December 2015 to approximately RMB963,523,000.

The Group had total borrowings (including issued convertible bonds) and finance lease obligation amounted to approximately RMB1,538,383,000 as at 31 December 2016 (2015: RMB1,128,517,000). As at 31 December 2016 the gearing ratio of the Group was 15% (2015: 12%), whereas the Group's gearing ratio is calculated as net debt divided by total capital. The capital and reserves attributable to the Company's equity holders increased by approximately RMB521,856,000 as compared to last year.

The Group's net current assets amounted to approximately RMB41,313,000 as at 31 December 2016 (2015: RMB141,176,000). Its current ratio, which is calculated by dividing current assets by current liabilities, was approximately 1.02 times as at 31 December 2016 as compared to approximately 1.07 times as at 31 December 2015. The Group's trade receivables turnover has decreased from approximately 28.58 days in 2015 to approximately 24.52 days in 2016.

BUSINESS AND FINANCIAL REVIEW

A Business Review and a Financial Review of the Group are set out on page 7 to 19 of this report.

CONTRACTUAL ARRANGEMENTS

The Regulations on the Administration of Foreign-Invested Telecommunications Enterprises (外商投資電信企業管理規定) ("FITE Regulations") currently stipulates that foreign investors are not allowed to hold more than 50% of the equity interests of a company providing value-added telecommunications services, such as internet content provider services. As the Company is a company incorporated in the Cayman Islands, all members of the Group controlled by the Company through majority shareholdings or equity interests are regarded as such foreign invested enterprise.

In light of such relevant PRC laws and regulations restricting the participation and operation of internet content services by foreign investors, the Group has entered into contract-based arrangements or structures to indirectly own and control part of its businesses ("Arrangements").

During and at the end of the year ended 31 December 2016, the Group has made use of 3 sets of Arrangements. Save as the following Arrangements, there are no other Arrangements (whether by way of an acquisition or a greenfield project) subsisting during or at the end of the year ended 31 December 2016.

流動資金及財務資源

本集團的現金及銀行結餘由二零一五年十二月三十一日約人民幣790,701,000元增加約人民幣172,822,000元至二零一六年十二月三十一日約人民幣963,523,000元。

於二零一六年十二月三十一日，本集團的總借貸（包括已發行可換股債券）及融資租賃負債約為人民幣1,538,383,000元（二零一五年：人民幣1,128,517,000元）。於二零一六年十二月三十一日，本集團的資本負債比率為15%（二零一五年：12%），而本集團的資本負債比率乃按淨債務除總資本計算。本公司權益持有人應佔資本及儲備與去年比較增加約人民幣521,856,000元。

於二零一六年十二月三十一日，本集團之流動資產淨額約為人民幣41,313,000元（二零一五年：人民幣141,176,000元）。於二零一六年十二月三十一日，其流動比率（按流動資產除流動負債計算）約為1.02倍，而二零一五年十二月三十一日則為約1.07倍。本集團之應收賬款週轉天數由二零一五年約28.58天減少至二零一六年約24.52天。

業務及財務回顧

本集團業務回顧及財務回顧載於本報告第7至19頁。

合約安排

外商投資電信企業管理規定（「FITE規定」）規定現時規定外國投資者不可於一間提供增值電信服務（包括互聯網內容供應商服務）之公司持有超過50%股本權益。由於本公司為於開曼群島註冊成立之有限公司，故本公司透過持有大部分股權或股本權益控制之所有本集團成員公司均被視為外商投資企業。

鑒於相關中國法律及法規限制外國投資者參與及經營互聯網內容服務，本集團已訂立合約為主之安排或結構間接擁有及控制其部分業務（「安排」）。

截至二零一六年十二月三十一日止年度，本集團已採用三套安排。除下列安排外，概無其他安排（不論透過收購或新建項目形式進行）於截至二零一六年十二月三十一日止年度存續。



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

Contractual Arrangement Involving HC Construction

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

Please also refer to the prospectus of the Company dated 8 December 2003, the announcement of the Company dated 25 September 2014 in relation to the transfer of listing from GEM to the Main Board of the Stock Exchange (the “Transfer of Listing Announcement”), and the 2014 annual report of the Company and the 2015 annual report of the Company for further details of the HC Contractual Arrangements.

For the year ended 31 December 2016, save as disclosed in this report, there was no material change in the HC Contractual Arrangements and/or the circumstances under which they were adopted.

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

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

涉及慧聰建設之合約安排

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

有關慧聰合約安排之進一步詳情，請亦參閱本公司日期為二零零三年十二月八日之招股章程、本公司日期為二零一四年九月二十五日有關自創業板轉往聯交所主板上市之公佈(「轉板上市公佈」)以及本公司二零一四年年報及本公司二零一五年年報。

於截至二零一六年十二月三十一日止年度，除本報告披露者外，慧聰合約安排及／或根據其獲採納之狀況概無重大變動。

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

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

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

The Group depends on the HC Contractual Arrangements with Huicong Construction (who holds, among other things, the Telecommunications and Information Services Business Operation Licence (電訊與信息服務業務經營許可證) ("ICP Licence"), bearing a term through 9 March 2022) in respect of its online services. For the year ended 31 December 2016, revenue generated from related online services of the Group is RMB594,079,000 (2015: 543,251,000) represents approximately 30% (2015: approximately 59%) of the total revenue of the Group.

Information of Huicong Construction

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

Set out below is the key financial information of Huicong Construction during the year ended 31 December 2016:

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

本集團就其線上服務依賴與慧聰建設(其持有(其中包括)期限至二零二二年三月九日之電訊與信息服務業務經營許可證(「ICP許可證」))所訂立之慧聰合約安排。截至二零一六年十二月三十一日止年度，本集團相關線上服務產生之銷售收入為人民幣594,079,000元(二零一五年：人民幣543,251,000元)，佔本集團總收入約30%(二零一五年：約59%)。

慧聰建設之資料

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

下表載列截至二零一六年十二月三十一日止年度慧聰建設之主要財務資料：

		Year ended 31 December 2016
		RMB'000
		截至二零一六年十二月三十一日止年度
		人民幣千元
Revenue	銷售收入	340
Total assets	資產總值	11,342



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

To the best knowledge, information and belief of the Company and as confirmed by Mr. Guo Fansheng and Mr. Guo Jiang, save for the operation and provision of services for the Group as contemplated under the HC Contractual Arrangements, Huicong Construction has no other material business operation during the year ended 31 December 2016 and up to the date of this report.

Views of the Independent Non-Executive Directors

The independent non-executive Directors have reviewed the HC Contractual Arrangements, and confirmed that for the financial year ended 31 December 2016, (1) the transactions carried out during the year have been entered into in accordance with the relevant provisions of the HC Contractual Arrangements, and (2) no dividends or other distributions have been made by Huicong Construction which are not otherwise subsequently assigned or transferred to the Group.

Major terms of the agreements underlying the HC Contractual Arrangements

Technology Services Agreement

Beijing Huicong International Information Co., Ltd. ("Beijing HC International") first entered into a technology services agreement (the "Technology Services Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Technology Services Agreement (as supplemented by a supplemental agreement dated 15 September 2014) is three years commencing from 15 September 2014 to 14 September 2017, and may be renewed for additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules governing listing of shares on the Stock Exchange)).

據本公司所深知、全悉及確信及獲郭凡生先生及郭江先生所確認，除本集團根據慧聰合約安排擬進行之經營及擬提供之服務外，於截至二零一六年十二月三十一日止年度及截至本報告日期期間，慧聰建設並無其他重大業務經營。

獨立非執行董事之意見

獨立非執行董事已審閱慧聰合約安排並確認，於截至二零一六年十二月三十一日止財政年度，(1)於該年進行之交易乃根據慧聰合約安排之有關條文訂立；及(2)慧聰建設並無支付任何其後不會以其他方式轉讓或轉撥予本集團之股息或其他分派。

慧聰合約安排相關協議之主要條款

技術服務協議

北京慧聰國際資訊有限公司(「北京慧聰國際」)最初於二零零二年一月二日與慧聰建設訂立技術服務協議(「技術服務協議」)，為期三年(及其後獲延長)。技術服務協議(經日期為二零一四年九月十五日之補充協議補充)之現有期限自二零一四年九月十五日起至二零一七年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、法規及規定(包括聯交所股份上市監管之適用法規)取得所有必需批准及同意後，方可落實)。



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

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

Under the Technology Services Agreement, Huicong Construction shall pay Beijing HC International a fee at the rate of RMB20 per hour for the provision of the aforesaid services. Beijing HC International shall assign five persons to provide the aforesaid services and the annual fee shall be RMB211,200. The annual fee thereafter may be adjusted, but it shall not exceed 10% of the amount charged in the previous year.

Domain Names and Trademarks Licence Agreement

Beijing HC International first entered into a domain names and trademarks licence agreement (the "Domain Names and Trademarks Licence Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Domain Names and Trademarks Licence Agreement (as supplemented by a supplemental agreement dated 15 September 2014) is three years commencing from 15 September 2014 to 14 September 2017 and may be renewed for additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules governing listing of Shares on the Stock Exchange)).

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

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

根據技術服務協議，慧聰建設須就提供上述服務向北京慧聰國際支付費用每小時人民幣20元。北京慧聰國際須安排五名人士提供上述服務，而年費須為人民幣211,200元。其後年費可予調整，惟不得超過之前一年所支付金額之10%。

域名及商標許可協議

北京慧聰國際最初於二零零二年一月二日與慧聰建設訂立域名及商標許可協議（「域名及商標許可協議」），為期三年（及其後獲延長）。域名及商標許可協議（經日期為二零一四年九月十五日之補充協議補充）之現有期限自二零一四年九月十五日起至二零一七年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年（而有關續訂須待本公司根據適用法律、法規及規定（包括聯交所股份上市監管之適用法規）取得所有必需批准及同意後，方可落實）。



Management's Discussion and Analysis

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

Under the Domain Names and Trademarks Licence Agreement, Huicong Construction shall pay an annual fee of RMB240,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 10% of the amount charged in the previous year.

Online Information Distribution Agreement

Beijing HC International first entered into an online information distribution agreement (the "Online Information Distribution Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Online Information Distribution Agreement (as supplemented by a supplemental agreement dated 15 September 2014) is three years commencing from 15 September 2014 to 14 September 2017, and may be renewed for additional term of three years at the sole discretion of Beijing HC International (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules governing listing of Shares on the Stock Exchange)).

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

Under the Online Information Distribution Agreement, Beijing HC International shall pay an annual fee of RMB240,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

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

根據域名及商標許可協議，慧聰建設須支付年費人民幣240,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之10%。

網上信息發佈協議

北京慧聰國際於二零零二年一月二日與慧聰建設首次訂立網上信息發佈協議（「網上信息發佈協議」），為期三年（及其後獲延長）。網上信息發佈協議（經日期為二零一四年九月十五日之補充協議補充）之現有期限自二零一四年九月十五日起自二零一七年九月十四日止，為期三年，並可由北京慧聰國際全權酌情續訂額外三年（而有關續訂須待本公司根據適用法律、法規及規定（包括聯交所股份上市監管之適用法規）取得所有必需批准及同意後，方可落實）。

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

根據網上信息發佈協議，北京慧聰國際須支付年費人民幣240,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。



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Online Advertisement Publication Agreement

HC Advertising first entered into an online advertisement publication agreement (the "Online Advertisement Publication Agreement") with Huicong Construction on 2 January 2002 for a term of three years (and subsequently extended). The existing term of the Online Advertisement Publication Agreement (as supplemented by a supplemental agreement dated 15 September 2014) is three years commencing from 15 September 2014 to 14 September 2017, and may be renewed for additional term of three years at the sole discretion of HC Advertising (and such renewal shall be subject to the Company having obtained all necessary approval and consents in accordance with applicable laws, rules and regulations (including applicable rules governing listing of Shares on the Stock Exchange)).

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

Under the Online Advertisement Publication Agreement, HC Advertising shall pay an annual fee of RMB100,000. The annual fee thereafter may be adjusted, but the adjustment shall not exceed 20% of the amount charged in the previous year.

Exclusive Option Agreement

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

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

- (i) it will operate its business in accordance with laws, regulations, requirements and other management requirements or directions by relevant governmental department;

網上廣告刊登協議

慧聰廣告最初於二零零二年一月二日與慧聰建設訂立網上廣告刊登協議(「網上廣告刊登協議」)，為期三年(及其後獲延長)。網上廣告刊登協議(經日期為二零一四年九月十五日之補充協議補充)之現有期限自二零一四年九月十五日起至二零一七年九月十四日止，為期三年，並可由慧聰廣告全權酌情續訂額外三年(而有關續訂須待本公司根據適用法律、規則及法規(包括聯交所股份上市監管之適用法規)取得所有必需批准及同意後，方可落實)。

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

根據網上廣告刊登協議，慧聰廣告須支付年費人民幣100,000元。其後年費可予調整，惟調整不得超過之前一年所支付金額之20%。

獨家購股權協議

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

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

- (i) 其將根據相關政府部門之法律、法規、規定及其他管理規定或指示營運業務；



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

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

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

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

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



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Power of Attorney

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

Equity Pledge Agreement

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

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

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

授權書

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

股權質押協議

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

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

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



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Risks associated with the HC Contractual Arrangements

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

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

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

- (i) discontinuing or placing restriction on the business operation of Beijing HC International, HC Advertising and/or Huicong Construction in the PRC;
- (ii) requiring reorganisation or restructuring of ownership or business of Beijing HC International and/or HC Advertising;
- (iii) levying fines and/or confiscating the proceeds generated from the operations under the HC Contractual Arrangements;
- (iv) taking other regulatory or enforcement actions that could have a material adverse effect over the Group's financial condition or business.

與慧聰合約安排有關之風險

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

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

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

- (i) 終止或限制北京慧聰國際、慧聰廣告及／或慧聰建設於中國之業務運營；
- (ii) 規定重組或重整北京慧聰國際及／或慧聰廣告之所有權或業務；
- (iii) 徵收罰款及／或沒收根據慧聰合約安排由經營業務產生之所得款項；
- (iv) 採取任何可能對本集團之財務狀況或業務造成重大不利影響之其他監管或執法行動。



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

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

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

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

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

慧聰合約安排賦予之控制權，未必如直接擁有一樣有效

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

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



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

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

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

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

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

慧聰建設之登記股東可能與本集團有潛在利益衝突

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

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



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

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

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

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



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

Pursuant to the Online Information Distribution Agreement, Huicong Construction provides internet content provider services for an annual fee of RMB240,000.

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

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

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

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

The Group depends on the HC Contractual Arrangements with Huicong Construction, which holds key licences required, to operate the Group's online platform. Certain of the agreements underlying the Contractual Arrangements (other than the Exclusive Option Agreement, the Equity Pledge Agreement and the Powers of Attorney, which have an indefinite terms unless terminated) currently has a term of three years, and will expire by 14 September 2017, subject to renewal by Beijing HC International and/or HC Advertising at its respective discretion in accordance with the respective terms of the agreements. The Company expects that the Group will renew the agreements on equivalent or similar terms prior to their expiries.

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

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

根據網上信息發佈協議，慧聰建設提供互聯網內容供應商服務，年費為人民幣240,000元。

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

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

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

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

本集團依賴與持有所需主要許可證之慧聰建設訂立之慧聰合約安排，以營運本集團之線上平台。若干合約安排相關協議（不包括獨家購股權協議、股權質押協議及授權書，除非被終止否則該等協議並無固定期限）現時為期三年，並將於二零一七年九月十四日屆滿，北京慧聰國際及／或慧聰廣告可根據協議之相關期限各自酌情決定予以重續。本公司預期本集團將於該等協議屆滿前按相等或相若條款重續。

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



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

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

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

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

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

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

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

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

慧聰合約安排之若干條款未必可根據中國法律強制執行

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



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

儘管轉讓「hc360」之商標已完成，仍有可能遭到潛在處罰

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

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



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Structured Contracts involving Beijing Zhixing Ruijing

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

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

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

For the year ended 31 December 2016, save as disclosed in this report, there was no material change in the BZR Structured Contracts and/or the circumstances under which they were adopted.

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

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

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

涉及北京知行銳景之結構性合約

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

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

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

截至二零一六年十二月三十一日止年度，除本報告所披露者外，北京知行銳景結構性合約及／或根據其獲採納之狀況概無重大變動。

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

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

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

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The Group depends on the BZR Structured Contracts with Beijing Zhixing Ruijing (who holds, among other things, the value-added telecommunications business operating licence (增值電信業務經營許可證) (“VAT Licence”), being valid until 15 February 2020) in respect of its information service business within the second type of value-added telecommunication services (the “Value-added Telecommunications Businesses”). During the year ended 31 December 2016, revenue generated from Beijing Zhixing Ruijing is RMB334,750,000 (2015: 190,058,000), representing approximately 17% of the total revenue of the Group.

Information of Beijing Zhixing Ruijing

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

Set out below is the key information of Beijing Zhixing Ruijing during the year ended 31 December 2016:

本集團依賴與北京知行銳景(其持有,其中包括,於直至二零二零年二月十五日前有效之增值電信業務經營許可證(「增值電信許可證」))訂立之北京知行銳景結構性合約,內容有關屬第二類增值電信服務之資訊服務業務(「增值電訊業務」)。截至二零一六年十二月三十一日止年度,北京知行銳景產生的收入為人民幣334,750,000元(二零一五年:190,058,000),佔本集團總收入約17%。

有關北京知行銳景之資料

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

北京知行銳景於截至二零一六年十二月三十一日止年度之主要資料載列如下:

		Year ended 31 December 2016 RMB'000 截至二零一六年十二月三十一日止年度 人民幣千元
Revenue	銷售收入	334,750
Total assets	總資產	251,857

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

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

Major terms of the agreements underlying the BZR Structured Contracts

Exclusive Technical Services Agreement

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

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

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

北京知行銳景結構性合約之相關協議之主要條款

獨家技術服務協議

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



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

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

Exclusive Licensing Agreement on Intellectual Property

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

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

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

Exclusive Right to Share Purchase Agreement

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

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

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

根據獨家技術服務協議，北京知行銳景須向橙三角支付年度服務費人民幣五百萬元。

獨家知識產權許可協議

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

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

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

獨家購股權協議

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

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



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

Voting Rights Proxy Agreement

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

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

Pledge Agreement

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

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

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

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

授權委托協議

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

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

股權質押協議

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

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

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



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Business and Management Services Agreement

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

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

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

Risk associated with the BZR Structured Contracts

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

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

業務及管理服務協議

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

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

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

北京知行銳景結構性合約之風險

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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



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

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

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

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

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

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



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

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

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

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

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

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

可能無法根據中國法律有效取得北京知行銳景結構性合約之救濟。

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

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

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

北京知行銳景股東與本集團之間可能存在潛在利益衝突。

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



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

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

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

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

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

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

合約安排可能須受中國稅務機關審查及轉移價格調整及可能被徵收額外稅項。

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

本公司並無任何保險覆蓋有關北京知行銳景結構性合約及其項下擬進行交易之風險。

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

減低與北京知行銳景結構性合約有關之風險所採取之行動

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



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

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

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

Structured Contracts involving Hangzhou Saidian Technology

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

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

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

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

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

涉及杭州賽點科技之結構性合約

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

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



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

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

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

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

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

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

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

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

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

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

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Information of ZhongFu Holdings Limited and its subsidiaries

ZhongFu Holdings Limited (the "Target Company") is an investment holding company incorporated in the BVI on 28 August 2015 with limited liability and issued capital of US\$50,000. The entire issued share capital of ZhongFu Holdings Limited is legally and beneficially owned by the Sellers, i.e. Daxiong as to 5.53%, Hanson as to 6.22%, Richard as to 63.55%, Grand Novel as to 19.35% and Moustache as to 5.35%. Each of Mr. Cao, Mr. He, Mr. Chen, Mr. Guan and Mr. Liao was holding the entire issued share capital in Daxiong, Hanson, Richard, Grand Novel and Moustache respectively. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Sellers and the Seller Guarantors is an independent third party.

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

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

Set out below is the key financial information of Hangzhou Saidian Technology during the year ended 31 December 2016:

有關ZhongFu Holdings Limited及其附屬公司之資料

ZhongFu Holdings Limited(「目標公司」)為於二零一五年八月二十八日在英屬處女群島註冊成立之投資控股有限公司，已發行資本為50,000美元。ZhongFu Holdings Limited之全部已發行股本由賣方合法及實益擁有，即Daxiong、Hanson、Richard、浩新及Moustache分別擁有5.53%、6.22%、63.55%、19.35%及5.35%之權益。曹先生、何先生、陳先生、管先生及廖先生各自持有Daxiong、Hanson、Richard、浩新及Moustache全部已發行股本。據董事於作出一切合理查詢後所深知、全悉及確信，賣方及賣方擔保人各自為獨立第三方。

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

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

下表載列杭州賽點科技於截至二零一六年十二月三十一日止年度之主要財務資料：

		Year ended 31 December 2016 截至二零一六年 十二月三十一日 止年度 RMB'000 人民幣千元
Revenue	銷售收入	18,634
Total assets	資產總值	28,755



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Business overview and revenue model

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

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

MAJOR TERMS OF THE ZHONGFU STRUCTURED CONTRACTS

1. Exclusive Right to Purchase Agreement

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

業務概覽及收入模式

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

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

中服結構性合約之主要條款

1. 獨家購買權協議

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



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

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

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

2. Authorisation Agreement

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

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

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

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

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

2. 授權協議

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

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



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

3. Management and Operations Agreement

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

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

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

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

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

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

3. 管理及營運協議

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

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

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

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

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



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4. Pledge Agreement

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

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

The Pledge Agreement shall become effective upon the execution date. The PRC Equity Owners shall cooperate with Hangzhou Saidian Technology to register the pledge in shareholders' register within five business days following the execution of the Pledge Agreement and register the pledge with the relevant authorities within 15 business days following the execution of the Pledge Agreement.

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

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

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

4. 抵押協議

杭州賽典信息、杭州賽點科技及中國股權擁有人訂立抵押協議(「抵押協議」)。

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

抵押協議須於簽立日期起生效。中國股權擁有人須配合杭州賽點科技於簽立抵押協議後五個營業日內於股東名冊內登記抵押及於簽立抵押協議後15個營業日內向有關當局登記抵押。

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

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

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



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The Company will unwind the ZhongFu Structured Contracts and directly hold the equity interests of Hangzhou Saidian Technology when the relevant restrictions no longer exist. The current legal or regulatory restrictions in exercising the purchase right under the Exclusive Right to Purchase Agreement is stipulated in 外商投資電信企業管理規定(2008年修訂) (the Provisions on the Administration of Foreign-funded Telecommunications Enterprises (2008 Amended)). Furthermore, even if the foreign ownership restriction is relaxed, the transfer of the equity interests in Hangzhou Saidian Technology from the shareholders of Hangzhou Saidian Technology to the Group may still be subject to substantial costs.

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

Currently, the Group has five business segments, namely:

- (i) on-line services,
- (ii) trade catalogues and yellow page directories,
- (iii) seminars and other services,
- (iv) B2B household electrical appliances business exhibition centre, and
- (v) anti-counterfeiting products and services.

The Group is one of the leading business-to-business (B2B) e-commerce operators in the PRC according to a report from EnfoDesk (易觀智庫). The Group aims to provide business information to facilitate buyers and sellers in the commercial world to disseminate and/or obtain such information to assist them in locating and matching their counterparties and to make business decisions. With its professional information services and advanced internet technologies, it has established a reliable demand and supply platform for SMEs, and has been providing them with complete business solutions. The Group has been transforming and upgrading its B2B platform and business model towards the online to offline (O2O) business model and establish a more vertical in-depth platform.

Also, the Company is strategically planning for B2B2.0 which is transaction based, along with internet finance and other B2B related services, to implement product upgrades and innovations. In order to achieve a sound balance of the ecosystem of the B2B platform, the Company has been providing high quality procurement service for buyers to facilitate the strike between demand and supply.

本公司將於相關限制不再存在時解除中服結構性合約並直接持有杭州賽點科技之股權。有關行使獨家購買權協議項下購買權之現行法律或監管限制於外商投資電信企業管理規定(二零零八年修訂)中訂明，於下文「有關結構性合約之風險－中國政府可能將結構性合約定為不符合適用法律及法規」一段載述。此外，即使外資擁有權限制放寬，將杭州賽點科技之股權自杭州賽點科技之股東轉至本集團可能仍須承擔高昂成本。

訂立買賣協議及中服結構性合約之理由及裨益

目前，本集團經營五個業務分部，即：

- (i) 互聯網服務，
- (ii) 工商業目錄及黃頁目錄，
- (iii) 會議及其他服務，
- (iv) B2B家電商業展覽中心，及
- (v) 防偽產品及服務。

根據易觀智庫報告，本集團為中國領先之企業對企業(B2B)電子商務營運商之一。本集團旨在提供業務資訊，以便買家及賣家於商界發佈及／或獲取有關資訊，協助彼等物色及配對交易方從而作出業務決策。憑藉其專業之資訊服務及先進之互聯網技術，其已為中小企業建立一個可靠供需平台，並一直向彼等提供完整之業務解決方案。本集團已將其B2B平台及業務模式向線上線下(O2O)業務模式轉變及升級並建立一個更加垂直縱深之平台。

此外，本公司正在策略性地規劃B2B2.0，其以交易為基礎，連同互聯網金融及其他B2B相關服務，以實施產品升級及創新。為實現一個良好平衡的B2B生態平台，本公司一直向買家提供高質量採購服務以促進供求平衡。



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Since the Company's listings on GEM in 2003, the Group has transformed itself from a traditional business media firm to a B2B internet enterprise, and has been actively exploring its most appropriate development path through transitions. In 2014, approximately 84.1% of the revenue of the Group is generated from online services, and of approximately 10.5% is from seminars and other services, only approximately 3.7% is from the early business of traditional printed media while approximately 1.7% is from the newly acquired digital identity management anti-counterfeiting products and services. The Group currently covers over 50 industries and aims to continue increasing its industry coverage to further drive its subscriber base.

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

For more details, please refer to the section headed "SEGMENT INFORMATION" on page 180 of this report.

自本公司於二零零三年在創業板上市以來，本集團已從傳統媒體公司轉型為B2B互聯網公司，通過轉型不斷積極找尋最適合自身之發展道路。於二零一四年，本集團約84.1%之收入來自於互聯網服務、約10.5%之收入來自於會議及其他服務、僅約3.7%之收入來自早期傳統紙媒體及約1.7%之收入來自新購電子識別管理及防偽產品及服務。本集團目前涉及50餘個行業且旨在繼續增大其行業覆蓋率藉以進一步促進其用戶基礎。

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

有關詳情，請參閱本報告第180頁「分部資料」一節。



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Risks relating to the ZhongFu Structured Contracts

We refer to the above section titled “Risk associated with the ZhongFu Structured Contracts involving Beijing Zhixing Ruijing”, similar risks identified under the said section would be applicable to ZhongFu Structured Contracts involving Hangzhou Saidian Technology as well, in particular the following risks are present:

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

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

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

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

有關中服結構性合約之風險

茲提述上文「有關涉及北京知行銳景中服結構性合約之風險」一節，上述章節所發現之類似風險亦將適用於有關涉及杭州賽點科技中服結構性合約之風險，特別是以下現有風險：

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

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

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

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



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

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

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

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

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

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

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

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

建議根據說明處理現有可變權益實體結構之三項選擇權

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



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

INTERNAL CONTROL MEASURES TO BE IMPLEMENTED BY THE GROUP

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

Management controls

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

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

由本集團實施之內部控制措施

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

管理監控

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



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Financial controls

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

Qualification Requirements

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

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

財務監控

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

資格要求

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

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



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

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

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

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

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

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



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MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF SHARES OF INNER MONGOLIA HOHHOT JINGU RURAL COMMERCIAL BANK LIMITED COMPANY

On 7 December 2015, Beijing HC Internet Information Technology Company Limited (an indirect wholly-owned subsidiary of the Company, "HC Internet") entered into a subscription agreement with Jingu Bank, a commercial bank based in Inner Mongolia), to subscribe for 108,661,533 shares (subject to adjustment) in Jingu Bank at the price of RMB3 per share (RMB325,984,599 in aggregate) in cash, subject to adjustment of number of shares.

The subscription constituted a major transaction of the Company. On 12 September 2016, an ordinary resolution was duly passed by the shareholders of the Company approving, confirming and ratifying the said subscription. According to approval by 中國銀行業監督管理委員會內蒙古監管局 (China Banking Regulatory Commission Inner Mongolia Supervisory Authority*) dated 13 September 2016, HC Internet was allowed to subscribe 105,000,000 shares of Jingu Bank, together with the 19,300,000 shares of Jingu Bank acquired by HC Internet on 22 July 2015, resulting in HC Internet holding approximately 9.72% of the issued share capital of Jingu Bank. As at 31 December 2016, HC Internet has paid the consideration in the amount of RMB315,000,000 in full.

Further details are set out in the announcements of the Company dated 7 December 2015, 30 June 2016, 16 August 2016 and 12 September 2016 and the circular of the Company dated 25 August 2016.

DISCLOSEABLE TRANSACTION IN RELATION TO THE SUBSCRIPTION OF SHARES IN SHANGHAI GANGYIN E-COMMERCE CO., LTD

On 15 January 2016, Beijing Huicong Zaichuang Technology Co., Ltd (an indirect wholly-owned subsidiary of the Company), entered into a subscription agreement with Shanghai Gangyin E-Commerce Co., Ltd. ("Shanghai Gangyin") for the subscription of 22,000,000 shares in Shanghai Gangyin at the subscription price of RMB4.5 per share (RMB99,000,000 in aggregate) in cash. The said subscription constituted a discloseable transaction of the Company.

Further details are set out in the announcement of the Company dated 15 January 2016.

有關收購內蒙古呼和浩特金谷農村商業銀行股份有限公司之股份之主要交易

於二零一五年十二月七日，北京慧聰互聯網信息技術有限公司(本公司之間接全資附屬公司，「慧聰互聯」)與金谷銀行於內蒙古成立之商業銀行)訂立認購協議，按每股人民幣3元之價格(總計人民幣325,984,599元，可按股數予以調整)以現金認購108,661,533股(可予調整)金谷銀行股份。

認購事項構成本公司之主要交易。本公司股東已於二零一六年九月十二日正式通過一項普通決議案以批准、確認及追認上述認購事項。根據中國銀行業監督管理委員會內蒙古監管局於二零一六年九月十三日的文件批准，慧聰互聯可認購金谷銀行的股份數目為105,000,000股，連同慧聰互聯於二零一五年七月二十二日已收購金谷銀行的19,300,000股，導致慧聰互聯持有金谷銀行已發行股本約9.72%。截止二零一六年十二月三十一日，慧聰互聯已支付全部認購款項人民幣315,000,000元。

有關進一步詳情載於本公司日期為二零一五年十二月七日、二零一六年六月三十日、二零一六年八月十六日及二零一六年九月十二日之公佈以及本公司日期為二零一六年八月二十五日之通函。

有關認購上海鋼銀電子商務股份有限公司股份之須予披露交易

於二零一六年一月十五日，本公司之間接全資附屬公司北京慧聰再創科技有限公司與上海鋼銀電子商務股份有限公司(「上海鋼銀」)訂立認購協議，以現金按每股人民幣4.5元(總計人民幣99,000,000元)之認購價認購22,000,000股上海鋼銀股份。上述認購事項構成本公司之須予披露交易。

進一步詳情載於本公司日期為二零一六年一月十五日之公佈。



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CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF ZERO COUPON CONVERTIBLE BONDS UNDER SPECIFIC MANDATE

On 9 December 2015, the Company entered into the subscription agreement (the "Subscription Agreement") with Mr. Guo Jiang (an executive Director and the chief executive officer of the Company), Mr. Lee Wee Ong (an executive Director and chief financial officer of the Company), Mr. Liu Jun (an executive Director of the Company) and Mr. Liu Xiaodong (a shareholder of the Company and a director of several subsidiaries of the Company) (collectively, the "CB Subscribers"), pursuant to which the CB Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to issue the convertible bonds (the "Convertible Bonds") in an aggregated principal amount of HK\$500,000,000 to be issued by the Company under the specific mandate of the Company. The transactions contemplated under the Subscription Agreement constituted a connected transaction of the Company and was approved by the shareholders of the Company on 1 February 2016.

The Company is an investment holding company. The Group is an operator of B2B e-commerce platform that involves: internet technologies, internet finance, O2O business models, anti-counterfeit deployment and etc. Currently, The Group's key strategies have been focusing around the internet finance cluster, and merger and acquisition or investment of verticals for more synergies, in order to boost the B2B transaction enablement.

The Directors are of the view that the said subscription will provide the Company with a good opportunity to raise funds for satisfying near future development needs, as well as further expand its capital base. The said subscription also reflects the commitment of the senior management of the Company to the Company.

The Directors consider that the terms of the Subscription Agreement, which were arrived at after arm's length negotiations between the Company and the Subscribers, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

On 26 May 2016, all the conditions precedent as set out in the Subscription Agreement had been fulfilled and the partial completion of the subscription of the Convertible Bonds took. Place of the Convertible Bonds in an aggregate principal amount of HK\$380,000,000 were issued to Mr. Guo Jiang, Mr. Lee Wee Ong and Mr. Liu Jun in accordance with the terms of the Subscription Agreement.

關連交易－有關根據特別授權認購零 息可換股債券

於二零一五年十二月九日，本公司與郭江先生(本公司執行董事兼行政總裁)、Lee Wee Ong先生(本公司執行董事兼首席財務官)、劉軍先生(本公司執行董事)及劉小東先生(本公司股東及本公司若干附屬公司之董事)(統稱「該等可換股債券認購人」)訂立認購協議(「認購協議」)，據此，該等可換股債券認購人有條件同意認購而本公司有條件同意發行本公司根據特別授權將予發行本金總額500,000,000港元之可換股債券(「可換股債券」)。認購協議項下擬進行交易構成本公司之關連交易，並已由本公司股東於二零一六年二月一日批准。

本公司為一間投資控股公司。本集團為B2B電子商務平台的營運商，包括：互聯網技術、互聯網金融、O2O業務模式、防偽部署等等。目前，本集團的主要策略專注於互聯網金融板塊以及併購或投資垂直公司上以獲得更多協同效益，以提升B2B交易的能力。

董事認為，上述認購事項將為本公司提供募資的大好機會以滿足近期發展需要以及進一步拓展其資本基礎。上述認購事項亦反映出本公司高級管理層對本公司的奉獻。

董事認為，認購事項的條款為經本公司及認購方公平磋商後達致，屬公平合理並符合本公司及股東整體利益。

於二零一六年五月二十六日，認購協議所載之所有先決條件已告達成，且認購部分可換股債券已告完成。配售部分可換股債券本金總額380,000,000港元已根據認購協議之條款發行予郭江先生、Lee Wee Ong先生及劉軍先生。



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On 31 May 2016, the Company received conversion notices from Mr. Guo Jiang, Mr. Lee Wee Ong and Mr. Liu Jun (as bondholders) in respect of the exercise of the conversion rights attached to the Convertible Bonds in the principal amount of HK\$160,000,000, HK\$60,000,000 and HK\$160,000,000 (in aggregate of HK\$380,000,000) respectively at the conversion price of HK\$4.00 per share (the "Conversion"). As a result of the Conversion, on 1 June 2016, the Company allotted and issued 40,000,000 new shares, 15,000,000 new shares and 40,000,000 new shares (in aggregate of 95,000,000 shares) (the "Conversion Shares") to Mr. Guo Jiang, Mr. Lee Wee Ong and Mr. Liu Jun respectively. The Conversion Shares rank pari passu with all the existing shares of the Company at the date of allotment and among themselves in all respects.

On 20 January 2017, the Company entered into a termination deed with Mr. Liu Xiaodong (the "Termination Deed"), pursuant to which, the Company and Mr. Liu Xiaodong mutually agreed to terminate the Subscription Agreement on the part of the Company and Mr. Liu Xiaodong only and in accordance with relevant clauses in the Subscription Agreement.

With effect from the date of the Termination Deed, Mr. Liu Xiaodong ceased to subscribe for the Convertible Bonds with a principal amount of HK\$120,000,000, and neither the Company nor Mr. Liu Xiaodong shall have any claim or action against each other in connection with the Subscription Agreement.

The Board considers that the Termination Deed has no material adverse impact on the business operations and financial position of the Group.

Before the Termination, the Company planned to use the net proceeds from the said subscription for the purposes as indicated in the Company's circular dated 11 January 2016.

After the Termination, the maximum net proceeds from the said subscription is reduced to approximately HK\$378,850,000.

As at the end of the year ended 31 December 2016,

- (i) approximately HK\$184,000,000 had been used for the acquisition of the entire issued share capital of Huijia Yuantian Limited (please refer to the section headed "Disclosable Transaction in relation to the acquisition of the entire issued share capital of Huijia Yuantian Limited involving issue of convertible bonds" for details);
- (ii) approximately HK\$130,000,000 had been used for financing services relating to finance leasing business of the Group;

於二零一六年五月三十一日，本公司接獲郭江先生、Lee Wee Ong先生及劉軍先生（作為債券持有人）之轉換通知，內容有關按每股4.00港元之轉換價行使本金額分別為160,000,000港元、60,000,000港元及160,000,000港元（總額為380,000,000港元）之可換股債券附帶之轉換權（「轉換」）。因轉換，本公司已於二零一六年六月一日分別向郭江先生、Lee Wee Ong先生及劉軍先生配發及發行40,000,000股新股份、15,000,000股新股份及40,000,000股新股份（總數為95,000,000股股份）（「轉換股份」）。轉換股份將與於配發日期之全部本公司現有股份及彼此之間在各方面享有同等地位。

於二零一七年一月二十日，本公司已與劉小東先生訂立終止契據（「終止契據」），據此，本公司與劉小東先生共同協定，按照認購協議之相關條款，僅終止認購協議內有關本公司與劉小東先生之部分。

自終止契據日期起生效，劉小東先生不再認購本金額為120,000,000港元之可換股債券，且本公司與劉小東先生均不得就認購協議向對方提出任何索償或採取任何行動。

董事會認為，終止契據對本集團之業務營運及財務狀況並無重大不利影響。

終止事項前，本公司計劃將上述認購事項所得款項淨額用於本公司日期為二零一六年一月十一日之通函所示用途。

終止事項後，上述認購事項最高所得款項淨額減少至約378,850,000港元。

截至二零一六年十二月三十一日止年度，

- (i) 約184,000,000港元已用於收購Huijia Yuantian Limited全部已發行股本（有關詳情，請參閱「有關收購Huijia Yuantian Limited全部已發行股本並涉及發行可換股債券之須予披露交易」一節）；
- (ii) 約130,000,000港元已用於本集團融資租賃業務之金融服務；



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- (iii) approximately HK\$15,000,000 had been contributed to the investment into Smart-Core Holdings Limited (please refer to the section headed "Disclosable Transaction in relation to cornerstone investment in Smart-Core Holdings Limited" for details); and
 - (iv) the remaining proceeds had been placed in bank deposits for funding the Group's working capital, general corporate purposes, future development of internet finance business/cluster in China and potential mergers and acquisitions or investment into the B2B 2.0 business of the Company.
- (iii) 約15,000,000港元已用於於芯智控股有限公司之投資(有關詳情,請參閱「有關於芯智控股有限公司之基礎投資之須予披露交易」一節);及
 - (iv) 剩餘所得款項已投放於銀行存款,以留作本集團之營運資金、一般企業用途、將來開發中國互聯網金融業務/板塊、以及用作潛在併購或投資本公司之B2B 2.0業務。

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

有關更多詳情,請分別參閱本公司日期為二零一五年十二月九日及二零一五年十二月三十日、二零一六年二月一日、二零一六年二月二十九日、二零一六年四月一日、二零一六年五月二十六日、二零一六年六月一日及二零一七年一月二十日之公佈及本公司日期為二零一六年一月十二日之通函。

SHARE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF ZHONGFU HOLDINGS LIMITED INVOLVING ISSUE OF CONVERTIBLE BONDS AND CONTINUING CONNECTED TRANSACTION IN RELATION TO THE STRUCTURED CONTRACTS

On 18 December 2015, Daxiong Holdings Limited, Hanson He Holdings Limited, Richard Chen Holdings Limited, Grand Novel Developments Limited (浩新發展有限公司) and Mr Moustache Holdings Limited (collectively, the "Sellers"), the Company, and Mr. Cao Guoxiong (曹國熊), Mr. He Shunsheng (何順生), Mr. Chen Xuejun (陳學軍), Mr. Guan Jianzhong (管建忠) and Mr. Liao Bin (廖斌) (collectively, the "Seller Guarantors") entered into a sale and purchase agreement, pursuant to which the Sellers had conditionally agreed to sell, and the Company had conditionally agreed to acquire the entire issued share capital of ZhongFu Holdings Limited for an aggregate consideration of HK\$170,807,500 (subject to adjustments), to be settled by way of cash and issuance and allotment of convertible bonds of the Company (subject to adjustments). The said acquisition constituted a share transaction of the Company. The entering into of a series of structured contracts between, among others, the Group and Mr. Guo Jiang (an executive Director, chief executive officer and a substantial shareholder of the Company) constituted continuing connected transaction of the Company.

有關收購 ZHONGFU HOLDINGS LIMITED 全部已發行股本並涉及發行可換股債券之股份交易及有關結構性合約之持續關連交易

於二零一五年十二月十八日, Daxiong Holdings Limited、Hanson He Holdings Limited、Richard Chen Holdings Limited、浩新發展有限公司及 Mr Moustache Holdings Limited(統稱「賣方」)與本公司及曹國熊先生、何順生先生、陳學軍先生、管建忠先生及廖斌先生(統稱「賣方擔保人」)訂立買賣協議,據此,賣方已有條件同意出售而本公司已有條件同意收購 ZhongFu Holdings Limited 全部已發行股本,總代價為 170,807,500 港元(可予調整)。該代價將透過現金以及發行及配發本公司可換股債券(可予調整)之方式償付。上述收購事項構成本公司之股份交易。由(其中包括)本集團與郭江先生(本公司執行董事、行政總裁兼主要股東)訂立之一系列結構性合約構成本公司之持續關連交易。



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Please refer to the section headed "Structured Contracts involving Hangzhou Saidian Technology" in this report for details of terms of the said structured contracts.

Hangzhou Saidian Information will enter into a series of the structured contracts with Hangzhou Saidian Technology and the PRC Equity Owners on or before the completion date. Pursuant to the said structured contracts, Hangzhou Saidian Information will provide certain management and operations services, including but not limited to business consultations, marketing consultancy, technical services, intellectual-properties licenses, product research and development system maintenance, as well as general corporate management, whereas Hangzhou Saidian Technology will pay the service fee equal to the net income as further elaborated in the section headed "Structured Contracts involving Hangzhou Saidian Technology" in this report.

As Hangzhou Saidian Technology will be owned as to 60% by Mr. Guo Jiang who is an executive Director, chief executive officer and a substantial shareholder of the Company, each of Mr. Guo Jiang and Hangzhou Saidian Technology will be a connected person of the Company and the transactions contemplated under the said structured contracts constitute continuing connected transaction of the Company (the "Continuing Connected Transaction").

The completion of the transactions under the sale and purchase agreement took place on 8 January 2016 in accordance with the terms of the sale and purchase agreement.

HK\$100,712,500 (equivalent to approximately RMB85,244,000) of the Consideration (being the aggregate principal amount of the allotment and issue of the said convertible bonds) is subject to downward adjustments on the basis of a yearly target amount of RMB10,000,000, RMB13,000,000 and RMB16,900,000 of the audited consolidated distributable profit (after-tax) of Zhejiang Zhongfu for the year ended 31 December 2016, 2017 and 2018 respectively.

According to the statutory combined audited financial statement of Zhejiang Zhongfu for the year ended 31 December 2016 dated 28 March 2017, the audited consolidated distributable profit (after-tax) of Zhejiang Zhongfu for the year ended 31 December 2016 exceeds RMB10,000,000. Accordingly, the relevant performance target for the year ended 31 December 2016 has been met, and the Sellers are entitled to convert the said convertible bonds in the principal amount of HK\$40,427,500 into shares of the Company at the conversion price of HK\$10.00 per share. Accordingly, a total of 4,042,750 shares of the Company will be allotted and issued to the Sellers.

Please refer to the announcements of the Company dated 3 July 2015, 18 December 2015, 8 January 2016 and 28 March 2017 for further details.

有關上述結構性合約之條款詳情，請參閱本報告「涉及杭州賽點科技之結構性合約」一節。

杭州賽典信息將與杭州賽點科技及中國股權擁有人於完成日期或之前訂立一系列結構性合約。根據上述結構性合約，杭州賽典信息將提供若干管理及營運服務，包括但不限於業務諮詢、行銷諮詢、技術服務、知識產權執照、產品研發系統保養以及一般企業管理，而杭州賽點科技將支付相等於淨收入的服務費用於本報告中「涉及杭州賽點科技之結構性合約」一節進一步闡述。

由於本公司執行董事、行政總裁及主要股東郭江先生將擁有杭州賽點科技60%權益，郭江先生及杭州賽點科技各自將成為本公司關連人士，而上述結構性合約項下擬進行之交易則構成本公司持續關連交易（「持續關連交易」）。

買賣協議項下進行之交易於二零一六年一月八日根據買賣協議之條款完成。

代價之100,712,500港元（相當於約人民幣85,244,000元）（即配發及發行可換股債券之本金總額）須按浙江中服分別截至二零一六年、二零一七年及二零一八年十二月三十一日止年度之經審計綜合可分派溢利（除稅後）之年度目標金額人民幣10,000,000元、人民幣13,000,000元及人民幣16,900,000元予以下調。

根據日期為二零一七年三月二十八日之浙江中服截至二零一六年十二月三十一日止年度之經審計合併財務報表，浙江中服截至二零一六年十二月三十一日止年度之經審計綜合可分派溢利（除稅後）超過人民幣10,000,000元。因此，以二零一六年十二月三十一日為止之財務年度之相關履約目標已告達成，而賣方可按換股價每股10.00港元轉換本金額為40,427,500港元之可換股債券為公司股份。因此，賣方將獲配發及發行合共4,042,750股公司股份。

有關進一步詳情，請參閱本公司日期為二零一五年七月三日、二零一五年十二月十八日、二零一六年一月八日及二零一七年三月二十八日之公佈。



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Annual Caps

The Directors estimate that the respective annual caps for the Continuing Connected Transaction for the three years ending 31 December 2016, 2017 and 2018 are RMB11,000,000, RMB14,000,000 and RMB18,000,000 respectively being the expected maximum sums received by the Company under the Management and Operations Agreement (the "Annual Caps").

The Annual Caps were determined with reference to (1) the latest unaudited net asset value of Hangzhou Saidian Technology, (2) the operating performance of Zhejiang Zhongfu including but not limited to the number of registered users and the number of daily visitors of the websites operated by Zhejiang Zhongfu and its leading position in the industry, and (3) the business prospect of ZhongFu Holdings Limited and its subsidiaries.

Annual review by independent non-executive directors and auditors

The Company's independent non-executive directors have reviewed the Continuing Connected Transaction this year and confirm in this report that the Continuing Connected Transaction has been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

Further, the Company has engaged PricewaterhouseCoopers ("PWC") as its auditor to report on the Continuing Connected Transaction for year 2016. PWC has provided a letter to the Board confirming that:

- (a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board.
- (b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (c) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- (d) with respect to the aggregate amount of the Continuing Connected Transaction, nothing has come to their attention that causes them to believe that the disclosed Continuing Connected Transaction have exceeded the annual cap as set by the Company.

年度上限

董事估計截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度之持續關連交易各自之年度上限分別為人民幣11,000,000元、人民幣14,000,000元及人民幣18,000,000元，即本公司根據管理及營運協議所收取的預期最高總額（「年度上限」）。

年度上限的釐定為參考(1)杭州賽點科技最新未經審核淨資產價值、(2)浙江中服的營運表現，包括但不限於註冊用戶人數以及浙江中服營運網站每日造訪人次及其於產業的領先地位、及(3) ZhongFu Holdings Limited及其附屬公司的業務前景

獨立非執行董事及核數師年度審閱

本公司獨立非執行董事已審閱本年度之持續關連交易，並於本報告確認上述持續關連交易已：

- (1) 按本集團一般及日常業務過程訂立；
- (2) 按一般或更佳商業條款訂立；及
- (3) 根據其規限之條款屬公平合理並符合本公司股東全體利益之協議訂立。

再者，本公司已委任羅兵咸永道會計師事務所（「羅兵咸永道」）為其核數師，呈報二零一六年度持續關連交易。羅兵咸永道已向董事會提供一份函件以確認：

- (a) 彼等未留意到任何事項導致其認為該等已披露持續關連交易尚未經董事會批准。
- (b) 彼等未留意到任何事項導致我們認為對於涉及由本集團提供商品或服務的交易，該等已披露持續關連交易未在所有重大方面按照本公司的定價政策而進行。
- (c) 彼等未留意任何事項導致其認為該等已披露持續關連交易未在所有重大方面根據規管有關交易的相關協議進行。
- (d) 就持續關連交易的總金額而言，彼等未留意任何事項導致其認為該等已披露持續關連交易的金額超出本公司訂立的全年上限。



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TERMINATION OF FRAMEWORK AGREEMENT FOR DISPOSAL OF A SUBSIDIARY – BEIJING ZHIXING RUIJING

On 26 April 2016, the Company and Beijing Huicong Construction Information Consulting Co., Ltd. (“Beijing Huicong Construction”, a subsidiary of the Company) (as vendor) entered into a framework agreement (as supplemented by the supplemental agreement dated 30 May 2016, and the second supplemental agreement dated 29 June 2016, collectively, “Framework Agreement”) with Xizang Ruijing Huijie Entrepreneurship Investment Partnership 西藏銳景慧杰創業投資合夥企業 (“Xizang Ruijing”) (as vendor) and Shanghai Ganglian E-Commerce Holdings Co., Ltd. 上海鋼聯電子商務有限公司 (“Purchaser”, listed on Shenzhen Stock Exchange) (as purchaser), for the conditional disposal by Beijing Huicong Construction and Xizang Ruijing of the entire equity interest in Beijing Zhixing Ruijing Technology Co., Ltd 北京知行銳景科技有限公司 (“Target Assets”), for a total consideration not more than RMB2,080,000,000 and not less than RMB2,000,000,000.

The final amount of the total consideration shall be determined with reference to, amongst others, the asset valuation report in relation of the Target Assets and subject to further agreements to be entered into between the parties to the Framework Agreement It will be satisfied partly by cash (as to 45% of the consideration) and by consideration issue of new shares of the Purchaser (as to 55%, and to be issued at the issue price currently fixed at RMB36.49 per share). The consideration shall be split between Beijing Huicong Construction and Xizang Ruijing in the proportion of 60% and 40% respectively.

In view of the intention of the Purchaser and the Group to involve the key management of Beijing Zhixing Ruijing in the disposal and provide them with incentives to manage and run Beijing Zhixing Ruijing after the disposal, the Group will indirectly transfer up to 40% of the total consideration to Mr. Liu Xiaodong, Ms. Wang Qian, Mr. Shi Shilin and Ms. Yang Ye (the “Zhixing Ex-Shareholders”) pursuant to a reward mechanism (the “Reward Mechanism”) upon meeting certain performance targets as set out in the announcement of the Company dated 6 May 2016.

To facilitate the disposal and implementation of the above Reward Mechanism, a reorganization is proposed to be carried out before the completion of the disposal. Upon completion of the reorganization, Beijing Zhixing Ruijing will be owned as to 60% by Beijing Huicong Construction and as to 40% by Xizang Ruijing.

就出售一間附屬公司－北京知行銳景終止框架協議

於二零一六年四月二十六日，本公司及北京慧聰建設信息諮詢有限公司（「北京慧聰建設」，本公司之附屬公司）（作為賣方）與西藏銳景慧杰創業投資合夥企業（「西藏銳景」）（作為賣方）及上海鋼聯電子商務有限公司（「買方」，於深圳證券交易所上市）（作為買方）訂立框架協議（經日期為二零一六年五月三十日之補充協議及日期為二零一六年六月二十九日之第二份補充協議（統稱「框架協議」）所補充），內容有關北京慧聰建設及西藏銳景以不多於人民幣2,080,000,000元及不少於人民幣2,000,000,000元之總代價有條件出售於北京知行銳景科技有限公司之全部股權（「目標資產」）。

總代價之最終金額將經參考（其中包括）有關目標資產之資產估值報告後釐定，並須受框架協議訂約各方將訂立之其他協議所規限。代價之45%將以現金支付，代價之55%將以買方代價發行新股份支付（將按目前釐定之發行價每股人民幣36.49元發行）。代價須由北京慧聰建設與西藏銳景分別按60%及40%之比例攤分。

鑒於買方及本集團均有意邀請北京知行銳景之主要管理層參與出售事項，並給予彼等獎勵以於出售事項後管理及營運北京知行銳景，於本公司日期為二零一六年五月六日之公佈所載若干履約目標已告達成後，本集團將根據獎賞機制向劉小東先生、王倩女士、施世林先生及楊葉女士（「知行前股東」）間接轉讓最多40%之總代價。

為加快出售事項及實行上述獎賞機制，擬於出售事項完成前進行重組。重組完成後，北京慧聰建設及西藏銳景將分別擁有北京知行銳景之60%及40%權益。



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To align the interest of the Zhixing Ex-Shareholders with the Group upon the completion of the disposal, Beijing Huicong Construction has entered into a supplemental partnership agreement with the Zhixing Ex-Shareholders on 26 April 2016 for the Reward Mechanism, i.e. if the certain performance target of the three years ending 31 December 2018 can be met, Beijing Huicong Construction will (i) transfer an agreed percentage of the partnership equity and the corresponding percentage of the capital amounts contributed by Beijing Huicong Construction in Xizang Ruijing to the Zhixing Ex-Shareholders at a consideration in an amount equal to the relevant capital amounts contributed by Beijing Huicong Construction in Xizang Ruijing, and (ii) procure Xizang Ruijing to declare the cash consideration received by Xizang Ruijing as dividend to the Zhixing Ex-Shareholders.

In view of the Reward Mechanism, on 26 April 2016, the Company entered into the supplemental deed with NAVI-IT and the Zhixing Ex-Shareholders pursuant to which the Company conditionally agreed to buy back 88,958,115 Shares at nil consideration subject to the terms and conditions of the supplemental deed. The buy-backs are in effect for the purpose of implementing the Reward Mechanism through which the Group will indirectly transfer up to 40% of the total consideration to the Zhixing Ex-Shareholders if certain performance targets have been met. As such, although the consideration for the buy-backs set out in the supplemental deed is nil, the actual maximum consideration for the buy-backs shall be the 40% of the total consideration of approximately RMB832,000,000.

To facilitate the Disposal and implementation of the Reward Mechanism, the Reorganization is proposed to be carried out before the completion of the Disposal. For the purpose of the Reorganization, the Equity Transfer Agreement, the Asset Transfer Agreement and the Termination Agreement have also been entered into by the Group on 26 April 2016. Immediately upon completion of the Reorganization, Beijing Zhixing Ruijing will be owned as to 60% by Beijing Huicong Construction and as to 40% by Xizang Ruijing. In light of the Reorganization, Beijing International Information has entered into the Management and Operations Agreement with Beijing Huicong Construction and the PRC Equity Owners on 26 April 2016. Pursuant to the Management and Operations Agreement, Beijing International Information will conditionally provide management and operation services, whereas Beijing Huicong Construction will conditionally pay a service fee equal to the net income.

為使知行前股東與本集團之權益於出售事項完成後一致，北京慧聰建設已於二零一六年四月二十六日就獎賞機制與知行前股東訂立補充夥伴協議，即倘可達成截至二零一八年十二月三十一日止三個年度之特定履約目標，則北京慧聰建設將(i)以金額相等於北京慧聰建設向西藏銳景注入之相關資本金額之代價將夥伴股本之協定百分比及北京慧聰建設向西藏銳景注入之資本金額之相應百分比轉讓予知行前股東，及(ii)促使西藏銳景將西藏銳景所收取之現金代價作為股息宣派予知行前股東。

鑒於獎賞機制，於二零一六年四月二十六日，本公司與NAVI-IT及知行前股東訂立補充契據，據此，本公司有條件同意購回88,958,115股股份，代價為零及須受補充契據之條款及條件規限。購回就實行獎賞機制而生效，倘若若干履約目標已告達成，則本集團透過獎賞機制將間接轉讓最多40%之總代價予知行前股東。因此，儘管於補充契據所載之購回代價為零，購回之實際最高代價將為總代價之40%，約人民幣832,000,000元。

為加快出售事項及實行上述獎賞機制，擬於出售事項完成前進行重組。就重組而言，本集團亦於二零一六年四月二十六日訂立股本權益轉讓協議、資產轉讓協議及終止協議。緊接重組完成後，北京慧聰建設及西藏銳景將分別擁有北京知行銳景之60%及40%權益。鑒於重組，Beijing International Information已與北京慧聰建設及中國股權擁有人於二零一六年四月二十六日訂立管理及營運協議。根據管理及營運協議，Beijing International Information將有條件提供管理及營運服務，而北京慧聰建設將有條件支付相等於淨收入的服務費用。



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Description of the connected relationship

As Mr. Liu Xiaodong (劉小東), a director of Beijing Zhixing Ruijing (a subsidiary of the Company) and thus a connected person of the Company, is a party to the Supplemental Partnership Agreement and the Supplemental Deed, the transactions contemplated thereunder constitute connected transactions of the Company under the Listing Rules.

Mr. Guo Jiang (郭江), an executive Director and chief executive officer of the Company and thus a connected person of the Company, is involved in the transactions contemplated under the Framework Agreement (being a party to each of the Termination Agreement, the Equity Transfer Agreement and one of the five proposed subscribers of the purchaser fund raising); and (iv) Mr. Liu Xiaodong (劉小東), a director of Beijing Zhixing Ruijing (a subsidiary of the Company) and thus a connected person of the Company, is involved in the transactions contemplated under the Framework Agreement (being a party to each of the Termination Agreement and the Equity Transfer Agreement).

Reason and benefit for entering into the Supplemental Deed

The Original Mechanism is not only a price adjustment mechanism of the Sale and Purchase Agreement and was structured as an incentive for the Zhixing Ex-Shareholders to achieve the performance targets as set out in the Sale and Purchase Agreement (the "Old Performance Targets"). If the Old Performance Targets have been met, the Company would be required to release an aggregate of 155,684,485 Shares (including the Buy-Backs Shares) to the Zhixing Ex-Shareholders under the Sale and Purchase Agreement.

If the New Performance Targets for each of the New Performance Undertaking Years have been met, the Group will indirectly transfer up to 40% of the Total Consideration to the Zhixing Ex-Shareholders pursuant to the Reward Mechanism.

關連關係闡述

由於北京知行銳景董事(本公司一間附屬公司, 故為本公司關連人士)劉小東先生為補充夥伴協議及補充契據中的訂約方, 故其項下擬進行之交易構成上市規則下本公司之關連交易。

本公司執行董事兼行政總裁郭江先生(故為本公司關連人士)涉及框架協議項下擬進行之交易(即終止協議及權益轉讓協議各自之訂約方以及買方募資五位建議認購人之其中一人); 及(iv)北京知行銳景董事(本公司一間附屬公司, 故為本公司關連人士)劉小東先生涉及框架協議項下擬進行之交易(即終止協議及權益轉讓協議各自之訂約方)。

訂立補充契據之理由及裨益

原有機制不僅為買賣協議之價格調整機制, 其構成知行前股東達成買賣協議所載履約目標(「舊履約目標」)之獎勵。倘舊履約目標已告達成, 則本公司將須根據買賣協議向知行前股東發放合共155,684,485股股份(包括購回股份)。

倘各新履約承諾年度之新履約目標已告達成, 則本集團將根據獎賞機制向知行前股東間接轉讓最多40%之總代價。



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Although the consideration for the Buy-Backs set out in the Supplemental Deed is nil, the consideration for the Buy-Backs shall be the 40% of the Total Consideration which shall be not more than RMB832,000,000, and not less than RMB800,000,000, if the New Performance Targets as defined for each of the New Performance Undertaking Years are met. The Company is of the view that Reward Mechanism and the Buy-Backs are justifiable based on the followings:

- (1) since the New Performance Targets are 30% higher which are more difficult to achieve than the Old Performance Targets and the Zhixing Ex-Shareholders are at the risk of losing all Buy-Backs Shares without any shares in the Purchaser nor cash being given in return if the New Performance Targets are all the same as the amounts originally undertaken under the Sale and Purchase Agreement, the Group believes that it is necessary to provide advantages (including the distribution of the Cash Consideration of RMB274,560,000 in accordance with the terms of the Third Supplemental Partnership Agreement) to the Zhixing Ex-Shareholders to attract them to agree to participate in the Transactions;
- (2) if the Zhixing Ex-Shareholders are not willing to participate in the Transactions, the Group would not be able to close the deal with the Purchaser as the direct participation of key management of Beijing Zhixing Ruijing is a key request of the Purchaser;
- (3) avoid the duplication of (i) releasing of the HC Consideration Shares to the Zhixing Ex-Shareholders pursuant to the Sale and Purchase Agreement if the Old Performance Targets could be met and (ii) the Reward Mechanism;
- (4) the Buy-Backs are part and parcel of the Disposal, which is expected to bring a net gain in the amount of RMB149,684,000 to the Group); and
- (5) the reasons and benefits as a result of the Disposal and the Acquisition, in particular, allowing the parties to have opportunities in the business of upstream and downstream B2B and commodities trading in the future and creating a synergy effect that would be beneficial to the Group and the Shareholders as a whole.

儘管於補充契據所載之購回代價為零，惟倘各新履約承諾年度所界定之新履約目標獲達成，則購回之代價將為總代價之40%（不得超過人民幣832,000,000元及不少於人民幣800,000,000元）。本集團認為獎賞機制及購回屬合理，此乃基於以下原因：

- (1) 由於新履約目標高出30%，較舊履約目標更難達成，而倘新履約目標與根據買賣協議承諾之原有金額完全一樣，則知行前股東將承受失去所有購回股份之風險，且無法取得買方股份或現金作為回報，故本集團認為，向知行前股東提供裨益（包括根據第三份補充夥伴協議之條款分派現金代價人民幣274,560,000元）以吸引彼等同意參與該等交易實屬必要；
- (2) 倘知行前股東不願意參與該等交易，則由於北京知行銳景主要管理層之直接參與為買方之主要要求，故本集團將無法與買方達成協議；
- (3) 避免重覆(i)倘舊履約目標可告達成，則根據買賣協議向知行前股東發放慧聰代價股份；及(ii)獎賞機制；
- (4) 購回屬出售事項不可或缺之一部分，預期為本集團帶來收益淨額人民幣149,684,000元；及
- (5) 基於進行出售事項及收購事項之理由及裨益，尤其是於日後給予訂約方參與B2B上游及下游業務以及商品交易之機會，並創造協同效應，將對本集團及股東整體有利。



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Meanwhile, given, (i) the Company is of the view that replacement of the Original Mechanism with the Reward Mechanism can effectively reduce the Group's administrative burden and costs when compared to having the Original Mechanism and the Reward Mechanism in operation simultaneously; and (ii) the close relationship between the Zhixing Ex-Shareholders (being long term business partners whom intend to act coordinately), it has not been possible to negotiate a new arrangement that would only include the two Zhixing Ex-Shareholders that are key management of Beijing Zhixing Ruijing (being Mr. Liu and Ms. Wang) but exclude the two others, all four Zhixing Ex-Shareholders are included in the Reward Mechanism despite the fact that only Mr. Liu and Ms. Wang are key management of Beijing Zhixing Ruijing.

On 20 September 2016 (after trading hours), the Company received a written notice from the Purchaser pursuant to which the Purchaser has decided to terminate the transactions contemplated under the Framework Agreement (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) (the "Termination") in view of the recent change of securities market conditions and policies of the PRC, in particular, the uncertainty of the relevant PRC listing policies on the return of overseas listed company to A shares and the material uncertainty on the part of the Purchaser to proceed with the transactions contemplated thereunder.

In view of the change of regulatory policies governing the transactions contemplated under the Framework Agreement (as supplemented) and the uncertainty to proceed with the transactions, the Board, after careful consideration, understands and accepts the reason of the Termination by the Purchaser. The Termination was exercised pursuant to the terms of the Framework Agreement (as supplemented) due to the change of regulatory laws, regulations and policies of the PRC resulting in the impracticability to complete the transactions contemplated thereunder. In view of the aforesaid and taking into account the interest of the Company as a whole, the Company agrees to the Termination. No party to the Framework Agreement (as supplemented) will be held responsible for any breach of the agreement.

After the Termination, Beijing Zhixing Ruijing will continue to be a subsidiary of the Company and its results will continue to be consolidated in the accounts of the Company. Having fulfilled the original performance targets for the first year under the Sale and Purchase Agreement, the Zhixing Ex-Shareholders will continue to perform their undertakings in respect of the original performance targets for the second year and the third year under the Sale and Purchase Agreement.

與此同時，鑒於(i)本公司認為與同時運作原有機制及獎賞機制相比，以獎賞機制代替原有機制可有效減輕本集團之行政負擔及成本；及(ii)與知行前股東間之密切關係(即長期業務夥伴，其有意共同行事)，其已不可能磋商一項新安排，該安排僅包括北京知行銳景主要管理層之兩名知行前股東(即劉先生及王女士)而不包括另外兩名，全部四名知行前股東已包括在獎賞機制(儘管僅劉先生及王女士為北京知行銳景主要管理層)。

於二零一六年九月二十日(交易時段後)，本公司接獲買方之書面通知，據此，鑒於近來中國證券市場狀況及政策有變，特別是海外上市公司回歸A股之相關中國上市政策之不明朗因素及有關買方進行框架協議項下擬進行之交易之重大不明朗因素，買方決定終止框架協議項下擬進行之交易(經首份補充協議及第二份補充協議補充)(「終止事項」)。

有見及對框架協議(經補充)項下擬進行交易監管之政策有變，以及繼續進行有關交易之不明朗因素，故董事會經審慎考慮後，瞭解及接納買方進行終止事項之原因。終止事項乃根據框架協議(經補充)之條款進行並基於中國監管法律、法規及政策有變，導致完成框架協議項下擬進行交易屬不切實際。據此並經考慮本公司之整體利益，本公司同意終止事項。框架協議(經補充)之訂約方並不會就協議之任何違反負上責任。

終止事項後，北京知行銳景將繼續為本公司之附屬公司，而其業績將繼續綜合計入本公司之賬目。買賣協議項下首年之原來履約目標已達成，知行前股東將繼續履行其於買賣協議項下第二年及第三年之原來履約目標。



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The Directors believe that the Termination will have no material adverse impact on the existing operation, management and prospects of the Group.

Following the termination in respect of the Framework Agreement (as supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) as announced by the Company dated 21 September 2016, on 26 September 2016, the parties below entered into termination agreements (the "Termination Agreements") to terminate the Agreements respectively:

- (1) Mr. Guo Jiang, Mr. Liu Xiaodong, Beijing Huicong Construction and Xizang Ruijing entered into a termination agreement to terminate the Equity Transfer Agreement in respect of the proposed transfer of the entire equity interest in Beijing Zhixing Ruijing from Mr. Guo Jiang and Mr. Liu Xiaodong to Beijing Huicong Construction and Xizang Ruijing;
- (2) Orange Triangle and Beijing Zhixing Ruijing entered into a termination agreement to terminate the Asset Transfer Agreement in respect of the proposed transfer of, among others, certain intellectual property rights owned by Orange Triangle from Orange Triangle to Beijing Zhixing Ruijing;
- (3) Mr. Guo Jiang, Mr. Liu Xiaodong, Orange Beijing, Beijing Zhixing Ruijing and Orange Triangle entered into a termination agreement to terminate the Termination Agreement in respect of the proposed termination of the Existing Structured Contracts;
- (4) Beijing Huicong Construction and the Zhixing Ex-Shareholders entered into a termination agreement to terminate the Supplemental Partnership Agreement (as supplemented by the Second Supplemental Partnership Agreement and the Third Supplemental Partnership Agreement) in respect of, among others, the proposed Reward Mechanism; and
- (5) The Company, NAVI-IT and the Zhixing Ex-Shareholders entered into a termination agreement to formally terminate the Supplemental Deed in respect of the proposed Buy-Backs.

Under the Termination Agreements, (i) the Agreements as set out above shall be terminated and of no further legal effect; (ii) all the rights and obligations of each of the parties to the respective Agreements shall be terminated and discharged; and (iii) the parties to the respective Agreements confirmed that there is no unperformed obligations, disagreement or dispute among the parties thereto.

董事認為終止事項將不會對本集團之現有營運、管理及前景造成重大不利影響。

誠如本公司於二零一六年九月二十一日所公佈，框架協議(經首份補充協議及第二份補充協議補充)終止後，於二零一六年九月二十六日，以下訂約方已訂立終止協議(「終止協議」)，以分別終止該等協議：

- (1) 郭江先生、劉曉東先生、北京慧聰建設及西藏銳景已訂立終止協議，以終止有關建議由郭江先生及劉曉東先生將北京知行銳景之全部股本權益轉讓予北京慧聰建設及西藏銳景之股本轉讓協議；
- (2) Orange Triangle及北京知行銳景已訂立終止協議，以終止有關建議(其中包括)將由Orange Triangle擁有之若干知識產權由Orange Triangle轉讓予北京知行銳景之資產轉讓協議；
- (3) 郭江先生、劉曉東先生、橙三角、北京知行銳景及Orange Triangle已訂立終止協議，以終止有關建議終止現有結構性合約之終止協議；
- (4) 北京慧聰建設及知行前股東已訂立終止協議，以終止有關(其中包括)建議獎賞機制之補充夥伴協議(經第二份補充夥伴協議及第三份補充夥伴協議補充)；及
- (5) 本公司、NAVI-IT及知行前股東已訂立終止協議，以正式終止有關建議購回之補充契據。

根據終止協議，(i)上文所載之該等協議將予終止，且再無法律效力；(ii)該等協議各自之訂約方之所有權利及責任均告終止及解除；及(iii)該等協議各自之訂約方確認訂約方之間並無尚未履行之責任、分歧或糾紛。



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Please also refer to the announcements of the Company dated 6 May 2016, 13 May 2016, 27 May 2016, 30 May 2016, 6 June 2016, 29 June 2016, 30 June 2016 and 29 July 2016, and 4 August 2016, 23 August 2016, 14 September 2016, 21 September 2016, 23 September 2016 and 26 September 2016 and circular of the Company dated 30 August 2016.

CONNECTED TRANSACTION IN RELATION TO CAPITAL INCREASE AGREEMENT INVOLVING DEEMED DISPOSAL OF EQUITY INTEREST IN GUANGZHOU HUICONG

On 15 March 2016, Mr. Liu Jun, Mr. Song Bingchen, Mr. Han Gang and Mr. Xu Ke (collectively, the "Subscribers"), each being a director of certain indirect subsidiary(ies) of the Company, entered into the capital increase agreement with Shenzhen Jing Huicong Network Technology Company Limited (深圳市京慧聰網絡科技有限公司) ("Shenzhen Jing Huicong"), Beijing Huicong Interconnection Information Technology Company Limited (北京慧聰互聯信息技術有限公司) ("Beijing Huicong Interconnection") and Guangzhou Huicong Network Technology Company Limited (廣州慧聰網絡科技有限公司) ("Guangzhou Huicong"), each of them being an indirect wholly-owned subsidiary of the Company), pursuant to which the parties agreed that the registered capital of Guangzhou Huicong be increased from RMB5,000,000 to RMB8,333,333 ("Capital Increase"), comprising RMB3,333,333 to be contributed to the increase in registered the capital of Guangzhou Huicong, and RMB50,000,000 to be contributed to the capital reserve of Guangzhou Huicong. The Subscribers shall make capital contribution in an aggregate amount of RMB53,333,333 by installment. Upon completion of the Capital Increase, Guangzhou Huicong is owned as to approximately 40.00% by the Subscribers and approximately 60.00% by Shenzhen Jing Huicong and Beijing Huicong Interconnection collectively.

Each of Mr. Liu Jun, Mr. Song Bingchen, Mr. Han Gang and Mr. Xu Ke is a director of certain indirect non-wholly owned subsidiary(ies) of the Company. In addition, Mr. Liu Jun also holds approximately 62.5% equity interest in 北京樂鵬德泰投資有限公司 (Beijing Le Peng De Tai Investment Company Limited*), which in turn holds 40% equity interest in 慧聰(天津)電子商務產業投資有限公司 (Huicong (Tianjin) E-Commerce Investment Company Limited*), an indirect non-wholly owned subsidiary of the Company. Each of Mr. Liu Jun, Mr. Song Bingchen, Mr. Han Gang and Mr. Xu Ke is therefore a connected person of the Company under the Listing Rules.

* for identification purpose

亦請參閱本公司日期為二零一六年五月六日、二零一六年五月十三日、二零一六年五月二十七日、二零一六年五月三十日、二零一六年六月六日、二零一六年六月二十九日、二零一六年六月三十日、二零一六年七月二十九日、二零一六年八月四日、二零一六年八月二十三日、二零一六年九月十四日、二零一六年九月二十一日、二零一六年九月二十三日及二零一六年九月二十六日之公佈以及本公司日期為二零一六年八月三十日之通函。

有關涉及視作出售廣州慧聰股本權益之增資協議之關連交易

於二零一六年三月十五日，劉軍先生、宋冰晨先生、韓剛先生及許可先生(統稱「認購人」，各為本公司若干間接附屬公司之董事)與深圳市京慧聰網絡科技有限公司(「深圳京慧聰」)、北京慧聰互聯信息技術有限公司(「北京慧聰互聯」)及廣州慧聰網絡科技有限公司(「廣州慧聰」)(各為本公司之間接全資附屬公司)訂立增資協議，據此，訂約方同意廣州慧聰之註冊資本將由人民幣5,000,000元增加至人民幣8,333,333元(「增資」)，包括將為增加廣州慧聰註冊資本出資人民幣3,333,333元及將對廣州慧聰資本儲備出資人民幣50,000,000元。認購人須分期出資合共人民幣53,333,333元。於增資完成後，廣州慧聰由認購人擁有約40.00%權益，另由深圳京慧聰及北京慧聰互聯共同擁有約60.00%權益。

劉軍先生、宋冰晨先生、韓剛先生及許可先生各為若干本公司間接非全資附屬公司之董事。此外，劉軍先生亦持有北京樂鵬德泰投資有限公司約62.5%股本權益，從而持有慧聰(天津)電子商務產業投資有限公司(本公司之間接非全資附屬公司)40%股本權益。因此，根據上市規則，劉軍先生、宋冰晨先生、韓剛先生及許可先生各自為本公司之關連人士。



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Purpose of the transaction

The Company expects that the Capital Increase will align the interests of the Subscribers (being the current senior management team of the Group's household electrical appliances business) and the Group, as well as better integrate the Group's resources and enhance synergies, so as to collectively achieve better development goals. The proceeds of the Capital Increase will be used for general working capital purpose of Guangzhou Huicong.

The Directors (including the independent non-executive Directors) consider that the Capital Increase, albeit not in the ordinary and usual course of business of the Company, the terms of the Capital Increase Agreement are fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

No Director has any material interest in the Capital Increase Agreement or the transactions contemplated thereunder or is required to abstain from voting on the resolutions of the Board approving the Capital Increase Agreement and the transactions contemplated thereunder.

Please refer to the announcement of the Company dated 15 March 2016 for more details.

DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF SHARES OF DIGITAL CHINA HOLDINGS LIMITED

On 5 July 2016, Hong Kong Huicong International Group Limited (a wholly-owned subsidiary of the Company) ("Hong Kong Huicong") entered into an agreement for sale and purchase of shares with Sparkling Investment (BVI) Limited to acquire 9,400,000 shares of Digital China Holdings Limited ("Digital China") (a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), and a substantial shareholder of the Company), representing approximately 0.80% of the issued shares of Digital China, at a purchase price of HK\$56,400,000.

The said acquisition constituted a discloseable transaction of the Company. The said transaction has been completed. Further details are set out in the announcement of the Company dated 5 July 2016.

交易目的

本公司預期，增資將符合認購人(即目前本集團家電業務之高級管理團隊)及本集團之利益，以及優化整合本集團之資源及加強協同效應，務求共同達成更佳之發展目標。增資所得款項將用作廣州慧聰之一般營運資金用途。

董事(包括獨立非執行董事)認為，儘管增資並非於本公司之一般及日常業務中進行，惟增資協議之條款屬公平合理及按正常商業條款訂立，且符合本公司及股東之整體利益。

概無董事於增資協議或其項下擬進行交易中擁有任何重大權益或須就批准增資協議或其項下擬進行交易之董事會決議案放棄投票。

更多詳情請參閱本公司日期為二零一六年三月十五日之公佈。

有關收購神州數碼控股有限公司股份之須予披露交易

於二零一六年七月五日，香港慧聰國際集團有限公司(「香港慧聰」，本公司之全資附屬公司)與Sparkling Investment (BVI) Limited訂立股份買賣協議，以收購本公司主要股東神州數碼控股有限公司(「神州數碼」，於香港聯合交易所有限公司(「聯交所」)主板上市之公司)之9,400,000股股份(佔神州數碼已發行股份約0.80%)，購買價為56,400,000港元。

上述收購事項構成本公司之須予披露交易。上述交易已告完成。有關進一步詳情載於本公司日期為二零一六年七月五日之公佈。



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DISCLOSEABLE TRANSACTION IN RELATION TO CORNERSTONE INVESTMENT IN SMART-CORE HOLDINGS LIMITED

On 23 September 2016, Hong Kong Huicong entered into a cornerstone investment agreement with Smart-Core Holdings Limited ("Smart-Core Holdings"), DBS Asia Capital Limited and Haitong International Securities Company Limited (collectively "the Joint Global Coordinators"), pursuant to which Hong Kong Huicong has agreed to subscribe for shares of Smart-Core Holdings up to an aggregate value of US\$4,000,000 (equivalent to approximately HK\$31,000,000). On 7 October 2016, Hong Kong Huicong was allocated 16,938,000 shares of Smart-Core Holdings for a total consideration of HK\$30,996,540.

The said cornerstone investment agreement and the transactions contemplated thereunder constitutes a discloseable transaction of the Company.

For further details, please refer to the announcement of the Company dated 26 September 2016.

CAPITAL STRUCTURE

During the year ended 31 December 2016, 15,352,000 shares of the Company were issued upon the exercise of share options under the share option scheme of the Company.

During the year ended 31 December 2016, convertible bonds with principle amount equivalent to HK\$380,000,000 have been converted into 95,000,000 ordinary shares of the Company at the conversion price of HK\$4 per share.

During the year ended 31 December 2016, 12,290,000 shares of the Company were repurchased pursuant to the general mandate to repurchase shares and 5,990,000 shares had been cancelled.

The total number of issued shares of the Company was 1,004,308,103 as at 31 December 2016 (2015: 899,946,103).

For details of shares repurchased during the financial year ended 31 December 2016 but cancelled on 17 February 2017, please refer to the section headed "SUBSEQUENT EVENTS" below.

有關於芯智控股有限公司之基礎投資之須予披露交易

於二零一六年九月二十三日，香港慧聰、芯智控股有限公司（「芯智控股」）與星展亞洲融資有限公司及海通國際證券有限公司（統稱「聯席全球協調人」）訂立基礎投資協議，據此，香港慧聰同意認購最高總值4,000,000美元（相當於約31,000,000港元）之芯智控股股份。於二零一六年十月七日，香港慧聰以總代價30,996,540港元獲配發16,938,000股芯智控股股份。

上所述基礎投資協議及其項下擬進行之交易構成本公司之須予披露交易。

有關進一步詳情，請參閱本公司日期為二零一六年九月二十六日之公佈。

資本結構

截至二零一六年十二月三十一日止年度，根據本公司購股權計劃行使購股權而獲發行之股份為15,352,000股。

截至二零一六年十二月三十一日止年度，本金額相當於380,000,000港元之可換股債券以轉換價每股4港元轉換為95,000,000股本公司普通股。

截至二零一六年十二月三十一日止年度，根據購回股份之一般授權購回本公司12,290,000股股份，而5,990,000股份已獲註銷。

於二零一六年十二月三十一日，本公司已發行股份總數為1,004,308,103股（二零一五年：899,946,103股）。

有關於二零一六年十二月三十一日止財政年度內購回而於二零一七年二月十七日註銷之股份詳情，請參閱下文「結算日後事項」一節。



Management's Discussion and Analysis

管理層討論和分析

STAFF AND REMUNERATION

The success of the Group depends on the skills, motivation and commitment of its staff. As at 31 December 2016, the total number of Group's employees was 2,964, among which 1,673 were employed in the Sales and Marketing Division, 325 were employed in the Editorial Division, 612 were employed in the Information Technology Division and the remaining were employed in other divisions of the Group.

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

CHARGES ON GROUP ASSETS

As at 31 December 2016, part of the bank borrowings, amounting to RMB160,000,000 are secured by certain properties and land use right.

EXCHANGE RISK

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

CONTINGENT LIABILITIES

As at 31 December 2016, the Group had no contingent liability (2015: Nil).

員工及薪酬

本集團之成功，有賴於本集團員工所擁有之技能、拼勁及承諾。於二零一六年十二月三十一日，本集團共僱用2,964名僱員，當中1,673名屬於銷售及市場推廣部；325名屬於編輯部；612名屬於資訊科技部，剩餘僱員屬於本集團其他部門。

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

集團資產抵押

於二零一六年十二月三十一日，部分銀行借貸數額為人民幣160,000,000元，以若干物業及土地使用權作抵押。

匯兌風險

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

或然負債

於二零一六年十二月三十一日，本集團並無任何或然負債(二零一五年：無)。

SUBSEQUENT EVENTS

(a) Discloseable Transaction in relation to the acquisition of the entire issued share capital of Huijia Yuantian Limited involving issue of convertible bonds

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

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

(b) Cancellation of shares repurchased

A total of 6,300,000 shares repurchased on 15 November 2016, 16 November 2016, 28 November 2016, 29 November 2016, 30 November 2016, 1 December 2016, 2 December 2016, 5 December 2016, 9 December 2016, 12 December 2016, 16 December 2016, 22 December 2016 and 23 December 2016 were cancelled on 17 February 2017.

(c) Termination of the Subscription Agreement by the Company and Mr. Liu Xiaodong

The Company has terminated the Subscription Agreement with Mr. Liu Xiaodong only on 20 January 2017. Please refer to the section headed "connected transaction in relation to subscription of zero coupon convertible bonds under specific mandate" above for further details.

結算日後事項

(a) 有關收購Huijia Yuantian Limited全部已發行股本並涉及發行可換股債券之須予披露交易

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

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

(b) 註銷已購回股份

於二零一六年十一月十五日、二零一六年十一月十六日、二零一六年十一月二十八日、二零一六年十一月二十九日、二零一六年十一月三十日、二零一六年十二月一日、二零一六年十二月二日、二零一六年十二月五日、二零一六年十二月九日、二零一六年十二月十二日、二零一六年十二月十六日、二零一六年十二月二十二日及二零一六年十二月二十三日購回之合共6,300,000股股份於二零一七年二月十七日註銷。

(c) 終止本公司與劉小東先生之認購協議

本公司已終止與劉小東先生訂立日期為二零一七年一月二十日之認購協議。有關進一步詳情，請參閱前述「關連交易—有關根據特別授權認購零息可換股債券」一節。



Report of the Directors

董事會報告

The Directors submit their report together with the audited financial statements for the financial year ended 31 December 2016.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 13 to the consolidated financial statements. There were no significant changes in the nature of the Group's principal activities for the financial year ended 31 December 2016.

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

RESULTS AND APPROPRIATIONS

The results of the Group for the financial year are set out in the consolidated statement of comprehensive income on page 124.

The Board recommended the payment of final dividend of HK\$0.05 per share for the year ended 31 December 2016.

RESERVES

Details of the movements in retained earnings of the Group during the financial year are set out on page 128.

Details of the movements in other reserves of the Group are set out in note 23 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 10 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company are set out in note 22 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2016, calculated under the Companies Law of Cayman Islands, amounted to approximately RMB1,740,015,000 (2015: RMB1,529,760,000).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 5 of this report.

董事會提呈其報告連同截至二零一六年十二月三十一日止財政年度之經審核財務報表。

主要業務

本公司主要業務為投資控股。其主要附屬公司之業務載於合併財務報表附註13。截至二零一六年十二月三十一日止財政年度，本集團主要業務性質概無重大變動。

本集團於本財政年度內按業務分部劃分之表現分析載於合併財務報表附註5。

業績及分派

本集團於本財政年度之業績載於第124頁之合併綜合收益表。

董事會建議就截止二零一六年十二月三十一日止年度派付每股股份0.05港元之末期股息。

儲備

本集團於本財政年度內之留存收益變動詳情載於第128頁。

本集團其他儲備之變動詳情載於合併財務報表附註23。

物業、廠房及設備

本集團之物業、廠房及設備變動詳情載於合併財務報表附註10。

股本及購股權

本公司之股本及購股權變動詳情載於合併財務報表附註22。

可供派發儲備

根據開曼群島公司法，本公司於二零一六年十二月三十一日之可供派發儲備約為人民幣1,740,015,000元(二零一五年：人民幣1,529,760,000元)。

五年財務概要

本集團過去五個財政年度之業績以及資產及負債概要載於本報告第5頁。

Report of the Directors

董事會報告

DIRECTORS

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

Mr. Guo Fansheng (<i>Chairman</i>)	(appointed on 21 March 2000)
Mr. Guo Jiang (<i>Chief Executive Officer</i>)	(appointed on 1 August 2006)
Mr. Lee Wee Ong (<i>Chief Financial Officer</i>)	(appointed on 9 September 2011 as an independent non-executive Director and re-designated as an executive Director on 1 July 2012)
Mr. Liu Jun	(appointed on 12 September 2016)
Mr. Li Jianguang ^{Note 1}	(appointed on 1 August 2006)
Mr. Guo Wei ^{Note 1}	(appointed on 8 March 2002 as an independent non-executive Director and re-designated as a non-Director on 10 June 2011 and resigned on 12 September 2016)
Mr. Zhang Ke ^{Note 2}	(appointed on 28 March 2003)
Dr. Xiang Bing ^{Note 2}	(appointed on 8 March 2002 and resigned on 12 September 2016)
Mr. Zhang Tim Tianwei ^{Note 2}	(appointed on 1 November 2011)
Mr. Tang Jie	(appointed on 12 September 2016)

Notes:

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

董事

本年度及直至本報告日期，在任董事如下：

郭凡生先生(主席)	(於二零零零年三月二十一日獲委任)
郭江先生(行政總裁)	(於二零零六年八月一日獲委任)
Lee Wee Ong先生 (首席財務官)	(於二零一一年九月九日獲委任為獨立非執行董事及於二零一二年七月一日調任為執行董事)
劉軍先生	(於二零一六年九月十二日獲委任)
李建光先生 ^{附註1}	(於二零零六年八月一日獲委任)
郭為先生 ^{附註1}	(於二零零二年三月八日獲委任為獨立非執行董事及於二零一一年六月十日調任為非執行董事以及於二零一六年九月十二日辭任)
張克先生 ^{附註2}	(於二零零三年三月二十八日獲委任)
項兵博士 ^{附註2}	((於二零零二年三月八日獲委任並於二零一六年九月十二日辭任)
張天偉先生 ^{附註2}	(於二零一一年十一月一日獲委任)
湯捷先生	(於二零一六年九月十二日獲委任)

附註：

1. 非執行董事
2. 獨立非執行董事



Report of the Directors 董事會報告



In accordance with Article 86 of the Company's articles of association ("Articles of Association"), Mr. Liu Jun, Mr. Wong Chi Keung and Mr. Tang Jie, will be subject to, and eligible offer themselves for re-election at the forthcoming annual general meeting of the Company.

In accordance with Article 87 of the Company's articles of association, Mr. Zhang Tim Tianwei will retire and, being eligible, offer himself for re-election at the forthcoming annual general meeting of the Company.

DIRECTORS' PROFILE

The Directors' profile is set out on pages 20 to 24.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. GuoFangsheng, Mr. Guo Jiang, Mr. Lee Wee Ong and Mr. Liu Jun has entered into a director's service contract with the Company, whereby each of them has accepted the appointment as an executive Director of the Company for a term of three years from 30 November 2015, 1 August 2015, 1 July 2015 and 12 September 2016 respectively, which may be terminated by either party giving three months' prior written notice or otherwise in accordance with the terms of their respective service contracts.

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

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed above and in note 36 and note 46 to the consolidated financial statements, no Director was materially interested, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company, or any of its fellow subsidiaries and subsidiaries was a party subsisted at the end of the year or at any time during the year.

DIRECTORS' AND SENIOR STAFF EMOLUMENTS

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

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

根據本公司組織章程細則(「組織章程細則」)第86條，劉軍先生、王自強先生及湯捷先生將須於本公司應屆股東週年大會上重選並合資格重選連任。

根據本公司組織章程細則第87條，張天偉先生將於本公司應屆股東週年大會上退任，惟彼合資格並願意重選連任。

董事簡介

董事簡介載於第20至24頁。

董事服務合約

郭凡生先生、郭江先生、Lee Wee Ong先生及劉軍先生已各自與本公司訂立董事服務合約，據此，彼等各自已同意獲委任為本公司執行董事，分別由二零一五年十一月三十日、二零一五年八月一日、二零一五年七月一日及二零一六年九月十二日起計為期三年，服務合約可由任何一方發出三個月事先書面通知或根據彼等各自服務合約條款予以終止。

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

董事於合約之權益

除上文及合併財務報表附註36及附註46所披露者外，於年終或年內任何時間，概無董事於對本集團業務而言屬重大，且本公司、其控股公司或其任何同系附屬公司及附屬公司為其中之訂約一方且仍然生效之合約中直接或間接擁有重大權益。

董事及高級僱員之薪酬

本年度董事及高級僱員之薪酬詳情載於合併財務報表附註36。

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

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

As at 31 December 2016, the interests and short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or required to be entered in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were as follows:

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

董事及行政總裁於本公司及其相聯法團之股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，董事及本公司行政總裁於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例(「證券及期貨條例」)第XV部)之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部之第7及第8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文彼等被當作或視作擁有之權益或淡倉)，或須記入本公司根據證券及期貨條例第352條所存置登記冊之權益及淡倉，或根據上市規則所載上市發行人董事進行證券交易之標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

(a) 董事於本公司股份及相關股份之好倉

Name of Director 董事姓名	Class of Shares 股份類別	Capacity 身份	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Interest in trust 信託權益	Other interests 其他權益	Total number of Shares 股份總數	Percentage of shareholding (approximate) 股權百分比 (概約)
Guo Jiang 郭江	Ordinary 普通股	Beneficial owners/ family interest 實益擁有人/ 家族權益	183,925,146 (note 1) (附註1)	10,784,625 (note 1) (附註1)	-	-	-	194,709,771 (note 1) (附註1)	19.39%
Guo Fansheng 郭凡生	Ordinary 普通股	Beneficial owners 實益擁有人	35,000,000 (note 2) (附註2)	-	-	22,749,015 (note 2) (附註2)	-	57,749,015 (note 2) (附註2)	5.75%
Li Jianguang 李建光	Ordinary 普通股	Interest of controlled corporation 受控制公司權益	-	-	32,000,384 (note 3) (附註3)	-	-	32,000,384 (note 3) (附註3)	3.19%
Lee Wee Ong Lee Wee Ong	Ordinary 普通股	Beneficial owners 實益擁有人	19,850,672 (note 4) (附註4)	-	-	-	-	19,850,672 (note 4) (附註4)	1.98%
Liu Jun 劉軍	Ordinary 普通股	Beneficial owners 實益擁有人	40,000,000	-	-	-	-	40,000,000	3.98%

Report of the Directors

董事會報告

(b) Directors' Short Positions

Name of Director 董事姓名	Class of Shares 股份類別	Capacity 身份	Personal interests 個人權益	Family interests 家族權益	Corporate interests 公司權益	Other interests 其他權益	Total number of Shares 股份總數	Percentage of shareholding (approximate) 股權百分比 (概約)
Guo Jiang 郭江	Ordinary 普通股	Beneficial owners 實益擁有人	66,000,000	-	-	-	66,000,000	6.57%

Notes:

1. Such interest in the Company comprises:

- (a) 125,358,771 Shares of which 114,574,146 Shares are held by Mr. Guo and 10,784,625 Shares are held by Ms. Geng Yi, who is Mr. Guo's spouse;
- (b) 8,351,000 underlying Shares derived from the awarded shares granted to Mr. Guo under the employees' share award scheme adopted on 17 November 2011; and
- (c) 61,000,000 Shares which were borrowed by Mr. Guo Jiang from Ms. Geng Yi and Mr. Guo Fansheng pursuant to a stock borrowing agreement dated 9 May 2016 entered into between Mr. Guo Jiang, Ms. Geng Yi and Mr. Guo Fansheng, of which 35,000,000 Shares were subsequently pledged to an independent third party.

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

2. Such interest in the Company comprises:

- (a) 35,000,000 Shares (long position) held by Mr. Guo Fansheng; and
- (b) 22,749,015 Shares (long position) held by a trustee of a trust of which Mr. Guo Fansheng is a beneficiary.

3. The references to 32,000,384 shares of the Company relate to the same block of shares of the Company held by Callister Trading Limited, the entire share capital of which is owned by Mr. Li Jianguang. Accordingly, Mr. Li Jianguang is deemed, or taken to have, interested in the said 32,000,384 shares of the Company pursuant to the SFO.

4. Such interests in the Company comprise: (i) 18,350,672 Shares and (ii) 1,500,000 underlying Shares derived from the Share Options held by Mr. Lee Wee Ong.

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

(b) 董事之淡倉

附註：

1. 該等本公司權益包括：

- (a) 125,358,771 股股份，其中 114,574,146 股股份由郭先生持有及 10,784,625 股股份由郭先生之配偶耿怡女士持有；
- (b) 根據二零一一年十一月十七日採納之僱員股份獎勵計劃向郭先生授出之獎勵股份所涉及之 8,351,000 股相關股份；及
- (c) 根據郭江先生、耿怡女士及郭凡生先生所訂立日期為二零一六年五月九日之借股協議，郭先生自耿怡女士及郭凡生先生借入 61,000,000 股股份，其中 35,000,000 股股份隨後抵押予一名獨立第三方。

根據證券及期貨條例，郭江先生被當作或視作於耿怡女士所持有之股份及相關股份中擁有權益。

2. 本公司之該等權益包括：

- (a) 郭凡生先生所持 35,000,000 股股份（好倉）；及
- (b) 以郭凡生先生為受益人之信託之受託人所持 22,749,015 股股份（好倉）。

3. 該等 32,000,384 股本公司股份乃與 Callister Trading Limited 所持本公司同一批股份有關，而該公司之全部股本由李建光先生擁有。因此，根據證券及期貨條例，李建光先生被當作或視作於上述 32,000,384 股本公司股份中擁有權益。

4. 該等本公司權益包括 (i) 18,350,672 股股份及 (ii) Lee Wee Ong 先生持有之購股權所涉及之 1,500,000 股相關股份。

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

SHARE OPTION SCHEMES

Pursuant to written resolutions of the shareholders of the Company dated 30 November 2003, among others, a share option scheme (the "Share Option Scheme") was adopted by the Company. The principal terms of the Share Option Scheme were summarised in the paragraph headed "Share options" under the section headed "Statutory and General Information" in Appendix V of the prospectus of the Company dated 8 December 2003.

OUTSTANDING SHARE OPTIONS

Share Option Scheme

As at 31 December 2016, options to subscribe for an aggregate of 14,964,000 Shares granted pursuant to the Share Option Scheme were outstanding. Details of which were as follows:

購股權計劃

根據本公司日期為二零零三年十一月三十日之股東書面決議案(其中包括),本公司採納一項購股權計劃(「購股權計劃」)。購股權計劃之主要條款已於本公司日期為二零零三年十二月八日之招股章程附錄五「法定及一般資料」一節「購股權」一段概述。

尚未行使之購股權

購股權計劃

於二零一六年十二月三十一日,根據購股權計劃授予可認購合共14,964,000股股份之購股權尚未行使。有關詳情如下:

Name of grantee	Date of grant	Exercise price per share	Number of share options				As at 31 December 2016
			As at 1 January 2016	Granted during the period	Exercised during the period	Lapsed during the period	
承授人姓名	授出日期	每股行使價 HK\$ 港元	於 二零一六年 一月一日	於期內授出	於期內行使	於期內失效	於 二零一六年 十二月三十一日 (Note 1) (附註1)

Directors

董事

Guo Jiang	23 June 2006	1.49	1,000,000		(1,000,000)		-
郭江	二零零六年六月二十三日						
	11 July 2007	1.24	2,200,000		(2,200,000)		-
	二零零七年七月十一日						
	29 September 2008	0.604	1,500,000		(1,500,000)		-
	二零零八年九月二十九日						
	7 April 2010	0.82	4,800,000		(4,800,000)		-
	二零一零年四月七日						
Lee Wee Ong	3 April 2013	4.402	1,500,000				1,500,000
Lee Wee Ong	二零一三年四月三日						

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Name of grantee	Date of grant	Exercise price per share	Number of share options				As at 31 December 2016
			As at 1 January 2016	Granted during the period	Exercised during the period	Lapsed during the period	
承授人姓名	授出日期	每股行使價 HK\$ 港元	於 二零一六年 一月一日	於期內授出	於期內行使	於期內失效	於 二零一六年 十二月三十一日 (Note 1) (附註1)
Senior management							
高級管理人員							
Geng Yi	23 June 2006	1.49	434,000		(434,000)		-
耿怡	二零零六年六月二十三日						
	29 September 2008	0.604	1,000,000		(1,000,000)		-
	二零零八年九月二十九日						
	7 April 2010	0.82	4,200,000		(4,200,000)		-
	二零一零年四月七日						
Li Tao	11 July 2007	1.24	220,000				220,000
李韜	二零零七年七月十一日						
	29 September 2008	0.604	400,000				400,000
	二零零八年九月二十九日						
	7 April 2010	0.82	800,000				800,000
	二零一零年四月七日						
Other employees							
其他僱員							
In aggregate	23 June 2006	1.49	24,000		(24,000)		-
合計	二零零六年六月二十三日						
In aggregate (Note 2)	11 July 2007	1.24	1,278,000		(44,000)		1,234,000
合計(附註2)	二零零七年七月十一日						
In aggregate (Note 3)	7 April 2010	0.82	788,000		(150,000)		638,000
合計(附註3)	二零一零年四月七日						
In aggregate (Note 4)	28 March 2011	1.108	200,000				200,000
合計(附註4)	二零一一年三月二十八日						
In aggregate (Note 5)	18 November 2013	9.84	9,972,000				9,972,000
合計(附註5)	二零一三年十一月十八日						
Total			32,871,000		(15,352,000)		14,964,000
總計							



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Notes:

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

For the options exercisable at HK\$1.49 granted on 23 June 2006, the relevant grantees may exercise these options in a 10-year period starting from the expiry of twelve months from the date of the grant of options.

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

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

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

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

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

2. 2 employees have been granted options under the Share Option Scheme to acquire an aggregate of 1,234,000 shares of the Company at HK\$1.24 per share.

附註：

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

就於二零零六年六月二十三日授出可按1.49港元行使之購股權而言，有關承授人可於購股權授出日期起計十二個月屆滿後之10年期間內行使該等購股權。

就於二零零七年七月十一日授出可按1.24港元行使之購股權而言，有關承授人於自購股權授出日期之第一及第二週年，最多可分別行使彼所持購股權所涉及本公司股份之50%及全數（扣除任何過往已行使之購股權所涉及之本公司股份數目）之購股權。

就於二零零八年九月二十九日授出可按0.604港元行使之購股權而言，有關承授人可於購股權授出日期十二個月屆滿後之10年期間內行使該等購股權。就於二零一零年四月七日授出可按0.82港元行使之購股權而言，有關承授人於自購股權授出日期之第一及第二週年，最多可分別行使彼所持購股權所涉及本公司股份之50%及全數（扣除任何過往已行使之購股權所涉及之本公司股份數目）之購股權。

就於二零一一年三月二十八日授出可按1.108港元行使之購股權而言，有關承授人於自購股權授出日期之第一及第二週年，最多可分別行使彼所持購股權所涉及之本公司股份之50%及全數（扣除任何過往已行使之購股權所涉及之本公司股份數目）之購股權。

就於二零一三年四月三日授出可按4.402港元行使之購股權而言，有關承授人於自購股權授出日期之第一、第二、第三、第四及第五週年，最多可分別行使彼所持購股權所涉及本公司股份之20%、40%、60%、80%及全數（扣除任何過往已行使之購股權所涉及之本公司股份數目）之購股權。

就於二零一三年十一月十八日授出可按9.84港元行使之購股權而言，有關承授人於自購股權授出日期之第一、第二、第三、第四及第五週年，最多可分別行使彼所持購股權所涉及本公司股份之10%、20%、40%、70%及全數（扣除任何過往已行使之購股權所涉及之本公司股份數目）之購股權。

2. 根據購股權計劃已向2名僱員授出可按每股1.24港元認購合共1,234,000股本公司股份之購股權。



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- 2 employees have been granted options under the Share Option Scheme to acquire an aggregate of 638,000 shares of the Company at HK\$0.82 per share.
 - 2 employees have been granted options under the Share Option Scheme to acquire an aggregate of 200,000 shares of the Company at HK\$1.108 per share.
 - 56 employees have been granted options under the Share Option Scheme to acquire an aggregate of 9,972,000 shares of the Company at HK\$9.84 per share.
 - The fair value of options granted under the Share Option Scheme on 18 February 2004, determined using the Binomial Model value model, was approximately RMB20,193,000. The significant inputs into the model were the exercise price of HK\$2.4, standard deviation of expected share price returns of 32%, expected life of options ranging from 5.4 to 6.6 years, expected dividend paid out rate of 0% and annual risk-free interest rate ranging from 1.34% to 4.43%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
 - The fair value of options granted under the Share Option Scheme on 23 June 2006, determined using the Binomial Model valuation model, was approximately RMB3,919,000. The significant inputs into the model were exercise price of HK\$1.49, standard deviation of expected share price returns of 34.8%, expected life of options ranging from 3.2 to 5.5 years expected dividend paid out rate of 0% and annual risk free interest rate of 4.911%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
 - The fair value of options granted under the Share Option Scheme on 11th July 2007, determined using the Binomial Model valuation model, was approximately RMB9,390,000. The significant inputs into the model were exercise price of HK\$1.24 standard deviation of expected share price returns of 49.0%, expected life of options ranging from 2.4 to 6.2 years expected dividend paid out rate of 0% and annual risk-free interest rate of 4.757%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
 - The fair value of options granted under the Share Option Scheme on 29th September 2008, determined using the Binomial Model valuation model, was approximately RMB2,756,000. The significant inputs into the model were exercise price of HK\$0.604 standard deviation of expected share price returns of 72.2%, expected life of options ranging from 3.8 to 4.8 years expected dividend paid out rate of 0% and annual risk-free interest rate of 3.133%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
- 根據購股權計劃已向2名僱員授出可按每股0.82港元認購合共638,000股本公司股份之購股權。
 - 根據購股權計劃已向2名僱員授出可按每股1.108港元認購合共200,000股本公司股份之購股權。
 - 根據購股權計劃已向56名僱員授出可按每股9.84港元認購合共9,972,000股本公司股份之購股權。
 - 使用二項式估值模式計算於二零零四年二月十八日根據購股權計劃所授出購股權之公平值約為人民幣20,193,000元。輸入該模式之主要參數為行使價2.4港元、預計股價回報率之標準偏差32%、購股權之預計年期介乎5.4年至6.6年不等、預計派息率0%及年度無風險利率介乎1.34%至4.43%不等。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。
 - 使用二項式估值模式計算於二零零六年六月二十三日根據購股權計劃所授出購股權之公平值約為人民幣3,919,000元。輸入該模式之主要參數為行使價1.49港元、預計股價回報率之標準偏差34.8%、購股權之預計年期介乎3.2年至5.5年不等、預計派息率0%及年度無風險利率4.911%。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。
 - 使用二項式估值模式計算於二零零七年七月十一日根據購股權計劃所授出購股權之公平值約為人民幣9,390,000元。輸入該模式之主要參數為行使價1.24港元、預計股價回報率之標準偏差49.0%、購股權之預計年期介乎2.4年至6.2年不等、預計派息率0%及年度無風險利率4.757%。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。
 - 使用二項式估值模式計算於二零零八年九月二十九日根據購股權計劃所授出購股權之公平值約為人民幣2,756,000元。輸入該模式之主要參數為行使價0.604港元、預計股價回報率之標準偏差72.2%、購股權之預計年期介乎3.8年至4.8年不等、預計派息率0%及年度無風險利率3.133%。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。



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10. The fair value of options granted under the Share Option Scheme on 7 April 2010, determined using the Binomial Model valuation model, was approximately RMB12,527,000. The significant inputs into the model were exercise price of HK\$0.82 standard deviation of expected share price returns of 79.8%, expected life of options ranging from 3.4 to 5.9 years expected dividend paid out rate of 0% and annual risk-free interest rate of 2.865%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
11. The fair value of options granted under the Share Option Scheme on 28 March 2011, determined using the Binomial Model valuation model, was approximately RMB1,377,000. The significant inputs into the model were exercise price of HK\$1.108 standard deviation of expected share price returns of 77.4%, expected life of options ranging from 3.8 to 4.9 years expected dividend paid out rate of 0% and annual risk-free interest rate 2.82%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
12. The fair value of options granted under the Share Option Scheme on 3 April 2013, determined using the Binomial Model valuation model, was approximately RMB3,754,000. The significant inputs into the model were exercise price of HK\$4.402 standard deviation of expected share price returns of 75%, expected life of options ranging from 9.1 to 9.6 years expected dividend paid out rate of 0% and annual risk-free interest rate 1.111%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
13. The fair value of options granted under the Share Option Scheme on 18 November 2013, determined using the Binomial Model valuation model, was approximately RMB50,125,000. The significant inputs into the model were exercise price of HK\$9.84 standard deviation of expected share price returns of 71.5%, expected life of options ranging from 4.7 to 7.9 years expected dividend paid out rate of 0% and annual risk-free interest rate 1.915%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of historical price movement of the Company and other comparable companies with similar business nature.
14. In the extraordinary general meeting of the Company held on 13 May 2011, an ordinary resolution was passed by the shareholders of the Company to refresh the scheme mandate limit under the Share Option Scheme. For details, please refer to the Company's circular and announcement dated 24 April 2011 and 13 May 2011 respectively.
15. In respect of employees resigned during the period whose share options have not been vested, such share options are lapsed, and the share compensation costs recognised previously are credited to condensed consolidated final statement of comprehensive income.
16. The values of share options recognised in share-based compensation reserves are subject to a number of assumptions and with regard to the limitation of the valuation model.
17. The weighted average closing price of the Shares immediately before the date on which these options were exercised was approximately HK\$4.81 per share.
10. 使用二項式估值模式計算於二零一零年四月七日根據購股權計劃所授出購股權之公平值約為人民幣12,527,000元。輸入該模式之主要參數為行使價0.82港元、預計股價回報率之標準偏差79.8%、購股權之預計年期介乎3.4年至5.9年不等、預計派息率0%及年度無風險利率2.865%。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。
11. 使用二項式估值模式計算於二零一一年三月二十八日根據購股權計劃所授出購股權之公平值約為人民幣1,377,000元。輸入該模式之主要參數為行使價1.108港元、預計股價回報率之標準偏差77.4%、購股權之預計年期介乎3.8年至4.9年不等、預計派息率0%及年度無風險利率2.82%。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。
12. 使用二項式估值模式計算於二零一三年四月三日根據購股權計劃所授出購股權之公平值約為人民幣3,754,000元。輸入該模式之主要參數為行使價4.402港元、預計股價回報率之標準偏差75%、購股權之預計年期介乎9.1年至9.6年不等、預計派息率0%及年度無風險利率1.111%。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。
13. 使用二項式估值模式計算於二零一三年十一月十八日根據購股權計劃所授出購股權之公平值約為人民幣50,125,000元。輸入該模式之主要參數為行使價9.84港元、預計股價回報率之標準偏差71.5%、購股權之預計年期介乎4.7年至7.9年不等、預計派息率0%及年度無風險利率1.915%。按照預計股價回報率之標準偏差所計算之波幅，乃根據本公司及業務性質類似之其他可資比較公司之過往價格波動之統計數字分析計算。
14. 於二零一一年五月十三日舉行之本公司股東特別大會上，本公司股東通過一項普通決議案，更新購股權計劃項下之計劃授權限額。詳情請參閱本公司日期分別為二零一一年四月二十四日及二零一一年五月十三日之通函及公佈。
15. 就於期內辭任而其購股權尚未歸屬之僱員而言，有關購股權均予失效，而過往已確認之股份補償成本則計入全年簡明合併綜合收益表。
16. 在以股份為基礎之補償儲備中確認之購股權價值須受多項假設規限，並與估值模式之限制相關。
17. 於緊接該等購股權獲行使日期前股份加權平均收市價約為每股4.81港元。

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EMPLOYEES' SHARE AWARD SCHEME

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

Since the adoption date, a total of 46,881,000 shares has been granted up to the date of this report, representing approximately 4.67% of the issued share capital of the Company as at the date of this report. The awarded shares remain outstanding as at 31 December 2016 are set out below:

Name of Grantee	Date of grant	Number of awarded shares	As at 1 January 2016 於二零一六年一月一日	Granted during the period	Vested during the period	As at 31 December 2016 於二零一六年十二月三十一日
承授人姓名	授出日期	已授股份數目		期內授出	期內歸屬	
Director						
董事						
Guo Jiang 郭江	20 August 2012 二零一二年八月二十日	16,700,000	8,351,000			8,351,000
Senior management						
高級管理人員						
Guo Gang 郭剛	23 November 2011 二零一一年十一月二十三日	300,000	15,000		(15,000)	-
Li Tao 李韜	23 November 2011 二零一一年十一月二十三日	300,000	15,000		(15,000)	-
Other employees						
其他僱員						
In aggregate (Note 1) 合計(附註1)	23 November 2011 二零一一年十一月二十三日	23,581,000	12,811,375		(1,427,250)	11,384,125
	17 January 2014 二零一四年一月十七日	3,000,000	2,000,000			2,000,000
Total 總計		46,881,000	23,192,375		(1,457,250)	21,735,125

僱員股份獎勵計劃

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

自採納日期直至本報告日期，授出合共46,881,000股股份，相當於本報告日期本公司已發行股本約4.67%。於二零一六年十二月三十一日，尚未歸屬之已授股份載列如下：

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

As at 31 December 2016, the interest of persons (not being a Director or chief executive of the Company) in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

主要股東及其他人士於本公司股份及相關股份之權益及淡倉

於二零一六年十二月三十一日，於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須知會本公司及聯交所，或須記入本公司根據證券及期貨條例第336條所存置登記冊之權益之人士（並非董事或本公司行政總裁）如下：

Name of Shareholder	Class of Shares	Long position	short position	Capacity	Approximate percentage of shareholding as at 31 December 2016 於二零一六年十二月三十一日之股本概約百分比
股東姓名／名稱	股份類別	好倉	淡倉	身份	
Talent Gain Developments Limited	Ordinary 普通股	166,029,107 (Note 1) (附註1)		Beneficial Owner and Interest in controlled corporation 實益擁有人及受控制公司權益	16.53%
Digital China Holdings Limited 神州數碼控股有限公司	Ordinary 普通股	166,029,107 (Note 1) (附註1)		Interest in controlled corporation 受控制公司權益	16.53%
Geng Yi 耿怡	Ordinary 普通股	194,709,771 (Note 2) (附註2)	66,000,000	Beneficial Owner and Family Interest 實益擁有人及家族權益	19.39% (long position) (好倉) 6.57% (short position) (淡倉)
Liu Xiaodong 劉小東	Ordinary 普通股	92,273,794 (Note 3) (附註3)		Beneficial Owner and Interest in controlled corporation 實益擁有人及受控制公司權益	9.19%
Wisdom Limited	Ordinary 普通股	62,273,794 (Note 4) (附註4)		Beneficial Owner 實益擁有人	6.20%



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Notes:

1. The references to 166,029,107 Shares comprise 142,621,107 Shares and 23,408,000 Shares held by Talent Gain Developments Limited and Unique Golden Limited, respectively. Unique Golden Limited is wholly and beneficially owned by Talent Gain Developments Limited, which in turn is wholly and beneficially owned by Digital China (BVI) Limited and indirectly wholly and beneficially owned by Digital China Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 861). Therefore, Talent Gain Developments Limited, is deemed to be interested in the Shares held by Unique Golden Limited, and each of Digital China (BVI) Limited and Digital China Holdings Limited is deemed to be interested in the Shares held by Talent Gain Developments Limited and Unique Golden Limited.

2. Ms. Geng Yi is the spouse of Mr. Guo Jiang. Such interest in the Company comprises: (a) 125,358,771 Shares (long position) and 66,000,000 (short position) of which 114,574,146 Shares (long position) and 66,000,000 (short position) are held by Mr. Guo Jiang and 10,784,625 Shares are held by Ms. Geng Yi; (b) 8,351,000 underlying Shares derived from the awarded shares granted to Mr. Guo Jiang under the employees' share award scheme adopted on 17 November 2011; and (c) 61,000,000 Shares which were borrowed by Mr. Guo Jiang from Ms. Geng Yi and Mr. Guo Fansheng pursuant to a stock borrowing agreement dated 9 May 2016 entered into between Mr. Guo Jiang, Ms. Geng Yi and Mr. Guo Fansheng, of which 35,000,000 Shares were subsequently pledged to an independent third party.

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

3. Such interests in the Company comprise: (i) 30,000,000 underlying Shares derived from the proposed subscription of 30,000,000 convertible bonds of the Company by Mr. Liu Xiaodong pursuant to the CB Subscription Agreement; and (ii) 62,273,794 Shares held by Wisdom Limited (a company wholly and beneficially owned by Mr. Liu Xiaodong). Mr. Liu Xiaodong is deemed, or taken to have, interested in all the Shares held by Wisdom Limited pursuant to the SFO.

4. Wisdom Limited is a company wholly and beneficially owned by Mr. Liu Xiaodong.

Save as disclosed above, as at 31 December 2016, the Company had not been notified of any interests or short positions of substantial shareholders or other persons in the shares and underlying shares of the Company which are required to be kept under Section 336 of the SFO.

附註：

1. 該等166,029,107股股份包括由Talent Gain Developments Limited及Unique Golden Limited分別所持有之142,621,107股股份及23,408,000股股份。Unique Golden Limited由Talent Gain Developments Limited全資及實益擁有，而Talent Gain Developments Limited則由Digital China (BVI) Limited全資及實益擁有並由神州數碼控股有限公司（其股份於聯交所上市（股份代號：861））間接全資及實益擁有。因此，Talent Gain Developments Limited被當作於由Unique Golden Limited所持有之股份中擁有權益，而Digital China (BVI) Limited及神州數碼控股有限公司各自被當作於由Talent Gain Developments Limited及Unique Golden Limited所持有之股份中擁有權益。

2. 耿怡女士為郭江先生之配偶。該等於本公司之權益包括：(a) 125,358,771股股份（好倉）及66,000,000股股份（淡倉）（其中114,574,146股股份（好倉）及66,000,000股股份（淡倉）由郭江先生持有）及耿怡女士所持有之10,784,625股股份；(b)郭江先生根據於二零一一年十一月十七日採納之僱員股份獎勵計劃所獲授之獎勵股份產生之8,351,000股相關股份；及(c)郭江先生根據郭江先生、耿怡女士及郭凡生先生所訂立日期為二零一六年五月九日之借股協議向耿怡女士及郭凡生先生借入之61,000,000股股份，其中35,000,000股股份隨後抵押予一名獨立第三方。

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

3. 該等於本公司之權益包括：(i) 30,000,000股相關股份乃自劉小東先生根據可換股債券認購協議擬認購30,000,000份本公司可換股債券所產生；及(ii)由Wisdom Limited（由劉小東先生全資及實益擁有之公司）所持有之62,273,794股股份。根據證券及期貨條例，劉小東先生被視為或被當作於Wisdom Limited所持有之全部股份中擁有權益。

4. Wisdom Limited為由劉小東先生全資及實益擁有之公司。

除上文披露者外，於二零一六年十二月三十一日，本公司並不知悉主要股東或其他人士於本公司股份及相關股份中擁有須記入本公司根據證券及期貨條例第336條所存置登記冊之任何權益或淡倉。

CONNECTED TRANSACTIONS

A summary of the related party transaction entered into by the Group during the year ended 31 December 2016 is contained in Note 46 to the consolidated accounts.

The following transactions between certain connected persons (as defined in the Listing Rules) and the Group have been entered into and/or ongoing during the year ended 31 December 2016 for which relevant disclosure (if necessary) had been made by the Company in accordance with Chapter 14A of the Listing Rules.

i. Connected Transactions Conducted during the year ended 31 December 2016

1. Connected Transaction in relation to Subscription of Zero Coupon Convertible Bonds under Specific Mandate
(For details of this transaction, please refer to the section headed "Connected Transaction in relation to Subscription of Zero Coupon Convertible Bonds under Specific Mandate" in this report)
2. Termination of Framework Agreement for the Disposal of a Subsidiary – Beijing Zhixing Ruijing
(For details of this transaction, please refer to the section headed "Termination of Framework Agreement for the Disposal of a Subsidiary – Beijing Zhixing Ruijing" in this report)
3. Connected Transaction in relation to Capital Increase Agreement Involving Deemed Disposal of Equity Interest in Guangzhou Huicong
(For details of this transaction, please refer to the section headed "Connected Transaction in relation to Capital Increase Agreement Involving Deemed Disposal of Equity Interest in Guangzhou Huicong" in this report)

關連交易

本集團於截至二零一六年十二月三十一日止年度所訂立之關連交易概要載於合併賬目附註46。

以下由若干關連人士(定義見上市規則)與本集團進行之交易已訂立及/或於截至二零一六年十二月三十一日止年度持續進行,而本公司已遵照主板上市規則第14A章(在需要時)就此作出相關披露。

i 於截至二零一六年十二月三十一日止年度進行之關連交易

1. 關連交易—有關根據特別授權認購零息可換股債券
(有關本交易詳情,請參閱本報告「關連交易—有關根據特別授權認購零息可換股債券」一節。)
2. 就出售一間附屬公司—北京知行銳景終止框架協議
(有關本交易詳情,請參閱本報告「就出售一間附屬公司—北京知行銳景終止框架協議」一節。)
3. 有關涉及視作出售廣州慧聰股本權益之增資協議之關連交易
(有關本交易詳情,請參閱本報告「有關涉及視作出售廣州慧聰股本權益之增資協議之關連交易」一節。)



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ii. Continued Connected Transactions Conducted during the year ended 31 December 2016

1. Share Transaction in relation to the acquisition of the entire issued share capital of Zhongfu Holdings Limited involving issuance of convertible bonds and continuing connected transaction in relation to the structured contracts

(For details and annual review by independent non-executive Directors and the Company's auditors of this transaction, please refer to the section headed "Share Transaction in relation to the Acquisition of the Entire Issued Share Capital of Zhongfu Holdings Limited Involving Issue of Convertible Bonds and Continuing Connected Transaction in relation to the Structured Contracts" in this report).

Save as disclosed above, all the related party transaction, as disclosed in Note 46 to the consolidated financial statement, did not constitute connected transaction or continuing connected transaction of the Company under Chapter 14A of the Main Board Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Main Board Listing Rules.

The transaction in Note 46 were provided under the service contracts of relevant management and thus were all fully exempted pursuant to Chapter 14A of the Listing Rules.

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

The company's auditor was engaged to report on the group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the group on page 69 of the Annual Report in accordance with paragraph 14A. 56 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A copy of the auditor's letter has been provided by the company to The Stock Exchange of Hong Kong Limited

ii 於截至二零一六年十二月三十一日止年度進行

1. 有關收購Zhongfu Holdings Limited全部已發行股本並涉及發行可換股債券之股份交易及有關結構性合約之持續關連交易

(有關詳情以及獨立非執行董事及本公司核數師就本交易所作年度檢討，請參閱本報告「有關收購Zhongfu Holdings Limited全部已發行股本並涉及發行可換股債券之股份交易及有關結構性合約之持續關連交易」一節。)

除上文披露者外，誠如合併財務報表附註46所披露，遵照主板上市規則第14A章，所有關聯人士交易並不構成本公司之關連交易或持續關連交易，故毋須遵守主板上市規則項下任何申報、公佈或獨立股東批准之規定。

附註46中之交易乃根據相關管理層之服務合約提供，故根據上市規則第14A章，有關交易均獲全面豁免。

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

根據《國際核證聘用準則3000》「歷史財務資料審計或審閱以外的核證聘用」及參考香港會計師公會所頒佈之實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司之核數師已獲委聘，以就本集團之持續關連交易作出報告。核數師已根據香港聯合交易所有限公司證券上市規則第14A.56段出具無保留意見之函件，其中載有其就年報第69頁本集團所披露之持續關連交易之發現及結論。本公司已向香港聯合交易所有限公司提供核數師函件副本。

MAJOR SUPPLIERS AND CUSTOMERS

The Group's customers are a vast amount of small and medium sized enterprises in the PRC. Most of the Group's revenue is derived from online products and since the relevant price of each online products is not significant and the online products are sold to the large number of customers, each customer's contribution towards the Company's revenue is relatively small. Therefore, the Company's reliance on any individual customer is low. In respect of Mai-Mai-Tong, Biao-Wang products and services, sales agreements are entered into between the Group and its customers. The term of the sale agreements are divided into one-year, and/or two-year in accordance with different products. Upon the expiry of the sales agreements, customers has an option to renew the sales agreements.

The Company's major suppliers are as follows: (i) the verification supplier provides verification services for Mai-Mai-Tong members. Our verification supplier is independent third company with the relevant verification qualifications, and is paid on a monthly basis according to the number of verifications carried out in that particular month. We have cooperated with this verification supplier for several years and our supply contract with this verification supplier is renewed yearly; (ii) the search product suppliers provide search engine and promotion services for Biao-Wang products, allowing our paid members to have a higher exposure of their products by getting more search engine hits and promoting their products and achieving transactions. We currently have 6 search product suppliers which are leading search engine providers like Baidu and 360 Search and the respectively service contracts with them are renewed on a yearly basis.

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

主要供應商及客戶

本集團之客戶多為中國中小型企業。本集團大部分銷售收入來自線上產品，由於各線上產品之價格並不高昂且線上產品售予大量客戶，因此各客戶佔本集團銷售收入之比重相對較小。因此，本公司對於單個客戶之依賴程度不高。就買賣通、標王產品和服務而言，本集團與其客戶訂立銷售協議。銷售協議之年期分為一年、及／或兩年，視乎不同產品而定。待銷售協議到期後，客戶可選擇重續銷售協議。

本公司之主要供應商為：(i) 認證供應商為買賣通會員提供認證服務。我們之認證供應商為一間獨立第三方公司，具備相關認證資格，根據每月進行之認證數目按月向其付款。我們與該認證供應商已合作數年，而我們每年均會與該認證供應商重續供應合約；(ii) 搜索產品供應商為標王產品提供搜索引擎及推廣服務，讓我們繳費會員之產品獲得更多搜索引擎點擊次數，從而取得更高曝光率，並可推廣彼等之產品及促成交易。我們目前擁有六間搜索產品供應商，該等公司均為首屈一指之搜索引擎供應商，如百度及360搜索等，而我們與該等供應商訂立之相關服務合約乃按年重續。

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



Report of the Directors 董事會報告



AUDIT COMMITTEE

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

The primary duties of the audit committee are to review and supervise the financial reporting process, risk management and internal control procedures of the Group. The audit committee comprises two independent non-executive Directors, Mr. Zhang Ke and Mr. Tang Jie and a non-executive Director, Mr. Li Jianguang. Mr. Zhang Ke is the chairman of the audit committee.

The audit committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, the internal control procedures, the annual results of the Company for the year ended 31 December 2016 and has met with external auditors and discussed the financial matters of the Group that arose during the course of audit for the year ended 31 December 2016. The audit committee held two meetings during the year.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Directors consider that the Company had complied with the code provisions of the Code on Governance contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

SUFFICIENCY OF PUBLIC FLOAT

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

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Each of the Directors and their respective associates (as defined in the Listing Rules) has confirmed that none of them had any business or interest in any company that materially competes or may compete with the business of the Group or any other conflict of interests with the interests of the Group during the year ended 31 December 2016.

INDEPENDENT NON-EXECUTIVE DIRECTORS

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

審核委員會

本公司已於二零零三年七月二十四日成立一個審核委員會，其書面權責範圍乃根據香港會計師公會頒佈之「審核委員會有效運作指引」所載指引制訂。

審核委員會之主要職責為檢討及監察本集團之財務申報進度、風險管理及內部監控程序。審核委員會由兩名獨立非執行董事張克先生及湯捷先生以及一名非執行董事李建光先生組成。審核委員會之主席乃由張克先生擔任。

審核委員會已與本公司管理層一併審閱本集團採納之會計原則及常規、內部監控程序、本公司截至二零一六年十二月三十一日止年度之年度業績，以及與外聘核數師會面並討論就截至二零一六年十二月三十一日止年度進行審核期間發現之本集團財務事項。審核委員會於年內共舉行兩次會議。

企業管治常規守則

董事認為，本公司已遵守聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則之守則條文。

足夠公眾持股量

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

董事於競爭業務之權益

截至二零一六年十二月三十一日止年度，各董事及彼等各自之聯繫人士（定義見上市規則）均已確認，彼等概無在與本集團業務構成或可能構成任何重大競爭之任何公司中擁有任何業務或權益，而任何該等人士與本集團亦無任何其他利益衝突。

獨立非執行董事

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

Report of the Directors

董事會報告

PRE-EMPTIVE RIGHTS

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

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Pursuant to the employees' share award scheme adopted on November 2011, trustee purchased an aggregate of 1,315,000 shares of the Company as awarded shares during the year ended 31 December 2016.

To enhance the net asset value and/or earnings per share of the Company, 12,290,000 shares of the Company were repurchased and 5,990,000 shares had been cancelled during the year ended 31 December 2016 pursuant to an unconditional mandate to repurchase Shares of up to 10% of the issued share capital of the Company granted to the Directors.

The monthly breakdown for the relevant repurchases is as follows:

Month/2016 月份／二零一六	No. of shares repurchased 購回股份數目	Lowest share price 最低股價	Highest share price 最高股價	Consideration 代價
September 九月	1,490,000	HK\$5.64 5.64港元	HK\$5.91 5.91港元	HK\$8,641,920 8,641,920港元
October 十月	1,500,000	HK\$5.70 5.70港元	HK\$5.90 5.90港元	HK\$8,675,100 8,675,100港元
November 十一月	5,700,000	HK\$5.55 5.55港元	HK\$5.74 5.74港元	HK\$32,159,120 32,159,120港元
December 十二月	3,600,000	HK\$5.16 5.16港元	HK\$5.61 5.61港元	HK\$19,318,200 19,318,200港元

Save as disclosed in this report, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the shares of the Company during the year ended 31 December 2016.

AUDITORS

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

By Order of the Board
HC International, Inc.
Guo Jiang
Chief Executive Officer and Executive Director

Beijing, PRC, 28 March 2017

優先購股權

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

購買、出售或贖回證券

截至二零一六年十二月三十一日止年度，受託人根據於二零一一年十一月採納之僱員股份獎勵計劃合共購買本公司1,315,000股股份作為獎勵股份。

為增加本公司之資產淨值及／或每股股份盈利，截至二零一六年十二月三十一日止年度，董事根據其獲授之無條件授權（據此，最多可購回本公司已發行股本10%之股份）購回本公司12,290,000股股份及註銷5,990,000股股份。

有關購回事項之每月明細如下：

除本報告所披露者外，截至二零一六年十二月三十一日止年度，本公司或其附屬公司概無購回、售出或贖回本公司任何股份。

核數師

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

承董事會命
慧聰網有限公司
郭江
行政總裁兼執行董事

中國，北京，二零一七年三月二十八日



Corporate Governance Report

企業管治報告

INTRODUCTION

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

CORPORATE GOVERNANCE PRACTICES

The Company has complied no more or less with the provisions of the Code. The Company believes that by achieving high standard of corporate governance, the corporate value and accountability of the Company can be enhanced and the shareholders' interests can be maximised. The Board has continued to monitor and review the Company's progress in respect of corporate governance practices to ensure compliance. Meetings were held throughout the year and where appropriate, circulars and other guidance notes were issued to the Directors and senior management of the Company to ensure awareness to issues regarding corporate governance practices.

CORPORATE GOVERNANCE FUNCTIONS

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

DIRECTORS' AND EMPLOYEES' SECURITIES TRANSACTIONS

The Company has adopted written guidelines regarding Directors' securities transactions on terms not less than the required standard of dealings as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, the Directors have complied with such code of conduct and the required standard of dealings and its code of conduct regarding securities transactions by Directors throughout the year ended 31 December 2016.

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

序言

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

企業管治常規

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

企業管治職能

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

董事及僱員之證券交易

本公司已採納有關董事進行證券交易之書面指引，其條款不遜於上市規則附錄10所載買賣準則。本公司經向全體董事明確查詢後，董事於截至二零一六年十二月三十一日止年度一直遵守操守守則與所規定之買賣準則，以及董事進行證券交易之操守守則。

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

THE BOARD OF DIRECTORS

Composition

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

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

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

The Board as at 31 December 2016 comprised:

Executive Directors

Guo Fansheng (Chairman), Guo Jiang (Chief Executive Officer), Lee Wee Ong (Chief Financial Officer), Liu Jun

Non-executive Directors

Li Jianguang, Wong Chi Keung

Independent non-executive Directors

Zhang Ke, Zhang Tim Tianwei, Tang Jie

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

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

董事會

組成

於本報告日期，董事會由九(9)名董事組成，其中四名為執行董事、兩名為非執行董事及三名為獨立非執行董事。董事會中非執行董事之參與為本公司帶來廣泛專業知識及豐富經驗，並在董事會工作中擔當重要角色，且為本公司策略、表現、利益衝突、管理過程等事項提供獨立判斷，以確保充分考慮本公司全體股東之利益。全體董事均能付出足夠時間及精力處理本公司之事務。各執行董事均有足夠之經驗任職，以充分且有效地履行其職責。

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

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

於二零一六年十二月三十一日，董事會成員為：

執行董事

郭凡生(主席)、郭江(行政總裁)、Lee Wee Ong(首席財務官)、劉軍

非執行董事

李建光、王自強

獨立非執行董事

張克、張天偉、湯捷

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

所有載有董事姓名之公司通訊中，已說明全體獨立非執行董事身份。

Board meetings and general meetings

The Board meets in person or through other electronic means of communication at least four times every year. At least 14 days' notice of all board meetings were given to all Directors (unless waived in accordance with the Articles of Association of the Company), who were all given an opportunity to include matters in the agenda for discussion. The Board secretary of the Company (the "Board Secretary") assists the Chairman in preparing the agenda for the meeting, and ensures that all applicable rules and regulations regarding the meetings are observed. The meeting agenda and accompanying board papers are sent to all Directors prior to meetings. During the financial year ended 31 December 2016, 10 Board meetings and 4 general meetings were held and the following is an attendance record of the meetings by each Director:

	Attendance	
	Board Meetings	General Meetings
Executive Directors		
Guo Fansheng	8/8	4/4
Guo Jiang	8/8	4/4
Lee Wee Ong	10/10	4/4
Liu Jun	N/A	1/1
Non-executive Directors		
Li Jianguang	9/10	1/4
Guo Wei	9/10	0/4
Wong Chi Keung	N/A	1/1
Independent non-executive Directors		
Zhang Ke	10/10	2/4
Xiang Bing	9/10	0/4
Zhang Tim Tianwei	9/10	0/4
Tang Jie	N/A	0/1

Notes:

- Four general meeting of the Company was held during the financial year ended 31 December 2016.
- Non-executive Directors (including independent non-executive Directors) have been invited by the Company but some of them were unable to attend the general meeting held during the year due to other engagements. The non-executive Directors actively participates in the Board and will attend the general meetings of the Company if possible.
- Excluding Board meeting at which relevant Director is required to abstain pursuant to Main Board Listing Rules and/or the Articles of Association of the Company.

董事會會議及股東大會

董事會會議每年召開至少四次。董事均親身出席或透過其他電子通訊方法參與。全體董事至少14天前就全部董事會會議接獲通知(惟根據本公司組織章程細則予以豁免者除外)，全體董事均有機會提出商討事項列入會議議程。本公司之董事會秘書(「董事會秘書」)協助主席為會議準備議程，以確保遵守所有有關會議之適用規則及規例。會議議程及相關會議文件均於會議舉行前送交全體董事。截至二零一六年十二月三十一日止財政年度，共召開十次董事會會議及四次股東大會，各董事出席會議之記錄如下：

	出席次數	
	董事會會議	股東大會
執行董事		
郭凡生	8/8	4/4
郭江	8/8	4/4
Lee Wee Ong	10/10	4/4
劉軍	不適用	1/1
非執行董事		
李建光	9/10	1/4
郭為	9/10	0/4
王自強	不適用	1/1
獨立非執行董事		
張克	10/10	2/4
項兵	9/10	0/4
張天偉	9/10	0/4
湯捷	不適用	0/1

附註：

- 本公司於截至二零一六年十二月三十一日止財政年度舉行四次股東大會。
- 本公司已邀請非執行董事(包括獨立非執行董事)，惟部分董事因其他事務未能出席年內舉行之股東大會。非執行董事積極參與董事會並將在可能情況下出席本公司股東大會。
- 不包括相關董事根據上市規則及/或本公司組織章程細則須放棄表決之董事會會議。



Corporate Governance Report 企業管治報告

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

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

Delegation by the Board

The Company has set out the respective functions and responsibilities reserved to the Board and those delegated to management. The Board delegates day to day operations of the Group to executive Directors and senior management while reserving certain key matters for its approval. The Board is responsible for the approval and monitoring of the Company's overall strategies and policies; approval of business plans; evaluating the performance of the Company and oversight of management. It is also responsible for promoting the success of the Company and its businesses by directing and supervising the Company's affairs.

Decisions of the Board are communicated to the management through executive Directors who have attended at board meetings.

INDUCTION AND PROFESSIONAL DEVELOPMENT

Newly appointed Directors will receive guideline and reference materials to enable them to familiarise with the Group's business operations and the Board's policies.

Directors are encouraged to participate in continuing professional development to develop and refresh their knowledge and skills. The Company has circulated to Directors training materials relevant to the directors duties and responsibilities and prepared a training record and the Directors have reviewed the training materials.

在董事會定期會議中，董事商討並制定本公司之整體策略、監察財務表現及商討全年及中期業績、設定年度預算以及商討及作出其他重大決定。

董事會秘書就各董事會會議作出詳細會議記錄，以記錄議程，包括董事會作出之所有決策，以及於會議上提出之任何疑慮及表達之反對意見(如有)。於會議結束後，董事會秘書將於實際可行情況下儘快將董事會會議記錄送交全體董事傳閱，以聽取意見及取得批准。任何董事可在任何合理時段查閱所有會議記錄。主席促使管理層向董事會及其轄下委員會適時提供一切相關資料，以使全體董事能夠在任何情況下均掌握有關及時資料。董事知悉彼等有關編製賬目及報表之責任。

董事會權利之授權

本公司已規定董事會與授予管理層各自職能與職責。董事會委派本集團之日常營運工作予執行董事及高級管理層，同時保留若干主要事項由董事會批准。董事會負責批准及監察本公司之整體策略及政策；批准業務計劃；評估本公司之表現及管理層之監管。董事會亦負責透過指導及監察本公司之事務，促進本公司及其業務之成功。

董事會會透過出席董事會會議之執行董事向管理層傳達其決策。

入職簡報及專業發展

新委任董事將獲發指引及參考資料，以便其熟識本集團業務運作及董事會政策。

本公司鼓勵董事參加持續專業發展，以發展並更新董事之知識和技能。本公司已將與董事職務及職責相關之培訓材料供董事傳閱，並編製培訓記錄，而董事已審閱有關培訓材料。

Corporate Governance Report

企業管治報告

During the reporting period, all Directors have participated in continuous professional development by attending training course or reading relevant materials on the topics related to corporate governance and regulations, and the individual training record is summaries below:

於報告期間，全體董事已透過出席培訓課程或閱覽主題與企業管治及法規有關之相關材料參與持續專業發展，而個別培訓記錄概述如下：

Attending seminar(s)/ relevant materials		出席會議／相關材料	
Executive Directors		執行董事	
Guo Fansheng	YES	郭凡生	是
Guo Jiang	YES	郭江	是
Lee Wee Ong	YES	Lee Wee Ong	是
Liu Jun	YES	劉軍	是
Non-executive Directors		非執行董事	
Li Jianguang	YES	李建光	是
Guo Wei	YES	郭為	是
Wong Chi Keung	YES	王自強	是
Independent non-executive Directors		獨立非執行董事	
Zhang Ke	YES	張克	是
Xiang Bing	YES	項兵	是
Zhang Tim Tianwei	YES	張天偉	是
Tang Jie	YES	湯捷	是

Term of Appointment and Re-election

Under the provision A.4.1, non-executive Directors should be appointed for a specific term, subject to re-election. Each of the existing non-executive Directors, namely Mr. Li Jianguang, Mr. Wong Chi Keung, Mr. Zhang Ke, Mr. Zhang Tim Tianwei and Mr. Tang Jie was appointed for a fixed term of one year, subject to rotation and/or re-election at the annual general meeting of the Company, as specified by the Articles of Association of the Company. Under the provision A.4.2, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

任期與重選

根據第A.4.1條規定，非執行董事之委任應有指定任期，並可予重選。各現任非執行董事（即李建光先生、王自強先生、張克先生、張天偉先生及湯捷先生）獲委任一年之固定任期，並根據本公司組織章程細則之規定於本公司股東週年大會上輪值告退及／或重選。第A.4.2條規定，所有為填補臨時空缺而獲委任之董事應在接受委任後之首次股東大會上接受股東選舉，而各董事（包括有指定任期之董事）須最少每三年輪值告退一次。

On 10 November 2006, a special resolution was passed by the shareholders of the Company to approve the amendments to the Company's Articles of Association to ensure compliance with the Code. Pursuant to the amended provisions of the Articles of Associations of the Company, any Director appointed by the Board shall hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board), and shall then be eligible for re-election at that meeting. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

於二零零六年十一月十日，本公司股東通過特別決議案，批准修訂本公司章程細則，以確保遵守守則。根據本公司組織章程細則之經修訂條文，獲董事會委任之董事任期僅至本公司下屆股東大會止（填補空缺之情況下）或直至本公司下屆股東週年大會（為增加董事會席位之情況下），惟屆時合資格於該大會膺選連任。在每屆股東週年大會上，當時三分之一之董事（或倘人數並非三(3)之倍數，則以最接近但不少於三分之一之人數為準）須輪值告退，惟各董事（包括按指定任期委任之董事）須最少每三年輪值告退一次。

Corporate Governance Report

企業管治報告

CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

To improve transparency and independency, the roles of the Chairman and the chief executive officer of the Company are segregated and are not exercised by the same individual.

The Chairman is responsible for ensuring that the Board functions effectively and smoothly. In doing so, the Chairman ensures that good corporate governance practices and procedures are established and followed, and that all Directors are properly briefed and received all relevant information prior to each meeting.

Mr. Guo Fansheng, who assumes the role of the Chairman, is responsible for overseeing the implementation of corporate strategies of the Company. Mr. Guo Jiang, who assumes the role of the chief executive officer of the Company, is responsible for overseeing the day-to-day operations of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 20 March 2006. As at 31 December 2016, the chairman of the committee is Mr. Zhang Ke (independent non-executive Director) and other members include Mr. Guo Jiang (executive Director), Mr. Wong Chi Keung (non-executive Director), Mr. Zhang Tim Tianwei (independent non-executive Director) and Mr. Tang Jie (independent non-executive Director).

During the year, the Remuneration Committee was responsible for formulating and recommending the Board in relation to the remuneration policy, determining the remunerations of executive Directors and members of the senior management of the Company, and reviewing and making recommendations on the Company's share option scheme and share award scheme, bonus structure, provident fund and other compensation-related issues. The Remuneration Committee consults with the Chairman and/or the chief executive officer of the Company on its proposals and recommendations.

The Remuneration Committee is provided with other resources enabling it to discharge its duties such as the access to professional advice if and when necessary. For the financial year ended 31 December 2016, the Remuneration Committee held 2 meetings. The individual attendance record of each member is as follows:

Members	Attendance
Zhang Ke	2/2
Xiang Bing	1/2
Zhang Tim Tianwei	2/2
Guo Wei	1/2
Guo Jiang	2/2
Wong Chi Keung	N/A
Tang Jie	N/A

主席與行政總裁

為提高透明度及獨立性，本公司主席與行政總裁職務劃分，並非由同一人擔任。

主席負責確保董事會有效及順利地運作。主席可藉此確保本公司制定及遵守良好之企業管治常規及程序，及確保全體董事於每次會議前獲悉並收到一切有關資料。

郭凡生先生擔任主席，負責監督本公司企業策略實施。郭江先生擔任本公司行政總裁，負責監督本公司日常營運。

薪酬委員會

薪酬委員會於二零零六年三月二十日成立。於二零一六年十二月三十一日，張克先生(獨立非執行董事)擔任委員會主席，其他成員包括郭江先生(執行董事)、王自強先生(非執行董事)、張天偉先生(獨立非執行董事)及湯捷先生(獨立非執行董事)。

年內，薪酬委員會負責制定薪酬政策及就薪酬政策向董事會提出建議，釐定本公司執行董事及高級管理人員之薪酬，以及檢討本公司之購股權計劃及股份獎勵計劃、分紅機制、公積金與其他薪酬相關事宜，並就此提出建議。薪酬委員會就其建議及推薦意見諮詢本公司主席及／或行政總裁之意見。

薪酬委員會獲提供額外資源以履行其職責，包括在需要時諮詢專業意見。截至二零一六年十二月三十一日止財政年度，薪酬委員會共舉行二次會議，各成員之出席記錄如下：

成員	出席次數
張克	2/2
項兵	1/2
張天偉	2/2
郭為	1/2
郭江	2/2
王自強	不適用
湯捷	不適用



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Full minutes of the Remuneration Committee's meetings are properly kept by the Company. In line with practices consistent with meetings of the Board and other committee meetings, draft and final versions of Remuneration Committee meeting minutes are circulated to all members of the Remuneration Committee for comments, approval and record as soon as practicable after each meeting.

At the meetings of the Remuneration Committee held in the period under review, the members of the Remuneration Committee have reviewed the Group's remuneration policy and discussed the remuneration packages of Directors and senior management for the forthcoming financial year.

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

NOMINATION COMMITTEE

With effect from 20 March 2012, the Company established the Nomination Committee and written terms of reference of the nomination committee have been adopted. As at the date of this report, the chairman of the Nomination Committee is Mr. Guo Fansheng (executive Director) and other members include Mr. Zhang Ke (independent non-executive Director) and Mr. Zhang Tim Tianwei (independent non-executive Director). The Nomination Committee is responsible for reviewing the structure, size, diversity and composition of the Board, identifying individual suitably qualified to become Board members, selecting or making recommendation to the Board on selection of individuals nominated for directorship, assessing the independence of independent non-executive Director and making recommendation to the Board on the appointment or reappointment of Directors and succession planning for Directors. During the year ended 31 December 2016, the Nomination Committee also reviewed the structure and composition of the Board.

New Directors are selected on the basis of their qualifications, skills and experience which the Nomination Committee considers will make a positive contribution to the performance of the Board.

In August 2013, amendments to the written terms of reference of the nomination committee have been adopted. In deciding the composition of the Board, the Company will consider the Board diversity from various perspectives, including but not limited to sex, age, cultural and academic background, race, professional experience, skills, knowledge and terms of services.

本公司妥為保存薪酬委員會之完整會議記錄。根據董事會及其他委員會會議之慣例，薪酬委員會會議記錄草稿及最終定稿在每次會議後於實際可行情況下儘快送交全體薪酬委員會成員傳閱，以作表達意見、批准及記錄之用。

於回顧期內舉行之薪酬委員會會議上，薪酬委員會成員已檢閱本集團之薪酬政策，並討論下一財政年度董事及高級管理人員之薪酬組合。

董事及管理人員之酬金水平乃根據本公司經營業績、個人表現及／或當時市況釐定。本公司亦已採納購股權計劃及股份獎勵計劃以激勵董事及高級管理人員。

提名委員會

自二零一二年三月二十日起，本公司成立提名委員會，並採納提名委員會之書面職權範圍。於本報告日期，提名委員會主席為郭凡生先生（執行董事），其他成員包括張克先生（獨立非執行董事）及張天偉先生（獨立非執行董事）。提名委員會負責檢討董事會之架構、人數、多元化及組成、識別合資格人士出任董事會成員、挑選及向董事會建議供挑選提名為董事之人士、評核獨立非執行董事之獨立性及就委任或重新委任董事以及董事繼任計劃向董事會作出建議。於截至二零一六年十二月三十一日止年度，提名委員會亦曾檢討董事會之架構及組成。

新董事乃根據提名委員會認為人選之資歷、技能及經驗會對董事會工作表現作出積極貢獻為準則選出。

於二零一三年八月，提名委員會書面職權範圍之修訂已予採納。於釐定董事會組成時，本公司將從多個角度考慮董事會之成員多元化，包括但不限於性別、年齡、文化及學歷背景、種族、專業經驗、技能、知識及服務年期。

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For the financial year ended 31 December 2016, the Nomination Committee held 2 meetings. The Individual attendance record of each members is as follows:

Members	Attendance
Guo Fansheng	2
Zhang Ke	2
Zhang Tim Tianwei	2

AUDIT COMMITTEE AND ACCOUNTABILITY

Management of the Company provides all relevant information and records to the Board enabling the Board to make assessment and to prepare the financial statements and other financial disclosures. In full compliance with Rules 3.21 and 3.23 of the Listing Rules, the audit committee of the Company ("Audit Committee") was established in July 2003 and is currently chaired by Mr. Zhang Ke, (independent non-executive Director). Other members of the Audit Committee include Mr. Li Jianguang (non-executive Director) and Mr. Tang Jie (independent non-executive Director).

During the year, the Audit Committee's primary duties include ensuring the Company's financial statements, annual and interim reports, and the auditor's report present a true and balanced assessment of the Company's financial position; reviewing the Company's financial control, internal control and risk management systems; and reviewing the Company's financial and accounting policies and practices.

The Audit Committee is provided with sufficient resources enabling it to discharge its duties. For the financial year ended 31 December 2016, the Audit Committee held 2 meetings. The individual attendance record of each member is as follows:

Members	Attendance
Zhang Ke	2/2
Xiang Bing	2/2
Li Jianguang	2/2
Tang Jie	N/A

截至二零一六年十二月三十一日止財政年度，提名委員會曾舉行二次會議。各成員之出席記錄如下：

成員	出席次數
郭凡生	2
張克	2
張天偉	2

審核委員會與問責

本公司管理層向董事會提供所有相關資訊與記錄，致使董事會進行評估並編製財務報表及其他財務披露資料。為充分遵守上市規則第3.21及3.23條，本公司於二零零三年七月成立審核委員會（「審核委員會」），目前由張克先生（獨立非執行董事）擔任主席。審核委員會之其他成員包括李建光先生（非執行董事）及湯捷先生（獨立非執行董事）。

年內，審核委員會之主要職責包括確保本公司之財務報表、年報及中期報告以及核數師報告真實公平地呈列本公司之財務狀況；檢討本公司之財務監控、內部監控及風險管理制度；及檢討本公司之財務及會計政策以及常規。

審核委員會獲提供足夠資源以履行其職責。截至二零一六年十二月三十一日止財政年度，審核委員會共舉行二次會議。各成員之出席記錄如下：

成員	出席次數
張克	2/2
項兵	2/2
李建光	2/2
湯捷	不適用



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The Audit Committee has reviewed with management of the Company the accounting principles and practices adopted by the Group, the internal control procedures, the financial results of the Group during the year ended 31 December 2016 and met with external auditors and discussed the financial matters of the Group that arose during the course of audit during the year ended 31 December 2016. In the opinion of the Audit Committee, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or discussion of the external auditors.

Full minutes of all Audit Committee meetings are properly kept by the Company. In line with practices consistent with meetings of the Board and other committee meetings, draft and final versions of Audit Committee meeting minutes are circulated to all members of the Audit Committee for comments, approval and record as soon as practicable after each meeting.

The Directors' responsibilities for the financial statements and the responsibilities of the external auditors to the shareholders are set out on pages 121 to 123 of this report.

AUDITOR'S REMUNERATION

The Audit Committee is responsible for considering the appointment of the external auditors and reviewing any non-audit function performed by external auditors, including whether such non-audit functions could lead to any potential material adverse effect on the Company. The Group's external auditor is PricewaterhouseCoopers. The remuneration paid or payable to the external auditor of the Group during the Reporting Period comprised fees for audit services of HKD3,950,000 (2015: HKD3,100,000) and HKD2,450,000 (2015: HKD800,000) for non-audit related services, included providing professional services on interim review, merger and acquisition.

COMPANY SECRETARY

The Company engages an external service provider to provide company secretarial services and Ms. Kwong Yin Ping Yvonne is appointed as the Company Secretary. The primary contact person in the Company for Ms. Kwong in relation to corporate secretarial matters is Mr. Lu Qingguo, the Board Secretary and the General Counsel of the Company.

Ms. Kwong Yin Ping Yvonne has complied with Rule 3.29 of the Listing Rules in relation to the professional training requirements during the year ended 31 December 2016.

審核委員會已與本公司管理層一併審閱本集團採納之會計原則及常規、內部監控程序以及本集團截至二零一六年十二月三十一日止年度之財務業績，以及與外聘核數師會面並討論就截至二零一六年十二月三十一日止年度進行審核期間發現之本集團財務事項。審核委員會認為，概無重大不確定事件或情況，可能令本集團持續經營能力嚴重成疑。董事會及審核委員會概無就外聘核數師之甄選、委任、辭任或討論產生爭議。

本公司妥為保存審核委員會之完整會議記錄。根據董事會及其他委員會會議之慣例，審核委員會會議記錄草稿及最終定稿在每次會議後於實際可行情況下儘快送交全體審核委員會成員傳閱，以作表達意見、批准及記錄之用。

董事對財務報表之責任，以及外聘核數師對股東之責任載於本報告第121至123頁。

核數師薪酬

審核委員會負責考慮外聘核數師之委任及審查外聘核數師進行之任何非核數工作，包括有關非核數工作會否對本公司構成任何潛在重大不利影響。本集團外聘核數師為羅兵咸永道會計師事務所。於報告期間，已付或應付本集團外聘核數師之薪酬包括核數服務費用3,950,000港元(二零一五年：3,100,000港元)及非審計相關服務(包括提供中期審閱、併購之專業服務)費用2,450,000港元(二零一五年：800,000港元)。

公司秘書

本公司委任外部服務供應商提供公司秘書服務，鄭燕萍女士獲委任為公司秘書。本公司與鄭女士就公司秘書事宜之主要連絡人士為本公司董事會秘書兼首席法律顧問盧慶國先生。

截至二零一六年十二月三十一日止年度，鄭燕萍女士已遵守上市規則第3.29條有關專業培訓之規定。

SENIOR MANAGEMENT REMUNERATION

Senior management remuneration by band

The emoluments fell within the following bands:

	Number of individuals	
	人數	
	2016 二零一六年	2015 二零一五年
Nil to HKD1,000,000 零至1,000,000港元	1	2
HKD1,000,000 to HKD2,000,000 1,000,000港元至2,000,000港元	–	1
HKD2,000,000 to HKD3,000,000 2,000,000港元至3,000,000港元	2	1

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective risk management and internal control systems for the Group to safeguard the Company's assets and shareholders' interests, as well as for reviewing such systems' effectiveness. The Board conducts review of the Company's internal control systems periodically, covering financial, operational and compliance controls and risk management functions. In such review, the Board has considered factors such as changes since the last review; scope and quality of management's monitoring of risks; incidence of significant control failings and weaknesses identified; and effectiveness relating to financial reporting and compliance with the Listing Rules.

On 28 December 2015, the Company adopted the new terms of reference of the Audit Committee in accordance with the amendments to the Corporate Governance Code and Corporate Governance Report made by the Stock Exchange, which is applicable to the accounting period beginning from 1 January 2016. In addition, the Company set up a Group Audit Department in order to enhance the internal control and risk management of the Company.

Each year, external auditors will also report on issues in the Group's internal control and accounting procedure which have come to their attention during the course of their audit, if any.

The Audit Committee periodically considers the risk management and internal control issues raised by the Company's management, if any. The Audit Committee will then review the remedial plans proposed by the management in addressing the issues and will then be submitted to the Board for consideration.

For the year of 2016, no critical internal control issues have been identified.

高級管理人員薪酬

按組別劃分之高級管理人員酬金

酬金範圍如下：

風險管理及內部監控

董事會負責維持本集團穩健及有效之風險管理及內部監控制度，以保障本公司資產及股東之利益，以及檢討該等制度之成效。董事會定期檢討本公司之內部監控制度，包括財務、運作、合規監控及風險管理功能。在該檢討中，董事會考慮到許多因素，包括自上一次檢討後之轉變；管理層監察風險之工作範疇及素質；發生重大監控失誤及發現重大監控弱項之次數；及有關財務報告及遵守上市規則之規定是否有效。

於二零一五年十二月二十八日，本公司根據聯交所制訂之企業管治守則及企業管治報告之修訂本採納審核委員會之新訂職權範圍，該職權範圍適用於自二零一六年一月一日起開始之會計期間。此外，本公司成立集團審核部門，從而加強本公司內部監控及風險管理。

每年，外聘核數師亦將匯報彼等於審核過程中所發現本集團內部監控及問責過程之弱點(如有)。

審核委員會定期考慮本公司管理層所提出的風險管理及內部監控問題(如有)。審核委員會屆時將會審閱管理層就解決有關問題所提出的補救計劃並會將其呈交董事會考慮。

於二零一六年，並無發現任何重要內部監控問題。



Corporate Governance Report

企業管治報告



INVESTOR RELATIONS

The Company discloses all necessary information to the shareholders in compliance with the Listing Rules. The Directors host the annual general meeting each year to meet the shareholders of the Company and answer their enquiries (if any). The Directors make efforts to attend annual general meetings so that they may answer any question raised by the shareholders of the Company.

There is no significant change in the memorandum of association and articles of association of the Company during the year ended 31 December 2016.

The proceedings of the annual general meetings are reviewed from time to time to ensure the Company conforms to the best practices regarding corporate governance.

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

A Shareholders communication policy was reviewed and updated on 20 March 2012 to comply with code provision E.1.4 of the Code.

Procedures for Directing Shareholders' Enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Investor Relations Department of the Company whose contact details are as follows:

Tower B, Jingyi Technical Building
No.9 Dazhongsi East Road
Haidian District
Beijing 100098
The People's Republic of China
Email: ir@hcgrou.com
Tel No: (8610) 6229 8811
Fax No: (8610) 6229 8877

Investor Relations Department of the Company handles both telephone and written enquiries from Shareholders from time to time.

Shareholders' enquiries and concerns will be forwarded to the Board and/or relevant Board Committees of the Company, where appropriate, to answer the Shareholders' questions.

投資者關係

為遵守上市規則，本公司向股東披露所有必要資料。董事每年於股東週年大會上會見本公司股東並回答股東詢問(如有)。董事均盡其最大努力出席股東週年大會，以便回答本公司股東之任何提問。

截至二零一六年十二月三十一日止年度，本公司之組織章程大綱及組織章程細則概無任何重大變動。

本公司不時檢討股東週年大會之程序，以確保本公司已遵守最佳之企業管治守則。

本公司亦透過其年度、中期及季度報告與其股東溝通。董事、公司秘書或其他合適之高級管理人員均會就股東及投資者之問題作出迅速回應。

股東溝通政策已根據守則之守則條文第E.1.4條進行檢討並已於二零一二年三月二十日更新。

股東向董事會提出查詢之程序

股東可隨時以書面透過本公司投資者關係部向董事會提出查詢及疑問，投資者關係部之聯絡詳情如下：

中華人民共和國
北京市
海淀區
大鐘寺東路9號
京儀科技大廈B座(100098)
電郵：ir@hcgrou.com
電話：(8610) 6229 8811
傳真：(8610) 6229 8877

本公司投資者關係部不時處理股東之來電及書面查詢。

在適當情況下，股東之查詢及疑問將轉交董事會及/或本公司相關董事會委員會，以解答股東之提問。

Shareholders' right to convene an extraordinary general meeting

Pursuant to Article 58 of the Articles of Association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Procedures for putting Forward Proposals at General Meetings by Shareholders

Pursuant to Article 88 of the Articles of Association, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the Registration Office provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgement of such Notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting.

The procedures for Shareholders to propose a person for election as a Director is posted on the Company's website at <http://www.hcgroup.com>.

股東召開股東特別大會之權利

根據組織章程細則第58章，董事會可酌情召開股東特別大會。於遞交書面要求日期持有不少於附帶本公司股東大會表決權之本公司實繳股本十分之一之任何一名或以上股東，於任何時間均有權向董事會或公司秘書發出書面要求，以要求董事會召開股東特別大會處理有關要求內所訂明之任何事項；且有關大會應於遞交有關要求後兩(2)個月內舉行。倘於遞交要求後二十一(21)日內董事會未能召開大會，遞交要求人士可以相同形式自行召開有關大會。遞交要求人士因董事會未能召開大會而產生之所有合理費用應由本公司向遞交要求人士償付。

股東於股東大會上提出動議之程序

根據組織章程細則第88條，除非獲董事推薦參選，否則除會上退任董事外，概無任何人士合資格於任何股東大會上參選董事，除非由正式合資格出席大會並於會上投票之股東(並非擬參選人士)簽署通告，其內表明建議提名該人士參選之意向，另外，由獲提名人士簽署通告，表明願意參選。該等通告須呈交總辦事處或過戶登記處，惟該等通告之最短通告期限為至少七(7)日，而呈交該等通告之期間由寄發就該推選所指定之股東大會通告日期起計至不遲於該股東大會舉行日期前七(7)日止。

股東建議人選參選董事之程序於本公司網站 <http://www.hcgroup.com> 刊載。



Independent Auditor's Report

獨立核數師報告



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF HC INTERNATIONAL, INC.
(incorporated in the Cayman Islands with limited liability)

獨立核數師報告
致慧聰網有限公司股東
(於開曼群島註冊成立的有限公司)

OPINION

What we have audited

The consolidated financial statements of HC International, Inc. (the "Company") and its subsidiaries (the "Group") set out on pages 124 to 264, which comprise:

- the consolidated statement of financial position as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

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

意見

我們已審計的內容

慧聰網有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第124至264頁的合併財務報表，包括：

- 於二零一六年十二月三十一日的合併財務狀況表；
- 截至該日止年度的合併收益表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的合併財務狀況及其截至該日止年度的綜合財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

Key audit matters identified in our audit are summarised as follows:

- Impairment assessments of goodwill
- Non-listed available-for-sale financial assets, valued using market information and significant unobservable input
- Business combination – contingent considerations

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 商譽減值評估
- 非上市可供出售金融資產，以市場資料及重大不可觀察數據輸入估值
- 業務合併—或然代價

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p>Impairment assessments of goodwill 商譽減值評估</p> <p>Refer to Note 4 and Note 11 to the consolidated financial statements 請參閱合併財務報表附註4及附註11</p> <p>As at 31 December 2016, the goodwill of the Group amounted to RMB1,068,987,000 which were arisen from business acquisitions in previous and current years. 於二零一六年十二月三十一日，貴集團之商譽為人民幣1,068,987,000元，產生自過往年度及本年度業務收購。</p> <p>The Group's goodwill were allocated to three cash-generating-units ("CGUs"), namely (i) anti-counterfeiting products and services; (ii) online services – B2B2C business and (iii) online services – garment industry. 貴集團之商譽分配至三個現金產生單位（「現金產生單位」），即(i)防偽產品及服務；(ii)互聯網服務—B2B2C業務及(iii)互聯網服務—製衣業。</p> <p>As described in the Accounting Policies in Note 2(k) to the consolidated financial statements, the Group is required to, at least annually, test goodwill for impairment. In carrying out the goodwill impairment assessments, management engaged an external valuer to support the determination of the recoverable amount of each CGU by using value in use calculation ("VIU"). These assessments involved significant management judgments and estimates in the determination of valuation model and the application of assumptions in the model, including forecast revenue growth rate, gross profit margin, customer attrition rate, terminal growth rate, and volatility and cost of equity for discount rate used in the projection period. Based on the management's assessment, there is no impairment required for goodwill. 誠如合併財務報表附註2(k)會計政策所述，貴集團須最少每年就商譽減值進行測試。於進行商譽減值評估時，管理層聘用外聘估值師，透過利用使用價值計算協助釐定各現金產生單位之可收回金額。該等評估涉及管理層於釐定估值模型及於該模型中應用假設（包括於預測期間所用之預測銷售收入增長率、毛利率、客戶流失率、最終增長率以及股權貼現率之波動性及成本）之重大判斷及估計。根據管理層之評估，毋須就商譽減值。</p>	<p>In the evaluation of management's impairment assessments over the goodwill balance, we have performed the following procedures: 於估算管理層對商譽結餘之減值評估時，我們已進行以下程序：</p> <ul style="list-style-type: none"> – Assessed the competency, capability and objectivity of the external valuer by considering its qualifications, relevant experience and relationship with the Group. 考慮外聘估值師之資歷、相關經驗及與貴集團之關係，以評估其資質、能力及客觀性。 – Evaluated the composition of the Group's future cash flow forecasts in developing the VIU calculations of all the CGUs, and the process by which they were drawn up, including testing the underlying calculations and comparing the forecasts to the latest budgets approved by the board of directors. 評估貴集團就所有現金產生單位之使用價值計算及其擬訂之過程（包括測試相關計算及與董事會最近批准之預算案預測比較）之未來現金流量預測組合。 – Challenged the key assumptions including the revenue growth rate, gross profit margin and customer attrition rate in the forecasts, by making reference to the historical performance and future business plans of the CGUs and by benchmarking those assumptions to our independent market analysis. 質疑主要假設，包括預測銷售收入增長率、毛利率及客戶流失率，當中經參考現金產生單位之過往表現及未來業務計劃以及以我們獨立市場分析作為該等假設之指標。

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p>We focused on this area due to the size of goodwill balance. Furthermore, the management's goodwill impairment assessments involved significant judgements and estimates.</p> <p>由於商譽結餘之規模，我們集中於此範圍。此外，管理層之商譽減值評估涉及重大判斷及估計。</p>	<ul style="list-style-type: none"> - Utilised our internal valuation specialists to assist us in critically assessing the model used in the valuation and the appropriateness of the key parameters (e.g. terminal growth rate and volatility and cost of equity for discount rate) by referencing to relevant research studies and market practices on various parameters commonly considered in valuations. - Challenged management's sensitivity calculations over all the CGUs. We determined that the calculations were most sensitive to the assumptions for revenue growth rates and discount rates. We calculated the degree to which these assumptions would need to change before an impairment conclusion was triggered. <p>We found management's judgements and estimates applied on the impairment assessments in respect of the goodwill were supported by available evidence.</p>

Independent Auditor's Report

獨立核數師報告

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p>Non-listed available-for-sale financial assets, valued using market information and significant unobservable input 非上市可供出售金融資產、以市場資料及重大不可觀察數據輸入估值</p> <p><i>Refer to Note 4 and Note 16 to the consolidated financial statements</i> 請參閱合併財務報表附註4及附註16</p> <p>The Group held certain non-listed shares of Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company which were classified as available-for-sale financial assets ("AFS") and were measured at fair value. 貴集團持有內蒙古呼和浩特金谷農村商業銀行股份有限公司之若干非上市股份，該等股份分類為可供出售金融資產及按公平值計量。</p> <p>Management engaged an external valuer to support the determination of the year-end fair value of the non-listed AFS based on market approach. The valuation of this AFS required the use of market information (net assets value and price to book ratio of comparable companies in the industry) and significant unobservable input (discount for lack of marketability). 管理層已委聘外聘估值師，以協助釐定非上市可供出售金融資產按市場法計算之年終公平值。該可供出售金融資產估值過程須使用市場資料(業內可資比較公司資產淨值及市賬率)及重大不可觀察輸入數據(缺乏市場流通性貼現)。</p> <p>We focused on this area due to the carrying amount of this AFS is significant to the consolidated financial statements (RMB422,000,000 as at 31 December 2016) and significant management's judgements were involved in the choice of comparable companies and the determination of discount for lack of marketability in the fair value measurement of the AFS. 由於該可供出售金融資產賬面值對合併財務報表較為重大(於二零一六年十二月三十一日為人民幣422,000,000元)以及選擇可資比較公司及就可出售金融資產公平值計量釐定缺乏市場流通性貼現涉及重大管理層判斷，故我們集中於此範圍。</p>	<p>In assessing management's valuation of the AFS, we have performed the following procedures: 於評估管理層對可供出售金融資產之評估時，我們進行以下程序：</p> <ul style="list-style-type: none">– Assessed the competency, capability and objectivity of the independent external valuer by considering its qualifications, relevant experience and relationship with the Group. 考慮獨立外聘估值師之資歷、相關經驗及與貴集團之關係，以評估其資質、能力及客觀性。– Assessed the appropriateness of the selection of comparable companies by reference to their business nature and size of market capitalisation available in public market. 參考可資比較公司之業務性質及於公開市場之市值規模，以評估選定可資比較公司之合適性。– Tested the accuracy of the net assets value and price to book ratio of the comparable companies by checking to their audited financial statements available publicly. 檢查可資比較公司可公開獲取之經審核財務報表，以檢測其資產淨值及市賬率之準確性。– Utilised our internal valuation specialists to assist us in critically assessing the determination of discount for lack of marketability by reference to market practice and research. 我們之內部估值專家參與協助我們嚴格評估釐定缺乏市場流通性貼現，當中經參考市場慣例及研究。 <p>We found the judgements made by the management in relation to the valuation of the AFS were supported by available evidence. 我們發現管理層就可出售金融資產估值之判斷均有證據支持。</p>

KEY AUDIT MATTERS (Continued)

關鍵審計事項(續)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們之審計如何處理關鍵審計事項
<p>Business combination – contingent considerations 業務合併－或然代價</p> <p>Refer to Note 4, Note 15 and Note 17 to the consolidated financial statements 請參閱合併財務報表附註4、附註15及附註17</p> <p>The Group recognised financial assets at fair value through profit or loss (“FATPL”) in relation to the contingent consideration arrangement of acquiring Orange Triangle Inc. in year 2015 and financial liabilities at fair value through profit or loss (“FLTPL”) in relation to the contingent consideration arrangement of acquiring Zhongfu Holdings Limited in year 2016.</p> <p>貴集團確認有關於二零一五年收購Orange Triangle Inc.之或然代價安排為按公平值計入損益之金融資產(「按公平值計入損益之金融資產」)及有關於二零一六年收購Zhongfu Holdings Limited之或然代價安排為按公平值計入損益之金融負債(「按公平值計入損益之金融負債」)。</p> <p>Management engaged an external valuer to support the determination of fair values of FATPL and FLTPL as at 31 December 2016.</p> <p>管理層委聘外聘估值師，以協助釐定於二零一六年十二月三十一日按公平值計入損益之金融資產及按公平值計入損益之金融負債之公平值。</p> <p>As at 31 December 2016, the carrying amounts of FATPL and FLTPL amounted to RMB4,600,000 and RMB41,500,000, respectively.</p> <p>於二零一六年十二月三十一日，按公平值計入損益之金融資產及按公平值計入損益之金融負債之賬面值分別為人民幣4,600,000元及人民幣41,500,000元。</p> <p>We focused on this area due to significant management judgements and assumptions involved in the determination of fair values of these financial instruments, which included the determination of valuation methodology, estimation of the respective probability of investee’s achievement of the profit guarantee, risk-free rate and discount rate.</p> <p>由於釐定該等金融工具之公平值涉及重大管理層判斷及假設，包括估值方法之釐定、被投資者達成溢利保證的概率、無風險利率及貼現率各自之可行性估計，故我們集中於此範圍。</p>	<p>In the evaluation of valuation of the financial instruments, we have performed the following procedures: 於評估金融工具估值時，我們進行以下程序：</p> <ul style="list-style-type: none"> - Assessed the competency, capability and objectivity of the independent external valuer by considering its qualifications, relevant experience and relationship with the Group. 考慮獨立外聘估值師之資歷、相關經驗及與 貴集團之關係，以評估其資質、能力及客觀性。 - Utilised our internal valuation specialists to assist us in critically assessing the model used in the valuation by referencing to market practices. 我們之內部估值專家參與協助我們嚴格評估估值所用模型，當中經參考市場慣例。 - Challenged management’s assumption of the probability of fulfilling the remaining profit guarantee by the investees with reference to market research on the industry performance and forecast, historical performance of the investees and business plan of the Company in relation to the development of the investees. 質疑管理層對被投資者達成餘下溢利保證概率之假設，當中經參考行業表現及預測之市場研究、被投資者之過往表現及 貴公司就被投資者開發之業務計劃。 - Tested the integrity of the valuation calculations by checking the formula applied in the calculations and comparing the underlying inputs such as risk-free rate and discount rate with market data. 檢查運算採用之公式並將相關輸入數據(如無風險利率及貼現率)與市場數據相比較，以檢測估值運算之完整性。 <p>We found the judgements and assumptions made by the management in relation to the valuation of the financial instruments were supported by available evidence. 我們發現管理層就金融工具估值之判斷及假設均有證據支持。</p>



Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises the information included in the management's statement, report of the directors and corporate governance report (but does not include the consolidated financial statements and our auditor's report thereon), which are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the management's statement, report of the directors and corporate governance report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee and take appropriate action considering our legal rights and obligations.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括預期會在本核數師報告日後取得的管理層報告、董事會報告及企業管治報告(但不包括合併財務報表及我們的核數師報告)。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦將不對該等其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀上述的其他信息(當我們可取得該等信息時)，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

當我們閱讀管理層報告、董事會報告及企業管治報告後，如果我們認為其中存在重大錯誤陳述，我們需要將有關事項與審核委員會溝通，並考慮我們的法律權利和義務後採取適當行動。

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會須負責監督 貴集團的財務報告過程。



Independent Auditor's Report 獨立核數師報告

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。



Independent Auditor's Report

獨立核數師報告

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

(Continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Wong Ka Keung, Johnny.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2017

核數師就審核合併財務報表承擔之責任(續)

- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

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

出具本獨立核數師報告的審計項目合夥人是黃家強。

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月二十八日

Consolidated Statement of Comprehensive Income

合併綜合收益表

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

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	銷售收入	5	1,958,283	916,138
Cost of revenue	銷售成本	34	(706,264)	(95,513)
Gross profit	毛利		1,252,019	820,625
Other income	其他收入	32	19,590	4,374
Other gains/(losses), net	其他收益/(虧損)淨額	33	127,017	(1,500)
Selling and marketing expenses	銷售及市場推廣費用	34	(698,524)	(598,874)
Administrative expenses	行政費用	34	(270,733)	(196,726)
Operating profit	經營溢利		429,369	27,899
Finance income	財務收入	37	47,375	43,376
Finance cost	財務成本	37	(97,373)	(47,802)
Share of post-tax losses of associates	分佔聯營公司除稅後虧損	14	(13,502)	(2,102)
Share of post-tax profits of joint ventures	分佔合營公司除稅後溢利	14	27,633	11,955
Profit before income tax	除所得稅前溢利		393,502	33,326
Income tax expense	所得稅開支	38	(92,826)	(10,268)
Profit for the year	本年度溢利		300,676	23,058
Other comprehensive income: <i>Items that may be reclassified to profit or loss</i>	其他全面收入： 可重新分類至損益之項目			
Fair value gain on available-for-sale financial assets	可供出售金融資產 公平值收益	23	62,400	158,283
Fair value release on disposal of available-for-sale financial assets	出售可供出售金融資產 撥回之公平值	23	(95,755)	–
Currency translation differences	貨幣匯兌差異	23	13,876	(17,808)
Total comprehensive income for the year, net of tax	本年度全面收入總額， 扣除稅項		281,197	163,533
Profit attributable to:	下列人士應佔溢利：			
Equity holders of the Company	本公司權益持有人		181,784	52,552
Non-controlling interests	非控股權益		118,892	(29,494)
			300,676	23,058

Consolidated Statement of Comprehensive Income

合併綜合收益表

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

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		Note 附註		
Total comprehensive income attributable to:	下列人士應佔全面收入總額：			
Equity holders of the Company	本公司權益持有人		162,305	193,027
Non-controlling interests	非控股權益		118,892	(29,494)
			281,197	163,533
Earnings per share attributable to the equity holders of the Company (expressed in RMB per share)	本公司權益持有人應佔每股盈利(以每股人民幣列值)			
Basic earnings per share	每股基本盈利	39	0.1882	0.0696
Diluted earnings per share	每股攤薄盈利	39	0.1852	0.0679

The notes on pages 131 to 264 are an integral part of these consolidated financial statements. 第131至264頁之附註為本合併財務報表之整體部分。

Consolidated Statement of Financial Position

合併財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

			2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Assets	資產			
Non-current assets	非流動資產			
Land use rights	土地使用權	6	171,408	176,145
Investment properties	投資物業	7	660,345	510,551
Property, plant and equipment	物業、廠房及設備	10	309,516	291,073
Intangible assets	無形資產	11	1,521,619	1,461,722
Long term deposits, prepayments and other receivables	長期按金、預付款項及其他應收款項	12	32,011	74,989
Non-current portion of finance leases receivables	融資租賃應收款項之非流動部分	19	-	24,000
Deferred income tax assets	遞延所得稅資產	30	11,386	17,271
Investments accounted for using equity method	採用權益法列賬之投資	14	579,023	518,716
Available-for-sale financial assets	可供出售金融資產	16	484,071	421,690
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	17	4,600	5,100
			3,773,979	3,501,257
Current assets	流動資產			
Properties under development	發展中物業	8	-	670,683
Completed properties held for sale	持作銷售竣工物業	9	364,617	-
Direct selling costs	直接銷售成本	18	81,351	105,316
Current portion of finance leases receivables	融資租賃應收款項之流動部分	19	352,327	68,846
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	12	172,711	435,372
Trade receivables	應收賬款	12	154,989	111,794
Inventories	存貨	20	3,590	3,073
Available-for-sale financial assets	可供出售金融資產	16	212,646	-
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	17	172,686	-
Cash and cash equivalents	現金及現金等值物	21	963,523	790,701
			2,478,440	2,185,785
Total assets	總資產		6,252,419	5,687,042
Equity	權益			
Equity attributable to the Company's equity holders	本公司權益持有人應佔權益			
Share capital	股本	22	93,885	85,090
Other reserves	其他儲備	23	2,307,761	1,976,484
Retained earnings	留存收益		587,143	405,359
			2,988,789	2,466,933
Non-controlling interests	非控股權益		279,354	132,013
Total equity	總權益		3,268,143	2,598,946

Consolidated Statement of Financial Position

合併財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

	Note	2016	2015
	附註	二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元
Liabilities			
Non-current liabilities			
Non-current portion of finance lease obligations		–	249
Non-current portion of bank borrowings	28	127,376	20,000
Non-current portion of other borrowings	28	22,206	26,597
Deferred government grants	26	185,508	195,048
Deferred income tax liabilities	30	144,654	148,131
Receipt in advance	25	40,282	53,237
Issued convertible bonds – liabilities portion	29	–	600,225
Financial liabilities at fair value through profit or loss	15	27,123	–
		547,149	1,043,487
Current liabilities			
Current portion of finance lease obligations		158	734
Trade payables	27	7,916	3,618
Accrued expenses and other payables	27	216,882	148,935
Deferred revenue	27	244,367	267,154
Current portion of bank borrowings	28	724,528	479,760
Current portion of other borrowings	28	9,372	952
Deferred government grants	26	14,500	7,898
Receipt in advance	25	453,540	1,088,866
Issued convertible bonds – liabilities portion	29	654,743	–
Financial liabilities at fair value through profit or loss	15	14,377	–
Other taxes payables	31	36,898	23,271
Income tax payables	31	59,846	23,421
		2,437,127	2,044,609
Total liabilities		2,984,276	3,088,096
Total equity and liabilities		6,252,419	5,687,042

The consolidated financial statements on pages 124 to 264 were approved by the Board of Directors on 28 March 2017 and were signed on its behalf.

GUO Jiang
Director
郭江
董事

第124至264頁之合併財務報表於二零一七年三月二十八日獲董事會批准並由下列董事代表董事會簽署。

LEE Wee Ong
Director
LEE Wee Ong
董事

The notes on pages 131 to 264 are an integral part of these consolidated financial statements.

第131至264頁之附註為本合併財務報表之整體部分。

Consolidated Statement of Changes in Equity

合併權益變動表

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

		Attributable to the Company's equity holders 本公司權益持有人應佔					Non-controlling interests 非控股權益	Total 總計
		Share capital 股本	Other reserves 其他儲備 (Note 23) (附註23)	Retained Earnings 留存收益	Sub-total 小計			
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
Balance at 1 January 2015	於二零一五年一月一日結餘	66,465	741,008	352,807	1,160,280	154,887	1,315,167	
Comprehensive income	全面收入							
Profit for the year	本年度溢利	-	-	52,552	52,552	(29,494)	23,058	
Other comprehensive income	其他全面收入							
Fair value gain on available-for-sale financial assets, net of deferred tax	可供出售金融資產之 公平值收益，扣除遞延稅	23	158,283	-	158,283	-	158,283	
Currency translation differences	貨幣匯兌差異	23	(17,808)	-	(17,808)	-	(17,808)	
Total comprehensive income	全面收入總額	-	140,475	52,552	193,027	(29,494)	163,533	
Transactions with owners	與權益持有人進行之交易							
Issuance of new shares	發行新股份	18,417	1,063,819	-	1,082,236	-	1,082,236	
Share based compensation – value of employee services	以股份支付之 補償－僱員服務價值	23	29,231	-	29,231	-	29,231	
Exercise of share options	行使購股權	22, 23	1,951	-	2,159	-	2,159	
Contribution from non-controlling interests	非控股權益之注資	-	-	-	-	6,620	6,620	
Total transactions with owners	與權益持有人進行之交易總額	18,625	1,095,001	-	1,113,626	6,620	1,120,246	
Balance at 31 December 2015	於二零一五年 十二月三十一日結餘	85,090	1,976,484	405,359	2,466,933	132,013	2,598,946	

The notes on pages 131 to 264 are an integral part of these consolidated financial statements.

第131至264頁之附註為本合併財務報表之整體部分。

Consolidated Statement of Changes in Equity

合併權益變動表

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

		Attributable to the Company's equity holders 本公司權益持有人應佔					Non-controlling interests 非控股權益	Total 總計
		Share capital 股本	Other reserves 其他儲備 (Note 23) (附註23)	Retained Earnings 留存收益	Sub-total 小計			
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元		
Balance at 1 January 2016	於二零一六年一月一日結餘	85,090	1,976,484	405,359	2,466,933	132,013	2,598,946	
Comprehensive income	全面收入							
Profit for the year	本年度溢利	-	-	181,784	181,784	118,892	300,676	
Other comprehensive income/(loss)	其他全面收入/(虧損)							
Fair value gain on available-for-sale financial assets, net of deferred tax	可供出售金融資產之 公平值收益，扣除遞延稅	23	62,400	-	62,400	-	62,400	
Fair value release on disposal of available-for-sale financial assets, net of deferred tax	出售可供出售金融資產 撥回之公平值， 扣除遞延稅	23	(95,755)	-	(95,755)	-	(95,755)	
Currency translation differences	貨幣匯兌差異	23	13,876	-	13,876	-	13,876	
Total comprehensive (loss)/income	全面(虧損)/收入總額		(19,479)	181,784	162,305	118,892	281,197	
Transactions with owners	與權益持有人進行之交易							
Issuance of shares upon conversion of convertible bonds	於轉換可換股債券後 發行股份	22	8,045	326,506	334,551	-	334,551	
Buy-back of shares	購回股份	22	(529)	(60,410)	(60,939)	-	(60,939)	
Exercise of share options	行使購股權	22, 23	1,279	10,429	11,708	-	11,708	
Share based compensation – value of employee services	以股份支付之 補償一僱員服務價值	23	-	29,566	29,566	-	29,566	
Share purchase for Share Award Scheme	就股份獎勵計劃購買股份		-	(6,386)	(6,386)	-	(6,386)	
Non-controlling interests arising on business combination	業務合併產生之 非控股權益		-	-	-	14,085	14,085	
Contribution from non-controlling interests	非控股權益之注資		-	-	-	11,112	11,112	
Changes in ownership interests in subsidiaries without change of control	不導致改變控制權之附屬公司 擁有權益變動	24	-	51,051	51,051	3,252	54,303	
Total transactions with owners	與權益持有人進行之交易總額		8,795	350,756	359,551	28,449	388,000	
Balance at 31 December 2016	於二零一六年 十二月三十一日結餘		93,885	2,307,761	587,143	279,354	3,268,143	

The notes on pages 131 to 264 are an integral part of these consolidated financial statements.

第131至264頁之附註為本合併財務報表之整體部分。

Consolidated Cash Flow Statement

合併現金流量表

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

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	附註		
Cash flows from operating activities			
Cash (used in)/generated from operations	41(a)	(177,511)	235,607
Interest received		45,899	43,515
Interest paid		(59,386)	(34,064)
The People's Republic of China ("PRC") income tax paid		(20,890)	(35,928)
Net cash (used in)/generated from operating activities		(211,888)	209,130
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	15(b)	(49,029)	(439,752)
Additions of property, plant and equipment		(32,981)	(25,172)
Additions of intangible assets		(1,765)	(1)
Additions of investment properties		(119,311)	(311,268)
Proceeds from disposal of property, plant and equipment	41(b)	1,406	2,195
Proceeds from disposal of available-for-sale financial assets		247,704	-
Proceeds from disposal of financial assets at fair value through profit or loss		864	-
Dividend received		1,037	-
Loans to an associate		(5,940)	(20,800)
Loans to a joint venture		(45,000)	(200,000)
Loan repayment received from a joint venture		245,000	-
Loans to third parties		(612,355)	(105,000)
Loan repayment received from third parties and employees		717,530	21,187
Investment in available-for-sale financial assets	16	(407,935)	(57,900)
Investment in financial assets at fair value through profit or loss	17	(178,160)	-
Investment in associates	14	(54,550)	(62,500)
Investment in a joint venture	14	-	(130,000)
Net cash used in investing activities		(293,485)	(1,329,011)
Cash flows from financing activities			
Proceeds from issuance of new shares		-	222,434
Buy-back of shares		(60,939)	-
Prepayment for buy-back of shares		(13,688)	-
Proceeds from bank borrowings		910,376	501,235
Proceeds from other borrowings		2,376	9,120
Proceeds from issuance of convertible bonds		312,254	-
Purchase of shares under share award scheme		(6,386)	-
Repayment of bank borrowings		(559,000)	(125,000)
Repayment of other borrowings		-	(40,000)
Capital contribution from non-controlling interests		63,415	6,620
Exercise of share options		11,708	2,159
Repayments for finance lease obligations		(825)	(1,171)
Net cash generated from financing activities		659,291	575,397
Net increase/(decrease) in cash and cash equivalents		153,918	(544,484)
Cash and cash equivalents at beginning of the year		790,701	1,321,989
Exchange gain on cash and cash equivalents		18,904	13,196
Cash and cash equivalents at end of the year	21	963,523	790,701

The notes on pages 131 to 264 are an integral part of these consolidated financial statements.

第131至264頁之附註為本合併財務報表之整體部分。



Notes to the Consolidated Financial Statements

合併財務報表附註

1 GENERAL INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is 4 Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman, Cayman Islands, British West Indies. The Company has its primary listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The core business of the Group is to organise a business-to-business (“B2B”) community across People’s Republic of China (the “PRC”) by providing business information through both online and offline channels.

The Group is principally engaged in the following activities in the PRC:

- Providing industrial search result prioritising services through its B2B website “hc360.com” and offering comprehensive IT-related product information by “zol.com.cn”; and providing trading and agency services through its B2B trade platform “ibuychem.com”;
- Publishing its own trade catalogues and yellow page directories;
- Hosting exhibitions and seminars;
- Providing anti-counterfeiting products and services to enterprises;
- Providing lease financing services;
- Engaging in micro-credit internet financing business through its joint venture;
- Sale of properties and provision of property rental and management services via its O2O business exhibition centre.

During the year ended 31 December 2016, the Group completed the acquisition of the entire issued share capital of ZhongFu Holdings Limited, which in turn holds 80.38% equity interest of Zhejiang ZhongFu Internet Technology Company Limited (“浙江中服網絡科技有限公司”). Zhejiang ZhongFu Internet Technology Company Limited is principally engaged in the provision of vertical websites in the garment industry in the PRC.

1 一般資料

本公司乃一家於開曼群島註冊成立之有限公司，其註冊辦事處位於4 Floor, One Capital Place, P.O. Box 847, George Town, Grand Cayman, Cayman Islands, British West Indies。本公司於香港聯合交易所有限公司(「聯交所」)主板第一上市。

本集團之業務為透過線上及線下渠道提供商業信息，於中華人民共和國(「中國」)各地建立企業之間(「B2B」)之社區。

本集團於中國主要從事以下活動：

- 透過其B2B網站「hc360.com」提供行業搜尋結果優先順序服務，並透過利用「zol.com.cn」提供全面之IT相關產品信息；以及透過其B2B交易平台「ibuychem.com」提供買賣及代理服務；
- 出版其本身之工商業目錄及黃頁目錄；
- 舉辦展覽及研討會；
- 向企業提供防偽產品及服務；
- 提供融資租賃服務；
- 透過其合營公司從事小額貸款互聯網金融業務；
- 透過其O2O商業展覽中心銷售物業及提供物業租賃及管理服務。

於截至二零一六年十二月三十一日止年度，本集團已完成收購ZhongFu Holdings Limited，從而持有浙江中服網絡科技有限公司(「浙江中服網絡科技有限公司」)之80.38%權益。浙江中服網絡科技有限公司主要於中國提供製衣業垂直網站。

Notes to the Consolidated Financial Statements

合併財務報表附註

1 GENERAL INFORMATION (Continued)

The Group also completed the construction of the O2O business exhibition centre and obtained the final acceptance certificate from local authorities and started to recognise the revenue from sale of the properties of O2O business exhibition centre.

These consolidated financial statements are presented in thousands of units of Renminbi (RMB'000), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

1 一般資料 (續)

本集團亦已完成興建O2O商業展覽中心及取得地方政府機構之最後驗收證書，並開始確認來自銷售O2O商業展覽中心物業之收入。

除另有說明者外，此等合併財務報表乃以人民幣千元(人民幣千元)為單位列值。

2 主要會計政策概要

編製合併財務報表時採納之主要會計政策載列如下。除另有說明者外，該等政策均貫徹應用於所呈報之所有年度。

(a) 編製基準

合併財務報表乃根據香港會計師公會(「香港會計師公會」)頒佈之所有適用之香港財務報告準則(「香港財務報告準則」)按歷史成本法編撰，並透過重估可供出售金融資產及按公平值計入損益之金融資產及金融負債(均按公平值列賬)作出修訂。

編製符合香港財務報告準則之財務報表須使用若干重大會計估計，並要求管理層於應用本集團會計政策過程中行使其判斷力。涉及高度判斷或複雜性之範疇及就合併財務報表而言屬重大之假設及估計範疇於附註4披露。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(a) Basis of preparation (Continued)

New and amended standards have been issued and effective for the financial year beginning 1 January 2016

HKFRS 14	Regulatory deferral accounts
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations
Amendments to HKAS 1	Disclosure initiative
Amendments to HKAS 16 and 38	Clarification of acceptable methods of depreciation and amortisation
Amendments to HKAS 16 and 41	Agriculture: bearer plants
Amendments to HKAS 27	Equity method in separate financial statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: applying the consolidation exception
Annual improvements projects	Annual improvement 2012-2014

There are no HKFRSs or HK(IFRIC) interpretations that are effective for the first time for the financial period beginning on 1 January 2016 that would have a material impact on the Group.

(a) 編製基準(續)

於二零一六年一月一日開始之財政年度已頒佈並已生效之新訂及經修訂準則

香港財務報告準則第14號	規管遞延賬目
香港財務報告準則第11號(修訂)	收購合營業務權益的會計法
香港會計準則第1號(修訂)	披露措施
香港會計準則第16號及第38號(修訂)	折舊及攤銷之可接受方法的澄清
香港會計準則第16號及第41號(修訂)	農業：結果實的植物
香港會計準則第27號(修訂)	獨立財務報表中使用權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號	投資實體：應用綜合入賬的例外情況
年度改進項目	年度改進 – 二零一二年至二零一四年週期

於二零一六年一月一日開始之財政期間內首次生效之香港財務報告準則或香港(國際財務報告詮釋委員會)詮釋概不會對本集團造成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(a) Basis of preparation (Continued)

New and amended standards have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted

(a) 編製基準(續)

並無提前採納於二零一六年一月一日開始之財政年度內已頒佈但尚未生效之新訂及經修訂準則

		Effective for accounting period beginning on or after 於下列日期開始或 之後的會計期間生效
Amendments to HKAS 7 香港會計準則第7號(修訂)	Statement of cash flows 現金流量表	1 January 2017 二零一七年一月一日
Amendments to HKAS 12 香港會計準則第12號(修訂)	Income taxes 所得稅	1 January 2017 二零一七年一月一日
Amendments to HKFRS 2 香港財務報告準則第2號(修訂)	Classification and measurement of share-based payment transaction 以股份為基礎付款的交易之分類及測量	1 January 2018 二零一八年一月一日
HKFRS 9 香港財務報告準則第9號	Financial Instruments 金融工具	1 January 2018 二零一八年一月一日
HKFRS 15 香港財務報告準則第15號	Revenue from contracts with customers 客戶合同收入	1 January 2018 二零一八年一月一日
Amendments to HKFRS 15 香港財務報告準則第15號(修訂)	Classification to HKFRS 15 香港財務報告準則第15號的分類	1 January 2018 二零一八年一月一日
HKFRS 16 香港財務報告準則第16號	Leases 租賃	1 January 2019 二零一九年一月一日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂)	Sale or contribution if assets between and investor and its associate and joint venture 投資者與其聯營或合營企業之間的資產出售或注資	To be determined 尚待釐定

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(a) Basis of preparation (Continued)

New and amended standards have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted (Continued)

The Group has already commenced an assessment of the impact of these new HKFRSs and set out below are those that are expected to have impact on the Group's accounting policies:

HKFRS 9 "Financial instrument" addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in other comprehensive income, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The Group considers that there will be no material adverse change in the credit risks in respect of the Group's future financial assets and the adoption of the new expected credit losses model under HKFRS 9 will not have significant impact on its financial performance and position. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.

(a) 編製基準(續)

並無提前採納於二零一六年一月一日開始之財政年度內已頒佈但尚未生效之新訂及經修訂準則(續)

本集團已著手評估該等新訂香港財務報告準則之影響，預期將對本集團之會計政策造成影響之有關準則載列如下：

香港財務報告準則9號「金融工具」闡述金融資產及負債的分類、計量及確認。香港財務報告準則9號的完整版本於二零一四年七月頒佈，取代香港會計準則39號有關金融工具分類及計量的指引。香港財務報告準則9號保留但簡化混合計量模型，為金融資產確立三個主要計量類別：攤銷成本、按公平值計入其他綜合收入及按公平值計入損益。分類基準視乎實體的業務模型及金融資產的合約現金流特性而定。權益工具投資起初須以不可撤銷選擇權按公平值計入損益計量，以呈列其他綜合收入的非循環公平值變動，惟有關乃持作買賣則除外。倘權益工具乃持作買賣，則公平值變動於損益呈列。就金融負債而言，有兩個分類類別：攤銷成本及按公平值計入損益。倘非衍生金融負債按指定公平值計入損益，則因負債本身之信貸風險變動導致之公平值變動將於其他全面收入中確認，除非有關公平值變動會導致損益之會計錯配，在此情況下，所有公平值變動在損益中確認。現時新的預期信貸虧損模式將取代香港會計準則第39號所用已產生虧損減值模式。此規定仍需有同期文件存檔但與香港會計準則第39號目前所編製者不同。本集團認為，將不會就未來金融資產之信貸風險對信貸風險造成重大變動，而根據香港財務報告準則第9號採納新的預期信貸虧損模式將不會對其財務表現及狀況造成重大影響。該準則自二零一八年一月一日或之後開始之會計期間生效，並容許提早採納。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

New and amended standards have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted (Continued)

HKFRS 15 “Revenue from contracts with customers” replaces the previous revenue standards HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations on revenue recognition. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach: (i) identify the contract(s) with customer; (ii) identify separate performance obligations in a contract; (iii) determine the transaction price; (iv) allocate transaction price to performance obligations; and (v) recognise revenue when performance obligation is satisfied. The core principal is that a company should recognise revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. It moves away from a revenue recognition model based on an “earnings processes” to an “asset-liability” approach based on transfer of control. HKFRS 15 provides specific guidance on capitalisation of contract cost and license arrangements. It also includes a cohesive set of disclosure requirements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity’s contracts with customers. Under HKFRS 15, an entity normally recognises revenue when a performance obligation is satisfied. Impact on the revenue recognition may arise when multiple performance obligation are identified. The adoption of HKFRS 15 will have an impact on the Group’s revenue recognition of construction contracts and the Group expects that it may have impact on the amounts and disclosures made in the Group’s financial statements and is not yet in a position to provide quantified information. The new standard is not expected to apply until the financial year of 2018.

2 主要會計政策概要(續)

(a) 編製基準(續)

並無提前採納於二零一六年一月一日開始之財政年度內已頒佈但尚未生效之新訂及經修訂準則(續)

香港財務報告準則第15號取代了過往之收益準則：香港會計準則第18號「收益」及香港會計準則第11號「建造合約」，以及收益確認之相關詮釋。香港財務報告準則第15號利用五個步驟，確立釐定確認收益時間及金額之全面框架：(i)辨別客戶合約；(ii)辨別合約中之個別履約責任；(iii)釐定交易價格；(iv)將交易價格分配至履約責任；及(v)於完成履約責任時確認收益。核心原則是公司應按反映公司預期從交換協定貨品或服務收取的代價的金額，確認向客戶轉移有關貨品或服務的收益。香港財務報告準則第15號由以「盈利處理」轉向以轉移控制權為基礎之「資產負債」方針。香港財務報告準則第15號就合約成本資本化、特許安排提供具體指引。其亦就實體與客戶訂立的合約所產生的收益及現金流量之性質、金額、時間及不明朗因素設定一套嚴密的披露規定。根據香港財務報告準則第15號，實體一般於完成履約責任時確認收入。倘發現多項履約責任，則可能對收入確認造成影響。採納香港財務報告準則將對本集團之建造合同收入確認造成影響，而本集團預期可能造成於本集團財務報表中之金額及所作出之披露造成影響，且未能提供量化資料。預期新準則將不會於二零一八年財務年度前應用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

New and amended standards have been issued but are not effective for the financial year beginning 1 January 2016 and have not been early adopted (Continued)

HKFRS 16 "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The Group is a lessee of various properties which are currently classified as operating leases. The Group's current accounting policy for such leases is set out in note 2(ab) with the Group's future operating lease commitments, which are not reflected in the consolidated statement of financial position, set out in note 42. HKFRS 16 provides a new provisions for the accounting treatment of leases and will in the future no longer allow lessees to recognise certain leases outside of the consolidated statement of financial position. Instead, when the Group is the lessee, almost all leases must be recognised in the form of an asset (for the right of use) and a financial liability (for the payment obligation). Thus each lease will be mapped in the Group's combined statement of financial position. Short-term leases of less than twelve months and leases of low-value assets are exempt from the reporting obligation. The new standard will therefore result in an increase in assets and financial liabilities in the consolidated statement of financial position. As for the financial performance impact in the statement of comprehensive income, straight-line depreciation expense on the right-of-use asset and the interest expenses on the lease liability are recognised and no rental expenses will be recognised. The combination of a straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to profit or loss in the initial years of the lease, and decreasing expenses during the latter part of the lease term. The new standard is not expected to apply until the financial year of 2019.

(a) 編製基準(續)

並無提前採納於二零一六年一月一日開始之財政年度內已頒佈但尚未生效之新訂及經修訂準則(續)

香港財務報告準則第16號「租賃」列明租賃之定義、租賃之確認及計量，以及制訂向財務報表使用者呈報有關承租人及出租人租賃活動之原則。香港財務報告準則第16號衍生之主要變動為大部分經營租賃將於資產負債表內以承租人入賬。本集團為多項目前分類為經營租賃之物業之承租人。本集團目前就該等租賃之會計政策載於附註2(ab)有關本集團之未來經營租賃承擔(載於附註42)，其並無於綜合財務狀況表中反映。香港財務報告準則第16號訂定租賃會計處理之新條文，並將於日後不再允許承租人於綜合財務狀況表外確認若干租賃，而當本集團為承租人時，幾乎所有租賃必須以資產(若為使用權)及財務負債(若為付款責任)之形式予以確認。因此，每份租約將於本集團之合併財務狀況表中反映。少於十二個月之短期租賃及低價值資產租賃獲豁免遵守申報責任。因此新準則將導致綜合財務狀況表中之資產及金融負債增加。至於對合併綜合收益表中財務表現之影響，使用權資產以直線法計算之折舊開支及租賃負債之利息開支乃予以確認，且不會確認租金開支。使用權資產以直線法計算之折舊與應用於租賃負債之實際利率法合併將導致租約初始年度在綜合損益表中扣除之總額增加，並導致租期後階段之開支減少。預期新準則將不會於二零一九年財政年度前應用。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group has control over entities when the Group is exposed to, or has rights to, variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interest's proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRSs.

2 主要會計政策概要(續)

(b) 綜合

合併財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

(i) 附屬公司

附屬公司為本集團對其擁有控制權之所有實體(包括結構實體)。當本集團可透過參與實體之業務而承擔或有權享有可變回報及有能力通過對實體運用權力而影響該等回報時，則本集團可控制實體。

附屬公司自控制權轉移至本集團之日起合併。其於控制權終止之日終止合併。

業務合併

本集團採用收購法就業務合併入賬。收購附屬公司之轉讓代價為本集團所轉讓資產、對被收購方前擁有人所產生負債及所發行股權之公平值。轉讓代價包括或然代價安排所產生任何資產或負債之公平值。於業務合併時所收購之可識別資產及所承擔之負債及或然負債，初步按其於收購日期之公平值計量。

本集團按逐項收購基準確認於被收購方之任何非控制權益。屬於現時擁有權權益並賦予其擁有人於清盤時按比例分佔實體淨資產之於被收購方之非控制權益，方可以公平值或以現時擁有權按比例分佔被收購方可識別淨資產之已確認金額作計量。除非香港財務報告準則規定採用其他計量基準，否則非控制權益之一切其他成份均以收購日期之公平值計量。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(b) Consolidation (Continued)

(i) Subsidiaries (Continued)

Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measures is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(b) 綜合(續)

(i) 附屬公司(續)

業務合併(續)

收購相關成本於產生時列為開支。

倘業務合併分階段完成，收購方先前持有被收購方股本權益之收購日期賬面值於收購當日重新計量至公平值，而就有關重新計量所產生之任何收益或虧損於損益內確認。

本集團轉讓之任何或然代價將在收購當日按公平值確認。被視為一項資產或負債之或然代價公平值之後續變動，將按照香港會計準則第39號之規定，確認為損益或其他全面收入變動。分類為權益之或然代價毋須重新計量，而其後結算於權益入賬。

所轉讓代價、被收購方之任何非控股權益金額及任何先前於被收購方之權益於收購日期之公平值高於所收購可識別資產淨值之公平值時，其差額以商譽列賬。就議價購買而言，如轉讓代價、已確認非控股權益及先前持有之權益總額低於所收購附屬公司資產淨值之公平值，其差額將直接於合併損益表內確認。

集團內部公司間之交易、結存及交易之未變現利益，均於綜合時沖銷。未變現虧損亦予抵銷，除非交易提供證據證明所轉讓資產出現減值。附屬公司報告之數額已於需要時作出調整，以確保符合本集團之會計政策。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Consolidation (Continued)

(i) Subsidiaries (Continued)

Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 主要會計政策概要(續)

(b) 綜合(續)

(i) 附屬公司(續)

不導致失去控制權之附屬公司擁有權益變動

不導致失去控制權之非控制權益交易入賬列作權益交易—即以彼等為擁有人之身分與擁有人進行交易。任何已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值之差額列作權益。向非控制權益出售之盈虧亦列作權益。

出售附屬公司

本集團失去控制權時，於實體之任何保留權益按失去控制權當日之公平值重新計量，有關賬面值變動於損益確認。就其後入賬列作聯營公司、合資企業或金融資產之保留權益而言，其公平值為初始賬面值。此外，先前於其他全面收入確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前於其他全面收入確認之金額重新分類至損益。

(ii) 獨立財務報表

於附屬公司之投資乃以成本減減值之方法記賬。成本包括投資之直接應佔費用。附屬公司之業績按已收及應收股息計入公司之賬內。

當收到於附屬公司之投資之股息時，而股息超過附屬公司於宣派股息期間之全面收入總額，或於獨立財務報表之投資賬面值超過被投資方淨資產(包括商譽)於合併財務報表之賬面值時，則須對有關投資進行減值測試。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(b) Consolidation (Continued)

(iii) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the consolidated statement of profit or loss.

(b) 綜合(續)

(iii) 聯營公司

聯營公司指所有本集團對其有重大影響力但無控制權之實體，所持股權通常有20%至50%之投票權。於聯營公司之投資以權益會計法入賬。根據權益法，投資初步按成本確認，並透過增加或減少賬面值確認投資方於收購日期後所分佔之被投資方損益。本集團於聯營公司之投資包括於收購時識別之商譽。於收購聯營公司之擁有權權益時，聯營公司成本與本集團應佔聯營公司可識別資產及負債之公平值淨額之差額於商譽入賬。

倘於聯營公司之擁有權權益減少，但仍保留重大影響力，則只將先前於其他全面收入內確認之金額之應佔比例部分重新分類至損益(如適用)。

本集團應佔收購後損益於合併綜合收益表內確認，而其應佔收購後其他全面收益之變動則於其他全面收入內確認，並對投資賬面值作出相應調整。如本集團應佔一家聯營公司之虧損等於或超過其於該聯營公司之權益，包括任何其他無抵押應收款項，本集團不會確認進一步虧損，除非其已代聯營公司承擔法律或推定責任或作出付款。

本集團於各報告日期釐定於聯營公司之投資是否有任何客觀減值證據。倘存在減值證據，本集團會按聯營公司可收回金額與其賬面值之差額計算減值金額，並於合併損益表「應佔以權益法入賬之投資溢利」確認有關金額。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Consolidation (Continued)

(iii) Associates (Continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

(iv) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11 investments in joint arrangement are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounting for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint venture include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounting for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

2 主要會計政策概要(續)

(b) 綜合(續)

(iii) 聯營公司(續)

本集團及其聯營公司間之上游及下游交易所產生之損益於本集團之合併財務報表內確認，惟僅以非關連投資者於聯營公司之權益為限。除非有關交易提供已轉讓資產出現減值之證據，否則未變現虧損予以對銷。聯營公司之會計政策已於必要時變更，以確保符合本集團所採納之政策。

於聯營公司之股本權益攤薄盈虧乃於合併損益表內確認。

(iv) 聯合安排

本集團已就所有聯合安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，於聯合安排之投資視乎各投資者之合約權利及責任而分類為合營業務或合營企業。本集團已評估其聯合安排之性質，並將其聯合安排界定為合營公司。合營公司按權益法入賬。

根據權益法，合營公司權益初步以成本確認，其後經調整以確認本集團應佔收購後溢利或虧損以及於其他全面收入變動之份額。本集團於合營公司之投資包括於收購時識別之商譽。於收購合營公司擁有權權益時，合營公司成本與本集團應佔合營公司可識別資產及負債公平值淨值之任何差額於商譽入賬。若本集團應佔某一合營公司之虧損相等於或超過其於該合營公司之權益(包括任何實質上構成本集團於該合營公司淨投資之長期權益)，則本集團不確認進一步虧損，除非本集團已產生義務或已代合營公司付款。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2 主要會計政策概要(續)

(b) Consolidation (Continued)

(iv) Joint arrangements (Continued)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed when necessary to ensure consistency with the policies adopted by the Group.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who review the Group internal report in order to assess performance and allocate resources, has been identified as the executive directors who make strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"). Hong Kong Dollars is regarded as the Company's functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

Foreign exchange gains or losses that related to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within finance income or costs. All other foreign exchange gains or losses are presented in the consolidated statement of profit or loss.

(b) 綜合(續)

(iv) 聯合安排(續)

本集團與其合營公司間交易之未變現收益按本集團於該等合營公司之權益予以對銷。未變現虧損亦予以對銷，除非交易提供證據證明所轉讓資產出現減值。合營公司之會計政策已按需要作出變更以確保與本集團採納之政策一致。

(c) 分部報告

經營分部之報告方式與提供予主要經營決策者之內部報告所使用報告方式一致。主要經營決策者檢討本集團內部報告以評估表現及分配資源，並已確定由作出戰略性決定之執行董事擔任。

(d) 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所包括項目，乃按該實體經營所在主要經濟環境之貨幣(「功能貨幣」)計量。合併財務報表以人民幣(「人民幣」)呈列。港元被視為本公司之功能貨幣。

(ii) 交易及結餘

外幣交易均按交易日期當時或項目重新計量估值日期之匯率換算為功能貨幣。因該等交易結算及按年結日之匯率換算以外幣計值之貨幣資產及負債而產生之外幣匯兌損益，均於合併損益表確認。

有關借貸及現金及現金等值物之外幣匯兌損益列示於合併損益表「財務收入或成本」內。其他全部外幣匯兌損益列示於合併損益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(ii) Transactions and balances (Continued)

Change in the fair value of debt securities denominated in foreign currency classified as available for sale is analysed between translation differences resulting from the changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in consolidated statement of profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

(iii) Group companies

The results and financial positions of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 主要會計政策概要(續)

(d) 外幣換算(續)

(ii) 交易及結餘(續)

以外幣計值且分類為可供出售的債務證券的公平值變動，按照證券的攤銷成本變動以及該證券賬面值的其他變動所產生的匯兌差額進行分析。與攤銷成本變動有關的匯兌差額於合併損益表確認，而賬面值的其他變動於其他全面收入內確認。

非貨幣性金融資產及負債(例如按公平值計入損益的權益)的換算差額作為部分公平值收益或虧損於損益中確認。非貨幣性金融資產(例如分類為可供出售的權益)的換算差額計入其他全面收入。

(iii) 集團公司

所有功能貨幣與呈報貨幣不一致的集團實體業績及財務狀況均按以下方法換算為呈報貨幣：

- (i) 各財務狀況表呈列之資產及負債均按照該財務狀況表結算日之收市匯率換算；
- (ii) 各損益表之收入及開支按照平均匯率換算(除非平均匯率並非交易日期現行匯率累計影響之合理約數，在此情況下，收支項目按交易日期的匯率換算)；及
- (iii) 所有產生之匯兌差額均於其他全面收入確認。

收購海外實體時產生之商譽及公平值調整乃作為該海外實體之資產及負債處理，並按收市匯率換算。產生之匯兌差額於其他全面收入內確認。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(e) Land use rights

Land use rights are recorded at cost less subsequent accumulated amortisation and accumulated impairment losses, if any. Land use rights are amortised using the straight-line method over their lease terms from 40 to 50 years.

(f) Investment properties

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group. It also includes properties that are being constructed or developed for future use as investment properties. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at carrying values, representing cost less depreciation and impairment provision. Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives of 40 years.

If an investment property becomes owner-occupied or commences to be further developed for sale, it is reclassified as property, plant and equipment and land use right or properties under development, and its fair value at the date of change in use becomes its cost for accounting purposes.

(g) Properties under development

Properties under development are stated at the lower of cost and net realisable value. Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and anticipated cost to completion.

Development cost of property comprises construction costs, cost of land use rights, borrowing costs, and professional fees incurred during the development period. On completion, the properties are transferred to completed properties held for sale. Properties under development are classified as current assets unless those will not be realised in one normal operating cycle.

(e) 土地使用權

土地使用權按成本減其後累計攤銷及累計減值虧損(如有)列賬。土地使用權以直線法按租賃年期40至50年攤銷。

(f) 投資物業

投資物業(主要包括租賃土地和樓宇)乃持作賺取長期租金收入或資本增值或兩者兼備,且並非由本集團佔用。投資物業亦包括正在建造或開發供未來作投資物業使用的物業。投資物業初始按成本(包括相關交易成本及(如適用)借貸成本)計量。於初始確認後,投資物業按賬面值(成本減折舊及減值撥備)列賬。折舊乃以直線法就估計可用年期40年將成本分配至剩餘價值計算。

倘投資物業由業主自用或開始進一步發展以供出售,則重新分類為物業、廠房及設備及土地使用權或發展中物業,而就會計目的而言,其於改變用途之日的公平值將為其成本。

(g) 發展中物業

發展中物業按成本與可變現淨值兩者之較低者入賬。可變現淨值乃計及預期可予變現之最終價格,減適用可變銷售開支及預期完成成本。

物業發展成本包括於發展期間產生之建設成本、土地使用權成本、借貸成本及專業費用。於完成時,該等物業乃轉撥至持作銷售竣工物業。除非不會於一個正常營運週期內變現,否則發展中物業乃分類為流動資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Completed properties held for sale

Completed properties remaining unsold at the end of reporting period are stated at the lower of cost and net realisable value. Cost comprises development costs attributable to the unsold properties.

Net realisable value is determined by reference to the sale proceeds of properties sold in the ordinary course of business, less applicable variable selling expenses, or by management estimates based on prevailing marketing conditions.

(i) Property, plant and equipment

Property, plant and equipment, comprising buildings, computer and telecommunications equipment, fixtures, fittings and office equipment, leasehold improvements and motor vehicles, are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of comprehensive income during the financial period in which they are incurred.

Motor vehicles classified as finance lease commences depreciation from the time when the assets become available for its intended use. Depreciation of property, plant and equipment is calculated using the straight line method to allocate their cost to their residual values over its estimated useful lives, at the following rates per annum:

Leasehold improvements 租賃物業裝修	
Buildings 樓宇	
Computer and telecommunications equipment 電腦及電訊設備	
Fixtures, fittings and office equipment 傢具、裝置及辦公室設備	
Motor vehicles 汽車	

2 主要會計政策概要(續)

(h) 持作銷售竣工物業

於報告期末尚未出售之竣工物業按較低成本及可變現淨值列賬。成本包括尚未出售物業應佔發展成本。

可變現淨值乃參考於一般業務過程中已售物業之銷售所得款項，減適用可變銷售開支，或由管理層按現行市況估計。

(i) 物業、廠房及設備

物業、廠房及設備，包括樓宇、電腦及電訊設備、傢具、裝置及辦公室設備、租賃裝修及汽車，按成本減累計折舊及累計減值虧損(如有)列賬。歷史成本包括收購項目直接應佔開支。

僅當與項目有關之未來經濟利益有可能流入本集團及項目成本能可靠計量時，其後成本方會計入資產賬面值或確認為一項獨立資產(如適用)。已更換零件之賬面值已被剔除入賬。所有其他維修及保養則於產生之財政期間內於合併綜合收益表內扣除。

歸類為融資租賃的汽車於資產可供作擬定用途時開始計算折舊。物業、廠房及設備之折舊乃採用直線法於其估計可使用年限內按成本分配至剩餘價值，年率如下：

Over the lease terms from 2 to 5 years 介乎租賃年期2至5年	
	2%–5%
	2%至5%
	20%–33%
	20%至33%
	20%–33%
	20%至33%
	10%–20%
	10%至20%



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(i) Property, plant and equipment (Continued)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the consolidated statement of profit or loss.

Construction in progress represents property, plant and equipment under construction or pending installation and is stated at cost less impairment losses, if any. No provision for depreciation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use. On completion, the relevant assets are transferred to property, plant and equipment at cost less accumulated impairment losses.

(j) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating-units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represented the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(i) 物業、廠房及設備(續)

資產剩餘價值及可使用年限於各財務狀況表日期審閱，並作出調整(如適用)。

倘資產賬面值超過其估計可退回金額，則資產賬面值即時撇減至可退回金額。

出售收益或虧損乃透過比較所得款項與賬面值釐定，並於合併損益表內確認為行政費用。

在建工程為建設中或需要安裝之物業、廠房及設備，按照成本扣除減值虧損(如有)列示。建設中資產不計提折舊，直至有關資產完工並可供擬定用途。完工時，有關資產按成本減累計減值虧損所得金額轉入物業、廠房及設備。

(j) 無形資產

(i) 商譽

於收購附屬公司時產生之商譽指所轉讓代價、於被收購方之任何非控制性權益金額及於被收購方之任何過往股權於收購日期之公平值超出所收購可識別淨資產公平值之金額。

就減值測試而言，業務合併所獲得之商譽會分配至預期將受益於合併協同效應之各現金產生單位(「現金產生單位」)或現金產生單位組別。獲分配商譽之各單位或單位組別為實體內就內部管理目的而監察商譽之最低層次。商譽乃於經營分部層次進行監察。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible assets (Continued)

(i) Goodwill (Continued)

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Contractual customer, distributor relationship and non-compete agreement

Contractual customer, distributor relationships and non-compete agreement acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer/distributor relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from eight to seventeen years over the expected life of the customer, distributor relationship and non-compete agreement.

(iii) Patents

Separately acquired patents are shown at historical cost. Patents acquired in a business combination are recognised at fair value at the acquisition date. The patents have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method of eight years over the expected life of the patents.

(iv) Trade name and domain name

Trade name, domain name acquired in a business combination are recognised at fair value at the acquisition date. Trade name, domain name have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method of ten to fifteen years over the expected life of the trade name, domain name.

(v) Software licences and order back log

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to their intended use. Order backlog are recognised at fair value at the acquisition date. These costs are amortised over their estimated useful lives of one to five years.

2 主要會計政策概要(續)

(j) 無形資產(續)

(i) 商譽(續)

商譽減值按年進行檢討，或當有事件出現或情況變動顯示可能出現減值時，作出更頻密檢討。包含商譽之現金產生單位之賬面值乃與可收回金額(為使用價值與公平值減出售成本之較高者)作比較。任何減值即時確認為開支，且其後不會撥回。

(ii) 合約客戶、分銷商關係及非競爭協議

於業務合併時收購之合約客戶、分銷商關係及非競爭協議按收購日期之公平值確認。合約客戶／分銷商關係具有有限可使用年期及按成本減累計攤銷列賬。攤銷以直線法將客戶、分銷商關係及非競爭協議之預計年期分攤為八至十七年計算。

(iii) 專利

單獨收購之專利按歷史成本值列示。業務合併所取得之專利於收購日期按公平值確認。專利有有限可使用年期，並按成本減累計攤銷列賬。攤銷以直線法將專利之預計使用年期分攤為八年計算。

(iv) 商號及域名

業務合併所取得之商號及域名於收購日期按公平值確認。商號及域名有有限可使用年期，並按成本減累計攤銷列賬。攤銷以直線法將商號及域名之預期使用年期分攤為十五年計算。

(v) 軟件許可證及積壓訂單

所收購電腦軟件許可證按購入軟件及軟件可達致其擬定用途所產生之成本撥充資本。積壓訂單於收購日期按公平值確認。該等成本於其估計使用年期一至五年內予以攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Intangible assets (Continued)

(vi) Data library

Costs incurred on acquiring the data library are recognised as an intangible asset where the technical feasibility has been demonstrated, and there is an ability to sell or to use the assets that will generate probable future economic benefits. Such acquisition cost is recognised as an asset and amortised on a straight-line basis over a period of three years to reflect the pattern in which the related economic benefits are recognised.

(k) Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating-units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(l) Financial assets and liabilities

Classification

The Group classifies its financial assets and liabilities as at fair value through profit or loss; loans and receivables and available-for-sales financial assets. The Group's financial liabilities are classified as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(j) 無形資產(續)

(vi) 資料庫

收購資料庫產生之成本於證實技術可行性後，以及有能力出售或使用可能產生未來經濟利益之資產時確認為無形資產。該收購成本確認為一項資產，並以直線法於三年期間內攤銷，以反映確認相關經濟利益之模式。

(k) 非金融資產之減值

無限定使用年限之無形資產毋需攤銷，惟須每年進行減值測試。當有事件出現或情況變動顯示賬面值可能無法收回時，將檢討受攤銷影響之資產是否減值。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額為資產公平值扣除銷售成本與使用價值兩者間之較高者。於評估減值時，資產計入可分開識別現金流量(現金產生單位)之最低層次組別。於各報告日期就減值撥回之可能性檢討商譽以外出現減值之非金融資產。

(l) 金融資產及負債

分類

本集團將其按公平值計入損益之金融資產及負債分類為貸款及應收款項以及可供出售金融資產。本集團將金融負債分類為按公平值計入損益之金融負債或按攤銷成本列賬之金融負債。分類乃視乎購入金融資產之目的而定。管理層於初步確認其金融資產時釐定分類。

按公平值計入損益之金融資產及負債

按公平值計入損益之金融資產及負債為持作買賣之金融資產。倘所收購之金融資產主要作短期出售，則一項金融資產分類至此類別。除非衍生工具為設計作對沖用途，否則其亦分類為持作買賣。倘資產預期於12個月內結算，於此類別之資產被分類為流動資產，否則，其會被分類為非流動。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Financial assets and liabilities (Continued)

Classification (Continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loan and receivables comprise "trade and other receivables", "amount due from related company" and "cash and cash equivalents" in the consolidated statement of financial position.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular way purchases and sales of financial assets and liabilities are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets and liabilities at fair value through profit or loss' category are presented in the statement of profit or loss within 'Other gains/(losses), net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

2 主要會計政策概要(續)

(I) 金融資產及負債(續)

分類(續)

貸款及應收款項

貸款及應收款項指並非活躍市場上具備固定或可予釐定款項之非衍生金融資產。非衍生金融資產計入流動資產，惟到期日超過報告期間結算日後12個月者分類為非流動資產。本集團之貸款及應收款項由合併財務狀況表之「應收賬款及其他應收款項」、「應收關聯公司款項」及「現金及現金等值物」組成。

可供出售金融資產

可供出售金融資產為指定屬於此類別或並無歸類至任何其他類別之非衍生工具。除非投資到期或管理層有意於報告期間結束後12個月內出售，否則可供出售金融資產乃計入非流動資產。

確認及計量

正常途徑買賣之金融資產及負債於交易日期確認，交易日期為本集團須購買或出售資產之日期。投資初步按公平值加所有並非按公平值於損益列賬之金融資產之交易成本確認。金融資產於收取投資現金流之權利屆滿或已轉讓，且本集團已轉讓擁有權之絕大部分風險及回報時剔除確認。可供出售金融資產其後按公平值列賬。貸款及應收款項其後以實際利息法按攤銷成本列賬。

於「按公平值計入損益之金融資產及負債」類別之公平值變動產生之收益或虧損已於其產生期間在損益表「其他收益／(虧損)淨額」內呈列。按公平值計入損益之金融資產之股息收入於確立本集團收取付款之權利時，於收益表作為其他收入之一部分確認。

歸類為可供出售之貨幣及非貨幣證券公平值變動於其他全面收入內確認。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial assets and liabilities (Continued)

Recognition and measurement (Continued)

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated statement of profit or loss as “gains and losses from available for sale assets”.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the statement of comprehensive income as part of other income. Dividends on available-for-sale equity instruments are recognised in the statement of profit or loss as part of other income when the Group’s right to receive payments is established.

(m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforce right must not be contingent on future event and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

(n) Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 主要會計政策概要(續)

(l) 金融資產及負債(續)

確認及計量(續)

當分類為可供出售之證券售出或減值時，於權益確認之累計公平值調整乃計入合併損益表為「可供出售資產之盈虧」。

使用實際利率法計算之可供出售證券利息於綜合收益表作為其他收入之一部分確認。可供出售股本工具之股息於確立本集團收取付款之權利時，於損益表作為其他收入之一部分確認。

(m) 抵銷金融工具

當有法定強制執行權利可抵銷已確認金額，且有意按淨額作結算或同時變現資產及結算負債時，有關金融資產與負債可互相抵銷，並在財務狀況表報告其淨值。法定強制執行權利不得依賴未來事件而定及須於一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時具有約束力。

(n) 金融資產減值

按攤銷成本列賬之資產

本集團於各報告期間結算日評估是否存在客觀憑證證明金融資產或金融資產組別出現減值。僅當有客觀憑證證明於首次確認資產後發生一宗或多宗事件導致出現減值（「虧損事件」），而該宗（或該等）虧損事件對該項或該組金融資產之未來估計現金流量構成可以合理估計之影響，有關金融資產才算出現減值及產生減值虧損。

減值跡象可包括一名或一組借款人正面臨重大經濟困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量出現可計量減少，例如欠款數目變動或出現與違約相關之經濟狀況。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Impairment of financial assets (Continued)

Assets carried at amortised cost (Continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a Group of financial assets is impaired. For debt securities, the Group uses the criteria referred to assets carried at amortised cost.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss, the impairment loss is reversed through the consolidated statement of profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

2 主要會計政策概要(續)

(n) 金融資產減值(續)

按攤銷成本列賬之資產(續)

就貸款及應收款項類別而言，虧損金額乃根據資產賬面值與按金融資產原實際利率貼現而估計之未來現金流量(不包括仍未產生之未來信用損失)之現值兩者之差額計量。資產賬面值予以削減，而虧損金額則在合併損益表確認。如貸款有浮動利率，計量任何減值虧損之貼現率為按合同釐定之當前實際利率。作為可行權宜之計，本集團可按某工具可觀察市價為公平值之基礎計量其減值。

如在後期，減值虧損之款項減少，而此減少可客觀地聯繫至減值確認後才發生之事件(例如債務人之信用評級有所改善)，則之前已確認之減值虧損可在合併綜合收益表中撥回。

分類為可供出售之資產

本集團於各報告期末評估是否有客觀跡象證明金融資產或一組金融資產出現減值。就債務證券而言，本集團使用按攤銷成本列賬之資產所用準則。

就債務證券而言，倘存在任何有關證據，累計虧損(按收購成本與現時公平值之差額，減該金融資產之前在損益確認之任何減值虧損計量)自權益剔除，並在損益確認。減值虧損透過合併損益表撥回。

就股權投資而言，證券公平值大幅或長期低於其成本亦為資產減值的證據。倘存在任何有關證據，累計虧損(按收購成本與現時公平值之差額，減該金融資產之前在損益確認之任何減值虧損計量)自權益剔除，並在損益確認。在合併綜合收益表權益工具確認之減值虧損並不會透過合併綜合收益表撥回。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials and other direct costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(p) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(q) Direct selling costs

Direct selling costs, which principally are comprised of sales commissions and agency fees paid in respect of subscription revenue received in advance, are deferred and are charged ratably to the consolidated statement of comprehensive income over the term of the respective service contracts when the services are rendered.

(r) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

(s) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) 存貨

存貨乃按成本及可變現淨值兩者之較低者入賬。成本乃使用先入先出(先入先出)法釐定。製成品及在製品之成本包括原材料及其他直接成本。可變現淨值乃於日常業務過程中之估計售價減適用之浮動銷售費用計算。

(p) 應收賬款及其他應收款項

應收賬款是於日常業務過程中向客戶銷售貨品或提供服務而應收之款項。倘應收賬款及其他應收款項預期將在一年或以內收回(若更長則在業務正常經營週期內)，則歸類為流動資產。否則，呈列為非流動資產。

應收賬款及其他應收款項最初按公平值確認，其後則以實際利率法按攤銷成本扣除減值撥備計算。

(q) 直接銷售成本

直接銷售成本主要包括就預收訂購收入支付之銷售佣金及代理費用，於提供服務之各服務合約期內遞延及按比例計入合併綜合收益表。

(r) 現金及現金等值物

現金及現金等值物包括手頭現金、銀行活期存款以及原定到期日為三個月或以內之其他短期高流通量投資。

(s) 股本

普通股乃分類列作權益。

發行新股份或購股權直接產生之遞增成本，乃列作所得款項扣除稅項後之扣減於權益入賬。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Share capital (Continued)

Where any group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(t) Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(u) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 主要會計政策概要(續)

(s) 股本(續)

如任何集團公司購買本公司股本(庫存股份)，所繳付代價(包括任何扣除所得稅之直接應佔遞增成本)自本公司權益持有人應佔權益扣除，直至該等股份註銷或重新發行為止。倘該等股份之後重新發行，所收取任何代價扣除任何直接應佔遞增交易成本及有關所得稅影響後計入本公司權益持有人應佔權益。

(t) 應付賬款及其他應付款項

應付賬款為在日常經營活動中從供應商購買商品或服務而應支付之責任。如應付款項之支付日期在一年或以內(若更長則在業務正常經營週期內)，其被分類為流動負債；否則呈列為非流動負債。

應付賬款初始以公平值確認，其後利用實際利率法按攤銷成本計量。

(u) 借貸

借貸初步按公平值扣除已產生之交易成本確認，其後按攤銷成本列賬。所得款項(扣除交易成本)與贖回價值之間的任何差額於借貸期採用實際利率法於合併綜合收益表中確認。

在貸款將很有可能部分或全部提取之情況下，就設立貸款融資支付之費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取貸款發生時。在並無跡象顯示該貸款將很有可能部分或全部提取之情況下，該費用撥充資本作為流動資金服務之預付款項，並於其相關融資期間內予以攤銷。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則借貸將被分類為流動負債。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(v) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are charged to the consolidated statement of profit or loss in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(w) Compound financial instruments

Compound financial instruments issued by the Group comprises convertible notes that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component, which is included in shareholders' equity in other reserves. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The liability component of a convertible instrument is classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

(v) 借貸成本

收購、建設或生產需要一段長時間方達致擬定用途或出售之合資格資產直接應佔之一般及特定借貸成本，已撥充資本作為有關資產成本之一部分，直至該資產大致上可作擬定用途或出售之時為止。所有其他借貸成本於產生期間在合併損益表中扣除。

特定借貸之暫時投資賺取之投資收入在有待用於合資格資產時，乃自合資格撥充資本之借貸成本中扣除。

(w) 複合金融工具

本集團公司發行之複合金融工具包括可按持有人選擇兌換為股本之可換股票據，而將予發行之股份數目不會隨公平值變動而改變。

複合金融工具之負債部分初步按並無權益兌換選擇權之類似負債之公平值確認。權益部分初步按複合金融工具整體公平值與負債部分公平值(計入其他儲備之股東權益內)之差額確認。任何直接應佔交易成本按負債及權益部分初始賬面值之比例分配至負債及權益部分。

初始確認後，複合金融工具之負債部分利用實際利率法按攤銷成本計量。除非獲兌換或到期，否則複合金融工具之權益部分在初始確認後不再重新計量。

除非本集團有權無條件將債務結算日期遞延至報告期後至少12個月，否則可兌換工具之負債部分將被分類為流動負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or equity directly, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 主要會計政策概要(續)

(x) 當期及遞延所得稅

年度稅項支出包括當期及遞延稅項。稅項於合併綜合收益表確認，惟與其他全面收入或於權益直接確認之項目有關者除外。在此情況下，稅項亦分別於其他全面收入或於權益直接確認。

(i) 當期所得稅

當期所得稅支出根據本公司之附屬公司及聯營公司營運及產生應課稅收入之國家於財務狀況表日期已通過或大致上通過之稅法計算。管理層就適用稅務規例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

(ii) 遞延所得稅

基準差異以內

遞延所得稅以負債法按資產及負債之稅基與其賬面值產生之暫時差額，在合併財務報表確認。然而，倘遞延稅項負債來自商譽之初步確認，則不予確認；而倘遞延所得稅來自初步確認一項於交易時不影響會計及應課稅損益之交易(業務合併除外)之資產及負債，則遞延所得稅不予入賬。遞延所得稅以財務狀況表日期已通過或大致上通過之稅率(及稅法)釐定，預計將於有關遞延所得稅資產變現或遞延所得稅負債清償時應用。

遞延所得稅資產僅在有可能將未來應課稅溢利與可動用之暫時差額抵銷之情況下確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(x) Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

(x) 當期及遞延所得稅(續)

(ii) 遞延所得稅(續)

基準差異以外

遞延所得稅負債乃就於附屬公司、聯營公司及共同安排之投資產生之應課稅暫時差異而計提撥備，惟本集團可控制暫時差異撥回時間，以及暫時差異可能不會在可預見未來撥回之遞延所得稅負債則除外。本集團一般無法控制聯營公司暫時差異之撥回。只有在訂有協議令本集團有能力控制暫時差異之撥回，否則不予確認。

遞延所得稅資產就於附屬公司、聯營公司及共同安排之投資產生之可扣減暫時差異確認，惟以暫時差額有可能於未來撥回，及有足夠應課稅溢利抵銷可動用暫時差額之情況為限。

(iii) 抵銷

當有法定執行權利可將當期稅項資產與當期稅項負債抵銷，而遞延所得稅資產及負債與同一稅務機關就一個或不同應課稅實體徵收的所得稅有關，而有關實體有意按淨額基準結算結餘時，則可將遞延所得稅資產與負債抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Employee benefits

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(i) Retirement benefit costs

The full-time employees of the Group are covered by various government-sponsored pension plans under which the employees are entitled to a monthly pension based on certain formulas.

The relevant government agencies are responsible for the pension liabilities to these retired employees. The Group contributes on a monthly basis to these pension plans. Under these plans, the Group has no obligation for post-retirement benefits beyond the contributions made.

Contributions to these plans are expensed as incurred.

(ii) Bonus entitlements

The expected cost of bonus payments is recognised as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for bonus are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

(iii) Share-based compensation

The Group operates equity settled, share-based compensation plans. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Under the Share Award Scheme, the directors and certain employees of the Group are entitled to receive shares in the Company. The shares held under trust by a financial institution ("Trustee") for the benefit of the director and employees, would be paid and the paid up consideration would be capitalised in the Company's reserves. The Trustee has been instructed to buy shares from the market using the funds held by the Trustee to grant shares to the director and employees.

2 主要會計政策概要(續)

(y) 僱員福利

僱員享用病假及產假之權利於休假時始行確認。

(i) 退休福利成本

本集團全職僱員均受政府設立之各種退休金計劃保障，據此，僱員享有按特定公式計算之每月退休金。

有關政府機構有責任向該等退休僱員支付退休金。本集團按月向該等退休金計劃供款。根據該等計劃，本集團除上述供款外概無其他退休後福利責任。

向該等計劃作出之供款於發生時列作費用。

(ii) 獎金福利

當本集團因僱員已提供之服務須承擔現有法律或推定責任，而責任能可靠估算時，則將獎金之預計成本確認為負債。

獎金之負債預期須在12個月內償付，並根據償付時預期支付之金額計算。

(iii) 以股份支付之補償

本集團設有以權益償付，以股份支付為補償之計劃。當購股權獲行使時，已收取所得款項(扣除任何直接應佔交易成本)均列入股本(面值)及股份溢價。

根據股份獎勵計劃，本集團董事及若干僱員有權取得本公司股份。股份由一間金融機構(「受託人」)以董事及僱員為受益人以信託方式持有，並已繳付股款。已付清之代價將於本公司儲備中資本化。受託人已獲指示利用受託人所持之資金於市場回購股份，以向董事及僱員授予股份。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(y) Employee benefits (Continued)

(iii) Share-based compensation (Continued)

The Company has also adopted the Share Option Scheme under which options may be granted to subscribe for the Company's shares.

The fair value of the employee services received in exchange for the grant of the share options and shares awarded is recognised as an expense.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options and shares granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of shares or share options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At each statement of financial position date, the Group revises its estimates of the number of shares or share options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision of original estimates, if any, in the consolidated statement of comprehensive income, and a corresponding adjustment to equity.

(iv) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after statement of financial position date are discounted to present value.

(y) 僱員福利(續)

(iii) 以股份支付之補償(續)

本公司亦已採納購股權計劃，據此，購股權可予授出以認購本公司股份。

僱員提供服務換取授出購股權及股份獎勵之公平值確認為開支。

於歸屬期內列作開支之總金額，乃參照已授出購股權及股份之公平值釐定，不包括任何非市場歸屬條件（例如盈利能力及銷售增長目標）之影響。於假設預期可予歸屬股份或購股權數目時，將會計及非市場歸屬條件。總支出於整個歸屬期（即達成所有特定歸屬條件之期間）確認。於各財務狀況表日期，本集團會根據非市場歸屬條件修改其估計預期可予歸屬之股份或購股權數目。修改原估計數目（如有）之影響將於合併綜合收益表內確認，並對權益作出相應調整。

(iv) 離職福利

離職福利於僱員在正常退休日期前被本集團終止僱用，或當僱員接受自願遣散以換取此等福利時支付。本集團在能證明以下承諾時確認離職福利：根據一項不可撤回之詳盡正式計劃終止僱用現有僱員；或就提出一項要約以鼓勵自願遣散而提供離職福利。在財務狀況表日期後超過12個月到期支付之福利貼現為現值。

Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(aa) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services stated net of value added taxes, in the ordinary course of the Group's activities.

The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Advertising income from internet portals, trade catalogues, yellow page directories and printed periodicals is recognised on the date of publication.

Subscription fee income from on-line services is recognised over the period of contracts entered with the customers. The unrecognised portions of contract sum are recognised as deferred revenue.

Revenue from the hosting of trade exhibitions and business seminars is recognised upon conclusion of the exhibitions or seminars.

2 主要會計政策概要(續)

(z) 撥備

倘本集團須就過去事項承擔現有法律或推定責任；履行該責任可能導致資源流出；及有關金額能可靠估計，方確認撥備。概不就未來營運虧損確認撥備。

倘出現多項類似責任，因履行責任導致資源流出之可能性乃考慮責任之整體類別後釐定。即使同類責任中有關任何一項可能流出資源之機會不大，仍須確認撥備。

撥備採用稅前利率按照履行責任預期所需支出現值計量，該利率反映當期市場對金錢時間值及有關責任特定風險之評估。隨著時間流逝而增加之撥備確認為利息支出。

(aa) 銷售收入確認

銷售收入包括於本集團日常業務期間就銷售貨品及服務已收或應收代價之公平值，並扣除增值稅列賬。

當銷售收入數額能可靠地計量，而未來經濟利益可能流入該實體，且符合以下若干本集團各業務特定準則時，本集團方會確認銷售收入。本集團基於其以往業績，考慮顧客類型、交易方法及各項安排細節作出估計。

來自行業門戶網站、工商業目錄、黃頁目錄及印刷期刊之廣告收入於出版日期確認。

來自互聯網服務之訂閱費收入於與客戶訂立合約期間內確認。合約金額之未確認部分確認為遞延收入。

舉辦貿易展覽及商務研討會之銷售收入於展覽或研討會結束時予以確認。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(aa) Revenue recognition (Continued)

Interest income is recognised on a time proportion basis, using the effective interest method.

Revenue from anti-counterfeiting products are recognised when a group entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

Revenue from anti-counterfeiting services is recognised in the accounting period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of actual services provided as a proportion of the total service to be provided.

Finance lease income attributable to finance leases is recognised over the lease term on a systematic and rational basis so as to produce a constant rate of return on the net investment in the finance lease.

Revenue from sale of properties is recognised when the risk and rewards of the properties are transferred to the purchasers, which occurs when legally binding unconditional sales contracts were entered, the construction of the relevant properties has been completed, the properties have been delivered to the purchasers pursuant to the sale contracts and collectability of related receivables is reasonably assured. Deposits and installments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet as advance proceeds received from customers under current liabilities.

Rental income from investment property is recognised in the statement of profit or loss on a straight-line basis over the term of the lease.

(aa) 銷售收入確認(續)

利息收入採用實際利率法按時間比例基準確認。

防偽產品之銷售收入於集團實體向客戶運送產品時；客戶承認產品及合理確定相關應收款項可取回性時確認。

防偽服務之銷售收入於提供服務之會計期間按照特定交易完成階段確認，並根據所提供實際服務佔將予提供服務總量之比例予以評估。

融資租賃的應佔收入按系統及合理基準記錄，於租期內確認以得出該融資租賃投資淨額的固定回報率。

銷售物業的銷售收入於物業的風險及回報轉讓至買方，即訂立具法律約束力的無條件銷售合約、有關物業竣工，物業已根據銷售合約交付買方、且能合理確保有關應收款項可予以收回時，方予確認。在收入確認日期前就已售物業所收取的按金及分期付款於合併資產負債表的流動負債項下列作預收客戶的所得款項。

來自投資物業之租金收入按租賃年期以直線法於損益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Leases

(i) Operating lease – as a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

(ii) Operating lease – as a lessor

When assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the assets. Lease income on operating lease is recognised over term of the lease on a straight-line basis.

(iii) Finance lease – as a lessee

The Group leases certain property, plant and equipment. Leases of property, plant and equipment, where the Group has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the consolidated statement of comprehensive income over the lease period so as to produce a constant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

(iv) Finance lease – as a lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

The method for allocating gross earnings to accounting periods is referred to as the 'actuarial method'. The actuarial method allocates rentals between finance income and repayment of capital in each accounting period in such a way that finance income will emerge as a constant rate of return on the lessor's net investment in the lease.

2 主要會計政策概要(續)

(ab) 租賃

(i) 經營租賃－作為承租人

凡出租人仍保留擁有權之絕大部分風險及回報之租賃，均分類為經營租賃。經營租賃之租金(扣除自出租人收取之任何優惠)會按租賃年期以直線法計入合併綜合收益表。

(ii) 經營租賃－作為出租人

當資產根據經營租賃租出時，資產將根據資產性質計入財務狀況表。經營租賃之租賃收入會按租賃年期以直線法確認。

(iii) 融資租賃－作為承租人

本集團租賃若干物業、廠房及設備。如本集團大致上承受擁有權之絕大部分風險和回報，則物業、廠房及設備之租賃歸類為融資租賃。融資租賃在租賃開始時，按租賃物業之公平值或最低租賃付款現值兩者之較低者資本化。

每項租金均分攤為負債及融資支出。相應租賃責任在扣除融資支出後計入其他長期應付款項。融資成本之利息部分於租賃期內在合併綜合收益表中支銷，以計算常數。根據融資租賃而獲得之設備按資產使用年期與租賃期兩者之較短者進行折舊。

(iv) 融資租賃－作為出租人

以融資租賃出租資產時，租賃付款的現值確認為應收款項。應收款項總額與應收款項現值的差額確認為未賺取融資收入。

於會計期間分配盈利總額的方法被稱為「精算法」。精算法於各會計期間在融資收入及償還資本之間分配租金，據此方法，融資收入將以出租人於租賃淨投資的固定回報率出現。



Notes to the Consolidated Financial Statements

合併財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) 2 主要會計政策概要(續)

(ac) Government grants

Grants from the government are recognised at their fair values when there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognized in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to costs are deferred and recognised within “other income” in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

(ad) Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s and Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders.

(ae) Financial guarantee liabilities

Financial guarantee liabilities are recognised in respect of the financial guarantee provided by the Group to the banks for property purchasers.

Financial guarantee liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the issue of the financial guarantee liabilities. After initial recognition, such liabilities are measured at the higher of the present value of the best estimate of the expenditure required to settle the present obligation and the amount initially recognised less cumulative amortisation of fees recognised.

Financial guarantee liabilities are derecognised from the balance sheet when, and only when, the obligation specified in the contract is discharged or cancelled or expired.

(ac) 政府補助

當可合理地確定本集團將獲得政府補助，並符合該補助所有附帶條件，政府補助以公平值確認。

有關成本之政府補助已被遞延，於其與擬定補償成本配對之所需期間於合併損益表確認。

有關成本之政府補助已被遞延，於其與擬定補償成本配對之所需期間於合併綜合收益表確認為「其他收入」。

(ad) 股息分派

向本公司股東派付之股息於本公司股東批准派息之期間在本集團及本公司之財務報表內確認為負債。

(ae) 財務擔保負債

本集團就物業買家獲銀行提供財務擔保確認財務擔保負債。

財務擔保負債初步以公平值加發行財務擔保負債直接應佔之交易成本確認。於初步確認後，有關擔保按解除現有責任所需支出之最佳估計現值或初步已確認數額減已確認累計攤銷費(以較高者為準)計量。

只有在合約訂明之責任獲解除或撤銷或屆滿時，才從資產負債表剔除確認財務擔保負債。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(af) Sale and leaseback transaction

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. The accounting treatment of a sale and leaseback transaction depends upon the type of lease involved. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortised over the lease term. If a sale and leaseback transaction results in an operating lease, and it is clear that the transaction is established at fair value, any profit or loss is recognised immediately. If the sale price is below fair value, any profit or loss is recognised immediately except that, if the loss is compensated for by future lease payments at below market price, it is deferred and amortised in proportion to the lease payments over the period for which the asset is expected to be used. If the sale price is above fair value, the excess over fair value is deferred and amortised over the period for which the asset is expected to be used.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by a central finance department (the "Finance Department") headed by the Chief Financial Officer of the Group. The Finance Department identifies and evaluates financial risks in close co-operation with the Group's operating units to cope with overall risk management as well as specific areas such as market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The Group operates in Hong Kong and the PRC and majority of its transactions are denominated in the functional currencies of the respective entities. The Group has no material foreign currency denominated assets and liabilities and does not have material exposure on foreign exchange risk.

2 主要會計政策概要

(af) 銷售及回租交易

銷售及回租交易涉及出售資產及將同一資產回租。租賃付款及銷售價格經協定為相關，通常會相互影響。銷售及回租交易之會計處理取決於所涉及之租賃種類。倘銷售及回租交易導致融資租賃，則銷售所得款項超出賬面值之差額將於租期內遞延及攤銷。倘銷售及回租交易導致經營租賃，且交易明顯按公平值進行，則即時確認任何損益。倘售價低於公平值，則即時確認任何損益，惟倘虧損以低於市價之未來租賃付款補償，則於該資產之預期使用年期按比例遞延及攤銷該虧損至租賃付款。倘售價高於公平值，則超出公平值之差額須於該資產之預期使用年期遞延及攤銷。

3 財務風險管理

3.1 財務風險因素

本集團因其業務活動面臨各種財務風險：市場風險（包括外匯風險及公平值利率風險）、信貸風險及流動資金風險。本集團之整體風險管理計劃著重於金融市場之變數及致力減低潛在負面因素對本集團財務表現帶來之影響。

風險管理由本集團首席財務官領導之中央財務部門（「財務部」）進行。財務部與本集團之營運部門緊密合作，以識別及評估財務風險，以處理整體風險管理及特定範疇（如市場風險、信貸風險及流動資金風險）之風險。

(a) 市場風險

(i) 外匯風險

本集團在香港及中國經營，其大部分交易以有關實體之功能貨幣計值。本集團並無重大外幣計值資產及負債，且無面對重大外匯風險。



Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Fair value interest rate risk

The Group's income and operating cash flows are substantially independent from changes in market interest rates and the Group has no significant interest-bearing assets except for fixed deposit categorised in "cash and cash equivalents", loan to third parties, an associate, a joint venture and the employees categorised in "other receivables", details of which have been disclosed in Notes 12 and 21.

The Group's exposure to changes in interest rates is also attributable to its borrowings, details of which have been disclosed in Note 28. Borrowings carry at fixed rates expose the Group to low fair value interest-rate risk.

The Group regularly monitors its interest rate risk to ensure there are no undue exposures to significant interest rate movements and regular reporting is provided to the management for the Group's debt and interest rates exposure.

(b) Credit risk

Credit risk is managed on a group basis. The Group's credit risk mainly arises from cash and cash equivalents, as well as credit exposures to trade and other receivables. The finance department has policies in place to monitor the exposures to these credit risks on an on-going basis.

The Group has put in place policies to ensure that provision of services is made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers.

For balance with a related company and loan to a third party and the employees, management assesses the recoverability of the balances taking into account the history of default of these companies and the employees, and their financial performance.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 公平值利率風險

本集團之收入及經營現金流量幾乎完全不受市場利率變動之影響，除「現金及現金等值物」組別內之定期存款及「其他應收款項」組別內之貸款予第三方、一間聯營公司、一間合營公司及僱員外，本集團並無重大計息資產，有關詳情已於附註12及21披露。

本集團亦因其借貸而面對利率變動之風險，有關詳情已於附註28披露。按固定利息計息之借貸使本集團面對低公平值利率風險。

本集團會定期監察利率風險，以確保並無不適當之重大利率波動風險，並定期向管理層匯報本集團之債務及利率風險。

(b) 信貸風險

信貸風險乃按組別管理。本集團之信貸風險主要來自現金及現金等值物，以及應收賬款及其他應收款項。財務部已有適當政策，以持續監察所面臨之該等信貸風險。

本集團已採取適當政策確保服務乃向具良好信貸記錄之客戶提供，而本集團亦對其客戶進行定期信用評估。

對於貸款予第三方及僱員，管理層根據該等公司及僱員之拖欠記錄及財務表現評估餘額之可收回程度。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

The table below shows the cash and cash equivalents held by different type of financial institutions at statement of financial position date.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash at banks and bank deposits	銀行現金及銀行存款		
Listed financial institutions	上市金融機構	655,570	697,073
Unlisted financial institutions	非上市金融機構	307,803	93,527
Cash on hand	庫存現金	150	101
Total		963,523	790,701

(c) Liquidity risk

Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by maintaining sufficient cash from operating activities.

As at 31 December 2016, the cash and cash equivalents of the Group approximated RMB963,523,000 (2015: RMB790,701,000).

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

下表載列由不同金融機構於財務狀況表日期所持現金及現金等值物。

(c) 流動資金風險

由於相關業務之多變性質，本集團透過在經營業務中維持足夠現金以維持資金靈活性。

於二零一六年十二月三十一日，本集團現金及現金等值物約為人民幣963,523,000元(二零一五年：人民幣790,701,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

Specifically, for convertible bonds which contain a repayment on redemption options which can be exercised at the bondholder's sole discretion to redeem all or some only of the convertible bonds on 27 November 2017 at their principal amount together with interest accrued but unpaid to such date.

		Less than 1 year 1年內 RMB'000 人民幣千元	Between 1 and 2 years 1至2年 RMB'000 人民幣千元	Between 2 and 5 years 2至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2016	於二零一六年十二月三十一日					
Trade payables	應付賬款	7,916	-	-	-	7,916
Accrued expenses and other payables	應計費用及其他應付款項	216,882	-	-	-	216,882
Finance lease obligations	融資租賃負債	158	-	-	-	158
Borrowings	借貸	775,930	150,750	2,804	-	929,484
Convertible bonds	可換股債券	34,886	34,886	575,617	-	645,389
At 31 December 2015	於二零一五年十二月三十一日					
Trade payables	應付賬款	3,618	-	-	-	3,618
Accrued expenses and other payables	應計費用及其他應付款項	148,935	-	-	-	148,935
Finance lease obligations	融資租賃負債	833	263	-	-	1,096
Borrowings	借貸	501,503	29,676	18,639	-	549,818
Convertible bonds	可換股債券	32,673	32,673	571,785	-	637,131

The table above summarises the maturity analysis shows the cash outflow based on the earliest date in which the Group can be required to pay, that is if the lenders were to invoke their unconditional rights to call the loans with immediate effect. The amounts include interest payments computed using contractual rates.

上表概述到期分析，該分析乃根據本集團須支付之最早日期（即尚貸款人援引其無條件權利以即時收回貸款）顯示現金流出。該等金額包括按合約利率計算之利息還款。

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

具體而言，即包括就贖回購股權還款之可換股債券，票據持有人可酌情行使有關購股權，以於二零一七年十一月二十七日按其本金額連同直至該日之尚未支付應計利息贖回全部或部分可換股債券。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The table above excludes the amount of guarantees given to banks for mortgage facilities granted to certain purchasers of the Group's properties as the directors consider the likelihood of default in payments by the purchasers is minimal. As at 31 December 2016, the amount of outstanding guarantees for mortgages were approximately RMB357,430,000 (2015: RMB356,074,000).

Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of one to two years upon the completion of guarantee registration; or (ii) the full repayment of mortgaged loan by the purchasers of properties.

Management monitors the Group's liquidity through cash flow projections covering a period of twelve months on a rolling basis. Based on the cash flow projection, taking into account the reasonably possible changes in the operational performance and the continuous availability of banking facilities, management considers that there will be sufficient financial resources in the coming twelve months to meet its financial obligations as and when they fall due.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

上表不包括給予銀行作授予本集團物業之若干買家之按揭融資之擔保金額，乃由於董事認為買家拖欠付款之可能性很低。於二零一六年十二月三十一日，按揭之未償還擔保金額約為人民幣357,430,000元（二零一五年：人民幣356,074,000元）。

有關擔保於下列日期較早者終止：
(i)發行一般可於完成擔保登記後平均一至兩年取得之房地產權益權證；或(ii)物業買家悉數償還按揭貸款。

管理層透過涵蓋十二個月期間之現金流量預測以滾動方式監察本集團之流動資金。根據現金流量預測，經考慮營運表現及持續可用之銀行融資之合理可能變動，管理層認為，於未來十二個月將有充足財務資源，以於其財務責任到期時履行。

3.2 資本風險管理

本集團管理資金之目的乃保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時為其他利益關係者帶來利益，並維持最佳資本結構以減低資本成本。

為維持或調整資本結構，本集團可能會調整派付股東之股息金額、向股東退還資本、發行新股份或出售資產以減低債務。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including issued convertible bonds) and finance lease obligations less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt. Accordingly, the gearing ratios at 31 December 2016 and 2015 were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Bank borrowings (Note 28)	銀行借貸(附註28)	851,904	499,760
Other borrowings (Note 28)	其他借貸(附註28)	31,578	27,549
Finance lease obligation	融資租賃負債	158	983
Convertible bonds – liabilities portion (Note 29)	已發行可換股債券－ 負債部分(附註29)	654,743	600,225
Less: cash and cash equivalents (Note 21)	減：現金及現金 等值物(附註21)	(963,523)	(790,701)
Net debt	淨債務	574,860	337,816
Total equity	總權益	3,268,143	2,598,946
Total capital	總資本	3,843,003	2,936,762
Gearing ratio	資本負債比率	15%	12%

Surplus cash held by the operating entities over and above balance required for working capital management are transferred to interest bearing current accounts and time deposits, with appropriate maturities to manage its overall liquidity position. As at 31 December 2016, the Group maintains cash and cash equivalents of approximately RMB963,523,000 (2015: RMB790,701,000), that are expected to be readily available to meet the cash outflows of its financial liabilities.

3 財務風險管理(續)

3.2 資本風險管理(續)

本集團根據資本負債比率監察其資本，該比率乃按淨債務除以總資本計算。淨債務之計算方法為將總借貸(包括已發行可換股債券)及融資租賃負債扣減現金及現金等值物。總資本之計算方法為將「權益」(於合併財務狀況表列示)加淨債務。因此，於二零一六年及二零一五年十二月三十一日之資本負債比率如下：

經營實體持有之現金超過營運資金管理所需餘額之部分會被轉移至計息活期及定期存款，並附以合適之存期管理其整體流動性。於二零一六年十二月三十一日，本集團維持現金及現金等值物約人民幣963,523,000元(二零一五年：人民幣790,701,000元)，預期足以滿足金融負債之現金流出。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

The carrying amounts of the Group's financial assets and liabilities including cash and cash equivalents, trade and other receivables, finance lease receivable, trade payables, accruals and other payables, borrowings and finance lease obligation and amount due from a related company, approximate their fair values due to their short maturities.

The table below analyses the Group's financial instruments carried at fair value as at 31 December 2016 and 2015 by level of inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3 財務風險管理(續)

3.3 公平值估計

本集團之金融資產及負債包括現金及現金等值物、應收賬款及其他應收款項、融資租賃應收款項、應付賬款、應計費用及其他應付款項、借貸及融資租賃負債以及應收關聯公司款項，由於該等金融資產及負債在短期內到期，故賬面值與其公平值相若。

下表按用於計量公平值之估值方法所用輸入數據之層級，分析於二零一六年及二零一五年十二月三十一日本集團按公平值列賬之金融工具。有關輸入數據乃分類為公平值架構內之下列三個層級：

- 相同資產或負債在活躍市場之報價(未經調整)(第一級)。
- 資產或負債中可直接(即例如價格)或間接(即自價格引伸)觀察之輸入數據，不包括第一級內之報價(第二級)。
- 資產或負債中並非依據可觀察市場數據輸入(即非觀察輸入)(第三級)。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are at fair value at 31 December 2016 and 2015.

		Level 1 第一級 RMB\$'000 人民幣千元	Level 2 第二級 RMB\$'000 人民幣千元	Level 3 第三級 RMB\$'000 人民幣千元	Total 總額 RMB\$'000 人民幣千元
At 31 December 2015	於二零一五年十二月三十一日				
Assets	資產				
Available-for-sale financial assets	可供出售金融資產	329,137	–	92,553	421,690
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	–	–	5,100	5,100
		329,137	–	97,653	426,790
At 31 December 2016	於二零一六年十二月三十一日				
Assets	資產				
Available-for-sale financial assets	可供出售金融資產	212,646	–	484,071	696,717
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	172,686	–	4,600	177,286
		385,332	–	488,671	874,003
Liabilities	負債				
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	–	–	41,500	41,500
		–	–	41,500	41,500

There were no transfers between Level 1 and 3 and no other changes in valuation techniques during the year.

年內，第一級與第三級之間並無轉移，估值方法亦無其他變化。

3 財務風險管理(續)

3.3 公平值估計(續)

下表呈列本集團於二零一六年及二零一五年十二月三十一日按公平值計量之金融資產及負債。

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quote market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, price services or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(b) Financial instruments in level 3

The following table represents the changes in level 3 instruments for the year ended 31 December 2016.

3 財務風險管理(續)

3.3 公平值估計(續)

(a) 第一級之金融工具

在活躍市場買賣之金融工具之公平值根據財務狀況表日期之市場報價計算。當可即時及定期從證券交易所、經銷商、經紀、業內人士、報價服務或者監管代理取得報價，而有關報價代表按公平交易基準進行之實際與常規市場交易時，該市場被視為活躍市場。

(b) 第三級之金融工具

下表呈列截至二零一六年十二月三十一日止年度第三級工具之變動。

		Available-for-sale financial assets (Note i)	Financial assets at fair value through profit or loss (Note ii)	Financial liabilities at fair value through profit or loss (Note iii)
		可供出售金融資產 (附註i)	按公平值計入損益之金融資產 (附註ii)	按公平值計入損益之金融負債 (附註iii)
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
As at 1 January 2016	於二零一六年一月一日	92,553	5,100	–
Additions	添置	377,435	–	–
Acquisition of subsidiaries	收購一間附屬公司	–	–	(36,800)
Disposals	出售	(32,553)	–	–
Fair value changes charged to consolidated statement of comprehensive income	於合併綜合收益表扣除之公平值變動	–	(500)	(4,700)
Fair value changes credited to other comprehensive income	於其他全面收入計入之公平值變動	46,636	–	–
As at 31 December 2016	於二零一六年十二月三十一日	484,071	4,600	(41,500)

Notes to the Consolidated Financial Statements

合併財務報表附註

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 3 (Continued)

The following table represents the changes in level 3 instruments for the year ended 31 December 2015.

		Available-for-sale Financial Assets (Note i) 可供出售 金融資產 (附註i) RMB'000 人民幣千元	Financial assets at fair value through profit or loss (Note ii) 按公平值計入 損益之金融資產 (附註ii) RMB'000 人民幣千元
As at 1 January 2015	於二零一五年一月一日	43,855	–
Additions	添置	57,900	5,100
Fair value changes charged to other comprehensive income	於其他全面收入扣除之 公平值變動	(9,202)	–
As at 31 December 2015	於二零一五年十二月三十一日	92,553	5,100

The Group's finance department includes a team that performs the valuation of financial asset required for financial reporting purposes, including Level 3 fair values. This team report directly to the Chief Financial Officer (CFO) and the Audit Committee (AC). Discussion of valuation processes and results are held between the CFO, AC and the valuation team at least once before the reporting date of every quarter, in line with the Group's quarterly reporting dates.

- (i) The fair value of the Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company ("Jingu"), which classified as available-for-sale financial assets was estimated by market comparison approach, required the use of market information (the comparable companies in the industry) and significant unobservable input (the lack of marketability discount). Significant management's judgement was involved in the choice of comparable companies and the determination of discount rate.

For the remaining available-for-sale financial assets, the Group in estimating the fair value based on the latest unit selling price of the financial assets on an arm's length basis and the market data of comparable companies.

3 財務風險管理(續)

3.3 公平值估計(續)

(b) 第三級之金融工具(續)

下表呈列截至二零一五年十二月三十一日止年度第三級工具之變動。

本集團財務部設有一支團隊，負責就財務報告進行所需之金融資產(包括第三級之公平值)估值。該團隊直接向首席財務官及審核委員會匯報。為符合本集團之季度報告需要，首席財務官、審核委員會及估值團隊至少每季度報告日前就估值程序及結果進行討論。

- (i) 分類為可供出售金融資產之內蒙古呼和浩特金谷農村商業銀行股份有限公司(「金谷」)之公平值以市場比較法估算，該比較法需要使用市場資料(行業內可資比較公司)及重大不可觀察數據輸入(缺乏市場流通性折讓)。選擇可資比較公司及釐定貼現率涉及重大管理層判斷。

就餘下可供出售金融資產而言，本集團乃根據金融資產按公平合理基準之最新單位售價及可資比較公司之市場數據估計公平值。

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 3 (Continued)

- (ii) The fair value of the financial assets through profit or loss, which represent contingent consideration arrangement related to the acquisition of Orange Triangle Inc. ("OT") (refer to Note 17), was estimated by applying income approach which considers the probability that OT Seller Guarantors could achieve the performance target and the market prices of the consideration share at the valuation date. The key unobservable assumptions in calculating this contingent consideration are:

		31 December 2016 二零一六年 十二月三十一日	31 December 2015 二零一五年 十二月三十一日
Risk-free rate	無風險利率	0.91%-1.11%	0.37%-0.73%
Probability to achieve the performance target	達成履約目標之 概率	90%	90%

- (iii) The fair value of the financial liabilities through profit or loss, which represent contingent consideration arrangement related to the acquisition of Zhongfu Holdings Limited ("ZF") (refer to Note 15), was estimated by applying income approach which considered the probability that ZF Seller Guarantors could achieve the performance target and the market prices of the consideration share at the valuation date.

The key unobservable assumptions in the calculation are:

		31 December 2016 二零一六年 十二月三十一日	8 January 2016 二零一六年 一月八日
Risk-free rate	無利率風險	1.11%-1.35%	0.66%
Probability to achieve the performance target	達成履約目標之 概率	80%	80%

3 財務風險管理(續)

3.3 公平值估計(續)

(b) 第三級之金融工具(續)

- (ii) 計入損益之金融資產之公平值指與收購Orange Triangle Inc. (「OT」)有關之或然代價安排(詳見附註17)，該公平值以收入法估算，其考慮OT賣方擔保人達成履約目標之可能性及代價股份於估值日期之市價。計算該或然代價之主要不可觀察假設為：

- (iii) 計入損益之金融負債之公平值指與收購Zhongfu Holdings Limited(「ZF」)有關之或然代價安排(詳見附註15)，該公平值以收入法估算，其考慮ZF賣方擔保人達成履約目標之可能性及代價股份於估值日期之市價。

計算該或然代價之主要不可觀察假設為：



Notes to the Consolidated Financial Statements

合併財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of goodwill

The Group tests annually whether goodwill and intangible assets with indefinite useful life have suffered any impairment, in accordance with the accounting policy stated in Note 2(j). The recoverable amounts of cash generating units have been determined based on the higher of value-in-use calculations or fair value less costs of disposal. These calculations require the use of judgements and estimates. Management judgement is required in the area of asset impairment particularly in assessing: (i) whether an event has occurred that may indicate that the related asset values may not be recoverable; (ii) whether the carrying value of an asset can be supported by the recoverable amount, being the higher of fair value less costs of disposal and net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (iii) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management in assessing impairment, including the discount rates or the growth rate assumptions in the cash flow projections, could materially affect the net present value used in the impairment test and as a result affect the Group's financial condition and results of operations.

4 重要會計估計及判斷

估計及假設乃基於過往經驗及其他因素而持續進行評估，當中包括按情況而對日後事件作出相信屬合理之預測。

4.1 重要會計估計及假設

本集團就未來作出估計及假設。所得會計估計按定義甚少與有關實際結果相同。下文將討論存在重大風險可導致下個財政年度之資產及負債賬面值造成重大調整之估計及假設。

(a) 商譽減值

本集團每年根據附註2(j)所述之會計政策對商譽及有無限使用年期之無形資產進行減值測試。現金產出單位之可收回金額乃根據使用價值計算或公平值減出售成本的較高者釐定。該等計算方法需要使用判斷及估計。於資產減值，特別是評估以下項目時需要管理層判斷：(i)是否發生可能顯示相關資產價值可能無法收回之事件；(ii)一項資產之賬面值是否可由可收回金額（即公平值減出售成本及根據於業務中持續使用資產估計之未來現金流量現值淨額，以較高者為準）支持；及(iii)應用於編製現金流量預測之適用重要假設，包括該等現金流量預測是否按適用比率折讓。改變管理層於評估減值時所選擇之假設（包括現金流量預測之貼現率或增長率假設）可能對減值測試所用之現值淨額造成重大影響，繼而影響本集團之財務狀況及經營業績。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Useful lives of intangible assets

Significant judgement is exercised in the assessment of the useful lives of the intangible assets. In making its judgement, management considers a wide range of factors such as the attrition rates and obsolescence rates.

(c) Impairment of non-financial assets

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the interests in associates and joint venture which are significant to the Group may be impaired or an impairment loss previously recognised no longer exists or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the consolidated statement of comprehensive income whenever the carrying amount of an asset exceeds its recoverable amount.

The sources utilised to identify indications of impairment are often subjective in nature and the Group is required to use judgement in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given reporting date. If an indication of impairment is identified, such information is further subject to an exercise that requires the Group to estimate the recoverable amount, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable amount, the Group may perform such assessment utilising internal resources or the Group may engage external advisors to counsel the Group in making this assessment. Regardless of the resources utilised, the Group is required to make many assumptions to make this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable amount of any asset.

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(b) 無形資產之可使用年期

於評估無形資產之可使用年期時須作出重大判斷。於作出判斷時，管理層考慮一系列因素，如流失率及過時率。

(c) 非金融資產減值

於各資產負債表日期，本集團審閱內部及外部資料來源，以辨識對本集團而言屬重大之聯營公司及合營公司權益可能減值或過往確認之減值虧損不再存在或可能已減低之跡象。倘出現任何有關跡象，將估計資產之可收回金額。每當一項資產之賬面值超出其可收回金額，則於合併綜合收益表確認減值虧損。

用於辨識減值跡象之來源通常屬主觀性質，而本集團須於對其業務應用有關資料時使用判斷。本集團對此資料之詮釋對是否於任何已有報告日期進行減值評估具有直接影響。倘辨識到減值跡象，則有關資料將須本集團須進一步估計可收回金額(即資產公平值減出售成本或其使用減值，以較高者為準)。視乎本集團對所審閱資產之整體重要性及產生可收回金額合理估計之複雜性之評估，本集團可能利用內部資源進行有關評估或本集團可能委聘外部顧問以為本集團進行此評估時提供諮詢。本集團須為估值作出假設，包括有關資產之使用、將予產生之現金流量、適用市場之貼現率及預測市場及監管情況。任何該等假設之變動可能對任何資產之可收回金額之未來估計造成重大影響。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(d) Share-based payment

Significant judgement is exercised in the assessment of the fair value of the share-based payments. In making its judgement, management considers a wide range of factors such as the share price of the Group and the expected vesting number of share options.

(e) Taxes

The Group is subject to taxes in numerous jurisdictions. Significant judgement is required in determining the provision for various kinds of taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the consolidated statement of comprehensive income in the period in which such determination is made.

(f) Fair value of non-listed available-for-sale financial assets

The Group has a significant amount of investments that are not classified as Level 1 investments under HKFRS 13: Fair Value Measurement. The valuations have been determined based on quotes from alternative pricing sources supported by observable inputs, latest transactions prices or by using valuation technique.

In particular, the fair value of the Inner Mongolia Hohhot Jingu Rural Commercial Bank Limited Company ("Jingu"), which classified as available-for-sale financial assets were estimated by market comparison approach, required the use of market information (net assets value and price to book ratio of comparable companies in the industry) and significant unobservable input (the lack of marketability discount). Significant management's judgement was involved in the choice of comparable companies and the determination of the lack of marketability discount rate.

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(d) 以股份為基礎之付款

於評估以股份為基礎之付款之公平值時須作出重大判斷。於作出判斷時，管理層考慮多項因素，例如本集團之股價及購股權之預期歸屬數目。

(e) 稅項

本集團需要在多個司法權區繳納稅項。在釐定各種稅項撥備時，需要作出重大判斷。有許多未能確定最終稅款之交易及計算。本集團根據對是否需要繳付額外稅款之估計，就預期稅務審計項目確認負債。如此等事件之最終稅務後果與最初記錄金額不同，此等差額將影響作出此等釐定期間之合併綜合收益表。

(f) 非上市可供出售金融資產之公平值

本集團擁有大量並非根據香港財務報告準則第13號：公平值計量分類為第一級投資之投資。該等估值乃基於其他有可觀察輸入支持之報價來源、最新成交價或使用估值技術釐定。

特別是，分類為可供出售金融資產之內蒙古呼和浩特金谷農村商業銀行股份有限公司(「金谷」)之公平值以市場比較法估算，該比較法需要使用市場資料(行業內可資比較公司之資產淨值及市賬率)及重大不可觀察輸入數據(缺乏市場流通性折讓)。選擇可資比較公司及釐定缺乏市場流通性貼現率涉及重大管理層判斷。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(g) Fair value of contingent consideration

The fair value of fair assets/(liabilities) through profit or loss, were determined by using valuation techniques. The Group in the determination of fair values of these financial instruments, which included the determination of valuation methodology, estimation of the respective probability of investee's achievement of the profit guarantee, risk-free rate and discount rate. Changes in assumption used could materially affect the fair value of these balances and as a result affect the Group's financial condition and results of operation.

4.2 Critical judgement in applying the Company's accounting policies

(a) Fair value of sale and lease back properties

The Group had started the pre-sale of the O2O business exhibition centre in the PRC to third parties through its indirectly owned subsidiary, 廣東慧聰家電城投資有限公司 ("廣東慧聰家電城"), since 2014.

Some of the properties sale transactions were subject to sale and lease back arrangement, in which the properties buyers entered into sale contracts with 廣東慧聰家電城 and non-cancellable lease back agreements with 佛山市慧從匯電子商務有限公司, another indirectly owned subsidiary of the Group. Pursuant to the lease back agreement, the buyers would lease back the units purchased to the Group on a 20 years lease term. At consolidation level, the above contracts involved the sale and lease back of same assets form a sale and finance lease back transaction.

During the year ended 31 December 2016, revenue under the sale and lease back transaction of approximately RMB502,225,000 was recognised. The fair value of the properties at the date of disposal amounted to approximately RMB482,000,000. The excess amount between the contracted selling price and the fair value has been deferred in accordance with the accounting policy stated in Note 2 (af).

4 重要會計估計及判斷(續)

4.1 重要會計估計及假設(續)

(g) 或然代價之公平價

計入損益之金融資產/(負債)之公平值按使用估值技術釐定。本集團於釐定該等金融工具之公平值時，已包括釐定估值方法、估計被投資者各自達成溢利保證之可能性、無風險利率及貼現率。倘所採用之假設有任何變動，或會對該等結餘之公平造成重大影響，並因而影響本集團之財務狀況及經營業績。

4.2 應用本公司會計政策之重要判斷

(a) 銷售及租回物業之公平值

自二零一四年起，本集團已開始透過其間接擁有附屬公司廣東慧聰家電城投資有限公司(「廣東慧聰家電城」)向第三方預售於中國之O2O商業展覽中心。

若干物業銷售交易須遵守銷售及租回安排，當中物業買家與廣東慧聰家電城訂立銷售合同及與本集團另一間間接擁有附屬公司佛山市慧從匯電子商務有限公司訂立不可註銷之租回協議。根據租回協議，買家將於20年年期內向本集團租回已購買之單位。於合併層面，上述涉及銷售及租回若干資產之合同構成銷售及金融租回交易。

於截至二零一六年十二月三十一日止年度，已確認銷售及租回交易項下之收入約人民幣502,225,000元。於出售當日之物業公平值約為人民幣482,000,000元。合同售價及公平值間之過量金額已根據附註2(af)所述之會計政策予以遞延。

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued) 4 重要會計估計及判斷(續)

4.2 Critical judgement in applying the Company's accounting policies (Continued)

(a) Fair value of sale and lease back properties (Continued)

The Group assesses the fair value of these properties based on valuations prepared by independent and professional qualified valuer. The fair value is determined by reference to current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts) with adjustments to reflect any changes in market and economic conditions; and discounted cash flow projections based on reliable estimates of future cash flows of current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

4.2 應用本公司會計政策之重要判斷(續)

(a) 銷售及租回物業之公平值(續)

本集團根據獨立專業合資格估值師編製之估值評估該等物業之公平值。公平值乃經參考不同性質、狀況或地點(或按不同租約或其他合同)物業之活躍市場當前價格(經調整以反映市場及經濟狀況之任何變動);及根據相同地點及狀況之類似物業目前市場租金之可靠未來現金流量估計,並使用反映現金流量金額及時間不確定性之目前市場評估之貼現率而作出之折讓現金流量預測後釐定。

Notes to the Consolidated Financial Statements

合併財務報表附註

5 SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) has been identified as the Executive Directors. The Executive Directors review the Group’s internal report in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Executive Directors assess the performance of the operating segments based on a measure of profit/(loss) before income tax. This measurement basis excludes the effect of finance income and cost, other income, share of profit/(loss) from associates and joint ventures.

As at 31 December 2016, the Group is organised into the following business segments:

- (i) Online services – provision of a reliable platform to customers to do business and meet business partners online.
- (ii) Trade catalogues and yellow page directories – provision of trade information through trade catalogues and yellow page directories operated/published by the Group.
- (iii) Seminars and other services – services for hosting of seminars.
- (iv) O2O business exhibition centre – sales of properties and provision of property rental and management services.
- (v) Anti-counterfeiting products and services – provision of products meticulous digital identity management services, consumer goods tracing and anti-counterfeiting services to enterprises.
- (iv) Financing services – engaged in micro-credit internet financing business and lease financing services in the PRC.

There were no sales or other transactions between the business segments for the year ended 31 December 2016.

5 分部資料

主要經營決策制定者(「主要經營決策制定者」)被認為執行董事。執行董事審閱本集團之內部報告，以評估表現及分配資源。管理層已根據該等報告釐定經營分部。

執行董事根據除所得稅前溢利／(虧損)計量評估經營分部表現。是項計量基準不包括財務收入及成本、其他收入、分佔聯營公司及合營公司之溢利／(虧損)。

於二零一六年十二月三十一日，本集團可分為下列業務分部：

- (i) 互聯網服務－為客戶提供可靠平台在線上經營業務及結識業務夥伴。
- (ii) 工商業目錄及黃頁目錄－透過本集團運營／出版之工商業目錄及黃頁目錄提供工商業信息。
- (iii) 會議及其他服務－主辦會議服務。
- (iv) O2O商業展覽中心－出售物業及提供物業租賃及管理服務。
- (v) 防偽產品及服務－向企業提供精細化產品數字身份管理服務、消費品追溯及防偽服務。
- (vi) 金融服務－於中國從事小額信貸互聯網金融業務及融資租賃服務。

截至二零一六年十二月三十一日止年度，各業務分部之間並無銷售或其他交易。

Notes to the Consolidated Financial Statements

合併財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度						
		Online Services	Trade catalogues and yellow page directories	Seminars and other services	O2O business exhibition centre	Anti-counterfeiting products and services	Financing services	Total
		互聯網服務	工商業目錄及黃頁目錄	會議及其他服務	O2O商業展覽中心	防偽產品及服務	金融服務	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	銷售收入	949,303	11,268	81,911	842,081	66,137	7,583	1,958,283
Segment results	分部業績	64,930	1,126	3,383	226,294	(17,542)	4,571	282,762
Other income	其他收入							19,590
Other gains/(losses), net	其他收益/(虧損)淨額							127,017
Share of post-tax (losses)/profit of associates	應佔聯營公司稅後(虧損)/溢利	(19,355)	-	-	5,855	(2)	-	(13,502)
Share of post-tax profits of joint ventures	應佔合營公司稅後溢利	-	-	-	-	-	27,633	27,633
Finance income	融資收入							47,375
Finance cost	融資成本							(97,373)
Profit before income tax	除所得稅前溢利							393,502
Other information:	其他資料:							
Depreciation and amortisation	折舊及攤銷	69,247	241	1,980	4,252	6,310	-	82,030
Share based compensation expense	以股份為基礎之補償開支	22,906	328	2,240	3,678	414	-	29,566

Notes to the Consolidated Financial Statements

合併財務報表附註

5 SEGMENT INFORMATION (Continued)

5 分部資料 (續)

		Year ended 31 December 2015 截至二零一五年十二月三十一日止年度						
		Online Services 互聯網服務	Trade catalogues and yellow page directories 工商業目錄及黃頁目錄	Seminars and other services 會議及其他服務	O2O exhibition centre O2O商業展覽中心	Anti-counterfeiting products and services 防偽產品及服務	Financing services 金融服務	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	銷售收入	733,309	18,251	109,364	-	55,168	46	916,138
Segment results	分部業績	87,722	(8,784)	4,666	(49,974)	(8,651)	46	25,025
Other income	其他收入							4,374
Other losses	其他虧損							(1,500)
Share of post-tax losses of associates	分佔聯營公司稅後虧損	(684)	-	-	(1,389)	(29)	-	(2,102)
Share of post-tax profits of joint ventures	分佔合營公司稅後溢利	-	-	-	-	-	11,955	11,955
Finance income	財務收入							43,376
Finance cost	財務成本							(47,802)
Profit before income tax	除所得稅前溢利							33,326
Other information:	其他資料:							
Depreciation and amortisation	折舊及攤銷	41,007	694	5,800	407	6,324	-	54,232
Share based compensation expense	以股份為基礎之補償開支	23,042	774	4,639	284	492	-	29,231

The Group is domiciled in the PRC. All the revenue were generated from external customers in the PRC for the year ended 31 December 2016 (2015: same).

As at 31 December 2016, the total non-current assets other than long term deposits, prepayments and other receivables, finance leases receivables, investments accounted for using equity method, available-for-sale financial assets, financial assets at fair value through profit or losses and deferred tax assets located in the PRC is approximately RMB2,662,888,000 (2015: RMB2,463,491,000), and the total of these non-current assets located in other countries is Nil (2015: Nil).

本集團常駐於中國。截至二零一六年十二月三十一日止年度，所有銷售收入均來自中國外幣客戶(二零一五年：相同)。

於二零一六年十二月三十一日，位於中國之長期存款、預付款項及其他應收款項、應收融資租賃、使用權益法列賬之投資、可供出售金融資產、按公平值計入損益之金融資產及遞延稅項資產以外非流動資產總值約為人民幣2,662,888,000元(二零一五年：人民幣2,463,491,000元)，該等位於其他國家之非流動資產總值為零(二零一五年：零)。

Notes to the Consolidated Financial Statements

合併財務報表附註

6 LAND USE RIGHTS

The Group's interests in land use rights in the PRC represent prepaid operating lease payments with a lease period of 40 to 50 years and their net book value is analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	176,145	180,882
Amortisation	攤銷	(4,737)	(4,737)
At 31 December	於十二月三十一日	171,408	176,145
Cost	成本	193,665	193,665
Accumulated amortisation	累計攤銷	(6,459)	(5,312)
Accumulated amortisation charge capitalised in investment properties	於投資物業資本化之 累計攤銷支出	(15,798)	(12,208)
Closing net book amount	年終賬面淨值	171,408	176,145

Amortisation of the Group's land use rights is included in administrative expenses in the consolidated statement of profit or loss.

6 土地使用權

本集團於中國土地使用權之權益指租期為40至50年之預付經營租賃租金，其賬面淨值分析如下：

本集團土地使用權之攤銷計入合併損益表之行政費用內。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Outside Hong Kong, held on: Leases of between 40 to 50 years	於香港以外持有： 租期介乎40至50年	171,408	176,145

Notes to the Consolidated Financial Statements

合併財務報表附註

7 INVESTMENT PROPERTIES

7 投資物業

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	510,551	194,974
Additions	添置	161,263	304,675
Interest capitalised	資本化利息	4,837	6,593
Amortisation charge capitalised in investment properties	於投資物業資本化之攤銷支出	3,590	4,309
Transfer to property, plant and equipment (Note 10)	轉撥至物業、廠房及設備(附註10)	(16,853)	-
Amortisation	攤銷	(3,043)	-
At 31 December	於十二月三十一日	660,345	510,551

The investment properties are carried at cost. The Group has completed the construction of the investment properties during the year ended 31 December 2016.

An independent valuation of the Group's investment properties was performed by the valuer, Vigers Appraisal and Consulting Limited, to determine the fair value of the investment properties which amounted to RMB1,192,000,000 as at 31 December 2016 (2015: RMB1,025,000,000). Fair value of the investment properties is derived using the market comparison approach. This valuation method is essentially a means of valuing the completed properties by assuming sale of each of these properties in its existing state with the benefit of vacant possession. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and with adjustments to valuer's interpretation on the difference in factors such as location and property size.

The fair value is valued by independent professionally qualified valuer who holds a recognised relevant professional qualification and has recent experience in the location of the investment property valued.

The Group's finance department includes a team that review the valuation performed by the independent valuer for financial reporting purpose. This team reports directly to the chief financial officer (CFO) and the audit committee (AC).

該等投資物業按成本列賬。該等投資物業已於截至二零一六年十二月三十一日止年度完成建設。

本集團投資物業之獨立估值由估值師威格斯資產評估顧問有限公司進行，以釐定投資物業於二零一六年十二月三十一日之公平值為人民幣1,192,000,000元(二零一五年：人民幣1,025,000,000元)。投資物業公平值乃以市場比較法計算。此估值法透過假設該等物業各自於其現況以空置擁有權方式出。透過參考相關市場可得之銷售交易，已選擇鄰近地點之可資比較物業(按估值師之詮釋就地點及物業規模等因素調整)。

公平值由獨立專業合資格估值師進行估值，該估值師持有經認可相關專業資格並擁有所估值投資物業所在地區近期估值經驗。

本集團財務部設有一支團隊，負責審閱由獨立估值師就財務報告編製之估值報告。該團隊直接向首席財務官及審核委員會匯報。

Notes to the Consolidated Financial Statements

合併財務報表附註

7 INVESTMENT PROPERTIES (Continued)

At each financial year end, finance department

- Verifies all major inputs to the independent valuation report;
- Assess property valuations movements when compared to the prior year valuation report;
- Holds discussion with the independent valuer.

8 PROPERTIES UNDER DEVELOPMENT

7 投資物業(續)

於各財政年度末，財務部

- 核實獨立估值報告內所有主要輸入數據；
- 評估物業估值相較往年估值報告之變動；
- 與獨立估值師展開討論。

8 發展中物業

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	670,683	359,415
Additions	添置	161,263	304,675
Interest capitalised	資本化利息	4,837	6,593
Transferred to completed properties held for sale (Note 9)	轉撥至持作出售 竣工物業(附註9)	(836,783)	-
At 31 December	於十二月三十一日	-	670,683
Properties under development comprise:	發展中物業包括：		
Construction cost and other capitalised expenditures	建設成本及 其他資本化開支	643,906	482,643
Interest capitalised	資本化利息	20,536	15,699
Land use rights	土地使用權	172,341	172,341
Transferred to completed properties held for sale (Note 9)	轉撥至持作出售 竣工物業(附註9)	(836,783)	-
Closing net book amount	年終賬面淨值	-	670,683

The properties under development include cost of acquiring rights to use certain lands, which are located in the People's Republic of China ("the PRC"), for property development over a fixed period. Land use rights are held on leases of 40 years.

發展中物業包括收購若干位於中華人民共和國(「中國」)土地之使用權，以於固定期間進行物業發展之成本。土地使用權按40年租期持有。

Notes to the Consolidated Financial Statements

合併財務報表附註

9 COMPLETED PROPERTIES HELD FOR SALE

9 持作出售竣工物業

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Transferred from properties under development (Note 8)	自發展中物業轉撥(附註8)	836,783	—
Properties sold (Note 34)	已售物業(附註34)	(472,166)	—
At 31 December	於十二月三十一日	364,617	—

All completed properties held for sale are located in the PRC. The cost of properties sold recognised as expense and included in "cost of revenue" amounted to approximately RMB472,166,000 (2015: Nil).

所有持作出售竣工物業均位於中國。已售物業之成本確認為開支，並計入「收入成本」，金額約為人民幣472,166,000元(二零一五年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

10 PROPERTY, PLANT AND EQUIPMENT

10 物業、廠房及設備

		Construction in progress	Buildings	Computer and telecom- munications equipment	Fixtures, fittings and office equipment	Leasehold improvements	Motor vehicles	Total
		在建工程	樓宇	電腦及 電訊設備	裝置、裝備及 辦公設備	租賃物業 裝修	汽車	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended 31 December 2015	截至二零一五年十二月 三十一日止年度							
Opening net book amount	年初賬面淨值	-	238,004	26,584	7,988	235	23,241	296,052
Acquisition of subsidiaries (Note 15(a))	收購附屬公司(附註15(a))	-	-	2,657	107	2,434	-	5,198
Additions	添置	11,328	-	10,056	1,040	19	2,729	25,172
Disposals	出售	-	-	(55)	(258)	(13)	(2,054)	(2,380)
Transfers	轉讓	(11,328)	11,328	-	-	-	-	-
Depreciation (a)	折舊(a)	-	(12,418)	(6,341)	(3,176)	(635)	(7,045)	(29,615)
Government grant received	已收政府資助	-	-	(3,354)	-	-	-	(3,354)
Closing net book amount	年終賬面淨值	-	236,914	29,547	5,701	2,040	16,871	291,073
At 31 December 2015	於二零一五年十二月 三十一日							
Cost	成本	-	300,853	87,275	23,534	8,328	32,986	452,976
Accumulated depreciation	累計折舊	-	(63,939)	(57,728)	(17,833)	(6,288)	(16,115)	(161,903)
Net book amount	賬面淨值	-	236,914	29,547	5,701	2,040	16,871	291,073
Year ended 31 December 2016	截至二零一六年十二月 三十一日止年度							
Opening net book amount	年初賬面淨值	-	236,914	29,547	5,701	2,040	16,871	291,073
Acquisition of subsidiaries (Note 15(b))	收購附屬公司(附註15(b))	-	-	1,250	-	-	31	1,281
Additions	添置	1,094	18,038	11,878	1,702	9	260	32,981
Disposals	出售	-	-	(8)	-	-	(972)	(980)
Depreciation (a)	轉讓(a)	-	(13,341)	(4,957)	(2,590)	(766)	(5,992)	(27,646)
Transfer from investment properties (Note 7)	自投資物業轉撥(附註7)	-	16,853	-	-	-	-	16,853
Government grant received	已收政府資助	-	-	(4,046)	-	-	-	(4,046)
Closing net book amount	年終賬面淨值	1,094	258,464	33,664	4,813	1,283	10,198	309,516
At 31 December 2016	於二零一六年十二月 三十一日							
Cost	成本	1,094	335,744	90,309	25,224	8,337	28,376	489,084
Accumulated depreciation	累計折舊	-	(77,280)	(56,645)	(20,411)	(7,054)	(18,178)	(179,568)
Net book amount	賬面淨值	1,094	258,464	33,664	4,813	1,283	10,198	309,516

(a) Depreciation of approximately RMB4,854,000 (2015: RMB6,291,000) is included in selling and marketing expenses; and RMB22,792,000 (2015: RMB23,324,000) in administrative expenses in the consolidated statement of comprehensive income.

(a) 折舊約人民幣4,854,000元(二零一五年：人民幣6,291,000元)及人民幣22,792,000元(二零一五年：人民幣23,324,000元)分別計入合併綜合收益表之銷售及市場推廣費用以及行政費用內。

Notes to the Consolidated Financial Statements

合併財務報表附註

10 PROPERTY, PLANT AND EQUIPMENT (Continued)

The motor vehicles include the following amounts where the Group is a lessee under a finance lease.

10 物業、廠房及設備(續)

汽車計入融資租賃項下本集團屬承租人之下列金額。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost	成本	2,924	2,924
Accumulated depreciation	折舊	(1,261)	(933)
Net book amount	賬面淨值	1,663	1,991

11 INTANGIBLE ASSETS

11 無形資產

		Goodwill	Customer relationship (Direct sale customer)	Customer relationship (Distribution)	Patent	Non-compete agreement	Trade name and domain name	Software development	Data library	Total
		商譽	客戶關係 (直銷客戶)	客戶關係 (分銷)	專利	非競爭協議	商號及域名	軟件開發	數據庫	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日									
Cost	成本	50,314	24,300	20,600	11,100	270	-	26,798	-	133,382
Accumulated amortisation and impairment	累計攤銷及減值	-	(759)	(303)	(347)	(22)	-	(26,264)	-	(27,695)
Net book amount	賬面淨值	50,314	23,541	20,297	10,753	248	-	534	-	105,687
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度									
Opening net book amount	年初賬面淨值	50,314	23,541	20,297	10,753	248	-	534	-	105,687
Acquisition of subsidiaries (Note 15(a))	收購附屬公司 (附註15(a))	980,247	299,000	-	-	-	91,958	1,418	7,600	1,380,223
Additions	添置	-	-	-	-	-	-	1	-	1
Amortisation (a)	攤銷(a)	-	(16,629)	(1,212)	(1,387)	(90)	(3,083)	(521)	(1,267)	(24,189)
Closing net book amount	年終賬面淨值	1,030,561	305,912	19,085	9,366	158	88,875	1,432	6,333	1,461,722
At 31 December 2015	於二零一五年十二月三十一日									
Cost	成本	1,030,561	323,300	20,600	11,100	270	92,000	28,219	7,600	1,513,650
Accumulated amortisation and impairment	累計攤銷及減值	-	(17,388)	(1,515)	(1,734)	(112)	(3,125)	(26,787)	(1,267)	(51,928)
Net book value	賬面淨值	1,030,561	305,912	19,085	9,366	158	88,875	1,432	6,333	1,461,722

Notes to the Consolidated Financial Statements

合併財務報表附註

11 INTANGIBLE ASSETS (Continued)

11 無形資產(續)

		Goodwill	Customer relationship (Direct sale customer)	Customer relationship (Distributor)	Patent	Non-compete agreement	Trade name and domain name	Software development	Order backlog	Data library	Total
		商譽	客戶關係 (直銷客戶)	客戶關係 (分銷)	專利	非競爭協議	商號及域名	軟件開發	未完成訂單	數據庫	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2016	於二零一六年一月一日										
Cost	成本	1,030,561	323,300	20,600	11,100	270	92,000	28,219	-	7,600	1,513,650
Accumulated amortisation and impairment	累計攤銷及減值	-	(17,388)	(1,515)	(1,734)	(112)	(3,125)	(26,787)	-	(1,267)	(51,928)
Net book amount	賬面淨值	1,030,561	305,912	19,085	9,366	158	88,875	1,432	-	6,333	1,461,722
Year ended 31 December 2016	截至二零一五年十二月三十一日止年度										
Opening net book amount	年初賬面淨值	1,030,561	305,912	19,085	9,366	158	88,875	1,432	-	6,333	1,461,722
Acquisition of subsidiaries (Note 15(b))	收購附屬公司 (附註15(b))	38,426	-	-	-	800	68,300	-	800	-	108,326
Additions	添置	-	-	-	-	-	-	1,765	-	-	1,765
Amortisation (a)	攤銷(a)	-	(30,219)	(1,211)	(1,388)	(250)	(12,997)	(796)	(800)	(2,533)	(50,194)
Closing net book amount	年終賬面淨值	1,068,987	275,693	17,874	7,978	708	144,178	2,401	-	3,800	1,521,619
At 31 December 2016	於二零一六年十二月三十一日										
Cost	成本	1,068,987	323,300	20,600	11,100	1,070	160,300	29,984	800	7,600	1,623,741
Accumulated amortisation and impairment	累計攤銷及減值	-	(47,607)	(2,726)	(3,122)	(362)	(16,122)	(27,583)	(800)	(3,800)	(102,122)
Net book value	賬面淨值	1,068,987	275,693	17,874	7,978	708	144,178	2,401	-	3,800	1,521,619

(a) Amortisation of intangible assets is included in administrative expenses in the consolidated statement of comprehensive income.

(a) 無形資產之攤銷計入合併綜合收益表之行政費用內。

11 INTANGIBLE ASSETS (Continued)

Impairment test for goodwill

Management reviews the business performance based on type of business. Goodwill are allocated to three of the Group's cash-generating units ("CGUs") identified which is the business of providing anti-counterfeiting products and services to enterprise; and online services – B2B2C business and online services – garment industry in the PRC. Goodwill is monitored by the management at the operating segment level.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Anti-counterfeiting products and services	防偽產品及服務	50,314	50,314
Online services – B2B2C business	互聯網服務 – B2B2C 業務	980,247	980,247
Online services – garment industry	互聯網服務 – 製衣業	38,426	–
		1,068,987	1,030,561

The recoverable amount of the CGUs are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. Management estimates the pre-tax discount rate that reflects market assessment of the time value of money and specific risk relating to the industry.

11 無形資產(續)

商譽減值測試

管理層基於業務類型審閱業務表現。商譽分配予本集團三個已識別之現金產生單位(「現金產生單位」)，該現金產生單位為於中國向企業提供防偽產品及服務；以及互聯網服務B2B2C業務及互聯網服務—中國製衣業。商譽由管理層於經營分部層次進行監察。

現金產生單位之可收回金額按使用價值法計算釐定。該等計算採用根據管理層批准涵蓋五年期間之財政預算作出之稅前現金流量預測。五年期間後之現金流量採用下列估計增長率推算。管理層估計反映市場評估與該行業相關之貨幣時間值及特定風險之稅前貼現率。

Notes to the Consolidated Financial Statements

合併財務報表附註

11 INTANGIBLE ASSETS (Continued)

Key assumptions of the financial budgets covering the five-year period and other key assumptions used for value-in-use calculations are as follows:

11 無形資產(續)

涵蓋五年期間之財政預算主要假設及其他用於計算使用價值之主要假設如下：

		As at 31 December 2016 於二零一六年 十二月三十一日	As at 31 December 2015 於二零一五年 十二月三十一日
Anti-counterfeiting products and service	防偽產品及服務		
Average growth rate (note a)	平均增長率(附註a)	10.6%	16%
Discount rate (note b)	貼現率(附註b)	13.2%	13%
Terminal growth rate	最終增長率	3%	3%
Online services – B2B2C business	互聯網服務 – B2B2C業務		
Average growth rate (note a)	平均增長率(附註a)	10%	16%
Discount rate (note b)	貼現率(附註b)	19%	19%
Terminal growth rate	最終增長率	3%	3%
Online services – garment industry	互聯網業 – 製衣業		
Average growth rate (note a)	平均增長率(附註a)	14%	Not applicable 不適用
Discount rate (note b)	貼現率(附註b)	16%	Not applicable 不適用
Terminal growth rate	最終增長率	3%	Not applicable 不適用

- (a) Average revenue growth rate used in the budget for the five-year period ending 31 December 2021.
- (b) The discount rate used is pre-tax and reflects specific risks relating to the relevant business.
- (c) Assuming the revenue decreases by 5% and the discount rate increases by 1%, there is still no impairment charge for the goodwill as at 31 December 2016.

- (a) 預算所用之平均收入增長率為就截至二零二一年十二月三十一日止五年期間作出。
- (b) 所用之貼現率為除稅前，並反映相關業務特定風險。
- (c) 假設銷售收入下跌5%而貼現率上升1%，於二零一六年十二月三十一日之商譽仍無減值費用。

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

12 應收賬款、按金、預付款項及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables (Note a)	應收賬款(附註a)	162,632	121,165
Less: provision for impairment of trade receivables	減: 應收賬款減值撥備	(7,643)	(9,371)
Trade receivables – net	應收賬款 – 淨值	154,989	111,794
Deposits, prepayments and other receivables (Note b)	按金、預付款項及其他應收款項(附註b)	175,898	481,366
Loans to employees (Note b (ii))	貸款予僱員(附註b (ii))	28,824	28,995
		359,711	622,155
Less: Non-current deposit, prepayments and other receivables	減: 非流動按金、預付款項及其他應收款項	(32,011)	(74,989)
Current portion	流動部分	327,700	547,166

(a) Trade receivables

The Group generally grants a credit period ranging from 90 days to 180 days to customers depending on business segment. The aging analysis of the gross trade receivables based on invoice date is as follows:

(a) 應收賬款

本集團一般依據業務分部給予客戶介乎90至180天之信貸期。應收賬款總額按發票日期之賬齡分析如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current to 90 days	即期至90天	98,603	92,106
91 to 180 days	91至180天	37,608	14,733
181 to 365 days	181至365天	20,183	9,911
Over 1 year	超過一年	6,238	4,415
		162,632	121,165

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

The carrying amounts of trade receivables approximate their fair values.

Balances are denominated in RMB and there is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers nationally dispersed.

The Group has recognised a loss of approximately RMB878,000 for the impairment of its trade receivables during the year ended 31 December 2016 (2015: RMB8,212,000).

As at 31 December 2016, trade receivables of approximately RMB7,643,000 (2015: RMB9,371,000) were impaired and have been provided for. The individually impaired receivables mainly represent sales made to customers which have remained long overdue.

As at 31 December 2016, trade receivables of approximately RMB21,552,000 (2015: RMB19,688,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
91 to 180 days	91至180天	2,773	14,733
181 to 365 days	181至365天	18,378	4,955
Over 1 year	超過一年	401	—
		21,552	19,688

12 應收賬款、按金、預付款項及其他應收款項(續)

(a) 應收賬款(續)

應收賬款之賬面值與其公平值相若。

結餘以人民幣計值，由於本集團眾多客戶分散於中國各地，故本集團之應收賬款概無集中信貸風險。

截至二零一六年十二月三十一日止年度，本集團已確認其應收賬款減值虧損約人民幣878,000元(二零一五年：人民幣8,212,000元)。

於二零一六年十二月三十一日，應收賬款約人民幣7,643,000元(二零一五年：人民幣9,371,000元)已減值並作撥備。個別減值應收款項主要指向客戶銷售而長期到期未付款項。

於二零一六年十二月三十一日，應收賬款約人民幣21,552,000元(二零一五年：人民幣19,688,000元)為逾期但未減值。該等賬款與多名獨立客戶有關，彼等近期並無拖欠記錄。該等應收賬款之賬齡分析如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(a) Trade receivables (Continued)

Movements in the provision for impairment of trade receivables are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	9,371	4,224
Impairment of receivables	應收款項減值	878	8,212
Write off for impaired receivables	應收款項減值撇銷	(2,606)	(3,065)
At 31 December	於十二月三十一日	7,643	9,371

The creation and release of provision for impaired receivables have been included in the consolidated statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not include a provision for impairment of other receivables.

The maximum exposure to credit risk at the reporting date is the fair values of trade receivables disclosed above. The Group did not hold any collateral as security.

12 應收賬款、按金、預付款項及其他應收款項(續)

(a) 應收賬款(續)

應收賬款之減值撥備變動如下：

已減值應收款項撥備之增設及解除已計入合併綜合收益表內。計入撥備賬之款項一般於預期無法收回額外現金時撇銷。

應收賬款及其他應收款項之其他類別內並無包括其他應收款項之減值撥備。

於報告日期之最高信貸風險為上文所披露應收賬款之公平值。本集團並無持有任何抵押品作擔保。

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

12 應收賬款、按金、預付款項及其他應收款項(續)

(b) Deposits, prepayments and other receivables

(b) 按金、預付款項及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current portion:	非流動部分：		
– Deposits	– 按金	2,589	4,406
– Loans to employees (Note (ii))	– 貸款予僱員(附註(ii))	–	26,241
– Loans to an associate (Note (iii))	– 貸款予一間聯營公司 (附註(iii))	29,422	44,342
		32,011	74,989
Current portion:	流動部分：		
– Deposits	– 按金	23,617	17,322
– Prepayments	– 預付款項	62,867	19,050
– Prepayments for tax (Note (i))	– 預付稅項(附註(i))	33,513	89,129
– Loans to employees (Note (ii))	– 貸款予僱員(附註(ii))	28,824	2,754
– Loans to an associate (Note (iii))	– 貸款予一間聯營公司 (附註(iii))	23,890	–
– Amount due from a former associate	– 應收一間前聯營公司款項	–	559
– Loans to a joint venture (Note (v))	– 貸款予一間合營公司 (附註(v))	–	201,427
– Loans to third parties (Note (vi))	– 貸款予第三方(附註(vi))	–	105,131
		172,711	435,372
		204,722	510,361
The fair values are as follows:	有關公平值如下：		
Deposits	按金	26,206	21,728
Prepayments	預付款項	96,380	108,179
Other receivables	其他應收款項	82,136	380,454
		204,722	510,361
Denominated in:	以下列貨幣計值：		
HK dollars	港元	17,590	2,754
Renminbi	人民幣	187,132	506,677
US dollars	美元	–	930
		204,722	510,361

12 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(b) Deposits, prepayments and other receivables (Continued)

Note (i): The balance at 31 December 2016 represents RMB33,513,000 (2015: RMB89,129,000) prepayment of tax associated with the presale of properties in O2O business exhibition centre. The construction was completed in October 2016 when revenue from sale of properties was commenced.

Note (ii): The balance includes loans totaling of RMB26,244,000 (2015: RMB26,241,000) granted to several management members of Beijing Panpass Information Technology Co., Ltd ("Panpass"), a subsidiary acquired by the Group on 8 October 2014, for their sole purpose of purchase of shares of Panpass at market price and the shares purchased are pledged to secure the loans. The loans will mature on 28 September 2017, and are interest bearing at a rate of 5% per annum. These management members hold 20% issued share capital of Panpass after the acquisition of Panpass by the Group on 8 October 2014.

The balance represents loan of RMB2,580,000 (2015: RMB2,754,000) granted in connection with the Employee Share Scheme. On 21 December 2012, the Group granted loans to several employees of the Group for the sole purpose of purchase of shares of the Group at market price. Maturity date of the loans have been extended from 21 December 2016 to 21 December 2017. The loans are denominated in HK dollars and interest bearing at a rate of 5% per annum.

Note (iii): This balance represents loan and interest receivable from 慧德控股有限公司 ("Hui De"), an associate of the Group, amounting to RMB53,312,000 (2015: RMB44,342,000). The Group granted loans amounting to RMB20,800,000 and RMB19,200,000 on 14 December 2014 and 4 March 2015 respectively. The loans will mature on 21 November 2017 and 4 March 2018 respectively, and are interest bearing at a rate of 7% per annum.

On 22 October 2015, the Group granted an addition loan amounting to RMB1,600,000 to Hui De. The loan will mature on 21 October 2018, and is interest bearing at a rate of 7% per annum.

On 26 September 2016, the Group granted another loan amounting to RMB5,940,000 to Hui De. The amounts will mature on 25 September 2019, and is interest bearing at a rate of 6% per annum.

12 應收賬款、按金、預付款項及其他應收款項(續)

(b) 按金、預付款項及其他應收款項 (續)

附註(i): 於二零一六年十二月三十一日之結餘指金額為人民幣33,513,000元(二零一五年: 人民幣89,129,000元)有關O2O商業展覽中心物業預售之預付稅項。有關工程已於二零一六年十月竣工, 並開始銷售物業之收入。

附註(ii): 結餘包括貸款合共人民幣26,244,000元(二零一五年: 人民幣26,241,000元), 該款項指本集團向多名北京兆信信息技術股份有限公司(「兆信」)(本集團於二零一四年十月八日收購之附屬公司)之管理層人員授出之貸款, 僅用作以市價購買兆信之股份, 並由所購股份作為貸款抵押。該筆貸款將於二零一七年九月二十八日到期, 並按年利率5%計息。該等管理層人員在本集團於二零一四年十月八日收購兆信後, 持有兆信已發行股本20%。

結餘為僱員股份計劃授出貸款金額為人民幣2,580,000元(二零一五年: 人民幣2,754,000元)。於二零一二年十二月二十一日, 本集團向其若干僱員授出貸款, 僅用作以市價購買本集團股份。該筆貸款之到期日由二零一六年十二月二十一日延長至二零一七年十二月二十一日。貸款以港元計值, 並按年利率5%計息。

附註(iii): 此結餘指應收本集團聯營公司慧德控股有限公司(「慧德」)之貸款及利息人民幣53,312,000元(二零一五年: 人民幣44,342,000元)。於二零一四年十二月十四日及二零一五年三月四日, 本集團分別授出金額為人民幣20,800,000元及人民幣19,200,000元之貸款。該貸款將分別於二零一七年十一月二十一日及二零一八年三月四日到期, 並按年利率7%計息。

於二零一五年十月二十二日, 本集團已向慧德授出為數人民幣1,600,000元之額外貸款。該筆貸款將於二零一八年十月二十一日到期, 並按年利率7%計息。

於二零一六年九月二十六日, 本集團向慧德授出為數人民幣5,940,000元之另一貸款。該金額將於二零一九年九月二十五日到期, 並按年利率6%計息。

Notes to the Consolidated Financial Statements

合併財務報表附註

12 TRADE RECEIVABLES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES (Continued)

(b) Deposits, prepayments and other receivables (Continued)

Note (iv): As at 31 December 2015, amount represented receivable balances for provision of data library services from the former associate, 北京鄧白氏慧聰市場資訊諮詢有限公司, which was disposed of in 2011.

Note (v): As at 31 December 2015, amount represented loan and interest receivable from 重慶神州數碼慧聰小額貸款有限公司, a joint venture of the Group, amounting to RMB201,427,000. The amounts had been fully repaid during the year ended 31 December 2016.

Note (vi): As at 31 December 2015, amount included entrusted loans advanced to two third parties and interest receivable amounting RMB70,087,000 and RMB35,044,000 respectively through a financial institution in the PRC, as lending agent. The amounts had been fully repaid during the year ended 31 December 2016.

13 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016:

Name	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 非控股權益所持普通股比例
¹ Hong Kong Huicong International Group Limited ("HKHC") 香港慧聰國際集團有限公司 (「香港慧聰」)	British Virgin Islands, limited liability company 英屬處女群島, 有限公司	Investment holding in Hong Kong 投資控股—香港	21,000,000 ordinary shares of US\$0.01 each 21,000,000股 每股面值0.01美元之普通股	100%	—
¹ HC Group (Hong Kong) Limited 慧聰網(香港)有限公司	Hong Kong, liability company 香港, 有限公司	Investment holding in Hong Kong 投資控股—香港	500,000 ordinary shares of HK\$1 each 500,000股 每股面值1港元之普通股	100%	—

12 應收賬款、按金、預付款項及其他應收款項(續)

(b) 按金、預付款項及其他應收款項(續)

附註(iv): 於二零一五年十二月三十一日, 該金額指就提供數據庫服務之應收本公司前聯營公司北京鄧白氏慧聰市場資訊諮詢有限公司(已於二零一一年出售)之結欠餘款。

附註(v): 於二零一五年十二月三十一日, 該金額指應收本集團合營公司重慶神州數碼慧聰小額貸款有限公司之貸款及利息人民幣201,427,000元。該金額將於截至二零一六年十二月三十一日止年度悉數償付。

附註(vi): 於二零一五年十二月三十一日, 該金額包括透過一間中國金融機構(作為借款代理)墊付予兩名第三方之委託貸款及應收利息人民幣70,087,000元及人民幣35,044,000元。該金額已於截至二零一六年十二月三十一日止年度悉數償付。

13 附屬公司

以下為於二零一六年十二月三十一日主要附屬公司之清單:

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2016:
(Continued)

13 附屬公司(續)

以下為於二零一六年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 非控股權益所持普通股比例
Orange Triangle Inc.	State of Delaware, USA 美國·德拉瓦州	Investment holding in the State of Delaware 投資控股—德拉瓦州	200 shares of US\$0.01 200股每股面值0.01美元之股份	100%	—
Orange Triangle (HK) Limited	Hong Kong, liability company 香港·有限公司	Investment holding in Hong Kong 投資控股—香港	10,000 ordinary shares of HK\$1 each 10,000股 每股面值1港元之普通股	100%	—
⁴ ZhongFu Holdings Limited	British Virgin Islands, limited liability company 英屬處女群島·有限公司	Investment holding in BVI 投資控股—英屬處女群島	50,000 ordinary shares of US\$1 each 50,000股 每股面值1美元之普通股	100%	—
⁴ Saidan HK Limited	Hong Kong, liability company 香港·有限公司	Investment holding in Hong Kong 投資控股—香港	10,000 ordinary shares of HK\$1 each 10,000股 每股面值1港元之普通股	100%	—
北京慧聰國際資訊有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB110,000,000 人民幣110,000,000元	100%	—
北京慧聰互聯信息技術有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB900,000,000 人民幣900,000,000元	100%	—
北京慧翔網絡技術有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB10,000,000 人民幣10,000,000元	100%	—

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2016:
(Continued)

13 附屬公司(續)

以下為於二零一六年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 所持普通股比例
北京慧聰再創科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB250,000,000 人民幣250,000,000元	100%	—
北京京慧聰廣告有限公司	The PRC, limited liability company 中國·有限公司	Advertising in the PRC 廣告—中國	RMB500,000 人民幣500,000元	100%	—
慧聰商情廣告(北京)有限公司	The PRC, limited liability company 中國·有限公司	Advertising in the PRC 廣告—中國	RMB2,000,000 人民幣2,000,000元	100%	—
北京慧聰建設資訊諮詢有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB36,000,000 人民幣36,000,000元	100%	—
廣州慧聰網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Advertising in the PRC 廣告—中國	RMB8,333,333 人民幣8,333,333元	60%	40%
慧聰(天津)電子商務產業投資有限公司	The PRC, limited liability company 中國·有限公司	Investment holding in the PRC 投資控股—中國	RMB91,750,000 人民幣91,750,000元	60%	40%
² 廣東慧聰家電城投資有限公司	The PRC, limited liability company 中國·有限公司	Construction and sale of properties in the PRC 建設及銷售物業—中國	RMB166,670,000 人民幣166,670,000元	37.49%	62.51%
² 佛山市慧從匯電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of properties management services in the PRC 提供物業管理服務—中國	RMB555,500 人民幣555,500元	37.49%	62.51%

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2016:
(Continued)

13 附屬公司(續)

以下為於二零一六年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 所持普通股比例
浙江慧亞資訊技術有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB35,000,000 人民幣35,000,000元	100%	–
余姚慧聰電子商務有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB1,000,000 人民幣1,000,000元	100%	–
北京兆信信息技術股份有限公司	The PRC, limited liability company 中國，有限公司	Anti-counterfeiting Technology Development in the PRC 開發防偽技術－中國	RMB54,464,000 人民幣54,464,000元	56%	44%
上海慧發訊息技術有限公司	The PRC, limited liability company 中國，有限公司	Investment holding in the PRC 投資控股－中國	RMB45,000,000 人民幣45,000,000元	100%	–
慧聰融資租賃有限公司	The PRC, limited liability company 中國，有限公司	Finance leasing services in the PRC 融資租賃服務－中國	US\$30,000,000 30,000,000美元	100%	–
北京橙三角科技有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	US\$150,000 150,000美元	100%	–
北京知行銳景科技有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB10,000,000 人民幣10,000,000元	100%	–
廣州慧正電子商務有限公司	The PRC, limited liability company 中國，有限公司	Provision of trading and agency services in the PRC 提供買賣及代理服務－中國	RMB20,000,000 人民幣20,000,000元	60%	40%

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2016:
(Continued)

13 附屬公司(續)

以下為於二零一六年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 所持普通股比例
北京慧聰雲信大數據科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB1,000,000 人民幣1,000,000元	60%	40%
3 寧波慧聰供應鏈管理有限公司	The PRC, limited liability company 中國·有限公司	Provision of trading and agency services in the PRC 提供買賣及代理服務—中國	RMB10,000,000 人民幣10,000,000元	60%	40%
3 廣州慧批電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB1,500,000 人民幣1,500,000元	60%	40%
3 上海慧聰環保科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB3,000,000 人民幣3,000,000元	60%	40%
3 北京慧聰廣教雲電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB1,500,000 人民幣1,500,000元	60%	40%
3 北京慧聰民安電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB3,000,000 人民幣3,000,000元	51%	49%
3 北京慧金電子商務有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB1,500,000 人民幣1,500,000元	60%	40%
3 北京慧聰縱橫科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB3,000,000 人民幣3,000,000元	60%	40%

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2016:
(Continued)

13 附屬公司(續)

以下為於二零一六年十二月三十一日主要附屬公司之清單：(續)

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及經營地點	Particulars of registered share capital 已註冊股本詳情	Effective interest held 所持有效權益	Proportion of ordinary shares held by non-controlling interests (%) 非控股權益所持普通股比例
³ 上海慧聰順興資訊科技有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB1,500,000 人民幣1,500,000元	60%	40%
³ 北京慧聰眾安電子商務有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB1,500,000 人民幣1,500,000元	80%	20%
³ 廣州慧藝互聯網服務有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB1,000,000 人民幣1,000,000元	60%	40%
³ 北京慧呈電子商務有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB5,000,000 人民幣5,000,000元	60%	40%
³ 深圳慧聰芯城科技有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB5,000,000 人民幣5,000,000元	60%	40%
³ 上海慧旌電子商務有限公司	The PRC, limited liability company 中國，有限公司	Provision of trading and agency services in the PRC 提供買賣及代理服務－中國	RMB50,000,000 人民幣50,000,000元	100%	–
³ 廣東慧鼎投資有限公司	The PRC, limited liability company 中國，有限公司	Provision of business information in the PRC 提供商業資訊－中國	RMB220,000,000 人民幣220,000,000元	100%	–
⁴ 杭州賽典資訊科技有限公司	Hong Kong, limited liability company 香港，有限公司	Investment holding in the PRC 投資控股－中國	US\$1,000,000 1,000,000美元	100%	–

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2016:
(Continued)

13 附屬公司(續)

以下為於二零一六年十二月三十一日主要附屬公司之清單：(續)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of registered share capital	Effective interest held	Proportion of ordinary shares held by non-controlling interests (%)
名稱	註冊成立地點及法定實體類別	主要業務及經營地點	已註冊股本詳情	所持有效權益	所持普通股比例
4 杭州賽點科技有限公司	The PRC, limited liability company 中國·有限公司	Investment holding in the PRC 投資控股—中國	RMB5,250,000 人民幣5,250,000元	100%	—
4 浙江中服網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB10,000,000 人民幣10,000,000元	80.38%	19.62%
4 浙江諾天網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB5,000,000 人民幣5,000,000元	80.38%	19.62%
4 深圳市中服引綫網絡科技有限公司	The PRC, limited liability company 中國·有限公司	Provision of business information in the PRC 提供商業資訊—中國	RMB1,000,000 人民幣1,000,000元	80.38%	19.62%
1 Shares held directly by the Company.					1 股份由本公司直接持有。
2 廣東慧聰家電城投資有限公司 and 佛山市慧從匯電子商務有限公司 are indirectly held through the Company's 60% owned subsidiary, 慧聰(天津)電子商務有限公司. 慧聰(天津)電子商務有限公司 directly holds 53.1% equity interest in these two companies and indirectly holds 9.39% (2015: 6.41%) of equity interest in these two companies through its 20% held associate, 慧德控股有限公司. Hence, the Group effectively hold 37.49% (2015: 35.71%) of 廣東慧聰家電城投資有限公司 and 佛山市慧從匯電子商務有限公司.					2 廣東慧聰家電城投資有限公司及佛山市慧從匯電子商務有限公司由本公司擁有60%權益之附屬公司慧聰(天津)電子商務有限公司間接持有。慧聰(天津)電子商務有限公司直接持有該兩家公司53.1%股本權益並透過其持有20%權益之聯營公司慧德控股有限公司間接持有該兩家公司9.39%(二零一五年: 6.41%)權益。因此, 本集團實際持有廣東慧聰家電城投資有限公司及佛山市慧從匯電子商務有限公司37.49%(二零一五年: 35.71%)權益。
3 These companies are newly incorporated during the year ended 31 December 2016.					3 該等公司於截至二零一六年十二月三十一日止年度新註冊成立。
4 These companies are newly acquired during the year ended 31 December 2016.					4 該等公司為於截至二零一六年十二月三十一日止年度新收購公司。

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

(a) Material non-controlling interests

Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for 廣東慧聰家電城投資有限公司 (“廣東慧聰家電城”) that has non-controlling interests that are material to the Group.

Summarised statement of financial position

		廣東慧聰家電城	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current Assets	流動資產	616,935	858,690
Liabilities	負債	(750,535)	(1,191,795)
Net current liabilities	流動負債淨額	(133,600)	(333,105)
Non-current Assets	非流動資產	835,588	795,320
Liabilities	負債	(353,166)	(312,075)
Net non-current assets	非流動資產淨值	482,422	483,245
Net assets	資產淨值	348,822	150,140

During the year ended 31 December 2016, the Group's 20% held associate, 慧德控股有限公司, had further acquired the equity shares in 廣東慧聰家電城. Hence, the Group effectively equity holdings in 廣東慧聰家電城 had increased from 35.71% to 37.49%.

As at 31 December 2016, the non-controlling interests balances of 廣東慧聰家電城 amounted approximately RMB170,205,000 (2015: RMB46,568,000).

13 附屬公司(續)

(a) 重大非控股權益

具重大非控股權益附屬公司之財務資料概要

下文載列廣東慧聰家電城投資有限公司 (“廣東慧聰家電城”)之財務資料概要，其擁有對本集團而言屬重大之非控股權益。

財務狀況表概要

於截至二零一六年十二月三十一日止年度，由本集團持有20%權益之聯營公司慧德控股有限公司進一步收購廣東慧聰家電城之權益股份。因此，本集團於廣東慧聰家電城之有效持股量由35.71%增加至37.49%。

於二零一六年十二月三十一日，廣東慧聰家電城之非控股權益結餘約為人民幣170,205,000元(二零一五年：人民幣46,568,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)
Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Summarised statement of comprehensive income

		廣東慧聰家電城	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Revenue	銷售收入	859,441	–
Profit/(loss) before income tax	除所得稅前溢利／(虧損)	287,089	(51,045)
Income tax (expense)/credit	所得稅(開支)／抵免	(88,407)	10,886
Profit/(loss) after tax	除稅後溢利／(虧損)	198,682	(40,159)
Other comprehensive income	其他全面收入	–	–
Total comprehensive income/(loss)	全面收入／(虧損)總額	198,682	(40,159)
Total comprehensive income/(loss) allocated to non-controlling interests	分配至非控股權益之全面收入／(虧損)總額	123,637	(26,619)
Dividends paid to non-controlling interests	已付非控股權益股息	–	–

13 附屬公司(續)

(a) 重大非控股權益(續)
具重大非控股權益附屬公司之財務資料概要(續)

綜合收益表概要

Notes to the Consolidated Financial Statements

合併財務報表附註

13 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)
Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Summarised cash flow statement

		廣東慧聰家電城	
		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash flows from operating activities	經營業務之現金流量		
Cash generated from/(used in) operations	經營產生/(所用)現金	342,387	204,641
Income tax paid	已付所得稅	-	-
Net cash generated from/(used in) operating activities	經營業務產生/(所用)現金淨額	342,387	204,641
Net cash used in investing activities	投資活動所用現金淨額	(324,383)	(410,266)
Net cash generated from financing activities	融資活動產生現金淨額	107,096	17,307
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物淨值增加/(減少)	125,100	(188,318)
Cash and cash equivalents at beginning of year	年初之現金及現金等值物	90,244	278,562
Cash and cash equivalents at end of year	年末之現金及現金等值物	215,344	90,244

13 附屬公司(續)

(a) 重大非控股權益(續)
具重大非控股權益附屬公司之財務資料概要(續)

現金流量表概要

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated statement of financial position are as follows:

14 按權益法列賬之投資

下文載列於合併財務狀況表已確認之金額：

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Associates	聯營公司	138,595	105,921
Joint ventures	合營公司	440,428	412,795
At 31 December	於十二月三十一日	579,023	518,716

Notes to the Consolidated Financial Statements

合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The amounts recognised in the consolidated statement of comprehensive income are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Associates	聯營公司	(13,502)	(2,102)
Joint ventures	合營公司	27,633	11,955
For the year ended 31 December	截至十二月三十一日止年度	14,131	9,853

14 按權益法列賬之投資

下文載列於合併綜合收益表已確認之金額：

(a) Investment in associates

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	105,921	45,523
Addition	添置	54,550	62,500
Share of post-tax losses	分佔除稅後虧損	(13,502)	(2,102)
Impairment (Note)	減值(附註)	(8,374)	-
At 31 December	於十二月三十一日	138,595	105,921

(a) 於聯營公司之投資

Note: During the year ended 31 December 2016, the Group made an aggregate impairment provision of approximately RMB8,374,000 (2015: Nil) against the carrying amounts of its investments in certain associates based on the results of impairment assessment performed on the carrying amounts of these investments with reference to their recoverable amounts.

附註：於截至二零一六年十二月三十一日止年度，本集團參考於若干聯營公司之投資可收回金額對其賬面值進行減值評估之結果，就其賬面值作出減值撥備合共約人民幣8,374,000元(二零一五年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Investment in associates (Continued)

Set out below are associates which, in opinion of director, are material to the Group as at 31 December 2016. The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of establishment or registration is also their principal place of business.

14 按權益法列賬之投資(續)

(a) 於聯營公司之投資(續)

以下載列董事認為於二零一六年十二月三十一日對本集團屬重大之聯營公司。下列聯營公司之股本中只包括普通股，由本集團直接持有，而成立或註冊國家亦為其主要營業地點。

Name of entity 實體名稱	Place of business/ country of establishment 營業地點/ 成立國家	% of effective interest 實際權益 百分比		Nature of the relationship 關係性質	Measurement method 計量方式
		2016 二零一六年	2015 二零一五年		
慧德控股有限公司 (Hui De Holding Co., Ltd.*)	PRC 中國	12.0	12.0	Note 1 附註1	Equity 權益
浙江慧聰投資有限公司 (Zhejiang Huicong Investment Co., Ltd*)	PRC 中國	29.6	29.6	Note 2 附註2	Equity 權益
中模(北京)國際品牌管理有限公司 (China Formwork (Beijing) International Brand Management Limited*)	PRC 中國	19.4	20.0	Note 3 附註3	Equity 權益
西安皮皮易電子商務有限公司 (Xian Pipiyi E-commerce Limited*)	PRC 中國	30.0	30.0	Note 4 附註4	Equity 權益
北京融商通聯科技有限公司 (Beijing Rongshang Tonglian Technology Co., Ltd*)	PRC 中國	36.4	-	Note 5 附註5	Equity 權益

* English names are translated for identification purpose only

Notes to the Consolidated Financial Statements

合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Investment in associates (Continued)

Note 1: Hui De Holding Co., Ltd* (“慧德控股”) provides investment management and project investments in the PRC. The Group holds 60% interests of its subsidiary, 慧聰(天津)電子商務有限公司, which in turn holds 20% of interests in 慧德控股.

Note 2: Zhejiang Huicong Investment Co., Limited* (“浙江慧聰”) engages in investment in real estate construction and management. The Group directly holds 20% equity shares of 浙江慧聰 and indirectly holds 9.6% equity interests through 慧德控股. Hence, the Group effectively holds 29.6% equity interest in 浙江慧聰.

Note 3: The Group directly holds 19.4% of interests in China Formwork (Beijing) International Brand Management Limited* (“北京中模”). 北京中模 engages in e-commerce business for the building equipment leasing industry in the PRC.

Note 4: The Group directly holds 30% of interests in Xian Pipiyi e-commerce Limited* (“皮皮易”) at a total consideration of RMB10,000,000 in cash. 皮皮易 engages in e-commerce business for labor protection appliance in the PRC.

Note 5: In January 2016, the Group entered into an agreement to subscribe 36.4% of the total issued share capital of Beijing Rongshang Tonglian Technology Co., Ltd* (“融商通聯”), through its wholly owned subsidiary, at a total consideration of RMB12,750,000 in cash. 融商通聯 engages in e-commerce business for computer, communication and consumer electronics in the PRC.

14 按權益法列賬之投資(續)

(a) 於聯營公司之投資(續)

附註1: 慧德控股有限公司(「慧德控股」)於中國從事提供投資管理及項目投資業務。本集團持有其附屬公司慧聰(天津)電子商務有限公司60%權益，而慧聰(天津)電子商務有限公司持有慧德控股20%權益。

附註2: 浙江慧聰投資有限公司(「浙江慧聰」)從事房地產投資建築及管理業務。本集團直接持有浙江慧聰20%股權，並透過慧德控股間接持有其9.6%股權。因此，本集團有效持有浙江慧聰29.6%股權。

附註3: 本集團直接持有中模(北京)國際品牌管理有限公司(「北京中模」)19.4%權益。北京中模於中國建築器材租賃業從事電子商貿業務。

附註4: 本集團透過總現金代價人民幣10,000,000元直接持有皮皮易電子商務有限公司(「皮皮易」)30%權益。皮皮易於中國為勞保用品提供商務業務。

附註5: 於二零一六年一月，本集團訂立協議，以透過其全資附屬公司認購北京融商通聯科技有限公司(「融商通聯」)全部已發行股本36.4%，總現金代價為人民幣12,750,000元。融商通聯於中國從事有關電腦、通訊及消費電子產品之電子商貿業務。

Notes to the Consolidated Financial Statements

合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(a) Investment in associates (Continued)

Summarised consolidated financial information for associates

Set out below are the summarised consolidated financial information for the associates which, in the opinion of director, are material to the Group and are accounted for using the equity method.

14 按權益法列賬之投資(續)

(a) 於聯營公司之投資(續)

聯營公司之綜合財務資料概要

下文載列董事認為對本集團屬重大且按權益法列賬之聯營公司綜合財務資料概要。

		慧德控股		浙江慧聰		中樸(北京)		西安皮皮易		融商通聯	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Current	流動										
Cash and cash equivalents	現金及現金等值物	52,449	57,352	51,588	55,109	677	1,567	87	12,343	1,493	-
Other current asset (excluding cash)	其他流動資產 (現金除外)	582,574	393,444	567,566	367,626	36,593	31,535	6,676	192	1,698	-
Total current assets	總流動資產	635,023	450,796	619,154	422,735	37,270	33,102	6,763	12,535	3,191	-
Financial liabilities (excluding trade payables)	財務負債(應付 賬款除外)	(100,000)	-	(100,000)	-	-	-	-	-	-	-
Other current liabilities (including trade payables)	其他流動負債 (包括應付賬款)	(217,794)	(33,184)	(146,392)	(32,995)	(23,638)	(19,948)	(131)	(34)	(5,462)	-
Total current liabilities	總流動負債	(317,794)	(33,184)	(246,392)	(32,995)	(23,638)	(19,948)	(131)	(34)	(5,462)	-
Non-current	非流動										
Assets	資產	288,759	188,603	5,482	6,327	10,892	10,730	532	511	382	-
Financial liabilities	財務負債	(485,370)	-	-	-	-	-	-	-	-	-
Other liabilities	其他負債	-	(464,000)	(150,000)	(150,000)	-	-	-	-	-	-
Total non-current (liabilities)/ assets	非流動(負債)/ 資產總額	(196,611)	(275,397)	(144,518)	(143,673)	10,892	10,730	532	511	382	-
Net assets/(liabilities)	資產/(負債)淨值	120,618	142,215	228,244	246,067	24,524	23,884	7,164	13,012	(1,889)	-

Notes to the Consolidated Financial Statements

合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 14 按權益法列賬之投資(續)

(a) Investment in associates (Continued)

Summarised consolidated statement of comprehensive income

		慧德控股		浙江慧聰		中模(北京)		西安皮皮易		融商通聯	
		2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Revenue	銷售收入	2,122	-	-	-	13,141	10,407	1,349	40	12,119	-
Profit/(loss) after tax	除稅後溢利/ (虧損)	80,032	(22,391)	(17,823)	(3,276)	639	1,183	(5,849)	(1,988)	(33,919)	-
Other comprehensive income	其他全面收入	-	-	-	-	-	-	-	-	-	-
Total comprehensive income/(loss)	全面收入/(虧損) 總額	75,124	(22,391)	(17,823)	(3,276)	639	1,183	(5,849)	(1,988)	(33,919)	-
Profit attributable to the equity owner	權益持有人應佔溢利	78,736	(21,268)	(17,823)	(3,276)	639	1,183	(5,849)	(1,988)	(33,919)	-
Direct equity interest held	直接持有權益	12%	12%	20%	20%	19.4%	20%	30%	30%	36.43%	-
Share of profit/(loss) for the year	年內應佔溢利/ (虧損)	9,448	(2,552)	(3,565)	(655)	124	237	(1,755)	(596)	(12,357)	-

The information above reflects the amounts presented in the consolidated financial statements of the associates (and not HC International Inc.'s share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

(a) 於聯營公司之投資(續)

合併綜合收益表概要

上述資料反映於聯營公司合併財務報表所呈列之金額(並非慧聰網有限公司所佔該等金額), 因本集團與聯營公司之會計政策差異而作出調整。

(b) Investment in joint ventures

(b) 於合營公司之投資

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
At 1 January	於一月一日	412,795	270,840
Addition	添置	-	130,000
Share of post-tax profits	分佔除稅後溢利	27,633	11,955
At 31 December	於十二月三十一日	440,428	412,795

Notes to the Consolidated Financial Statements

合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

(b) Investment in joint ventures (Continued)

Set out below is the joint venture company which, in the opinion of the directors, are material to the Group. The joint venture company as listed below has share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also its principal place of business.

Nature of investment in joint venture as at 31 December 2016:

Name of entity 實體名稱	Place of business/ country of incorporation 營業地點/ 成立國家	% of effective interest 實際權益 百分比	Nature of the relationship 關係性質	Measurement method 計量方式
重慶神州數碼慧聰小額貸款有限公司 (Chongqing Digital China Huicong Micro-Credit Co., Ltd*.)	PRC 中國	40	Note 1 附註1	Equity 權益

Note 1: Chongqing Digital China Huicong Micro-Credit Co., Ltd.* provides development and operation of the micro-credit internet financing business in the PRC.

* English name is translated for identification purpose only.

Summarised financial information for joint ventures

Set out below are the summarised financial information for the joint venture company which, in the opinion of director, are material to the Group and are accounted for using the equity method.

14 按權益法列賬之投資(續)

(b) 於合營公司之投資(續)

以下載列董事認為對本集團屬重大之合營公司。下文所列合營公司之股本中只包括由本集團直接持有之普通股，而註冊或成立之國家亦為其主要營業地點。

於二零一六年十二月三十一日，於合營公司之投資性質：

附註1：重慶神州數碼慧聰小額貸款有限公司於中國從事提供發展及經營小額信貸互聯網金融業務。

合營企業之財務資料概要

下文載列董事認為對本集團屬重大且按權益法列賬之合營企業財務資料概要。

Notes to the Consolidated Financial Statements
 合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued) 14 按權益法列賬之投資(續)

(b) Investment in joint ventures (Continued)
 Summarised of statement of financial position

(b) 於合營公司之投資(續)
 財務狀況表概要

		Chongqing Digital China Huicong Micro-Credit 重慶神州數碼慧聰小額貸款	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current	流動		
Cash and cash equivalents	現金及現金等值物	6,629	33,290
Other current assets (excluding cash)	其他流動資產(現金除外)	1,221,545	1,332,281
Total current assets	總流動資產	1,228,174	1,365,570
Financial liabilities	財務負債	(343,819)	(391,250)
Liabilities	負債	(343,819)	(391,250)
Non-current	非流動		
Assets	資產	400,475	57,477
Financial liabilities	財務負債	(184,000)	–
Total non-current assets	非流動資產總值	216,475	57,477
Net assets	資產淨值	1,100,830	1,031,797

Notes to the Consolidated Financial Statements

合併財務報表附註

14 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (Continued)

14 按權益法列賬之投資(續)

(b) Investment in joint ventures (Continued) Summarised statement of comprehensive income

(b) 於合營公司之投資(續) 綜合收益表概要

		Chongqing Digital China Huicong Micro-Credit 重慶神州數碼慧聰小額貸款	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest income	利息收入	200,345	118,797
Interest expenses	利息開支	(42,577)	(7,335)
Commission expenses	佣金開支	–	(6,000)
Net interest income	利息收入淨值	157,768	105,462
Other income, net	其他收入，淨值	1,708	3,847
Depreciation	折舊	(25)	(26)
Other general and administrative expenses (exclude depreciation)	其他一般及行政開支 (折舊除外)	(67,314)	(69,560)
Profit before taxation	除稅前溢利	92,137	39,723
Income tax expense	所得稅開支	(23,104)	(10,005)
Profit for the year	本年度溢利	69,033	29,718
Other comprehensive income	其他綜合收入	–	–
Total comprehensive income for the year, net of tax	本年度綜合收入總額， 扣除稅項	69,033	29,718
Percentage held	持有百分比	40%	40%
Share of profits	應佔溢利	27,613	11,887

The information above reflects the amounts presented in the financial statements of the joint venture company (and not HC International Inc.'s share of those amounts) adjusted for differences in accounting policies between the Group and the joint venture Company.

上述資料反映於合營企業財務報表所呈列之金額(並非慧聰網有限公司所佔該等金額)，因本集團與合營企業之會計政策差異而作出調整。



Notes to the Consolidated Financial Statements

合併財務報表附註

15 BUSINESS COMBINATIONS

(a) Orange Triangle Inc.

On 3 July 2015, the Group completed the acquisition of 100% of equity interests of Orange Triangle Inc. (“Orange Triangle”) which was satisfied by a total consideration of approximately RMB1,307,000,000. The consideration was settled as to 30% of approximately RMB446,795,000 in cash and as to 70% by allotment of 155,684,485 contingent shares at HK\$7 each (“Contingent Share”) subject to adjustment mechanism stipulated in the sale and purchase agreement. Please refer to Note 17(i) for the detail of contingent shares.

On 3 July 2015, 北京橙三角科技有限公司 (“Orange Beijing”), a wholly owned subsidiary of Orange Triangle, entered into a series of structured contracts, including exclusive technical services agreement, exclusive licensing agreement on intellectual property; exclusive right to purchase agreement; voting rights proxy agreement and pledge agreement with the shareholders of 北京知行銳景科技有限公司 (“Beijing Zhixing Ruijing Technology Co., Ltd”). The shareholders of Beijing Zhixing Ruijing unconditionally and irrevocably authorise any individual designated by the Group to represent them in exercising all their rights as shareholders of Beijing Zhixing Ruijing including without limitation, to transfer all their equity interests, to determine the consideration for such transfer, to complete all relevant procedures regarding such transfer, to attend general meetings and exercise voting rights, to execute all such relevant documents, agreements and resolutions. In addition, if Beijing Zhixing Ruijing declares any dividend, bonus or adopts any proposal for distribution of profits, such dividends, bonus or economic benefits of all such proposal for distribution shall be delivered to the Group.

In accordance with the agreements, the Group has acquired the control over Beijing Zhixing Ruijing as the Group has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the Beijing Zhixing Ruijing’s variable returns. The Group is also entitled to substantially all of the operating profits and residual interest generated by Beijing Zhixing Ruijing. Consequently, Beijing Zhixing Ruijing has become a subsidiary of the Group with effect from 3 July 2015. The results and financial position of Orange Triangle and Beijing Zhixing Ruijing have been included in the consolidated financial statements of the Group from 3 July 2015.

15 業務合併

(a) Orange Triangle Inc.

於二零一五年七月三日，本集團已完成收購 Orange Triangle Inc.（「Orange Triangle」）之全部股權，所付總代價約人民幣1,307,000,000元。30%代價以現金約人民幣446,795,000元支付，而70%透過配發155,684,485股每股7港元之或然股份（「或然股份」）（受買賣協議指定之調整機制所限）支付。有關或然股份之詳情，請參閱附註17(i)。

於二零一五年七月三日，Orange Triangle 之全資附屬公司北京橙三角科技有限公司（「橙三角」）與北京知行銳景科技有限公司（「北京知行銳景科技有限公司」）之股東訂立一連串結構性合約，包括獨家技術服務協議、獨家知識產權許可協議、獨家購股權協議、授權委託協議及股權質押協議。北京知行銳景之股東無條件且不可撤回地授權本集團指定之任何人士代其行使作為北京知行銳景股東之所有權利，包括但不限於轉讓其所有股本權益、釐定有關轉讓之代價、完成有關轉讓之所有相關手續、出席股東大會及行使投票權、簽立所有相關文件、協議及決議案。此外，倘北京知行銳景宣派任何股息、花紅或就分派溢利採納任何建議，則有關股息、花紅或所有有關分派建議之經濟利益須交付予本集團。

根據協議，由於本集團擁有賦予其現時能主導相關業務（即重大影響北京知行銳景可變回報之業務）之現有權利，故本集團已取得對北京知行銳景之控制權。本公司亦有權享有北京知行銳景之絕大部分經營溢利及餘下權益。其後，北京知行銳景自二零一五年七月三日起成為本集團之附屬公司。Orange Triangle及北京知行銳景之業績及財務狀況已計入本集團自二零一五年七月三日起之合併財務報表。

Notes to the Consolidated Financial Statements

合併財務報表附註

15 BUSINESS COMBINATIONS (Continued)

(a) Orange Triangle Inc. (Continued)

The goodwill of RMB980,247,000 arising from the acquisition is attributable the synergies and technical talent and economies of scale expected from combining the operations of the Group and Orange Triangle Inc. None of the goodwill recognised is expected to be deductible for income tax purpose.

The following table summarises the consideration paid for Orange Triangle, the fair value of assets acquired, liabilities assumed at the acquisition date.

15 業務合併(續)

(a) Orange Triangle Inc.(續)

收購產生商譽人民幣980,247,000元乃歸因於協同協益及技術人才以及合併本集團與Orange Triangle Inc.業務預期產生規模經濟效益。預期概無已確認商譽須就所得稅扣減。

下表概述於收購日期就Orange Triangle支付之代價，所收購資產之公平值、所承擔之負債。

		RMB'000 人民幣千元
Consideration:	代價：	
At 3 July 2015	於二零一五年七月三日	
Cash	現金	446,795
Contingent shares	或然股份	859,802
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	(6,600)
Total consideration	代價總額	1,299,997
Recognised amounts of identifiable assets acquired and liabilities assumed	所收購可識別資產及所承擔負債之已確認金額	
Cash and cash equivalents	現金及現金等值物	7,043
Property, plant and equipment (Note 10)	物業、廠房及設備(附註10)	5,198
Intangible assets – customer relationships (Note 11)	無形資產 – 客戶關係(附註11)	299,000
Intangible assets – trade name and domain name (Note 11)	無形資產 – 商品名稱及域名(附註11)	91,958
Intangible assets – database (Note 11)	無形資產 – 數據庫(附註11)	7,600
Intangible assets – others (Note 11)	無形資產 – 其他(附註11)	1,418
Trade and other receivables	應收賬款及其他應收款項	87,903
Trade and other payables	應付賬款及其他應付款項	(40,620)
Borrowings	借貸	(40,000)
Deferred tax liabilities (Note 30)	遞延稅項負債(附註30)	(99,750)
Total identifiable net assets	可識別資產淨值總額	319,750
Goodwill (Note 11)	商譽(附註11)	980,247
		1,299,997



Notes to the Consolidated Financial Statements

合併財務報表附註

15 BUSINESS COMBINATIONS (Continued)

(a) Orange Triangle Inc. (Continued)

Acquisition-related costs of RMB3,890,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2015.

The fair value of the 155,684,485 ordinary shares issued as part of the consideration paid for the vendor (approximately RMB12,283,000) was based on the market price of the Company on 3 July 2015.

(b) Zhongfu Holdings Limited

On 18 December 2015, Daxiong Holdings Limited, Hanson He Holdings Limited, Richard Chen Holdings Limited, Grand Novel Developments Limited and Mr Moustache Holdings Limited (collectively, the “ZhongFu Sellers”), the Company, and Mr. Cao Guoxiong (曹國熊), Mr. He Shunsheng (何順生), Mr. Chen Xuejun (陳學軍), Mr. Guan Jianzhong (管建忠), and Mr. Liao Bin (廖斌) (collectively, the “ZhongFu Seller Guarantors”) entered into the sale and purchase agreement, pursuant to which the Sellers has conditionally agreed to sell, and the Company has conditionally agreed to acquire the entire issued share capital of ZhongFu Holdings Limited, for an aggregate consideration of HK\$170,807,500 (equivalent to approximately RMB144,573,000). Part of the consideration amounting to HK\$70,095,000 (equivalent to approximately RMB59,329,000) in cash and the remaining portion was settled by issuance and allotment of convertible bonds which are subject to downward adjustments stipulated in the sale and purchase agreement.

On 5 January 2016, 杭州賽典資訊科技有限公司 (“Hangzhou Saidian Information”), a wholly owned subsidiary of ZhongFu Holdings Limited, entered into a series of structured contracts, including exclusive technical services agreement, exclusive licensing agreement on intellectual property; exclusive right to purchase agreement; voting rights proxy agreement and pledge agreement with the shareholders of 杭州賽點科技有限公司 (“Hangzhou Saidian Technology”), Mr. Guo Jiang (郭江), Mr. Chen Xuejun (陳學軍).

15 業務合併(續)

(a) Orange Triangle Inc.(續)

截至二零一五年十二月三十一日止年度，收購相關成本人民幣3,890,000元已於合併收益表中計入行政費用。

155,684,485股已發行普通股之公平值按照於二零一五年七月三日本公司之市價作為支付予賣方代價一部分(約人民幣12,283,000元)。

(b) Zhongfu Holdings Limited

於二零一五年十二月十八日，Daxiong Holdings Limited、Hanson He Holdings Limited、Richard Chen Holdings Limited、浩新發展有限公司及Mr Moustache Holdings Limited(統稱「ZhongFu賣方」)與本公司及曹國熊先生、何順生先生、陳學軍先生、管建忠先生及廖斌先生(統稱「ZhongFu賣方擔保人」)訂立買賣協議，據此，賣方已有條件同意出售而本公司已有條件同意收購ZhongFu Holdings Limited全部已發行股本，總代價為170,807,500港元(相當於約人民幣144,573,000元)。數額為70,095,000港元(相當於約人民幣59,329,000元)之部分代價將以現金償付，而餘下代價將透過發行及配發可換股債券之方式償付，惟須按買賣協議所訂明之基準予以下調。

於二零一六年一月五日，ZhongFu Holdings Limited之全資附屬公司杭州賽典資訊科技有限公司(「杭州賽典資訊」)與杭州賽點科技有限公司(「杭州賽點科技」)之股東郭江先生及陳學軍先生訂立一連串結構性合約，包括獨家技術服務協議、獨家知識產權許可協議、獨家購股權協議、授權委託協議及股權質押協議。

15 BUSINESS COMBINATIONS (Continued)

(b) Zhongfu Holdings Limited (Continued)

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

In accordance with the agreements, the Group has acquired the control over Hangzhou Saidian Technology as the Group has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the Hangzhou Saidian Technology's variable returns. The Group is also entitled to substantially all of the operating profits and residual interest generated by Hangzhou Saidian Technology.

Hangzhou Saidian Technology in turn hold 80.38% of the equity interest of Zhejiang Zhongfu ("浙江中服網絡科技有限公司"). Consequently, Zhejiang Zhongfu has become a subsidiary of the Group with effect from 8 January 2016.

The results and financial position of ZhongFu Holdings Limited, Hnagzhou Saidian Information, Hangzhou Saidian Technology and Zhejiang Zhongfu have been included in the consolidated financial statements of the Group from 8 January 2016.

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

15 業務合併(續)

(b) Zhongfu Holdings Limited(續)

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

根據協議，當本集團擁有現時能主導相關業務(即重大影響杭州賽點科技可變回報之業務)之既定權利時，本集團取得對杭州賽點科技之控制權。本集團亦有權享有杭州賽點科技產生之絕大部分經營溢利及餘下權益。

反之，杭州賽點科技持有浙江中服網絡科技有限公司(「浙江中服」)80.38%股權。因此，浙江中服自二零一六年一月八日起成為本集團之附屬公司。

ZhongFu Holdings Limited、杭州賽典資訊、杭州賽點科技及浙江中服之業績及財務狀況已計入本集團自二零一六年一月八日起之合併財務報表。

收購產生商譽人民幣38,426,000元乃歸因於協同協益及技術人才以及合併本集團與 Zhongfu Holdings Limited業務預期產生規模經濟效益。預期概無已確認商譽須就所得稅扣減。

Notes to the Consolidated Financial Statements

合併財務報表附註

15 BUSINESS COMBINATIONS (Continued)

(b) Zhongfu Holdings Limited (Continued)

The following table summarises the consideration paid for Zhongfu Holdings Limited, the fair value of assets acquired, liabilities assumed and the non-controlling interest at the acquisition date.

15 業務合併(續)

(b) Zhongfu Holdings Limited(續)

下表概述於收購日期就Zhongfu Holdings Limited支付之代價，所收購資產之公平值、所承擔之負債及非控股權益。

		RMB'000 人民幣千元
Consideration:	代價：	
At 8 January 2016	於二零一六年一月八日	
Cash	現金	59,329
Financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債	36,800
Total consideration	代價總額	96,129
Recognised amounts of identifiable assets acquired and liabilities assumed	所收購可識別資產及所承擔負債已確認金額	
Cash and cash equivalents	現金及現金等值物	10,300
Financial assets at fair value through profit or loss (Note 17(ii))	按公平值計入損益之金融資產(附註17(ii))	704
Property, plant and equipment (Note 10)	物業、廠房及設備(附註10)	1,281
Trade and other receivables	應收賬款及其他應收款項	6,137
Intangible assets – trade name and domain name (Note 11)	無形資產 – 商品名稱及域名(附註11)	68,300
Intangible assets – non-compete agreement (Note 11)	無形資產 – 非競爭協議(附註11)	800
Intangible assets – order backlog (Note 11)	無形資產 – 訂單存量(附註11)	800
Deferred revenue	遞延收入	(5,394)
Trade and other payables	應付賬款及其他應付款項	(457)
Deferred tax asset (Note 30)	遞延稅項資產(附註30)	12
Deferred tax liabilities (Note 30)	遞延稅項負債(附註30)	(10,525)
Other tax liabilities	其他稅項負債	(170)
Total identifiable net assets	可識別資產淨值總額	71,788
Non-controlling interests	非控股權益	(14,085)
Goodwill (Note 11)	商譽(附註11)	38,426
		96,129

Acquisition-related costs of RMB778,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2016.

截至二零一六年十二月三十一日止年度，收購相關成本人民幣778,000元已於合併收益表中計入行政費用。

15 BUSINESS COMBINATIONS (Continued)

(b) Zhongfu Holdings Limited (Continued)

Zhongfu Performance Targets and adjustment mechanism

HK\$100,712,500 (equivalent to approximately RMB85,244,000) of the consideration is subject to downward adjustments on the basis of the Zhongfu Performance Targets to each of the Sellers.

Pursuant to the sale and purchase agreement, the Zhongfu Seller Guarantors jointly, severally and irrevocably covenant and undertake to the Company that the audited consolidated distributable profit (after-tax) of Zhejiang Zhongfu shall achieve the Zhongfu Performance Targets for the relevant Zhongfu Performance Undertaking Years:

Zhongfu Performance Year Zhongfu 履約年度	Audited profit after tax of Zhejiang Zhongfu 浙江中服經審核 除稅後溢利
Year ending 31 December 2016 (“First Zhongfu Performance Undertaking Year”) 截至二零一六年十二月三十一日止年度(「首個Zhongfu履約承諾年度」)	RMB10,000,000 人民幣10,000,000元
Year ending 31 December 2017 (“Second Zhongfu Performance Undertaking Year”) 截至二零一七年十二月三十一日止年度(「第二個Zhongfu履約承諾年度」)	RMB13,000,000 人民幣13,000,000元
Year ending 31 December 2018 (“Third Zhongfu Performance Undertaking Year”) 截至二零一八年十二月三十一日止年度(「第三個Zhongfu履約承諾年度」)	RMB16,900,000 人民幣16,900,000元

If the Zhongfu Performance Target cannot be achieved for a Zhongfu Performance Undertaking Year, (i) each of the Sellers must convert all or part(s) of the principal amount of its convertible bonds that will expire in the next financial year (the “Expiring CB”) into conversion shares in accordance with the performance adjustment mechanism; and (ii) the Company shall have the right to redeem from each of the Zhongfu Sellers the remaining principal amounts of the Expiring CB at HK\$1 plus any Expiring CB that has not been converted by the Sellers and cancel the same within 30 Business Days after the publication of the relevant Audited Financial Statement.

15 業務合併(續)

(b) Zhongfu Holdings Limited(續)

Zhongfu 履約目標及調整機制

代價100,712,500港元(相當於約人民幣85,244,000元)可按各賣方相關Zhongfu履約目標之基準予以下調。

根據買賣協議，Zhongfu賣方擔保人共同及個別且不可撤回地向本公司訂約及承諾，浙江中服之經審核合併可分派溢利(除稅後)須於相關Zhongfu履約承諾年度達致Zhongfu履約目標：

倘Zhongfu履約目標未能於Zhongfu履約承諾年度達成，則(i)各賣方須將其於下個財政年度屆滿之可換股債券(「將屆滿可換股債券」)之全部或部分本金額根據履約調整機制轉換為兌換股份；及(ii)本公司有權以1港元向各Zhongfu賣方贖回將屆滿可換股債券之餘下本金額及贖回於公佈相關經審核財務報表後30個營業日內未由賣方轉換及註銷之任何將屆滿可換股債券。

Notes to the Consolidated Financial Statements

合併財務報表附註

15 BUSINESS COMBINATIONS (Continued)

(b) Zhongfu Holdings Limited (Continued)

Zhongfu Performance Targets and adjustment mechanism (Continued)

As at 8 January 2016, financial liabilities at fair value through profit or loss of approximately RMB36,800,000 in relation to this arrangement was recognised in the consolidated statement of financial position based on the performance adjustment mechanism.

As at 31 December 2016, the fair value of the financial liabilities at fair value through profit or loss was approximately RMB41,500,000, the change in the fair value amounting to RMB4,700,000 was charged to "other gains/(losses)", net" in the consolidated statement of profit or loss.

Financial liabilities at fair value through profit or loss

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current	流動	14,377	—
Non-current	非流動	27,123	—
Total	總計	41,500	—

For the fair value estimation of the contingent shares, please refer to Note 3.3 for details.

15 業務合併(續)

(b) Zhongfu Holdings Limited(續)

Zhongfu履約目標及調整機制(續)

於二零一六年一月八日，有關本安排按公平值計入損益之金融負債約人民幣36,800,000元已根據履約調整機制於合併財務狀況表確認。

於二零一六年十二月三十一日，按公平值計入損益之金融負債之公平值約為人民幣41,500,000元，而公平值變動人民幣4,700,000元已於合併損益表「其他收益／(虧損)淨額」支銷。

按公平值計入損益之金融負債

有關或然股份之公平值估算之詳情請參閱附註3.3。

Notes to the Consolidated Financial Statements

合併財務報表附註

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

16 可供出售金融資產

		Listed securities (Note i) 上市證券 (附註i) RMB'000 人民幣千元	Unlisted securities (Note ii) 非上市證券 (附註ii) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 1 January 2015	於二零一五年一月一日	130,412	43,855	174,267
Additions	添置	-	57,900	57,900
Fair value gain recognised in other comprehensive income	於其他全面收入確認之 公平值收益	198,725	(9,202)	189,523
As at 31 December 2015	於二零一五年 十二月三十一日	329,137	92,553	421,690
Less: non-current portion	減：非流動部分	(329,137)	(92,553)	(421,690)
Current portion	流動部分	-	-	-
As at 1 January 2016	於二零一六年一月一日	329,137	92,553	421,690
Additions	添置	-	407,935	407,935
Disposals	出售	(181,340)	(32,553)	(213,893)
Fair value gains recognised in other comprehensive income	於其他全面收入確認之 公平值收益	27,257	46,636	73,893
Currency translation differences	貨幣匯兌差異	7,092	-	7,092
As at 31 December 2016	於二零一六年 十二月三十一日	182,146	514,571	696,717
Less: non-current portion	減：非流動部分	-	(484,071)	(484,071)
Current portion	非流動部分	182,146	30,500	212,646

Notes to the Consolidated Financial Statements

合併財務報表附註

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS 16 可供出售金融資產(續)

(Continued)

Set out below are securities which, in opinion of director, is material to the Group as at 31 December 2016.

下表載列於二零一六年十二月三十一日董事認為對本集團屬重大之證券。

Name of the security 證券名稱	Nature of the security 證券性質	Total amount 總金額		% of equity interest 股權百分比	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年	2015 二零一五年
內蒙古呼和浩特金谷農村商業銀行股份有限公司 ("Inner Mongolia Hohhot Jingu Rural Commercial Bank Company Limited"*)	Unlisted ordinary shares 非上市普通股	422,000	60,000	9.72%	2.49%

Note i: The balance mainly represents the fair value of the ordinary shares of companies listed in Main Board of The Stock Exchange of Hong Kong Limited.

附註i: 該餘額主要指於香港聯合交易所有限公司主板上市公司之普通股公平值。

Note ii: The balance represents the fair value of the ordinary shares of unlisted companies.

附註ii: 該餘額指非上市公司普通股之公平值。

For the fair value estimation of available-for-sale financial assets, please refer to Note 3.3 for details.

有關可供出售金融資產估計公平值之詳情，請參閱附註3.3。

There were no impairment provisions on available-for-sale financial assets made during the year ended 31 December 2016 (2015: Nil).

截至二零一六年十二月三十一日止年度，概無計提可供出售金融資產減值撥備(二零一五年：無)。

* English name is translated for identification purpose only.

Notes to the Consolidated Financial Statements

合併財務報表附註

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

17 按公平值計入損益之金融資產

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Contingent shares in relation to acquisition of Orange Triangle Inc. (Note (i))	有關收購Orange Triangle Inc.之或然股份(附註(i))	4,600	5,100
Trading securities – listed securities (Note (ii))	交易證券—上市證券(附註(ii))	172,686	–
Financial assets at fair value through profit or loss	按公平值計入損益之金融資產	177,286	5,100

Note (i): Contingent consideration in relation to acquisition of Orange Triangle Inc.

As detailed in Note 15, the Group completed the acquisition of the entire equity interest of Orange Triangle Inc. on 3 July 2015. Part of the consideration was settled by allotment of 155,684,485 contingent shares at HK\$7 each (“Contingent Share”).

The Contingent Shares are to be released to the Mr.Liu Xiaodong, Mr.Shi Shilin, Ms. Wang Qian and Ms. Yang Ye (together, the “OT Seller Guarantors”) or repurchased by the Company subjected to the performance as set out in the adjustment mechanism stipulated in the sale and purchase agreement.

附註(i)：有關收購Orange Triangle Inc.之或然代價

誠如附註15所詳述，本集團於二零一五年七月三日完成收購Orange Triangle Inc.之全部股權。部分代價以每股7港元配發155,684,485股或然股份(「或然股份」)結付。

在買賣協議指定調整機制所載履約規限下，或然股份將予發放予劉小東先生、施世林先生、王倩女士及楊葉女士(統稱「OT賣方擔保人」)或由本公司購回。

OT Performance Undertaking Year OT履約承諾年度		Audited profit after tax of Orange Triangle 經審核 之除稅後溢利
For the period from 1 July 2015 to 30 June 2016 (“First OT Performance Undertaking Year”)	二零一五年七月一日至二零一六年六月三十日期間(「首個OT履約承諾年度」)	RMB100,000,000 人民幣100,000,000元
For the period from 1 July 2016 to 30 June 2017 (“Second OT Performance Undertaking Year”)	二零一六年七月一日至二零一七年六月三十日期間(「第二個OT履約承諾年度」)	RMB130,000,000 人民幣130,000,000元
For the period from 1 July 2017 to 30 June 2018 (“Third OT Performance Undertaking Year”)	二零一七年七月一日至二零一八年六月三十日期間(「第二個OT履約承諾年度」)	RMB170,000,000 人民幣170,000,000元



Notes to the Consolidated Financial Statements

合併財務報表附註

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note (i): Contingent consideration in relation to acquisition of Orange Triangle Inc. (Continued)

If the after tax profit as set out in the audited results for the OT Performance Undertaking Year do not meet the OT Performance Targets, the Company shall inform the OT Seller Guarantors in writing within 10 days after the dispatch of such audited results and the Company and each OT Seller Guarantor shall jointly instruct the escrow agent, as the case may be, to release such amount of Consideration Shares and all dividends attached thereto to the relevant OT Seller Guarantor as set out in the adjustment mechanism. The Company shall repurchase such Consideration Shares at a total consideration of RMB1.00 and such Consideration Shares shall be cancelled by the Company thereafter.

As at 3 July 2015, date of acquisition, a financial asset at fair value through profit or loss of approximately RMB6,600,000 in relation to this arrangement was recognised in the consolidated statement of financial position based on the performance adjustment mechanism and it requires remeasurement at each of the subsequent reporting date.

As at 31 December 2016, the fair value of the contingent consideration was approximately RMB4,600,000 (2015: RMB5,100,000), the change in the fair value amounted RMB500,000 for the year was charged to "other gains/(losses), net" in the consolidated statement of profit or loss.

For the fair value estimation of the contingent consideration, please refer to Note 3.3 for detail.

17 按公平值計入損益之金融資產 (續)

附註(i)：有關收購Orange Triangle Inc.之或然代價(續)

倘就OT履約承諾年度於經審核業績所載之除稅後溢利未能達到OT履約目標，本公司須於寄發有關經審核業績後10天內以書面知會OT賣方擔保人，而本公司及OT賣方擔保人須共同指示監管代理(視情況而定)，以按調整機制所載向相關OT賣方擔保人解除有關代價股份金額及其附帶之所有股息。本公司須購回該等代價股份，代價合共為人民幣1.00元，而該等代價股份須於其後由本公司註銷。

於收購日期二零一五年七月三日，有關該安排之按公平值計入損益之金融資產約人民幣6,600,000元已根據履約調整機制於合併財務狀況表確認，並須於各隨後報告日期重新計量。

於二零一六年十二月三十一日，或然代價之公平值約為人民幣4,600,000元(二零一五年：人民幣5,100,000元)，公平值之變動人民幣500,000元於合併損益表之「其他收益/(虧損)淨額」中支銷。

有關或然代價之公平值估算詳情，請參閱附註3.3。

Notes to the Consolidated Financial Statements

合併財務報表附註

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note (ii): Trading securities – listed securities

		2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	–
Acquisition of subsidiaries	收購附屬公司	704
Additions	添置	178,160
Disposal	出售	(864)
Change in fair value recognised in profit or loss	於損益確認之公平值變動	(7,897)
Currency translation differences	貨幣匯兌差異	2,583
At 31 December		172,686

The balance represents the listed securities held for trading by the Group. All of the trading securities are listed in the active market including Hong Kong Stock Exchange; Shenzhen Stock Exchange; Shanghai Stock Exchange and National Equities Exchange and Quotations and their fair value were based on their current bid prices in active market at the date of statement of financial position, which are within level 1 of the fair value hierarchy (Note 3.3)

Financial assets at fair value through profit or loss are presented within “operating activities” as part of changes in working capital in the statement of cash flows.

Changes in fair values of financial assets at fair value through profit or loss are recorded in “other gains/(losses) – net” in the statement of profit or loss.

18 DIRECT SELLING COSTS

Upon the receipt of subscription revenue from third party customers, the Group is obliged to pay sales commissions and agency fees to the salespersons and agents. The subscription revenue are initially deferred and recognised in the consolidated statement of comprehensive income in the period during which the services are rendered. Accordingly, the commissions and agency fees, which are directly attributable to earning from such subscription revenue during the service period, are deferred and recognised, in agency cost, employees benefit expense, sales commission and direct expenses of online services, respectively, of the consolidated statement of comprehensive income throughout the same period.

17 按公平值計入損益之金融資產 (續)

附註(ii)：交易證券－上市證券

此結餘指本集團持作買賣之上市證券。所有交易證券均於香港聯交所、深圳證券交易所、上海證券交易所及全國中小企業股份轉讓系統等活躍市場上市，其公平值乃按其於財務狀況表日期在活躍市場之現行買入價計算，屬公平值架構之第一級(附註3.3)。

按公平值計入損益之金融資產於現金流量表呈列為「經營業務」內營運資金之部份變動。

按公平值計入損益之金融資產之公平值變動於損益表內「其他收益／(虧損)淨額」列賬。

18 直接銷售成本

自收訖第三方客戶之訂購收入起，本集團即有責任向銷售員及代理支付銷售佣金及代理費用。訂購收入初步為遞延並於提供服務期間在合併綜合收益表確認。因此，於服務期間賺取有關訂購收入而直接產生之佣金及代理費用為遞延並於同期在合併綜合收益表分別確認為代理成本、僱員福利開支、銷售佣金及互聯網服務之直接費用。

Notes to the Consolidated Financial Statements

合併財務報表附註

19 FINANCE LEASE RECEIVABLES

Certain equipment have been leased out through finance leases entered into by the Group. These leases have remaining terms within one year. Finance lease receivables comprised the following:

19 應收融資租賃款項

若干設備已通過由本集團訂立之融資租賃出租。該等租賃之餘下租期為一年內。融資租賃應收款項包括以下部分：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current receivables	非即期應收款項		
Finance leases – gross receivables	融資租賃 – 應收款項總額	–	26,880
Unearned finance income	未賺取之融資收入	–	(2,880)
		–	24,000
Current receivables	即期應收款項		
Finance leases – gross receivables	融資租賃 – 應收款項總額	371,800	73,478
Unearned finance income	未賺取之融資收入	(19,473)	(4,632)
		352,327	68,846
Total finance leases receivables	融資租賃應收款項總額	352,327	92,846
Gross receivables from finance leases:	來自融資租賃之應收款項總額：		
– No later than 1 year	– 不遲於一年	371,800	73,478
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	–	26,880
		371,800	100,358
Unearned future finance income on finance leases	融資租賃未賺取之未來融資收入	(19,473)	(7,512)
Net investment in finance leases	於融資租賃之投資淨值	352,327	92,846
The net investment in finance leases may be analysed as follows:	融資租賃之投資淨值可按以下年期分析：		
– No later than 1 year	– 不遲於一年	352,327	68,846
– Later than 1 year and no later than 5 years	– 遲於一年但不遲於五年	–	24,000
Total	總計	352,327	92,846

Notes to the Consolidated Financial Statements

合併財務報表附註

20 INVENTORIES

20 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	3,590	3,073

The cost of inventories recognised as expense and included in "cost of revenue" amounted to approximately RMB34,017,000 (31 December 2015: RMB25,104,000).

確認為開支並計入「銷售成本」之存貨成本金額約為人民幣34,017,000元(二零一五年十二月三十一日：人民幣25,104,000元)。

21 CASH AND CASH EQUIVALENTS

21 現金及現金等值物

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash at bank and on hand	銀行現金及手頭現金	931,523	690,051
Fixed deposits	定期存款	32,000	100,650
		963,523	790,701
Denominated in:	以下列貨幣計值：		
Hong Kong Dollars	港元	172,127	28,273
Renminbi	人民幣	755,020	757,366
US Dollars	美元	36,376	5,062
		963,523	790,701

The fixed deposits were highly liquid with original maturities of three months or less. As at 31 December 2016, cash and cash equivalents of approximately RMB754,809,000 (2015: RMB748,754,000) of the Group were denominated in Renminbi and deposited with banks in the PRC. The conversion of the Renminbi denominated balance into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

定期存款具高流動性，原到期日為三個月或以下。於二零一六年十二月三十一日，本集團之現金及現金等值物約人民幣754,809,000元(二零一五年：人民幣748,754,000元)以人民幣計值，並已存入中國之銀行。將以人民幣計值之結餘款項兌換為外幣須受中國政府頒佈之外匯管制規則及規例所規限。

Notes to the Consolidated Financial Statements

合併財務報表附註

22 SHARE CAPITAL

22 股本

		Number of ordinary shares 普通股數目	Par value 面值 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	667,166,618	66,465
Issuance of new shares	發行新股份	74,540,000	6,134
Issuance of shares for acquisition	就收購發行股份	155,684,485	12,283
Exercise of share options	行使購股權	2,555,000	208
At 31 December 2015	於二零一五年十二月三十一日	899,946,103	85,090
Issuance of shares upon conversion of convertible bonds	兌換可換股債券後發行股份	95,000,000	8,045
Buy-back shares	購回股份	(5,990,000)	(529)
Exercise of share options	行使購股權	15,352,000	1,279
At 31 December 2016	於二零一六年十二月三十一日	1,004,308,103	93,885

The total authorised number of ordinary shares is 2,000,000,000 shares (2015: 2,000,000,000 shares) with a par value of HK\$0.1 per share (2015: HK\$0.1 per share). All issued shares are fully paid.

普通股法定總數為每股面值0.1港元(二零一五年：每股0.1港元)之2,000,000,000股股份(二零一五年：2,000,000,000股股份)。所有已發行股份均已繳足。

During the year ended 31 December 2016, convertible bonds with principle amount of HKD380,000,000 (equivalent to RMB312,606,000) have been issued and converted into 95,000,000 ordinary shares of the Company at the conversion price of HK\$4 per share and resulted in approximately RMB8,045,000 increase in share capital.

於截至二零一六年十二月三十一日止年度，本金額380,000,000港元(相當於人民幣312,606,000元)之可換股債券已予發行，並按兌換價每股4港元轉換為95,000,000股本公司普通股，致使股本增加約人民幣8,045,000元。

During the year ended 31 December 2016, 15,352,000 shares of the Company were issued upon the exercise of share options under the share option scheme of the Company at exercise price of HK\$1.49, HK\$1.24, HK\$0.604 and HK\$0.82 and resulted in approximately RMB1,279,000 increase in share capital and RMB10,429,000 increase in share premium.

於截至二零一六年十二月三十一日止年度，於本公司根據購股權計劃分別按行使價1.49港元、1.24港元、0.604港元及0.82港元行使購股權後，15,352,000股本公司股份已予發行，並致使股本及股份溢價分別增加約人民幣1,279,000元及人民幣10,429,000元。

The total number of issued shares of the Company was 1,004,308,103 as at 31 December 2016 (2015: 899,946,103).

於二零一六年十二月三十一日，本公司已發行股份總數為1,004,308,103股股份(二零一五年：899,946,103股股份)。

22 SHARE CAPITAL (Continued)

(a) Buy-back of shares

The Company acquired 12,290,000 of its own shares through purchases on the Hong Kong Stock Exchange during year ended 31 December 2016. The total amount paid to acquire the shares was RMB60,939,000. Part of the Share (5,990,000 shares) repurchased had been cancelled in the Stock Exchanges as at 31 December 2016, hence the related amount RMB529,000 and RMB29,861,000 has been deducted from share capital and share premium respectively. The remaining 6,300,000 shares repurchase but not yet cancelled, which amounting to RMB30,549,000 was credited to share redemption reserves.

(b) Share options

On 3 April 2013, a total of 1,500,000 share options were granted to an employee pursuant to the share option scheme. The grantee can exercise these options at an exercise price of HK\$4.402 per share in ten years period starting from the expiry of twelve months from the date of the granting of options, being 3 April 2013. Commencing from the first anniversaries of the date of grant, the relevant grantees may exercise options up to 10% and gradually up to 100% at the fifth anniversary of the date of grant. During the years ended 31 December 2015 and 2016, no share options were exercised.

On 18 November 2013, a total of 10,000,000 share options were granted to certain employees pursuant to the share option scheme. During the year ended 31 December 2015, 28,000 share options were exercised. No share option was exercised during the year ended 31 December 2016. The grantee can exercise these options at an exercise price of HK\$9.84 per share in ten years period starting from the expiry of twelve months from the date of the granting of options, being 18 November 2013. Commencing from the first anniversaries of the date of grant, the relevant grantees may exercise options up to 10% and gradually up to 100% at the fifth anniversary of the date of grant.

22 股本(續)

(a) 股份購回

於截至二零一六年十二月三十一日止年度，本公司透過在香港聯交所進行採購以收購自有股份之12,290,000股股份。收購股份之已付總額為人民幣60,939,000元。部分已購回股份(5,990,000股股份)已於二零一六年十二月三十一日在聯交所獲註銷，故相關款項人民幣529,000元及人民幣29,861,000元已分別從股本及股本溢價中扣除。餘下6,300,000股股份已予購回惟尚未註銷，即相當於人民幣30,549,000元已計入股份贖回儲備。

(b) 購股權

於二零一三年四月三日，根據購股權計劃，合共1,500,000份購股權已授予一名員工。承授人可於購股權授出日期(即二零一三年四月三日)起計十二個月屆滿開始之十年內，按行使價每股4.402港元行使該等購股權。自授出日期一週年後，有關承授人可行使最多10%購股權，並可逐步行使至授出日期五週年之最多100%購股權。於截至二零一五年及二零一六年十二月三十一日止年度，概無購股權獲行使。

於二零一三年十一月十八日，根據購股權計劃，合共10,000,000份購股權已授予部分員工。於截至二零一五年十二月三十一日止年度，28,000份購股權已獲行使。截至二零一六年十二月三十一日止年度，概無購股權獲行使。承授人可於購股權授出日期(即二零一三年十一月十八日)起計十二個月屆滿開始之十年內，按行使價每股9.84港元行使該等購股權。自授出日期一週年後，有關承授人可行使最多10%購股權，並可逐步行使至授出日期五週年之最多100%購股權。

Notes to the Consolidated Financial Statements

合併財務報表附註

22 SHARE CAPITAL (Continued)

(b) Share options (Continued)

The assumptions for valuation of fair value of share options are as follows:

		23 June 2006 二零零六年 六月二十三日	11 July 2007 二零零七年 七月十一日	29 September 2008 二零零八年 九月二十九日	7 April 2010 二零一零年 四月七日	28 March 2011 二零一一年 三月二十八日	3 April 2013 二零一三年 四月三日	18 November 2013 二零一三年 十一月十八日
Exercise price (in HK dollar)	行使價(港元)	1.49	1.24	0.604	0.82	1.108	4.402	9.84
Fair value of the options (in RMB)	購股權公平值(人民幣)	3,919,000	9,390,000	2,756,000	12,527,000	1,377,000	3,754,000	50,125,000
Risk free interest rate (in %)	無風險利率(%)	4.911	4.757	3.133	2.865	2.820	1.111	1.915
Expected life (in years)	預計年期(年)	3.2-5.5	2.4-6.2	3.8-4.8	3.4-5.9	3.8-4.9	9.1-9.6	4.7-7.9
Volatility (in %)	波動(%)	34.8	49	72.2	79.8	77.4	75	71.5
Expected dividend per share (cents)	預期每股股息(分)	-	-	-	-	-	-	-

At the working date before options were granted, 22 June 2006, 10 July 2007, 26 September 2008, 6 April 2010, 25 March 2011, 2 April 2013 and 15 November 2013, the market value per share was HK\$1.45, HK\$1.24, HK\$0.55, HK\$0.82, HK\$1.1, HK\$4.3 and HK\$9.23 respectively.

22 股本(續)

(b) 購股權(續)

評估購股權公平值所用之假設如下：

於購股權獲授出前之工作日(二零零六年六月二十二日、二零零七年七月十日、二零零八年九月二十六日、二零一零年四月六日、二零一一年三月二十五日、二零一三年四月二日及二零一三年十一月十五日)，每股市值分別為1.45港元、1.24港元、0.55港元、0.82港元、1.1港元、4.3港元及9.23港元。

Notes to the Consolidated Financial Statements

合併財務報表附註

22 SHARE CAPITAL (Continued)

(b) Share options (Continued)

Movements in the number of share options outstanding and their exercise prices are as follows:

(i) Share Option Scheme

Expiry date 到期日	2016 二零一六年		2015 二零一五年	
	Exercise price in HK\$ per share 每股港元行使價	Share options 購股權	Exercise price in HK\$ per share 每股港元行使價	Share Options 購股權
At 1 January 於一月一日	1.49	1,458,000	1.49	1,528,000
	1.24	3,698,000	1.24	4,375,000
	0.604	2,900,000	0.604	3,000,000
	0.82	10,588,000	0.82	12,218,000
	1.108	200,000	1.108	250,000
	4.402	1,500,000	4.402	1,500,000
Granted 已授出	9.84	9,972,000	9.84	10,000,000
	1.49	–	1.49	–
	1.24	–	1.24	–
	0.604	–	0.604	–
	0.82	–	0.82	–
	1.108	–	1.108	–
Lapsed and exercised 已失效及行使	4.402	–	4.402	–
	9.84	–	9.84	–
	1.49	(1,458,000)	1.49	(70,000)
	1.24	(2,244,000)	1.24	(677,000)
	0.604	(2,500,000)	0.604	(100,000)
	0.82	(9,150,000)	0.82	(1,630,000)
	1.108	–	1.108	(50,000)
	4.402	–	4.402	–
	9.84	–	9.84	(28,000)

22 股本(續)

(b) 購股權(續)

未行使購股權數目及行使價之變動如下：

(i) 購股權計劃

Notes to the Consolidated Financial Statements

合併財務報表附註

22 SHARE CAPITAL (Continued)

(b) Share options (Continued)

(i) Share Option Scheme (Continued)

Expiry date 到期日	2016 二零一六年		2015 二零一五年	
	Exercise price in HK\$ 每股港元 行使價	Share options 購股權	Exercise price in HK\$ 每股港元 行使價	Share Options 購股權
At 31 December 於十二月三十一日				
23 June 2016 二零一六年六月二十三日	1.49	–	1.49	1,458,000
11 July 2017 二零一七年七月十一日	1.24	1,454,000	1.24	3,698,000
29 September 2018 二零一八年九月二十九日	0.604	400,000	0.604	2,900,000
7 April 2020 二零二零年四月七日	0.82	1,438,000	0.82	10,588,000
27 March 2021 二零二一年三月二十七日	1.108	200,000	1.108	200,000
3 April 2023 二零二三年四月三日	4.402	1,500,000	4.402	1,500,000
18 November 2023 二零二三年十一月十八日	9.84	9,972,000	9.84	9,972,000

(c) Share Award Scheme

On 23 November 2011 and pursuant to the Share Award Scheme, the Board resolved to grant an aggregate of 24,181,000 shares to 72 selected employees (including an executive director of the Company).

On 14 June 2012, the Board resolved to grant Lee Wee Ong, an executive director of the Company, 3,000,000 shares, subjected to a vesting period of 36 months.

On 20 August 2012, the shareholders resolved to grant Guo Jiang, an executive director of the Company, 16,700,000 shares, subjected to a vesting period of 72 months.

22 股本(續)

(b) 購股權(續)

(i) 購股權計劃(續)

(c) 股份獎勵計劃

於二零一一年十一月二十三日，根據股份獎勵計劃，董事會決議向72位經甄選僱員(包括本公司一名執行董事)授予合共24,181,000股股份。

於二零一二年六月十四日，董事會決議向本公司執行董事Lee Wee Ong授予3,000,000股股份，歸屬期為36個月。

於二零一二年八月二十日，股東決議向本公司執行董事郭江授予16,700,000股股份，歸屬期為72個月。

Notes to the Consolidated Financial Statements

合併財務報表附註

22 SHARE CAPITAL (Continued)

(c) Share Award Scheme (Continued)

The awarded shares are subject to vesting periods from 6 months to 72 months.

The following table represents the movements for number of shares under the Share Award Scheme for the year ended 31 December 2016.

		Number of shares (in thousand unit) 股份數目(千股)
At 1 January 2015	於二零一五年一月一日	31,435
Shares vested during the year	本年度已歸屬股份	(9,558)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	21,877
Shares vested during the year	本年度已歸屬股份	(1,457)
Shares purchased from the market	於市場已購買股份	1,315
At 31 December 2016	於二零一六年十二月三十一日	21,735

The following is a summary of the shares granted, vested and lapsed during the year since the set up of the Share Award Scheme:

		Number of shares (in thousand unit) 股份數目(千股)	
		2016 二零一六年	2015 二零一五年
At 1 January	於一月一日	23,192	32,750
Shares vested	歸屬股份	(1,457)	(9,558)
Allocated but not vested	已分配但未歸屬	21,735	23,192

The Group has adopted the requirements under HKFRS 2 to account for the equity compensation expenses of the shares granted at the date of grant at fair value.

以下為自股份獎勵計劃成立起本年度已授出、歸屬及失效之股份概要：

本集團已採納香港財務報告準則第2號之規定，於授出日期按公平值將已授出股份之權益補償費用入賬。

22 股本(續)

(c) 股份獎勵計劃(續)

該等獎勵股份之歸屬期為6個月至72個月。

下表列示於截至二零一六年十二月三十一日止年度股份獎勵計劃項下股份數目之變動。

Notes to the Consolidated Financial Statements

合併財務報表附註

23 OTHER RESERVES

23 其他儲備

		Share premium	Convertible bond reserve	Other reserve	Merger reserve	Share-based compensation reserves	Share redemption reserve	Exchange reserve	Available-for-sale financial assets reserve	Shares held for share reward scheme	Total
		股份溢價	可換股債券儲備	其他儲備	合併儲備	以股份為基礎之補償儲備	股份贖回儲備	匯兌儲備	金融資產儲備	所持股份	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2015	於二零一五年一月一日	640,820	50,858	(17,421)	109,817	81,801	496	(10,478)	16,067	(130,952)	741,008
Issuance of new shares	發行新股份	1,063,819	-	-	-	-	-	-	-	-	1,063,819
Exercise of share options	行使購股權	1,951	-	-	-	-	-	-	-	-	1,951
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	-	-	-	-	29,231	-	-	-	-	29,231
Vesting of awarded shares	歸屬獎勵股份	2,780	-	-	-	(17,124)	-	-	-	14,344	-
Fair value gain on available-for-sale financial assets, net of deferred tax	可供出售金融資產公平價值收益，扣除遞延稅項	-	-	-	-	-	-	-	158,283	-	158,283
Currency translation difference	貨幣匯兌差異	-	-	-	-	-	-	(17,808)	-	-	(17,808)
At 31 December 2015	於二零一五年十二月三十一日	1,709,370	50,858	(17,421)	109,817	93,908	496	(28,286)	174,350	(116,608)	1,976,484
At 1 January 2016	於二零一六年一月一日	1,709,370	50,858	(17,421)	109,817	93,908	496	(28,286)	174,350	(116,608)	1,976,484
Issuance of shares upon conversion of convertible bonds	兌換可換股債券後發行股份	326,506	-	-	-	-	-	-	-	-	326,506
Buy-back of shares	購回股份	(29,861)	-	-	-	-	(30,549)	-	-	-	(60,410)
Exercise of share options	行使購股權	10,429	-	-	-	-	-	-	-	-	10,429
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	-	-	-	-	29,566	-	-	-	-	29,566
Share purchase under Share Award Scheme	根據股份獎勵計劃購入股份	-	-	-	-	-	-	-	-	(6,386)	(6,386)
Vesting of awarded shares	歸屬獎勵股份	3,075	-	-	-	(6,387)	-	-	-	3,312	-
Fair value gain on available-for-sale financial assets, net of deferred tax	可供出售金融資產公平價值收益，扣除遞延稅項	-	-	-	-	-	-	-	62,400	-	62,400
Fair value release on disposal of available-for-sale financial assets, net of deferred tax	出售可供出售金融資產時撥回之公平值，扣除遞延稅項	-	-	-	-	-	-	-	(95,755)	-	(95,755)
Changes in ownership interests in subsidiaries without change of control (Notes 24)	並無改變控制權之附屬公司之擁有權益變動(附註24)	-	-	51,051	-	-	-	-	-	-	51,051
Currency translation difference	貨幣匯兌差異	-	-	-	-	-	-	13,876	-	-	13,876
At 31 December 2016	於二零一六年十二月三十一日	2,019,519	50,858	33,630	109,817	117,087	(30,053)	(14,410)	140,995	(119,682)	2,307,761

Notes to the Consolidated Financial Statements 合併財務報表附註

23 OTHER RESERVES (Continued)

In accordance with the relevant PRC regulations applicable to wholly foreign owned enterprises, the PRC subsidiaries are required to appropriate to reserve fund an amount of not less than 10% of the profit after income tax, calculated based on the PRC accounting standards. Should the accumulated total of this reserve fund reach 50% of the registered capital of the PRC subsidiaries, the subsidiaries will not be required to make any further appropriation. The reserve fund can only be used, upon approval by the shareholders' meeting or similar authorities, to offset accumulated losses or increase capital.

During the year ended 31 December 2016, retained earnings amounted approximately RMB23,840,000 (2015: RMB17,473,000) had been transferred to the statutory reserve. As at 31 December 2016, retained earnings comprise statutory reserve fund amounting to RMB87,756,000 (2015: RMB63,916,000).

24 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

(a) Acquisition of additional interest in subsidiaries

On 21 July 2016, 北京慧聰再創科技有限公司, a wholly-owned subsidiary of the Group, has entered into a share purchase agreement with Mr. Yu Ziguo (喻治國). Pursuant to the agreement, Mr. Yu Ziguo agreed to transfer 24% of the issued shares of 廣東順德慧匯貿易有限公司 ("順德慧匯") for a purchase consideration of RMB1. The carrying amount of the non-controlling interests in 順德慧匯 held by Mr. Yu Ziguo at the date of acquisition was approximately RMB9,000. The Group recognised a decrease in non-controlling interests of approximately RMB9,000 and increase in equity attributable to owners of the company of approximately RMB9,000. After the transaction, the Group holds 84% of the issued shares of 順德慧匯.

On 22 July 2016, 北京慧聰再創科技有限公司, a wholly-owned subsidiary of the Group, has entered into a share purchase agreement with Mr. Yu Ziguo (喻治國). Pursuant to the agreement, Mr. Yu Ziguo agreed to transfer 40% of the issued shares of 廣東順德聰聰網絡科技有限公司 ("順德聰聰") for a purchase consideration of RMB1. The carrying amount of the non-controlling interests in 順德聰聰 held by Mr. Yu Ziguo at the date of acquisition was approximately RMB72,000. The Group recognised a decrease in non-controlling interests of approximately RMB72,000 and increase in equity attributable to owners of the company of approximately RMB72,000. After the transaction, the Group holds 100% of the issued shares of 順德聰聰.

23 其他儲備(續)

根據適用於外商獨資企業之相關中國法規，中國附屬公司須按照中國會計準則算法撥出不少於除所得稅後溢利10%至儲備金。倘此儲備金累計總額達致中國附屬公司之註冊資本50%，則附屬公司將毋須作出任何進一步撥資。於獲得股東大會或同類權力機關之批准後，該儲備金僅可用作抵銷累計虧損或增資。

截至二零一六年十二月三十一日止年度，留存收益為數約人民幣23,840,000元(二零一五年：人民幣17,473,000元)已轉撥至法定儲備。於二零一六年十二月三十一日，留存收益包括法定儲備金人民幣87,756,000元(二零一五年：人民幣63,916,000元)。

24 與非控股權益之交易

(a) 收購附屬公司之額外權益

於二零一六年七月二十一日，本集團全資附屬公司北京慧聰再創科技有限公司與喻治國先生訂立購股協議。根據協議，喻治國先生同意按購買代價人民幣1元轉讓廣東順德慧匯貿易有限公司(「順德慧匯」)已發行股份之24%。喻治國先生於收購日期於順德慧匯所持有之非控股權益賬面值約為人民幣9,000元。本集團確認非控股權益減少約人民幣9,000元及本公司擁有人應佔權益增加約人民幣9,000元。於交易後，本集團持有順德慧匯已發行股份之84%。

於二零一六年七月二十二日，本集團全資附屬公司北京慧聰再創科技有限公司與喻治國先生訂立購股協議。根據協議，喻治國先生同意按購買代價人民幣1元轉讓廣東順德聰聰網絡科技有限公司(「順德聰聰」)發行股份之40%。喻治國先生於收購日期於順德聰聰所持有之非控股權益賬面值約為人民幣72,000元。本集團確認非控股權益減少約人民幣72,000元及本公司擁有人應佔權益增加約人民幣72,000元。於交易後，本集團持有順德聰聰之全部已發行股份。

Notes to the Consolidated Financial Statements

合併財務報表附註

24 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued) 24 與非控股權益之交易(續)

(b) Changes in ownership interests in subsidiaries without change of control

- (i) On 15 March 2016, Mr. Liu Jun (劉軍), Mr. Song Bingchen (宋冰晨), Mr. Han Gang (韓剛) and Mr. Xu Ke (許可) (collectively, the "GZ Subscribers") entered into a capital increase agreement with 深圳市京慧聰網絡科技有限公司, 北京慧聰互聯資訊技術有限公司 and 廣州慧聰網絡科技有限公司 ("Guangzhou Huicong"), each of them being an indirect wholly-owned subsidiary of the Company.

Pursuant to the agreement, the parties agreed to increase the registered capital of Guangzhou Huicong from RMB5,000,000 to RMB8,333,333, comprising RMB3,333,333 to be contributed to the increase in registered capital of Guangzhou Huicong, and RMB50,000,000 to be contributed to the capital reserve of Guangzhou Huicong.

As at 31 December 2016, the total capital contribution by the GZ Subscribers amounted approximately RMB53,333,000, comprising approximately RMB3,333,000 contributed to the increase in registered capital of Guangzhou Huicong, and the remaining RMB50,000,000 was contributed to the capital reserve of Guangzhou Huicong.

After the transaction, the Group's equity interest in Guangzhou Huicong was diluted from 100% to 60%, while the remaining 40% equity interest was held by the GZ Subscribers.

(b) 不導致改變控制權之附屬公司擁有權權益變動

- (i) 於二零一六年三月十五日，劉軍先生、宋冰晨先生、韓剛先生及許可先生(統稱「GZ認購人」)與深圳市京慧聰網絡科技有限公司、北京慧聰互聯資訊技術有限公司及廣州慧聰網絡科技有限公司(「廣州慧聰」)(各為本公司之間接全資附屬公司)訂立增資協議。

根據協議，訂約方同意將廣州慧聰之註冊資本由人民幣5,000,000元增加至人民幣8,333,333元，包括將對廣州慧聰註冊資本增加出資之人民幣3,333,333元及將對廣州慧聰資本儲備出資之人民幣50,000,000元。

於二零一六年十二月三十一日，GZ認購人合共出資約人民幣53,333,000元，包括將對廣州慧聰註冊資本增加出資約人民幣3,333,000元，而餘下人民幣50,000,000元已向廣州慧聰之資本儲備出資。

於交易後，本集團於廣州慧聰之股權自己100%攤薄至60%，而餘下40%股權則由GZ認購人持有。

		RMB'000 人民幣千元
Carrying amount of non-controlling interest disposed	所出售非控股權益之賬面值	-
Consideration received for the non-controlling interests	就非控股權益所收取之代價	(50,000)
Consideration paid in excess of carrying value recognised within equity	於權益內確認超出賬面值之已付代價	(50,000)

24 TRANSACTIONS WITH NON-CONTROLLING INTERESTS (Continued)

(b) Changes in ownership interests in subsidiaries without change of control (Continued)

- (ii) On 13 December 2016, a new shareholder injected capital amounting to RMB1,500,000 into 北京慧聰民安電子商務有限公司(「慧民安」), a non-wholly-owned controlling subsidiary of the Group. The new shareholder subscribes 15% of the equity interest of 慧民安. After the transaction, the Group's equity interest in 慧民安 was diluted from 60% to 51%.

The carrying amount of the non-controlling interest disposed and consideration paid in excess of carrying value recognised within equity as a result of the transaction with non-controlling interests were as follows:

		2016 二零一六年 RMB'000 人民幣千元
Carrying amount of non-controlling interests disposed	所出售非控股權益之賬面值	530
Consideration received from the non-controlling interests	自非控股權益收取之代價	(1,500)
Consideration paid in excess of carrying value recognised within equity		(970)

24 與非控股權益之交易(續)

(b) 不導致改變控制權之附屬公司擁有權權益變動(續)

- (ii) 於二零一六年十二月十三日，一名新股東向本集團非全資控股附屬公司北京慧聰民安電子商務有限公司(「慧民安」)注資人民幣1,500,000元。新股東認購慧民安15%股權。於交易後，本集團於慧民安之股權已自60%攤薄至51%。

由於與非控股權益進行交易，所出售非控股權益之賬面值及於權益內確認超出賬面值之已付代價載列如下：

25 RECEIPT IN ADVANCE

25 預收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current	非流動	40,282	53,237
Current	流動	453,540	1,088,866
		493,822	1,142,103

The amount mainly represents deposits received from the presale of properties in the O2O business exhibition centre.

此金額主要為收取有關O2O商業展覽中心預售物業之按金。

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26 DEFERRED GOVERNMENT GRANTS

26 遞延政府補助

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current	非流動	185,508	195,048
Current	流動	14,500	7,898
		200,008	202,946

As at 31 December 2016, the deferred government grants represent government grants received.

於二零一六年十二月三十一日，遞延政府補助指已收取之政府補助。

The balance includes grants of approximately RMB195,358,000 (2015: RMB197,000,000) which are to subsidise the Group to provide rental discount to the prospective tenants of the O2O business exhibition centre in Shunde of Guangzhou.

此結餘包括約人民幣195,358,000元(二零一五年：人民幣197,000,000元)之政府補助，用以資助本集團向廣州順德O2O商業展覽中心之準租戶所提供之租金折扣。

The conditions attached to this grant has been satisfied during the year ended 31 December 2016.

此補助附帶之條件將於截至二零一六年十二月三十一日止年度達成。

27 TRADE PAYABLES, DEFERRED REVENUE AND ACCRUED EXPENSES AND OTHER PAYABLES

27 應付賬款、遞延收入以及應計費用及其他應付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables (Note a)	應付賬款(附註a)	7,916	3,618
Deferred revenue	遞延收入	244,367	267,154
Accrued salaries and staff benefits	應計薪酬及員工福利	22,826	32,838
Accrued agency commissions	應計代理佣金	15,385	18,421
Accrued expenses	應計費用	109,647	28,070
Deposit from customers	客戶存款	51,528	45,430
Other payables	其他應付款項	17,496	24,176
		469,165	419,707

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27 TRADE PAYABLES, DEFERRED REVENUE AND ACCRUED EXPENSES AND OTHER PAYABLES

(Continued)

(a) The aging analysis of trade payables is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current to 90 days	即期至90天	6,136	2,710
91 to 180 days	91至180天	1,163	593
181 to 365 days	181至365天	395	159
Over 1 year	超過一年	222	156
		7,916	3,618

27 應付賬款、遞延收入以及應計費用及其他應付款項(續)

(a) 應付賬款之賬齡分析如下：

28 BORROWINGS

28 借貸

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current portion:	非流動部分：		
Bank borrowings	銀行借貸	127,376	20,000
Other borrowings	其他借貸	22,206	26,597
		149,582	46,597
Current portion:	流動部分：		
Bank borrowings	銀行借貸	724,528	479,760
Other borrowings	其他借貸	9,372	952
		733,900	480,712
		883,482	527,309

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合併財務報表附註

28 BORROWINGS (Continued)

Movements in borrowings is analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	527,309	139,664
Additions of borrowings	新增借貸	940,818	568,287
Repayments of borrowings	償還借貸	(584,645)	(180,642)
At 31 December	於十二月三十一日	883,482	527,309

Bank borrowings mature until 2018 and bear average interest rate of 5.95% per annum (2015: 5.54% per annum), part of which amounting to RMB160,000,000 are secured by certain properties and land use right with carrying value amounting to approximately RMB257,271,000 (2015: RMB147,822,000).

Other borrowings are provided by the non-controlling shareholders of a subsidiary of the Group for the investment in an associate. The borrowings are unsecured, mature ranging from 2017 to 2019 and bear average interest rate of 6.3% per annum (2015: 6.4% per annum).

The carrying amounts of borrowings approximate their fair values and are denominated in RMB.

The table below summarises the maturity analysis of bank borrowings based on agreed scheduled repayments set out in the loan agreements.

		Bank borrowings 銀行借貸		Other borrowings 其他借貸	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年內	724,528	479,760	9,372	952
Between 1 and 2 years	一年至兩年內	127,376	20,000	19,792	8,320
Between 2 and 5 years	兩年至五年內	–	–	2,414	18,277
		851,904	499,760	31,578	27,549

As at 31 December 2016, the Group has undrawn banking facilities amounting to approximately RMB12,624,000 (2015: Nil)

28 借貸(續)

借貸之變動分析如下：

銀行借貸於二零一八年到期，按平均年利率 5.95厘(二零一五年：年利率 5.54厘)計息，部分借貸人民幣 160,000,000 元以賬面值約人民幣 257,271,000 元(二零一五年：人民幣 147,822,000 元)之若干物業及土地使用權作抵押。

其他借貸由本集團一間附屬公司之非控股股東就於聯營公司投資而提供。該借貸為無抵押，並於二零一七年至二零一九年到期，且按平均年利率 6.3 厘(二零一五年：年利率 6.4 厘)計息。

該借貸之賬面值與其公平值相若，並以人民幣列值。

下表概述按貸款協議所載經協定預設還款日期編製之銀行借貸到期日分析。

於二零一六年十二月三十一日，本集團未使用之銀行融資額度約為人民幣 12,624,000 元(二零一五年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

29 CONVERTIBLE BONDS

The Company issued convertible bonds with a coupon rate of 5% per annum at a total principal value of HK\$780,000,000 (equivalent to approximately RMB615,342,000) on 27 November 2014. The convertible bonds will mature on 27 November 2019 at its principal amount or can be converted into the Group's shares at the bondholder's option at rate of HK\$11.63 per share or at the option of the bondholder to redeem all or some only of the convertible bonds on 27 November 2017, with unconditional right, at their principal amount together with interest accrued but unpaid to such date. The convertible bonds is reclassified as current liabilities as at 31 December 2016.

On 26 May 2016, the Company issued another zero-coupon convertible bond to three executive director of the Company, in an aggregate principal amount of HK\$380,000,000. The convertible bonds will mature on 25 May 2019 at its principal amount or can be converted into the Group's shares at the bondholder's option at rate of HK\$4 per share. On 31 May 2016, the Company received conversion notices from the bondholders. As a result of the Conversion, on 1 June 2016, the Company allotted and issued in aggregate of 95,000,000 share (Note 22) to the bondholder.

The convertible bonds recognised in the consolidated statement of financial position were as follows:

29 可換股債券

本公司於二零一四年十一月二十七日發行本金總額為780,000,000港元(相當於約人民幣615,342,000元)，票面息率每年5%之可換股債券。可換股債券將於二零一七年十一月二十七日按其本金額到期或根據債券持有人之選擇以每股11.63港元兌換為本集團股份或於二零一七年十一月二十七日按債券持有人之選擇以本金連同直至該日期尚未償付之累計利息以無條件權利贖回全部或部分可換股債券。可換股債券於二零一六年十二月三十一日重新分類為流動負債。

於二零一六年五月二十六日，本公司向三名本公司執行董事發行另一項本金總額為380,000,000港元之零息可換股債券。可換股債券將於二零一六年五月二十五日按其本金額到期或根據債券持有人之選擇以每股4港元兌換為本集團股份。於二零一六年五月三十一日，本公司自債券持有人接獲兌換通知。於二零一六年六月一日，本公司因進行兌換而向債券持有人配發及發行合共95,000,000股股份(附註22)。

於合併財務狀況表確認之可換股債券如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	600,225	553,956
Fair value of convertible bond issued on 26 May 2016	於二零一六年五月二十六日發行之可換股債券之公平值	343,017	-
Equity component	股權部分	(157,323)	-
Fair value loss recognized	已確認公平值虧損	22,297	-
Conversion of convertible bonds – liabilities portion	兌換可換股債券 – 負債部分	(207,991)	-
Effective interest expense (Note 37)	實際利息開支(附註37)	46,632	42,805
Exchange reserve	匯兌儲備	41,249	34,821
Interest paid	已付利息	(33,363)	(31,357)
At 31 December	於十二月三十一日	654,743	600,225

The carrying amounts of convertible bonds – liabilities component are denominated in HK\$.

可換股債券 – 負債部分之賬面值以港元計值。

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合併財務報表附註

30 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same tax jurisdiction. The offset amounts are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred income tax assets (to be recovered after more than 12 months)	遞延所得稅資產(將於超過十二個月後退回)	11,386	17,271
Deferred income tax liabilities (to be settled after more than 12 months)	遞延所得稅負債(將於超過十二個月後清繳)	(144,654)	(148,131)
		(133,628)	(130,860)

The net movement on the deferred income tax account is as follows:

遞延所得稅賬目變動淨額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	(130,860)	(19,535)
Acquisition of subsidiaries (Note 15)	收購附屬公司(附註15)	(10,513)	(99,750)
Charged to the other comprehensive income	於其他全面收入支銷	7,428	(28,065)
Credited to the consolidated statement of profit or loss (Note 38)	於合併損益表貸記(附註38)	677	16,490
At 31 December	於十二月三十一日	(133,268)	(130,860)

As at 31 December 2016, deferred income tax liabilities of RMB93,879,000 (2015: RMB66,337,000) have not been recognised for the withholding tax that would be payable on the unremitted earnings of subsidiaries in the PRC. The unremitted earnings are to be used for reinvestment. The income tax liability is not recognised where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

於二零一六年十二月三十一日，尚未就中國附屬公司之未匯出盈利而應付之預扣稅確認遞延所得稅負債人民幣93,879,000元(二零一五年：人民幣66,337,000元)。未匯出盈利將用作再投資。倘暫時差額撥回之時間由本集團控制及暫時差額在可預見未來將不會撥回，所得稅負債則不予確認。

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合併財務報表附註

30 DEFERRED INCOME TAX (Continued)

The movements in deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances within the same taxation jurisdiction, are as follows:

Deferred tax assets

30 遞延所得稅(續)

年內遞延稅項資產與負債變動(未計及抵銷相同稅務司法權區結餘)如下：

遞延稅項資產

		Tax losses 稅項虧損		Other 其他		Total 總計	
		2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	17,149	4,800	122	180	17,271	4,980
Acquisition of subsidiary (Note 15)	收購附屬公司 (附註15)	12	-	-	-	12	-
Charge/(credited) to the consolidated statement of profit or loss	於合併損益表 支銷/(貸記)	(5,990)	12,349	93	(58)	(5,897)	12,291
At 31 December	於十二月三十一日	11,171	17,149	215	122	11,386	17,271

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合併財務報表附註

30 DEFERRED INCOME TAX (Continued)

Deferred tax liabilities

		Fair value gains		Deferred expenses		Total	
		公平值收益		遞延開支		總計	
		2016	2015	2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年	二零一六年	二零一五年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January	於一月一日	133,696	11,273	14,435	13,242	148,131	24,515
Acquisition of subsidiaries (Note 15)	收購附屬公司(附註15)	10,525	99,750	-	-	10,525	99,750
Charge/(credited) to the other comprehensive income	於其他全面收入支銷/(貸記)	(8,553)	28,065	-	-	(8,553)	28,065
Charge/(credited) to the consolidated statement of profit or loss	於合併損益表支銷/(貸記)	(11,162)	(5,392)	5,713	1,193	(5,449)	(4,199)
At 31 December	於十二月三十一日	124,506	133,696	20,148	14,435	144,654	148,131

Deferred income tax assets are recognised for tax loss carried forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The Group have no unrecognised tax losses as at 31 December 2016 (2015: Nil).

相關稅務利益很大可能透過未來應課稅溢利變現時，方就遞延所得稅資產確認結轉稅項虧損。本集團於二零一六年十二月三十一日概無未確認稅項虧損(二零一五年：無)。

31 INCOME TAX PAYABLE AND OTHER TAXES PAYABLE

31 應繳所得稅及其他應繳稅項

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Income tax payable:	應繳所得稅：		
Corporate income tax	企業所得稅	59,846	23,421
Other taxes payable:	其他應繳稅項：		
Value added tax	增值稅	8,965	9,351
Cultural and development tax	文化及發展稅	4,749	5,382
Land appreciation tax	土地增值稅	15,788	648
Other taxes	其他稅項	6,396	7,890
		36,898	23,271

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32 OTHER INCOME

32 其他收入

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Government grants	政府補助	18,553	4,374
Dividend income	股息收入	1,037	–
		19,590	4,374

Various government grants have been received from the tax authority for promoting electronic trading platform among the enterprise in the People's Republic of China ("PRC"). The conditions specified in the government grant approval were fully achieved during the year.

本集團已就於中華人民共和國(「中國」)推行企業間電子貿易平台收取經稅務機構批准之多項政府補助。年內，政府批准之特定條件已悉數達成。

33 OTHER GAINS/(LOSSES), NET

33 其他收益／(虧損)淨額

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Impairment for investment in associates	於聯營公司投資之減值	(8,374)	–
Gains on disposal of available-for-sale financial assets	出售可供出售金融資產收益	148,488	–
Change in fair value on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值變動	(8,397)	(1,500)
Change in fair value on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債公平值變動	(4,700)	–
		127,017	(1,500)

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合併財務報表附註

34 EXPENSES BY NATURE

34 按性質分類之費用

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of properties sold	已售物業成本	472,166	–
Other direct expenses of sale of properties	銷售物業之其他直接費用	30,422	–
Direct expenses of B2B trade platform	B2B買賣平台之直接費用	126,429	–
Direct expenses of trade catalogues and yellow page directories	工商業目錄及黃頁目錄之直接費用	3,735	10,785
Direct expenses of online services	互聯網服務之直接費用	2,801	7,220
Direct expenses of seminars and other services	會議及其他服務之直接費用	36,694	52,404
Direct expenses of anti-counterfeiting products and services	防偽產品及服務之直接費用	34,017	25,104
Agency cost	代理商費用	97,116	106,607
Marketing and consultancy expenses	市場推廣及諮詢費用	193,468	142,933
Network and telephone expenses	網絡及通訊費用	19,563	18,057
Amortisation of land use rights	土地使用權攤銷	1,147	428
Amortisation of intangible assets (Note 11)	無形資產攤銷(附註11)	50,194	24,189
Depreciation of property, plant and equipment (Note 10)	物業、廠房及設備折舊(附註10)	27,646	29,615
Depreciation of investment properties (Note 7)	投資物業折舊(附註7)	3,043	–
Auditor's remuneration	核數師酬金	5,475	3,052
– Audit services	– 審核服務	3,379	2,490
– Non – audit services	– 非審核服務	2,096	562
Employee benefits expenses (Note 35)	僱員福利費用(附註35)	367,694	300,399
Staff commission	員工佣金	72,059	71,147
Provision for impairment and write off of trade receivables (Note 12)	應收賬款之減值撥備及撇銷(附註12)	878	8,212
(Gain)/loss on disposal of property, plant and equipment (Note 41)	出售物業、廠房及設備(收益)/虧損(附註41)	(426)	185
Operating lease payments in respect of land and buildings	有關土地及樓宇之經營租約付款	34,945	29,243
Professional fee	專業費用	21,363	10,511
Travelling expenses	交通及差旅費	20,943	15,424
Exchange loss	匯兌虧損	20,864	10,448
Other expenses	其他費用	33,285	25,150
Total cost of revenue, selling and marketing expenses and administrative expenses	銷售成本、銷售及市場推廣費用以及行政費用總額	1,675,521	891,113

Notes to the Consolidated Financial Statements

合併財務報表附註

35 EMPLOYEE BENEFITS EXPENSES

35 僱員福利開支

		2016	2015
		二零一六年	二零一五年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages and salaries	工資及薪金	281,275	230,542
Retirement benefits costs (a)	退休福利成本(a)	56,853	40,626
Share based compensation – Share Option Scheme	以股份支付之補償 – 購股權計劃	11,245	13,236
Share based compensation – Share Award Scheme	以股份支付之補償 – 股份獎勵計劃	18,321	15,995
		367,694	300,399

The employee benefits expenses amounting to RMB3,680,000 (2015: RMB1,766,000), RMB173,432,000 (2015: RMB114,868,000) and RMB190,582,000 (2015: RMB183,765,000) are recognised in cost of revenue, administrative expenses and selling and marketing expenses, respectively in the consolidated statement of comprehensive income.

(a) In accordance with the PRC regulations, the Group is required to make annual contributions to the state retirement plans calculated at 20% of the basic salaries of the employees, and employees are required to contribute 8% of their basic salaries to the plans. The Group has no obligations for further pension payments or any post-retirement benefits beyond these annual contributions. The retirement benefits are paid directly from the plan assets to the retired employees and are calculated by reference to their monthly basic salaries at the date of retirement and periods of service rendered.

As at 31 December 2016, there were no forfeited contributions available to offset future retirement benefit obligations of the Group.

金額為人民幣3,680,000元(二零一五年: 人民幣1,766,000元)、人民幣173,432,000元(二零一五年: 人民幣114,868,000元)及人民幣190,582,000元(二零一五年: 人民幣183,765,000元)之僱員福利開支分別計入合併綜合收益表的銷售成本、行政費用以及銷售及市場推廣費用。

(a) 根據中國規例，本集團每年須按僱員基本薪金20%向國家退休計劃供款，僱員則須向該等計劃作出其基本薪金8%之供款。除該等年度供款外，本集團毋須承擔其他退休金付款或任何退休後福利。退休福利由該等計劃資產中直接向退休僱員支付，並參考其於退休日期之基本月薪及提供服務之年期計算。

於二零一六年十二月三十一日，概無沒收供款可供用於抵銷本集團日後退休福利責任。

Notes to the Consolidated Financial Statements

合併財務報表附註

35 EMPLOYEE BENEFITS EXPENSES (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2015: two) directors whose emolument is reflected in the analysis presented above. The emoluments paid and payable to the three (2015: three) individuals during the year are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Basic salaries, housing allowances, share options, other allowances and benefits in kind	基本薪金、房屋津貼、購股權、其他津貼及實物利益	7,175	3,572
Retirement plan contributions	退休計劃供款	101	90
		7,276	3,662

The emoluments for these three individuals (2015: three) fell within the following bands:

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Nil to HKD1,000,000	零至1,000,000港元	1	1
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	–	1
HKD1,500,001 to HKD2,000,000	1,500,001港元至2,000,000港元	–	–
HKD2,000,001 to HKD2,500,000	2,000,001港元至2,500,000港元	–	1
HKD2,500,001 to HKD3,000,000	2,500,001港元至3,000,000港元	2	–

(c) During the year, no emoluments have been paid by the Group to the directors or the five highest paid individuals mentioned above as an inducement to join or upon joining the Group, or as compensation for loss of office (2015: Nil).

35 僱員福利開支(續)

(b) 五位最高薪人士

年內，本集團五位最高薪人士包括兩名(二零一五年：兩名)董事，董事之酬金已於上文所呈列之分析中反映。於年內已付及應付予該三名(二零一五年：三名)人士之酬金如下：

該三名(二零一五年：三名)人士之酬金範圍如下：

(c) 年內，本集團並無向董事或上述五位最高薪人士支付任何酬金，作為加入或於加入本集團時之報酬或離職補償(二零一五年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

36 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

36 董事福利及權益(根據香港公司條例(第622章)第383條及公司(披露董事利益資料)規例(第622G章)及香港上市規則規定作出之披露)

(a) Directors' and chief executive's emoluments

The remuneration of every director and chief executive for the year ended 31 December 2015 and 2016 is set out below:

(a) 董事及主要行政人員之酬金

截至二零一五年及二零一六年十二月三十一日止年度，各董事及主要行政人員之薪酬如下：

Emoluments paid or receivable in respect of a person's services as a director, whether of the company or its subsidiary undertaking 就擔任本公司或其附屬企業董事職務之人士已付或應收之酬金：						
Name 姓名	Fees 袍金	Salary 薪酬	Employer's contribution to a retirement benefit scheme 僱員退休福利計劃供款		Total 總計	
			Estimated money value of other benefit 估計貨幣值其他福利	RMB'000 人民幣千元		
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
2016:						
Mr. Guo Fansheng	郭凡生先生	–	600	–	76	676
Mr. Guo Jiang	郭江先生	–	600	5,011	76	5,687
Mr. Lee Wee Ong	Lee Wee Ong先生	–	720	438	–	1,158
Mr. Liu Jun (Note i)	劉軍先生(附註i)	–	600	–	76	676
Mr. Zhang Ke	張克先生	250	–	–	–	250
Dr. Xiang Bing (Note ii)	項兵博士(附註ii)	165	–	–	–	165
Mr. Zhang Tim Tianwei	張天偉先生	230	–	–	–	230
Mr. Tang Jie (Note iii)	湯捷先生(附註iii)	73	–	–	–	73
Mr. Guo Wei (Note iv)	郭為先生(附註iv)	–	–	–	–	–
Mr. Wong Chi Keung (Note v)	王自強先生(附註v)	–	–	–	–	–
Mr. Li Jianguang	李建光先生	–	–	–	–	–
2015:						
Mr. Guo Fansheng	郭凡生先生	–	600	–	71	671
Mr. Guo Jiang	郭江先生	–	600	5,011	71	5,682
Mr. Lee Wee Ong	Lee Wee Ong先生	–	720	1,236	–	1,956
Mr. Zhang Ke	張克先生	100	–	–	–	100
Dr. Xiang Bing	項兵博士	100	–	–	–	100
Mr. Zhang Tim Tianwei	張天偉先生	100	–	–	–	100
Mr. Guo Wei	郭為先生	–	–	–	–	–
Mr. Li Jianguang	李建光先生	–	–	–	–	–



Notes to the Consolidated Financial Statements

合併財務報表附註

36 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

Note:

- (i) Mr. Liu Jun was appointed as an executive director with effect from 12 September 2016
- (ii) Dr. Xiang Bing had resigned as an independent director with effect from 12 September 2016
- (iii) Mr. Tang Jie was appointed as an independent director with effect from 12 September 2016
- (iv) Mr. Guo Wei had resigned as a non-executive director with effect from 12 September 2016
- (v) Mr. Wong Chi Keung was appointed as a non-executive director with effect from 12 September 2016

(a) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year ended 31 December 2016 (2015: Nil).

(b) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year ended 31 December 2016 (2015: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2016, the Company did not pay consideration to any third parties for making available directors' services (2015: Nil).

36 董事福利及權益(根據香港公司條例(第622章)第383條及公司(披露董事利益資料)規例(第622G章)及香港上市規則規定作出之披露)(續)

(a) 董事及主要行政人員之酬金(續)

附註：

- (i) 劉軍先生獲委任為執行董事，自二零一六年九月十二日起生效。
- (ii) 項兵博士辭任獨立董事，自二零一六年九月十二日起生效。
- (iii) 湯捷先生獲委任為獨立董事，自二零一六年九月十二日起生效。
- (iv) 郭為先生辭任非執行董事，自二零一六年九月十二日起生效。
- (v) 王自強先生獲委任為非執行董事，自二零一六年九月十二日起生效。

(a) 董事退休福利

截至二零一六年十二月三十一日止年度，概無董事已收取或將收取任何退休福利(二零一五年：無)。

(b) 董事終止僱傭福利

截至二零一六年十二月三十一日止年度，概無董事已收取或將收取任何終止僱傭福利(二零一五年：無)。

(c) 就作出董事服務向第三方提供的代價

截至二零一六年十二月三十一日止年度，本公司概無就作出董事服務向任何第三方支付代價(二零一五年：無)。

36 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2016, there is no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled body corporates and connected entities of such directors (2015: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2016 (2015: Nil).

(f) No director received any housing allowance; emolument from the Group as an inducement to join or leave the Group or compensation for loss of office; emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the company or its subsidiary undertaking during the years ended 31 December 2016 (2015: Nil).

36 董事福利及權益(根據香港公司條例(第622章)第383條及公司(披露董事利益資料)規例(第622G章)及香港上市規則規定作出之披露)(續)

(d) 有關以董事、受控制法人團體及該等董事之關連實體為受益人之貸款、準貸款及其他交易之資料

截至二零一六年十二月三十一日止年度，概無有關以董事或受控制法人團體及該等董事之關連實體為受益人之貸款、準貸款及其他交易安排(二零一五年：無)。

(e) 董事於交易、安排或合約中之重大權益

本公司概無就其業務訂立本公司為其中訂約方及本公司董事直接或間接擁有重大權益而於年終或截至二零一六年十二月三十一日任何時間仍然存續之重大交易、安排及合約(二零一五年：無)。

(f) 截至二零一六年十二月三十一日止年度，概無董事已收取任何房屋津貼、來自本集團之酬金以作為加入或離開本集團時之報酬或離職補償或董事就管理本公司或其附屬公司事務之其他服務已付或應收取酬金(二零一五年：無)。

Notes to the Consolidated Financial Statements

合併財務報表附註

37 FINANCE COST, NET

37 財務成本淨額

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest expense:	利息支出：		
– Bank borrowings	– 銀行借貸	(36,088)	(16,400)
– Other borrowings	– 其他借貸	(1,655)	(1,530)
– Issued convertible bonds (Note 29)	– 已發行可換股債券(附註29)	(46,632)	(42,805)
– Fair value loss on issuance of convertible bonds	– 發行可換股債券之公平值虧損	(22,297)	–
– Finance lease liabilities	– 融資租賃負債	(30)	(253)
– Others	– 其他	(345)	–
Finance cost	財務成本	(107,047)	(60,988)
Less: amounts capitalised on qualifying assets	減：合資格資產之資本化金額	9,674	13,186
Total finance cost	財務成本總額	(97,373)	(47,802)
Finance income	財務收入		
Interest income:	利息收入：		
– Short-term bank deposits	– 短期銀行存款	25,240	25,748
– Loans to an associate	– 貸款予一間聯營公司	3,030	2,586
– Loans to a joint venture	– 貸款予一間合營公司	12,593	3,880
– Others	– 其他	6,512	11,162
Finance income	財務收入	47,375	43,376
Finance cost, net	財務成本淨額	(49,998)	(4,426)

Finance costs of the loans used to finance the O2O business exhibition centre development projects have been capitalised in properties under development and investment properties up to the completion of construction, at a capitalisation rate of 6.48% during the year (2015: 7.46%).

用作撥付O2O商業展覽中心發展項目之貸款財務成本已於年內按資本化率6.48%(二零一五年：7.46%)於發展中物業及投資物業中撥充資本。

Notes to the Consolidated Financial Statements

合併財務報表附註

38 INCOME TAX EXPENSE

38 所得稅開支

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current income tax expense	當期所得稅開支		
– Hong Kong profits tax (Note a)	– 香港利得稅(附註a)	–	–
– PRC corporate income tax (“CIT”)	– 中國企業所得稅	57,316	26,758
– PRC land appreciation tax (“LAT”)	– 中國土地增值稅	36,187	–
Deferred income tax credit (Note 30)	遞延所得稅抵免(附註30)		
– PRC corporate income tax	– 中國企業所得稅	(677)	(16,490)
		92,826	10,268

(a) No Hong Kong profits tax has been provided as there is no assessable profit arising in Hong Kong for the year (2015: Nil).

(b) The PRC corporate income tax represents taxation charged on assessable profits for the year at the rates of taxation prevailing in the cities in the PRC in which the Group operates.

The tax rate applicable to the subsidiaries in the PRC is 25%, except for certain subsidiaries of the Group in the PRC that were approved as High and New Technology Enterprise, and accordingly, they were subject to a reduced preferential CIT rate of 15% for a 3-year period from 2016 to 2019 according to the applicable CIT Law.

(c) The PRC land appreciation tax is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including land use right and all property development expenditures.

(a) 由於年內並無於香港產生應課稅溢利，故並未就香港利得稅作出撥備(二零一五年：無)。

(b) 中國企業所得稅指於本年度按本集團於中國業務所在各個城市現行稅率就應課稅溢利繳納之稅項。

於中國之附屬公司適用稅率為25%，惟獲批准作為高新技術企業之若干本集團之中國附屬公司則除外，根據適用所得稅法，其按15%之較低優惠企業所得稅稅率繳稅繳付稅項，由二零一六年至二零一九年起計三年。

(c) 中國土地增值稅乃就土地增值數額(即銷售物業所得款項減包括土地使用權及所有物業發展開支在內之可扣減開支)按介乎30%至60%之遞增稅率徵收。

Notes to the Consolidated Financial Statements

合併財務報表附註

38 INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before tax from continuing operations differs from the theoretical amount that would arise using the taxation rate of the home country of the Group companies as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	393,502	33,326
Tax calculated at 25% (2015: 25%)	按25%稅率計算之稅項 (二零一五年: 25%)	98,376	8,332
Effect of different taxation rates in other cities/under preferential tax treatment	其他城市採納不同稅率/根據 優惠稅率之影響	(31,575)	(18,125)
Income not taxable	毋須課稅收入	(24,501)	-
PRC land appreciation tax deductible for PRC corporate income tax purposes	已就中國企業所得稅作出 扣減的中國土地增值稅	(9,047)	-
Expenses not deductible for tax purposes	不可扣稅之費用	23,386	20,061
PRC corporate income tax	中國企業所得稅	56,639	10,268
PRC land appreciation tax	中國土地增值稅	36,187	-
Income tax expense	所得稅開支	92,826	10,268

38 所得稅開支(續)

本集團有關持續經營業務除稅前溢利之稅項與採用本集團公司所在國家之稅率計算所得理論數額差異如下：

39 EARNINGS PER SHARE

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	181,784	52,552

39 每股盈利

Notes to the Consolidated Financial Statements

合併財務報表附註

39 EARNINGS PER SHARE (Continued)

39 每股盈利(續)

		2016 二零一六年 No. of shares 股份數目 (‘000) (千股)	2015 二零一五年 No. of shares 股份數目 (‘000) (千股)
Weighted average number of shares in issue	已發行股份之加權平均數	965,982	755,356
Incremental shares from assumed exercise of share options granted	假設行使已授出購股權而增加之股份	15,728	18,583
Diluted weighted average number of shares	攤薄加權股份平均數	981,710	773,939
Basic earnings per share (in RMB)	每股基本盈利(人民幣)	0.1882	0.0696
Diluted earnings per share (in RMB)	每股攤薄盈利(人民幣)	0.1852	0.0679

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company (Note 22).

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The company has two categories of dilutive potential ordinary shares: convertible debt and share options. The convertible debt is assumed to have been converted into ordinary shares, and the net profit is adjusted to eliminate the interest expense less the tax effect. For the share options, the number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. Since diluted earnings per share is increased when taking into account the convertible bond, the convertible bond is anti-dilutive and is ignored in the calculation of diluted earnings per share.

40 DIVIDENDS

A dividend in respect of the year ended 31 December 2016 of HK\$0.05 per share (2015: Nil) was proposed by the Board on 28 March 2017 and to be approved by the shareholders in the forthcoming annual general meeting. This proposed final dividend, amounting to RMB44,636,000 (HK\$49,900,000) has not been recognised as a liability in the financial statements, but will be reflected as an appropriation of retained profits for the year ending 31 December 2017.

每股基本盈利按本公司擁有人應佔溢利除以年內已發行普通股加權平均數計算(不包括本公司購買之普通股)(附註22)。

每股攤薄盈利按調整流通在外的普通股加權平均數以假設所有潛在攤薄普通股已獲轉換而計算。本公司有兩類可能潛在攤薄普通股：可換股債項及購股權。可換股債項假設已轉換為普通股，而純利經已調整以撇銷利息開支扣除稅務影響。就購股權而言，假設購股權獲行使時應已發行之股份數目扣除可按公平值(按年度每股股份之平均市價釐定)發行之股份數目，所得相同的所得款項總額為無償發行的股份數目。由於計入可換股債券會增加每股攤薄盈利，故可換股債券具反攤薄影響，且並無用作計算每股攤薄盈利。

40 股息

董事會於二零一七年三月二十八日建議就截至二零一六年十二月三十一日止年度派付每股0.05港元(二零一五年：無)之股息，並須待股東於應屆股東週年大會上批准。此項建議末期股息人民幣44,636,000元(49,900,000港元)尚未於財務報表確認為負債，惟將列為截至二零一七年十二月三十一日止年度之留存收益分派。

Notes to the Consolidated Financial Statements

合併財務報表附註

41 CASH GENERATED FROM OPERATIONS

41 經營業務產生之現金

(a) Reconciliation of profit before taxation to net cash generated from operating activities

(a) 除稅前溢利與經營業務產生之現金淨額對賬

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	393,502	33,326
Adjustments for:	調整：		
Depreciation of property, plant and equipment (Note 10)	物業、廠房及設備之折舊(附註10)	27,646	29,615
Amortisation of intangible assets (Note 11)	無形資產攤銷(附註11)	50,194	24,189
Provision for impairment of trade receivables (Note 12)	應收賬款之減值撥備(附註12)	878	8,212
Amortisation of land use rights (Note 34)	土地使用權攤銷(附註34)	1,147	428
Amortisation of investment properties (Note 34)	投資物業攤銷(附註34)	3,043	-
Impairment loss of investment in associate (Note 14)	於聯營公司投資之減值虧損(附註14)	8,374	-
Government grants income	政府補助收入	(1,642)	-
Share based compensation – value of employee services (Note 34)	以股份支付之補償－僱員服務價值(附註34)	29,566	29,231
(Gain)/loss on disposal of property, plant and equipment (Note b)	出售物業、廠房及設備之(收益)/虧損(附註b)	(426)	185
Gain on disposal of available-for-sale financial assets (Note 33)	出售可供出售金融資產之收益(附註33)	(148,488)	-
Dividend income (Note 32)	股息收入(附註32)	(1,037)	-
Finance income (Note 37)	財務收入(附註37)	(47,375)	(43,376)
Finance expense (Note 37)	財務支出(附註37)	75,076	47,802
Share of profit from investments accounted for using equity method (Note 14)	分佔按權益法入賬之投資溢利(附註14)	(14,131)	(9,853)
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之金融資產公平值虧損	8,397	1,500
Fair value loss on financial liabilities at fair value through profit or loss	按公平值計入損益之金融負債公平值虧損	4,700	-
Fair value loss on issuance of convertible bonds (Note 37)	發行可換股債券之公平值虧損(附註37)	22,297	-

41 CASH GENERATED FROM OPERATIONS (Continued)

41 經營業務產生之現金(續)

(a) Reconciliation of profit before taxation to net cash generated from operating activities (Continued)

(a) 除稅前溢利與經營業務產生之現金淨額對賬(續)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Operating profit before working capital changes	營運資金變動前之經營溢利	411,721	121,259
Changes in working capital:	營運資金變動：		
Changes of properties under development and completed properties held of sales	發展中物業及持作出售竣工物業變動	352,855	(311,268)
Changes in trade receivables	應收賬款變動	(44,073)	(15,016)
Changes in deposits, prepayments and other receivables	按金、預付款項及其他應收款項變動	56,251	(37,349)
Changes in finance lease receivables	應收融資租賃款項變動	(259,481)	(92,846)
Changes in inventories	存貨變動	(517)	(2,553)
Changes in direct selling costs	直接銷售成本變動	23,965	8,430
Changes in trade payables	應付賬款變動	4,237	(821)
Changes in accrued expenses and other payables	應計費用及其他應付款項變動	(26,027)	43,800
Changes in deferred government grants	遞延政府補助變動	2,750	-
Changes in deferred revenue	遞延收入變動	(28,181)	(104,593)
Changes in receipt in advance	預收款項變動	(648,281)	622,571
Changes in other tax payable	其他應繳稅項變動	(22,730)	3,993
Net cash (used in)/generated from operations	經營業務(所用)/產生之現金淨額	(177,511)	235,607

Notes to the Consolidated Financial Statements

合併財務報表附註

41 CASH GENERATED FROM OPERATIONS (Continued)

(b) Proceeds from disposal of property, plant and equipment

In the consolidated cash flow statements, proceeds from disposal of property, plant and equipment comprise:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net book amount:	賬面淨值：		
Property, plant and equipment (Note 10)	物業、廠房及設備(附註10)	980	2,380
Gain/(loss) on disposal of property, plant and equipment (Note 34)	出售物業、廠房及設備之收益/(虧損)(附註34)	426	(185)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備之所得款項	1,406	2,195

42 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for at the end of the year but not yet incurred is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	1,900	1,500
Investment properties and properties under development	投資物業及開發中物業	—	47,292
		1,900	48,792

41 經營業務產生之現金(續)

(b) 出售物業、廠房及設備之所得款項

在合併現金流量表內，出售物業、廠房及設備之所得款項包括：

42 承擔

(a) 資本承擔

於本年度末已訂約但尚未產生之資本承擔如下：

42 COMMITMENTS (Continued)

(b) Financial commitments

Financial commitments at the end of the year are analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Acquisition of subsidiaries	收購附屬公司	–	58,711
Acquisition of available-for-sale financial assets	收購可供出售金融資產	42,000	325,985
Investment in associates	投資聯營公司	–	15,000
		42,000	399,696

(c) Commitments under operating leases

(i) As a lessee

At 31 December 2016, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of buildings which expire as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	24,720	25,624
In the second to fifth year inclusive	二至五年(包括首尾 兩年)	145,193	115,587
Over the fifth year	五年以上	138	31,906
		170,051	173,117

42 承擔(續)

(b) 財務承擔

於本年度末之財務承擔分析如下：

(c) 經營租約承擔

(i) 作為承租人

於二零一六年十二月三十一日，本集團就樓宇之已到期不可撤銷經營租約日後應付之最低租賃款項總額如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

42 COMMITMENTS (Continued)

(c) Commitments under operating leases (Continued)

(ii) As a lessor

At 31 December 2016, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of buildings which expire as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	10,007	12,810
In the second to fifth year inclusive	二至五年(包括首尾 兩年)	36,091	43,257
Over the fifth year	五年以上	75,246	81,562
		121,344	127,629

43 CONTINGENT LIABILITIES

As at 31 December 2016, there were no material contingent liabilities to the Group (2015: Nil).

44 FINANCIAL GUARANTEES

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration; or (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible to repay the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages. As at 31 December 2016, the amount of outstanding guarantees for mortgages were approximately RMB357,430,000 (2015: RMB356,074,000).

The directors consider that the likelihood of default in payments by purchasers is minimal and therefore the financial guarantees measured at fair value is immaterial.

42 承擔(續)

(c) 經營租約承擔(續)

(ii) 作為出租人

於二零一六年十二月三十一日，本集團就樓宇之已到期不可撤銷經營租約日後應收之最低租賃款項總額如下：

43 或然負債

於二零一六年十二月三十一日，本集團概無重大或然負債(二零一五年：無)。

44 財務擔保

本集團為本集團物業單位之若干買家安排銀行融資，並提供擔保以作為該等買家還款責任之抵押。該等擔保於以下較早者發生時終止：(i) 於完成擔保登記時發出一般將於平均兩至三年期間取得之房產證；或(ii)物業買家償付按揭貸款。

根據擔保條款，倘該等買家拖欠按揭還款，本集團須負責償還拖欠之按揭貸款以及應計利息及違約買家結欠銀行之罰款，而本集團有權接管及擁有相關物業之合法業權。本集團之擔保期由授出按揭貸款當日起計。於二零一六年十二月三十一日，按揭之未償還擔保金額約為人民幣357,430,000元(二零一五年：人民幣356,074,000元)。

董事認為買家拖欠付款之可能很低，故按公平值計量之財務擔保並不重大。

Notes to the Consolidated Financial Statements

合併財務報表附註

45 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

45 本公司之財務狀況表及儲備變動

Statement of financial position of the Company

本公司之財務狀況表

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
ASSETS	資產		
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	1,367,882	1,308,553
		1,367,882	1,308,553
Current assets	流動資產		
Loan to a subsidiary	貸款予一間附屬公司	1,052,450	885,660
Total assets	總資產	2,420,332	2,194,213
EQUITY	權益		
Capital and reserves	資本及儲備		
Share capital	股本	93,885	85,090
Other reserves	其他儲備	1,950,238	1,688,035
Accumulated losses	累計虧損	(279,504)	(179,610)
Total equity	總權益	1,764,619	1,593,515
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Issued convertible bond – liabilities component	已發行可換股債券 – 負債部分	654,744	600,225
		654,744	600,225
Current liabilities	流動負債		
Accrued expenses and other payables	應計費用及其他應付款項	969	473
Total liabilities	總負債	655,713	600,698
Total equity and liabilities	總權益及負債	2,420,332	2,194,213

Notes to the Consolidated Financial Statements

合併財務報表附註

45 STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(Continued)

45 本公司之財務狀況表及儲備變動

(續)

(a) Reserve movement of the Company

(a) 本公司之儲備變動

		Accumulated losses 累計虧損 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	(106,516)	639,232
Loss for the year	本年度虧損	(73,094)	–
Issuance of new shares	發行新股份	–	1,063,819
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	–	29,231
Exercise of share options	行使購股權	–	1,951
Currency translation differences	貨幣匯兌差異	–	(46,198)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	(179,610)	1,688,035
Loss for the year	本年度虧損	(99,894)	–
Issuance of shares upon conversion of convertible bonds	兌換可換股債券後發行股份	–	326,506
Buy-back shares	購回股份	–	(60,410)
Share based compensation – value of employee services	以股份支付之補償 – 僱員服務價值	–	29,566
Share purchase under Share Award Scheme	根據股份獎勵計劃買入股份	–	(6,387)
Exercise of share options	行使購股權	–	10,429
Currency translation differences	貨幣匯兌差異	–	(37,501)
At 31 December 2016	於二零一六年十二月三十一日	(279,504)	1,950,238

Notes to the Consolidated Financial Statements

合併財務報表附註

46 RELATED-PARTY TRANSACTIONS

Apart from the transactions already disclosed in other notes in this financial statements, the Group has the following significant transactions that were carried out with related parties:

Key management compensation

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	6,075	5,960
Share-based payments	以股份為基礎之付款	8,130	7,277
		14,205	13,237

47 EVENT AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION

Acquisition of subsidiaries - Huijia Yuantian Limited

On 8 December 2016, the Group and the Vendors has entered into a letter of intent to acquire the entire equity interest of 天津慧嘉元天廣告傳媒有限公司 (Tianjin Huijiayuantian Advertisement Media Company Limited*).

On 13 January 2017, the Group has entered into a share purchase agreement with Mu Hao Holdings Limited, Hong Rui Technology Holdings Limited, Chance Technology Co. Ltd and Vanguard Technology Holdings Limited (together the "Vendors") and Mr. Zou Kai ("鄒凱"), Mr. Hong Chaoran ("洪超然"), Ms. Wang Fei ("王菲") and Mr. Sun Yi ("孫毅") (together the "Vendor Guarantors") to acquire the entire equity interest of Huijia Yuantian Limited, which in turn held the entire equity interest in 天津慧嘉元天廣告傳媒有限公司 (Tianjin Huijiayuantian Advertising Media Company Limited*); entire equity interest in 北京億茂廣告有限公司 (Beijing Yimao Advertising Company Limited*).

The acquiree is principally engaged in technology development, marketing and public relations with the focus on developing digital interactive media marketing tools mainly using the mobile terminal as the medium, to assist the clients in setting up cross-border integrated marketing platform based on technology-driven marketing strategy.

Pursuant to the sale and purchase agreement, the total consideration amounted HK\$409,090,909 (equivalent to RMB360,000,000). Part of the consideration was settled by cash amounted HK\$184,090,909 (equivalent to RMB162,000,000), while the remaining portion was settled by issuance and allotment of the convertible bonds (subject to downward adjustments).

The transaction had been completed on 3 February 2017 in accordance with the terms of the sale and purchase agreement.

* English name is translated for identification purpose only.

46 關聯人士交易

除於該等財務報表之其他附註已披露之交易外，本集團與關聯人士進行之重大交易如下：

主要管理人員薪酬

47 財務狀況表日期後事件

收購附屬公司 - Huijia Yuantian Limited

於二零一六年十二月八日，本集團與賣方訂立有關收購天津慧嘉元天廣告傳媒有限公司全部股權之意向書。

於二零一七年一月十三日，本集團及 Mu Hao Holdings Limited、Hong Rui Technology Holdings Limited、Chance Technology Co. Ltd 及 Vanguard Technology Holdings Limited (統稱「賣方」) 與鄒凱先生、洪超然先生、王菲女士及孫毅先生 (統稱「賣方擔保人」) 訂立股份購買協議以收購 Huijia Yuantian Limited (其持有天津慧嘉元天廣告傳媒有限公司之全部股權) 之全部股權及北京億茂廣告公司有限公司之全部股權。

被收購方主要從事技術開發、營銷及公關活動，主要以移動終端為載體，發展數字化互動媒體營銷工具，以技術驅動營銷戰略，協助客戶打造跨界整合營銷平台。

根據買賣協議，總代價為 409,090,909 港元 (相當於人民幣 360,000,000 元)，部分由現金 184,090,909 港元 (相當於人民幣 162,000,000 元) 償付，而餘下部分則透過發行及配發可換股債券 (可予下調) 之方式償付。

該交易已根據買賣協議條款於二零一七年二月三日完成。

