

The logo for China Electronics Corporation Holdings Company Limited, featuring the letters 'CEC' in a bold, blue, sans-serif font.

中国电子  
CHINA ELECTRONICS

# China Electronics

Corporation Holdings Company Limited

中國電子集團控股有限公司

(Stock Code 股份代號: 00085)

Annual Report  
**2016**  
年報

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## Corporate Information

### 公司資料

#### BOARD OF DIRECTORS

##### Non-executive Directors

Dong Haoran (*Chairman*)  
Jiang Juncheng

##### Executive Directors

Ma Yuchuan (*Deputy Chairman*)  
Liu Hongzhou (*Managing Director*)

##### Independent Non-executive Directors

Chan Kay Cheung  
Qiu Hongsheng  
Chow Chan Lum

#### AUDIT COMMITTEE

Chan Kay Cheung (*Chairman*)  
Qiu Hongsheng  
Chow Chan Lum

#### REMUNERATION AND NOMINATION COMMITTEE

Qiu Hongsheng (*Chairman*)  
Chan Kay Cheung  
Chow Chan Lum  
Ma Yuchuan

#### COMPANY SECRETARY

Ng Kui Kwan

#### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

#### PRINCIPAL OFFICE IN HONG KONG

Room 3403, 34th Floor  
China Resources Building  
26 Harbour Road  
Wanchai  
Hong Kong

#### 董事會

##### 非執行董事

董浩然 (主席)  
姜軍成

##### 執行董事

馬玉川 (副主席)  
劉紅洲 (董事總經理)

##### 獨立非執行董事

陳棋昌  
邱洪生  
鄒燦林

#### 審核委員會

陳棋昌 (主席)  
邱洪生  
鄒燦林

#### 薪酬及提名委員會

邱洪生 (主席)  
陳棋昌  
鄒燦林  
馬玉川

#### 公司秘書

伍舉鈞

#### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

#### 香港主要辦事處

香港  
灣仔  
港灣道26號  
華潤大廈  
34樓3403室

## **INVESTOR RELATIONS**

Telephone: (852) 2598 9088  
Facsimile: (852) 2598 9018  
Website: www.cecholding.com  
Email: investor@cecholdings.com.hk

## **STOCK CODE**

00085

## **PRINCIPAL BANKERS**

Agricultural Bank of China Ltd  
Bank of Beijing Co., Ltd  
Bank of China (Hong Kong) Limited  
China Construction Bank Corporation  
China Merchants Bank Co., Ltd  
Shanghai Pudong Development Bank Co., Ltd

## **PRINCIPAL SHARE REGISTRAR**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

## **HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE**

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

## **INDEPENDENT AUDITOR**

PricewaterhouseCoopers

## **LEGAL ADVISOR**

Freshfields Bruckhaus Deringer

## **投資者關係聯絡**

電話：(852) 2598 9088  
傳真：(852) 2598 9018  
網頁：www.cecholding.com  
電郵：investor@cecholdings.com.hk

## **股份代號**

00085

## **主要往來銀行**

中國農業銀行股份有限公司  
北京銀行股份有限公司  
中國銀行(香港)有限公司  
中國建設銀行股份有限公司  
招商銀行股份有限公司  
上海浦東發展銀行股份有限公司

## **股份登記總處**

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

## **香港股份過戶登記分處**

卓佳雅柏勤有限公司  
香港  
灣仔  
皇后大道東183號  
合和中心22樓

## **獨立核數師**

羅兵咸永道會計師事務所

## **法律顧問**

富而德律師事務所



## Chairman's Statement

### 主席報告



**Dong Haoran 董浩然**  
*Chairman 主席*

On behalf of the board of directors (the "Board") of China Electronics Corporation Holdings Company Limited (the "Company"), I hereby report that for the year 2016 the Company together with its subsidiaries (the "Group") achieved a sale revenue of HK\$1,378.0 million, representing a decrease of 20.5% when comparing with the corresponding period of last year, the profit attributable to shareholders of the Company was HK\$1,061.2 million, representing an increase of 498.3% when comparing with the corresponding period of last year. The increase in profit was primarily attributable to (i) an one-off gain of HK\$620.8 million arising from the disposal of China Electronics Technology Development Co., Ltd ("CEC Technology") and the subscription of new shares in China Electronics Optics Valley Union Holding Company Limited ("CEOVU") and (ii) an accounting gain representing negative goodwill of HK\$409.4 million arising from the acquisition of 31.88% interest in CEOVU. Basic earnings per share was HK52.28 cents.

本人謹代表中國電子集團控股有限公司（「本公司」）董事會（「董事會」）宣佈，2016年本公司及其附屬公司（「本集團」）實現銷售收入1,378.0百萬港元，較去年同期下降20.5%，本公司股東應佔溢利為1,061.2百萬港元，較去年同期增長498.3%。該溢利增長主要來自(i)出售中國電子科技開發有限公司（「中電科技」）及認購新中電光谷聯合控股有限公司（「中電光谷聯合」）股份產生之一次性收益620.8百萬港元及(ii)收購中電光谷聯合31.88%股權產生之一項賬面收益（為負商譽）409.4百萬港元所致。每股基本盈利為52.28港仙。

## Chairman's Statement 主席報告

The Board recommends the payment of a dividend of HK3.0 cents per share for the year ended 31 December 2016 (2015: HK3.0 cents), amounting to a total dividend of HK\$60.9 million. Subject to approval by shareholders of the Company at the forthcoming annual general meeting, the dividend will be distributed on or about 31 July 2017.

In February 2016, the Group completed the acquisition of 95.64% equity interest in Shanghai Huahong Integrated Circuit Co., Ltd ("Huahong"). Huahong is principally engaged in the design of integrated circuit chips in the PRC with technology focusing on the design and system development of contact, contactless and dual-interface integrated circuit chips, which are widely used in sectors such as social security, telecommunications, identity authentication and financial payment. Upon completion of the acquisition of Huahong, the Group has carried out integration of the business operations of its smart cards business such as the research and development, marketing, management, etc., which generated some one-off costs. The integration has enriched the product line and optimised the business structure, resulted in improvement of the Group's comprehensive competitiveness in the smart card chips sector, strives to achieve synergistic advantages in aspects such as supply chain in the future and promotes the realisation of the long-term strategic objective of the Group.

In June 2016, the Company completed the disposal of the entire equity interest in CEC Technology to CEOVU and the subscription in cash of the new ordinary shares in CEOVU for the acquisition of 31.88% interest in CEOVU. CEOVU has its shares listed on The Stock Exchange of Hong Kong Limited and is a leading multi-theme business parks developer which is engaging in the development and operation of large-scale business parks with distinctive industry themes in the PRC.

In January 2017, with the tremendous assistance from the Company's ultimate controlling shareholder, China Electronics Corporation Limited ("CEC") and through its RMB1.89 billion unsecured guarantee support, the Company successfully raised the necessary funds with an average interest rate of approximately 3.7% per annum to redeem its 4.70% unsecured bonds in the principal amount of RMB2.75 billion (the "Bonds") in full on maturity.

董事會建議就截至2016年12月31日止年度派付每股3.0港仙(2015年:3.0港仙)股息,總計為60.9百萬港元。待本公司股東於應屆股東週年大會上批准後,股息將於2017年7月31日或之前後分派。

於2016年2月,本集團完成對上海華虹集成電路有限責任公司(「華虹」)95.64%股權的收購。華虹主要在中國從事集成電路芯片之設計、技術涵蓋接觸式、非接觸式及雙介面集成電路芯片的設計及系統開發,在社會保障、移動通信、身份認證及金融支付等多個領域廣泛應用。收購華虹完成後,本集團對整體智能卡業務的研發、營銷及管理營運進行了整合,產生了一定的一次性成本。整合豐富了產品綫,以及優化了業務架構,使本集團在智能卡芯片領域的綜合競爭力得到了提升,力求在未來實現供應鏈等方面協同優勢,推動本集團長期戰略目標的實現。

於2016年6月,本公司通過出售中電科技之全部股權予中電光谷聯合及以現金認購新中電光谷聯合普通股,完成收購中電光谷聯合31.88%股權。中電光谷聯合為一家股份於香港聯合交易所有限公司上市,於國內從事發展及運營具鮮明主題的大型產業園之領先多主題產業園發展商。

於2017年1月,在本公司之最終控股股東中國電子信息產業集團有限公司(「中國電子集團」)的強有力支持下,以提供人民幣18.9億元無抵押擔保方式協助本公司成功籌集平均年利率約3.7%之所需資金用於本金總額為人民幣27.5億元的4.70%無抵押債券(「該債券」)到期日全數贖回該債券。

## Chairman's Statement

### 主席報告

In March 2017, the Group entered into an agreement to dispose of its navigation chips business for a cash consideration of RMB100 million and expects to record an estimated gain of approximately RMB75 million in 2017.

Currently, the application of smart cards in the PRC market is mainly in the field of such as identity authentication, social security, telecommunication, financial payment, hygiene and health, public transportation, etc. After many years of development, the Group has gained a relatively larger market share and has established a leading position in these smart card sectors in the PRC. In 2016, the macro-economic downward pressure keeps on lingering the industrial sectors, bringing tremendous pressure to the operation and business development of the Group. The global smart cards market has entered into a slow development stage during the year, with demand for domestic telecommunication smart cards decreasing, domestic social security smart cards issuance coverage rate has already reached approximately 70% and demand for new cards is decreasing, further intensification in the market competition, rapid drop in product's selling price and the cost of production rising. On the other hand, with the progressing of the process of industrialisation of domestic financial payment smart card products, and the application innovation of the Internet of Things provided new opportunities for the smart cards industry. With both challenges and opportunities co-existed, the Group has implemented stringent cost control measures to increase competitiveness, while closely tracked the market demand, made tremendous efforts to promote the sales of financial payment smart card products and explored new applications for existing products, strengthened the establishment of sales channels, and emphasised on the new business layout that could drive our future revenue growth, and strived to provide diversified and high quality products that meet the demands of customers and markets.

於2017年3月，本集團訂立協議以現金對價人民幣100百萬元出售其導航芯片業務及預計於2017年錄得估計收益約人民幣75百萬元。

目前，中國智能卡市場的應用領域主要包括身份識別、社會保障、移動通信、金融支付、衛生健康和公共交通等。歷經多年發展，本集團在以上類別的智能卡領域佔有較大的市場份額並處於國內領先地位。2016年宏觀經濟的下行壓力不斷向實體產業傳導，對本集團的經營和業務發展帶來了巨大的壓力。年內全球智能卡市場進入緩慢發展階段，國內移動通信智能卡市場需求總量下降，國內社會保障智能卡的發卡覆蓋率已接近70%，新增發卡需求減少，市場競爭愈加激烈、產品售價快速下降及製造成本上漲。另一方面，國內金融支付智能卡產品產業化進程的不斷推進、及物聯網的應用創新為智能卡產業帶來新機遇。在挑戰與機遇並存的情況下，本集團一方面從嚴控制成本以提升競爭力，另一方面密切跟蹤市場需求，大力推動金融支付智能卡產品的銷售及拓展現有產品的新應用，加強銷售渠道建設，並著眼於可帶動未來收入增長的新業務佈局，致力於提供滿足客戶和市場需求的多元化及高質量產品。



## Chairman's Statement 主席報告

Looking forward into 2017, the operating environment of the smart cards market for the Group is expected to remain challenging. The Group will actively cope with the fierce market competition, and seize the opportunity from the application innovation of the Internet of Things so as to generate new source of profitability for the Group in the future. In the future the Group will on the one hand, continue to adhere to its independent innovation development strategy, increase its investments in science and technology, continue to launch new products that lead the market, and actively expand into smart card application business such as financial payment, telecommunication, hygiene and health, and public transportation, as well as Internet of Things security application segment. On the other hand, the Group will through application innovation strengthen the development of application system for our product, and being market orientated, center on technology and product innovation to strengthen our research and development of new technology, new process and new product, keep on enhancing the competitive advantages in technology and marketing of the Group, and strive to become a world leading supplier of smart cards and Internet of Things security chips.

Lastly, on behalf of the Board, I would like to thank all staff members for their contributions and efforts in the past year. I would also like to express our most sincere gratitude to our shareholders and business partners for their continuing co-operation and support.

**Dong Haoran**  
*Chairman*

Hong Kong, 30 March 2017

展望2017，預期本集團所面對的智能卡市場營商環境仍然充滿挑戰，本集團將積極面對激烈的市場競爭，並抓住物聯網應用創新的契機，為本集團未來創造新的盈利來源。未來本集團一方面將繼續堅持自主創新、加大科技投入、不斷推出引領市場的新產品，並積極開拓金融支付、移動通信、衛生健康及公共交通等智能卡應用業務及物聯網安全應用領域。另一方面，本集團將以應用創新為抓手，加強產品應用系統開發；以市場為引領，以技術及產品創新為核心，加強新技術、新工藝和新產品的研發，不斷提升本集團在技術和市場方面的競爭優勢，致力於成為世界領先的智能卡及物聯網安全芯片供應商。

最後，本人謹代表董事會，對公司全體同仁在過去一年的辛勤工作與不懈努力表示由衷的感謝，並對各位股東及合作夥伴長期以來的合作與支持深表謝意！

主席  
董浩然

香港，2017年3月30日



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

#### Results overview

Revenue of the Group for the year ended 31 December 2016 amounted to HK\$1,378.0 million, representing a decrease of 20.5% when comparing with the corresponding period of last year. Profit attributable to owners of the Company amounted to HK\$1,061.2 million, representing an increase of 498.3% when comparing with the corresponding period of last year, which is primarily attributable to (i) an one-off gain of HK\$620.8 million arising from the disposal of CEC Technology and the subscription of new shares in CEOVU and (ii) an accounting gain representing negative goodwill of HK\$409.4 million arising from the acquisition of 31.88% interest in CEOVU. The basic earnings per share was HK52.28 cents (2015: HK8.74 cents).

#### Integrated circuits design operation

The Group's integrated circuits design operation comprises the design of smart card chips and the development of application system. Currently, our products are mainly used in sectors such as identity authentication, social security, telecommunication, financial payment, hygiene and health, and public transportation. For the year ended 31 December 2016, the Group has obtained 61 new patents, 3 registered computer software copyright, and registered 7 integrated circuits layout designs. At the same time, the Group's financial payment and telecommunication products was accredited successively with security qualification certifications such as domestic EAL4+ Certificate and by association such as domestic UnionPay, and financial payment products that are being applied in the high-security segments was also accredited with international security qualification certifications such as CCEAL5+ Certificate and EMVCo Certificate, which symbolising that our security technology had attained international level and will enable the Group's products to withstand against the fierce competitive markets.

### 業務回顧

#### 業績概述

本集團截至2016年12月31日止年度之收入為1,378.0百萬港元，較去年同期下降20.5%。本公司權益持有者應佔溢利為1,061.2百萬港元，較去年同期增長498.3%，主要是由於(i)出售中電科技及認購新中電光谷聯合股份產生之一次性收益620.8百萬港元及(ii)收購中電光谷聯合31.88%股權產生之一項賬面收益(為負商譽)409.4百萬港元所致。每股基本盈利為52.28港仙(2015年：8.74港仙)。

#### 集成電路設計業務

本集團之集成電路設計業務涵蓋智能卡芯片之設計及應用系統開發。目前，本集團產品主要覆蓋身份識別、社會保障、移動通信、金融支付、衛生健康及公共交通等應用領域。截至2016年12月31日止年度，本集團新增授權專利61項、電腦軟件著作登記3項及集成電路版圖設計登記7項。同時，本集團金融支付及移動通信等產品相繼獲得國內EAL4+及國內之銀聯芯片安全等資質認證，應用於高安全領域之金融支付產品還獲得了CCEAL5+及EMVCo等國際安全資質認證，標誌著本集團安全技術已達致國際水平，及對本集團產品面向激烈的市場競爭提供了有力保障。

## Management Discussion and Analysis

### 管理層討論及分析

During 2016, demand of certain market segments had decreased due to the decline in the industry demand and impact of the macro-economic policy while the smart card chips market competition further intensified as smart card chips companies reduced their pricing to compete, and time is needed before the synergistic effect with Huahong can be achieved which has resulted in the decline of both the sales volume and revenue of the Group in 2016 when comparing with the corresponding period of last year. The revenue for the year ended 31 December 2016 was HK\$1,359.0 million, representing a decrease of 21.0% when comparing with the corresponding period of last year.

Selling and marketing costs for the year ended 31 December 2016 amounted to HK\$101.5 million (2015: HK\$90.4 million). As a percentage to revenue, selling and marketing costs increased to 7.5% from 5.3% of the corresponding period of last year. The increase was mainly due to 1) the Group has stepped up its marketing efforts in the emerging sectors such as the financial payment smart card chips sector in the PRC, 2) actively exploring new customers relationship in the traditional product sectors such as the telecommunication and the social security sector in the PRC, and 3) strengthened the development and layout of overseas markets.

Administrative expenses for the year ended 31 December 2016 amounted to HK\$411.7 million, representing a decrease of 18.5% when comparing with the corresponding period of last year (2015: HK\$505.0 million), which was primarily due to the decrease in research and development costs during the year. The decrease in research and development costs was due to cost saving resulting from centralised planning and arrangement for the research and development projects of the Group and Huahong following the integration of Huahong's research and development resources into those of the Group in 2016 and implementation of stringent cost control measures.

鑒於2016年受行業需求下滑和宏觀經濟政策之影響，部分細分市場總量下滑；加之智能卡芯片市場競爭進一步加劇，各芯片公司競相壓價，與華虹協同效應尚須時才能受惠，2016年本集團銷售量和銷售收入均較去年同期下降。截至2016年12月31日止年度之收入為1,359.0百萬港元，較去年同期下降21.0%。

截至2016年12月31日止年度之銷售及市場推廣成本為101.5百萬港元（2015年：90.4百萬港元）。銷售及市場推廣成本佔收入之百分比由去年同期之5.3%增長至7.5%。增長的原因主要是1)加大了國內金融支付智能卡芯片等新興市場之營銷力度，2)在國內移動通信及社會保障等傳統產品領域積極開拓新客戶，及3)加強了對海外市場之開拓和佈局。

截至2016年12月31日止年度之行政開支為411.7百萬港元，較去年同期下降18.5%（2015年：505.0百萬港元），主要是由於年內研究及開發成本之下降導致。2016年開展了與華虹研究及開發資源之整合，對研究及開發項目進行了統一籌劃和安排，並實施了嚴格之成本控制措施，使得研究及開發成本有所下降。

## Management Discussion and Analysis

### 管理層討論及分析

Research and development costs for the year ended 31 December 2016 was HK\$276.8 million (2015: HK\$396.7 million), which represented 20.4% of the revenue for the year ended 31 December 2016 (2015: 23.1%). Research and development during the year primarily focused on areas such as the continuous running-in of existing process and advanced research of new process, enhancement of product security certification level and the development of application systems.

Government grants recognised as income decreased by 33.4% to HK\$95.0 million for the year ended 31 December 2016 resulted from less government subsidies for research and development costs incurred in the year.

For the year ended 31 December 2016, profit attributable to the integrated circuits design operating segment amounted to HK\$125.1 million, representing a decrease of 30.4% when comparing with the corresponding period of last year.

#### Electronic information technology industrial parks operation

The electronic information technology industrial parks operation was disposed of on 30 June 2016 and was classified as discontinued operation of the Group accordingly.

截至2016年12月31日止年度之研究及開發成本為276.8百萬港元(2015年:396.7百萬港元),佔截至2016年12月31日止年度收入之20.4%(2015年:23.1%)。年內研究及開發主要側重於原有工藝的持續磨合及新工藝的預研、產品安全認證等級的提高和應用系統開發等。

由於本集團就截至2016年12月31日止年度發生研究及開發成本獲得之政府補助減少,年內已確認為收入之政府補助下降33.4%至95.0百萬港元。

截至2016年12月31日止年度,歸屬於集成電路設計營運分部溢利為125.1百萬港元,較去年同期下降30.4%。

#### 電子信息技術產業園業務

電子信息技術產業園業務已於2016年6月30日售出,因此,該業務被分類為本集團已終止經營之業務。

## Management Discussion and Analysis

### 管理層討論及分析

Prior to 30 June 2016, the Group's electronic information technology industrial parks operation mainly comprised:

1. Hainan Resort Software Community ("Hainan RSC"), which is wholly-owned, developed and managed by Hainan Resort Software Community Investment and Development Co., Ltd, an associate of the Group;
2. CEC Xi'an Industrial Park ("Xi'an Industrial Park"), which is wholly-owned, developed and managed by China Electronics Xi'an Industrial Park Development Co., Ltd, a subsidiary of the Group;
3. CEC Beihai Industrial Park ("Beihai Industrial Park"), which is wholly-owned, developed and managed by China Electronics Beihai Industrial Park Development Co., Ltd ("CEC Beihai"), a subsidiary of the Group; and
4. CEC Wenzhou Industrial City ("Wenzhou Industrial City"), which is wholly-owned, developed and managed by China Electronics Wenzhou Industrial Park Development Co., Ltd, a subsidiary of the Group.

#### Hainan RSC

Hainan RSC is situated in Hainan, with a planned total site area of 3,000 Mu. The park targets at enterprises engaging in software research, software outsourcing and information technology training, as well as call centres and internet media. The overall planning of the park includes four functional zones: namely start-up zone, large-scale enterprises zone, livelihood-supporting zone and enterprise self-established zone.

- I. Mingyue Ju residential development project is located in the start-up zone. The construction of Mingyue Ju was completed in 2014. Approximately 640 square metres were sold during the six months ended 30 June 2016.

於2016年6月30日之前，本集團之電子信息技術產業園業務主要包括：

1. 海南生態軟件園（「海南生態軟件園」），該園區由本集團之聯營公司海南生態軟件園投資發展有限公司全資擁有、發展及管理；
2. 中國電子西安產業園（「西安產業園」），該園區由本集團之附屬公司中國電子西安產業園發展有限公司全資擁有、發展及管理；
3. 中國電子北海產業園（「北海產業園」），該園區由本集團之附屬公司中國電子北海產業園發展有限公司（「中電北海」）全資擁有、發展及管理；及
4. 中國電子溫州產業城（「溫州產業城」），該項目由本集團之附屬公司中國電子溫州產業園發展有限公司全資擁有、發展及管理。

#### 海南生態軟件園

海南生態軟件園位於海南，總規劃面積為3,000畝。園區之目標企業為從事軟件研究、軟件外判及信息科技培訓，以及傳呼中心及網絡媒體之企業。園區整體規劃包括起步區、規模企業區、生活配套區以及企業自建區四大功能區。

- I. 明月居住宅發展項目位於起步區。明月居項目已於2014年竣工。於截至2016年6月30日止六個月內，已銷售面積約為640平方米。



## Management Discussion and Analysis

### 管理層討論及分析

II. The large-scale enterprises zone consists of five phases. Phase 1 consists of 13 office buildings with a total gross floor area of 43,000 square metres. The construction of Phase 1 was completed in 2015. Approximately 12,570 square metres were sold during the six months ended 30 June 2016.

III. Meilun Tertiary Time Tropical Style Commercial Street is located in the livelihood-supporting zone and occupies a site area of approximately 90 Mu. The construction of the commercial street complex was completed in 2015. The commercial street is held for rental purposes and leasing went well as at 30 June 2016.

Youth entrepreneurship blocks zone is located in the livelihood-supporting zone and consists of three phases. Phase 1 consists of 3 residential buildings with a total gross floor area of 96,000 square metres. The construction of Phase 1 was completed in 2015. Approximately 4,690 square metres were sold during the six months ended 30 June 2016.

#### *Xi'an Industrial Park*

Xi'an Industrial Park is situated in Xi'an and occupies a site area of 470 Mu. The park targets at enterprises engaging in producer and consumer information services industries such as cloud computing services, integrated circuits design, software research and development, information services, information security and electronic commerce.

II. 規模企業區分五期開發，一期包括13棟寫字樓，總建築面積為43,000平方米。一期已於2015年竣工。於截至2016年6月30日止六個月內，已銷售面積約為12,570平方米。

III. 美輪第三時間熱帶風情商業街位於生活配套區，佔地約90畝，商業街項目已於2015年竣工。商業街用於出租，於2016年6月30日，招商情況進展良好。

青年創業街區位於生活配套區，及分三期開發。一期包括3棟公寓樓，總建築面積為96,000平方米。一期已於2015年竣工。於截至2016年6月30日止六個月內，已銷售面積約為4,690平方米。

#### *西安產業園*

西安產業園位於西安，佔地470畝。園區目標企業為從事雲服務、集成電路設計、軟件研發、信息服務、信息安全和電子商務等生產性及消費性信息服務業的企業。

## Management Discussion and Analysis

### 管理層討論及分析

Phase 2 consists of 8 buildings and fire protection system and standby power supply system for both Phase 1 and Phase 2. No. 1 and No. 3 to No. 7 building are single block office building with gross floor area ranges from 2,000 to 6,000 square metres, and the gross floor area of No. 8 office building is 50,000 square metres. No. 9 building is a steel-structured two-storey training centre with a gross floor area of 7,000 square metres. No. 9 building of Phase 2 was delivered for use in 2015 and was leased out for a term of 10 years. The construction of other buildings of Phase 2 is scheduled for completion in 2017.

#### *Beihai Industrial Park*

Beihai Industrial Park is situated in Beihai, Guangxi. The park targets at manufacturers of computers and computer storage device, as well as enterprises engaging in software research and services, and the production of key parts of LCD monitors and A/D power.

CEC Beihai has been actively negotiating with the People's Government of Beihai on the joint development and construction of Beibu Gulf Eco-Wisdom Electronics City. Consensus had been reached for the construction of China Electronics Beibu Gulf Information Harbour, which will form an integral part of Beibu Gulf Eco-Wisdom Electronics City. As at 30 June 2016, acquisition of a piece of land with site area of approximately 160 Mu for the development of first phase of the project has been completed and preliminary preparation works for the project had commenced.

二期包括8棟建築物及一期和二期消防安全系統及後備電源系統。二期1號及3號至7號樓為獨棟寫字樓，建築面積介乎2,000至6,000平方米不等，8號寫字樓建築面積為50,000平方米，9號樓為兩層鋼結構培訓中心，建築面積為7,000平方米。二期的9號樓已於2015年交付使用並已簽十年期租賃。二期的其他建築物預計於2017年竣工。

#### *北海產業園*

北海產業園位於廣西北海，園區目標企業為電腦及電腦存儲器生產商，以及從事軟件研究及服務和生產液晶顯示屏及交直流電源主零部件之企業。

中電北海目前正積極推進與北海市人民政府共同開發建設北部灣智慧生態電子城項目，並已達成中國電子北部灣信息港項目建設意向，作為北部灣智慧生態電子城的重要組成部分。於2016年6月30日，已完成購買首期開發區之約160畝土地工作並已開展項目各項前期籌劃工作。

## Management Discussion and Analysis

### 管理層討論及分析

#### Wenzhou Industrial City

The project is located at Wenzhou Economic and Technological Development Zone and targets at enterprises engaging in industrial internet, software and information service, intelligent terminal manufacturing, information security and cross-border electronic commerce.

The planned total site area of the project is approximately 3,000 Mu. The project will be developed and constructed in two phases, of which Phase 1 will occupy a site area of approximately 1,630 Mu. As at 30 June 2016, acquisition of a piece of land with site area of 316 Mu has been completed and preliminary preparation works had commenced.

For the six months ended 30 June 2016, profit attributable to the electronic information technology industrial parks operating segment amounted to HK\$655.8 million, representing a significant increase when comparing with a profit of HK\$123.0 million for the year ended 31 December 2015, which is primarily attributable to an one-off gain of HK\$620.8 million arising from the disposal of CEC Technology and the subscription of new shares in CEOVU.

#### Major associate

On 30 June 2016, the Company completed the acquisition of 31.88% interest in CEOVU and CEOVU has become an associate of the Company since then. CEOVU, a company listed on The Stock Exchange of Hong Kong Limited, is principally engaged in the business of development and operation of large-scale business parks in the PRC. The Group's share of result from CEOVU for the year ended 31 December 2016 was HK\$455.5 million, benefitting from an accounting gain representing negative goodwill of HK\$409.4 million arising from the acquisition of 31.88% interest in CEOVU.

#### 溫州產業城

項目位於溫州經濟及技術開發區，目標企業為從事產業互聯網、軟件與信息服務、智能終端製造、信息安全及跨境電子商務的企業。

項目總規劃面積約為3,000畝。項目分兩期進行開發建設，其中一期佔地約1,630畝。於2016年6月30日，已完成購買316畝土地工作並已開展各項前期籌劃工作。

由於出售中電科技及認購新中電光谷聯合股份產生一次性收益620.8百萬港元，截至2016年6月30日止六個月歸屬於電子信息技術產業園營運分部溢利為655.8百萬港元，相對截至2015年12月31日止年度之123.0百萬港元溢利，溢利大幅上升。

#### 重大聯營公司

於2016年6月30日，本公司完成收購中電光谷聯合31.88%股權而自此中電光谷聯合成為本公司之聯營公司。中電光谷聯合（一家於香港聯合交易所有限公司上市之公司）之主要業務為於中國從事發展及營運大型產業園。受惠於收購中電光谷聯合31.88%股權產生之一項賬面收益（為負商譽）409.4百萬港元，本集團截至2016年12月31日止年度應佔中電光谷聯合之業績為455.5百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL RESOURCES AND LIQUIDITY

The Group generally finances its working capital and funding requirements through internal resources, bank and other borrowings, and issuance of corporate bonds. At 31 December 2016, the Group had cash and cash equivalents amounted to HK\$911.9 million, 93.0% of which were denominated in Renminbi, 6.4% in Hong Kong dollars and 0.6% in United States dollars (2015: HK\$777.1 million, 98.8% of which was denominated in Renminbi, 0.7% in United States dollars and 0.5% in Hong Kong dollars).

At 31 December 2016, the Group had total bank and other borrowings of HK\$477.6 million, 74.8% of which were denominated in Renminbi and 25.2% in Hong Kong dollars (2015: HK\$919.5 million, all of which were denominated in Renminbi). Among these borrowings, (i) HK\$120.2 million were secured by short-term deposits of the Group and HK\$357.4 million were unsecured (2015: HK\$901.6 million were secured by short-term deposits of the Group and HK\$17.9 million were unsecured), and (ii) HK\$357.3 million and HK\$120.3 million were borrowed at fixed and variable interest rates respectively (2015: all were borrowed at fixed interest rates). At 31 December 2016, committed borrowing facilities available to the Group but not drawn amounted to HK\$979.9 million.

On 16 January 2014, the Company issued 4.70% unsecured bonds due 2017 in the principal amount of RMB2,750 million. The Bonds mature on 16 January 2017. The Bonds bear interest at the rate of 4.70% per annum and are listed on The Stock Exchange of Hong Kong Limited. CEC assists the Company in meeting its obligations under the Bonds by entering into a keepwell deed and a deed of equity interest purchase undertaking. The Company redeemed the Bonds in full on maturity.

The Group's revenue are mainly denominated in Renminbi and payments are denominated in Renminbi and Hong Kong dollars. The Group will make use of hedging contracts, when appropriate, to hedge the risk of foreign exchange fluctuation arising from its operations.

At 31 December 2016, the Group had net current liabilities of HK\$1,239.5 million (2015: net current assets of HK\$4,234.4 million). The gearing ratio, which is calculated as net debt divided by total capital of the Group, was 61.1% (2015: 61.7%).

### 財務資源及流動資金

本集團通常通過內部資源、銀行及其他借貸及發行企業債券來滿足營運資金的需求。於2016年12月31日，本集團持有現金及現金等價物共計911.9百萬港元，分別有93.0%以人民幣、6.4%以港元及0.6%以美元持有（2015年：777.1百萬港元，分別有98.8%以人民幣、0.7%以美元及0.5%以港元持有）。

於2016年12月31日，本集團的銀行及其他借貸總額為477.6百萬港元，分別有74.8%以人民幣及25.2%以港元計值（2015年：919.5百萬港元並均以人民幣計值）。該等借貸中(i)為數120.2百萬港元乃以本集團之短期存款作抵押及357.4百萬港元為無抵押（2015年：為數901.6百萬港元乃以本集團之短期存款作抵押及17.9百萬港元為無抵押），及(ii)為數357.3百萬港元及120.3百萬港元之借貸分別以固定利率及浮動利率借貸（2015年：全數借貸均按固定利率借貸）。於2016年12月31日，本集團尚未動用之已承諾借貸備用額為979.9百萬港元。

於2014年1月16日，本公司發行本金總額為人民幣2,750百萬元於2017年到期的4.70%無抵押債券。該債券於2017年1月16日到期。該債券按年利率4.70%計息，並於香港聯合交易所有限公司上市。中國電子集團透過訂立保持良好契約及股權購買承諾契約協助本公司履行其於該債券項下之責任。本公司已於債券到期日全數贖回該債券。

本集團收入主要以人民幣結算而付款以人民幣及港元結算。本集團會於適時利用對沖合約對沖源自其業務的外匯波動風險。

於2016年12月31日，本集團流動負債淨值為1,239.5百萬港元（2015年：流動資產淨值為4,234.4百萬港元）。資本負債比率（以本集團的債務淨額除以資本總額計算）為61.1%（2015年：61.7%）。



## Management Discussion and Analysis

### 管理層討論及分析

#### MATERIAL ACQUISITIONS AND DISPOSAL

##### Huahong

On 5 February 2016, CEC Huada Electronic Design Co., Ltd (“Huada Electronics”), a wholly-owned subsidiary of the Company, completed the acquisition of 95.64% equity interest in Huahong for a total cash consideration of RMB717,300,000 (equivalent to HK\$838,732,000). Huahong has become a 95.64% owned subsidiary of the Company since then. Huahong is principally engaged in the business of design of integrated circuit chips in the PRC.

##### CEC Technology and CEOVU

On 30 June 2016, the Company completed the disposal of 100% equity interest in CEC Technology for a consideration of 1,058,530,083 new ordinary shares of CEOVU and the subscription in cash of 1,491,469,917 new ordinary shares of CEOVU for HK\$1,193,175,934. CEC Technology ceased to be a wholly-owned subsidiary of the Company and CEOVU has become a 31.88% owned associate of the Company since then. CEOVU is principally engaged in the business of development and operation of large-scale business parks in the PRC.

#### PLEDGE OF ASSETS

At 31 December 2016, certain assets of the Group with an aggregate carrying value of HK\$126.5 million (2015: HK\$929.5 million) were pledged as collateral for borrowings of the Group.

#### CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2016, the Group did not have any material outstanding capital commitment (2015: nil) for the acquisition of fixed assets and intangible assets. The Group did not have any material contingent liability at 31 December 2016 (2015: nil).

#### 重大收購事項及出售事項

##### 華虹

於2016年2月5日，本公司之全資附屬公司北京中電華大電子設計有限責任公司（「華大電子」）完成以現金總對價人民幣717,300,000元（相等於838,732,000港元）收購華虹之95.64%股權。自此華虹成為本公司擁有95.64%權益之附屬公司。華虹之主要業務為於中國從事集成電路芯片之設計。

##### 中電科技及中電光谷聯合

於2016年6月30日，本公司完成以對價1,058,530,083股新中電光谷聯合普通股出售中電科技之100%股權及以現金1,193,175,934港元認購1,491,469,917股新中電光谷聯合普通股，自此中電科技不再為本公司之全資附屬公司而中電光谷聯合成為本公司擁有31.88%權益之聯營公司。中電光谷聯合主要業務為於中國從事發展及營運大型產業園。

#### 資產抵押

於2016年12月31日，本集團賬面總值126.5百萬港元（2015年：929.5百萬港元）的若干資產已作為本集團借貸的抵押品。

#### 資本承擔及或有負債

於2016年12月31日，本集團就購買固定資產及無形資產並無任何重大尚未履行之資本承擔（2015年：無）。於2016年12月31日，本集團並無任何重大或有負債（2015年：無）。

## Management Discussion and Analysis

### 管理層討論及分析

#### EMPLOYEE AND REMUNERATION POLICIES

At 31 December 2016, the Group had approximately 510 employees, the majority of whom were based in the PRC. Employee benefit expenses for the year were HK\$275.5 million.

The Group recognises the importance of high calibre and competent staff and has a strict recruitment policy and performance appraisal scheme. Remuneration policies are largely in line with industry practices, and are formulated on the basis of performance and experience and will be reviewed regularly. Bonuses and other merit payments are linked with the performance of the Group and of the individuals as incentive to optimise performance.

#### 僱員及薪酬政策

於2016年12月31日，本集團僱用約510名僱員，大部份於中國內地工作。年內僱員福利開支為275.5百萬港元。

本集團意識到優秀人才及能幹僱員的重要性，並備有嚴謹的招聘政策及工作表現評估方案。僱員的薪酬政策與業內慣例大致相符，乃按表現及經驗為基準制訂並定期作出檢討。花紅及其他獎賞乃視乎本集團及個別僱員表現而釐定，以激勵僱員達致最佳表現。

# Corporate Governance Report

## 企業管治報告

The Company is committed to achieving the best corporate governance practices by emphasising its accountability, transparency, independence, responsibility and fairness. The Company is dedicated to exercise corporate governance through regular reviews of its adopted practices with reference to the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The Company has complied with all the applicable code provisions in the CG Code as set out in Appendix 14 to the Listing Rules throughout the year ended 31 December 2016. The following summarises the corporate governance practices adopted by the Company.

### THE BOARD

As at 31 December 2016, the Board consists of two executive directors, two non-executive directors and three independent non-executive directors. The roles of the chairman of the Board are segregated from the managing director. The chairman of the Board is responsible for leading and overseeing the functioning of the Board and the strategic development of the Group. The managing director is delegated with the authority and responsibility for managing the Group’s business, and the implementation of the Group’s strategies in achieving the overall business objectives. Throughout the year ended 31 December 2016, the position of the chairman of the Board and the managing director were not held by the same individual. As at 31 December 2016, the position of the chairman of the Board and the managing director were held separately by Mr. Dong Haoran and Mr. Liu Hongzhou, respectively. Such division of responsibilities helps to reinforce their independence and accountability. There are no financial, business, family or other material relationships among the directors (including the chairman of the Board and the managing director).

本公司努力實踐最高水平的企業管治常規，尤其注重問責、透明、獨立、責任和公平方面。本公司認真執行企業管治，參考香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載之企業管治守則（「企業管治守則」）定期檢討所採納的常規。

本公司於截至2016年12月31日止年度內均已遵守上市規則附錄14所載之企業管治守則內適用守則條文。下文概述本公司採納的企業管治常規。

### 董事會

於2016年12月31日，董事會由兩名執行董事、兩名非執行董事及三名獨立非執行董事組成。董事會主席與董事總經理是兩個明確劃分的不同職位。董事會主席負責領導並監察董事會的運作，以及本集團的策略發展。董事總經理獲授權並專責本集團業務之管理及落實本集團的策略，以達成整體經營目標。於截至2016年12月31日止年度內，董事會主席及董事總經理的職位並沒有由一人同時兼任。於2016年12月31日，董事會主席及董事總經理的職位分別由董浩然先生及劉紅洲先生擔任。該等職責的劃分有助加強其獨立性及問責性。董事（包括董事會主席及董事總經理）之間並無任何財務、商業、家族或其他重大關係。

## Corporate Governance Report 企業管治報告

All the directors, including the non-executive directors, will be subject to retirement by rotation and re-election every three years in accordance with the Listing Rules and the bye-laws of the Company. The remuneration of the directors are determined with reference to their duties, responsibilities, and to the prevailing market conditions.

The Board is responsible for the formulation of long term business objectives, strategies and plans, and to monitor and control the operating and financial performance of the Group. The day-to-day operations and implementation of business objectives are delegated to the managing director. The management is delegated with the necessary authority to carry out daily operations and duties.

The Board is also responsible for performing overall corporate governance duties, including developing and reviewing the Company's corporate governance policy and practice, reviewing and monitoring the training and continuous professional development of directors and senior management, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, developing, reviewing and monitoring the code of conduct applicable to directors, and reviewing the Company's compliance with the CG Code.

The Board is responsible for appointing new directors to fill any vacancy on the Board. The Board will consider whether the candidate's skills, experience and diversity of perspectives (including but is not limited to gender, age, cultural and educational background, or professional experience to achieve the diversity of members of the Board) meet the requirements of the Company when considering a nomination. In 2016, a Board meeting was held to consider the appointment of Mr. Ma Yuchuan as an executive director of the Company and Mr. Jiang Juncheng as a non-executive director of the Company. When considering Mr. Ma's and Mr. Jiang's nomination and appointment, the Board has applied the above mentioned criteria and procedures.

所有董事（包括非執行董事）均須遵照上市規則及本公司的公司章程細則每三年輪流退任一次，並可膺選連任。董事薪酬乃參照彼等的職務、職責及現行市況而釐定。

董事會的責任是訂下長遠經營目標、策略和藍圖，以及監察和調控本集團的營運及財務表現。集團日常營運及經營目標的落實則交由董事總經理負責。管理層已獲授予所需權力，以執行日常營運及職責。

董事會亦負責履行整體的企業管治職責，包括制定及檢討本公司的企業管治政策及常規，檢討及監察董事及高級管理人員的培訓及持續專業發展，檢討及監察本公司在遵守法律及監管規定方面的政策及常規，制定、檢討及監察董事的操守準則，及檢討本公司遵守企業管治守則的情況。

董事會負責委任新董事以填補董事會之任何空缺。董事會在考慮提名時將考慮獲提名人選的才幹、經驗及多樣化的觀點與角度（包括但不限於性別、年齡、文化及教育背景或專業經驗等因素，體現董事會成員組合的多元性）是否符合本公司的要求。於2016年，就考慮馬玉川先生為本公司執行董事及姜軍成先生為本公司非執行董事的委任舉行一次董事會會議。於考慮馬先生及姜先生之提名及委任時，董事會已應用上述標準及程序。



## Corporate Governance Report

### 企業管治報告

All directors have actively participated in the review and monitoring of the Company's business. The Board meets regularly and at least 4 times a year. Between scheduled meetings, the senior management of the Group provides information to directors on a regular basis regarding the activities and development in the businesses of the Group. The directors have full access to information on the Group and independent professional advice in appropriate circumstances, at the Company's expense. With respect to regular meetings of the Board, the directors will be given written notice of the meeting at least 14 days in advance and an agenda with supporting Board papers no less than 3 days prior to the meeting. For other meetings, directors are given as much notice as is reasonable and practicable in the circumstances. If a director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with by a physical Board meeting. Independent non-executive directors who, and whose close associates, have no material interest in the transaction should be present at that Board meeting. All minutes of Board and Board committee meetings are kept by the company secretary of the Company for record with sufficient details of the matters considered and decisions reached by the Board or Board committee, including any concerns raised or dissenting views expressed by any director. These minutes are available for inspection at any reasonable time on reasonable notice by any director. The attendance record of the directors at the general meeting(s), Board and Board committee meetings held in 2016 are set out on page 32 of this annual report. Besides providing sufficient time and attention to the affairs of the Group, all directors have disclosed to the Company the number and nature of the offices held in other public companies or organisations and other significant commitments, and updated the Company on any subsequent changes in a timely manner. Appropriate insurance on directors' liabilities have been in force to protect the directors from their risk exposure arising from the business of the Group.

各董事均積極參與檢討及監察本公司業務。董事會定期召開會議，且每年召開至少四次。於定期會議之間，本集團的高級管理層會就本集團業務的活動及發展定期向董事提供資料。董事可隨時獲取本集團的資料及可在適當的情況下尋求獨立專業意見，費用由本公司支付。就召開定期董事會會議而言，董事將至少提前十四天獲得書面會議通知及在會議前不少於三天獲得董事會議程及所需文件。就其他會議而言，在合理及切實的情況下，董事會盡量獲予最早的通知。若董事在董事會上所考慮的事項中存有董事會認為重大的利益衝突，有關事項將以舉行實質董事會會議方式處理。在交易中本身及其緊密聯繫人均沒有重大利益的獨立非執行董事應該出席有關的董事會會議。本公司公司秘書應備存董事會及董事委員會的會議紀錄，該等會議紀錄應對董事會或董事委員會所考慮事項及達致的決定作足夠詳細的記錄，其中應該包括董事提出的任何疑慮或表達的反對意見。若有任何董事發出合理通知，應公開有關會議紀錄供其在任何合理的時段查閱。各董事於2016年舉行之股東大會、董事會及董事委員會會議之出席記錄已載列於本年報第32頁內。除確保能付出足夠時間及精力以處理本集團的事務外，所有董事均已向本公司披露其於其他公眾公司或組織擔任職務之數目及性質，以及其他重大承擔，並及時向本公司披露任何其後之變更。涵蓋董事法律責任之適當保險已有效保障本公司董事因本集團業務產生之風險。

## Corporate Governance Report 企業管治報告

The directors acknowledge the need to continue to develop and refresh their knowledge and skills for making contributions to the Company. The participation by individual directors in the continuous professional development programme with appropriate emphasis on the roles, functions and duties of a director of a listed company in 2016 is set out in the table below.

董事確認需要持續發展並更新本身知識及技能方可為本公司作出貢獻。下表概列各董事於2016年就適切着重上市公司董事之角色、職能及職責之持續專業發展計劃之參與記錄。

		Reading regulatory updates 閱讀 監管規定 更新資料	Attending external seminars/ programmes 參與外界 機構舉辦 研討會／活動
<b>Non-executive directors</b>	<b>非執行董事</b>		
Dong Haoran	董浩然	✓	✓
Jiang Juncheng	姜軍成	✓	✓
Rui Xiaowu*	芮曉武*	✓	
<b>Executive directors</b>	<b>執行董事</b>		
Ma Yuchuan	馬玉川	✓	✓
Liu Hongzhou	劉紅洲	✓	✓
Xie Qinghua*	謝慶華*	✓	
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>		
Chan Kay Cheung	陳棋昌	✓	✓
Qiu Hongsheng	邱洪生	✓	✓
Chow Chan Lum	鄒燦林	✓	✓

\* Resigned in January 2016

\* 於2016年1月辭任

The biographies of the directors are set out on pages 54 to 57 of this annual report.

董事簡歷載於本年報第54頁至第57頁。

## Corporate Governance Report

### 企業管治報告

#### THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS (THE "MODEL CODE")

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules to regulate the directors' securities transactions. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the year ended 31 December 2016.

#### REMUNERATION AND NOMINATION COMMITTEE

As at 31 December 2016, the remuneration and nomination committee comprises three independent non-executive directors, namely Mr. Qiu Hongsheng, Mr. Chan Kay Cheung and Mr. Chow Chan Lum, and an executive director Mr. Liu Hongzhou. Mr. Qiu Hongsheng is the chairman of the remuneration and nomination committee. The terms of reference of the remuneration and nomination committee, which described its authority and duties, is available on the website of The Stock Exchange of Hong Kong Limited and the website of the Company.

The principal responsibilities of the remuneration and nomination committee include reviewing and recommending to the Board the remuneration policy and the remuneration of the directors and the senior management, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, to make recommendations to the Board on the remuneration of non-executive directors, responsible for identification and recommendation to the Board of possible appointees as directors, making recommendations to the Board on matters relating to appointment or re-appointment of directors, succession planning for directors and assessing the independence of the independent non-executive directors.

#### 上市發行人董事進行證券交易的標準守則(「標準守則」)

本公司已採納上市規則附錄10所載的標準守則，以規管董事進行的證券交易。經本公司作出具體查詢後，所有董事均已確認，於截至2016年12月31日止年度內，彼等均已全面遵守標準守則。

#### 薪酬及提名委員會

於2016年12月31日，薪酬及提名委員會由三名獨立非執行董事，分別為邱洪生先生、陳棋昌先生及鄒燦林先生，和一名執行董事劉紅洲先生組成。邱洪生先生為薪酬及提名委員會主席。薪酬及提名委員會職權範圍書(說明其職權和責任)已刊載於香港聯合交易所有限公司網站及本公司網站內。

薪酬及提名委員會的主要職責包括檢討董事及高級管理人員的薪酬政策及薪酬並就以上事項向董事會提出建議、因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議、獲董事會轉授責任、釐定個別執行董事及高級管理人員之薪酬待遇、就非執行董事之薪酬向董事會提出建議、負責為董事會物色及推薦董事人選、並就委任或重新委任董事、董事繼任人安排向董事會提出建議、及評估獨立非執行董事之獨立性。

## Corporate Governance Report 企業管治報告

In making recommendations to the Board in respect of the composition of the Board, the appointment, re-appointment or removal of directors, the remuneration and nomination committee will also give adequate consideration, including but not limited to, the following:

- i) members of the Board have a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business;
- ii) the Board includes a balanced composition of directors so that there is a strong independent element on the Board, which can effectively exercise independent judgement;
- iii) taking into account the Group's own business model and specific needs, through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience to achieve the diversity of members of the Board; and
- iv) the appointment of new directors follows a formal, considered and transparent procedure.

During the year, the remuneration and nomination committee held three meetings. The attendance record of the committee members at these meetings are set out on page 32 of this annual report. The work performed by the remuneration and nomination committee during the year included reviewing the remuneration policy and the remuneration of the directors and the senior management, assessing performance of the executive directors, determining the remuneration of the executive directors, reviewing the policy for the nomination of directors, making recommendation to the Board on the appointment or re-appointment of directors, and assessing the independence of the independent non-executive directors.

在對董事會的組成及董事的委任、重新委任或罷免向董事會提出建議時，薪酬及提名委員會亦將充分考慮下列（包括但不限於）各項原則：

- i) 董事會成員應當根據本集團業務要求具備適當技能、經驗及多樣化的觀點與角度；
- ii) 董事會成員組合均衡，且具強大的獨立元素及能夠有效地作出獨立判斷；
- iii) 在符合本集團之業務模式及具體需要之情況下，應當充分考慮（包括但不限於）性別、年齡、文化及教育背景或專業經驗等因素，體現董事會成員組合的多元性；及
- iv) 新董事委任程序應當正式、審慎及具透明度。

年內，薪酬及提名委員會曾舉行三次會議。各委員於該等會議之出席記錄已載列於本年報第32頁內。薪酬及提名委員會於年內之工作包括檢討董事及高級管理人員之薪酬政策及薪酬、評估執行董事之表現、釐定執行董事之薪酬、檢討提名董事的政策、就委任或重新委任董事向董事會作出建議、及評估獨立非執行董事之獨立性。



## Corporate Governance Report

### 企業管治報告

For the year ended 31 December 2016, the number of senior management (excluding directors) whose remuneration fell within the band from HK\$nil up to HK\$1,000,000 and from HK\$1,000,001 up to HK\$1,500,000 were one and three respectively. Details of the remuneration of the directors for the year ended 31 December 2016 are set out on pages 185 to 186 of this annual report.

### AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors, namely Mr. Chan Kay Cheung, Mr. Qiu Hongsheng and Mr. Chow Chan Lum. Mr. Chan Kay Cheung is the chairman of the audit committee. The members have extensive experience in financial matters. The terms of reference of the audit committee, which described its authority and duties, is available on the website of The Stock Exchange of Hong Kong Limited and the website of the Company.

The audit committee provides an independent review and supervision of financial reporting, and oversees and conducts an annual review of the effectiveness of the risk management and internal control systems of the Group and ensures the external auditor are independent and the effectiveness of the audit process. The audit committee examines all matters relating to the accounting principles and policies adopted by the Group, auditing functions, internal controls, risk management and financial reporting. External auditor and the directors are invited to attend the committee meetings as and when necessary. The audit committee also serves as a channel of communication between the Board and the external auditor.

During the year, the audit committee held two meetings. The attendance record of the committee members at these meetings are set out on page 32 of this annual report. The work performed by the audit committee during the year included reviewing the audited consolidated financial statements of the Group for the year ended 31 December 2015 and the unaudited consolidated interim financial statements of the Group for the six months ended 30 June 2016. The audit committee has also reviewed the audit plan and approach of the external auditor and monitored the progress and results of the audit regularly. The audit committee has reviewed the effectiveness of the risk management and internal control systems of the Group.

截至2016年12月31日止年度，獲支付薪酬介乎零至1,000,000港元及1,000,001港元至1,500,000港元範圍之高級管理人員（不包括董事）之人數分別為1人及3人。截至2016年12月31日止年度董事薪酬的詳情載於本年報第185頁至第186頁。

### 審核委員會

審核委員會由三名獨立非執行董事，分別為陳棋昌先生、邱洪生先生及鄧燦林先生組成。陳棋昌先生為審核委員會主席。各委員在財經事務範疇皆擁有豐富經驗。審核委員會職權範圍書（說明其職權和責任）已刊載於香港聯合交易所有限公司網站及本公司網站內。

審核委員會負責對財務匯報進行獨立檢討及監察，並對本集團風險管理及內部監控系統之效能進行監察及年度檢討，以及確保外聘核數師保持獨立和審核程序的有效性。審核委員會檢視所有關於本集團採納的會計原則和政策的事宜、審核功能、內部監控、風險管理及財務匯報的事宜。在需要時，外聘核數師及董事可被邀請出席委員會會議。審核委員會也擔當董事會與外聘核數師之間溝通的橋樑。

年內，審核委員會曾舉行兩次會議。各委員於該等會議之出席記錄已載列於本年報第32頁內。審核委員會於年內之工作包括審閱本集團截至2015年12月31日止年度之經審核綜合財務報表及截至2016年6月30日止六個月之未經審核綜合中期財務報表。審核委員會亦已審閱外聘核數師的審核計劃及方法，並定期監察審核工作的進展及結果。審核委員會已檢討本集團風險管理及內部監控系統之效能。

# Corporate Governance Report

## 企業管治報告

### INTERNAL AUDIT

The Company's internal audit department is responsible for carrying out analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. The tasks of the department include:

- review all aspects of the Group's activities and internal controls;
- comprehensive audits of the practices, procedures, expenditure and internal controls of all business and support units and subsidiaries on a regular basis; and
- special reviews of areas of concern identified by management or the audit committee.

The internal audit department reports directly to the audit committee and the managing director and has direct access to the Board through the chairman of the audit committee. The internal audit department may directly report to the audit committee without consulting the management.

The internal audit department issued reports to senior management covering various operational and financial units of the Group. The internal audit department also conducted reviews of major projects and contracts as well as areas of concern identified by management.

Concerns which have been reported by the internal audit department were monitored regularly by management and by the audit committee until corrective measures have been implemented.

### 內部審核

本公司內部審核部負責對本集團的風險管理及內部監控系統的足夠性和效能作出分析及獨立評估，其職責包括：

- 檢討本集團所有業務及內部監控；
- 定期詳細審核所有業務單位、支援部門和附屬公司的常規、程序、開支和內部監控；及
- 對管理層或審核委員會關注的範疇進行特別檢討。

內部審核部直接向審核委員會和董事總經理匯報，及其意見可透過審核委員會主席直達董事會。內部審核部有權無需諮詢管理層而向審核委員會匯報。

內部審核部就本集團各營運及財務單位向高級管理人員發表報告。內部審核部並就重大項目和合約，以及管理層關注的事項進行檢討。

管理層及審核委員會定期跟進內部審核部報告的事項，直至落實糾正措施為止。

## Corporate Governance Report

### 企業管治報告

#### EXTERNAL AUDITOR

For the year ended 31 December 2016, the fees payable to the Company's external auditor in respect of audit and non-audit services provided to the Company and its subsidiaries is set out below:

#### 外聘核數師

於截至2016年12月31日止年度，就本公司及其附屬公司獲提供的審核及非審核服務向本公司外聘核數師應付的費用載列如下：

		2016 2016年 HK\$'000 千港元
Audit services	審核服務	2,446
Non-audit services (included tax matters, review and other reporting services)	非審核服務(包括稅務事項、審閱及其他申報服務)	1,266
		<b>3,712</b>

#### ACCOUNTABILITY AND AUDIT

The Board is responsible for overseeing the preparation of financial statements which give a true and fair view of the state of affairs of the Group and of the results and cash flow during the reporting period. A statement from the auditor about its responsibilities for the audit of the consolidated financial statements is set out on pages 79 to 88 of this annual report. In preparing the financial statements for the year ended 31 December 2016, the Board had selected suitable accounting policies and applied them consistently and had made prudent and reasonable judgments and estimates and had prepared the financial statements on a going concern basis.

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems, including reviewing their effectiveness annually. The audit committee is delegated by the Board with the responsibility to oversee independently the Group's financial, risk management and internal control systems and reports to the Board on the effectiveness of the Group's risk management and internal control systems annually.

#### 問責和審核

董事會負責監察財務報表的編製，確保賬目真實兼公平地反映本集團的財務狀況及於呈報期間的業績和現金流量。核數師就其審核綜合財務報表之責任所發出的聲明載於本年報第79頁至第88頁。編製截至2016年12月31日止年度的財務報表時，董事會已選擇適當的會計政策並貫徹運用該等政策，並作出審慎合理的判斷和估計及按持續經營基準編製財務報表。

董事會負責整體評估及釐定為達到本集團戰略目標所願承擔的風險性質及程度，以及維持適當及有效的風險管理及內部監控系統(包括每年檢討其效能)。審核委員會獲董事會授權，負責獨立監察本集團財務、風險管理及內部監控系統，以及每年向董事會匯報本集團風險管理及內部監控系統之效能。



## Corporate Governance Report 企業管治報告

Appropriate policies and controls have been designed and established for safeguarding assets against unauthorised use or disposition, maintaining proper financial and accounting records, ensuring compliance with applicable laws and regulations, and identifying and managing the key risks that may impact on the Group's performance. As the risk management and internal control systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, they can only be expected to provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for the design, implementation and monitoring of the risk management and internal control systems, while the audit committee oversees the actions of the management and review the effectiveness of the systems that have been put in place. Systems and procedures are in place in the Group to identify, control and report on major types of risk the Group encounters. Operational units are responsible for identifying the potential risks, and analysing and evaluating the significance of such risks. Operational units also assess the adequacy of existing controls and implement treatment plans to mitigate such risks and report the view of risks and proposal for the enhancement of the existing systems and procedures regularly to the audit committee, and ultimately to the Board on major findings. The audit committee reviews the existing risk management and internal control systems on an ongoing basis and makes appropriate enhancement when necessary, with a view to improve the effectiveness of such systems.

The Company has engaged an independent risk management and internal control advisory firm, to conduct an annual review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2016, covering, amongst other matters, all the material controls such as financial, operational and compliance controls. The review results have been reported to the audit committee and the Board. The management provided a confirmation to the Board that throughout the year ended 31 December 2016 the risk management and internal control systems of the Group were effective. The Board is satisfied that these systems were effective and adequate throughout the year ended 31 December 2016. In this regard, to enhance the effectiveness of the Group's risk management and internal control systems, the Group has begun to implement the recommendations put forward by the independent risk management and internal control advisory firm.

適當的政策及監控經已訂立及制定，以保障資產不會在未經授權下被挪用或出售、保持正確的財務及會計記錄、確保遵守適用的法律及法規，以及識別及管理可能影響本集團表現的主要風險。由於訂立風險管理及內部監控系統旨在管理，而非消除未能達到業務目標的風險，其預期只能提供合理而非絕對保證不會有重大錯誤陳述或損失的發生。

管理層負責風險管理及內部監控系統的設計、實施和監察，而審核委員會則監察管理層之行動及檢討已實行系統之效能。本集團亦透過現行之系統及程序，以識別、監控及匯報本集團面對之主要風險類別。營運單位負責識別潛在風險，以及分析及評價該等風險的重要性。營運單位亦評估現行監控是否足夠及實施減低該等風險的處理計劃，以及定期向審核委員會匯報有關風險意見及現行系統及程序的改善建議，並最終把主要調查結果匯報董事會。審核委員會持續檢討現行風險管理及內部監控系統，並在有需要時作出適當的改善，藉此提高該等系統之效能。

本公司已委聘一家獨立風險管理及內部監控諮詢公司對本集團於截至2016年12月31日止年度風險管理及內部監控系統之效能進行年度審閱，涵蓋（其中包括）所有重大監控如財務、營運和合規監控。審閱結果已向審核委員會及董事會匯報。管理層已向董事會確認於截至2016年12月31日止年度內本集團風險管理及內部監控系統有效。董事會認為於截至2016年12月31日止年度內該等系統有效及足夠。就此而言，為提高本集團風險管理及內部監控系統之效能，本集團已開始實施由獨立風險管理及內部監控諮詢公司提出之建議。



## Corporate Governance Report

### 企業管治報告

The audit committee has also held discussion with the Group's external auditor, to ensure that a sound internal control system is maintained and operated by the management in compliance with the agreed procedures and standards.

The Board has reviewed and ensured the adequacy of resources, staff qualifications and experience, training programmes and the budget of the Company's accounting, internal audit and financial reporting functions.

The Board is responsible for the handling and dissemination of inside information. The Company has established and implemented procedures for the handling and dissemination of inside information in a timely manner so as to allow all the stakeholders to apprehend the latest position of the Group. These procedures and their effectiveness are subject to review on a regular basis with reference to the Listing Rules, the Securities and Futures Ordinance and in accordance with established procedures.

### SHAREHOLDERS' RIGHTS

#### Procedures for shareholders to convene a special general meeting

Pursuant to the Company's bye-laws and the Companies Act 1981 of Bermuda (as amended), registered shareholders holding at the date of deposit of the requisition not less than one-tenth (10%) 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 registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the Board or the company secretary of the Company to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition; and such special general meeting shall be held within two months from the date of deposit of such requisition.

審核委員會已與本集團的外聘核數師進行討論確保管理層已維持及管理一個運作良好的內部監控系統，符合所約定的程序及標準。

董事會已檢討及確保本公司在會計、內部審核及財務匯報職能方面的資源、員工資歷及經驗，以及員工所接受的培訓課程及有關預算是足夠的。

董事會負責處理及發佈內幕消息。本公司已制定及實施處理及發佈內幕消息之程序，以便所有權益持有人能及時知悉本集團之最新情況。該等程序及其效能將參考上市規則，證券及期貨條例和根據已制定程序進行定期檢討。

### 股東權利

#### 股東召開股東特別大會之程序

根據本公司章程細則及百慕達1981年公司法（經修訂），任何於呈遞要求日期持有有權在本公司股東大會投票之本公司實繳股本不少於十分之一（10%）之登記股東，有權隨時致函本公司註冊辦事處，地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，向董事會或本公司公司秘書發出書面要求，要求董事會召開股東特別大會以處理該要求內指定之任何事務，而該股東特別大會須於有關呈遞要求日期起兩個月內舉行。

## Corporate Governance Report 企業管治報告

The written requisition must be signed by the registered shareholders concerned and may consist of several documents in like form, each signed by one or more of these shareholders. The written requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will ask the Board to convene a special general meeting by serving sufficient notice in accordance with the statutory and regulatory requirements to all the registered shareholders. On the contrary, if the written requisition has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, a special general meeting will not be convened as requested.

If within twenty one days from the date of deposit of the requisition the Board fails to proceed to convene a special general meeting, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a special general meeting, but any special general meeting so convened shall be held within three months from the date of deposit of such requisition.

### Procedures for shareholders to put forward proposals at a general meeting

Pursuant to the Companies Act 1981 of Bermuda (as amended), either any number of the registered shareholders holding not less than one-twentieth (5%) of the paid up capital of the Company carrying the right of voting at general meetings of the Company, or not less than 100 registered shareholders, can request the Company in writing to (a) give to shareholders entitled to receive notice of the next general meeting notice of any resolution which may properly be moved and is intended to be moved at that meeting; and (b) circulate to shareholders entitled to have notice of any general meeting any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

書面要求必須經有關登記股東簽署，並可由數份同樣格式及附有一名或多於一名有關股東簽署之文件組成。書面要求將由公司股份登記處核實，在確定為適當及符合程序後，本公司公司秘書將要求董事會召開股東特別大會，並根據法定及監管規定給予所有登記股東充分的通知期。反之，若書面要求經核實為不符合程序，有關股東將獲知會結果，而股東特別大會亦不會按要求召開。

如董事會未能於呈遞要求日期起二十一日內開展召開股東特別大會，則呈請人（或其中代表全體呈請人總表決權半數以上之任何人士）可自行召開股東特別大會，惟按此方式召開之任何股東特別大會須於呈遞要求日期起三個月內舉行。

### 股東於股東大會上提呈議案之程序

根據百慕達1981年公司法（經修訂），持有有權在本公司股東大會投票之本公司實繳股本不少於二十分之一（5%）之登記股東，或不少於100名登記股東，可向本公司提交書面要求：(a)向有權獲發送下一屆股東大會通告之股東發出通知，以告知於該大會上任何可能正式動議及擬動議之決議案；及(b)向有權獲發送任何股東大會通告之股東傳閱不超過1,000字之陳述書，以告知於該大會上提呈之決議案所述事宜或將處理之事項。

## Corporate Governance Report 企業管治報告

The written requisition and a sum of money reasonably sufficient to meet the Company's expenses for serving the notice of the resolution and circulating the statement submitted by the registered shareholders concerned in accordance with the statutory and regulatory requirements to all the registered shareholders must be deposited at the registered office of the Company at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda for the attention of the company secretary of the Company not less than six weeks before the meeting in case of a requisition requiring notice of a resolution; and not less than one week before the meeting in the case of any other requisition; and where an annual general meeting is called for a date six weeks or less after the requisition requiring notice of a resolution has been deposited, the requisition though not deposited within the time required shall be deemed to have been properly deposited for such purpose.

The written requisition must be signed by the registered shareholders concerned and may consist of several documents in like form, each signed by one or more of these shareholders. The written requisition will be verified with the Company's share registrars and upon their confirmation that the requisition is proper and in order, the company secretary of the Company will ask the Board to include the resolution in the agenda for the general meeting, and serving the notice of the resolution and circulating the statement submitted by the registered shareholders concerned in accordance with the statutory and regulatory requirements to all the registered shareholders. On the contrary, if the written requisition has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the general meeting.

書面要求連同繳存合理及足夠款項用以支付公司根據法定及監管規定向所有登記股東發出決議案通知及傳閱有關登記股東呈交之陳述書所產生之開支必須送達本公司註冊辦事處，地址為 Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda，註明本公司公司秘書收啟。如屬於須發出決議案通知之情況，該要求須於會議舉行前不少於六週送達；如屬於任何其他情況，則須於會議舉行前不少於一週送達。惟倘在送達須發出決議案通知要求後六週或較短期間內之某一日召開股東週年大會，則該要求雖未有在規定時間內送達，就此而言亦將被視為已妥善送達。

書面要求必須經有關登記股東簽署，並可由數份同樣格式及附有一名或多於一名有關股東簽署之文件組成。書面要求將由公司股份登記處核實，在確定為適當及符合程序後，本公司公司秘書將要求董事會將有關決議案納入股東大會之議程，並按照法定及監管規定向所有登記股東發出決議案通知及傳閱有關登記股東呈交之陳述書。反之，若書面要求經核實為不符合程序，有關股東將獲知會結果，而提呈之決議案將不獲納入股東大會之議程內。

# Corporate Governance Report

## 企業管治報告

### Procedures for shareholders to propose a person for election as a director

Pursuant to the Company's bye-laws, a registered shareholder duly qualified to attend and vote at the general meeting wishes to propose a person other than a director of the Company for election as a director at the general meeting must validly serve (1) his/her written notice of intention to propose a candidate for election as a director at the general meeting; (2) a written notice signed by the nominated candidate of the candidate's willingness to be elected; (3) the nominated candidate's information as required to be disclosed under Rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of his/her personal data, either to the Company's principal place of business in Hong Kong at Room 3403, 34th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong; or to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no earlier than the day after the dispatch of notice of the general meeting appointed for such election and no later than seven days prior to the date of such general meeting.

### Procedures for directing shareholders' enquiries to the Board

Shareholders may at any time send their enquiries to the Board in writing through the company secretary of the Company whose contact details are as follows:

Room 3403, 34th Floor, China Resources Building  
26 Harbour Road, Wanchai, Hong Kong  
Facsimile: (852) 2598 9018  
Email: investor@cecholdings.com.hk

Shareholders may also make enquiries with the Board at the general meetings of the Company.

### 股東提名人選參選董事之程序

根據本公司章程細則，合資格出席股東大會並於會上投票之登記股東欲提名一名並非本公司董事之人士於股東大會上參選為董事，則該股東必須在就該選舉而召開之股東大會通告發出翌日起及不遲於該股東大會舉行日期至少七天前，將(1)其有意於股東大會上提名人選參選董事之書面通知、(2)被提名人已簽署之書面通知，證明其願意參選、(3)根據上市規則第13.51(2)條規定需予披露之被提名人的資料、及(4)被提名人同意其個人資料被披露之書面同意書妥善地提交本公司於香港主要營業地點，地址為香港灣仔港灣道26號華潤大廈34樓3403室；或本公司於香港之股份過戶登記分處卓佳雅柏勤有限公司，地址為香港灣仔皇后大道東183號合和中心22樓。

### 股東向董事會作出查詢之程序

股東可隨時透過本公司秘書以書面形式將其查詢遞交董事會。本公司秘書之聯絡詳情如下：

香港灣仔港灣道26號  
華潤大廈34樓3403室  
傳真：(852) 2598 9018  
電郵：investor@cecholdings.com.hk

股東亦可在本公司之股東大會上向董事會作出查詢。



# Corporate Governance Report

## 企業管治報告

### ATTENDANCE RECORD AT MEETINGS

Details of the director's attendance at general meetings, Board and Board committee meetings held in 2016 are set out in the table below:

### 會議出席記錄

下表載列各董事於2016年內出席股東大會、董事會及董事委員會會議之詳情：

		Note 附註	Meetings attended/held 出席次數／會議次數		General meetings 股東大會
			Board** 董事會**	Audit committee 審核 委員會	
<b>Non-executive directors</b>					
	<b>非執行董事</b>				
Dong Haoran	董浩然	1	5/5*		2/2*
Jiang Juncheng	姜軍成	2	4/4		1/2
Rui Xiaowu	芮曉武	3	1/1*		0/0
<b>Executive directors</b>					
	<b>執行董事</b>				
Ma Yuchuan	馬玉川	2	3/3		1/2
Liu Hongzhou	劉紅洲		4/4		2/2
Xie Qinghua	謝慶華	3	1/1		0/0
<b>Independent non-executive directors</b>					
	<b>獨立非執行董事</b>				
Chan Kay Cheung	陳棋昌		5/5	2/2*	3/3
Qiu Hongsheng	邱洪生		5/5	2/2	3/3*
Chow Chan Lum	鄒燦林		5/5	2/2	3/3

\* Chairman

\* 主席

\*\* Included a Board meeting where the chairman of the Board met with non-executive directors (including independent non-executive directors) without executive directors and management present.

\*\* 其中一次董事會會議是由董事會主席在沒有執行董事和管理層在場的情況下會見了非執行董事（包括獨立非執行董事）。

Notes:

附註：

1. Appointed as Chairman of the Board in January 2016
2. Appointed as director in January 2016
3. Resigned in January 2016

1. 於2016年1月獲委任為董事會主席
2. 於2016年1月獲委任為董事
3. 於2016年1月辭任

# Corporate Social Responsibility Report

## 企業社會責任報告

### 1. CORPORATE SOCIAL RESPONSIBILITY MANAGEMENT

#### 1.1 Corporate social responsibility philosophy

The Group has all along been insisting on the development of information industry and safeguarding of information security as its own responsibility. By adhering to the “be innovative in electronics of China, lead the information in the future” responsibility philosophy, and incorporating it into the Group’s strategic and operational practice, the Group strives to maximise the comprehensive benefits of economy, environment and society, and has always been a good corporate citizen.

#### 1.2 Participation of stakeholders

The communication with and the participation of stakeholders are essential components of the sustainable development of enterprises. The key stakeholders of the Group are its shareholders, customers, employees, government and regulatory authorities, business partners, communities and the public as well as the ecological environment. Through communication with its stakeholders, the Group understands their expectations and advices, so as to provide guidelines for the Group’s operational decision-making and make more positive contributions to sustain the industrial and social development.

### 2. PRODUCTS AND SERVICES

The Group reviews regularly the management systems regarding the safety, advertisement, labels and privacies of its products and services by adhering to the “make innovations through reform and cherish integrity towards the world” operation philosophy, and with reference to local laws and regulations relevant to our products and services such as the Standardisation Law of the People’s Republic of China, the Intellectual Property Law of the People’s Republic of China, the Product Quality Law of the People’s Republic of China, as well as the industrial policies, and continues to enhance the corresponding information safety management system, product quality control system, intellectual property management system and customer service system.

### 1. 企業社會責任管理

#### 1.1 企業社會責任理念

本集團始終堅持以發展信息產業和維護信息安全為己任，秉承「創新中國電子，引領信息未來」的責任理念，並將其融入本集團戰略與運營實踐，努力追求經濟、環境、社會綜合效益最大化，並時刻擔當良好企業公民。

#### 1.2 利益相關方參與

與利益相關方的溝通及其參與是企業可持續發展的重要組成部分。本集團的關鍵利益相關方包括股東、客戶、員工、政府及監管機構、行業夥伴、社區及公眾和生態環境。通過與利益相關方的溝通，瞭解各方期望和建議，為本集團運營決策提供指引，為產業和社會可持續發展做出更積極的貢獻。

### 2. 產品與服務

本集團秉承「知變圖新、誠達天下」的經營理念，參考《中華人民共和國標準化法》、《中華人民共和國知識產權法》及《中華人民共和國產品質量法》及行業政策，對本集團產品及服務的安全、廣告、標籤及隱私等方面的管理制度定期進行檢討，並持續完善相應信息安全管理體系、產品質量管理體系、知識產權管理體系及客戶服務體系。

# Corporate Social Responsibility Report

## 企業社會責任報告

### 2.1 Information safety

With global informationisation entering into a new stage of comprehensive deepening and innovative reform, the economic and social development is increasingly dependent on information networks and information systems, and thus information security has become one of the most serious challenges to the current electronic information industry.

As the pioneer and leader of the smart card chip design industry in the PRC, the Group strives for the maintenance of information security as its own responsibility, concerns with the laws and regulations regarding information security management such as the Administrative Requirement on Safety Production of Electronic Information Industry, the Safety Protection of Computer Information System Regulation of the People's Republic of China, the Network Security Law of the People's Republic of China, the Commercial Cryptographic Administration Regulations, etc., focuses on independent research and development of controllable smart card and security chip while building a safe operating environment, strives to be the cornerstone of China's information technology modernisation and information security.

- *Development of security chip*

The Group focuses on the business of design of smart card and security chips. As the pioneer and leader of the smart card chip technology in the PRC, the Group owns the globally advanced and domestic leading security attack and defense technology, covering the protection technology at the system level, algorithm level, circuit level and layout level, with side channel attack, malfunction-injection attack and physical attack technologies, and forming a set of comprehensive safety management system.

A number of high-end security control chips of the Group was accredited with security certification such as the domestic EAL4+ Certificate, international CCEAL5+ Certificate (the highest security certification level that can be achieved currently for domestic smart card products); EMVCo Certificate, etc., which lead the domestic security chip technology, attain international level, and demonstrate China's "Smart Card Chips" capability.

### 2.1 信息安全

隨著全球信息化進入全面深化和變革創新的新階段，經濟社會發展越來越依賴信息網絡和信息系統，信息安全亦成為當前電子信息產業最嚴峻的挑戰之一。

本集團作為中國智能卡芯片設計行業的先行者和引領者，以維護信息安全為己任，關注《電子信息產業安全生產管理規定》、《中華人民共和國計算機信息系統安全保護條例》、《中華人民共和國網絡安全法》及《商用密碼管理條例》等信息安全管理相關的法律法規，研發自主可控的智能卡及安全芯片，同時打造安全的運營環境，為中國信息技術現代化以及信息安全提供基石。

- *安全芯片開發*

本集團專注於智能卡及安全芯片設計業務。作為中國智能卡芯片技術的先行者和引領者，本集團擁有世界先進、國內領先的安全攻防技術，覆蓋系統級、算法級、電路級和版圖級等防護技術，具備側信道攻擊、故障注入攻擊和物理攻擊等技術，形成了完整的安全管理體系。

本集團多款高端安全控制芯片獲得中國EAL4+、國際CCEAL5+（目前國內智能卡產品所能達到的最高安全保證級）及EMVCo等安全資質認證，引領國內安全芯片技術、達致國際水平，展現中國「芯」實力。

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## 企業社會責任報告

- *Safe operating environment*

While focusing on the development of smart card chips with high security and high reliability, the Group also pays attention to physical environment security, that is, protects computer network equipment and facilities from being destroyed by accidents such as earthquakes, floods, as well as human acts. The Group established a series of physical security management system, such as the Physical Security Control Procedures, the Administrative Measures for Security Facilities, the Control Code for Central Control Room, the Administrative Measures for Security Officer, etc., for protecting the design and development of smart cards and security chips.

The Group established an information security management system with reference to the requirements such as the Information Technology – Security Technology – Information Security Management System – Requirements (ISO/IEC 27001), the Information Technology – Security Technology – Practical Rules for Information Security Management (ISO/IEC 27002), etc. The Group did not have any incident of violating customers' privacy or loss of customers' information or received any relevant verified complaints for the year ended 31 December 2016.

- *National information security*

As the core of electronic information industry, integrated circuit is playing an increasingly important role in aspects such as promoting economic development and social progress, protecting national security, etc. With information security rising gradually to become a national strategy, the Group will continue to follow the pace of national development, adhere to the mission of safeguarding national information security, focus on the development of electronic information industry, continue to launch domestic-made smart card chips with independent intellectual property rights, and keep on accumulating its core technologies.

- 安全運營環境

在專注於高安全性、高可靠性智能卡芯片開發的同時，本集團注重物理環境安全，即保護計算機網絡設備及設施免遭地震、水災等事故以及人為行為導致的破壞。本集團制定有《物理安全控制程序》、《安防設施管理辦法》、《中控室控制規範》、《保安員管理辦法》等一系列物理安全管理制度，為智能卡及安全芯片設計及開發提供保障。

本集團參考ISO/IEC 27001《信息技術—安全技術—信息安全管理體系—要求》、ISO/IEC 27002《信息技術—安全技術—信息安全管理實用規則》等標準要求，建立信息安全管理體系。2016年度本集團並無發生違反客戶隱私或遺失客戶資料的事件或接獲經證實的相關投訴。

- 國家信息安全

集成電路作為電子信息產業的核心，在推動經濟發展、社會進步和保障國家安全等方面正日益發揮重要作用。隨著信息安全逐步上升為國家戰略，本集團將繼續跟隨國家發展步伐，秉承維護國家信息安全的使命，專注於電子信息產業發展，繼續推出自主知識產權的國產智能卡芯片，不斷積累核心技術。



# Corporate Social Responsibility Report

## 企業社會責任報告

While strengthening its internal management, the Group develops diversified products so as to provide better professional smart cards and embedded security chips and related solutions. At the same time, the Group also promotes its domestic-made chips which are widely used in sectors such as financial payment, social security, resident health, public transportation, telecommunication, mobile payment, network authentication, identity authentication, etc., and the emerging Internet of Things sector, so as to provide a strong support for protecting the information security of important national information systems and key fundamental networks, and cast a firm "Great Wall" for China's information security.

### 2.2 Quality management

- *Quality management system*

The integrated circuits design operation of the Group comprises the design of smart card chips and the development of application system. The Group is not directly involved in aspects such as manufacturing, assembling, transportation, etc., albeit adhering to the tenet of "zero defect" in provision of products and services to customers. The Group advocates comprehensive quality management with the involvement of all staffs, striving to control and improve continuously the entire aspects of production of its products.

The Group established a product quality management system covering aspects such as product research and development, production and processing outsourcing, and quality inspection, in accordance with the requirements of ISO9001 Quality Management System, so as to meet the customers' demands for diversification, personalisation and refinement through systematic management.

The Group's product quality management system has been maintained to conform with the latest requirements. The Group was first accredited with GB/T 19001-2000 – ISO9001:2000 Quality Management System Requirements compliance certificate by China Electronics Quality System Certification Centre in 2003. It was also accredited with the upgrade version certificate in 2009, and passed five monitored inspections and two re-assessment certifications thereafter.

本集團在加強內部管理的基礎上，開發多樣化產品，以更好的提供專業智能卡和嵌入式安全芯片及相關解決方案。同時致力於推廣國產芯片，廣泛應用於金融支付、社會保障、居民健康、公共交通、移動通信、移動支付、網絡認證、身份認證等領域以及新興的物聯網領域，為保障國家重要信息系統和關鍵基礎網絡的信息安全保駕護航，鑄造中國信息安全的堅強「長城」。

### 2.2 質量管理

- *質量管理體系*

本集團的集成電路設計業務涵蓋智能卡芯片設計及應用系統開發，不直接涉及生產、封裝及運輸等環節，但秉承著向客戶提供「零缺陷」產品和服務的宗旨，本集團倡導全員參與的全面質量管理，致力於對產品實現全過程控制和持續改進。

本集團按照ISO9001質量管理體系要求，建立了覆蓋產品研發、委外生產加工及質量檢驗等環節的產品質量管理體系，通過體系化管理滿足客戶多樣化、個性化、精細化等訴求。

本集團於2003年首次獲得中國電子質量體系認證中心頒發的符合GB/T 19001-2000 – ISO9001:2000《質量管理體系要求》的質量管理體系認證證書，並於2009年完成換版認證，後續通過5次監督審查和2次復評認證，保持產品質量管理體系符合最新要求。

# Corporate Social Responsibility Report

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- *Quality inspection procedures*

The Group conducted quality inspection on products such as wafers, modules, cards, circuits, etc, that are developed independently with procurement and processing outsourced in accordance with the requirements in respect of the quality inspection operational process imposed by its product quality control system. Inspections are performed by professional inspectors in accordance with the inspection specifications and practice guidelines, and by using professional inspection equipment, so as to avoid the delivery of sub-standard products. In addition, the professional high-precision instruments used for quality inspection are calibrated regularly to ensure the accuracy of the inspection result. There was no occurrence of lawsuit on product quality problems filed by customer against the Group for the year ended 31 December 2016.

### 2.3 Intellectual property protection

- *Intellectual property management system*

The Group respects intellectual properties and regulates the usage of intellectual properties from customers and third parties. It also keeps all its business partners' product's technical information strictly confidential. Moreover, the Group concerns about the protection of its own intellectual properties, and issued the Administrative Measures for Intellectual Properties for the first time in 2003 and continues to improve and amend it. The Group attaches importance to original innovation and collective innovative capabilities, scientific discovery and technology invention, and integrates different related technologies to develop and master more independent intellectual properties in key industry sectors, so as to produce products with market competitiveness.

- *質量檢測流程*

本集團按照其產品質量管理體系對質量檢測流程的操作要求，針對其自主研發並委外採購和加工的圓片、模塊、卡片、電路等產品進行質量檢驗。質量檢驗由具備專業技能的檢驗人員，依據檢驗規範和作業指導書，使用專業的檢驗設備進行檢驗，防止不合格產品交付。此外，檢驗人員通過定期對用於質量檢測的專業高精密儀器進行校準，以保證檢驗結果的準確性。2016年度本集團未發生因客戶對產品質量問題而引發的訴訟。

### 2.3 知識產權保護

- *知識產權管理制度*

本集團尊重知識產權，規範使用客戶、第三方機構知識產權，亦對所有合作夥伴的產品技術信息進行嚴格保密。此外，本集團關注對自身知識產權的保護，於2003年首次發佈《知識產權管理辦法》，並持續完善修訂。本集團重視原始創新、集成創新能力，重視科學發現和技術發明，融合各種相關技術，在行業內關鍵領域研發及掌握更多的自主知識產權，形成具有市場競爭力的產品。

# Corporate Social Responsibility Report

## 企業社會責任報告

The Administrative Measures for Intellectual Properties clearly defines the responsibilities and working procedures for all departments and personnel, and states the detail requirements regarding the evaluation, searching, retrieval and analysis of relevant intellectual properties during the technology research and development process, contract filing management, intellectual properties ownership, protection and application of intellectual properties, training and incentive. The Administrative Measures for Intellectual Properties promotes the formation of innovation mechanism, and creates a regulated sound environment with rules and precedents to follow for the developing of intellectual properties.

### 2.4 Customer service

- *Customer service system*

The Group adheres to the “users first and customers foremost” philosophy and builds the global customer service system to provide more convenient and better quality service to customers. In addition, the Group has site engineer teams with strong technical knowledge to provide immediate professional technical services to customers to solve their technical problems before, during and after a purchase.

《知識產權管理辦法》明確了各部門和人員的職責與工作程序，對包括技術研發過程中對相關的知識產權的評估、查新、檢索、分析、合同檔案管理、知識產權歸屬、知識產權的保護、知識產權的申請、培訓和獎勵等都進行了詳細的規定，促進了創新機制的形成，營造了知識產權工作有法可依、有章可循的良好環境。

### 2.4 客戶服務

- *客戶服務體系*

本集團秉承「用戶第一、顧客至上」的理念，打造覆蓋全球的客戶服務體系，為客戶提供更便捷、優質的服務。此外，本集團擁有技術實力雄厚的現場工程師團隊，為客戶即時提供售前、售中、售後的專業技術服務，解決技術難題。

# Corporate Social Responsibility Report

## 企業社會責任報告

Customer Complaint Procedures are formulated by the Group to assist customers to solve any issues encountered after products are sold and during usage, and any feedback from customers will be used for on-going enhancement of service and product quality. In addition, depending on the issue raised by the customer, the Group will organise respective specialists from the failure analysis team, product development and design team, production and outsourcing professional technical team, sales service team, technical support team and project management team to work together to analyse and identify the fundamental causes of the issue, formulate rectifying and precautionary measures, ensure the effectiveness of such measures, and keep track of the customer's subsequent usage in the long run.

本集團制定《顧客抱怨處理程序》，幫助解決在產品銷售後、顧客使用中遇到的問題，並同時通過顧客反饋的問題持續提升服務質量和產品質量。此外，本集團根據不同問題，組織失效分析團隊、產品研發設計團隊、生產加工專業技術團隊、銷售服務團隊、技術支撐團隊、項目管理團隊中相關的專業人員，共同完成整個問題的分析處理工作，挖掘問題發生的根本原因，制定糾正及預防措施，保證其措施的有效性，並長期跟蹤客戶的後續使用情況。

### Statistics on customer service indicators

#### 客戶服務指標統計

Indicators	指標	2016 2016年度
Number of customer complaints received	客戶抱怨事件	89
Percentage of customer complaints dealt with (%)	客戶抱怨處理率(%)	100

#### • Customer satisfaction survey

The Group attaches importance to customer satisfaction survey and through the survey identifies key factors affecting the satisfaction of customers so as to enhance the quality of its services and products. The Group sends out customer satisfaction questionnaires to customers in August each year to understand customer's satisfaction, opinion and suggestions on its products' or projects' design quality, service quality, and pace and capability in handling issues arose. Customer Satisfaction Surveillances and Measurements Evaluation Report will be prepared in mid-September each year summarising feedbacks from customers and passed to respective departments for on-going improvement of service standards. The Group's customer satisfaction level for the year ended 31 December 2015 reached 95.5%, an increase of 3.7% when comparing with the 2014.

#### • 客戶滿意度調查

本集團重視客戶滿意度調查，通過調查挖掘影響顧客滿意度的關鍵因素，從而改善服務及產品質量。本集團每年8月定期向顧客發放顧客滿意度調查表，全面瞭解顧客對產品或項目的設計質量、服務質量、問題處理速度和能力等方面的滿意程度，收集相關意見和建議。每年9月中旬編製《顧客滿意度監視和測量評價報告》，將結果反饋給相應部門，持續提升服務水平。2015年度本集團顧客滿意度調查結果為95.5%，較2014年度提高3.7個百分點。



# Corporate Social Responsibility Report

## 企業社會責任報告

### 3. EMPLOYEES

The Group reviews and enhances regularly on the management systems regarding its employees' rights, remuneration and benefits, recruitment and promotion, training and development, working environment and occupational health, child labour and forced labour by adhering to the "responsibility orientated, attaches importance to competent and rewards linked with performance" talent philosophy, and with reference to the industrial policies as well as local laws and regulations relevant to employment such as the Labor Law of the People's Republic of China, the Work Safety Law of the People's Republic of China, the Women's Rights and Interests Protection Law of the People's Republic of China and the Regulations on Paid Annual Leave for Employees.

#### 3.1 Employment and employee benefits

- *Employment policy*

The Group attaches importance to attracting and fostering of talents, provides protection to the equal rights of its employees on aspects such as terms of employment, training, promotion and remuneration, and ensures no discrimination against any person on grounds such as gender, marital status, disability, age, race, family conditions, nationality and religion. In addition, the Group resolutely prohibits child labour and all forced labour, so as to comply with the relevant laws and regulations. For the year ended 31 December 2016, there was no material breach of regulations or violation against the laws relating to equal opportunity, violations of laws on employment of child labour and forced labour, nor was there any related labour dispute.

### 3. 員工

本集團秉承「盡責是才、重能酬績」的人才理念，參考《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國婦女權益保障法》及《職工帶薪年休假條例》等與僱傭相關的經營地法律法規及行業政策，對本集團員工權益、薪酬及福利、招聘及晉陞、培訓及發展、工作環境及職業健康、童工及強制勞工等方面的管理制度定期進行檢討及完善。

#### 3.1 僱傭及員工福利

- *僱傭政策*

本集團注重人才的引進和培養，在員工的僱傭條件、培訓、晉陞、薪酬等方面提供平等權利，確保沒有因性別、婚姻狀況、殘疾、年齡、種族、家庭狀況、國籍、宗教等因素而遭受歧視。另外，本集團堅決杜絕僱用童工和一切強制勞工的行為，以確保符合相關法律法規。2016年度本集團概無任何與平等機會相關的重大違規或違法事件，亦無僱用童工及強制勞工的違法事件，也沒有與此相關的勞動糾紛。

# Corporate Social Responsibility Report

## 企業社會責任報告

The Group encourages its employees to introduce talents with competitiveness, and incorporates the respective incentive system in the Employee Handbook. Employees introduce talents according to the demands announced by the Group periodically, so as to assist the Group in identifying talents who will benefit its development, enhance the strength of the Group and enlarge its talent pool.

本集團鼓勵其員工推薦有競爭力的人才，將相關獎勵制度涵蓋於《員工手冊》。通過定期發佈人才需求，員工根據需求推薦人才，從而為本集團尋找契合發展的人才，增強本集團實力、擴大人才隊伍。

### Statistics on employment indicators 僱傭指標統計

Indicators		指標		2016 2016年度
Number of employees		員工人數		518
By gender	Male	按性別	男性	335
	Female		女性	183
By type of employment	Permanent	按僱傭類型	勞動合同制	489
	Secondment		勞務派遣制	29
By age group	> 50	按年齡組別	50歲以上	27
	30 to 50		30至50歲	377
	< 30		30歲以下	114
By geographical region	Mainland China	按地區	中國員工	497
	Overseas <sup>2</sup>		海外員工 <sup>2</sup>	21
Employee turnover rate (%) <sup>1</sup>		員工流失率(%) <sup>1</sup>		37
By gender	Male	按性別	男性	39
	Female		女性	32
By age group	> 50	按年齡組別	50歲以上	30
	30 to 50		30至50歲	37
	< 30		30歲以下	40
By geographical region	Mainland China	按地區	中國員工	37
	Overseas <sup>2</sup>		海外員工 <sup>2</sup>	0

Notes:

附註：

1. High employee turnover rate in 2016 was mainly due to the integration of Huada Electronics and Huahong's operation in 2016.

1. 2016年度高員工流失率，主要由於2016年內華大電子與華虹業務進行了整合。

2. Including Hong Kong, Macau and Taiwan.

2. 含港澳台。

# Corporate Social Responsibility Report

## 企業社會責任報告

### • *Remuneration and benefits policies*

The Group attaches importance to attracting, retaining and motivating talents and has established a fair and competitive remuneration and benefits policies covering all employees with various benefit measures, motivating them to pursue development with the Group hand in hand. The Group makes full payments of various social insurances for employees in a timely manner according to the relevant PRC and local laws and regulations, and also has established enterprise annuity so as to provide employees with supplemental pension security.

The Group motivated employees with outstanding performance through various schemes such as the Salary Increment Scheme, etc. Among them, the Salary Increment Scheme consists of two aspects, one is to adjust the salary of certain employees who got promotion based on qualification requirements, the other is to make a general adjustment on employee salary after taking into account of the external factors such as increase in social securities basis, inflation, etc.

### • *Communication and caring*

An effective employee communication is important to the decision-making and enterprise development. The Group strives to establish an open working culture, and strengthen the communication between employees and management. It also sets up various communication channels to understand employees' opinions, so as to create a frank and an open communication atmosphere.

The Group cares and supports every employee who is in need. Through proactively carrying out multi-level and multi-channel employee caring activities, the Group ensures paying visit for those employees suffered from injuries and sickness, attending employees' wedding ceremony and funeral ceremony and helping employees who are in difficulties. In addition, the Group carries out consolatory activities on public holiday strictly in accordance with the relevant requirement of the China Federation of Trade Unions. In order to avoid smog weather harming the physical health of its employees, in 2016 the Group provided anti smog consolation items to its employees so as to extend the Group's care to its employees.

### • *薪酬福利政策*

本集團注重人才的吸引、留任和激勵，建有公平而富有競爭力的薪酬福利政策，讓各項福利措施覆蓋到所有員工，激勵員工與集團共同發展。根據中國和地方相關法律法規，按時足額為員工繳納各項社會保險，並建立企業年金，為員工提供補充養老保障。

本集團通過工資增長方案等多種方式激勵表現優異的員工。其中工資增長方案包括兩個方面，一方面通過任職資格要求對部分職級晉陞的員工進行工資調整，亦考慮社保基礎上調、通貨膨脹等外部因素對員工工資進行普遍調整。

### • *溝通與關懷*

有效的員工溝通對決策制定、企業發展至關重要。本集團致力建設開放的工作文化，並加強員工與管理層的溝通，亦設立了多樣溝通渠道以瞭解員工的意見，營造坦誠開放的溝通氛圍。

本集團關心與支持每一位需要幫助的員工，通過積極開展多層次、多渠道的員工關愛活動，做到傷病必訪、婚喪必訪、幫助困難員工，同時嚴格按照中國總工會的有關規定，開展法定節假日慰問活動。2016年為防止霧霾天氣對員工身體健康造成危害，向員工發放防霾慰問品，為員工送去關懷。

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### 3.2 Training and development

- Employee training

Enhancing employees' growth is a significant contribution for corporate development. The Group's employee training divided into three levels, corporate level, departmental level and individual level. The corporate level trainings focus mainly on cross-departmental and internal all-purpose training, such as new employee training, quality and safety requirements training. Departmental level trainings focus mainly on enhancing knowledge and skills in specific departmental professional areas. Trainings for individuals act as a useful supplement to the above two.

Upon completion of a 12 months services, every employee is entitled to an individual training allowance of up to RMB3,000 per person per year starting from the 13th month onwards. Such allowance can be used for trainings as designated by the Group, or can be used in relation to employee's job-related trainings at his/her own choice subject to prior approval by the Group.

### 3.2 培訓與發展

- 員工培訓

促進員工的成長是企業發展的動力源泉。本集團員工培訓分為公司級、部門級和個人三級。公司級培訓側重於跨部門、通用性培訓，如新員工培訓、質量安全要求培訓等，部門級側重於知識技能類培訓，在部門專業方向上實施，個人培訓作為前兩者的有益補充。

員工自入職第13個月起享有個人培訓津貼，每年每人最高限額人民幣3,000元，可以由本集團指定的培訓時使用，或由員工自主選擇與本職位相關的培訓，在經過申請同意後參加使用。

#### Statistics on training and development indicators 培訓與發展指標統計

Indicators	指標	2016 2016年度
Employees' training coverage rate (%)	員工培訓覆蓋率(%)	75
By gender: Male	按性別：男性	79
Female	女性	74
By grade: Senior management	按級別：高級管理層	95
Middle-management	中級管理層	91
General	普通	73
Employees' average number of hours of training per person per year	員工每年人均接受培訓的平均小時	21
By gender: Male	按性別：男性	20
Female	女性	21



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- *Occupational development*

The Group implements a qualification management system and establishes an occupational development channel to provide an important basis for employee's promotion and salary increment. The Group implements dual channel development path for the technicians that accounts over 60% of the Group's total headcount. The technicians are divided into six grades, those who have reached grade four can select either the management line or the technical line. In the technical line, they can become technical expert, system engineer, etc., and in the management line, they can enter into the administrative management or project management field. In 2016, the Group had made further refinement on the standard and the requirement of qualifications.

Huada Electronics engages an independent third party institution once every two years to conduct a survey on work devotion of all its employees covering aspects such as enterprise's devotion to its employees, employees' devotion to enterprise. For the year ended 31 December 2015, Huada Electronics' employees' work devotion achieved an overall score of 4.11 points (5 score points being the highest), representing an increase of 0.17 points over the last survey. According to the independent third party institution's evaluation, such score falls into the "Outstanding" ranking, and is 0.2 points higher than the overall average score of the semiconductor industry.

### 3.3 Health and safety

- *Production safety management*

The Group has all along been insisting on the "safety first, focus on prevention" safety philosophy. The Group managed its production safety with reference to the principle of the Production Safety Law of the People's Republic of China, and by focusing on tackling the potential security risks, and aiming at preventing and avoiding the occurrence of material safety incidents. The Group also regularly arranges its employees for health check and purchases medical insurance for them.

- 職業發展

本集團實施任職資格管理制度，建立職業發展通道，為員工晉陞、提薪提供重要依據。對於佔本集團60%以上的技術族員工實行雙通道發展路徑，技術族分為六級，到四級後可選擇管理線或技術線，技術線發展到技術專家、系統工程師等，管理線則可進入行政管理或項目管理範疇。於2016年本集團對任職資格的標準、要求進一步細化。

華大電子每兩年委託獨立第三方機構，從企業對員工的投入、以及員工對企業的投入兩個方面進行全體員工敬業度調查。2015年度華大電子員工敬業度的總體得分為4.11分（滿分5分），較上次調查增加0.17分。根據獨立第三方機構的評價，該得分已進入優秀區，高於半導體綜合行業平均值0.2分。

### 3.3 健康與安全

- 安全生產管理

本集團始終堅持「安全第一、預防為主」的安全理念，以《中華人民共和國安全生產法》為原則，以治理安全隱患為重點，以防範和遏制重大安全事故發生為目標落實安全生產管理工作。本集團亦定期安排員工體檢，為員工購買醫療保險。

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In 2016, the Group continued to step up the construction of the production safety system in its electronic information technology industrial parks operation. The Group managed its production safety by making reference to the Production Safety Law of the People's Republic of China and other relevant production safety laws and regulations, and has established more refined safety management department, engaged more professional safety management personnel, clarified the responsibilities of each of its units, departments and positions. Employees at various levels are required to sign the production safety responsibility letter, so as to clearly defining each employee's respective safety responsibility. The Group disposed of its electronic information technology industrial parks operation on 30 June 2016.

於2016年本集團之電子信息技術產業園業務繼續加強安全生產制度建設，依據《中華人民共和國安全生產法》等安全生產相關法律法規，設立更細化安全管理部門，配備更專業的安全管理人員，明確各級單位、部門及崗位職責，並與各級員工簽訂《安全生產責任書》，以清晰界定安全職責。本集團之電子信息技術產業園業務已於2016年6月30日售出。

### Statistics on occupational health and safety indicators

#### 職業健康與安全指標統計

Indicators	指標	2016
		2016年度
Number of work-related fatalities	因工作關係而死亡的人數	0
Number of reportable injuries	須予報告的工傷宗數	0

#### • Quality working environment

Quality working environment has a direct impact on the physical and mental health and efficiency of employees. Based on the "people-orientated" philosophy, the Group is committed to providing and maintaining a warm, comfortable, healthy and safe working environment for its employees. Huada Electronics has set up a nursery room, a library and a recreation area in its office in 2016, so as to create a quality office arena and improve the working environment of its employees.

#### • Fabulous employee activities

The Group has all along been emphasising on improving corporate culture, facilitating teamwork and cultural integration, and enriching employees' cultural life through organising various activities. For the year ended 31 December 2016, the Company hosted activities such as the calligraphy contest, online quiz contest, tea talk fraternity, etc., so as to further stimulate employees' enthusiasm in devoting themselves to the enterprise and community.

#### • 優質工作環境

優質的工作環境對員工的身心健康及工作效率具有直接影響。本集團基於「以人為本」的理念，致力為員工提供及維持溫馨、舒適、健康而安全的工作環境。於2016年為改善員工工作環境，華大電子在其辦公區域內設置了母嬰室、圖書室及休閒區，打造品質辦公空間。

#### • 多彩員工活動

本集團始終注重提升企業文化，促進團隊和文化融合，通過組織各類活動，活躍員工文化生活。2016年度本公司開展員工書法作品比賽、在線答題競賽、茶話聯誼會等活動，從而進一步激發全體員工愛企、愛社會的熱情。

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Huada Electronics also organises its employees to participate in various cultural and sports activities every year so as to encourage employees to exercise regularly, cultivate interest and maintain a healthy lifestyle, enhance the cohesion of the employees, and promote work-life balance.

### 4. COMPLIANCE OPERATION

The Group considers the compliance with laws and regulations is the cornerstone of an enterprise. The Group reviews and enhances regularly the management systems regarding its supply chain management, risk management and anti-commercial bribery with reference to the local laws and regulations relevant to the compliance operation such as the Company Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Anti-Unfair Competition Law of the People's Republic of China, as well as the industrial policies. For the year ended 31 December 2016, the Group did not encounter any material risk associated with bribery, and the occurrence of any confirmed corruption incident related to the Group, nor any public legal proceedings for corruption against the Group or its employees.

#### 4.1 Supply chain management

- *Management and control procedures on suppliers*

The effective management on suppliers during the course of the Group's development can help the Group to reduce its costs and cooperation risk, improve the quality of its products and services, and build up a quality brand. As such, the Group establishes the Management and Control Procedures on Suppliers setting out the requirement for the selection, evaluation and management for production suppliers. In particular, it sets out the detail guiding principles for aspects such as selection of suppliers, approval, daily management, subsequent evaluation, etc., so as to ensure the long-term and stable provision of reliable products and services by the suppliers.

華大電子亦每年組織員工參與豐富多彩的文體活動，鼓勵員工堅持鍛煉、培養興趣、保持健康的生活方式，增強員工凝聚力，促進工作與生活平衡。

### 4. 合規運營

本集團認為遵守法律及法規乃企業之基石，參考《中華人民共和國公司法》、《中華人民共和國合同法》、《中華人民共和國反不正當競爭法》等與合規運營相關的經營地法律法規及行業政策，對本集團供應鏈管理、風險管理、反商業賄賂等方面的管理制度定期進行檢討及完善。2016年度本集團未發生任何與賄賂有關的重大風險，亦沒有出現任何與本集團有關的已確認貪污事件，或針對本集團或其員工有關貪污的公開法律訴訟。

#### 4.1 供應鏈管理

- *供應商管控程序*

對供應商的有效管理可以幫助本集團在發展過程中降低成本、降低合作風險，提高產品及服務質量，建立良好品牌。本集團為此制定《供方管理控制程序》，規定了對生產類供應商的選擇、評價及管理的要求，其中詳細規定了供應商選擇、審批、日常管理，以及再評價等方面工作的指導原則，以確保供應商能夠長期、穩定的提供質量可靠的產品及服務。

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In addition, the Group establishes the Procurement and Outsourcing Control Procedures, setting out the requirements for the procedures and rules for managing the production procurement and outsourcing. The procedures provide the definitions and corresponding operational requirements for aspects such as requirement planning, order formation and approval, procurement implementation, quality inspection, as well as in-stock settlement, etc., so as to ensure the materials and products procured and outsourced comply with the requirements.

- *Periodic review on suppliers*

The Group carries out regular review on its approved suppliers each year. The review on the approved suppliers is based on criteria such as the availability of the supply of goods in previous year, the requirement planning for the coming year, etc. Based on the results of the review, the Group will adjust the eligibility and grading of its suppliers accordingly and compile a revised list of approved suppliers for the next year. In addition, in the event that an approved supplier has no business dealing with the Group for the past 3 consecutive years, the Group will cancel the qualification of such supplier.

此外，本集團制定有《採購與外包控制程序》，規定了生產類採購與外包管理流程和規則。該程序對需求計劃，訂單形成和審批，採購實施，品質控制，以及入庫結算等環節做了定義和相應操作規定，以確保採購與外包的材料及產品符合規定的要求。

- *供應商定期評審*

本集團每年定期對合格供應商進行評審。本集團根據上一年度供貨情況、以及未來一年度需求計劃等，對合格供應商進行評審。根據評審結果，對供應商資格、等級進行調整，形成新一一年度的合格供應商名單。同時，如果合格供應商連續3年與本集團沒有業務往來，其合格供應商資格將會被取消。

### Statistics on supply chain management indicators

#### 供應鏈管理指標統計

Indicators	指標	2016 2016年度
Number of suppliers	供應商數目(家)	28
By geographical region	按地區	
Mainland China	中國	25
Overseas	海外	3



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### 4.2 Anti-corruption

- *Anti-corruption management system*

The Group adheres to the “law abiding and establishing credibility, advocating honesty and nurturing people” integrity philosophy. In order to further regulate the monitoring of corporate efficiency, improve corporate governance, facilitate operating management to discharge their responsibilities properly, improve corporate efficiency, and achieve value maintenance and appreciation of assets, the Group established the Administrative Measures on Monitoring of Efficiency of China Electronics Corporation Holdings Company Limited in 2016.

In order to regulate the gift accepting arrangement during business interactions on behalf of the Group, eradicate the possibility of violating disciplines and laws, and strengthen self-restraint and awareness of preventing corruption, the Group announced and implemented the Requirements on Handing Over of Gifts Collected (Provisional) in 2016.

The Group held the “Anti-corruption and Integrity Awareness Education Month” activity during January and February 2016, and arranged its employees to participate in activities such as studying, watching warning and education videos, etc.

- *Complaint and whistle blowing management*

In order to regulate the management of complaints and whistle blowing reporting, the Group establishes the Administrative Measures for Managing Complaints and Whistle Blowing. Employees of the Group and outsider can report, in confidence, possible corporate or individual improprieties matters regarding violation of disciplines and laws during the course of operation to either the respective department in charge or the audit committee of the Company through letter, telephone, internet and facsimile. The Group did not received any complaint or whistle blowing disclosure in the past 3 years.

### 4.2 反貪污

- *反貪污管理制度*

本集團秉承「奉法立信、興廉樹人」的廉潔理念。為進一步規範企業效能監察工作，完善企業治理，促進經營管理者正確履行職責，提高企業效能，實現資產保值增值，本集團於2016年制定《中國電子集團控股有限公司效能監察管理辦法》。

為了規範本集團業務交往中的饋贈行為、杜絕可能發生的違紀違法事件，增強員工的自我約束、防止腐敗的意識，本集團於2016年發佈並執行了《禮品上繳規定（試行）》。

本集團於2016年1月至2月期間開展「反腐倡廉宣傳教育月」活動，安排員工參與集中學習、觀看警示教育片等活動。

- *投訴及舉報管理*

為了規範投訴及舉報管理工作，本集團制定《投訴及舉報管理辦法》。本集團內部員工、外部人員均可暗中通過信件、電話、互聯網、傳真等形式，向相關部門的主管或本公司的審核委員會反映企業或個人經營過程中的可能違法、違規的不當事宜。近三年本集團並未接到任何投訴或舉報。

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### 5. ENVIRONMENT

The Group is committed to reducing the possible adverse impact of our operations on the environment. The Group reviews regularly on the environmental protection management measures with reference to local laws and regulations relevant to environment such as the Environmental Protection Law of the People's Republic of China and the industrial policies, and encourages employees to take responsible actions on the environment and regularly provides employees with relevant training. For the year ended 31 December 2016, there was no occurrence of environmental pollution incident, nor was there any non-compliance event or complaint relating to environmental protection that was material to the Group.

The businesses of the Group includes the design of integrated circuit chips and the development of application system, while the electronic information technology industrial parks operation was disposed of on 30 June 2016. The Group's current main concerns on the environment aspect includes the design of energy-saving products, improvement of office environment, resources conservation during the course of operation.

#### 5.1 Conservation of resources

As one of the industrial leaders in the integrated circuit chips design sector in the PRC, the Group minimise the consumption of raw material such as silicon chip used in subsequent manufacturing at source, i.e. the product design stage, by continually improving the design capacity, reducing the area of single chip and increasing the number of chips that can be produced on a single chip wafer.

### 5. 環境

本集團致力減低運營可能對環境造成的不利影響，參考《中華人民共和國環境保護法》等與環境相關的經營地法律法規及行業政策，對環保管理措施進行定期檢討，鼓勵員工對環境採取負責的行為，定期向員工提供相關培訓。2016年度，本集團未發生任何環境污染事件，亦沒有與環境保護相關並對本集團有重大影響的違規事件或任何申訴。

本集團的業務包括集成電路芯片的設計及應用系統開發，而電子信息技術產業園業務已於2016年6月30日售出。目前本集團在環境方面的主要關注點包括節能產品的設計、辦公環境改善及運營過程中的資源節約方面。

#### 5.1 節約資源

作為中國集成電路芯片設計業界先驅之一，本集團持續通過提高設計能力，減小單顆芯片面積，通過提高單個晶元上可產出的芯片數量，從產品設計源頭減少後續生產對於硅片原材料的消耗。

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For daily operation, the Group incorporated the resources-conservation behaviors such as saving water and saving energy by employees into the Code on the Daily Conduct of Employees, requiring them to turn off the lights when leaving work, turn off the water tap readily, have the computer under standby mode temporarily when not in use, turn off the monitor readily, turn off the electric power supply when leaving the office, etc. At the same time, the Group took the initiative to convey the basic philosophy of saving water to its employees by posting gentle reminders. The water taps will be repaired in a timely manner if it is found damaged, so as to reduce water resource wastage. As the Group's consumption of water resource mainly arises from the operation of its offices, and currently, it is not facing any problem and risk in accessing sufficient water source.

### 5.2 Reducing energy consumption

The work on reducing energy consumption and emission is one of the important missions of the Group in green business operation. Through refining our work tasks and setting work targets for energy-conservation and emission-reduction, the Group reduced its resources consumption (such as electricity, water, fuel, heat, etc.) considerably.

In 2016, through establishing the electricity detection system, Huada Electronics monitored the use of electric equipment in the office building real time, operated relevant equipment directly, learned about the malfunctioning timely and tackled them promptly, and has turned the management of the entire power supply system into more scientific and standardised, which in turn has strengthened the reliability of power supply, enhanced the efficiency of electricity consumption, and reduced operation and maintenance costs.

### 5.3 Reducing paper consumption

The Group advocates paperless office environment and establishes the OA system to promote paperless office. Through the OA system, the receiving and sending of official documents, circulation of documents, and sharing of departmental documents are all carried out internally, so as to achieve paperless operation of office process.

在日常營運方面，本集團將員工節水節電等資源節約行為列入《員工日常行為規範》，要求員工做到人走燈滅，隨手關水龍頭，電腦暫時不用即進入待機狀態，隨手關閉顯示器、下班離開辦公室關閉電源等。同時，本集團通過張貼溫馨提示向全體員工倡導節約用水的基本理念，如發現水龍頭損害及時修理，減少水資源浪費。本集團對水資源的消耗主要來自於辦公營運，目前不面臨求取適用水源方面的問題及風險。

### 5.2 降低能耗

降低能耗、減少排放工作是本集團在綠色營運中的重要工作任務之一，通過細化工作任務，制定節能減排工作目標，本集團於電、水、燃油、熱力等資源消耗都有了較明顯的降低。

2016年華大電子通過建立電力檢測系統，實時掌握辦公大樓各用電設備的使用情況，直接對相關設備進行操作，及時瞭解故障情況，並迅速進行處理，使整個供電系統的管理科學化、規範化，從而加強用電可靠性、提高用電效率，降低運行維護成本。

### 5.3 減少用紙

本集團提倡無紙化辦公，並建立OA系統推進無紙化辦公，在內部建立對於公文收發、文件流轉、部門文件共享等方面均通過OA系統實現辦公流程無紙化操作。

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Huada Electronics introduced the copying machine management system in 2016. Each employee has to swipe his/her card for identification in order to print documents. Printing cost will be allocated and charged to each department based on the printing data of each individual user within a certain period of time collected from the system, so as to facilitate cost management and control, reduce unnecessary printing, reduce resources usage and ensure the safety of personal documents. At the same time, there is access control on color printing, which reduces unnecessary color printing costs and resources usage. In addition, employees can choose any equipment to print documents to avoid queuing up, which in turn improves the utilisation of equipment and efficiency.

2016年華大電子增加了複印機管理系統，每位員工須通過刷卡打印，通過該系統統計每個用戶一定時間內的打印數據，進行打印費用分攤，並納入部門辦公費，方便成本管理及控制，減少不必要打印，減少資源使用，保證個人文件安全。同時對彩色打印進行權限控制，減少不必要的彩色打印，降低成本，減少資源使用。此外，員工可以任意選擇設備進行打印，減少排隊，從而進一步提升設備利用率和工作效率。

#### Statistics on environment indicators 環境指標統計

Indicators	指標	Units 單位	2016 2016年度
Total greenhouse gas emissions <sup>1</sup>	總溫室氣體排放量 <sup>1</sup>	ton 噸	1,284
Greenhouse gas emissions per square meter of floor area	每平方米樓面面積溫室氣體排放量	ton/m <sup>2</sup> 噸/平方米	0.05
Total electricity consumption	總耗電量	Kwh 千瓦時	1,582,244
Electricity consumption per square meter of floor area	每平方米樓面面積耗電量	Kwh/m <sup>2</sup> 千瓦時/平方米	56.21
Total water consumption <sup>2</sup>	總耗水量 <sup>2</sup>	m <sup>3</sup> 立方米	27,540
Water consumption per square meter of floor area	每平方米樓面面積耗水量	m <sup>3</sup> /m <sup>2</sup> 立方米/平方米	0.98

Notes:

- The computation of the greenhouse gas emissions was based on the indirect emissions generated from externally purchased electricity, and with reference to the emission factor of the power grid in the Central Eastern China stated in the 2015 China's Regional Power Grid Benchmark Emission Factors.
- Total water consumption does not include those of the Group's leased offices as the landlords are unable to provide the necessary information.

附註：

- 溫室氣體排放量根據外購電力產生的間接排放及參考《2015中國區域電網基準線排放因子》之中華東區域電網的排放因子進行計算。
- 由於業主無法提供有關耗水量的資料，總耗水量不含本集團之租用辦公室之耗水量。



# Corporate Social Responsibility Report

## 企業社會責任報告

### 6. COMMUNITY INVESTMENT

The Group cares about community development, and currently focuses on two areas: poverty alleviation and care for exceptional children. For the year ended 31 December 2016, the Group contributed RMB200,000 in total to specified poverty alleviation projects at county and municipal levels, participated in providing aid to projects such as new rural construction, road construction, housing project, animal husbandry farming, industrial development, etc., and providing suggestions for community development.

Huada Electronics has been paying attention to the development of Beijing Guangai School since 2009. It insists on participating in charitable fund raising events and provides donations for Beijing Guangai School. Over the years, Huada Electronics' employees have been providing the needed cash and material voluntarily, so as to extend their care to Beijing Guangai School. Every year, Huada Electronics' employees visit Beijing Guangai School to care for the children voluntarily and interact with them. The objectives of Beijing Guangai School is to save the orphans, help homeless children to return home and go to school, and provide psychosocial support for the left-behind children, help them to formulate the correct values and views on life, and keep a positive and progressive spirit to contribute to the society in the future. In 2016, Huada Electronics' employees continued to extend their care to the school and sent livelihood and learning materials to the students, solving their practical difficulties in learning and living.

### 6. 社區投入

本集團關注社區建設，目前工作集中於兩個主要範疇：扶貧及關愛特殊兒童。2016年度共計無償援助定點扶貧縣市項目資金人民幣20萬元，參與幫扶新農村建設、道路建設、安居工程、畜牧業養殖、產業發展等多個項目，為社區發展獻計獻策。

華大電子自2009年至今，長期關注北京光愛學校的發展，堅持為光愛學校進行公益募捐及捐贈。多年來，員工自發進行捐款捐物，為光愛學校送溫暖及關懷，亦每年自願前往光愛學校進行慰問，並與孩子們進行愛心互動。北京光愛學校旨在救助孤兒，幫助流浪兒童返鄉入學，並對留守兒童、流動兒童進行心理健康輔導，建立正確的價值觀、人生觀，保持積極向上的精神風貌，將來為社會作出貢獻。於2016年，華大電子員工繼續堅持愛心傳遞，為學生送去生活、學習物資，解決他們的學習和生活上的實際困難。

#### Statistics on community investment indicators 社區投入指標統計

Indicators	指標	2016 2016年度
Total cash donations (RMB)	總現金捐贈額(人民幣)	200,000元
Number of employees participated in voluntary community services	員工參與志願社區活動人數	20

# Corporate Social Responsibility Report

## 企業社會責任報告

### 7. ABOUT THIS REPORT

This report is the first corporate social responsibility report issued by the Company. It addresses the actions taken and the achievement made by the Group in respect of sustainable development regarding economic, environment, and social issues.

#### Basis of preparation

This report has been prepared with reference to the Environmental, Social and Governance Reporting Guide issued by The Stock Exchange of Hong Kong Limited.

#### Scope of the report

Organisational scope: this report covers the Company and its subsidiaries as at 31 December 2016.

Reporting period: from 1 January 2016 to 31 December 2016.

#### Data

Data disclosed in this report were extracted from the Group's original records in day-to-day operation or financial reports.

### 7. 關於本報告

本報告是本公司發佈的首份企業社會責任報告，披露本集團在經濟、環境及社會的可持續發展方面採取的行動和達到的成效。

#### 編製基準

本報告以香港聯合交易所有限公司刊發的《環境、社會及管治報告指引》為參考依據編製。

#### 報告範圍

組織範圍：本報告以本公司為主體，涵蓋於2016年12月31日的附屬公司。

報告期間：2016年1月1日至2016年12月31日。

#### 數據說明

報告中的數據來自本集團實際運行的原始記錄或財務報告。

## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

#### NON-EXECUTIVE DIRECTORS

**Mr. Dong Haoran**, aged 52, is the Chairman of the Board. Mr. Dong graduated from Tsinghua University with a Bachelor's degree in Semiconductor Devices and Physics, and is a professor level senior engineer. Mr. Dong is a director and the general manager of Huada Semiconductor Co., Ltd ("Huada Semiconductor"), a controlling shareholder of the Company, an executive director of China Integrated Circuit Design Corp., Ltd, a fellow subsidiary of the Company, the chairman of Shanghai Belling Corp., Ltd (a company listed on the Shanghai Stock Exchange), an executive director of Huada Electronics, a wholly-owned subsidiary of the Company, and the chairman of Huahong, a subsidiary of Huada Electronics. Mr. Dong joined Huada Electronics in 1988 and possesses extensive knowledge and experience in the integrated circuit design industry. Mr. Dong was appointed director of the Company in February 2015.

**Mr. Jiang Juncheng**, aged 41. Mr. Jiang graduated from the Central University of Finance and Economics and holds a Bachelor's degree in Accounting and received a Master's degree in Professional Accounting, and also obtained an Executive Master's degree of Business Administration from School of Economics and Management of Tsinghua University. Mr. Jiang is a senior accountant, a Certified Public Accountant in the PRC and a Certified Public Valuer in the PRC. Mr. Jiang is the chief accountant of Huada Semiconductor, a controlling shareholder of the Company, and the chairman of the supervisory committee of Shanghai Belling Corp., Ltd (a company listed on the Shanghai Stock Exchange). Mr. Jiang joined Huada Electronics in 2002 and was the deputy general manager and financial controller of Huada Electronics. Mr. Jiang possess a wealth of experience in finance and corporate management. Mr. Jiang was appointed director of the Company in January 2016.

#### 非執行董事

**董浩然先生**，52歲，董事會主席。董先生畢業於清華大學半導體器件與物理專業並取得學士學位，並為教授級高級工程師。董先生現任本公司之控股股東華大半導體有限公司（「華大半導體」）董事及總經理，本公司之同系附屬公司中國華大集成電路設計集團有限公司執行董事，上海貝嶺股份有限公司（該公司於上海證券交易所公開上市）董事長，本公司之全資附屬公司華大電子執行董事，及華大電子之附屬公司華虹董事長。董先生於1988年加入華大電子，在集成電路設計行業具廣泛知識和豐富經驗。董先生於2015年2月獲委任為本公司董事。

**姜軍成先生**，41歲。姜先生畢業於中央財經大學會計系並取得學士學位及專業會計碩士學位，亦於清華大學經濟管理學院取得高級管理人員工商管理碩士學位。姜先生為高級會計師、中國註冊會計師及中國註冊資產評估師。姜先生現任本公司之控股股東華大半導體總會計師及上海貝嶺股份有限公司（該公司於上海證券交易所公開上市）監事長。姜先生於2002年加入華大電子並曾出任華大電子副總經理及財務總監。姜先生在財務及企業管理方面具有豐富經驗。姜先生於2016年1月獲委任為本公司董事。

## Biographies of Directors and Senior Management 董事及高級管理人員簡歷

### EXECUTIVE DIRECTORS

**Mr. Ma Yuchuan**, aged 51, is the Deputy Chairman of the Board. Mr. Ma graduated from Zhejiang University and holds a Bachelor's degree in Semiconductor Physics and Devices. Mr. Ma is the deputy general manager of Huada Semiconductor, a controlling shareholder of the Company, a director of Hua Hong Semiconductor Limited (a company listed on the Hong Kong Stock Exchange), a director of Shanghai Belling Corp., Ltd (a company listed on the Shanghai Stock Exchange), a director of CEC Huahong International Co., Ltd, a director of Chengdu Sino Microelectronics Technology Co., Ltd and the chairman of Nanjing Micro One Electronics Inc. Mr. Ma, having spent much of his career in CEC, the ultimate controlling shareholder of the Company, was a divisional director of the Project Division of the Corporate Management Department of CEC, a divisional director of the Integrated Circuits and Devices Division of the Industry Development Department of CEC, and a deputy director of the Integrated Circuits Business Department of CEC and a deputy director of the Science and Technology Planning Department of CEC. Mr. Ma was appointed director of the Company in January 2016.

**Mr. Liu Hongzhou**, aged 54, is the Managing Director of the Company. Mr. Liu graduated from the School of International Business of Nanjing University and holds a Postgraduate degree in Business and Administration, and is a senior engineer. Mr. Liu, having spent much of his career in CEC, was a divisional deputy director of the Asset Management Department of CEC, an executive director and the deputy general manager of Winfair Development Limited, a divisional director of the Treasury Division of the Investment Banking Department of CEC, the deputy general manager of China Electronics Technology Development Corporation, the deputy general manager of the Asset Management Department of CEC, the deputy general manager of the Company, a director of the General Office of CEC, a director of Shenzhen SED Industry Co., Ltd (a company listed on the Shenzhen Stock Exchange), and the managing director of Shenzhen SED Electronics Group Co., Ltd. Mr. Liu was appointed director of the Company in October 2013.

### 執行董事

**馬玉川先生**，51歲，董事會副主席。馬先生畢業於浙江大學半導體物理及器件專業並取得學士學位。馬先生現任本公司之控股股東華大半導體副總經理、華虹半導體有限公司（該公司於香港聯交所公開上市）董事、上海貝嶺股份有限公司（該公司於上海證券交易所公開上市）董事、中電華虹國際有限公司董事、成都華微電子科技有限公司董事及南京微盟電子有限公司董事長。馬先生長期於本公司最終控股股東中國電子集團工作，曾任中國電子集團企業管理部項目處處長、產業發展部集成電路及元器件處處長、集成電路事業本部副主任及規劃科技部副主任。馬先生於2016年1月獲委任為本公司董事。

**劉紅洲先生**，54歲，本公司董事總經理。劉先生於南京大學國際商學院工商管理碩士研究生畢業，並為高級工程師。劉先生長期於中國電子集團工作，曾任中國電子集團資產部副處長、金溢發展有限公司執行董事及副總經理、中國電子集團投資銀行部資金處處長、中國電子科技開發公司副總經理、中國電子集團資產部副總經理、本公司副總經理、中國電子集團辦公廳主任、深圳市桑達實業股份有限公司（該公司於深圳證券交易所公開上市）董事及深圳桑達電子集團有限公司董事總經理。劉先生於2013年10月獲委任為本公司董事。



## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Chan Kay Cheung**, aged 70. Mr. Chan is a senior advisor of The Bank of East Asia, Limited, the vice chairman of The Bank of East Asia (China) Limited and the chairman of Shaanxi Fuping BEA Rural Bank Corporation. Mr. Chan was an executive director and the deputy chief executive of The Bank of East Asia, Limited. Mr. Chan joined The Bank of East Asia, Limited in 1965 and possesses extensive knowledge and experience in the banking industry. Mr. Chan is a fellow member of the Hong Kong Institute of Bankers, a member of the Committee of Overseers of Lee Woo Sing College, The Chinese University of Hong Kong, a member of The China Unionpay International Advisory Group and an international senior economic consultant of The People's Government of Shaanxi Province. Mr. Chan is also an independent non-executive director of Chu Kong Shipping Enterprises (Group) Company Limited, Dah Chong Hong Holdings Limited, Hong Kong Food Investment Holdings Limited and SOCAM Development Limited (all being companies listed on the Hong Kong Stock Exchange). Mr. Chan was appointed director of the Company in May 1997.

**Mr. Qiu Hongsheng**, aged 52. Mr. Qiu graduated from the School of Management of Harbin Institute of Technology and holds a Postgraduate degree in Management Science and Engineering; and is a Certified Public Valuer in the PRC, an International Certified Senior Enterprise Risk Manager, a Certified Dealmaker in the PRC, the PRC Small and Medium-sized Enterprises Management Consultancy Services Specialist, a senior economist and an asset management intermediary. Mr. Qiu is an executive director and the general manager of China Consultants of Advisory and Finance Management Co., Ltd and a visiting professor of Tianjin University of Finance and Economics. Mr. Qiu worked in 710 Research Institute of the Ministry of Aerospace Industry of China as an economic analyst for a number of years. Mr. Qiu joined China Consultants of Advisory and Finance Management Co., Ltd, a company directly managed by the Ministry of Finance of the PRC, in 1994 and focuses on management consulting and corporation restructuring transactions. Mr. Qiu possesses a wealth of professional knowledge and practical experiences in corporate finance, mergers and acquisitions, strategic integration, meticulous management, etc. Mr. Qiu is also an independent director of Beijing Tiantan Biological Products Co., Ltd, China National Software & Service Co., Ltd, AVIC Heavy Machinery Co., Ltd and GRINM Advanced Materials Co., Ltd (all being companies listed on the Shanghai Stock Exchange). Mr. Qiu was appointed director of the Company in November 2012.

#### 獨立非執行董事

**陳棋昌先生**，70歲。陳先生現任東亞銀行有限公司高級顧問、東亞銀行(中國)有限公司副董事長及陝西富平東亞村鎮銀行有限責任公司董事長。陳先生曾任東亞銀行有限公司執行董事兼副行政總裁。陳先生於1965年加入東亞銀行有限公司，在銀行界具廣泛知識和豐富經驗。陳先生為香港銀行學會資深會士，香港中文大學和聲書院院監會成員、中國銀聯國際業務專家委員會委員及陝西省人民政府國際高級經濟顧問。陳先生亦為珠江船務企業(股份)有限公司、大昌行集團有限公司、香港食品投資控股有限公司及瑞安建業有限公司(均為公司於香港聯交所公開上市)獨立非執行董事。陳先生於1997年5月獲委任為本公司董事。

**邱洪生先生**，52歲。邱先生於哈爾濱工業大學管理學院管理科學與工程系碩士研究生畢業，並為中國註冊資產評估師、國際註冊高級企業風險管理師、中國註冊併購交易師、中國中小企業管理諮詢服務專家、高級經濟師及擁有基金從業資格。邱先生現任中華財務諮詢有限公司執行董事及總經理，和天津財經大學客座教授。邱先生曾於中國航天工業部710所從事經濟分析工作多年，並於1994年加入中國財政部直接管理之中華財務諮詢有限公司從事管理諮詢及企業重組工作。邱先生在企業財務、購併定價、戰略整合及精細化管理等方面，具有豐富的專業知識和實踐經驗。邱先生現亦為北京天壇生物製品股份有限公司、中國軟件與技術服務股份有限公司、中航重機股份有限公司及有研新材股份有限公司(均為公司於上海證券交易所公開上市)獨立董事。邱先生於2012年11月獲委任為本公司董事。

## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

**Mr. Chow Chan Lum**, aged 66. Mr. Chow graduated from The Chinese University of Hong Kong with a Bachelor of Business Administration degree in 1974, received a Postgraduate Diploma in Accountancy from the University of Strathclyde in Glasgow, United Kingdom in 1975 and was awarded a Postgraduate Diploma in China Law by the University of Macau in 1987. Mr. Chow has been a member of the Institute of Chartered Accountants of Scotland since 1979 and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Chow is the precedent partner of Wong Brothers & Co, Certified Public Accountants, and a member of the Foreign Experts Consultative Committee on China Independent Auditing Standards of the PRC Ministry of Finance. Mr. Chow served on a number of committees of the Hong Kong Institute of Certified Public Accountants, including as the deputy chairman of the Auditing & Assurance Standards Committee, and a member of the Investigation Panel and the Professional Standards Monitoring Committee, and as president of The Taxation Institute of Hong Kong. Mr. Chow serves as an honorary advisor and committee member of various social bodies, and has been a member of the Chinese People's Political Consultative Conference of Guangdong Province, the PRC from 1997 to 2012. Mr. Chow is also an independent non-executive director of Maoye International Holdings Limited, and has been an independent non-executive director of China Aerospace International Holdings Limited from 2002 to 2012 and Pak Tak International Limited from 2002 to 2014 (all being Hong Kong Main Board listed companies). Mr. Chow was awarded the Medal of Honor by the Government of the Hong Kong Special Administrative Region of the PRC in 2013. Mr. Chow was appointed director of the Company in June 2015.

鄒燦林先生，66歲。鄒先生於1974年畢業於香港中文大學並取得工商管理學士學位，於1975年取得英國斯特拉斯克萊德大學的會計學深造文憑及於1987年獲澳門大學授予中國法律深造文憑。鄒先生於1979年成為蘇格蘭特許會計師公會會員及亦為香港會計師公會會員。鄒先生為民信會計師事務所之首席合夥人及中國財政部獨立審計準則外方專家諮詢組委員。鄒先生曾出任香港會計師公會多個委員會委員（包括核數及核證專業標準委員會副主席、調查委員會及專業水平監察委員會委員），以及香港稅務學會會長。鄒先生現任多個社會團體的名譽顧問及委員，並於1997年至2012年間擔任中國廣東省中國人民政治協商會議成員。鄒先生現亦為茂業國際控股有限公司獨立非執行董事，及曾於2002年至2012年間及2002年至2014年間分別擔任中國航天國際控股有限公司及百德國際有限公司（均為香港主板上市公司）獨立非執行董事。鄒先生於2013年榮獲中華人民共和國香港特別行政區政府頒發榮譽勳章。鄒先生於2015年6月獲委任為本公司董事。

## Biographies of Directors and Senior Management

### 董事及高級管理人員簡歷

#### SENIOR MANAGEMENT

**Ms. Wang Qiuju**, aged 50, is the financial controller of the Company. Ms. Wang graduated from the School of Economics of Xiamen University and holds a Postgraduate degree in Finance and is a senior accountant. Ms. Wang is a director of CEOVU (a company listed on the Hong Kong Stock Exchange), a member of the supervisory committee of Shenzhen SED Industry Co., Ltd (a company listed on the Shenzhen Stock Exchange) and a director of Zhuhai Southern Software Park Development Co., Ltd. Ms. Wang was head of the Finance Department of Shenzhen SED Electronics Corp., head of the Finance Department, financial controller and chief accountant of Shenzhen SED Electronics Group Co., Ltd and the general manager of the Finance Department of China Electronics International Information Service Co., Ltd. Ms. Wang joined the Company in March 2015.

**Mr. Xiao Fei**, aged 44, is the deputy general manager of the Company. Mr. Xiao graduated from York University of Canada with a Bachelor's degree in Computer Information Analysis. Mr. Xiao is responsible for overseeing the Internet of Things business of the Company. Mr. Xiao was the deputy general manager of global marketing and the chief operating officer of communication equipment manufacturing enterprise and the Internet of Things enterprise, and possesses extensive experience in the strategic planning and marketing of the Internet of Things business. Mr. Xiao was appointed deputy general manager of the Company in February 2017.

**Mr. Jiang Shiping**, aged 59, is the deputy general manager of the Company. Mr. Jiang graduated from Xiamen University with a Bachelor's degree in Radio Physics and is a professor level senior engineer. Mr. Jiang is the general manager of Huada Electronics. Mr. Jiang joined Huada Electronics in 2002 and is in charge of research and development of technology, project management, major projects, informationisation, etc. Mr. Jiang possesses extensive theoretical knowledge and practical experiences in the integrated circuit design industry. Mr. Jiang was appointed deputy general manager of the Company in March 2017.

#### 高級管理人員

**王秋菊女士**，50歲，本公司財務總監。王女士於廈門大學經濟學院金融系碩士研究生畢業，並為高級會計師。王女士現任中電光谷聯合（該公司於香港聯交所公開上市）董事，深圳市桑達實業股份有限公司（該公司於深圳證券交易所公開上市）監事及珠海南方軟件園發展有限公司董事。王女士曾任深圳桑達電子總公司財務部部長，深圳桑達電子集團有限公司財務部部長、財務總監及總會計師和中國中電國際信息服務有限公司財務部總經理。王女士於2015年3月加入本公司。

**蕭非先生**，44歲，本公司副總經理。蕭先生畢業於加拿大約克大學計算機信息分析專業並取得學士學位。蕭先生負責管理本公司物聯網業務工作。蕭先生曾任通信設備製造企業及物聯網企業的全球營銷副總經理及首席運營官，在物聯網業務的戰略規劃及市場營銷方面具有豐富經驗。蕭先生於2017年2月獲委任為本公司副總經理。

**姜世平先生**，59歲，本公司副總經理。姜先生畢業於廈門大學無線電物理專業並取得學士學位，並為教授級高級工程師。姜先生現任華大電子總經理。姜先生於2002年加入華大電子，主管技術研發、項目管理、重大工程、信息化等工作。姜先生在集成電路設計行業具豐富的理論知識和實踐經驗。姜先生於2017年3月獲委任為本公司副總經理。

## Biographies of Directors and Senior Management 董事及高級管理人員簡歷

**Mr. Ng Kui Kwan**, aged 55, is the company secretary of the Company. Mr. Ng holds a Bachelor of Arts degree in Accounting from the University of Liverpool, United Kingdom. Mr. Ng is a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants. Mr. Ng has many years of experience in auditing, finance and administration. Mr. Ng joined the Company in November 2008.

伍舉鈞先生，55歲，本公司公司秘書。伍先生持有英國利物浦大學會計學士學位。伍先生為英格蘭及威爾斯特許會計師公會及香港會計師公會會員。伍先生在審計、財務及行政方面積累多年經驗。伍先生於2008年11月加入本公司。



## Report of the Directors

### 董事會報告

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

#### PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group is the design and sale of integrated circuit chips. The activities of the principal subsidiaries are set out in Note 37 to the financial statements.

#### RESULTS AND DISTRIBUTION

The results of the Group for the year are set out in the consolidated income statement on page 89 of this annual report.

The Board recommends the payment of a dividend of HK3.0 cents per share for the year ended 31 December 2016 (2015: HK3.0 cents), amounting to a total dividend of HK\$60,896,000. The dividend is subject to approval at the forthcoming annual general meeting of the Company.

#### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in Note 14 to the financial statements.

#### SHARE CAPITAL

At 31 December 2016, the issued share capital of the Company consisted of 2,029,872,000 shares of HK\$0.01 each. Details of movements in the share capital of the Company during the year are set out in Note 25 to the financial statements.

#### RESERVES

Details of movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 93 of this annual report and Note 36 to the financial statements, respectively.

董事會同寅謹此提呈董事會報告及本公司截至2016年12月31日止年度之經審核財務報表。

#### 主要業務

本公司為一家投資控股公司。本集團之主要業務是集成電路芯片之設計及銷售。主要附屬公司之業務詳情載於財務報表附註37。

#### 業績及分派

本集團本年度之業績載於本年報第89頁之綜合收益表內。

董事會建議就截至2016年12月31日止年度派付每股3.0港仙(2015年:3.0港仙)股息,總計為60,896,000港元。股息需於本公司應屆股東週年大會上獲批准後,方可作實。

#### 物業、廠房及設備

本集團之物業、廠房及設備於本年度內之變動詳情載於財務報表附註14。

#### 股本

於2016年12月31日,本公司已發行股本為2,029,872,000股每股面值0.01港元之股份。本公司之股本於本年度內之變動詳情載於財務報表附註25。

#### 儲備

本集團及本公司之儲備於本年度內之變動詳情分別載於本年報第93頁之綜合權益變動表及財務報表附註36。

# Report of the Directors

## 董事會報告

### DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 December 2016 amounted to HK\$437,754,000 (2015: HK\$280,381,000).

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, the assets and liabilities of the Group for the last five financial years is set out on pages 187 to 188 of this annual report.

### BUSINESS REVIEW

The Company's business review and the discussion and analysis of the Group's performance for the year and the outlook of its businesses is set out in the section headed "Management Discussion and Analysis" and "Chairman's Statement" on pages 8 to 17 and on pages 4 to 7 of this annual report, respectively. Such discussions constitute an integral part of this report.

The performance and results of the Group's businesses are subject to various important factors, including the relationship with its employees, customers and suppliers. The Board believes that the employees are one of the Group's most important assets. The Company will strive to ensure that the remuneration level of employees is in line with industry practices and prevailing market conditions, and remuneration of employees will be determined based on their performance. Being people-oriented, the Group ensures all staff are reasonable remunerated and also continues to improve and regularly review and update its policies on remuneration and benefits, training, and occupational health and safety.

### 可供分派儲備

於2016年12月31日，本公司之可供分派儲備為437,754,000港元（2015年：280,381,000港元）。

### 五年財務資料摘要

本集團過去五個財政年度之業績、資產及負債之摘要載於本年報第187頁至第188頁。

### 業務回顧

本公司之業務回顧及本集團之年度表現及業務之前景之討論及分析分別載於本年報第8頁至第17頁及第4頁至第7頁之「管理層討論及分析」以及「主席報告」。有關討論構成本報告之重要組成部分。

本集團業務之表現及業績受制於多項重要因素，包括與其僱員、客戶及供應商之關係。董事會認為，僱員為本集團的最重要資產之一。本公司將努力確保僱員之薪酬水平與業內慣例及現行市況相符，而僱員之薪酬將根據其表現而釐定。本集團堅持以人為本，確保所有員工均可獲得合理薪酬，亦繼續改進及定期檢討並更新其於薪酬及福利、培訓、以及職業健康及安全方面之政策。

## Report of the Directors

### 董事會報告

In addition, the Board places great emphasis on a long-term and stable relationship with the Group's customers and suppliers for the continuous success and growth of the Group's businesses. The Group has an extensive sales network across the PRC and to manage such network requires a close working relationship with our customers directly and through distributors, agents and other business partners. The Group will continue to strengthen its customer service to provide superior quality service to the users, and strive to achieve the fastest response times and highest customer satisfaction levels in the industry. The Group's continuous effort to build trust and emphasise mutual benefits with its customers and suppliers has contributed to the long-term relationships with them.

### RISKS AND UNCERTAINTIES FACTORS

As nearly all of the Group's revenue is attributable to the market in the PRC, the results and performance of the Group's businesses depend on the growth of the information technology sector in the PRC, particularly the electronic information technology sector. Although the information technology sector is demonstrating a growing trend in the past which is in part supported by favourable government policies, any negative trend in the information technology sector or other restrictive policies may materially and adversely affect the business, financial condition and results of operation of Group.

The PRC integrated circuit market is highly competitive with relatively short product cycles, and is subject to policies of the government. The Group's results of operation substantially depend on the successful execution of its business strategy and development plan to maintain its leading position in the design of integrated circuit chips sector in the PRC. The Group may face challenges in implementing its strategies, and its ability to achieve its goals may be adversely affected by various factors, some of which are beyond its control. If the Group is not able to execute its business strategy and development plan, its businesses, financial condition and results of operation may be materially and adversely affected.

此外，為達致本集團業務之持續成功及增長，董事會高度重視與本集團之客戶及供應商之長期穩定關係。本集團擁有遍及中國之廣泛銷售網絡，而管理有關網絡需要與本集團之客戶建立直接及透過分銷商、代理及其他業務夥伴建立緊密合作關係。本集團將繼續增強其客戶服務以向用戶提供更優質服務，並努力於業內達致最快反應時間及最高客戶滿意水平。本集團持續努力與其客戶及供應商構建信任及強化互利有助與彼等建立長期關係。

### 風險及不確定因素

鑒於本集團之收入主要來自於中國市場，本集團業務之業績及表現乃取決於中國之信息技術產業之增長，尤其是電子信息技術產業。儘管部份受有利政府政策所支持過往信息技術產業展示了增長趨勢，信息技術產業之任何負面趨勢或其他限制性政策可能對本集團之業務、財務狀況及經營業績造成重大及不利影響。

中國集成電路市場競爭激烈，產品週期較短，並受制於政府政策。本集團之經營業績主要取決於成功執行其業務策略及發展計劃以維持其於中國集成電路芯片設計業界領先地位。本集團可能於實施其策略時面臨挑戰，而其達到目標之能力可能因多項因素影響嚴重受阻，其中部份乃無法控制。倘本集團無法執行其業務策略及發展計劃，則本集團之業務、財務狀況及經營業績可能受重大及不利影響。

### ENVIRONMENTAL POLICY

As one of the industrial leaders in the design of integrated circuit chips sector in the PRC, the Company is committed to operating its various business segments in an environmentally-friendly manner. Although most of the Group's businesses are not subject to any environmental protection rules and restrictions, the Board believes that operating the Group's businesses in an environmentally-friendly manner is crucial to fulfilling its corporate social responsibilities.

In order to maintain a high standard of staff awareness of the relevant rules and requirements, the Group offers periodical trainings to its key personnel. As a result of the Group's commitment to environmental protection and through the implementation of advanced technologies, the Group has achieved safe and environmentally-friendly operation during the year ended 31 December 2016.

The Company has complied with the "comply or explain" provisions set out in the Environmental, Social and Governance Reporting Guide as set out in Appendix 27 to the Listing Rules for the year ended 31 December 2016. The Company has prepared an environmental, social and governance report with reference to the Environmental, Social and Governance Reporting Guide, and is set out in the section headed "Corporate Social Responsibility Report" on pages 33 to 53 of this annual report.

### COMPLIANCE WITH LAWS AND REGULATIONS

The Board believes that compliance with laws and regulations is the cornerstone of a business and attaches considerable importance to it. Furthermore, as the shares of the Company are listed on The Stock Exchange of Hong Kong Limited, the Company is also subject to the rules and requirements under the Listing Rules and the Securities and Futures Ordinance (the "SFO"). To the best knowledge of the Board, during the year ended 31 December 2016, the Group has complied with the relevant laws and regulations that have a significant impact on the Group.

### 環保政策

作為中國集成電路芯片設計業界先驅之一，本公司致力以環保方式經營其多個業務分部。儘管本集團絕大多數之業務毋須受相關環保規則及限制所規限，惟董事會認為，以環保方式經營本集團之業務對履行企業社會責任至關重要。

為維持員工對相關規則及法規之高水準認識，本集團定期向主要人員提供培訓。由於本集團對環保之承擔且採用先進科技，故本集團於截至2016年12月31日止年度達致安全及環保經營。

本公司於截至2016年12月31日止年度已遵守上市規則附錄27所載之環境、社會及管治報告指引中的「不遵守就解釋」條文。本公司參考該環境、社會及管治報告指引編製其環境、社會及管治報告，並載於本年報第33頁至第53頁之「企業社會責任報告」。

### 遵守法律及法規

董事會認為遵守法律及法規乃企業之基石，故十分關注其重要性。此外，由於本公司股份於香港聯合交易所有限公司上市，本公司亦須遵守上市規則及證券及期貨條例（「證券及期貨條例」）項下之規則及規定。據董事會所深知，於截至2016年12月31日止年度，本集團均已遵守對本集團具重大影響力之相關法律及法規。



## 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:

##### Non-executive Directors

Dong Haoran (*Chairman*)

(appointed as Chairman on 19 January 2016)

Jiang Juncheng

(appointed on 19 January 2016)

Rui Xiaowu

(resigned on 19 January 2016)

##### Executive Directors

Ma Yuchuan (*Deputy Chairman*)

(appointed on 19 January 2016)

Liu Hongzhou (*Managing Director*)

Xie Qinghua

(resigned on 19 January 2016)

##### Independent Non-executive Directors

Chan Kay Cheung

Qiu Hongsheng

Chow Chan Lum

In accordance with bye-law 87 of the bye-laws of the Company, Mr. Dong Haoran and Mr. Chow Chan Lum will retire by rotation at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Company has entered into a service contract with each of the directors of the Company containing terms relating to, among other things, compliance with relevant laws and regulations, and observation of the bye-laws of the Company. The directors of the Company will be subject to retirement by rotation and re-election in accordance with the bye-laws of the Company and the Listing Rules.

#### 董事

於本年度內及截至本報告日止在任之董事如下：

##### 非執行董事

董浩然 (*主席*)

(於2016年1月19日獲委任為主席)

姜軍成

(於2016年1月19日獲委任)

芮曉武

(於2016年1月19日辭任)

##### 執行董事

馬玉川 (*副主席*)

(於2016年1月19日獲委任)

劉紅洲 (*董事總經理*)

謝慶華

(於2016年1月19日辭任)

##### 獨立非執行董事

陳棋昌

邱洪生

鄒燦林

根據本公司之公司章程細則第87條，董浩然先生及鄒燦林先生須於應屆股東週年大會輪值告退，惟彼等均合資格並願意膺選連任。

本公司已與本公司各董事訂立服務合約，包括有關（其中包括）遵守相關法律及法規、以及遵從本公司之公司章程細則之條款。本公司董事將根據本公司之公司章程細則及上市規則輪值告退及膺選連任。

## Report of the Directors 董事會報告

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules, and considers them to be independent.

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2016, Mr. Dong Haoran, a non-executive director of the Company and the Chairman of the Board, had personal interest (long position) in 4,672,420 shares of the Company (representing 0.23% of the issued share capital of the Company). Mr. Jiang Juncheng, a non-executive director of the Company, had personal interest (long position) in 1,139,420 shares of the Company (representing 0.06% of the issued share capital of the Company). Save as disclosed herein, none of the directors nor the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company, its holding company or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the directors of the Company or their respective close associates (as defined under the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

擬於應屆股東週年大會上膺選連任之董事並無與本公司或其任何附屬公司訂立僱主在一年內不可在不予賠償（法定賠償除外）情況下終止之服務合約。

本公司已接獲各獨立非執行董事就彼等根據上市規則第3.13條發出的年度獨立性確認書，並認為彼等為獨立。

### 董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於2016年12月31日，董浩然先生（本公司非執行董事及董事會主席）個人持有4,672,420股本公司股份好倉權益（佔本公司已發行股本0.23%之股份）。姜軍成先生（本公司非執行董事）個人持有1,139,420股本公司股份好倉權益（佔本公司已發行股本0.06%之股份）。除本文所披露者外，概無本公司董事及最高行政人員於本公司或本公司任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債券中持有任何須記錄於本公司根據證券及期貨條例第352條備存之登記冊內之權益或淡倉，或根據上市規則附錄10所載之上市發行人董事進行證券交易的標準守則須知會本公司及香港聯合交易所有限公司之權益或淡倉。

### 董事購買股份或債券之權利

於本年度內之任何時間，本公司、其控股公司或其任何附屬公司或同系附屬公司並無訂立任何使本公司董事或彼等各自之緊密聯繫人（定義見上市規則）可藉著購入本公司或任何其他法人團體之股份或債券而獲益之安排。

## Report of the Directors

### 董事會報告

#### DIRECTORS' INTERESTS IN CONTRACT OF SIGNIFICANCE

No contract of significance to which the Company, its holding company or any of its subsidiaries or fellow subsidiaries 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.

#### CONTRACT OF SIGNIFICANCE

Save as disclosed in this annual report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with any controlling shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by any controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

#### CONNECTED TRANSACTION

On 26 June 2015, Huada Electronics, a wholly-owned subsidiary of the Company, entered into an equity transfer agreement with Huada Semiconductor (the "Huada Semiconductor Agreement"), pursuant to which Huada Electronics agreed to acquire 73.43% equity interest in Huahong for a consideration of RMB550.7 million (the "Huada Semiconductor Acquisition"). On 26 June and 27 August 2015, Huada Electronics also entered into equity transfer agreements with the individual shareholders of Huahong and Shanghai Huahong (Group) Co., Ltd to acquire an aggregate of 22.21% equity interest in Huahong at an aggregate consideration of RMB166.6 million. The aggregate consideration payable by Huada Electronics for the acquisition of 95.64% equity interest in Huahong was RMB717.3 million.

Huada Semiconductor is a subsidiary of CEC and CEC is the ultimate controlling shareholder of the Company. Accordingly, Huada Semiconductor is a connected person of the Company. The Huada Semiconductor Acquisition constitutes a connected transaction of the Company. Details of the Huada Semiconductor Acquisition are set out in the circular of the Company dated 27 October 2015. The Huada Semiconductor Agreement and the transaction contemplated thereunder has been approved by the independent shareholders of the Company at the special general meeting held on 19 November 2015. The acquisition of 95.64% equity interest in Huahong was completed in February 2016.

#### 董事於重大合約之權益

本公司之董事並無於本公司、其控股公司或其任何附屬公司或同系附屬公司所訂立並於年結日或本年度內任何時間仍然生效之任何重大合約中，直接或間接擁有任何重大權益。

#### 重大合約

除本年報所披露者外，於本年度內之任何時間，本公司或其任何附屬公司概無與任何控股股東或其任何附屬公司訂立任何重大合約，亦無就由任何控股股東或其任何附屬公司向本公司或其任何附屬公司提供服務而訂立之任何重大合約。

#### 關連交易

於2015年6月26日，本公司之全資附屬公司華大電子與華大半導體訂立股權轉讓協議（「華大半導體協議」）。據此，華大電子同意收購華虹73.43%股權，對價為人民幣550.7百萬元（「華大半導體收購事項」）。於2015年6月26日及8月27日，華大電子亦與華虹之個人股東及上海華虹（集團）有限公司訂立股權轉讓協議，收購華虹合共22.21%股權，總對價為人民幣166.6百萬元。華大電子就收購華虹95.64%股權須付之總對價為人民幣717.3百萬元。

華大半導體為中國電子集團之附屬公司，且中國電子集團為本公司之最終控股股東。因此，華大半導體為本公司之關連人士。華大半導體收購事項構成本公司之關連交易。華大半導體收購事項的詳情載於本公司於2015年10月27日刊發之通函內。華大半導體協議及據此擬進行之交易已獲得本公司獨立股東於2015年11月19日舉行的股東特別大會批准。收購華虹95.64%股權已於2016年2月完成。

## CONTINUING CONNECTED TRANSACTIONS

The related party transactions as disclosed in Note 34 to the consolidated financial statements also fall under the definition of “continuing connected transactions” within the meaning of the Listing Rules.

Details of certain of these transactions which are subject to the reporting and annual review requirements under the Listing Rules are summarised as follows:

## 持續關連交易

根據上市規則的定義，綜合財務報表附註34所披露的關聯人士交易亦屬於持續關連交易。

若干該等交易須遵守上市規則的申報及年度審閱規定，有關詳情概述如下：

Type of transaction	交易類別	Note 附註	Transaction amount in 2016 於2016年 交易金額 HK\$'000 千港元
Sale of products to the CEC Group	向中國電子集團成員公司銷售產品	ii(a)	157,700
Purchase of raw materials and modules from the CEC Group, provision of products processing, testing and assembling services by the CEC Group	向中國電子集團成員公司採購原材料及模組，及中國電子集團成員公司提供產品加工、成品測試及封裝服務	ii(b)	409,039
Interest received from the CEC Group	向中國電子集團成員公司收取利息		421
Property management fee paid to the CEC Group	向中國電子集團成員公司支付物業管理費	iii, v, vii	7,262
Interest paid to the CEC Group	向中國電子集團成員公司支付利息		11,407
Fees and commissions for financial services paid to the CEC Group	向中國電子集團成員公司支付財務服務之手續費及佣金		1,518
Catering service fee paid to the CEC Group	向中國電子集團成員公司支付餐飲服務費	viii	3,066

Notes:

- (i) China Electronics Corporation Limited (“CEC”, together with its subsidiaries, the “CEC Group”), is a connected person of the Company by virtue of being the controlling shareholder of the Company under the Listing Rules.

附註：

- (i) 中國電子信息產業集團有限公司（「中國電子集團」，連同其附屬公司，「中國電子集團成員公司」）為本公司之控股股東，亦根據上市規則為本公司之關連人士。



## Report of the Directors

### 董事會報告

(ii) On 26 June 2015, in order to streamline the existing continuing connected transactions contemplated under the business services agreement dated 7 May 2013 (the “2013-2016 Business Services Agreement”), and to facilitate the Group’s operation after completion of the acquisition of 95.64% equity interest in Huahong (the “Huahong Acquisition”), the Company entered into a business services agreement dated 26 June 2015 (the “2015-2018 Business Services Agreement”) with CEC to regulate the terms of the proposed continuing connected transactions and the caps of the transactions thereunder for the period commencing from the completion of the Huahong Acquisition to 30 June 2018. Upon completion of the Huahong Acquisition, the 2015-2018 Business Services Agreement will supersede the 2013-2016 Business Services Agreement. Pursuant to the 2015-2018 Business Services Agreement, the CEC Group provides products processing, testing and assembling services to the Group, while the Group purchases raw materials, modules, software and equipment from the CEC Group and sells products to the CEC Group.

The 2015-2018 Business Services Agreement and the related caps were approved by the independent shareholders of the Company at the special general meeting held on 19 November 2015, details of which are set out in the circular dated 27 October 2015.

Completion of the Huahong Acquisition took place on 5 February 2016 and the 2015-2018 Business Services Agreement superseded the 2013-2016 Business Services Agreement on 5 February 2016.

- (a) Sale of products including integrated circuit cards and smart cards modules and chips to the CEC Group.
- (b) Raw materials, modules, software and equipment purchased from the CEC Group are for the Group’s research and development of integrated circuit cards, smart cards and chips. The CEC Group also provides products processing, testing and assembling services to the Group.

(ii) 於2015年6月26日，為了精簡目前日期為2013年5月7日之綜合服務協議（「2013-2016綜合服務協議」）項下擬進行之持續關連交易，以及促進本集團在完成收購華虹之95.64%股權（「華虹收購事項」）後之經營，本公司與中國電子集團訂立日期為2015年6月26日之綜合服務協議（「2015-2018綜合服務協議」），以規管自華虹收購事項完成後至2018年6月30日止期間之建議持續關連交易之條款，及其項下交易上限。於華虹收購事項完成後，2015-2018綜合服務協議將取代2013-2016綜合服務協議。根據2015-2018綜合服務協議，中國電子集團成員公司向本集團提供產品加工、成品測試及封裝服務，而本集團向中國電子集團成員公司採購原材料、模組、軟件及設備和向中國電子集團成員公司銷售產品。

2015-2018綜合服務協議及相關交易上限已獲得本公司獨立股東於2015年11月19日舉行的股東特別大會上批准，有關詳情已載於日期為2015年10月27日之通函內。

華虹收購事項已於2016年2月5日完成，2015-2018綜合服務協議亦於2016年2月5日取代2013-2016綜合服務協議。

- (a) 向中國電子集團成員公司銷售產品包括集成電路卡及智能卡模組和芯片。
- (b) 向中國電子集團成員公司採購之原材料、模組、軟件及設備乃供本集團研發集成電路卡、智能卡及芯片之用。中國電子集團成員公司亦向本集團提供產品加工、成品測試及封裝服務。

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### 董事會報告

- (iii) On 1 February 2013, China Electronics Beihai Industrial Park Development Co., Ltd (“CEC Beihai”) and CEC Rida Property Management Co., Ltd (“CEC Rida”) entered into a property management agreement (the “Property Management Agreement”) to govern the continuous provision of property management services by CEC Rida to CEC Beihai. The term of the Property Management Agreement commenced on 1 February 2013 and will expire on 31 December 2016. As CEC Rida is a subsidiary of CEC, CEC Rida is a connected person of the Company under the Listing Rules. The transactions contemplated under the Property Management Agreement constitute continuing connected transactions of the Company. Details of the Property Management Agreement and the related caps are set out in the announcement dated 7 July 2013.
- (iii) 於2013年2月1日，中國電子北海產業園發展有限公司（「中電北海」）與北京中電瑞達物業有限公司（「中電瑞達」）訂立物業管理協議（「物業管理協議」），以規管中電瑞達持續向中電北海提供物業管理服務，物業管理協議期限由2013年2月1日起至2016年12月31日為止。由於中電瑞達為中國電子集團之附屬公司，故根據上市規則中電瑞達為本公司之關連人士。物業管理協議項下擬進行之交易構成本公司之持續關連交易。物業管理協議及相關交易上限詳情已載於日期為2013年7月7日之公告內。
- (iv) On 5 July 2013, China Electronics Technology Development Co., Ltd (“CEC Technology”) and CEC entered into a guarantee arrangements agreement (the “Guarantee Arrangements Agreement”) to govern the continuous provision of guarantees by CEC in respect of certain financial assistance for CEC Technology and its subsidiaries (“CEC Technology Group”). The term of the Guarantee Arrangements Agreement commenced on 5 July 2013 and will expire on 30 June 2016. The transactions contemplated under the Guarantee Arrangements Agreement constitute continuing connected transactions of the Company. Details of the Guarantee Arrangements Agreement and the related caps are set out in the announcement dated 7 July 2013.
- (iv) 於2013年7月5日，中國電子科技開發有限公司（「中電科技」）與中國電子集團訂立擔保安排協議（「擔保安排協議」），以規管中國電子集團就中電科技及其附屬公司（「中電科技集團」）之若干財務資助持續提供擔保，擔保安排協議期限由2013年7月5日起至2016年6月30日為止。擔保安排協議項下擬進行之交易構成本公司之持續關連交易。擔保安排協議及相關交易上限詳情已載於日期為2013年7月7日之公告內。
- (v) On 24 November 2014, the Company and CEC Rida entered into a master property management agreement (the “Master Property Management Agreement”) pursuant to which CEC Rida and its subsidiaries (“CEC Rida Group”) shall from time to time provide property management services to the Group for a term of three years commencing from 1 January 2015 and ending on 31 December 2017. The transactions contemplated under the Master Property Management Agreement constitute continuing connected transactions of the Company. Details of the Master Property Management Agreement and the related caps are set out in the announcement dated 24 November 2014.
- (v) 於2014年11月24日，本公司與中電瑞達訂立總物業管理服務協議（「總物業管理服務協議」）。據此，中電瑞達及其附屬公司（「中電瑞達集團」）將由2015年1月1日起至2017年12月31日止為期三年不時向本集團提供物業管理服務。總物業管理服務協議項下擬進行之交易構成本公司之持續關連交易。總物業管理服務協議及相關交易上限詳情載於日期為2014年11月24日之公告內。

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### 董事會報告

- (vi) On 24 November 2014, the Company and CEC entered into a master lease agreement (the "Master Lease Agreement") pursuant to which the Group shall from time to time lease properties located within the PRC and owned by the Group to the CEC Group for a term of three years commencing from 1 January 2015 and ending on 31 December 2017. The transactions contemplated under the Master Lease Agreement constitute continuing connected transactions of the Company. Details of the Master Lease Agreement and the related caps are set out in the announcement dated 24 November 2014.
- (vii) The Company has subsequently revised the annual cap amounts payable by the Group to the CEC Rida Group in respect of the property management services under the Master Property Management Agreement, and the annual cap amounts of rental receivable by the Group from the CEC Group under the Master Lease Agreement. Details of the revised caps are set out in the announcement dated 18 May 2015.
- (viii) On 18 May 2015, Huada Electronics and CEC Rida entered into a catering services agreement (the "Catering Services Agreement") pursuant to which Huada Electronics will engage CEC Rida to provide catering services for its staff for a term commencing from 1 July 2015 and ending on 31 December 2017. The transactions contemplated under the Catering Services Agreement constitute continuing connected transactions of the Company. Details of the Catering Services Agreement and the related caps are set out in the announcement dated 18 May 2015.
- (ix) On 18 May 2015, Huada Electronics and CEC Rida entered into a transportation services agreement (the "Transportation Services Agreement") pursuant to which Huada Electronics will engage CEC Rida to provide transportation services for its staff for a term commencing from 1 July 2015 and ending on 31 December 2017. The transactions contemplated under the Transportation Services Agreement constitute continuing connected transactions of the Company. Details of the Transportation Services Agreement and the related caps are set out in the announcement dated 18 May 2015.
- (vi) 於2014年11月24日，本公司與中國電子集團訂立總租賃協議（「總租賃協議」）。據此，本集團將由2015年1月1日起至2017年12月31日止為期三年不時向中國電子集團成員公司出租位於中國及由本集團擁有之物業。總租賃協議項下擬進行之交易構成本公司之持續關連交易。總租賃協議及相關交易上限詳情載於日期為2014年11月24日之公告內。
- (vii) 本公司其後已修訂根據總物業管理服務協議項下本集團應付予中電瑞達集團之物業管理服務之年度交易上限金額，以及根據總租賃協議項下本集團應收中國電子集團成員公司之租金年度交易上限金額。修訂交易上限詳情載於日期為2015年5月18日之公告內。
- (viii) 於2015年5月18日，華大電子與中電瑞達訂立餐飲服務協議（「餐飲服務協議」）。據此，華大電子將由2015年7月1日起至2017年12月31日止期間委聘中電瑞達向其員工提供餐飲服務。餐飲服務協議項下擬進行之交易構成本公司之持續關連交易。餐飲服務協議及相關交易上限詳情載於日期為2015年5月18日之公告內。
- (ix) 於2015年5月18日，華大電子與中電瑞達訂立班車服務協議（「班車服務協議」）。據此，華大電子將由2015年7月1日起至2017年12月31日止期間委聘中電瑞達向其員工提供班車服務。班車服務協議項下擬進行之交易構成本公司之持續關連交易。班車服務協議及相關交易上限詳情載於日期為2015年5月18日之公告內。

## Report of the Directors 董事會報告

On 26 June 2015, in order to streamline the existing continuing connected transactions contemplated under the financial services agreement dated 7 May 2013 and the financial services agreement dated 11 October 2013 (together, the “2013 Financial Services Agreements”), and to facilitate the Group’s operation after completion of the Huahong Acquisition, the Company entered into a financial services agreement dated 26 June 2015 (the “2015-2018 Financial Services Agreement”) with China Electronics Financial Co., Ltd (“CEC Finance”), a subsidiary of CEC, to regulate the terms of the proposed continuing connected transactions and the caps of the transactions thereunder for the period commencing from the completion of the Huahong Acquisition to 30 June 2018. Upon completion of the Huahong Acquisition, the 2015-2018 Financial Services Agreement will supersede the 2013 Financial Services Agreements.

The 2015-2018 Financial Services Agreement and the related caps were approved by the independent shareholders of the Company at the special general meeting held on 19 November 2015, details of which are set out in the circular dated 27 October 2015.

Completion of the Huahong Acquisition took place on 5 February 2016 and the 2015-2018 Financial Services Agreement superseded the 2013 Financial Services Agreements on 5 February 2016.

Pursuant to the 2015-2018 Financial Services Agreement, the maximum daily balance of deposits (together with the interests accrued thereon) maintained by the Group with CEC Finance shall not exceed RMB740 million and the Group’s actual balance of deposits (together with the interests accrued thereon) with CEC Finance on any given day during the year ended 31 December 2016 had not exceeded such amount. For the provision of financial assistance, the maximum amount of financial assistance provided by CEC Finance to the Group shall not exceed RMB740 million on any given day and no financial assistance had ever been granted to the Group during the year ended 31 December 2016.

於2015年6月26日，為了精簡目前日期為2013年5月7日之全面金融合作協議及日期為2013年10月11日之全面金融合作協議（統稱為「2013全面金融合作協議」）項下擬進行之持續關連交易，以及促進本集團在完成華虹收購事項後之經營，本公司與中國電子集團之附屬公司中國電子財務有限責任公司（「中電財務」）訂立日期為2015年6月26日之全面金融合作協議（「2015-2018全面金融合作協議」），以規管自華虹收購事項完成後至2018年6月30日止期間之建議持續關連交易之條款，及其項下交易上限。於華虹收購事項完成後，2015-2018全面金融合作協議將取代2013全面金融合作協議。

2015-2018全面金融合作協議及相關交易上限已獲得本公司獨立股東於2015年11月19日舉行的股東特別大會上批准，有關詳情已載於日期為2015年10月27日的通函內。

華虹收購事項已於2016年2月5日完成，2015-2018全面金融合作協議亦於2016年2月5日取代2013全面金融合作協議。

根據2015-2018全面金融合作協議，本集團存放於中電財務之存款之最高每日結餘（包括所產生之利息）不可超過人民幣740百萬元，而本集團於截至2016年12月31日止年度任何特定日期於中電財務存款（包括所產生之利息）的實際餘額並未超出此數額。關於提供財務資助，中電財務向本集團提供財務資助之最高金額於任何特定日期不可超過人民幣740百萬元，而中電財務於截至2016年12月31日止年度並沒有提供任何財務資助予本集團。



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The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the above continuing connected transactions. The above continuing connected transactions have been reviewed by the independent non-executive directors of the Company. In the opinion of the independent non-executive directors of the Company, the above continuing connected transactions were carried out in the ordinary and usual course of business of the Group, on normal commercial terms and were in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

Based on the results of the work performed on the above continuing connected transactions, the auditor of the Company has confirmed in its letter to the Board that:

- nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;
- 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;
- 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; and
- nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded their respective maximum aggregate annual value as disclosed in the previous announcements.

就上述持續關連交易而言，本公司確認已遵守上市規則第14A章的披露規定。本公司獨立非執行董事已審閱上述持續關連交易。本公司獨立非執行董事認為，上述持續關連交易乃本集團於日常業務過程中按一般商務條款，以及規管該等交易之相關協議條款進行，而交易條款屬公平合理，並符合本公司股東之整體利益。

根據對上述持續關連交易執行的工作的結果，本公司核數師已於致董事會之函件中確認：

- 他們並無注意到任何事項令他們相信該等已披露之持續關連交易未獲董事會批准；
- 他們並無注意到任何事項令他們相信該等交易在所有重大方面未有按照本集團之定價政策進行；
- 他們並無注意到任何事項令他們相信該等交易在所有重大方面未有按照規管該等交易的相關協議進行；及
- 他們並無注意到任何事項令他們相信該等已披露之持續關連交易之交易總額已超過本公司於先前公告之各個最高全年總額。

## Report of the Directors 董事會報告

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year and up to the date of this report, the following directors of the Company are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group:

### 董事於競爭業務之權益

於本年度內及截至本報告日，下列本公司董事被視為持有與本集團業務直接或間接構成競爭或可能構成競爭之業務權益：

Name of director 董事姓名	Name of entity 實體名稱	Principal business of the entity 實體之主要業務	Nature of director's interest in the entity 董事於有關實體 之權益性質
Dong Haoran 董浩然	Huada Semiconductor (Note 1) 華大半導體 (附註1)	Design and manufacture of integrated circuits 集成電路設計及製造	Director 董事
	China Integrated Circuit Design Corp., Ltd (Note 2) 中國華大集成電路設計集團 有限公司 (附註2)	Investment holdings 投資控股	Director 董事
	Shanghai Belling Corp., Ltd (Note 2) 上海貝嶺股份有限公司 (附註2)	Design and manufacture of integrated circuits 集成電路設計及製造	Chairman 董事長
Rui Xiaowu 芮曉武	CEC (Note 1) 中國電子集團 (附註1)	Investment holdings 投資控股	Chairman 董事長
Ma Yuchuan 馬玉川	Shanghai Belling Corp., Ltd (Note 2) 上海貝嶺股份有限公司 (附註2)	Design and manufacture of integrated circuits 集成電路設計及製造	Director 董事
	CEC Huahong International Co., Ltd (Note 2) 中電華虹國際有限公司 (附註2)	Design and manufacture of integrated circuits 集成電路設計及製造	Director 董事
	Chengdu Sino Microelectronics Technology Co., Ltd (Note 2) 成都華微電子科技 有限公司 (附註2)	Design and manufacture of integrated circuits 集成電路設計及製造	Director 董事
Jiang Juncheng 姜軍成	Shanghai Belling Corp., Ltd (Note 2) 上海貝嶺股份有限公司 (附註2)	Design and manufacture of integrated circuits 集成電路設計及製造	Chairman of the supervisory committee 監事長

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### 董事會報告

#### Notes:

- (1) CEC is the ultimate controlling shareholder of the Company. CEC is a state-owned nationwide electronics and information technology conglomerate. Huada Semiconductor is a controlling shareholder of the Company. Both CEC and Huada Semiconductor have subsidiaries or associates engaging in integrated circuits related businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group. CEC has subsidiaries or associates engaging in the development and management of electronic information technology industrial parks related businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.
- (2) These companies are engaging in, or have subsidiaries or associates engaging in, integrated circuits related businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

The above mentioned competing businesses are operated and managed by independent management and administration. The Board exercises independent judgment and is always acting for the interests of the Company and its shareholders as a whole. Accordingly, the Group is capable of carrying on its businesses independently of, and at arm's length from, the competing businesses mentioned above.

#### 附註：

- (1) 中國電子集團為本公司之最終控股股東。中國電子集團為一家從事電子及資訊科技行業之全國性國有企業集團，華大半導體是本公司之控股股東。中國電子集團和華大半導體之附屬公司或聯營公司均有從事與本集團業務直接或間接構成競爭或可能構成競爭之集成電路相關業務。中國電子集團之附屬公司或聯營公司均有從事與本集團業務直接或間接構成競爭或可能構成競爭之電子信息技術產業園之發展及管理相關業務。
- (2) 此等公司或其附屬公司或聯營公司均有從事與本集團業務直接或間接構成競爭或可能構成競爭之集成電路相關業務。

上述之競爭業務均由獨立管理層和行政人員營運及管理。董事會行使獨立判斷及以本公司及其股東之整體利益行事。因此，本集團得以按公平基準以獨立於上述競爭業務之方式經營本身業務。

# Report of the Directors

## 董事會報告

### SHAREHOLDERS WITH NOTIFIABLE INTERESTS

At 31 December 2016, the register maintained by the Company pursuant to Section 336 of the SFO showed that the following persons (other than the directors or chief executive of the Company) had notified the Company that they had an interest of 5% or more in the issued share capital of the Company:

### 擁有須申報權益之股東

於2016年12月31日，根據證券及期貨條例第336條本公司須備存之登記冊所示，下列人士（本公司董事或最高行政人員除外）已知會本公司彼等持有本公司已發行股本5%或以上之權益：

Name of interested party	持有權益者名稱	Number of shares held or attributable 持有或應佔 股份數目	Percentage of shareholding 持股百分比
China Electronics Corporation (BVI) Holdings Company Limited ("CEC (BVI)")	China Electronics Corporation (BVI) Holdings Company Limited (「CEC (BVI)」)	812,500,000	40.03%
Huada Semiconductor (Note 1)	華大半導體 (附註1)	1,206,180,000	59.42%
CEC (Note 2)	中國電子集團 (附註2)	1,206,180,000	59.42%

Notes:

- (1) Huada Semiconductor holds 100% equity interest in CEC (BVI). Pursuant to the SFO, Huada Semiconductor is deemed to be interested in the 812,500,000 shares of the Company held by CEC (BVI).
- (2) CEC holds 100% equity interest in Huada Semiconductor. Pursuant to the SFO, CEC is deemed to be interested in the shares of the Company held by Huada Semiconductor. The Board regards CEC, a state-owned enterprise established under the laws of the PRC, as being the ultimate holding company of the Company.

附註：

- (1) 華大半導體持有CEC (BVI)之100%股權。根據證券及期貨條例，華大半導體被視為持有CEC(BVI)所持有之本公司812,500,000股股份之權益。
- (2) 中國電子集團持有華大半導體之100%股權。根據證券及期貨條例，中國電子集團被視為持有華大半導體所持有之本公司股份之權益。董事會視中國電子集團（根據中國法律成立之國有企業）為本公司之最終控股公司。



## Report of the Directors

### 董事會報告

All the interests disclosed above represent long position in the shares of the Company.

Save as disclosed above, at 31 December 2016, the Company had not been notified of any other interest or short position in the shares or underlying shares of the Company which were required to be recorded in the register required to be kept under Section 336 of the SFO.

### SPECIFIC PERFORMANCE OBLIGATION ON CONTROLLING SHAREHOLDER

According to the terms and conditions of the 4.70% unsecured bonds due 2017 in the principal amount of RMB2,750 million, CEC, a controlling shareholder of the Company, is required to directly or indirectly own and hold more than 50% of the outstanding shares of the Company. The Bond was fully redeemed in January 2017.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the laws in Bermuda.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries had purchased or sold any of the Company's shares and the Company had not redeemed any of its shares during the year ended 31 December 2016.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, the aggregate sales attributable to the five largest customers of the Group accounted for 58% of the Group's sales for the year and sales attributable to the Group's largest customer accounted for 22% of the Group's sales for the year. For the year ended 31 December 2016, the aggregate purchases attributable to the five largest suppliers of the Group accounted for 80% of the Group's purchases for the year and purchases attributable to the Group's largest supplier accounted for 31% of the Group's purchases for the year.

所有上述所披露之權益均為本公司股份之好倉。

除上文披露者外，於2016年12月31日，本公司並未獲知會有任何其他人士持有本公司股份或相關股份須記錄於根據證券及期貨條例第336條須備存之登記冊內之權益或淡倉。

### 控股股東之強制履行責任

根據本金總額為人民幣27.5億元之2017年到期4.70%無抵押債券之條款及條件，中國電子集團（本公司控股股東）須直接或間接擁有並持有本公司50%以上之已發行股份。該債券已於2017年1月全數贖回。

### 優先購買權

本公司之公司章程細則或百慕達法律均無有關優先購買權之條文。

### 購回、出售或贖回證券

於截至2016年12月31日止年度內，本公司或其任何附屬公司並無購回或出售任何本公司股份，且本公司亦無贖回其任何股份。

### 主要客戶及供應商

截至2016年12月31日止年度，本集團首五大客戶之總銷售額佔本集團本年度銷售額之58%，而本集團最大客戶之銷售額佔本集團本年度銷售額之22%。截至2016年12月31日止年度，本集團首五大供應商之總採購額佔本集團本年度採購額之80%，而本集團最大供應商之採購額佔本集團本年度採購額之31%。

## Report of the Directors

### 董事會報告

To the best knowledge of the Board, CEC Group is the beneficial owner of one of the five largest customers and is the beneficial owner of two of the five largest suppliers of the Group.

Save as disclosed above, none of the directors, their respective close associates or any shareholder (which to the best knowledge of the Board owns more than 5% of the Company's issued share capital) had any interest in any of the Group's five largest customers or suppliers.

#### EQUITY-LINKED AGREEMENT

No equity-linked agreements were entered into by the Company during the year ended 31 December 2016 or subsisted at 31 December 2016.

#### RETIREMENT AND EMPLOYEE BENEFITS SCHEME

Details of the retirement and employee benefits scheme of the Group are set out in Notes 8 and 38 to the financial statements.

#### PERMITTED INDEMNITY PROVISIONS

During the year ended 31 December 2016 and up to the date of this report, the Company has undertaken and maintained a collective liability insurance policy covering, among others, all directors of the Company.

#### MANAGEMENT CONTRACT

No contract, other than employment contracts, concerning the management and administration of the whole or any substantial part of the Group's businesses were entered into or existed during the year ended 31 December 2016.

#### DONATION

For the year ended 31 December 2016, the Group made donations amounting to HK\$233,000 to specified poverty alleviation projects in the PRC.

#### EVENT AFTER THE REPORTING PERIOD

Details of the event of the Group after 31 December 2016 are set out in Note 35 to the financial statements.

據董事會所深知，中國電子集團成員公司為本集團首五大客戶之其中一位的實益擁有人及為本集團首五大供應商之其中兩位的實益擁有人。

除上文披露者外，概無董事、彼等各自的緊密聯繫人或任何股東（據董事會所深知持有本公司已發行股本5%以上者）持有本集團首五大客戶或供應商之任何權益。

#### 與股票掛鈎協議

於截至2016年12月31日止年度或於2016年12月31日，本公司並無訂立或存在任何與股票掛鈎協議。

#### 退休及僱員福利計劃

本集團退休及僱員福利計劃之詳情載於財務報表附註8及38。

#### 獲准許彌償條文

於截至2016年12月31日止年度及截至本報告日期，本公司已為（包括但不限於）本公司之所有董事購買及維持一項集體責任保險。

#### 管理合約

於截至2016年12月31日止年度，概無訂立或存在任何有關本集團全部或任何絕大部分業務之管理及行政之合約（僱員合約除外）。

#### 捐助

於截至2016年12月31日止年度，本集團向中國定點扶貧項目捐助233,000港元。

#### 報告期後事項

本集團於2016年12月31日後事項之詳情載於財務報表附註35。

## Report of the Directors

### 董事會報告

#### PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Board, at the date of this report, at least 25% of the Company's total issued share capital are held by the public and fulfills the requirement under the Listing Rules.

#### AUDIT COMMITTEE

The audit committee of the Board has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2016.

#### AUDITOR

PricewaterhouseCoopers will hold the office of auditor of the Company until the conclusion of the forthcoming annual general meeting of the Company.

The Board is in the process of identifying a suitable audit firm to fill the vacancy following the expiration of the current term of office of PricewaterhouseCoopers as auditor of the Company. The Company will inform the shareholders once an appointment is proposed by the Board.

On behalf of the Board

**Dong Haoran**  
*Chairman*

Hong Kong, 30 March 2017

#### 公眾持股量

於本報告日期，就可提供本公司之公開資料及就董事會所深知，本公司已發行股本總額至少有25%由公眾人士持有並符合上市規則之要求。

#### 審核委員會

董事會轄下的審核委員會已審閱本集團截至2016年12月31日止年度的經審核綜合財務報表。

#### 核數師

羅兵咸永道會計師事務所將擔任本公司核數師至本公司應屆股東週年大會結束時。

董事會現正進行物色合適核數師行以填補本公司核數師羅兵咸永道會計師事務所本屆任期屆滿出現之空缺。待董事會落實建議委任核數師行後，本公司將另行通知股東。

承董事會命

主席  
董浩然

香港，2017年3月30日

# Independent Auditor's Report

## 獨立核數師報告



羅兵咸永道

### TO THE SHAREHOLDERS OF CHINA ELECTRONICS CORPORATION HOLDINGS COMPANY LIMITED

(incorporated in Cayman Islands and continued in Bermuda with limited liability)

### OPINION

#### What we have audited

The consolidated financial statements of China Electronics Corporation Holdings Company Limited (the "Company") and its subsidiaries (the "Group") set out on pages 89 to 186, which comprise:

- the consolidated balance sheet 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.

致中國電子集團控股有限公司全體股東

(於開曼群島註冊成立及於百慕達繼續經營之有限公司)

### 意見

#### 本核數師(「我們」)已審計之內容

中國電子集團控股有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表列載於第89至186頁,包括:

- 於2016年12月31日之綜合資產負債表;
- 截至該日止年度之綜合收益表;
- 截至該日止年度之綜合全面收益表;
- 截至該日止年度之綜合權益變動表;
- 截至該日止年度之綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong  
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com



# Independent Auditor's Report

## 獨立核數師報告

### 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.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") 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.

### 核數師之意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布之《香港財務報告準則》真實而中肯地反映貴集團於2016年12月31日之綜合財務狀況及其截至該日止年度之綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為編制。

### 意見基礎

我們已根據香港會計師公會頒布之《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「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得之審計憑證足以充份和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布之《專業會計師道德守則》（「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，認為對本期綜合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綜合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。

## Independent Auditor's Report 獨立核數師報告

Accounting for the acquisition of China Electronics Optics Valley Union Holding Company Limited ("CEOVU") and disposal of China Electronics Technology Development Co., Ltd. ("CEC Technology") is identified as a key audit matter in our audit, and is summarised as follows:

### Key Audit Matter

#### Accounting for the acquisition of CEOVU and disposal of CEC Technology

During the year ended 31 December 2016, the Company disposed of 100% equity interest in CEC Technology to CEOVU for a consideration of 1,058,530,083 new ordinary shares of CEOVU and subscribed in cash of HK\$1,193,175,934 for 1,491,469,917 new ordinary shares of CEOVU at a price of HK\$0.8 per share, for the acquisition of 31.88% interest in CEOVU (the "Transaction"). The Transaction was completed on 30 June 2016, details of the Transaction are disclosed in Notes 1, 11 and 17 to the consolidated financial statements.

Accounting for the Transaction requires the Group to determine the date of acquisition of CEOVU and disposal of CEC Technology (the "Completion Date") for accounting purposes and the fair values of the identifiable assets and liabilities assumed of CEOVU at the Completion Date. Management engaged an external valuer to assess the fair values of the identifiable assets and liabilities assumed of CEOVU at the Completion Date. The fair values of the properties of CEOVU and its associates and joint ventures at the Completion Date, which mainly included properties under development, completed properties held for sale and investment properties, were determined using direct comparison approach and investment approach, while the fair values of other material identifiable assets and liabilities assumed at the Completion Date, which mainly included cash and cash equivalents, trade and other receivables, investments in associates and joint ventures, trade and other payables, bank and other borrowings, and current and deferred income tax liabilities, were determined based on their recoverable amounts or obligations, as appropriate, at the Completion Date.

收購中電光谷聯合控股有限公司（「中電光谷聯合」）及出售中國電子科技開發有限公司（「中電科技」）之會計處理在我們之審計中被識別為一關鍵審計事項處理，及其概述如下：

### 關鍵審計事項

#### 收購中電光谷聯合及出售中電科技之會計處理

於2016年度內，本公司以1,058,530,083股中電光谷聯合普通股作為對價出售中電科技之100%股權予中電光谷聯合及以現金按每股0.8港元之價格以1,193,175,934港元認購1,491,469,917股中電光谷聯合普通股，以收購中電光谷聯合31.88%股權（「交易事項」）。該交易事項已於2016年6月30日完成，其詳情在綜合財務報表附註1、11及17披露。

該交易事項之會計處理要求本集團釐定其就會計目的確定收購中電光谷聯合及出售中電科技之日期（「完成日期」）及於完成日期中電光谷聯合可識別資產及所承擔負債之公允值。於完成日期，管理層委聘外部估值師評估中電光谷聯合可識別資產及所承擔負債之公允值。中電光谷聯合及其聯營公司及合營公司於完成日期之物業（其主要包括發展中物業、持作銷售之已落成物業及投資物業）之公允值乃採用直接比較法及投資法釐定，而於完成日期其他重大可識別資產及所承擔負債（其主要包括現金及現金等價物、貿易及其他應收款項、於聯營公司及合營公司之投資、貿易及其他應付款項、銀行及其他借貸以及即期及遞延所得稅負債）之公允值乃根據其各自於完成日期之可收回價值或有關責任（視情況而定）釐定。

## Independent Auditor's Report

### 獨立核數師報告

We consider the accounting for the Transaction as a key audit matter due to the significant impact on the consolidated financial statements and the level of judgement required to determine the Completion Date for accounting purposes and the fair values of the identifiable assets and liabilities assumed of CEOVU at the Completion Date.

#### How our audit addressed the Key Audit Matter

Our audit procedures included:

(a) For the Completion Date

We assessed the appropriateness of the Completion Date determined by management through examining the terms in the relevant documents relating to the Transaction, and other supporting documents for evidence if all pre-conditions for completion of the Transaction were fulfilled, the controlling power over CEC Technology had been passed to CEOVU and the 31.88% interest in CEOVU had been obtained by the Company on the Completion Date.

(b) For the fair values of the identifiable assets and liabilities of CEOVU assumed at the Completion Date

(i) We assessed the competence and objectivity of the external valuer engaged by the Company.

(ii) We obtained the valuation report and, assessed the appropriateness of the valuation methods applied to determine the fair values of the identifiable assets and liabilities assumed of CEOVU at the Completion Date.

我們認為該交易事項之會計處理是一關鍵審計事項，是由於其對綜合財務報表有重大影響及需要作出的判斷以釐定其就會計目的完成日期及於完成日期中電光谷聯合可識別資產及所承擔負債之公允值。

#### 我們的審計如何處理關鍵審計事項

我們的審計程序包括

(a) 對於完成日期：

我們透過審查有關交易之相關文件的條款，及其他支持文件以證明完成交易之所有先決條件是否已獲達成、中電科技之控股權是否已轉移至中電光谷聯合及貴公司是否已於完成日期獲得中電光谷聯合之31.88%股權，從而評估管理層所釐定完成日期的適當性。

(b) 中電光谷聯合於完成日期可識別資產及所承擔負債的公允值

(i) 我們評估了貴公司委聘之外部估值師之勝任能力及客觀性。

(ii) 我們獲得了估值報告，及評估了用於釐定中電光谷聯合於完成日期之可識別資產及所承擔負債之公允值的估值方法之適當性。

## Independent Auditor's Report

### 獨立核數師報告

- (iii) For the valuation of the properties of CEOVU and CEC Technology, which mainly included properties under development, completed properties held for sale and investment properties:
- For properties under development, completed properties held for sale and investment properties, we assessed the reasonableness of relevant key assumptions used in the valuations including estimated price per square meter, term yield, reversionary yield, market rental rate and developer's profit margin of the selected properties by independently gathering and analysing the data of comparable properties in the market with similar characteristics such as location and property size.
  - For properties under development and investment properties under construction, we further assessed the reasonableness of estimated development costs to completion of the selected properties by comparison with the approved budget, which its reasonableness was assessed by comparison with the actual costs of comparable completed properties of CEOVU and CEC Technology.
- (iii) 中電光谷聯合及中電科技之物業估值，其主要包括在建物業、已完工之持作出售物業及投資性物業：
- 就在建物業、持作出售之已竣工物業及投資物業，我們通過獨立收集及分析於市場上具類似特徵（如位置及物業規模）之可比較物業之數據，評估用於估值之相關主要假設之合理性，包括所選定物業之每平方米估計價格、年期收益率、復歸收益率、市場租金及發展商之毛利率。
  - 就在建物業及在建投資物業，我們通過比較已核准之預算而進一步評估所選定物業竣工之估計開發成本之合理性，而預算之合理性乃通過比較中電光谷聯合及中電科技之可比較已竣工物業的實際成本予以評估。



## Independent Auditor's Report

### 獨立核數師報告

(iv) For the fair values of other material identifiable assets and liabilities assumed at the Completion Date, which mainly included cash and cash equivalents, trade and other receivables, investments in associates and joint ventures, trade and other payables, bank and other borrowings, and current and deferred income tax liabilities, we performed audit procedures which mainly included:

- Confirmed bank balances, borrowings and selected debtors' and creditors' balances directly with the counterparties;
- Reconciled the amounts of investments in associates and joint ventures with the fair values of net assets of the respective associates and joint ventures;
- Performed cut-off tests on trade receivables and payables on a sample basis;
- Assessed the recoverability of the receivables;
- Checked the calculation of current income tax provision and deferred income tax liabilities.

We noted that the judgment made by management in determining the Completion Date for accounting purposes, and the key assumptions and estimates used in determining the fair values of the identifiable assets and liabilities assumed of CEOVU at the Completion Date were supportable by the available evidences.

(iv) 於完成日期，其他重要的可識別資產及所承擔負債的公允值，其主要包括現金及現金等價物，貿易及其他應收款項，於聯營公司及合營公司之投資，貿易及其他應付款項，銀行及其他借貸，及當期遞延所得稅款項負債，我們執行了審計程序，其主要包括：

- 所有銀行餘額，借貸及所選擇債務人的應收賬款餘額及債權人的應付賬款餘額已直接與交易方確認；
- 將於聯營公司及合營公司之投資金額與各聯營公司或合營公司淨資產之公允值進行了調節；
- 基於抽樣方法執行了貿易應收款及貿易應付款之截止性測試；
- 評價了應收款項的可收回性；
- 檢查了當期所得稅支出及遞延所得稅款項負債之計算。

我們已備悉，管理層於釐定就會計目的之完成日期所作出的判斷以及於釐定中電光谷聯合於完成日期的可識別資產及所承擔負債的公允值時所採用的主要假設及估計均有可獲得的證據支持。

## 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 all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### 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.

### 其他信息

貴公司董事須對其他資料負責。其他資料包括年報內的所有資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合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。

基於我們已執行的工作，如果我們認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事及審核委員會就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒布之《香港財務報告準則》及香港《公司條例》的披露規定編制真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編制不存在由於欺詐或錯誤而導致的重大錯誤陳述必需的內部控制負責。

## Independent Auditor's Report

### 獨立核數師報告

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.

### 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, in accordance with Section 90 of the Companies Act 1981 of Bermuda, 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 scepticism 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.

在編制綜合財務報表時，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。

### 核數師就審計綜合財務報表承擔之責任

我們的目標，是對綜合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。我們按照百慕達一九八一年《公司法》第90條向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告之內容對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，但不能保證該根據《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綜合財務報表使用者依賴綜合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綜合財務報表存有重大錯誤陳述之風險，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，作為我們意見之基礎。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之重大錯誤陳述的風險高於未能發現因錯誤而導致之重大錯誤陳述的風險。

## Independent Auditor's Report 獨立核數師報告

- 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.
- 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.
- 了解與審計相關的內部控制，以設計適當的審計程序，但該目的並非對貴集團內部控制之有效性發表意見。
- 評價董事所採用會計政策之恰當性及作出會計估計和相關披露之合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。及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綜合財務報表中的相關披露，或，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。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合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資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。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。



## Independent Auditor's Report

### 獨立核數師報告

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 Michael W.H. Chan.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 30 March 2017

除其他事項外，我們與審核委員會溝通了有關計劃的審計範圍、時間安排及重大審計發現等若干事項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，說明我們已遵守有關獨立性的相關道德要求，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及作相關的防範措施（如適用）。

從與審核委員會溝通的事項中，我們確定某些事項對本期綜合財務報表之審計最為重要，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，除非法律或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之不良後果超過公眾利益，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之審計項目合夥人是陳惠康先生。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，2017年3月30日

# Consolidated Income Statement

## 綜合收益表

Year ended 31 December

截至12月31日止年度

			2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	持續經營之業務			
<b>Revenue</b>	收入	5	1,358,953	1,720,099
Cost of sales	銷售成本	7	(852,858)	(1,117,354)
<b>Gross profit</b>	毛利		506,095	602,745
Other income and gains – net	其他收入及收益—淨額	6	142,647	193,326
Selling and marketing costs	銷售及市場推廣成本	7	(101,484)	(90,410)
Administrative expenses	行政開支	7	(411,668)	(504,957)
<b>Operating profit</b>	經營溢利		135,590	200,704
Finance income	融資收入	9	19,953	33,009
Finance costs	融資成本	9	(188,572)	(180,592)
Finance costs – net	融資成本—淨額	9	(168,619)	(147,583)
Share of result of an associate	應佔一間聯營公司業績	17	455,513	–
Share of result of a joint venture	應佔一間合營公司業績	18	1,039	(13)
<b>Profit before taxation</b>	除稅前溢利		423,523	53,108
Taxation	稅項	10	(9,434)	(30,011)
<b>Profit for the year from continuing operations</b>	持續經營之業務之 本年度溢利		414,089	23,097
<b>Discontinued operation</b>	已終止經營之業務			
Profit for the year from discontinued operation	已終止經營之業務之 本年度溢利	11	647,781	133,688
<b>Profit for the year</b>	本年度溢利		1,061,870	156,785
<b>Profit/(loss) for the year attributable to:</b>	本年度溢利／(虧損) 歸屬於：			
Owners of the Company	本公司權益持有者		1,061,166	177,353
Non-controlling interests	非控股權益		704	(20,568)
			1,061,870	156,785
<b>Profit for the year attributable to owners of the Company arises from:</b>	本年度溢利歸屬 於本公司權益 持有者來自於：			
Continuing operations	持續經營之業務		412,449	60,289
Discontinued operation	已終止經營之業務		648,717	117,064
			1,061,166	177,353
<b>Dividend</b>	股息	12	60,896	60,896
			HK cents 港仙	HK cents 港仙
<b>Basic earnings per share</b>	每股基本盈利	13		
Continuing operations	持續經營之業務		20.32	2.97
Discontinued operation	已終止經營之業務		31.96	5.77
			52.28	8.74

## Consolidated Statement of Comprehensive Income

### 綜合全面收益表

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
<b>Profit for the year</b>	本年度溢利	<b>1,061,870</b>	156,785
<b>Other comprehensive income for the year:</b>	本年度其他全面收益：		
Items that will not be subsequently reclassified to profit or loss:	不會期後重分類至溢利或虧損的項目：		
Share of an associate's revaluation gains on properties	應佔一間聯營公司的物業重估收益	<b>5,201</b>	—
Items that may be subsequently reclassified to profit or loss:	期後可能重分類至溢利或虧損的項目：		
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	<b>(77,255)</b>	(90,939)
<b>Total comprehensive income for the year</b>	本年度全面收益總額	<b>989,816</b>	65,846
<b>Total comprehensive income for the year attributable to:</b>	本年度全面收益總額歸屬於：		
Owners of the Company	本公司權益持有者	<b>989,918</b>	91,729
Non-controlling interests	非控股權益	<b>(102)</b>	(25,883)
		<b>989,816</b>	65,846
<b>Total comprehensive income for the year attributable to owners of the Company arises from:</b>	本年度全面收益總額歸屬於本公司權益持有者來自於：		
Continuing operations	持續經營之業務	<b>349,210</b>	(8,617)
Discontinued operation	已終止經營之業務	<b>640,708</b>	100,346
		<b>989,918</b>	91,729

## Consolidated Balance Sheet

### 綜合資產負債表

			31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
		Note 附註	HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	429,681	450,825
Land use rights	土地使用權	15	11,944	13,219
Intangible assets	無形資產	16	5,958	15,431
Investment in an associate	於一間聯營公司投資	17	2,449,780	–
Investment in a joint venture	於一間合營公司投資	18	6,406	5,776
Trade and other receivables	貿易及其他應收款項	21	–	68,175
Deferred tax assets	遞延稅項資產	10	16,965	24,963
Available-for-sale financial assets	可供出售金融資產	19	7,267	2,387
			<b>2,928,001</b>	580,776
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	20	257,010	296,365
Trade and other receivables	貿易及其他應收款項	21	964,736	1,094,052
Taxation recoverable	可退稅項		–	7,047
Available-for-sale financial assets	可供出售金融資產	19	37,249	147,237
Short-term deposits and investments	短期存款及投資	22	127,601	1,846,675
Cash in transit	在途現金	23	866,754	–
Cash and cash equivalents	現金及現金等價物	24	911,917	777,065
			<b>3,165,267</b>	4,168,441
Assets of disposal group classified as held for sale	分類為持作出售之出售組別之資產		–	1,972,040
			<b>3,165,267</b>	6,140,481
<b>Total assets</b>	<b>資產總額</b>		<b>6,093,268</b>	6,721,257



## Consolidated Balance Sheet

### 綜合資產負債表

			31 December 2016 2016年12月31日	31 December 2015 2015年12月31日
		Note 附註	HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)
<b>EQUITY AND LIABILITIES</b>	<b>權益及負債</b>			
<b>Equity attributable to owners of the Company</b>	<b>本公司權益持有者應佔權益</b>			
Share capital and premium	股本及溢價	25	825,454	825,454
Reserves	儲備		(768,398)	(530,182)
Retained earnings	保留溢利		1,610,720	1,140,865
			<b>1,667,776</b>	1,436,137
<b>Non-controlling interests</b>	<b>非控股權益</b>		<b>12,873</b>	114,838
<b>Total equity</b>	<b>權益總額</b>		<b>1,680,649</b>	1,550,975
<b>Liabilities</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Unsecured corporate bonds	無抵押企業債券	26	–	3,258,479
Deferred tax liabilities	遞延稅項負債	10	7,812	5,686
			<b>7,812</b>	3,264,165
<b>Current liabilities</b>	<b>流動負債</b>			
Deferred government grants	遞延政府補助	27	34,532	122,271
Advances from customers	客戶預付款項		3,132	3,170
Trade and other payables	貿易及其他應付款項	28	792,072	609,473
Unsecured corporate bonds	無抵押企業債券	26	3,069,502	–
Bank and other borrowings	銀行及其他借貸	29	477,621	17,904
Income tax payable	應付所得稅款項		27,948	34,544
			<b>4,404,807</b>	787,362
Liabilities of disposal group classified as held for sale	分類為持作出售之出售組別之負債		–	1,118,755
			<b>4,404,807</b>	1,906,117
<b>Total liabilities</b>	<b>負債總額</b>		<b>4,412,619</b>	5,170,282
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>6,093,268</b>	6,721,257

The financial statements on pages 89 to 186 were approved and authorised for issue by the board of directors on 30 March 2017 and are signed on its behalf by:

載於第89頁至第186頁之財務報表經董事會於2017年3月30日批准及授權刊發，並由下列人士代表簽署：

**Dong Haoran 董浩然**  
Director 董事

**Liu Hongzhou 劉紅洲**  
Director 董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

		Attributable to owners of the Company 本公司權益持有者應佔										
		Share capital	Share premium	Surplus reserve	Translation reserve	Property revaluation reserve	Merger reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股本溢價	盈餘儲備	匯兌儲備	物業重估儲備	合併儲備	其他儲備	保留溢利	總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		(Note 25)	(Note 25)	(Note (a))			(Note (b))					
		(附註25)	(附註25)	(附註(a))			(附註(b))					
<b>At 1 January 2015, as previously reported</b>	於2015年1月1日 (如以往所報告)	20,299	805,155	19,664	14,681	-	(918,916)	242,440	893,652	1,076,975	24,855	1,101,830
Merger of Shanghai Huahong Integrated Circuit Co., Ltd ("Huahong")	與上海華虹集成電路有限公司合併	-	-	-	21,944	-	228,406	-	69,860	320,210	115,866	436,076
<b>At 1 January 2015, as restated</b>	於2015年1月1日 (重列)	20,299	805,155	19,664	36,625	-	(690,510)	242,440	963,512	1,397,185	140,721	1,537,906
Total comprehensive income	全面收益總額	-	-	-	(85,624)	-	-	-	177,353	91,729	(25,883)	65,846
Payment of dividend	派付股息	-	-	-	-	-	-	(52,777)	-	(52,777)	-	(52,777)
<b>At 31 December 2015, as restated</b>	於2015年12月31日 (重列)	20,299	805,155	19,664	(48,999)	-	(690,510)	189,663	1,140,865	1,436,137	114,838	1,550,975
<b>At 1 January 2016, as restated</b>	於2016年1月1日 (重列)	20,299	805,155	19,664	(48,999)	-	(690,510)	189,663	1,140,865	1,436,137	114,838	1,550,975
Total comprehensive income	全面收益總額	-	-	-	(76,449)	5,201	-	-	1,061,166	989,918	(102)	989,816
Capital injection by non-controlling interests	非控股權益之注資	-	-	-	-	-	-	-	-	-	71,298	71,298
Disposal of subsidiaries	出售附屬公司	-	-	-	80,027	-	-	-	-	80,027	(111,839)	(31,812)
Transfer upon disposal of subsidiaries	於出售附屬公司時之轉讓	-	-	-	-	-	591,311	-	(591,311)	-	-	-
Business combination under common control	共同控制下的業務合併 (附註(a))	-	-	-	-	-	-	-	-	-	-	-
Transactions with non-controlling interests	與非控股權益之交易 (附註31)	-	-	-	-	-	(643,928)	-	-	(643,928)	-	(643,928)
Payment of dividend	派付股息	-	-	-	-	-	-	(133,482)	-	(133,482)	(61,322)	(194,804)
		-	-	-	-	-	-	(60,896)	-	(60,896)	-	(60,896)
<b>At 31 December 2016</b>	於2016年12月31日	20,299	805,155	19,664	(45,421)	5,201	(743,127)	(4,715)	1,610,720	1,667,776	12,873	1,680,649

(a) Pursuant to the relevant laws and regulations of the PRC, a portion of the profits of the Company's PRC subsidiaries has been transferred to the enterprise expansion fund and reserve fund (the "surplus reserve") which are restricted as to use.

(b) The financial statements of Huahong for the year ended 31 December 2015 are included using the principles of merger accounting as prescribed in Hong Kong Accounting Guideline 5 "Merger Accounting for Common Control Combinations" ("HKAG 5") issued by the Hong Kong Institute of Certified Public Accountants (Note 2.1(a)). An amount of HK\$415,522,000, being the difference between the consideration paid for the acquisition of HK\$643,928,000 and 73.43% of Huahong's paid in capital and capital surplus of HK\$228,406,000, was made to merger reserve upon completion of the acquisition of 73.43% equity interest of Huahong on 5 February 2016.

(a) 根據有關中國法例及條例，本公司於中國之附屬公司的部份溢利已轉撥使用權受限的企業發展基金及儲備基金（「盈餘儲備」）內。

(b) 華虹截至2015年12月31日止年度之財務報表，乃採用香港會計師公會頒佈之香港會計指引第5號「共同控制下合併之合併會計法」（「香港會計指引第5號」）所規定之合併會計原則處理（附註2.1(a)）。於2016年2月5日收購華虹73.43%股權完成後，收購對價643,928,000港元與華虹73.43%股權對應之實收資本及資本盈餘228,406,000港元之差額415,522,000港元計入合併儲備內。

## Consolidated Cash Flow Statement

### 綜合現金流量表

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
	Note 附註		
<b>Cash flows from operating activities</b>	<b>經營活動之現金流量</b>		
Cash generated from/(used in) operations	經營產生/(所用)之現金	30 <b>227,214</b>	(623,543)
Interest paid	支付利息	<b>(172,412)</b>	(228,377)
Income tax paid	支付所得稅	<b>(16,157)</b>	(19,180)
Net cash generated from/(used in) operating activities	經營活動產生/(所用)之現金淨額	<b>38,645</b>	(871,100)
<b>Cash flows from investing activities</b>	<b>投資活動之現金流量</b>		
Interest received	收取利息	<b>74,977</b>	170,409
Payment for acquisition of a subsidiary	支付收購一間附屬公司之款項	–	(68,175)
Payment for acquisition of an associate and disposal of subsidiaries	支付收購一間聯營公司及出售附屬公司之款項	11 <b>(1,288,230)</b>	–
Purchase of property, plant and equipment, investment properties and intangible assets	購買物業、廠房及設備、投資物業和無形資產	<b>(72,679)</b>	(99,410)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	<b>5,001</b>	298
Payment for available-for-sale financial assets	支付可供出售金融資產之款項	–	(759,939)
Proceeds from disposal of available-for-sale financial assets	出售可供出售金融資產所得款項	<b>105,037</b>	738,158
Proceeds from disposal of 50% equity interest in a joint venture	出售於一間合營公司之50%股權所得款項	–	5,968
Net decrease in short-term deposits and investments	短期存款及投資之淨減少	<b>1,719,074</b>	1,412,335
Proceeds from government grants	政府補助所得款項	<b>9,680</b>	29,843
Provision of entrusted loan	提供委託貸款	–	(163,527)
Dividends received	收取股息	<b>76,500</b>	19,098
Proceeds from repayment of entrusted loans	償還委託貸款所得款項	<b>320,713</b>	214,854
Net cash generated from investing activities	投資活動產生之現金淨額	<b>950,073</b>	1,499,912

## Consolidated Cash Flow Statement

### 綜合現金流量表

Year ended 31 December  
截至12月31日止年度

	2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
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	Note 附註		
<b>Cash flows from financing activities</b>	<b>融資活動之現金流量</b>		
Capital injection by non-controlling interests	非控股權益之注資	71,298	–
Proceeds from bank and other borrowings	銀行及其他借貸所得款項	835,603	–
Repayment of bank and other borrowings	償還銀行及其他借貸	(880,033)	(430,889)
Dividend paid	支付股息	(60,896)	(52,777)
Payment for business combination under common control	支付共同控制下的業務合併之款項	(770,557)	–
Net cash used in financing activities	融資活動所用之現金淨額	(804,585)	(483,666)
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	184,133	145,146
Effect of exchange rate changes	匯率變動之影響	(49,281)	(22,519)
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物	777,065	810,761
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	–	(156,323)
<b>Cash and cash equivalents at end of the year</b>	<b>年終之現金及現金等價物</b>	911,917	777,065



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 1. GENERAL INFORMATION

China Electronics Corporation Holdings Company Limited (the "Company") was incorporated in the Cayman Islands and continued in Bermuda with limited liability. The Company has its shares listed on The Stock Exchange of Hong Kong Limited. The address of the Company's registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The ultimate holding company of the Company is China Electronics Corporation Limited ("CEC"), which is established in the People's Republic of China (the "PRC").

On 26 June and 27 August 2015, CEC Huada Electronic Design Co., Ltd ("Huada Electronics"), a wholly-owned subsidiary of the Company, entered into agreements to acquire 73.43% equity interest in Huahong from Huada Semiconductor Co., Ltd, the controlling shareholder of the Company and Huahong, for a cash consideration of Renminbi ("RMB") 550,700,000 (equivalent to HK\$643,928,000) and to acquire a total of 22.21% equity interest in Huahong from Huahong's other shareholders which were not controlled by CEC for a total cash consideration of RMB166,600,000 (equivalent to HK\$194,804,000) (the "Acquisition"). Huahong is primarily engaged in the design and sale of integrated circuit chips in the PRC. Completion of the Acquisition took place on 5 February 2016 and Huahong has become a 95.64% owned subsidiary of the Company since then.

### 1. 一般資料

中國電子集團控股有限公司（「本公司」）為一家於開曼群島註冊成立，並於百慕達繼續經營的有限責任公司。本公司股份在香港聯合交易所有限公司上市。本公司的註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司之最終控股公司為中國電子信息產業集團有限公司（「中國電子集團」）（一家於中華人民共和國（「中國」）成立之企業）。

於2015年6月26日及8月27日，本公司之全資附屬公司北京中電華大電子設計有限責任公司（「華大電子」）簽訂多項協議以現金對價人民幣（「人民幣」）550,700,000元（相等於643,928,000港元）向本公司及華虹之控股股東華大半導體有限公司收購華虹之73.43%股權及以現金總對價人民幣166,600,000元（相等於194,804,000港元）向華虹其他非中國電子集團所控制之股東收購華虹合共22.21%股權（「收購事項」）。華虹為主要於中國從事集成電路芯片之設計及銷售。收購事項已於2016年2月5日完成，自此華虹成為本公司擁有95.64%權益之附屬公司。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 1. GENERAL INFORMATION (Cont'd)

On 14 December 2015, the Company entered into agreements (i) to dispose of 100% equity interest in China Electronics Technology Development Co., Ltd (“CEC Technology”) to China Electronics Optics Valley Union Holding Company Limited (“CEOVU”) for RMB699,854,600, which shall be satisfied by the allotment and issuance of 1,058,530,083 new ordinary shares of CEOVU at a price of HK\$0.8 per share and (ii) to subscribe in cash of 1,491,469,917 new ordinary shares of CEOVU at a price of HK\$0.8 per share at a consideration of HK\$1,193,175,934, for the acquisition of 31.88% interest in CEOVU (the “Transaction”). CEOVU, an independent third party prior to the Transaction, has its shares listed on The Stock Exchange of Hong Kong Limited and is a leading multi-theme business parks developer engaging in the development and operation of large-scale business parks with distinctive industry themes in the PRC. Completion of the Transaction took place on 30 June 2016 and CEOVU has become an associate of the Company since then.

Following completion of the Acquisition and the Transaction, the principal activities of the Company and its subsidiaries (collectively the “Group”) are the design and sale of integrated circuit chips.

These consolidated financial statements are presented in Hong Kong dollars (“HK dollar”), unless otherwise stated.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1. 一般資料 (續)

於2015年12月14日，本公司通過簽訂(i)以人民幣699,854,600元(中電光谷聯合控股有限公司(「中電光谷聯合」)將按每股0.8港元配發及發行1,058,530,083股新中電光谷聯合普通股之方式償付)出售中國電子科技開發有限公司(「中電科技」)之100%股權予中電光谷聯合協議及(ii)以現金按每股0.8港元之價格以對價1,193,175,934港元認購1,491,469,917股新中電光谷聯合普通股協議，以收購中電光谷聯合31.88%股權(「交易事項」)。獨立第三方(於交易事項前)中電光谷聯合為一家股份於香港聯合交易所有限公司上市，於國內從事發展及運營具鮮明主題的大型產業園之領先多主題產業園發展商。交易事項已於2016年6月30日完成，自此中電光谷聯合成為本公司之聯營公司。

於收購事項及交易事項完成後，本公司及其附屬公司(統稱「本集團」)的主要業務是集成電路芯片之設計及銷售。

除另有註明外，本綜合財務報表以港元(「港元」)列報。

### 2. 重大會計政策概要

編製本綜合財務報表所採用的主要會計政策載列如下。除另有註明外，此等政策一直貫徹應用於所有呈報之年度。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.1 Basis of preparation

##### (a) Compliance with HKFRS and Listing Rules

The consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. These consolidated financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and certain available-for-sale financial assets which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

As both the Company and Huahong are under common control of CEC, these consolidated financial statements have been prepared using the principles of merger accounting, as prescribed in HKAG 5. These consolidated financial statements include the results and financial position of Huahong as if the Acquisition had occurred at previous balance sheet dates presented. Comparative figures for the year ended 31 December 2015 and at 31 December 2015 have been restated on such basis.

### 2. 重大會計政策概要 (續)

#### 2.1 編製基準

##### (a) 符合香港財務報告準則及上市規則

綜合財務報表乃根據香港會計師公會頒佈之所有適用的香港財務報告準則(「香港財務報告準則」)而編製。該等綜合財務報表亦遵守香港聯合交易所有限公司證券上市規則(「上市規則」)所載之適用披露規定。綜合財務報表是按歷史成本常規法編製，並就投資物業及若干可供出售金融資產的重估(按公允值列賬)而作出修訂。

編製符合香港財務報告準則的綜合財務報表須使用若干關鍵之會計估算。管理層在運用本集團的會計政策過程中亦須行使其判斷。對本綜合財務報表而言涉及高度判斷或複雜性的事項，或涉及重要範疇的假設及估算，在附註4中披露。

由於本公司及華虹均受中國電子集團共同控制，本綜合財務報表已採用香港會計指引第5號所規定之合併會計原則編製。本綜合財務報表包括華虹之業績及財務狀況，猶如收購事項已於先前呈列之資產負債表日已發生。截至2015年12月31日止年度及於2015年12月31日之比較數字已按此基準重列。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### (a) Compliance with HKFRS and Listing Rules (Cont'd)

The effects arising from the common control combination on the consolidated income statement and the consolidated cash flow statement for the year ended 31 December 2015, and the consolidated balance sheet at 31 December 2015 are summarised as follows:

## 2. 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### (a) 符合香港財務報告準則及上市規則 (續)

以下概述共同控制下合併對截至2015年12月31日止年度之綜合收益表和綜合現金流量表及於2015年12月31日之綜合資產負債表之影響：

		Amount previously reported 以往報告上之 金額 HK\$'000 千港元	Huahong 華虹 HK\$'000 千港元 (1)	Restated 重列 HK\$'000 千港元
<b>(i) The consolidated income statement for the year ended 31 December 2015:</b>	<b>(i) 截至2015年12月31日止年度之綜合收益表：</b>			
Revenue	收入	1,264,001	456,098	1,720,099
Profit/(loss) for the year	本年度溢利／(虧損)	296,758	(139,973)	156,785



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.1 Basis of preparation (Cont'd)

(a) Compliance with HKFRS and Listing Rules (Cont'd)

#### 2. 重大會計政策概要 (續)

##### 2.1 編製基準 (續)

(a) 符合香港財務報告準則及上市規則 (續)

		Amount previously reported 以往報告上之 金額 HK\$'000 千港元	Huahong 華虹 HK\$'000 千港元 (1)	Restated 重列 HK\$'000 千港元
<b>(ii) The consolidated balance sheet at 31 December 2015:</b>	<b>(ii) 於2015年12月31日之綜合資產負債表：</b>			
Non-current assets	非流動資產	523,634	57,142	580,776
Current assets	流動資產	5,655,523	484,958	6,140,481
Total assets	資產總額	6,179,157	542,100	6,721,257
Current liabilities	流動負債	1,640,113	266,004	1,906,117
Total liabilities	負債總額	4,904,278	266,004	5,170,282
Total equity	權益總額	1,274,879	276,096	1,550,975
<b>(iii) The consolidated cash flow statement for the year ended 31 December 2015:</b>	<b>(iii) 截至2015年12月31日止年度之綜合現金流量表：</b>			
Net cash used in operating activities	經營活動所用之現金淨額	(598,579)	(272,521)	(871,100)
Net cash generated from investing activities	投資活動產生之現金淨額	1,416,432	83,480	1,499,912
Net cash used in financing activities	融資活動所用之現金淨額	(483,666)	-	(483,666)

(1) The financial statements of Huahong for the year ended 31 December 2015 are included using the principles of merger accounting as prescribed in HKAG 5 as stated above.

(1) 華虹截至2015年12月31日止年度之財務報表，乃採用上述香港會計指引第5號所規定之合併會計原則處理。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### (b) New standards, amendments to standards and interpretations

During the year ended 31 December 2016, the Group had adopted the following amended standards and interpretation that are relevant to its operations and effective for the accounting period beginning on 1 January 2016:

Annual improvements 2014	Changes from the 2012-2014 cycle of the annual improvements project
HKAS 16 and HKAS 38 (amendments)	Clarification of acceptable methods of depreciation and amortisation
HKAS 1 (amendments)	Disclosure initiative
HKAS 27 (amendments)	Equity method in separate financial statements

The adoption of the above amended standards and interpretation did not have significant impact on the results or financial position of the Group for the current year.

## 2. 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### (b) 新訂準則、準則修訂及詮釋

於截至2016年12月31日止年度內，本集團已採納下列與其業務有關及於2016年1月1日開始之會計期間生效之經修訂準則及詮釋：

2014年度改進	2012年至2014年週期之年度改進項目之變動
香港會計準則第16號及第38號 (修訂)	對可接受之折舊及攤銷方法之澄清
香港會計準則第1號 (修訂)	披露計劃
香港會計準則第27號 (修訂)	獨立財務報表的權益法

採納上述經修訂準則及詮釋沒有對本集團於本年度之業績或財務狀況構成重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.1 Basis of preparation (Cont'd)

##### (b) New standards, amendments to standards and interpretations (Cont'd)

The following new and amended standards that are relevant to the operation of the Group have been issued but are not effective for the accounting period beginning on 1 January 2016 and have not been early adopted:

HKAS 7 (amendments)	Disclosure initiative (effective from 1 January 2017)
HKAS 12 (amendments)	Recognition of deferred tax assets for unrealised losses (effective from 1 January 2017)
HKFRS 9	Financial instruments (effective from 1 January 2018)
HKFRS 15	Revenue from contracts with customers (effective from 1 January 2018)
HKFRS 16	Leases (effective from 1 January 2019)
HKFRS 10 and HKAS 28 (amendments)	Sale or contribution of assets between an investor and its associate or joint venture (effective date not yet determined)

Management is currently assessing the impact of the above new and amended standards to the Group's financial position and performance.

##### (c) Going concern

As at 31 December 2016, the Group's current liabilities exceeded its current assets by HK\$1,239,540,000 primarily due to the fact that the Company has liabilities under unsecured bonds in the principal amount of RMB2,750,000,000 (the "Bonds") due for repayment on 16 January 2017. In January 2017, the Company obtained unsecured short-term bank borrowings of approximately RMB1.8 billion (the "New Borrowings") and redeemed the Bonds in full on maturity. The New Borrowings are guaranteed by CEC and are due for repayment in January 2018.

### 2. 重大會計政策概要 (續)

#### 2.1 編製基準 (續)

##### (b) 新訂準則、準則修訂及詮釋 (續)

已頒佈但尚未於2016年1月1日開始之會計期間生效且並未被提早採納之與本集團業務有關之新及經修訂準則如下：

香港會計準則第7號 (修訂)	披露計劃 (自2017年1月1日起生效)
香港會計準則第12號 (修訂)	就未實現虧損確認遞延稅項資產 (自2017年1月1日起生效)
香港財務報告準則第9號	金融工具 (自2018年1月1日起生效)
香港財務報告準則第15號	與客戶之間之合約產生之收入 (自2018年1月1日起生效)
香港財務報告準則第16號	租賃 (自2019年1月1日起生效)
香港財務報告準則第10號及香港會計準則第28號 (修訂)	投資者與其聯營公司或合營公司間之資產出售或投入 (生效日期尚待確定)

管理層目前正在評估上述新及經修訂準則對本集團財務狀況及表現之影響。

##### (c) 持續經營

於2016年12月31日，本集團之流動負債高於其流動資產1,239,540,000港元，主要由於本公司項下擁有須於2017年1月16日償還之本金總額人民幣2,750,000,000元之無抵押債券（「該債券」）之負債。於2017年1月，本公司獲得約人民幣18億元無抵押短期銀行借貸（「新借貸」），並於債券到期日全數贖回該債券。新借貸由中國電子集團提供擔保及須於2018年1月償還。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### (c) Going concern (Cont'd)

The board of directors (the "Board") has reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 December 2016. Given that the New Borrowings are guaranteed by CEC, and taking into account the financial resources available to the Group, including the internally generated funds, expected renewal and extension of borrowings upon their maturity and the available committed borrowing facilities, the Board considers that there are sufficient financial resources available to the Group to meet its financial liabilities as and when they fall due in the coming twelve months from 31 December 2016. Accordingly, the Board has prepared the consolidated financial statements on a going concern basis.

### 2.2 Consolidation

#### (a) Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The subsidiaries acquired or disposed of during the year will be included in the consolidated financial statements from the effective date of acquisition or up to the effective date of disposal (except for acquisition of subsidiaries under common control which are accounted for using the principles of merger accounting), as appropriate.

## 2. 重大會計政策概要 (續)

### 2.1 編製基準 (續)

#### (c) 持續經營 (續)

董事會(「董事會」)已審閱本集團涵蓋自2016年12月31日起計不少於十二個月期間之現金流量預測。鑒於新借貸由中國電子集團提供擔保及經考慮本集團可動用之財務資源，包括內部產生之資金、預期到期借貸可續期及延長及可動用之已承諾借貸備用額，董事會認為本集團有足夠可動用之財務資源以應付其自2016年12月31日起計未來十二個月到期之財務負債。因此，董事會以持續經營基準編製綜合財務報表。

### 2.2 綜合賬目

#### (a) 附屬公司

附屬公司指由本集團控制的所有實體(包括結構實體)。當本集團因參與實體的營運而獲得或有權享有其可變回報，並有能力通過其對實體的管控影響有關回報時，則本集團控制該實體。

於年內所收購或出售的附屬公司將自收購生效日期起或直至出售生效日期止(視情況而定)計入綜合財務報表(惟共同控制下收購之附屬公司採用合併會計法原則入賬除外)。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Consolidation (Cont'd)

##### (a) Subsidiaries (Cont'd)

Apart from the application of merger accounting on those common control combination as disclosed in Note 2.2(c) below, the acquisition method of accounting is used to account for business combination by the Group. The consideration transferred for an acquisition 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. 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 the income statement or as a change to other comprehensive income in the statement of comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity. Acquisition-related transaction costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

### 2. 重大會計政策概要 (續)

#### 2.2 綜合賬目 (續)

##### (a) 附屬公司 (續)

除附註2.2(c)所述對共同控制下的合併採用合併會計法外，收購會計法乃用作本集團業務合併的入賬方法。收購的對價根據於交易日期所給予資產、承擔對被收購方之前權益持有者所產生的負債及本集團發行股本權益的公允值計算。所轉讓的對價包括或有對價安排所產生的任何資產或負債的公允值。本集團將轉讓的任何或有對價按收購日期的公允值計量。被視為資產或負債的或有對價公允值的其後變動，根據香港會計準則第39號的規定，在收益表中或在全面收益表中作為其他全面收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。相關交易收購成本於產生時確認為費用。在業務合併中所購買可識別的資產以及所承擔的負債及或有負債，始初按彼等於收購日期的公允值計量。就個別收購之收購基準而言，本集團可按公允值或按非控制性權益應佔被收購方可識別的資產淨值的比例，計量被收購方的非控制性權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Consolidation (Cont'd)

##### (a) Subsidiaries (Cont'd)

The excess of the aggregate of 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 aggregate of 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 is less than the fair value of the identifiable net assets acquired, the difference is recognised directly in the consolidated income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

The investments in subsidiaries are stated at cost less provision for impairment losses in the Company's balance sheet (Note 2.10). Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company in the Company's income statement to the extent of dividend received and receivable.

##### (b) 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 amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### 2. 重大會計政策概要 (續)

#### 2.2 綜合賬目 (續)

##### (a) 附屬公司 (續)

轉讓的對價、被收購方任何非控制性權益以及之前於被收購方之任何權益在收購日期的公允值之總和超過所收購可識別資產淨值的公允值的數額記錄為商譽。若轉讓的對價、被收購方任何非控制性權益以及之前於被收購方之任何權益在收購日期的公允值之總和低於所收購可識別資產淨值的公允值，該差額直接在綜合收益表確認。

集團內公司間之交易、結餘及未實現交易收益予以對銷。未實現虧損亦予以對銷。附屬公司之會計政策於綜合財務報表中已按需要作出改變，以確保與本集團所採納之政策一致。

在本公司之資產負債表中，附屬公司投資乃按成本扣除減值虧損撥備列賬（附註2.10）。成本包括投資的直接歸屬成本。附屬公司業績由本公司按已收股息及應收股息計入本公司之收益表內。

##### (b) 不導致失去控制權的附屬公司權益變動

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易—即與附屬公司權益持有者以其作為權益持有者身份進行的交易。所支付任何對價的公允值與相關應佔所收購附屬公司資產淨值的差額記錄為權益。向非控制性權益的出售的盈虧亦記錄在權益中。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Consolidation (Cont'd)

##### (c) Common control combination

Merger accounting is used to account for the acquisition of subsidiaries under common control by the Group.

Under merger accounting, the consolidated financial statements incorporate the financial statements of the combining entities or businesses in which the common control combination occurs as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling party.

The net assets of the combining entities or businesses are combined using the existing book values from the controlling parties' perspective. No amount is recognised in consideration for goodwill or excess of acquirers' interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination.

The consolidated income statement includes the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control, whichever is shorter and regardless of the effective date of the common control combination.

The comparative amounts in the consolidated financial statements are presented as if the entities or businesses had been combined at the previous balance sheet dates or when they first came under common control, whichever is shorter.

A uniform set of accounting policies is adopted by those entities. All intra-group transactions, balances and unrealised gains on transactions between combining entities or businesses are eliminated on consolidation.

### 2. 重大會計政策概要 (續)

#### 2.2 綜合賬目 (續)

##### (c) 共同控制下的合併

本集團以合併會計法核算共同控制下收購之附屬公司。

於合併會計法下，當共同控制下的合併發生時，綜合財務報表包括被合併實體或業務的財務報表，猶如被合併的實體或業務在開始處於控制方的控制下就已經被合併。

從控制方的角度，被合併的實體或業務的資產淨值以賬面值合併。在共同控制下的合併中產生的商譽或收購方應佔被收購方可識別資產、負債及或有負債的公允值超過收購成本的金額不予確認。

綜合收益表包括每一個被合併實體或業務於其最早呈列日期披露或合併實體或業務開始受到共同控制時（以較遲者為準）的業績，而不考慮共同控制下的合併生效日期之因素。

綜合財務報表中的比較數字，已假設被合併實體或業務已於先前呈列之資產負債表日或開始受到共同控制時（以較遲者為準）合併已發生之基準呈列。

這些實體採用統一的會計政策。集團內被合併實體或業務之間的所有交易、結餘及未實現交易收益在合併賬目中對銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.2 Consolidation (Cont'd)

#### (c) Common control combination (Cont'd)

Transaction costs, including professional fees, registration fees, costs of furnishing information to shareholders, costs or losses incurred in combining operations of the previously separate businesses, etc., incurred in relation to the common control combination is recognised as an expense in the period in which it is incurred.

The difference between the share capital of entities combined and the fair value of consideration paid has been recorded in the merger reserve in consolidated financial statements.

#### (d) Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investment in an associate is 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 an associate 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.

## 2. 重大會計政策概要 (續)

### 2.2 綜合賬目 (續)

#### (c) 共同控制下的合併 (續)

共同控制下的合併發生的交易成本(包括專業服務費、註冊費、提供資訊予股東的成本、將先前個別業務合併產生的成本或損失等),於發生時計入當期開支。

被合併實體之股本與收購所付之對價之公允值的差額於綜合財務報表中的合併儲備中列示。

#### (d) 聯營公司

聯營公司指所有本集團對其有重大影響力而無控制權的實體,通常附帶有20%至50%投票權的股權。於一間聯營公司投資以會計權益法入賬。根據權益法,投資始初按成本確認,而賬面值被增加或減少以確認投資者應佔被投資者在收購日期後的溢利或虧損份額。本集團於一間聯營公司的投資包括收購時已辨認的商譽。在收購聯營公司的權益時,收購成本與本集團應佔聯營公司可辨認資產和負債的公允值淨額的差額確認為商譽。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.2 Consolidation (Cont'd)

##### (d) Associates (Cont'd)

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in the statement of 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 result of an associate" in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's 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.

### 2. 重大會計政策概要 (續)

#### 2.2 綜合賬目 (續)

##### (d) 聯營公司 (續)

本集團應佔聯營公司收購後之溢利或虧損於收益表內確認，而應佔其收購後的其他全面收益變動則於全面收益表內確認，並相應調整投資賬面值。當本集團應佔某一聯營公司的虧損等於或超過其在該聯營公司的權益（包括任何其他無抵押應收款），則本集團不會確認進一步虧損，除非本集團須向該聯營公司承擔法定或推定債務或已代其支付款項。

本集團在每個報告日期釐定是否有客觀證據證明聯營公司投資已減值。如投資已減值，本集團計算減值，數額為聯營公司可收回數額與其賬面值的差額，並在收益表中確認於「應佔一間聯營公司業績」項下。

本集團與其聯營公司之間的上流和下流交易的溢利和虧損，在本集團的財務報表中確認，惟僅限於無關連投資者在聯營公司權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採納之政策一致。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.2 Consolidation (Cont'd)

#### (e) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be a joint venture. Joint venture is accounted for using the equity method of accounting. Under the equity method, interest in a joint venture is initially recognised at cost and adjusted thereafter to recognise the Group's share of post-acquisition profit or loss and movements in other comprehensive income. The Group's investment in a joint venture includes 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 accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount adjacent to "share of result of a joint venture" in the income statement.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2. 重大會計政策概要 (續)

### 2.2 綜合賬目 (續)

#### (e) 合營安排

於合營安排之投資根據各投資者於該等安排下的合約權利及責任分類為合營業務或合營公司。本集團已評估其合營安排之性質並釐定其為合營公司。合營公司按會計權益法入賬。根據權益法，合營公司權益始初按成本確認，其後調整以確認本集團應佔收購後之溢利或虧損以及其他全面收益變動的份額。本集團於合營公司的投資包括收購時已辨認的商譽。在收購合營公司的權益時，收購成本與本集團應佔合營公司可辨認資產和負債的公允值淨額的差額確認為商譽。當本集團應佔某一合營公司的虧損等於或超過其在該合營公司的權益（包括任何實質上構成本集團在該合營公司淨投資的長期權益），則本集團不會確認進一步虧損，除非本集團須向該合營公司承擔法定或推定債務或已代其支付款項。

本集團在每個報告日期釐定是否有客觀證據證明合營公司投資已減值。如投資已減值，本集團計算減值，數額為合營公司可收回數額與其賬面值的差額，並在收益表中確認於「應佔一間合營公司業績」項下。

本集團與其合營公司間交易的未實現收益按集團在該合營公司的權益為限予以對銷。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。合營公司的會計政策已按需要作出改變，以確保與本集團採納之政策一致。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.3 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 is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board, that makes strategic decisions.

#### 2.4 Foreign currency translation

##### (a) 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 ("functional currency"). The consolidated financial statements are presented in HK dollar, which is the Group's presentation currency.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance income/ (costs) – net". All other foreign exchange gains and losses are presented in the consolidated income statement within "other income and gains – net".

### 2. 重大會計政策概要 (續)

#### 2.3 分部報告

營運分部之呈報方式與提供予主要營運決策者之內部報告一致。負責分配資源及評估營運分部的表現之主要營運決策者為作出策略決定之董事會。

#### 2.4 外幣換算

##### (a) 功能貨幣及列賬貨幣

本集團旗下各實體財務報表內之項目乃以該實體營運所在主要經濟環境所使用之貨幣（「功能貨幣」）計算。綜合財務報表以港元呈報，港元為本集團的列賬貨幣。

##### (b) 交易及結餘

外幣交易採用交易日期的匯率換算為功能貨幣。結算此等交易產生的匯兌盈虧及將以外幣計值的貨幣資產和負債按年終匯率換算產生的匯兌盈虧在綜合收益表確認。

與借貸和現金及現金等價物有關的匯兌盈虧在綜合收益表內的「融資收入／（成本）－淨額」中呈列。所有其他匯兌盈虧在綜合收益表內的「其他收入及收益－淨額」中呈列。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.4 Foreign currency translation (Cont'd)

#### (c) Group companies

For the purpose of presenting consolidated financial statements, the results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement 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
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to other comprehensive income.

## 2. 重大會計政策概要 (續)

### 2.4 外幣換算 (續)

#### (c) 集團內公司

就呈報綜合財務報表而言，功能貨幣與列賬貨幣不同的所有集團實體成員（當中沒有成員的貨幣列為嚴重通脹貨幣）的業績和財務狀況按以下方法換算為列賬貨幣：

- 每份呈報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- 每份收益表內的收入和開支按平均匯率換算（除非此匯率並不代表交易日期匯率的累計影響的合理約數，則收支項目按交易日期的匯率換算）；及
- 所有由此產生的匯兌差額在其他全面收益中確認。

在處理綜合賬目時，換算海外實體的淨投資所產生的匯兌差額列入其他全面收益。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.4 Foreign currency translation (Cont'd)

##### (d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

#### 2.5 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation and impairment losses. 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. All other repairs and maintenance costs are charged in the consolidated income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

– Buildings and leasehold improvements	5-20 years (or over the lease term, whichever is shorter)
– Plant and machinery	5-10 years
– Motor vehicles	5-10 years
– Furniture and fixtures	5 years

### 2. 重大會計政策概要 (續)

#### 2.4 外幣換算 (續)

##### (d) 海外業務的處置

對於海外業務的處置(即處置本集團於海外業務中的全部權益,或者處置涉及喪失對擁有海外業務的附屬公司的控制權),就該項業務累計計入權益的歸屬於本公司權益持有者所有的匯兌差額均重分類至溢利或虧損。

#### 2.5 物業、廠房及設備

物業、廠房及設備按歷史成本減折舊及減值虧損後列賬。歷史成本包括收購該項目直接應佔之開支。

資產之其後發生之成本只有當與其有關之未來經濟利益將很有可能流入本集團並且能可靠地作出計量時,方會計入資產賬面值或確認為一項獨立資產(視乎情況而定)。所有其他維修及保養成本在其產生之財政期間內於綜合收益表支銷。

物業、廠房及設備之折舊乃以直線法計算,按其估計可使用年期分攤成本,有關估計可使用年期如下:

– 樓宇及租賃物業裝修	5至20年,或租約年期(以較短者為準)
– 廠房及機器	5至10年
– 車輛	5至10年
– 傢俬及裝置	5年

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.5 Property, plant and equipment (Cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 (Note 2.10).

Gains and losses on disposals or retirement are determined by comparing the proceeds with the carrying amount of the asset and are recognised within "other income and gains – net" in the consolidated income statement.

Construction in progress represents the direct costs of construction incurred in property less any impairment losses. No provision for depreciation is made on construction in progress until such time that the relevant assets are completed and available for use. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### 2.6 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. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases.

### 2. 重大會計政策概要 (續)

#### 2.5 物業、廠房及設備 (續)

資產的剩餘價值及可使用年期在每個結算日進行檢討及調整 (如適用)。

若資產的賬面值高於其估計可收回價值，其賬面值即時撇減至可收回價值 (附註2.10)。

出售或報廢的盈虧按所得款項與相關資產賬面值的差額釐定，並在綜合收益表內的「其他收入及收益－淨額」中確認。

在建工程指興建物業之直接成本減去任何減值虧損後列帳。在建工程於有關資產完成及可供使用前不會計提折舊撥備。當在建工程於竣工並達到可使用狀態時，在建工程會被重分類至適當類別的物業、廠房及設備中。

#### 2.6 投資物業

投資物業，主要由租賃土地和樓宇組成，持有為獲得長期租金收益或作為資本增值或兩者兼備同時並非由本集團佔用。其亦包括在建或發展中以於日後作投資物業用途的物業。如符合投資物業的所有定義，經營租賃下的土地作為投資物業入賬。在此情況下，有關的經營租賃猶如融資租賃入賬。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.6 Investment properties (Cont'd)

Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Changes in fair values are recognised within "other income and gains – net" in the consolidated income statement.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount 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. All other repairs and maintenance costs are expensed in the consolidated income statement during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Property that is under construction or development for future use as investment property is classified as investment property under construction. Where fair value of investment properties under construction is not reliably measurable, the property is measured at cost until the earlier of the date construction is completed or the date at which fair value becomes reliably measurable.

### 2. 重大會計政策概要 (續)

#### 2.6 投資物業 (續)

投資物業始初按成本列賬，包括相關的交易成本及（如適用）借貸成本。在始初確認後，投資物業按公允值列賬，公允值指由外部估值師於每個報告日期釐定的公開市值。公允值乃根據活躍市場價格計算，並就個別資產的性質、地點或狀況作出必要調整。倘未能獲取該等資料，本集團採用其他估值方法，例如近期較不活躍市場的價格或折現現金流量預測。重建並繼續用作投資物業之投資物業，或其市場活躍度下降之投資物業繼續按公允值計量。公允值變動將在綜合收益表內的「其他收入及收益－淨額」中確認。

投資物業之公允值反映（其中包括）來自現有租賃之租金收入及按現行市況預期之未來租金收入。公允值亦反映，在類似基準下該物業預期的任何現金流出。

資產之其後發生之成本只有當與其有關之未來經濟利益將很有可能流入本集團並且能可靠地作出計量時，方會計入資產之賬面值。所有其他維修及保養成本在其產生之財政期間內於綜合收益表支銷。

倘一項投資物業成為自用物業，則須被重分類為物業、廠房及設備，其於重分類當日之公允值，就會計目的而言成為其成本。現正興建或發展中以及日後作投資物業用途的物業，被分類為在建投資物業。當在建投資物業之公允值未能可靠計量時，該物業會以成本值計量，直至物業落成之日期或公允值能夠可靠計量之日期兩者之較早者為止。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.6 Investment properties (Cont'd)

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised as a revaluation. The resulting increase in the carrying amount is recognised in other comprehensive income and increases revaluation reserve within equity. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the consolidated income statement, and the remaining part of the increase is recognised in other comprehensive income and increases revaluation surplus within equity. For a transfer from completed properties held for sale or properties under development to investment properties that will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount shall be recognised in profit or loss.

### 2.7 Properties under development

Properties under development are stated at the lower of cost and net realisable value, and included in inventories. 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 and the anticipated costs to completion, or by management estimates based on prevailing market conditions.

Development cost of property comprises cost of land use rights, construction costs, depreciation of machinery and equipment, borrowing costs capitalised for qualifying assets and professional fees incurred during the development period.

Properties under development are classified as current assets when the construction of the relevant properties commences unless the construction of the relevant property development project is expected to complete beyond normal operating cycle.

## 2. 重大會計政策概要 (續)

### 2.6 投資物業 (續)

倘一項自用物業因改變用途而成為投資物業，該項物業之賬面值與於改變用途當日之公允值之差額確認為重估。重估產生之賬面值的增加於其他全面收益確認並增加權益中之重估盈餘。然而，倘公允值收益可撥回過往減值虧損，則該收益乃於綜合收益表中確認，其餘的增加於其他全面收益中確認並增加權益中之重估盈餘。從持作出售的已落成物業或在建物業轉撥到投資物業，將按照公允值進行轉撥，物業在該日的任何公允值與其帳面值之間的差額應當於當期溢利或虧損中確認。

### 2.7 在建物業

在建物業（已列賬於存貨內）按照成本值及可變現淨值兩者之較低者列賬。可變現淨值乃經參考於日常業務過程中出售的發展中物業銷售所得款項（扣除適用的可變動銷售開支及竣工前所預期需要成本），或管理層根據現行市況作估計後釐定。

物業開發成本包括於開發期間產生之土地使用權成本、建築成本、機器及設備折舊、合資格資產可資本化之借貸成本及專業費用。

當在建物業開始興建時，相關物業被分類為流動資產，除非相關物業開發項目的建築時間預期超過正常的營運週期。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.8 Land use rights

The Group made upfront payments to obtain operating leases of land use rights. For the land use rights held for self-use, the upfront payments are recorded as a separate asset and are amortised to the consolidated income statement on a straight-line basis over their lease periods. For the land use rights held for sale, the upfront payments are recorded as land use rights held for sale. Land use rights held for sale are stated at the lower of cost and net realisable value.

#### 2.9 Intangible assets

##### *Computer software*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of one to three years.

#### 2.10 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets 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 asset's 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 an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

### 2. 重大會計政策概要 (續)

#### 2.8 土地使用權

本集團為獲取經營性租賃之土地使用權預付款項。為本集團自用之土地使用權，該預付款項是以一項單獨資產列賬並於租賃期限內以直線法攤銷於綜合收益表中。至於持作出售之土地使用權，該預付款項作為持作出售之土地使用權進行確認。持作出售之土地使用權按照成本值及可變現淨值兩者之較低者列賬。

#### 2.9 無形資產

##### *電腦軟件*

所購入的電腦軟件使用許可權乃根據購入特定軟件及使該軟件達到可使用所產生之成本予以資本化。該等成本乃在其估計可使用年期（一至三年）內予以攤銷。

#### 2.10 於附屬公司及非金融資產投資之減值

沒有確定使用年期之資產（例如商譽）無需攤銷，但每年須就減值進行測試。各項資產，當有事件出現或情況改變顯示賬面值可能無法收回時須就減值進行檢討。減值虧損按資產之賬面值超出其可收回價值之數額確認。可收回價值以資產之公允價值扣除銷售成本或使用價值兩者之較高者為準。為評估減值，資產按可分開識別現金流量（現金產生單位）的最低層次分類。除商譽外，已減值的非金融資產在每個結算日均就減值是否可以撥回而進行檢討。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.10 Impairment of investments in subsidiaries and non-financial assets (Cont'd)

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.

#### 2.11 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The non-current assets (except for certain assets as explained below) (or disposal groups), are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates) and investment properties, which are classified as held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

### 2. 重大會計政策概要 (續)

#### 2.10 於附屬公司及非金融資產投資之減值 (續)

當從附屬公司收到股息而股息超過該附屬公司在股息宣佈期間之全面收益總額時，或若於獨立財務報表中，附屬公司投資之賬面值超過應佔被投資方於其綜合財務報表之淨資產（包括商譽）之賬面值時，則必須對有關附屬公司投資進行減值測試。

#### 2.11 持作出售的非流動資產（或出售組別）及已終止經營之業務

當非流動資產（或出售組別）的賬面值將主要透過一項出售交易收回而該項出售被視為極可能時，分類為持作出售。非流動資產（不包括如以下解釋的若干資產）（或出售組別）按賬面值與公允值減去銷售成本兩者之較低者列賬。遞延稅項資產、僱員福利產生之資產、金融資產（於附屬公司和聯營公司的投資除外）及投資物業，乃分類為持作出售，將繼續根據附註2所載的政策計量。

已終止經營之業務為本集團業務的一組業務，其營運和現金流量可清晰地與本集團其餘業務分開，並代表業務或經營地域的一項獨立主要項目，或是出售業務或經營地域的一項獨立主要項目的單一協調計劃的一部分，或是一間為了轉售而購入的附屬公司。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.11 Non-current assets (or disposal groups) held for sale and discontinued operations (Cont'd)

When an operation is classified as discontinued, a single amount is presented in the consolidated income statement, which comprises the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

#### 2.12 Financial assets

##### 2.12.1 Classification

The Group classifies its financial assets into two categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

##### (a) 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 1 year after the balance sheet date, which are classified as non-current assets. The Group's loans and receivables comprise "trade and other receivables" (Note 2.14), "cash and cash equivalents" (Note 2.15) and "short-term deposits and investments" in the balance sheet.

##### (b) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial assets that are either designated in this category or not classified in the other category. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 1 year of the balance sheet date, which are classified as current assets.

### 2. 重大會計政策概要 (續)

#### 2.11 持作出售的非流動資產 (或出售組別) 及已終止經營之業務 (續)

當一項業務被分類為已終止經營時，綜合收益表中呈列單一數額，包括該已終止經營之業務的除稅後溢利或虧損和就公允值減去銷售成本的計量而確認的稅後收益或虧損，或於出售時包括構成已終止經營之業務的資產或出售組別。

#### 2.12 金融資產

##### 2.12.1 分類

本集團將金融資產項目劃分為兩類別：貸款及應收款項以及可供出售金融資產。分類方法乃取決於金融資產之購入目的劃分。管理層於始初確認時為其金融資產分類。

##### (a) 貸款及應收款項

貸款及應收款項為具有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等項目包括於流動資產內，但若到期日由結算日起計超過一年者，則分類為非流動資產。本集團之貸款及應收款項包括資產負債表中之「貿易及其他應收款項」(附註2.14)、「現金及現金等價物」(附註2.15)及「短期存款及投資」。

##### (b) 可供出售金融資產

可供出售金融資產為非衍生金融資產，乃指定須列入此類別或不屬於任何其他類別之金融資產。此等項目包括於非流動資產內，除非投資於結算日起計一年內到期或管理層計劃於結算日起計一年內出售有關投資，則分類為流動資產。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.12 Financial assets (Cont'd)

#### 2.12.2 Recognition and measurement

Regular way purchases and sale of financial assets 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. However, for available-for-sale financial assets that do not have a quoted market price, the range of reasonable fair value estimates is significant and the possibilities of the various estimates cannot be reasonably assessed, is stated at cost. 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 carried at amortised cost using the effective interest method.

Changes in fair value of available-for-sale financial assets are recognised in other comprehensive income until the financial asset is disposed of or determined to be impaired. Dividend income from available-for-sale financial assets is recognised in the consolidated income statement as part of “other income and gains – net” when the Group’s right to receive payments is established. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of “other income and gains – net”.

When available-for-sale securities are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement.

## 2. 重大會計政策概要 (續)

### 2.12 金融資產 (續)

#### 2.12.2 確認及計量

按照一般市場規定或慣例購入及出售的金融資產在交易日予以確認－交易日指本集團承諾購入或出售該資產之日期。所有金融資產投資始初按公允值加交易成本確認。對於某些可供出售金融資產而言，如果沒有可以引用的市場價格、合理估計的公允值區間較大和無法合理估計多種假設的可能性時，則以成本列賬。當從投資收取現金流量的權利經已到期或經已轉讓，而本集團已將擁有權之絕大部份風險和回報轉讓時，金融資產即終止確認。可供出售金融資產其後按公允值列賬。貸款及應收款項以實際利息法按攤銷成本列賬。

可供出售金融資產之公允值變動於其他全面收益中確認，直至金融資產售出或釐定出現減值。來自可供出售金融資產的股息，當本集團收取有關款項的權利確定時，在綜合收益表內確認為「其他收入及收益－淨額」之一部份。可供出售證券採用實際利息法計算的利息在綜合收益表內確認為「其他收入及收益－淨額」之一部份。

當可供出售證券被售出或減值時，於權益中確認的累計公允值調整列入綜合收益表內。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.12 Financial assets (Cont'd)

##### 2.12.3 Impairment of financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. All impairment loss is recognised in the consolidated income statement. In the case of available-for-sale financial assets, a significant or prolonged decline in the fair value below its cost is considered as an indicator that the financial asset is 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 income statement and in equity, is recognised in the income statement. Impairment losses recognised on available-for-sale equity instruments are not subsequently reversed. Impairment testing of trade and other receivables is described in Note 2.14.

#### 2.13 Inventories

Finished goods and work in progress are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, manufacturing cost of subcontractors, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The accounting policy on properties under development is set out in Note 2.7.

### 2. 重大會計政策概要 (續)

#### 2.12 金融資產 (續)

##### 2.12.3 金融資產減值

本集團將於每個結算日評估金融資產或一組金融資產是否出現減值的客觀證據。所有減值虧損於綜合收益表確認。對於分類為可供出售金融資產，公允值若大幅度或長期跌至低於其成本，會被視為金融資產已經顯示減值的跡象。若金融資產存在此等證據，累計虧損—按收購成本與當時公允值的差額，減該金融資產之前在收益表及於權益確認的任何減值虧損計算並在收益表確認。可供出售股權投資之減值虧損將不會於往後期間撥回。貿易及其他應收款項之減值測試載於附註2.14。

#### 2.13 存貨

製成品及在製品按成本值及可變現淨值兩者的較低者列賬。成本採用加權平均法釐定。製成品及在製品的成本包括設計成本、原材料、直接勞工、分包商製造成本、其他直接成本和相關的生產經常開支（依據正常營運能力）。存貨成本不包括借貸成本。可變現淨值為在日常業務過程中的估計銷售價，扣除適用的可變動銷售開支。

在建物業之會計政策載於附註2.7。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.14 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 1 year or less, 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. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the receivable's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the provision is recognised in the income statement within "administrative expenses". When the receivable is uncollectible, it is written off against the allowance account for receivables. 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 income statement.

### 2.15 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other financial institutions and other short-term highly liquid investments with original maturities of 3 months or less.

## 2. 重大會計政策概要 (續)

### 2.14 貿易及其他應收款項

貿易應收款項為在日常業務過程中就商品銷售或服務執行而應收客戶的款項。如貿易及其他應收款項的收回預期在一年或以內，其被分類為流動資產；否則分類為非流動資產。貿易及其他應收款項始初按公允值確認，其後以實際利息法按攤銷成本扣除減值撥備計量。當有客觀證據證明本集團將無法按應收款項的原有條款收回所有款項時，即就貿易及其他應收款項設定減值撥備。債務人出現重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是應收款項顯示減值的跡象。撥備金額為應收款項之賬面值與按原實際利率折現估計未來現金流量之現值之差額。應收款項的賬面值透過使用撥備賬戶削減，而有關的撥備數額則在收益表內的「行政開支」中確認。如應收款項無法收回時，會於應收款項撥備賬戶中予以撇銷。如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損在收益表撥回。

### 2.15 現金及現金等價物

現金及現金等價物包括現金、銀行及其他財務機構通知存款及原到期日為3個月或以下的其他短期高流動性投資。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.16 Share capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.17 Government grants

Government grants are recognised at their fair values where there is a reasonable assurance that the government grant will be received and the Group will comply with all attached conditions. Government grant relating to an asset is included in non-current liabilities, which is credited to the consolidated income statement on a straight-line basis over the expected useful life of the related asset. Government grant relating to an expense item is deferred and recognised as income in the consolidated income statement over the period necessary to match with the cost that it is intended to compensate.

#### 2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within 1 year or less. If not, they are presented as non-current liabilities. Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.19 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 1 year after the balance sheet date.

### 2. 重大會計政策概要 (續)

#### 2.16 股本

普通股歸類為權益。與發行新股或購股權直接有關之增量成本，以除稅淨額沖減發行收入後於權益中列示。

#### 2.17 政府補助

當能夠合理地保證政府補助將可收取，而本集團將會符合所有附帶條件時，則政府補助按其公允價值確認入賬。與資產有關之政府補助列入非流動負債，並按有關資產之估計可使用年期以直線法在綜合收益表中分攤。與開支項目有關之政府補助遞延入賬，並按該開支及補助之間之合理關係在補助之成本發生的期間在綜合收益表中確認為收入。

#### 2.18 貿易應付款項

貿易應付款項為在日常業務過程中就購買供應商提供的商品或服務而應支付的責任。如貿易應付款項的支付日期在一年或以內，其被分類為流動負債；否則分類為非流動負債。貿易應付款項始初按公允價值確認，其後以實際利息法按攤銷成本計量。

#### 2.19 借貸

借貸始初按公允價值並扣除產生的交易成本確認。借貸其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值的任何差額以實際利息法於借貸期間內在收益表確認。

除非本集團有無條件權利將負債的結算遞延至結算日後最少一年，否則借貸分類為流動負債。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.20 Current and deferred taxation

The taxation expense comprises current and deferred taxation. Tax is recognised in the consolidated income statement, 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.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries 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.

#### (b) Deferred taxation differences

##### (i) Inside basis differences

Deferred taxation 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, the deferred taxation is not recognised 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 taxation is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## 2. 重大會計政策概要 (續)

### 2.20 當期及遞延稅項

稅項開支包括當期和遞延稅項。稅項在綜合收益表中確認，但與其他全面收益或直接在權益中確認的項目有關者則除外。在該等情況下，稅項亦在其他全面收益或權益中確認。

#### (a) 當期所得稅支出

當期所得稅支出根據本公司及其附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅的狀況，並在適當情況下根據預期須向稅務機關支付的稅款設定撥備。

#### (b) 遞延稅項差異

##### (i) 內在差異

遞延稅項以負債法就資產和負債的稅基與資產和負債在綜合財務報表的賬面值之暫時差異確認。然而，若遞延稅項來自在交易（不包括業務合併）中對資產或負債的始初確認，而在交易時不影響會計盈虧或應課稅盈虧，則不予確認。遞延稅項採用在結算日已頒佈或實質頒佈，並預期在變現有關於遞延稅項資產或償付遞延稅項負債時適用之稅率（及法例）而釐定。

倘日後應課稅溢利很有可能抵銷可動用之暫時差異，暫時差異方會確認為遞延稅項資產。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.20 Current and deferred taxation (Cont'd)

(b) *Deferred taxation differences (Cont'd)*

(ii) *Outside basis differences*

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred 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 when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognised.

Deferred 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.

(c) *Offsetting*

Deferred 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 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.

### 2. 重大會計政策概要 (續)

#### 2.20 當期及遞延稅項 (續)

(b) *遞延稅項差異 (續)*

(ii) *外在差異*

就附屬公司、聯營公司及合營安排投資所產生之應課稅暫時差異確認遞延所得稅負債，但不包括本集團可以控制暫時差異之撥回時間以及暫時差異在可預見將來很可能不會撥回的遞延所得稅負債。一般而言，本集團無法控制聯營公司之暫時差異之撥回。聯營公司之未分配溢利所產生之應課稅暫時差異不予確認為遞延稅項負債，惟若有協議賦予本集團能力在可預見將來控制撥回暫時差異除外。

就附屬公司、聯營公司及合營安排投資產生之可扣減暫時差異確認遞延稅項資產，但只限於暫時差異很可能於將來撥回並有充足的應課稅溢利抵銷可動用的暫時性差異。

(c) *抵銷*

當有法定可執行權力將當期稅項資產與當期稅項負債抵銷，且遞延稅項資產和負債涉及由同一稅務機關向應課稅實體或不同應課稅實體徵收的所得稅，並有意按淨額結算餘款，則可將遞延稅項資產與負債互相抵銷。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.21 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 of resources 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 of resources with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of 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.

### 2.22 Employee benefits

#### (a) Pension obligations

The Group operates a mandatory provident fund scheme ("MPF Scheme") for the eligible employees in Hong Kong. The MPF Scheme is a defined contribution scheme, the assets of which are held in separate trustee – administered funds. The Group's contributions to MPF Scheme are expensed as incurred.

The Group's subsidiaries operating in the PRC have to make contribution to staff retirement scheme managed by local government authorities in accordance with the relevant rules and regulations. Contributions to these schemes are charged to the income statement as and when incurred. The Group has no legal or constructive obligations to pay further contributions.

## 2. 重大會計政策概要 (續)

### 2.21 撥備

本集團因已發生的事件而須要承擔現有的法律或推定責任；很有可能需要付出資源以償付有關責任及金額已經可靠估計情況下確認撥備。不就未來營運虧損確認撥備。

如有多項類似責任，是否需要為償付而付出資源，則需根據該責任類別整體考慮。即使在同一責任類別所包含的其中某一個項目付出資源的可能性極低，仍須確認撥備。

撥備採用稅前利率折現預期需償付有關責任的開支的現值計量，該利率反映當時市場對金錢時間值和有關責任特定風險的評估。因時間流逝而增加的撥備確認為利息開支。

### 2.22 僱員福利

#### (a) 退休金責任

本集團為香港之合資格僱員設立一項強制性公積金計劃（「強積金計劃」）。該強積金計劃乃一項定額供款計劃，其資產由獨立信託管理基金持有。本集團對強積金計劃之供款於產生時列作開支。

本集團在中國營運之附屬公司須根據相關法例及法規，向由中國有關地方政府機關管理之職工退休計劃供款。對該等退休計劃之供款於產生時計入收益表。本集團並無法律或推定責任作進一步供款。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.22 Employee benefits (Cont'd)

##### (b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### (c) Bonus plans

The expected cost of bonuses is recognised as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made.

Liabilities for profit sharing and bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

#### 2.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not provided for as a provision but is disclosed in the notes to the financial statements. When a change in the probability of an outflow of resources occurs so that the outflow is probable, they will then be recognised as a provision.

### 2. 重大會計政策概要 (續)

#### 2.22 僱員福利 (續)

##### (b) 僱員休假權益

僱員在年假之權益在僱員應享有時確認，本集團為截至結算日止僱員已提供之服務而產生之年假之估計負債作出撥備。

僱員之病假及產假權益不予確認，直至僱員正式休假為止。

##### (c) 獎勵計劃

當本集團因為僱員已提供之服務而產生現有法律或推定支付獎勵之責任，而責任金額能可靠估計時，則將獎勵之預計成本確認為負債。

利潤分享及獎勵計劃之負債預期須在一年內償付，並根據在償付時預期會支付之金額計算。

#### 2.23 或有負債

或有負債乃因已發生的事件而可能產生的責任，並僅視乎日後會否出現一項或多項非本集團可完全控制的不可確定事件而確認其存在。或有負債亦可因已發生的事件而產生的現有責任，但由於未能肯定是否需要付出資源或未能可靠地估計有關責任的金額而不予確認。

或有負債並不確認為撥備，但於財務報表附註中披露。當資源流出的可能性有變而導致可能付出資源，或有負債將確認為撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.24 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods, net of value-added tax, returns, rebates and discounts. Revenue is recognised when the goods are delivered to customers, the customers have accepted the goods or the product quality inspection time period has lapsed and collectability of the related receivables is reasonably assured.

Revenue from sales of properties is recognised when the risks and rewards of properties are transferred to the purchasers, which is when the construction of relevant properties has been completed and the properties have been delivered to the purchasers and collectability of related receivables is reasonably assured. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the consolidated balance sheet as advances from customers under current liabilities.

Interest income is recognised on a time-proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Rental income from investment properties is recognised in the income statement on a straight-line basis over the term of the lease.

Dividend income is recognised when the right to receive payment is established.

### 2.25 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. 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. All other borrowing costs are recognised in the consolidated income statement in the period in which they are incurred.

## 2. 重大會計政策概要 (續)

### 2.24 收入確認

收入包括銷售產品已收或應收對價之公允值，扣除增值稅、退貨、回扣及折扣。收入於產品已交付予顧客，而顧客已接受產品或產品質量檢查期屆滿時及合理地確定能收取有關應收款項時確認。

銷售物業的收入於物業的風險及回報轉移予買家時，即有關物業建築工程完成及物業已交付買家，且已合理確定可收回有關應收款項時確認。於收入確認日期前就售出物業收取的按金及分期付款計入綜合資產負債表中流動負債項下的客戶預付款項。

利息收入按尚未收回之本金及適用之利率以時間比例基準而確認。

投資物業的租金收入按租賃期採用直線法於收益表內確認。

股息收入於其獲派付之權利確立時確認入賬。

### 2.25 借貸成本

可直接歸屬且需經較長時間的購、建或生產方能達至預定可使用或出售狀態的合資格資產的一般及特定借貸成本，計入該等資產的成本，直至達至其預定可使用或出售狀況為止。尚未使用於合資格資產的特定借貸作短期投資賺取的投資收入，於合資格資本化的借貸成本中扣除。所有其他借貸成本於其產生期間於綜合收益表內確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 2.26 Operating leases

Leases in which substantially all 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 income statement on a straight-line basis over the period of the lease.

#### 2.27 Research and development costs

Research costs are expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development of the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product cost includes employee costs for software development and an appropriate portion of relevant overheads. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

### 2. 重大會計政策概要 (續)

#### 2.26 經營租賃

凡擁有權的絕大部份風險及回報乃歸出租人所有的租賃，均歸類為經營租賃。根據經營租賃需支付之款項（扣除出租人給予之任何獎勵），乃於租賃期內以直線法在綜合收益表內確認為費用。

#### 2.27 研究及開發成本

研究成本於產生時列作開支。當能證明能符合以下所有各項條件時，投放於設計和測試中的可識別和獨特軟件產品的直接開發成本可確認為無形資產：

- 在技術上完成該軟件產品以使其可供使用是可行的；
- 管理層有意圖完成並使用或出售該軟件產品；
- 有能力使用或出售該軟件產品；
- 可證實該軟件產品如何產生很有可能出現的未來經濟利益；
- 有足夠的技術、財務和其他資源完成開發該軟件產品；及
- 該軟件產品在開發期內應佔的開支能可靠地計量。

可資本化成為軟件產品成本的直接成本包括軟件開發的僱員成本和適當比例的相關經常開支。與維護電腦軟件程序有關的成本在產生時確認為開支。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

### 2.27 Research and development costs (Cont'd)

Other development costs that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised using straight-line method over their estimated useful lives, which does not exceed three years.

### 2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or the Board, where appropriate.

## 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, cash flow and fair value interest rate risk), credit risk and liquidity risk. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### (a) Foreign exchange risk

The foreign exchange risks of the Group occurred due to the fact that the Group had some business activities denominated in foreign currencies. The Group's business activities are primarily exposed to foreign exchange risk in respect of HK dollar against RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the entity's functional currency. In additions, the conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

## 2. 重大會計政策概要 (續)

### 2.27 研究及開發成本 (續)

不符合以上條件的其他開發成本在產生時確認為開支。過往確認為開支的開發成本不會在往後期間確認為資產。

確認為資產的電腦軟件開發成本乃以直線法按估計不超過三年之可使用年期攤銷。

### 2.28 股息分派

向本公司股東派付的股息在股息獲本公司股東或董事會(按適當)批准的期間內於本集團及本公司的財務報表內列為負債。

## 3. 財務風險管理

### 3.1 財務風險因素

本集團之經營活動承受各種不同財務風險：市場風險(包括外匯風險、現金流量及公允值利率風險)、信貸風險及流動資金風險。管理層對該等風險進行管理及監察，確保能按時有效地採取適當措施。

#### (a) 外匯風險

本集團承受外匯風險之原因是本集團之若干業務活動以外幣結算。本集團之業務主要面臨就港元兌人民幣匯率變動產生之外匯風險。外匯風險因未來商業交易及已確認之資產及負債以相關實體功能貨幣以外之其他貨幣計值而產生。另外，人民幣兌換外幣須遵守中國政府頒佈之外匯管制法規。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (a) Foreign exchange risk (Cont'd)

To manage its foreign exchange risk arising from future commercial transactions and recognised assets and liabilities, the Group uses forward contracts, when appropriate, to hedge anticipated cash flows in major foreign currencies.

If HK dollar had strengthened/weakened by 5% against RMB with all other variables held constant, the post-tax profit for the year ended 31 December 2016 would have been HK\$2,423,000 lower/higher (2015: HK\$340,000 higher/lower), mainly as a result of foreign exchange gains or losses on translation of HK dollar denominated cash and cash equivalents, and bank and other borrowings.

As less than 10% of the Group's foreign currency transactions are denominated in other foreign currencies, the Board is of the view that foreign exchange risk in relation to transactions denominated in other foreign currencies is low. Therefore, no sensitivity analysis for these currencies is presented.

##### (b) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from interest-bearing assets such as deposits held in banks and other financial institutions, entrusted loans and short-term investments. The average interest rate on deposits held in banks and other financial institutions at 31 December 2016 was approximately 2.53% (2015: 1.87%) per annum. The average interest rate on short-term investments at 31 December 2015 was approximately 3.50% per annum. The entrusted loan to an associate at 31 December 2015 bore interest at 9% per annum. Any change in the interest rate from time to time is not considered to have significant impact to the Group's performance.

### 3. 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (a) 外匯風險 (續)

為了管理來自未來商業交易及已確認之資產及負債之外匯風險，本集團於適時利用遠期合約對沖主要外幣的預期現金流量。

倘港元兌人民幣升值／貶值5%，而所有其他變量均不變，則截至2016年12月31日止年度之除稅後溢利會減少／增加2,423,000港元（2015年：增加／減少340,000港元），主要由於換算以港元計值之現金及現金等價物和銀行及其他借貸時產生之外匯收益或虧損所致。

由於本集團少於10%之外幣交易以其他貨幣計值，故董事會認為有關以其他貨幣計值交易之外匯風險甚微。因此，並無就此等貨幣呈列敏感性分析。

##### (b) 現金流量及公允值利率風險

本集團之利率風險來自付息資產，當中包括銀行及其他財務機構之存款，委託貸款及短期投資。於2016年12月31日，存放於銀行及其他財務機構之存款之平均年利率約為2.53%（2015年：1.87%）。於2015年12月31日，短期投資之平均年利率約為3.50%。於2015年12月31日，提供予聯營公司之委託貸款按年利率9%計息。不時頒佈利率之任何變動對本集團之業績並無重大影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (b) Cash flow and fair value interest rate risk (Cont'd)

In addition, the Group's interest rate risk which affects its results and operating cash flows also arises from interest-bearing liabilities such as bank and other borrowings and unsecured corporate bonds. The bank and other borrowings were at fixed and variable rates and the unsecured corporate bonds were at fixed rate and exposed the Group to fair value interest rate risk. The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The Group's interest-bearing bank and other borrowings at fixed rate and variable rate were as follows:

### 3. 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (b) 現金流量及公允值利率風險 (續)

此外，影響本集團業績及經營現金流量之利率風險亦來自付息負債，當中包括銀行及其他借貸及無抵押企業債券。銀行及其他借貸為定息及浮動利息，無抵押企業債券為定息，並使本集團承擔公允值利率風險。本集團現時並無利率對沖政策。然而，管理層會監控利率風險，並將於必要時考慮對沖重大的利率風險。

本集團之定息及浮動利息的付息銀行及其他借貸如下：

		<b>31 December 2016</b> 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
Borrowings at fixed rate	定息借貸	<b>357,309</b>	17,904
Borrowings at variable rate	浮動利息借貸	<b>120,312</b>	–
		<b>477,621</b>	17,904

If the interest rate on variable rate borrowings had been higher/lower by 50 basis points with all other variables held constant, the post-tax profit for the year ended 31 December 2016 would have been HK\$502,000 lower/higher (2015: nil), mainly as a result of higher/lower interest expenses on variable rate borrowings.

倘浮動利息借貸之利率增加／減少50個基點，而所有其他變量均不變，則截至2016年12月31日止年度之除稅後溢利會減少／增加502,000港元（2015年：無），主要由於浮動利息借貸之利息支出增加／減少。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Cont'd)

#### 3.1 Financial risk factors (Cont'd)

##### (c) Credit risk

The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents, short-term deposits and investments and trade and other receivables. The maximum exposure to credit risk at the balance sheet date is their carrying value. The Group has policies and procedures in place to ensure they are made to counterparties with acceptable credit quality.

All the Group's deposits with banks and other financial institutions and short-term investments are placed or invested in high quality financial institutions without significant exposure to credit risk.

For trade and other receivables, the credit quality of the counterparties is assessed by taking into account their financial position, credit history and other factors. Individual credit limits are set based on the assessment of the credit quality. Given the constant repayment history, the Board is of the opinion that the risk of default by these counterparties is not significant. Further disclosure on credit risk are set out in Note 21.

##### (d) Liquidity risk

Prudent liquidity risk management, including maintaining sufficient working capital, the availability of funding through an adequate amount of committed borrowing facilities and the ability to close out market positions is adopted. Due to the dynamic nature of the underlying businesses, the Group maintains flexibility in funding by ensuring sufficient committed borrowing facilities are available.

### 3. 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

##### (c) 信貸風險

本集團並無高度集中之信貸風險。信貸風險因現金及現金等價物、短期存款及投資和貿易及其他應收款項而產生。於結算日面對之最高信貸風險為其賬面值。本集團已定下程序及政策，確保交易方之信貸質素為可以接受水平。

本集團所有於銀行及其他財務機構之存款以及短期投資均存於或投於並無重大信貸風險之優質財務機構。

就貿易及其他應收款項而言，交易對手之信貸質素透過考慮其財務狀況、信貸記錄及其他因素而作出評估。個別信貸限額按照信貸質素評估而訂定。鑒於穩定之還款記錄，董事會認為該等交易對手拖欠款項之風險並不大。有關信貸風險之進一步詳情載於附註21內。

##### (d) 流動資金風險

本集團採納審慎之流動資金風險管理，包括透過維持足夠營運資金、充裕之已承諾借貸備用額以提供充足可供動用資金及處理市場平倉之能力。鑒於相關業務多變之特性，本集團通過確保足夠可供動用之已承諾借貸備用額，藉以維持資金供應之靈活性。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Cont'd)

#### 3.1 Financial risk factors (Cont'd)

(d) Liquidity risk (Cont'd)

The table below analyses the Group's financial liabilities by maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows of the financial liabilities.

### 3. 財務風險管理 (續)

#### 3.1 財務風險因素 (續)

(d) 流動資金風險 (續)

下表載列本集團將結算之金融負債，此乃按照相關到期組別，根據由結算日至合約到期日之剩餘期間進行分析。於表中披露之金融負債金額乃根據合約之未折現現金流量計算。

		31 December 2016 2016年12月31日		
		Within 1 year 一年內	More than 1 year but less than 2 years 一年以上 但不超過兩年	Total 合計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Unsecured corporate bonds	無抵押企業債券	3,146,555	–	3,146,555
Bank and other borrowings	銀行及其他借貸	488,573	–	488,573
Trade and other payables (excluding salary and welfare payables and other taxes payables)	貿易及其他應付款項 (不包括應付薪酬及 其他應付稅項)	723,355	–	723,355
		<b>4,358,483</b>	<b>–</b>	<b>4,358,483</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 3. FINANCIAL RISK MANAGEMENT

(Cont'd)

##### 3.1 Financial risk factors (Cont'd)

(d) Liquidity risk (Cont'd)

#### 3. 財務風險管理 (續)

##### 3.1 財務風險因素 (續)

(d) 流動資金風險 (續)

		31 December 2015 2015年12月31日		
		More than 1 year but less than 2 years	Within 1 year	Total
		一年以上 但不超過兩年	一年內	合計
		HK\$'000	HK\$'000	HK\$'000
		(Restated)	(Restated)	(Restated)
		(重列)	(重列)	(重列)
Unsecured corporate bonds	無抵押企業債券	154,277	3,359,623	3,513,900
Bank and other borrowings	銀行及其他借貸	18,818	–	18,818
Trade and other payables (excluding salary and welfare payables and other taxes payables)	貿易及其他應付款項 (不包括應付薪酬及 其他應付稅項)	513,455	–	513,455
		686,550	3,359,623	4,046,173

##### 3.2 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which includes bank and other borrowings and unsecured corporate bonds, and equity attributable to owners of the Company, which comprises issued equity and reserves.

##### 3.2 資本風險管理

本集團實行資本管理是要確保本集團之實體將可持續經營，並透過優化債務及權益結餘為權益持有人帶來最大回報。本集團整體策略保持與以前年度一致。

本集團之資本結構包括債務（包括銀行及其他借貸及無抵押企業債券），及本公司權益所有者應佔權益（包括已發行權益及儲備）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 3. FINANCIAL RISK MANAGEMENT

(Cont'd)

#### 3.2 Capital risk management (Cont'd)

The Group monitors capital risk using a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the consolidated balance sheets, plus net debt.

The Group's gearing ratio as at 31 December 2016 and 2015 is as follows:

### 3. 財務風險管理 (續)

#### 3.2 資本風險管理 (續)

本集團採用資本負債比率監察資本風險。此比率乃以債務淨額除以資本總額計算。債務淨額按借貸總額減現金及現金等價物計算。資本總額按綜合資產負債表所列示之權益加債務淨額計算。

於2016年及2015年12月31日，本集團之資本負債比率如下：

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
Bank and other borrowings (Note 29)	銀行及其他借貸 (附註29)	477,621	17,904
Unsecured corporate bonds (Note 26)	無抵押企業債券 (附註26)	3,069,502	3,258,479
Less: Cash and cash equivalents (Note 24)	減：現金及現金等價物 (附註24)	(911,917)	(777,065)
Net debt	債務淨額	2,635,206	2,499,318
Total equity	權益總額	1,680,649	1,550,975
Total capital	資本總額	4,315,855	4,050,293
Gearing ratio	資本負債比率	61.06%	61.71%

In the opinion of the Board, the Group's capital risk is not significant.

#### 3.3 Fair value estimation

Financial instruments measured at fair value are grouped into Levels 1 to 3, based on the degree to which the fair value is observable, as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.

董事會認為本集團面對之資本風險不重大。

#### 3.3 公允價值估計

以公允價值計量之金融工具按其可觀察公允價值程度分類為下列一至三級：

- 第一級公允價值計量乃自相同資產或負債於活躍市場中之報價（未經調整）得出。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 3. FINANCIAL RISK MANAGEMENT

(Cont'd)

##### 3.3 Fair value estimation (Cont'd)

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Movements in the financial assets that are measured at fair value during the year are as follows:

#### Available-for-sale

##### financial assets

##### – Wealth management products

可供出售金融資產  
– 財富管理產品

#### 3. 財務風險管理 (續)

##### 3.3 公允值估計 (續)

- 第二級公允值計量乃除第一級所包括之報價外，自資產或負債可直接（即價格）或間接（自價格衍生）觀察之數據得出。
- 第三級公允值計量乃以使用資產或負債之非可觀察市場數據（難以觀察之數據）估值方法得出。

本年度以公允值計量之金融資產之變動如下：

		Level 1	Level 2	Level 3	Total
		第一級	第二級	第三級	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>At 1 January 2015</b>	<b>於2015年1月1日</b>	–	–	114,087	114,087
Exchange differences	匯兌差額	–	–	(8,128)	(8,128)
Additions	增加	–	–	759,939	759,939
Disposals	出售	–	–	(676,884)	(676,884)
Transfer to disposal group classified as held for sale	轉撥到分類為持作 出售之出售組別	–	–	(41,777)	(41,777)
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>	–	–	147,237	147,237
<b>At 1 January 2016</b>	<b>於2016年1月1日</b>	–	–	<b>147,237</b>	<b>147,237</b>
Exchange differences	匯兌差額	–	–	<b>(4,951)</b>	<b>(4,951)</b>
Disposals	出售	–	–	<b>(105,037)</b>	<b>(105,037)</b>
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>	–	–	<b>37,249</b>	<b>37,249</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

#### 4.1 Income tax and deferred taxation

The Group is subject to income tax in different jurisdictions. Estimation and judgment is required in determining the amount of the provision for income tax. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact on the income tax and deferred taxation provisions in the period in which such determination is made.

In accordance with the corporate income tax laws in the PRC, a 10% withholding tax will be levied on the dividend declared by the companies established in the PRC to their foreign investors starting from 1 January 2008. During the year, the Board reassessed the dividend policy of its major subsidiary established in the PRC, Huada Electronics, based on the Group's current business plan and financial position, certain retained earnings generated by Huada Electronics would be distributed to its non-PRC registered intermediate holding company and as such, deferred tax liabilities in this respect was provided in the year to the extent that such earnings are estimated by the Board to be distributed in the foreseeable future.

No deferred tax liability has been provided by the Group for the earnings of HK\$492,885,000 (2015: HK\$884,335,000) expected to be retained by the subsidiaries in the PRC and not to be remitted out of the PRC in the foreseeable future.

### 4. 主要會計估計及判斷

#### 4.1 所得稅及遞延稅項

本集團須於不同司法權區繳納所得稅。於釐定所得稅項撥備之金額時，需作出估計及判斷。於日常業務過程中存在交易及計算均難以確定其最終之稅務釐定。倘該等事項之最終稅務結果有別於始初確認之金額，該等差異的釐定將對當期之所得稅及遞延稅項撥備產生影響。

根據中國企業所得稅法，自2008年1月1日起，對在中國成立的公司向其海外投資者分派的股息徵收10%的預扣所得稅。於本年內，董事會基於本集團現時業務計劃及財務狀況重新審視成立於中國之主要附屬公司華大電子的股息政策，華大電子的若干保留溢利將分派予其中國境外的中間控股公司。因此，以董事會估計於可預見將來分派的溢利為基礎，於本年度就有關遞延稅項負債作出撥備。

本集團並無就預期由中國附屬公司保留且不會於可預見未來分派出中國境外金額為492,885,000港元（2015年：884,335,000港元）的溢利撥備遞延稅項負債。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (Cont'd)

#### 4.2 Impairment of trade and other receivables

Management reviews its trade and other receivables for objective evidence of impairment. Significant financial difficulty of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as objective evidence that a receivable is impaired. In determining this, management makes judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect on the market and economic environment in which the debtor operates. Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recognised as an expense.

Provision for impairment of trade and other receivables of the Group at 31 December 2016 is HK\$32,452,000 (2015: HK\$17,311,000).

### 5. REVENUE AND SEGMENT INFORMATION

The Group is engaged in the following two operating segments:

- Design and sale of integrated circuit chips; and
- Development and management of electronic information technology industrial parks.

As disclosed in Note 11, the development and management of electronic information technology industrial parks operating segment was disposed of on 30 June 2016 and was classified as discontinued operation of the Group accordingly.

### 4. 主要會計估計及判斷 (續)

#### 4.2 貿易及其他應收款項減值

管理層審閱其貿易及其他應收款項有否客觀減值證據。債務人出現重大財務困難、債務人可能破產或進行財務重組，以及拖欠或逾期付款，均被視為是應收款項有客觀減值證據。在釐定減值時，管理層需判斷有否可觀察數據顯示債務人的還款能力有重大變動，或有否對債務人業務所在的市場及經濟環境構成不利影響的重大變動。如有客觀減值證據，管理層判斷有否減值虧損應確認為開支。

本集團於2016年12月31日的貿易及其他應收款項減值撥備為32,452,000港元（2015年：17,311,000港元）。

### 5. 收入及分部資料

本集團目前營運以下兩個營運分部：

- 集成電路芯片之設計及銷售；及
- 電子信息技術產業園之發展及管理。

誠如附註11所披露，電子信息技術產業園之發展及管理營運分部已於2016年6月30日售出，因此，該營運分部被分類為本集團已終止經營之業務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Management has determined the operating segments based on the reports reviewed by the directors (the chief operating decision maker) that are used to assess performance and allocate resources. The Board assesses the performance of the two operating segments based on a measure of operating profit excluding unallocated corporate interest income and expenses. The segment revenue and results are as follows:

For the year ended 31 December 2016

### 5. 收入及分部資料 (續)

管理層已根據董事(主要營運決策者)已審閱作評估表現及分配資源用的報告,確定營運分部。董事會根據該兩個營運分部之經營溢利(不包括未分配的公司利息收入及開支)以評估其表現。各分部的收入及業績呈列如下:

截至2016年12月31日止年度

		Continuing operations – Design and sale of integrated circuit chips 持續經營之業務 – 集成電路芯片之設計及銷售 HK\$'000 千港元	Discontinued operation – Development and management of electronic technology industrial parks 已終止經營之業務 – 電子信息技術產業園之發展及管理 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Segment revenue	分部收入			
Sale of integrated circuit products	銷售集成電路產品	1,358,953	–	1,358,953
Rental income from investment properties	投資物業的租金收入	–	19,008	19,008
		1,358,953	19,008	1,377,961
Share of result of a joint venture	應佔一間合營公司業績	1,039	–	1,039
Fair value gains on investment properties (Impairment provision)/reversal of impairment provision	投資物業的公允值收益減值(撥備)/撥回	–	45,395	45,395
Depreciation and amortisation expenses	折舊及攤銷費用	(47,350)	312	(47,038)
Gain on disposal of the discontinued operation	出售已終止經營之業務之收益	(52,806)	–	(52,806)
		–	620,794	620,794
Segment results	分部業績	125,074	655,784	780,858
Share of result of an associate	應佔一間聯營公司業績			455,513
Unallocated corporate interest income	未分配的公司利息收入			76,598
Unallocated corporate expenses	未分配的公司開支			(41,507)
Finance costs – net	融資成本 – 淨額			(170,326)
Profit before taxation	除稅前溢利			1,101,136



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

For the year ended 31 December 2015

#### 5. 收入及分部資料 (續)

截至2015年12月31日止年度

		Continuing operations – Design and sale of integrated circuit chips 持續經營之業務 – 集成電路芯片之設計及銷售 HK\$'000 千港元 (Restated) (重列)	Discontinued operation – Development and management of electronic information technology industrial parks 已終止經營之業務 – 電子信息技術產業園之發展及管理 HK\$'000 千港元	Total 合計 HK\$'000 千港元 (Restated) (重列)
Segment revenue	分部收入			
Sale of integrated circuit products	銷售集成電路產品	1,720,099	–	1,720,099
Rental income from investment properties	投資物業的租金收入	–	13,291	13,291
		1,720,099	13,291	1,733,390
Share of result of an associate	應佔一間聯營公司業績	–	44,276	44,276
Share of result of a joint venture	應佔一間合營公司業績	(13)	(2,571)	(2,584)
Fair value gains on investment properties	投資物業的公允值收益	–	95,649	95,649
Impairment provision	減值撥備	(46,610)	(156)	(46,766)
Depreciation and amortisation expenses	折舊及攤銷費用	(59,578)	(5,040)	(64,618)
Segment results	分部業績	179,686	123,019	302,705
Unallocated corporate interest income	未分配的公司利息收入			118,336
Unallocated corporate expenses	未分配的公司開支			(42,160)
Finance costs – net	融資成本 – 淨額			(167,079)
Profit before taxation	除稅前溢利			211,802

Unallocated corporate interest income and expenses are common income and expenses generated from the operating segments as a whole and therefore they are not included in the measure of the segments' performance.

未分配的公司利息收入及開支為營運分部整體上產生的共同收入及開支，故並未納入分部表現的計算當中。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 5. REVENUE AND SEGMENT INFORMATION (Cont'd)

Revenues of HK\$296,322,000 (2015: HK\$213,306,000) and HK\$164,778,000 (2015: HK\$173,697,000), respectively, are derived from 2 external customers of the Group. These revenues are attributable to the operating segment of design and sale of integrated circuit chips. Save as disclosed herein, no revenues derived from a single external customer have exceeded 10% of the total revenues of the Group.

Nearly 100% of the Group's revenue is attributable to the market in the PRC and over 90% of the Group's non-current assets are located in the PRC. No geographical information is therefore presented.

### 5. 收入及分部資料 (續)

為數296,322,000港元(2015年: 213,306,000港元)及164,778,000港元(2015年: 173,697,000港元)之收入分別來自本集團之兩名外界客戶。該等收入歸屬於集成電路芯片之設計及銷售之營運分部。除本文所披露者外,並無其他來自單一外界客戶之收入超過本集團總收入之10%。

鑒於本集團接近100%之收入來自於中國市場且超過90%之非流動資產位於中國,故並無披露地區性資料。

### 6. OTHER INCOME AND GAINS – NET

### 6. 其他收入及收益 – 淨額

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營之業務</b>		
Government grants	政府補助	95,048	142,651
Exchange losses	匯兌虧損	(4,937)	(4,504)
Interest income on short-term deposits and investments	短期存款及投資利息收入	2,059	57,101
Interest income on entrusted loans	委託貸款利息收入	48,502	–
Interest income on available-for-sale financial assets	可供出售金融資產利息收入	2,501	6,064
Others	其他	(526)	(7,986)
		<b>142,647</b>	<b>193,326</b>
<b>Discontinued operation</b>	<b>已終止經營之業務</b>		
Government grants	政府補助	2,371	6,784
Fair value gains on investment properties	投資物業的公允值收益	45,395	95,649
Interest income on entrusted loans	委託貸款利息收入	23,249	52,827
Interest income on available-for-sale financial assets	可供出售金融資產利息收入	287	2,344
Others	其他	(29)	3,651
		<b>71,273</b>	<b>161,255</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 7. EXPENSES BY NATURE

Expenses included in cost of sales, selling and marketing costs and administrative expenses are analysed as follows:

#### 7. 按性質劃分之費用

列作銷售成本、銷售及市場推廣成本和行政開支之費用分析如下：

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營之業務</b>		
Depreciation and amortisation expenses (Notes 14, 15 and 16)	折舊及攤銷費用 (附註14、15及16)	52,806	59,578
Employee benefit expenses (Note 8)	僱員福利開支 (附註8)	261,315	275,373
Changes in inventories of finished goods and work in progress	製成品及在製品 存貨變動	39,355	219,812
Raw materials and consumables used	所用原材料及消耗品	783,275	825,115
Impairment provision for trade and other receivables (Note 21)	貿易及其他應收款項之減值 撥備 (附註21)	16,947	5,914
Provision for inventories (Note 20)	存貨之撥備 (附註20)	30,403	40,696
Operating lease expenses on properties	物業之經營租賃開支	20,136	20,674
Auditor's remuneration	核數師酬金	3,712	6,787
<b>Discontinued operation</b>	<b>已終止經營之業務</b>		
Depreciation and amortisation expenses	折舊及攤銷費用	-	5,040
Employee benefit expenses (Note 8)	僱員福利開支 (附註8)	14,140	19,414
(Reversal of impairment)/impairment provision for trade and other receivables	貿易及其他應收款項之減值 (撥回)/撥備	(312)	156
Operating lease expenses on properties	物業之經營租賃開支	175	817
Auditor's remuneration	核數師酬金	-	335

Research and development costs for the continuing operations for the year ended 31 December 2016 were HK\$276,801,000 (2015: HK\$396,694,000) and mainly comprised of employee costs of HK\$158,638,000 (2015: HK\$191,999,000) and material costs of HK\$44,683,000 (2015: HK\$107,660,000). No research and development costs were capitalised during the year ended 31 December 2016 (2015: nil).

截至2016年12月31日止年度持續經營之業務之研究及開發成本為276,801,000港元(2015年: 396,694,000港元), 主要包括僱員成本158,638,000港元(2015年: 191,999,000港元)及材料成本44,683,000港元(2015年: 107,660,000港元)。於截至2016年12月31日止年度內, 並無研究及開發成本予以資本化(2015年: 無)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 8. EMPLOYEE BENEFIT EXPENSES

### 8. 僱員福利開支

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>			
Salaries, allowances and benefits in kind	持續經營之業務 薪金、津貼及實物福利	227,972	236,837
Contributions to retirement schemes (Notes (a) and (b))	退休計劃供款 (附註(a)及(b))	33,343	38,536
		<b>261,315</b>	<b>275,373</b>
<b>Discontinued operation</b>			
Salaries, allowances and benefits in kind	已終止經營之業務 薪金、津貼及實物福利	13,078	17,255
Contributions to retirement schemes (Note (b))	退休計劃供款 (附註(b))	1,062	2,159
		<b>14,140</b>	<b>19,414</b>

(a) The Group operates a MPF Scheme for the eligible employees in Hong Kong. The Group's contributions to MPF Scheme are expensed as incurred.

(b) The Company's PRC subsidiaries participate in defined contribution retirement scheme based on laws and regulations in the PRC. The local government authority of the PRC is responsible for the pension liabilities to these retired employees in the PRC. These PRC subsidiaries made contributions to retirement schemes in the PRC and are expensed as incurred.

(a) 本集團為其香港合資格僱員設立強積金計劃。本集團對強積金計劃之供款於產生時列作開支。

(b) 本公司在中國之附屬公司根據中國法例及規例參與定額供款退休計劃。中國有關地方政府機關負責該等中國退休僱員之退休金責任。該等中國附屬公司對退休計劃作出供款並於產生時列作開支。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 8. EMPLOYEE BENEFIT EXPENSES (Cont'd)

##### (c) Five highest paid individuals

The emoluments payable to the five highest paid individuals of the Group during the year are as follows:

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,530	3,429
Bonuses	花紅	7,485	17,859
Contributions to retirement schemes	退休計劃供款	499	281
		<b>12,514</b>	<b>21,569</b>

The emoluments of the five highest paid individuals included one director (2015: two) and their emoluments were within the following bands:

		Number of individuals 人數	
		2016 2016年	2015 2015年
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	1	–
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	2	1
HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元	2	–
HK\$4,000,001 – HK\$4,500,000	4,000,001港元 – 4,500,000港元	–	1
HK\$5,000,001 – HK\$5,500,000	5,000,001港元 – 5,500,000港元	–	3
		<b>5</b>	<b>5</b>

During the year, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

#### 8. 僱員福利開支 (續)

##### (c) 五名最高薪酬人士

年內應付予本集團五名最高薪酬人士之酬金如下：

五名最高薪酬人士包括一名(2015年：兩名)董事而彼等之酬金介乎以下範圍：

年內，本集團並無向五名最高薪酬人士支付任何酬金作為加盟本集團或加盟時之獎勵或作為離任之補償。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 9. FINANCE COSTS – NET

### 9. 融資成本－淨額

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營之業務</b>		
Finance costs:	融資成本：		
– Interest expense on borrowings	– 借貸利息支出	<b>188,572</b>	180,592
Finance income:	融資收入：		
– Interest income on cash and cash equivalents	– 現金及現金等價物利息收入	<b>(19,953)</b>	(33,009)
Finance costs – net	融資成本－淨額	<b>168,619</b>	147,583
<b>Discontinued operation</b>	<b>已終止經營之業務</b>		
Finance costs:	融資成本：		
– Interest expense on borrowings	– 借貸利息支出	<b>3,703</b>	45,389
Less: Amounts capitalised on properties under development (Note (a))	減：在建物業的資本化金額(附註(a))	<b>(1,496)</b>	(20,762)
		<b>2,207</b>	24,627
Finance income:	融資收入：		
– Interest income on cash and cash equivalents	– 現金及現金等價物利息收入	<b>(500)</b>	(5,131)
Finance costs – net	融資成本－淨額	<b>1,707</b>	19,496

(a) The capitalisation rate applied to funds borrowed generally and used for the qualifying assets was 5.25% for the year ended 31 December 2016 (2015: 4.60%).

(a) 截至2016年12月31日止年度，一般借入及用於合資格資產的資金所適用之資本化比率為5.25%（2015年：4.60%）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 10. TAXATION

### 10. 稅項

Year ended 31 December  
截至12月31日止年度

<b>2016</b>	2015
<b>2016年</b>	2015年
<b>HK\$'000</b>	HK\$'000
千港元	千港元
	(Restated)
	(重列)

<b>Continuing operations</b>	<b>持續經營之業務</b>		
Current taxation	本年度稅項		
– PRC corporate income tax	– 中國企業所得稅	<b>546</b>	16,640
– Withholding tax on distributed profits (Note (c))	– 已分配溢利之 預扣所得稅 (附註(c))	–	8,448
		<b>546</b>	25,088
Deferred taxation	遞延稅項		
– PRC corporate income tax	– 中國企業所得稅	<b>5,474</b>	3,711
– Withholding tax on undistributed profits (Note (c))	– 未分配溢利之 預扣所得稅 (附註(c))	<b>3,414</b>	1,212
		<b>8,888</b>	4,923
		<b>9,434</b>	30,011
<b>Discontinued operation</b>	<b>已終止經營之業務</b>		
Current taxation	本年度稅項		
– PRC corporate income tax	– 中國企業所得稅	<b>201</b>	–
– Withholding tax on disposal of the discontinued operation	– 出售已終止經營之 業務之預扣所得稅	<b>14,385</b>	–
		<b>14,586</b>	–
Deferred taxation	遞延稅項		
– PRC corporate income tax	– 中國企業所得稅	<b>15,246</b>	25,006
		<b>29,832</b>	25,006

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 10. TAXATION (Cont'd)

- (a) No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profit in Hong Kong during the year (2015: nil).
- (b) In accordance with the corporate income tax laws of the PRC, the applicable statutory tax rate of Huada Electronics and Huahong is 25%. However, Huada Electronics qualified as an "Integrated Circuit Design Enterprises in National Planning Layout" ("ICDE") and Huahong qualified as a "High and New Technology Enterprise" ("HNTE") and thus enjoyed a 10% and a 15% preferential tax rate, respectively, for the year ended 31 December 2016. Based on management's self-assessment and their track record of success in obtaining such qualifications, it is highly likely that Huada Electronics and Huahong will continue to qualify as an ICDE and a HNTE, respectively, after the year ended 31 December 2016.
- (c) According to the relevant regulations of the corporate income tax laws of the PRC, when a foreign investment enterprise distributed dividends out of the profits earned from 1 January 2008 onwards to its overseas investors, such dividends are subject to withholding tax at a rate of 10%.

#### 10. 稅項 (續)

- (a) 由於本集團於本年度內於香港並無產生任何應課稅溢利，故並無就香港利得稅作出撥備（2015年：無）。
- (b) 根據中國企業所得稅法的規定，華大電子及華虹之適用法定稅率為25%。然而，截至2016年12月31日止年度，華大電子獲得「國家規劃佈局內集成電路設計企業」資格及華虹獲得「高新技術企業」資格，因此華大電子及華虹分別享受10%及15%之優惠稅率。基於管理層的自我評估以及過往成功申請該等資格，華大電子及華虹將很可能於截至2016年12月31日止年度之後繼續分別獲得國家規劃佈局內集成電路設計企業資格及高新技術企業資格。
- (c) 根據中國企業所得稅法的有關規定，中國境內之外商投資企業以股息向其境外投資者分配自2008年1月1日起產生的溢利，該等股息須繳納10%的預扣所得稅。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 10. TAXATION (Cont'd)

(d) Reconciliation between the taxation expense on the Group's profit before taxation and the theoretical taxation that would arise using the respective applicable statutory tax rates are as follows:

#### 10. 稅項 (續)

(d) 本集團除稅前溢利之稅項開支與按各自適用法定稅率所計算之理論稅項之對賬如下：

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營之業務</b>		
Profit before taxation	除稅前溢利	<b>423,523</b>	53,108
Calculated at respective applicable statutory tax rates	按各自適用法定稅率計算之稅項	<b>79,742</b>	25,566
Effect of tax concession	稅項減免之影響	<b>(5,499)</b>	(21,931)
Research and development costs additional deductions	研究及開發成本額外扣除	<b>(26,320)</b>	(23,923)
Income not subject to tax	毋須課稅收入	<b>(75,331)</b>	–
Expenses not deductible for taxation purposes	不可扣稅開支	<b>6,016</b>	1,691
Effect of change in tax rate on deferred taxation	稅率變動對遞延稅項之影響	<b>8,147</b>	(20,514)
Temporary differences for which no deferred tax asset was recognised	並無確認遞延稅項資產之暫時差異	<b>5,865</b>	15,131
Utilisation of previously temporary differences for which no deferred tax asset was recognised	動用過往並無確認遞延稅項資產之暫時差異	<b>(14,905)</b>	(3,041)
Withholding tax on distributed profits and current year's undistributed profits	已分配溢利及本年度未分配溢利之預扣所得稅	<b>3,414</b>	9,660
Tax losses for which no deferred tax asset was recognised	並無確認遞延稅項資產之稅項虧損	<b>36,576</b>	47,372
Over-provision in prior years	以前年度之過度計提	<b>(8,271)</b>	–
Taxation expense	稅項開支	<b>9,434</b>	30,011
<b>Discontinued operation</b>	<b>已終止經營之業務</b>		
Profit before taxation	除稅前溢利	<b>677,613</b>	158,694
Calculated at respective applicable statutory tax rates	按各自適用法定稅率計算之稅項	<b>169,403</b>	39,674
Income not subject to tax	毋須課稅收入	<b>(154,377)</b>	(10,426)
Withholding tax on disposal of the discontinued operation	出售已終止經營之業務之預扣所得稅	<b>14,385</b>	–
Expenses not deductible for taxation purposes	不可扣稅開支	<b>421</b>	425
Temporary differences for which no deferred tax asset was recognised	並無確認遞延稅項資產之暫時差異	–	2,407
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	–	(7,077)
Tax losses for which no deferred tax asset was recognised	並無確認遞延稅項資產之稅項虧損	–	3
Taxation expense	稅項開支	<b>29,832</b>	25,006

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 10. TAXATION (Cont'd)

#### (e) Deferred taxation

### 10. 稅項 (續)

#### (e) 遞延稅項

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	16,965	24,963
Deferred tax liabilities	遞延稅項負債	(7,812)	(5,686)
		<b>9,153</b>	<b>19,277</b>

The movements in the deferred tax assets and liabilities during the year without taking into consideration the offsetting of balances with the same taxation authority are as follows:

倘不計及抵銷具相同稅務機關之餘額，年內遞延稅項資產及負債之變動如下：

Deferred tax assets	遞延稅項資產	Impairment of inventories 存貨減值 HK\$'000 千港元	Salary and welfare payables 應付薪酬 HK\$'000 千港元	Deferred government grants 遞延政府補助 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>At 1 January 2015</b>	於2015年1月1日	2,001	5,724	66,138	32,391	106,254
Exchange differences	匯兌差額	(85)	(278)	(2,690)	(2,065)	(5,118)
Charged to the income statement	計入收益表	(814)	(1,441)	(43,265)	-	(45,520)
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	-	-	(12,081)	(18,572)	(30,653)
<b>At 31 December 2015</b>	於2015年12月31日	1,102	4,005	8,102	11,754	24,963
<b>At 1 January 2016</b>	於2016年1月1日	<b>1,102</b>	<b>4,005</b>	<b>8,102</b>	<b>11,754</b>	<b>24,963</b>
Exchange differences (Charged)/credited to the income statement	匯兌差額 (計入)/抵免收益表	(30)	(209)	(232)	(834)	(1,305)
		(68)	(1,080)	(6,745)	1,200	(6,693)
<b>At 31 December 2016</b>	於2016年12月31日	<b>1,004</b>	<b>2,716</b>	<b>1,125</b>	<b>12,120</b>	<b>16,965</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 10. TAXATION (Cont'd)

##### (e) Deferred taxation (Cont'd)

#### 10. 稅項 (續)

##### (e) 遞延稅項 (續)

Deferred tax liabilities	遞延稅項負債	Fair value	Withholding tax on undistributed profits	Others	Total
		gains 公允值收益 HK\$'000 千港元	未分配溢利之預扣所得稅 HK\$'000 千港元	其他 HK\$'000 千港元	合計 HK\$'000 千港元
<b>At 1 January 2015</b>	<b>於2015年1月1日</b>	47,674	3,186	2,315	53,175
Exchange differences (Credited)/charged to the income statement	匯兌差額 (抵免)/計入收益表	(2,784)	–	(109)	(2,893)
Reclassification to current income tax payable	重分類至當期應付所得稅款項	(18,870)	9,660	2,067	(7,143)
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	–	(8,448)	–	(8,448)
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>	–	4,398	1,288	5,686
<b>At 1 January 2016</b>	<b>於2016年1月1日</b>	–	<b>4,398</b>	<b>1,288</b>	<b>5,686</b>
Exchange differences Charged/(credited) to the income statement	匯兌差額 計入/(抵免)收益表	–	–	(69)	(69)
		–	<b>3,414</b>	<b>(1,219)</b>	<b>2,195</b>
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>	–	<b>7,812</b>	–	<b>7,812</b>

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 10. TAXATION (Cont'd)

#### (e) Deferred taxation (Cont'd)

The amounts shown in the consolidated balance sheet include the following:

### 10. 稅項 (續)

#### (e) 遞延稅項 (續)

於綜合資產負債表列示之金額包括以下項目：

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
<b>Deferred tax assets</b>	<b>遞延稅項資產</b>		
- To be recovered after more than 12 months	- 將於12個月後收回	1,588	496
- To be recovered within 12 months	- 將於12個月內收回	15,377	24,467
		<b>16,965</b>	24,963
<b>Deferred tax liabilities</b>	<b>遞延稅項負債</b>		
- To be settled within 12 months	- 將於12個月內償付	7,812	5,686

Deferred tax assets are recognised for tax losses carrying-forwards to the extent that the realisation of the related tax benefit through the future taxable profits is probable. At 31 December 2016, the Group did not recognise deferred tax assets of HK\$64,473,000 (2015: HK\$27,897,000) in respect of losses amounting to HK\$332,106,000 (2015: HK\$123,924,000) that can be carried forward against future taxable income. Tax losses of HK\$218,306,000 (2015: HK\$36,276,000) has no expiry date and tax losses of HK\$113,800,000 (2015: HK\$87,648,000) will expire within 5 years.

遞延稅項資產乃就結轉之稅項虧損而被確認，惟以有可能透過未來之應課稅溢利變現有關稅項利益為限。於2016年12月31日，本集團並未就可結轉以抵銷未來應課稅溢利之虧損332,106,000港元（2015年：123,924,000港元）確認遞延稅項資產64,473,000港元（2015年：27,897,000港元）。218,306,000港元之稅項虧損（2015年：36,276,000港元）並無屆滿日期，而113,800,000港元之稅項虧損（2015年：87,648,000港元）將於5年內屆滿。

### 11. DISCONTINUED OPERATION

On 30 June 2016, the Group disposed of 100% equity interest in CEC Technology to CEOVU for a consideration of 1,058,530,083 new ordinary shares of CEOVU and subscribed in cash of HK\$1,193,175,934 for 1,491,469,917 new ordinary shares of CEOVU.

### 11. 已終止經營之業務

於2016年6月30日，本集團以對價1,058,530,083股新中電光谷聯合普通股出售中電科技100%股權予中電光谷聯合及以現金1,193,175,934港元認購1,491,469,917股新中電光谷聯合普通股。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 11. DISCONTINUED OPERATION (Cont'd)

(a) The results and cash flows of the discontinued operation are set out below:

### 11. 已終止經營之業務 (續)

(a) 已終止經營之業務之業績及現金流量如下：

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Profit for the year from discontinued operation</b>	已終止經營之業務之本年度溢利		
Revenue	收入	19,008	13,291
Cost of sales	銷售成本	(10,697)	(4,025)
<b>Gross profit</b>	毛利	8,311	9,266
Other income and gains – net	其他收入及收益－淨額	71,273	161,255
Selling and marketing costs	銷售及市場推廣成本	(1,855)	(4,116)
Administrative expenses	行政開支	(19,203)	(29,920)
<b>Operating profit</b>	經營溢利	58,526	136,485
Finance income	融資收入	500	5,131
Finance costs	融資成本	(2,207)	(24,627)
Finance costs – net	融資成本－淨額	(1,707)	(19,496)
Share of result of an associate	應佔一間聯營公司業績	–	44,276
Share of result of a joint venture	應佔一間合營公司業績	–	(2,571)
Gain on disposal of the discontinued operation	出售已終止經營之業務之收益	620,794	–
<b>Profit before taxation</b>	除稅前溢利	677,613	158,694
Taxation	稅項	(29,832)	(25,006)
<b>Profit for the year from discontinued operation</b>	已終止經營之業務之本年度溢利	647,781	133,688
<b>Profit/(loss) for the year from discontinued operation attributable to:</b>	已終止經營之業務之本年度溢利／(虧損) 歸屬於：		
Owners of the Company	本公司權益持有者	648,717	117,064
Non-controlling interests	非控股權益	(936)	16,624
		647,781	133,688

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 11. DISCONTINUED OPERATION (Cont'd)

(a) The results and cash flows of the discontinued operation are set out below: (Cont'd)

#### 11. 已終止經營之業務 (續)

(a) 已終止經營之業務之業績及現金流量如下：  
(續)

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>Cash flows of discontinued operation</b>	<b>已終止經營之業務之現金流量</b>		
Net cash (used in)/generated from operating activities	經營活動(所用)/產生之現金淨額	<b>(335,566)</b>	356,586
Net cash (used in)/generated from investing activities	投資活動(所用)/產生之現金淨額	<b>(50,726)</b>	69,449
Net cash generated from/(used in) financing activities	融資活動產生/(所用)之現金淨額	<b>325,023</b>	(430,762)
Net cash flows	淨現金流量	<b>(61,269)</b>	(4,727)

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 11. DISCONTINUED OPERATION (Cont'd)

(b) Details of the gain and net cash outflow on disposal of the discontinued operation are as follows:

#### 11. 已終止經營之業務 (續)

(b) 出售已終止經營之業務之收益及現金流出淨額詳情如下：

		HK\$'000 千港元
Net assets disposed of:	所出售之資產淨值：	
Property, plant and equipment	物業、廠房及設備	30,727
Investment properties	投資物業	646,173
Intangible assets	無形資產	754
Investment in an associate	於一間聯營公司投資	92,886
Investment in a joint venture	於一間合營公司投資	17,262
Deferred tax assets	遞延稅項資產	30,290
Inventories	存貨	327,512
Trade and other receivables	貿易及其他應收款項	884,012
Available-for-sale financial assets	可供出售金融資產	59,049
Cash and cash equivalents	現金及現金等價物	95,054
Deferred tax liabilities	遞延稅項負債	(43,678)
Advances from customers	客戶預付款項	(25,511)
Trade and other payables	貿易及其他應付款項	(91,448)
Bank and other borrowings	銀行及其他借貸	(1,573,069)
Income tax payable	應付所得稅款項	(64,671)
Non-controlling interests	非控股權益	(111,839)
		273,503
Release of translation reserve to profit or loss upon disposal	於出售時轉撥匯兌儲備至溢利或虧損	80,027
		353,530
Fair value of the consideration:	對價之公允值：	
Fair value of the consideration for the disposal of the discontinued operation and the subscription of 1,491,469,917 new ordinary shares of CEOVU (Note (i))	出售已終止經營之業務及認購1,491,469,917股新中電光谷聯合普通股之對價之公允值 (附註(i))	2,167,500
Less: Consideration for the subscription of 1,491,469,917 new ordinary shares of CEOVU	減：認購1,491,469,917股新中電光谷聯合普通股對價	(1,193,176)
		974,324
Gain on disposal of the discontinued operation	出售已終止經營之業務之收益	620,794
Net cash outflow from disposal:	出售之現金流出淨額：	
Cash paid for the subscription of 1,491,469,917 new ordinary shares of CEOVU	認購1,491,469,917股新中電光谷聯合普通股所支付之現金	1,193,176
Cash and cash equivalent of CEC Technology as at 30 June 2016	中電科技於2016年6月30日之現金及現金等價物	95,054
		1,288,230

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 11. DISCONTINUED OPERATION (Cont'd)

- (b) Details of the gain and net cash outflow on disposal of the discontinued operation are as follows: (Cont'd)
- (i) Given the disposal of CEC Technology and the subscription of 1,491,469,917 new ordinary shares of CEOVU are inter-conditional on each other, both transactions were considered together when calculating the gain on disposal of CEC Technology to reflect the accounting impact and effect of the transactions as a whole. Based on a fair value of HK\$0.85 per ordinary share of CEOVU and a total of 2,550,000,000 ordinary shares of CEOVU acquired, the fair value of the consideration for the disposal of CEC Technology and the subscription of 1,491,469,917 new ordinary shares of CEOVU is HK\$2,167,500,000.

### 11. 已終止經營之業務 (續)

- (b) 出售已終止經營之業務之收益及現金流出淨額詳情如下：(續)
- (i) 鑑於出售中電科技及認購1,491,469,917股新中電光谷聯合普通股乃互為條件，於計算出售中電科技之收益時，該兩項交易須一起考慮，以反映整個交易於會計上之影響和效果。根據中電光谷聯合之每股普通股公允值0.85港元及收購共2,550,000,000股中電光谷聯合普通股，出售中電科技及認購1,491,469,917股新中電光谷聯合普通股之對價之公允值為2,167,500,000港元。

### 12. DIVIDEND

### 12. 股息

#### Year ended 31 December

截至12月31日止年度

2016	2015
2016年	2015年
HK\$'000	HK\$'000
千港元	千港元

Proposed dividend	建議股息	<b>60,896</b>	60,896
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The Board recommends the payment of a dividend of HK3.0 cents per share for the year ended 31 December 2016 (2015: HK3.0 cents per share). The proposed dividend is subject to approval by the shareholders of the Company at the forthcoming annual general meeting. The proposed dividend of HK\$60,896,000 (2015: HK\$60,896,000), calculated based on the Company's number of shares issued at the date of this annual report, is not recognised as a liability in these consolidated financial statements.

董事會建議就截至2016年12月31日止年度派付每股3.0港仙(2015年：每股3.0港仙)股息。惟建議股息須待本公司股東於應屆股東週年大會上批准後，方可作實。根據本公司於本年報日期已發行股份數目計算的建議股息總額60,896,000港元(2015年：60,896,000港元)並無於綜合財務報表內確認為一項負債。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 13. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

#### 13. 每股盈利

每股基本盈利乃根據下列數據計算：

		Year ended 31 December 截至12月31日止年度	
		2016 2016年	2015 2015年 (Restated) (重列)
<b>Continuing operations</b>	<b>持續經營之業務</b>		
Profit for the year from continuing operations attributable to owners of the Company (HK\$'000)	本公司權益持有者應佔持續經營之業務之本年度溢利(千港元)	<b>412,449</b>	60,289
Weighted average number of ordinary shares for the purposes of basic earnings per share	用以計算每股基本盈利之普通股加權平均數目	<b>2,029,872,000</b>	2,029,872,000
Basic earnings per share (HK cents)	每股基本盈利(港仙)	<b>20.32</b>	2.97
<b>Discontinued operation</b>	<b>已終止經營之業務</b>		
Profit for the year from discontinued operation attributable to owners of the Company (HK\$'000)	本公司權益持有者應佔已終止經營之業務之本年度溢利(千港元)	<b>648,717</b>	117,064
Weighted average number of ordinary shares for the purposes of basic earnings per share	用以計算每股基本盈利之普通股加權平均數目	<b>2,029,872,000</b>	2,029,872,000
Basic earnings per share (HK cents)	每股基本盈利(港仙)	<b>31.96</b>	5.77
<b>Continuing and discontinued operations</b>	<b>持續經營及已終止經營之業務</b>		
Profit for the year attributable to owners of the Company (HK\$'000)	本公司權益持有者應佔之本年度溢利(千港元)	<b>1,061,166</b>	177,353
Weighted average number of ordinary shares for the purposes of basic earnings per share	用以計算每股基本盈利之普通股加權平均數目	<b>2,029,872,000</b>	2,029,872,000
Basic earnings per share (HK cents)	每股基本盈利(港仙)	<b>52.28</b>	8.74

No diluted earnings per share is presented as the Company did not have any potential ordinary share outstanding.

由於本公司並無任何未發行潛在普通股，故並無披露每股攤薄盈利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Buildings and leasehold improvements 樓宇及 租賃物業裝修 HK\$'000 千港元	Plant and machinery 廠房及機器 HK\$'000 千港元	Motor vehicles 車輛 HK\$'000 千港元	Furniture and fixtures 傢俬及裝置 HK\$'000 千港元	Construction in progress 在建工程 HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>At 1 January 2015, as restated</b>	於2015年1月1日(重列)						
Cost	成本	426,191	97,406	19,211	20,104	17,796	580,708
Accumulated depreciation	累計折舊	(22,179)	(66,901)	(10,496)	(12,599)	-	(112,175)
Net book amount	賬面淨值	404,012	30,505	8,715	7,505	17,796	468,533
<b>Year ended 31 December 2015, as restated</b>	截至2015年12月31日止年度(重列)						
Opening net book amount	年初賬面淨值	404,012	30,505	8,715	7,505	17,796	468,533
Exchange differences	匯兌差額	(25,748)	(2,388)	(333)	(381)	(848)	(29,698)
Additions	添置	759	9,953	744	1,927	55,662	69,045
Transfer upon completion	完工轉撥	61,939	1,718	-	-	(63,657)	-
Transfer to investment properties	轉撥到投資物業	-	-	-	-	(3,197)	(3,197)
Disposals	出售	-	(7)	(382)	(391)	(5)	(785)
Depreciation	折舊	(15,716)	(11,009)	(3,496)	(2,916)	-	(33,137)
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	(9,769)	-	(2,605)	(3,877)	(3,685)	(19,936)
Closing net book amount	年末賬面淨值	415,477	28,772	2,643	1,867	2,066	450,825
<b>At 31 December 2015, as restated</b>	於2015年12月31日(重列)						
Cost	成本	447,999	106,682	11,450	8,584	2,066	576,781
Accumulated depreciation	累計折舊	(32,522)	(77,910)	(8,807)	(6,717)	-	(125,956)
Net book amount	賬面淨值	415,477	28,772	2,643	1,867	2,066	450,825
<b>Year ended 31 December 2016</b>	截至2016年12月31日止年度						
Opening net book amount	年初賬面淨值	415,477	28,772	2,643	1,867	2,066	450,825
Exchange differences	匯兌差額	(25,286)	(3,009)	(85)	(9)	(615)	(29,004)
Additions	添置	-	13,063	-	209	24,050	37,322
Transfer upon completion	完工轉撥	12,300	-	-	-	(12,300)	-
Disposals	出售	(32)	(5,038)	-	(324)	-	(5,394)
Depreciation	折舊	(16,578)	(6,353)	(665)	(472)	-	(24,068)
Closing net book amount	年末賬面淨值	385,881	27,435	1,893	1,271	13,201	429,681
<b>At 31 December 2016</b>	於2016年12月31日						
Cost	成本	434,981	111,698	11,365	8,460	13,201	579,705
Accumulated depreciation	累計折舊	(49,100)	(84,263)	(9,472)	(7,189)	-	(150,024)
Net book amount	賬面淨值	385,881	27,435	1,893	1,271	13,201	429,681

Depreciation expense of HK\$1,288,000 (2015: HK\$2,866,000) and HK\$22,780,000 (2015: HK\$30,271,000) has been charged to selling and marketing costs and administrative expenses, respectively.

Rental expenses amounting to HK\$20,311,000 (2015: HK\$21,491,000) relating to the lease of properties are included in the income statement.

折舊開支中1,288,000港元(2015年: 2,866,000港元)及22,780,000港元(2015年: 30,271,000港元)已分別計入銷售及市場推廣成本和行政開支。

與租賃物業相關的20,311,000港元租金(2015年: 21,491,000港元)已計入收益表之租金支出。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 14. PROPERTY, PLANT AND EQUIPMENT

(Cont'd)

As at 31 December 2016, the legal title of a building held for self-use located in the PRC with carrying amount of HK\$356,497,000 (2015: HK\$382,515,000) had not been obtained by the Group. In the opinion of the Board, there is no legal obstacle in obtaining such legal title.

#### 15. LAND USE RIGHTS

All the land use rights are located in the PRC and with remaining lease terms ranging from 10 years to 50 years.

As at 31 December 2016, the legal title of the above land use rights had not been obtained by the Group. In the opinion of the Board, there is no legal obstacle in obtaining such legal title.

#### 14. 物業、廠房及設備 (續)

於2016年12月31日，本集團仍未就一棟位於中國賬面值356,497,000港元(2015年：382,515,000港元)之自用樓宇取得合法業權。董事會認為對取得該合法業權並無法律障礙。

#### 15. 土地使用權

Year ended 31 December

截至12月31日止年度

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
Beginning of the year	年初	13,219	15,973
Exchange differences	匯兌差額	(819)	(914)
Amortisation	攤銷	(456)	(1,612)
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	–	(228)
End of the year	年末	11,944	13,219

所有土地使用權均位於中國及以剩餘契約期10至50年持有。

於2016年12月31日，本集團仍未就上述之土地使用權取得合法業權。董事會認為對取得該合法業權並無法律障礙。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 16. INTANGIBLE ASSETS

#### 16. 無形資產

Computer  
software  
電腦軟件  
HK\$'000  
千港元

<b>At 1 January 2015</b>	<b>於2015年1月1日</b>	
Cost	成本	87,009
Accumulated amortisation	累計攤銷	(78,556)
Net book amount	賬面淨值	8,453
<b>Year ended 31 December 2015</b>	<b>截至2015年12月31日止年度</b>	
Opening net book amount	年初賬面淨值	8,453
Exchange differences	滙兌差額	5,619
Additions	添置	31,239
Amortisation	攤銷	(29,869)
Transfer to disposal group classified as held for sale	轉撥到分類為持作 出售之出售組別	(11)
Closing net book amount	年末賬面淨值	15,431
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>	
Cost	成本	123,838
Accumulated amortisation	累計攤銷	(108,407)
Net book amount	賬面淨值	15,431
<b>Year ended 31 December 2016</b>	<b>截至2016年12月31日止年度</b>	
Opening net book amount	年初賬面淨值	15,431
Exchange differences	滙兌差額	(6,635)
Additions	添置	25,444
Amortisation	攤銷	(28,282)
Closing net book amount	年末賬面淨值	5,958
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>	
Cost	成本	142,647
Accumulated amortisation	累計攤銷	(136,689)
Net book amount	賬面淨值	5,958

Amortisation expense amounting to HK\$28,282,000 (2015: HK\$29,869,000) has been charged to research and development costs under administrative expenses.

攤銷開支28,282,000港元(2015年: 29,869,000港元)已計入行政開支項下之研究及開發成本中。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 17. INVESTMENT IN AN ASSOCIATE

### 17. 於一間聯營公司投資

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Beginning of the year	年初	–	55,508
Additions	增加	2,167,500	–
Share of result	應佔業績	455,513	44,276
– Negative goodwill arising from acquisition	– 因收購產生之負商譽	409,448	–
– Share of post-acquisition profit	– 應佔收購後溢利	46,065	44,276
Exchange differences	匯兌差額	(112,410)	(4,964)
Dividend	股息	(76,500)	–
Share of the revaluation gains on properties	應佔物業重估收益	5,201	–
Share of exchange differences on translation of foreign operations	應佔換算海外業務的匯兌差額	10,476	–
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	–	(94,820)
End of the year	年末	2,449,780	–

Particulars of the associate at 31 December 2016 and 2015 are as follows:

聯營公司於2016年及2015年12月31日之詳情如下：

Name 名稱	Place of establishment and type of legal entity 成立地點及公司性質	Principal place of operation and activities 主要經營地點及業務	Registered and paid-in capital 註冊及實收資本	Interest held 所持權益	
				2016	2015
CEOVU 中電光谷聯合	Cayman Islands, limited liability company 開曼群島·有限責任公司	PRC, development and operation of business parks 中國·產業園之發展及運營	HK\$800,000,000 800,000,000港元	31.88%	–
Hainan Resort Software Community Investment and Development Co., Ltd ("Hainan Investment") 海南生態軟件園投資發展有限公司(「海南投資」)	PRC, limited liability company 中國·有限責任公司	PRC, development and management of electronic information technology industrial parks 中國·電子信息技術產業園之發展及管理	RMB160,000,000 人民幣160,000,000元	–	40%

On 30 June 2016, Hainan Investment ceased to be an associate of the Group as a result of the completion of the disposal of CEC Technology (Note 1). In the opinion of the Board, the associate, CEOVU is material to the Group.

於2016年6月30日出售中電科技完成後(附註1)，海南投資不再為本集團之聯營公司。董事會認為，聯營公司中電光谷聯合對本集團而言屬重要。

The fair value of the Group's interest in CEOVU at 31 December 2016 based on the closing price of HK\$0.82 per CEOVU ordinary share as quoted on The Stock Exchange of Hong Kong Limited on 31 December 2016 was HK\$2,091,000,000.

本集團於中電光谷聯合之權益於2016年12月31日之公允值為2,091,000,000港元，乃根據香港聯合交易所有限公司所報之每股中電光谷聯合普通股股份收市價0.82港元計算。

There are no contingent liabilities relating to the Group's interest in the associate at 31 December 2016 (2015: nil).

於2016年12月31日本集團於聯營公司的權益並沒有或有負債(2015年：無)。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 17. INVESTMENT IN AN ASSOCIATE

(Cont'd)

Set out below are the summarised financial information of CEOVU and its subsidiaries ("CEOVU Group"):

#### 17. 於一間聯營公司投資 (續)

中電光谷聯合及其附屬公司(「中電光谷聯合集團」)之財務資料如下:

		31 December 2016 2016年12月31日 HK\$'000 千港元	30 June 2016 2016年6月30日 HK\$'000 千港元
<b>Current</b>	<b>流動</b>		
Assets	資產	11,068,737	13,380,125
Liabilities	負債	(3,990,992)	(5,618,296)
<b>Non-current</b>	<b>非流動</b>		
Assets	資產	3,747,864	3,832,750
Liabilities	負債	(2,783,984)	(3,151,706)
Net assets	資產淨值	8,041,625	8,442,873
Net assets attributable to owners of CEOVU	歸屬於中電光谷聯合權益 持有者之資產淨值	7,684,379	8,083,274
Investment in an associate (31.88%)	於一間聯營公司投資 (31.88%)	2,449,780	2,576,948

		For the period from 30 June 2016 to 31 December 2016 由2016年 6月30日至 2016年12月31日 期間 HK\$'000 千港元
Revenue	收入	2,144,935
Profit for the period attributable to owners of CEOVU	期內溢利歸屬於中電光谷聯合權益持有者	144,496
Other comprehensive income for the period:	期內其他全面收益:	
Items that will not be subsequently reclassified to profit or loss:	不會期後重分類至溢利或虧損的項目:	
Revaluation gains on properties	物業重估收益	16,315
Items that may be subsequently reclassified to profit or loss:	期後可能重分類至溢利或虧損的項目:	
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額	32,860
Total comprehensive income for the period attributable to owners of CEOVU	期內全面收益總額歸屬於中電光谷聯合權益持有者	193,671

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 17. INVESTMENT IN AN ASSOCIATE

(Cont'd)

Upon completion of the Transaction on 30 June 2016, the Company acquired 2,550,000,000 ordinary shares of CEOVU (representing 31.88% of the issued share capital of CEOVU) at a fair value of HK\$0.85 per ordinary share of CEOVU, being the closing price of CEOVU ordinary share as quoted on The Stock Exchange of Hong Kong Limited on 30 June 2016. The fair value of the consideration for the acquisition of 31.88% interest in CEOVU is HK\$2,167,500,000.

An accounting gain representing negative goodwill of HK\$409,448,000 arising from the acquisition of 31.88% interest in CEOVU, which represents the difference between the fair value of the consideration for the acquisition of 31.88% interest in CEOVU and the Group's share of the fair value of the identifiable net assets of CEOVU Group at 30 June 2016, was recognised within "share of result of an associate" in the consolidated income statement.

The Board has determined the carrying amount of investment in CEOVU based on the fair value of the identifiable assets and liabilities of CEOVU Group as at 30 June 2016, which has made reference to the valuation report prepared by independent valuer, DTZ Cushman & Wakefield Limited. The fair value of the identifiable assets and liabilities of CEOVU Group, which mainly include properties under development, completed properties held for sale and investment properties, were determined using direct comparison approach and investment approach. The key assumptions used in the valuations including estimated price per square meter, term yield, reversionary yield, market rent, developer's profit margin and development costs to completion. In addition, the fair value of other material identifiable assets and liabilities, which mainly include cash and cash equivalents, trade and other receivables, investments in associates and joint ventures, trade and other payables, bank and other borrowings, and current and deferred income tax liabilities, were determined based on their recoverable amounts or obligations, as appropriate, at 30 June 2016.

#### 17. 於一間聯營公司投資 (續)

於2016年6月30日交易事項完成後，本公司已按每股中電光谷聯合普通股公允值0.85港元（即於2016年6月30日於香港聯合交易所有限公司所報之每股中電光谷聯合普通股收市價）收購2,550,000,000股中電光谷聯合普通股（佔中電光谷聯合之已發行股本31.88%）。收購31.88%中電光谷聯合股權對價之公允值為2,167,500,000港元。

收購中電光谷聯合31.88%股權產生之一項賬面收益（為負商譽）409,448,000港元，乃指收購中電光谷聯合31.88%股權之對價之公允值與本集團應佔中電光谷聯合集團於2016年6月30日之可識別資產淨值之公允值之差額，在綜合收益表內的「應佔一間聯營公司業績」中確認。

董事會乃根據中電光谷聯合集團於2016年6月30日之可識別資產及負債之公允值（參考獨立估值師戴德梁行有限公司編製之估值報告）釐定於中電光谷聯合投資之賬面值。中電光谷聯合集團之可識別資產及負債（主要包括開發中物業、持有待售竣工物業及投資物業）之公允值使用直接比較法及投資法釐定。用於估值之假設包括每平方米估計價格、年期收益率、復歸收益率、市場租金、發展商之毛利及竣工需要再投入開發成本。此外，其他重大之可識別資產及負債（主要包括現金及現金等價物、貿易及其他應收款項、於聯營公司及合營公司投資、貿易及其他應付款項、銀行及其他借貸及本年度和遞延所得稅負債）之公允值乃根據其各自於2016年6月30日之可收回價值或有關責任（視情況而定）釐定。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 18. INVESTMENT IN A JOINT VENTURE

#### 18. 於一間合營公司投資

Year ended 31 December

截至12月31日止年度

2016 2015

2016年 2015年

HK\$'000 HK\$'000

千港元 千港元

(Restated)

(重列)

Beginning of the year	年初	5,776	28,504
Share of post-tax profit/(loss)	應佔除稅後溢利/(虧損)	1,039	(2,584)
Exchange differences	匯兌差額	(409)	(2,523)
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	-	(17,621)
End of the year	年末	6,406	5,776

Particulars of the joint venture at 31 December 2016 and 2015 are as follows:

合營公司於2016年及2015年12月31日之詳情如下：

Name 名稱	Place of establishment and type of legal entity 成立地點及公司性質	Principal place of operation and activities 主要經營地點及業務	Registered and paid-in capital 註冊及實收資本	Interest held 所持權益	
				2016	2015
Chongqing Huahong Electronics Co., Ltd ("Chongqing Huahong") 重慶華虹電子有限公司 (「重慶華虹」)	PRC, limited liability company 中國·有限責任公司	PRC, design and sale of integrated circuit chips 中國·集成電路芯片之設計及銷售	RMB10,000,000 人民幣10,000,000元	51%	51%
Guangxi CEC Future Investment Land Co., Ltd ("Guangxi Future Land") 廣西中電未來投資置業有限公司 (「廣西未來置業」)	PRC, limited liability company 中國·有限責任公司	PRC, development and sale of properties 中國·物業之發展及銷售	RMB200,000,000 人民幣200,000,000元	-	28.9%

On 30 June 2016, Guangxi Future Land ceased to be a joint venture of the Group as a result of the completion of the disposal of CEC Technology (Note 1). In the opinion of the Board, the joint venture, Chongqing Huahong is not material to the Group.

於2016年6月30日出售中電科技完成後(附註1)，廣西未來置業不再為本集團之合營公司。董事會認為，合營公司重慶華虹對本集團而言屬不重要。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

#### 19. 可供出售金融資產

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Beginning of the year	年初	149,624	116,622
Exchange differences	匯兌差額	(4,951)	(8,276)
Additions	增加	4,880	759,939
Disposals	出售	(105,037)	(676,884)
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	–	(41,777)
End of the year	年末	44,516	149,624

Available-for-sale financial assets include the following:

可供出售金融資產包括以下項目：

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
Wealth management products (Note (a))	財富管理產品 (附註(a))	37,249	147,237
Equity investment (Note (b))	股權投資 (附註(b))	7,267	2,387
		44,516	149,624
Analysed for reporting purposes as:	作分析報告用途：		
Current assets	流動資產	37,249	147,237
Non-current assets	非流動資產	7,267	2,387
		44,516	149,624

(a) The wealth management products are issued by commercial banks in the PRC. These wealth management products are principal protected and with non-guaranteed return, denominated in RMB and with terms ranging from 1 month to 3 months. The fair value of these investments was determined with reference to the statements provided by the counterparties.

(a) 財富管理產品乃由中國商業銀行發行。該等財富管理產品乃為保本及非保證回報，並以人民幣計值及為介乎1至3個月後到期。該等投資之公允值乃經參考交易對方所提供之報表而釐定。

(b) The equity investment represents an equity interest in a company established in the PRC and are measured at costs less impairment at balance sheet date, as these assets do not have a quoted market price, the range of reasonable fair value estimates is significant and the possibilities of the various estimates cannot be reasonably assessed.

(b) 股權投資指在一家中國成立之公司的股權，由於該等資產沒有可以引用的市場價格、合理估計的公允值區間較大和無法合理估計多種假設的可能性，其於結算日按成本減減值計量。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 20. INVENTORIES

#### 20. 存貨

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
Work in progress	在製品	82,530	135,564
Finished goods	製成品	174,480	160,801
		<b>257,010</b>	296,365

The cost of inventories recognised as expense and included in cost of sales amounted to HK\$822,630,000 (2015: HK\$1,044,927,000).

確認為開支並計入銷售成本之存貨成本為822,630,000港元(2015年:1,044,927,000港元)。

Provision for inventories of HK\$30,403,000 (2015: HK\$40,696,000) has been charged to cost of sales.

為數30,403,000港元之存貨撥備(2015年:40,696,000港元)已計入銷售成本。

#### 21. TRADE AND OTHER RECEIVABLES

#### 21. 貿易及其他應收款項

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
<b>Current</b>	<b>流動</b>		
Trade receivables	貿易應收款項	927,262	1,062,942
Less: Provision for impairment (Note (c))	減: 減值撥備 (附註(c))	(31,747)	(16,571)
Trade receivables – net	貿易應收款項—淨額	895,515	1,046,371
Other receivables from third parties	其他應收第三方款項	17,220	10,230
Less: Provision for impairment (Note (d))	減: 減值撥備 (附註(d))	(705)	(740)
Other receivables from third parties – net	其他應收第三方款項—淨額	16,515	9,490
Other receivables from related parties (Note 34)	其他應收關聯人士款項 (附註34)	2,344	3,509
Undeducted input value-added tax	未扣除的進項增值稅	20,144	25,263
Prepayments and deposits	預付款項及按金	8,144	9,419
Interest receivables from an associate	應收一間聯營公司之利息	22,074	–
		<b>964,736</b>	1,094,052
<b>Non-current</b>	<b>非流動</b>		
Prepayment for acquisition of a subsidiary	收購一間附屬公司之預付款項	–	68,175
		<b>964,736</b>	1,162,227

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 21. TRADE AND OTHER RECEIVABLES

(Cont'd)

At 31 December 2016 and 2015, the carrying amounts of trade and other receivables of the Group approximated their fair values.

Trade and other receivables were unsecured and interest-free. Included in the balance of trade receivables are trade receivables from related parties of HK\$125,039,000 (2015: HK\$114,823,000) (Note 34).

Trade and other receivables of the Group at 31 December 2016 and 2015 are denominated in the following currencies:

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Renminbi	人民幣	<b>956,816</b>	1,160,197
Hong Kong dollars	港元	<b>7,920</b>	2,030
		<b>964,736</b>	1,162,227

(a) For the design and sale of integrated circuit chips operation, the majority of the Group's sales are with credit terms of 30 days to 135 days. The remaining amounts are due immediately after the delivery of goods. Included in trade and other receivables are trade receivables (net of provision for impairment) of HK\$895,515,000 (2015: HK\$1,046,371,000) and their ageing analysis based on revenue recognition date is as follows:

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Current to 30 days	30日內	<b>161,025</b>	239,355
31-60 days	31日至60日	<b>155,766</b>	203,026
Over 60 days and within 1 year	60日以上及1年內	<b>455,324</b>	557,771
Over 1 year	1年以上	<b>123,400</b>	46,219
		<b>895,515</b>	1,046,371

#### 21. 貿易及其他應收款項 (續)

於2016年及2015年12月31日，本集團之貿易及其他應收款項之賬面值與其公允值相若。

貿易及其他應收款項均為無抵押及免息。計入貿易應收款項結餘內之應收關聯人士貿易款項為125,039,000港元（2015年：114,823,000港元）（附註34）。

本集團於2016年及2015年12月31日之貿易及其他應收款項按貨幣劃分如下：

(a) 就集成電路芯片之設計及銷售業務而言，本集團之銷售大部份之信貸期為30日至135日，其餘銷售於緊隨貨品交付時到期。貿易及其他應收款項包括貿易應收款項（扣除減值撥備）895,515,000港元（2015年：1,046,371,000港元），其基於收入確認日期的賬齡分析如下：

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 21. TRADE AND OTHER RECEIVABLES

(Cont'd)

(b) The trade receivables which were past due but not impaired amounted to HK\$364,988,000 at 31 December 2016 (2015: HK\$352,712,000). These related to a number of customers with no history of default, the ageing analysis of these trade receivables are as follows:

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Within 30 days	30日內	<b>102,497</b>	215,131
31 – 60 days	31日至60日	<b>62,170</b>	75,959
Over 60 days and within 1 year	60日以上及1年內	<b>158,810</b>	55,859
Over 1 year	1年以上	<b>41,511</b>	5,763
		<b>364,988</b>	352,712

(c) At 31 December 2016, trade receivables of HK\$31,747,000 (2015: HK\$16,571,000) were impaired. The individually impaired receivables mainly related to certain customers which are in unexpectedly difficult economic situations. It was assessed that these receivables are not expected to be recovered and thus full impairment provision was provided against them.

Movements in the provision for impairment on the Group's trade receivables are as follows:

		<b>Year ended 31 December</b>	
		<b>截至12月31日止年度</b>	
		<b>2016</b>	2015
		<b>2016年</b>	2015年
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Beginning of the year	年初	<b>16,571</b>	10,573
Impairment provision	減值撥備	<b>16,935</b>	6,786
Exchange differences	匯兌差額	<b>(1,759)</b>	(788)
End of the year	年末	<b>31,747</b>	16,571

#### 21. 貿易及其他應收款項 (續)

(b) 於2016年12月31日，已逾期但並無減值之貿易應收款項為364,988,000港元（2015年：352,712,000港元）。此等貿易應收款項與某些並無拖欠款項記錄之客戶有關，其賬齡分析如下：

(c) 於2016年12月31日，31,747,000港元（2015年：16,571,000港元）之貿易應收款項已被減值。個別減值的應收款項主要來自處於預料以外的經濟困境中的某些客戶。這些應收款項預計將不能收回，因此已對其計提全額減值撥備。

本集團貿易應收款項減值撥備之變動如下：



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 21. TRADE AND OTHER RECEIVABLES

(Cont'd)

(d) At 31 December 2016, other receivables of HK\$705,000 (2015: HK\$740,000) were impaired and full impairment provision was provided against them. Movements in the provision for impairment on the Group's other receivables are as follows:

#### 21. 貿易及其他應收款項 (續)

(d) 於2016年12月31日，705,000港元（2015年：740,000港元）之其他應收款項已被減值並已對其計提全額減值撥備。本集團其他應收款項減值撥備之變動如下：

#### Year ended 31 December

截至12月31日止年度

		2016	2015
		2016年	2015年
		HK\$'000	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Beginning of the year	年初	740	20,101
Impairment provision/(reversal of impairment)	減值撥備／(撥回)	12	(716)
Exchange differences	匯兌差額	(47)	(1,465)
Transfer to disposal group classified as held for sale	轉撥到分類為持作出售之出售組別	-	(17,180)
End of the year	年末	705	740

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 22. SHORT-TERM DEPOSITS AND INVESTMENTS

#### 22. 短期存款及投資

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
Short-term deposits (Note (a))	短期存款 (附註(a))		
At banks	銀行結存	126,483	1,560,204
At other financial institutions	其他財務機構結存		
– A related party (Note 34)	– 關聯人士 (附註34)	1,118	–
		<b>127,601</b>	1,560,204
Short-term investments (Note (b))	短期投資 (附註(b))	–	286,471
		<b>127,601</b>	1,846,675

(a) Short-term deposits represent deposits at banks or other financial institutions with original maturity over 3 months. The effective interest rate on these deposits at 31 December 2016 was 1.71% (2015: 1.86%) per annum.

(b) Short-term investments represented investments in certain wealth management products issued by commercial banks in the PRC. These wealth management products were principal protected and with guaranteed return. They were denominated in RMB and with original maturity ranging from 3 months to 6 months. The effective interest rate on these investments at 31 December 2015 was 3.50% per annum.

(a) 短期存款乃指原到期日為3個月以上之銀行或其他財務機構存款。於2016年12月31日，該等存款之實際年利率為1.71% (2015年：1.86%)。

(b) 短期投資乃指由中國商業銀行發行之若干財富管理產品之投資。該等財富管理產品乃為保本及保證回報，並以人民幣計值及原到期日為介乎3至6個月。於2015年12月31日，該等投資之實際年利率為3.50%。

#### 23. CASH IN TRANSIT

Cash in transit represents the cash relating to the repayments of the entrusted loans to CEC Technology (the "Entrusted Loans"), a subsidiary of CEOVU. The Entrusted Loans were interest bearing and secured. In December 2016, CEC Technology repaid the Entrusted Loans in full. The Group has received the full cash repayments of the Entrusted Loans as of the date of these financial statements.

#### 23. 在途現金

在途現金指有關中電科技(中電光谷聯合之一間附屬公司)償還委託貸款(「委託貸款」)之現金。委託貸款乃計息及有抵押。於2016年12月，中電科技悉數償還委託貸款。本集團於本財務報表日期已收回委託貸款之全數現金還款。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 24. CASH AND CASH EQUIVALENTS

#### 24. 現金及現金等價物

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
Cash	現金		
At banks and on hand	銀行結存及現金	178,290	201,086
At other financial institutions	其他財務機構結存		
– A related party (Note 34)	– 關聯人士 (附註34)	111,600	80,068
		<b>289,890</b>	281,154
Short-term deposits (Note (a))	短期存款 (附註(a))		
At banks	銀行結存	622,027	446,972
At other financial institutions	其他財務機構結存		
– A related party (Note 34)	– 關聯人士 (附註34)	–	48,939
		<b>622,027</b>	495,911
		<b>911,917</b>	777,065

(a) Short-term deposits represent deposits at banks or other financial institutions with original maturity of 3 months or less. The effective interest rate on short-term deposits at 31 December 2016 was 3.15% (2015: 3.21%) per annum.

(a) 短期存款乃指原到期日為3個月或以下之銀行或其他財務機構存款。於2016年12月31日，短期存款之實際年利率為3.15%（2015年：3.21%）。

#### 25. SHARE CAPITAL AND PREMIUM

#### 25. 股本及溢價

Ordinary share of  
HK\$0.01 each  
每股面值0.01港元之  
普通股

		Issued and fully paid	Share capital	Share premium	Total
Authorised	法定	已發行及繳足	股本	股份溢價	合計
'000	千股	'000	HK\$'000	HK\$'000	HK\$'000
千股	千股	千股	千港元	千港元	千港元
At 1 January 2015,	於2015年1月1日，				
31 December 2015,	2015年12月31日，				
1 January 2016 and	2016年1月1日及				
31 December 2016	2016年12月31日	30,000,000	2,029,872	20,299	805,155
					<b>825,454</b>

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 26. UNSECURED CORPORATE BONDS

#### 26. 無抵押企業債券

		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>At 1 January</b>	<b>於1月1日</b>	<b>3,258,479</b>	3,436,724
Interest and issue cost amortised	已攤銷利息及發行成本	<b>19,863</b>	23,300
Exchange differences	滙兌差額	<b>(208,840)</b>	(201,545)
<b>At 31 December</b>	<b>於12月31日</b>	<b>3,069,502</b>	3,258,479

On 16 January 2014, the Company issued 4.70% unsecured bonds due 2017 in the principal amount of RMB2,750,000,000. The issue price of the Bonds was 100% of the principal amount of the Bonds and the Bonds mature on 16 January 2017. The Bonds bore interest at the rate of 4.70% per annum, payable semi-annually in arrears. The Bonds were listed on The Stock Exchange of Hong Kong Limited. On 16 January 2017, the Company redeemed the Bonds in full.

The initial fair value of the Bonds was determined based on the residual amounts of the principal after the deduction of issuance costs. The Bonds are subsequently carried at amortised cost using an effective interest rate of 5.44% per annum. The carrying amount of the Bonds as at 31 December 2016 and 2015 approximated its fair value.

於2014年1月16日，本公司發行本金總額為人民幣2,750,000,000元於2017年到期的4.70%無抵押債券。該債券之發行價為該債券本金額之100%並於2017年1月16日到期。該債券按年利率4.70%計息，並須每半年於期末支付。該債券於香港聯合交易所有限公司上市。於2017年1月16日，本公司已全數贖回該債券。

該債券之始初公允值乃根據扣除發行成本後之剩餘本金金額而釐定。該債券其後以實際年利率5.44%按攤銷成本列賬。於2016年及2015年12月31日，該債券之賬面值與其公允值相若。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 27. DEFERRED GOVERNMENT GRANTS

#### 27. 遞延政府補助

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
Beginning of the year	年初	122,271	211,654
Exchange differences	匯兌差額	(1,817)	(9,291)
Additions	增加	9,126	59,598
Credited to the income statement	抵免收益表	(95,048)	(139,690)
End of the year	年末	34,532	122,271

Amount mainly represented various subsidies granted by and received from local government authorities for financing various research and development projects conducted by the Group. These subsidies will be recognised as income over the period necessary to match with the cost that they are intended to compensate.

該款項主要為因本集團研究及開發項目而從地方政府機關收取之各種補助。此補助將按該開支及補助之間之合理關係在補助之成本發生之期間確認為收入。

#### 28. TRADE AND OTHER PAYABLES

#### 28. 貿易及其他應付款項

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
Trade payables	貿易應付款項	335,416	266,314
Other payables to related parties (Note 34)	其他應付關聯人士款項 (附註34)	221,843	60,121
Salary and welfare payables	應付薪酬	51,261	63,336
Other taxes payables	其他應付稅項	17,456	32,682
Other payables and accrued expenses (Note (a))	其他應付款項及預提費用 (附註(a))	166,096	187,020
		792,072	609,473

(a) Other payables and accrued expenses mainly represented payables for software usage fees for the purposes of research and development and sales commissions and accrual for interest payable on the Bonds.

(a) 其他應付款項及預提費用主要為應付用於研究和開發目的之軟件使用費及銷售佣金，以及預提該債券之應付利息。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 28. TRADE AND OTHER PAYABLES (Cont'd)

At 31 December 2016, the ageing analysis of the Group's trade payables mainly based on the date of invoices is as follows:

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Current to 30 days	30日內	<b>201,178</b>	131,613
31 – 60 days	31日至60日	<b>67,798</b>	55,374
Over 60 days	60日以上	<b>66,440</b>	79,327
		<b>335,416</b>	266,314

Included in the balance of trade payables are trade payables to related parties amounted to HK\$197,092,000 (2015: HK\$91,448,000) (Note 34).

At 31 December 2016 and 2015, the carrying amounts of trade and other payables of the Group approximated their fair values.

#### 29. BANK AND OTHER BORROWINGS

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Bank borrowings	銀行借貸	<b>120,312</b>	–
Entrusted loans from related parties	關聯人士委託貸款	<b>357,309</b>	17,904
		<b>477,621</b>	17,904
Secured	已抵押	<b>120,200</b>	–
Unsecured	無抵押	<b>357,421</b>	17,904
		<b>477,621</b>	17,904

#### 28. 貿易及其他應付款項 (續)

於2016年12月31日，本集團貿易應付款項主要按發票日期之賬齡分析如下：

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Current to 30 days	30日內	<b>201,178</b>	131,613
31 – 60 days	31日至60日	<b>67,798</b>	55,374
Over 60 days	60日以上	<b>66,440</b>	79,327
		<b>335,416</b>	266,314

計入貿易應付款項結餘內之應付關聯人士貿易款項為197,092,000港元（2015年：91,448,000港元）（附註34）。

於2016年及2015年12月31日，本集團之貿易及其他應付款項之賬面值與其公允值相若。

#### 29. 銀行及其他借貸

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Bank borrowings	銀行借貸	<b>120,312</b>	–
Entrusted loans from related parties	關聯人士委託貸款	<b>357,309</b>	17,904
		<b>477,621</b>	17,904
Secured	已抵押	<b>120,200</b>	–
Unsecured	無抵押	<b>357,421</b>	17,904
		<b>477,621</b>	17,904

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 29. BANK AND OTHER BORROWINGS

(Cont'd)

Bank and other borrowings were arranged at fixed and variable rates. The average effective interest rate of the Group's bank and other borrowings at 31 December 2016 is 3.97% (2015: 5.10%) per annum.

The bank borrowing of HK\$120,200,000 was secured by the Company's short-term deposits of HK\$126,483,000.

At 31 December 2016 and 2015, the carrying amounts of bank and other borrowings of the Group approximated their fair values.

The bank and other borrowings of the Group were denominated in the following currencies:

#### 29. 銀行及其他借貸 (續)

銀行及其他借貸乃按定息及浮息安排。於2016年12月31日，本集團銀行及其他借貸的平均實際年利率為3.97% (2015年：5.10%)。

120,200,000港元的銀行借貸乃以本公司的126,483,000港元短期存款作抵押。

於2016年及2015年12月31日，本集團之銀行及其他借貸之賬面值與其公允值相若。

本集團之銀行及其他借貸按貨幣劃分如下：

		<b>31 December 2016</b>	31 December 2015
		<b>2016年12月31日</b>	2015年12月31日
		<b>HK\$'000</b>	HK\$'000
		千港元	千港元
			(Restated)
			(重列)
Renminbi	人民幣	<b>357,421</b>	17,904
Hong Kong dollars	港元	<b>120,200</b>	-
		<b>477,621</b>	17,904

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 30. CASH GENERATED FROM/(USED IN) OPERATIONS

#### 30. 經營產生／（所用）之現金

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
Profit before taxation (including discontinued operation)	除稅前溢利（包括已終止經營之業務）	1,101,136	211,802
Adjustments for:	調整：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	24,068	33,137
Amortisation of intangible assets	無形資產攤銷	28,282	29,869
Interest income	利息收入	(97,051)	(156,476)
Interest expenses	利息支出	190,779	205,219
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	393	121
Fair value changes on investment properties	投資物業的公允值變動	(45,395)	(95,649)
Amortisation of land use rights	土地使用權攤銷	456	1,612
Share of result of an associate	應佔一間聯營公司業績	(455,513)	(44,276)
Share of result of a joint venture	應佔一間合營公司業績	(1,039)	2,584
Gain on disposal of the discontinued operation	出售已終止經營之業務之收益	(620,794)	—
Impairment provision for trade and other receivables	貿易及其他應收款項之減值撥備	16,635	6,070
Provision for inventories	存貨之撥備	30,403	40,696
		172,360	234,709
Changes in working capital	營運資金變動		
Inventories	存貨	(28,580)	(71,511)
Trade and other receivables	貿易及其他應收款項	7,217	(496,850)
Deferred government grants	遞延政府補助	(97,419)	(89,383)
Advances from customers	客戶預付款項	3,110	4,252
Trade and other payables	貿易及其他應付款項	170,526	(204,760)
Cash generated from/(used in) operations	經營產生／（所用）之現金	227,214	(623,543)



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 31. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

##### Acquisition of additional interest in a subsidiary

As described in Note 1, the Group acquired an additional 22.21% equity interest in Huahong for a cash consideration of HK\$194,804,000. The carrying amount of such non-controlling interests in Huahong on the date of acquisition was HK\$61,322,000. The Group recognised a decrease in non-controlling interests of HK\$61,322,000 and a decrease in equity attributable to owners of the Company of HK\$133,482,000. The effect of acquisition of additional interest in Huahong on the equity attributable to owners of the Company during the year is summarised as follows:

#### 31. 與非控股權益之交易

##### 收購一間附屬公司之額外權益

誠如附註1所述，本集團以現金對價194,804,000港元收購華虹之額外22.21%股權。該華虹之非控股權益於收購日期之賬面值為61,322,000港元。本集團確認非控股權益減少61,322,000港元及本公司權益持有者應佔權益減少133,482,000港元。收購華虹之額外權益對本年本公司權益持有者應佔權益之影響概述如下：

		Year ended 31 December 2016 截至2016年 12月31日止年度 HK\$'000 千港元
Carrying amount of non-controlling interests acquired	所收購非控股權益之賬面值	61,322
Consideration paid to non-controlling interests	支付與非控股權益之對價	(194,804)
Excess of consideration paid recognised within equity	超過支付對價確認於權益中	(133,482)

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 32. COMMITMENTS

#### (a) Operating lease commitments

The Group's future aggregate minimum lease payments under non-cancellable operating leases for factories and office premises are as follows:

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
Not later than one year	1年內	15,744	13,296
In the second to fifth year	第2年至第5年內	9,582	2,221
		<b>25,326</b>	15,517

#### (b) Capital commitments

The Group had the following outstanding capital commitments at the end of the reporting period:

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
– Acquisition of 95.64% equity interest in Huahong	– 收購華虹95.64%股權	–	788,016
– Subscription of 1,491,469,917 new shares of CEOVU	– 認購1,491,469,917股新中電光谷聯合股份	–	1,193,176
		–	1,981,192

### 33. CONTINGENT LIABILITIES

The Group did not have any material contingent liability at 31 December 2016 (2015: nil).

### 32. 承擔

#### (a) 經營租賃承擔

本集團根據不可解除之廠房及辦公室物業之經營租賃而須於未來支付之最低租賃款項總額如下：

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
Not later than one year	1年內	15,744	13,296
In the second to fifth year	第2年至第5年內	9,582	2,221
		<b>25,326</b>	15,517

#### (b) 資本承擔

本集團於報告期末尚未履行的資本承擔如下：

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
– Acquisition of 95.64% equity interest in Huahong	– 收購華虹95.64%股權	–	788,016
– Subscription of 1,491,469,917 new shares of CEOVU	– 認購1,491,469,917股新中電光谷聯合股份	–	1,193,176
		–	1,981,192

### 33. 或有負債

於2016年12月31日，本集團並無任何重大或有負債（2015年：無）。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 34. RELATED PARTY TRANSACTIONS AND BALANCES

In addition to those transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions in the ordinary course of business with related parties during the year:

##### (a) Significant transactions with related parties

#### 34. 關聯人士交易及結餘

除於本綜合財務報表其他部份已披露的交易及結餘外，於本年度內本集團於日常業務過程中與關聯人士進行了下列各項重大交易：

##### (a) 與關聯人士之重大交易

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元 (Restated) (重列)
<b>(i) Continuing operations</b>	<b>(i) 持續經營之業務</b>		
<b>CEC</b>	<b>中國電子集團</b>		
Interest expenses	利息支出	3,083	2,391
<b>Companies under common control of CEC</b>	<b>受中國電子集團共同控制之公司</b>		
Sale of products	銷售產品	157,700	207,847
Purchase of goods and services	採購貨品及服務	409,039	426,520
Interest income	利息收入	421	2,754
Interest expenses	利息支出	8,324	2,340
Rental expenses	租金支出	1,412	973
Property management fee	物業管理費	6,649	7,131
Fees and commissions for financial services	財務服務之手續費及佣金	1,255	–
Catering service fee	餐飲服務費	3,066	1,982
Addition of borrowings	新增借貸	357,309	–
<b>Associate</b>	<b>聯營公司</b>		
Interest income	利息收入	48,502	–
Rental expenses	租金支出	307	–
<b>Joint venture</b>	<b>合營公司</b>		
Sale of products	銷售產品	2,496	8,985

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 34. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

#### 34. 關聯人士交易及結餘 (續)

##### (a) Significant transactions with related parties (Cont'd)

##### (a) 與關聯人士之重大交易 (續)

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
<b>(ii) Discontinued operation</b>	<b>(ii) 已終止經營之業務</b>		
<b>Companies under common control of CEC</b>	<b>受中國電子集團共同控制之公司</b>		
Rental income	租金收入	–	36
Interest income	利息收入	–	3,810
Interest expenses	利息支出	–	3,017
Property management fee	物業管理費	<b>613</b>	1,692
Fees and commissions for financial services	財務服務之手續費及佣金	<b>263</b>	268
Addition of borrowings	新增借貸	–	285,658
Repayment of borrowings	償還借貸	–	285,658
<b>Associate</b>	<b>聯營公司</b>		
Interest income	利息收入	<b>20,320</b>	47,047
Entrusted loan	委託貸款	–	37,260
<b>Joint venture</b>	<b>合營公司</b>		
Rental income	租金收入	–	162



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 34. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

#### 34. 關聯人士交易及結餘 (續)

##### (b) Significant balances with related parties

##### (b) 與關聯人士之重大結餘

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元 (Restated) (重列)
<b>CEC</b>	<b>中國電子集團</b>		
Other receivables	其他應收款項	–	52
Other payables	其他應付款項	3,354	57,531
Borrowings	借貸	67,076	17,904
<b>Companies under common control of CEC</b>	<b>受中國電子集團共同控制之公司</b>		
Trade receivables	貿易應收款項	118,172	114,823
Other receivables	其他應收款項	2,344	3,569
Deposits	存款	112,718	238,012
Trade payables	貿易應付款項	197,092	91,448
Other payables	其他應付款項	218,433	1,681
Borrowings	借貸	290,233	–
<b>Associate</b>	<b>聯營公司</b>		
Entrusted loans	委託貸款	–	513,261
Interest receivables	應收利息	22,074	–
Other payables	其他應付款項	56	896
<b>Joint venture</b>	<b>合營公司</b>		
Trade receivables	貿易應收款項	6,867	–
Other receivables	其他應收款項	–	2,459
Other payables	其他應付款項	–	13

Other than the deposits, entrusted loans and the borrowings which are interest bearing, the above balances with related parties were unsecured, interest-free and settled according to the relevant contract terms. The borrowings from related parties are unsecured and with interest rate ranging from 4.00% to 4.35% per annum.

除存款、委託貸款及借貸為附息外，上述關聯人士結餘為無抵押、免息並根據相關的合同條款結算。關聯人士借貸為無抵押及按介乎年利率4.00%至4.35%計息。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 34. RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)

#### (c) Key management compensation

### 34. 關聯人士交易及結餘 (續)

#### (c) 主要管理人員酬金

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 HK\$'000 千港元	2015 2015年 HK\$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	5,708	7,677
Contributions to retirement schemes	退休計劃供款	495	705
		6,203	8,382

### 35. SUBSEQUENT EVENT

In January 2017, the Company obtained the New Borrowings and redeemed the Bonds in full on maturity.

On 3 March 2017, Huada Electronics entered into an agreement to dispose of its navigation chips business for a cash consideration of RMB100 million (the "Business Transfer"). Huada Electronics had received the consideration of RMB100 million for the Business Transfer in March 2017. Details of the Business Transfer is set out in the announcement of the Company dated 3 March 2017.

### 35. 期後事項

於2017年1月，本公司獲得新借貸，並於債券到期日全數贖回該債券。

於2017年3月3日，華大電子訂立協議以現金對價人民幣100百萬元出售其導航芯片業務（「業務轉讓」）。華大電子已於2017年3月收取業務轉讓之對價人民幣100百萬元。業務轉讓詳情已載於日期為2017年3月3日之本公司公告內。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 36. INFORMATION ABOUT BALANCE SHEET OF THE COMPANY

#### 36. 有關本公司資產負債表之資料

			31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備		1,667	2,412
Investments in subsidiaries	附屬公司投資	37	1,037,086	1,792,992
Amount due from a subsidiary	應收一間附屬公司款項		2,072,296	-
			<b>3,111,049</b>	1,795,404
<b>Current assets</b>	<b>流動資產</b>			
Trade and other receivables	貿易及其他應收款項		59,390	1,579,362
Available-for-sale financial assets	可供出售金融資產		11,179	45,358
Short-term deposits and investments	短期存款及投資		126,483	630,664
Cash in transit	在途現金	23	866,754	-
Cash and cash equivalents	現金及現金等價物		664,181	448,608
			<b>1,727,987</b>	2,703,992
<b>Total assets</b>	<b>資產總額</b>		<b>4,839,036</b>	4,499,396
<b>EQUITY AND LIABILITIES</b>	<b>權益及負債</b>			
<b>Equity</b>	<b>權益</b>			
Share capital and premium	股本及溢價	25	825,454	825,454
Reserves	儲備	(a)	431,518	302,133
<b>Total equity</b>	<b>權益總額</b>		<b>1,256,972</b>	1,127,587
<b>Liabilities</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Unsecured corporate bonds	無抵押企業債券	26	-	3,258,479
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項		74,180	91,411
Unsecured corporate bonds	無抵押企業債券	26	3,069,502	-
Bank and other borrowings	銀行及其他借貸		410,434	-
Income tax payable	應付所得稅款項		27,948	21,919
			<b>3,582,064</b>	113,330
<b>Total liabilities</b>	<b>負債總額</b>		<b>3,582,064</b>	3,371,809
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>4,839,036</b>	4,499,396

The balance sheet of the Company was approved by the board of directors on 30 March 2017 and are signed on its behalf by:

本公司之資產負債表經董事會於2017年3月30日批准，並由下列人士代表簽署：

**Dong Haoran 董浩然**  
Director 董事

**Liu Hongzhou 劉紅洲**  
Director 董事

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 36. INFORMATION ABOUT BALANCE SHEET OF THE COMPANY (Cont'd)

##### (a) Reserves of the Company

#### 36. 有關本公司資產負債表之資料 (續)

##### (a) 本公司之儲備

		Translation reserve 匯兌儲備 HK\$'000 千港元	Contributed surplus 實繳盈餘 HK\$'000 千港元	Retained earnings/ (accumulated losses) 保留溢利/ (累計虧損) HK\$'000 千港元	Total 合計 HK\$'000 千港元
<b>At 1 January 2015</b>	<b>於2015年1月1日</b>	(4,276)	345,644	59,155	400,523
Total comprehensive income	全面收益總額	26,028	-	(71,641)	(45,613)
Payment of dividend	派付股息	-	(52,777)	-	(52,777)
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>	21,752	292,867	(12,486)	302,133
<b>At 1 January 2016</b>	<b>於2016年1月1日</b>	<b>21,752</b>	<b>292,867</b>	<b>(12,486)</b>	<b>302,133</b>
Total comprehensive income	全面收益總額	<b>(27,988)</b>	-	<b>218,269</b>	<b>190,281</b>
Payment of dividend	派付股息	-	<b>(60,896)</b>	-	<b>(60,896)</b>
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>	<b>(6,236)</b>	<b>231,971</b>	<b>205,783</b>	<b>431,518</b>

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is distributable to shareholders in certain circumstances as specified in Section 54 thereof.

根據百慕達1981年公司法(經修訂),本公司之實繳盈餘可於該公司法第54條所訂明之若干情況下分派予股東。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

### 37. INVESTMENTS IN SUBSIDIARIES – COMPANY

### 37. 附屬公司投資—本公司

		31 December 2016 2016年12月31日 HK\$'000 千港元	31 December 2015 2015年12月31日 HK\$'000 千港元
Investments – unlisted equity interests, at cost	投資—非上市股權， 按成本值	<b>1,037,086</b>	1,792,992

On 30 June 2016, the Company disposed of 100% equity interest in CEC Technology to CEOVU.

於2016年6月30日，本集團出售中電科技之100%股權予中電光谷聯合。

Particulars of the principal subsidiaries at 31 December 2016 and 2015 are as follows:

主要附屬公司於2016年及2015年12月31日之詳情如下：

Name 名稱	Place of establishment and type of legal entity 成立地點及公司性質	Principal place of operation and activities 主要經營地點及業務	Registered and paid-in capital 註冊及實收資本	Interest held 所持權益			
				2016		2015	
				Directly 直接	Indirectly 間接	Directly 直接	Indirectly 間接
Huada Electronics 華大電子	PRC, limited liability company 中國·有限責任公司	PRC, design and sale of integrated circuit chips 中國·集成電路芯片之 設計及銷售	RMB446,800,000 人民幣446,800,000元	100%	–	100%	–
Huahong 華虹	PRC, limited liability company 中國·有限責任公司	PRC, design and sale of integrated circuit chips 中國·集成電路芯片之 設計及銷售	RMB158,471,000 人民幣158,471,000元	–	95.64%	–	–
CEC Technology 中電科技	PRC, limited liability company 中國·有限責任公司	PRC, holding investments in subsidiaries 中國·持有多家附屬公司投資	RMB100,000,000 人民幣100,000,000元	–	–	100%	–
China Electronics Beihai Industrial Park Development Co., Ltd 中國電子北海產業園發展有限公司	PRC, limited liability company 中國·有限責任公司	PRC, development and management of electronic information technology industrial parks 中國·電子信息技術產業園之 發展及管理	RMB150,000,000 人民幣150,000,000元	–	–	–	100%
China Electronics Xi'an Industrial Park Development Co., Ltd ("CEC Xi'an") 中國電子西安產業園發展有限公司 (「中電西安」)	PRC, limited liability company 中國·有限責任公司	PRC, development and management of electronic information technology industrial parks 中國·電子信息技術產業園之 發展及管理	RMB103,500,000 人民幣103,500,000元	–	–	–	73.91%

In the opinion of the Board, the non-controlling interests of Huahong and CEC Xi'an are immaterial to the Group and thus the financial information of Huahong and CEC Xi'an are not disclosed.

董事會認為，華虹及中電西安之非控股權益對本集團而言屬不重要，故並無披露華虹及中電西安之財務資料。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 38. EMOLUMENTS OF DIRECTORS OF THE COMPANY

##### (i) For the year ended 31 December 2016

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries:

Name of director 董事姓名	Fee 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Estimated	Retirement	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Total 合計 HK\$'000 千港元
			money value of other benefits 其他福利估 計貨幣價值 HK\$'000 千港元	benefit scheme 退休福利 計劃 HK\$'000 千港元		
Rui Xiaowu <sup>(3)</sup>	-	-	-	-	-	-
Dong Haoran	-	-	-	-	-	-
Ma Yuchuan <sup>(2)</sup>	-	-	-	-	-	-
Liu Hongzhou	-	750	-	172	900 <sup>(1)</sup>	1,822
Xie Qinghua <sup>(3)</sup>	-	36	-	6	-	42
Jiang Juncheng <sup>(2)</sup>	-	-	-	-	-	-
Chan Kay Cheung	200	-	-	-	-	200
Qiu Hongsheng	200	-	-	-	-	200
Chow Chan Lum	200	-	-	-	-	200
	600	786	-	178	900	2,464

<sup>(1)</sup> Discretionary bonus for the year 2015 approved and paid in 2016.

<sup>(2)</sup> Appointed on 19 January 2016.

<sup>(3)</sup> Resigned on 19 January 2016.

During the year, no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the directors had waived any emoluments during the year.

#### 38. 本公司董事的酬金

##### (i) 截至2016年12月31日止年度

作為董事（包括本公司或其附屬公司）提供服務而獲發放或應收的酬金：

<sup>(1)</sup> 2015年酌情花紅於2016年獲批核及發放。

<sup>(2)</sup> 於2016年1月19日獲委任。

<sup>(3)</sup> 於2016年1月19日辭任。

年內，本集團並無向董事支付任何酬金作為加盟本集團或加盟時之獎勵或作為離任之補償。年內亦無董事放棄任何酬金。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2016 截至2016年12月31日止年度

#### 38. EMOLUMENTS OF DIRECTORS OF THE COMPANY (Cont'd)

##### (ii) For the year ended 31 December 2015

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiaries:

#### 38. 本公司董事的酬金 (續)

##### (ii) 截至2015年12月31日止年度

作為董事(包括本公司或其附屬公司)提供服務而獲發放或應收的酬金:

Name of director 董事姓名	Fee 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Estimated money value of other benefits 其他福利估 計貨幣價值 HK\$'000 千港元	Retirement benefit scheme 退休福利 計劃 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Rui Xiaowu 芮曉武	-	-	-	-	-	-
Dong Haoran <sup>(3)</sup> 董浩然 <sup>(3)</sup>	-	-	-	-	907 <sup>(1)</sup>	907
Liu Hongzhou 劉紅洲	-	750	10	171	924 <sup>(2)</sup>	1,855
Xie Qinghua 謝慶華	-	750	137	171	924 <sup>(2)</sup>	1,982
Liu Jinping <sup>(4)</sup> 劉晉平 <sup>(4)</sup>	24	-	-	-	-	24
Chan Kay Cheung 陳棋昌	200	-	-	-	-	200
Qiu Hongsheng 邱洪生	200	-	-	-	-	200
Chow Chan Lum <sup>(5)</sup> 鄒燦林 <sup>(5)</sup>	100	-	-	-	-	100
	524	1,500	147	342	2,755	5,268

<sup>(1)</sup> Discretionary bonus as a director of Huada Electronics for the year 2014 approved and paid in 2015 by Huada Electronics.

<sup>(2)</sup> Discretionary bonus for the year 2014 approved and paid in 2015.

<sup>(3)</sup> Appointed on 12 February 2015.

<sup>(4)</sup> Resigned on 12 February 2015.

<sup>(5)</sup> Appointed on 30 June 2015.

<sup>(1)</sup> 擔任華大電子董事之2014年酌情花紅於2015年獲華大電子批核及發放。

<sup>(2)</sup> 2014年酌情花紅於2015年獲批核及發放。

<sup>(3)</sup> 於2015年2月12日獲委任。

<sup>(4)</sup> 於2015年2月12日辭任。

<sup>(5)</sup> 於2015年6月30日獲委任。

## Five-year Financial Summary 五年財務資料摘要

### RESULTS

### 業績

		Year ended 31 December 截至12月31日止年度				
		2016	2015	2014	2013	2012
		2016年	2015年	2014年	2013年	2012年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		(Restated)	(Restated)	(Restated)	(Restated)	(Restated)
		(重列)	(重列)	(重列)	(重列)	(重列)
		(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
		(經審核)	(經審核)	(未經審核)	(未經審核)	(未經審核)
			(i)	(i)	(i)	(i)
Revenue	收入	<b>1,358,953</b>	1,720,099	1,928,702	1,922,046	1,846,072
Profit for the year attributable to owners of the Company	本年度溢利歸屬於本公司權益持有者	<b>1,061,166</b>	177,353	222,069	351,079	302,790



## Five-year Financial Summary

### 五年財務資料摘要

#### ASSETS AND LIABILITIES

#### 資產及負債

		31 December				
		12月31日				
2016	2015	2014	2013	2012		
2016年	2015年	2014年	2013年	2012年		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	
	(Restated)	(Restated)	(Restated)	(Restated)	(Restated)	
	(重列)	(重列)	(重列)	(重列)	(重列)	
(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
(經審核)	(經審核)	(未經審核)	(未經審核)	(未經審核)	(未經審核)	
	(i)	(i)	(i)	(i)	(i)	
Total assets	資產總額	<b>6,093,268</b>	6,721,257	7,552,772	3,637,271	3,282,570
Total liabilities	負債總額	<b>(4,412,619)</b>	(5,170,282)	(6,014,867)	(1,817,360)	(1,695,662)
		<b>1,680,649</b>	1,550,975	1,537,905	1,819,911	1,586,908

(i) The financial summary for the year ended 31 December 2012, 2013, 2014 and 2015 are restated using the principles of merger accounting, as prescribed in HKAG 5. Details of which were disclosed in Note 2.1 of the consolidated financial statements of the Group for the year ended 31 December 2016.

(i) 截至2012年、2013年、2014年及2015年12月31日止年度之財務資料摘要乃採用香港會計指引第5號所規定之合併會計原則重列。有關詳情已於本集團截至2016年12月31日止年度之綜合財務報表附註2.1披露。

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