



Smartac Group China Holdings Limited

中國智能集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock code 股份代號 : 395)



ANNUAL REPORT 2016 年度報告

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Corporate Information 公司資料

EXECUTIVE DIRECTORS

Mr. Yang Xin Min (*Chairman and Chief Executive Officer*)
Mr. Yang Zhen
Mr. Kwan Che Hang Jason

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Cheng Faat Ting Gary
Mr. Poon Lai Yin Michael
Mr. Yang Wei Qing

QUALIFIED ACCOUNTANT AND COMPANY SECRETARY

Ms. Yeung Wai Ling, HKICPA

AUDITOR

RSM Hong Kong
Certified Public Accountants
29th Floor
Lee Garden Two
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PRINCIPAL BANKERS

OCBC Wing Hang Bank Limited
Bank of Jiangsu
Bank of Suzhou
The Hongkong and Shanghai Banking Corporation Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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The People's Republic of China

REGISTERED OFFICE

Conyers Trust Company (Cayman) Limited
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Grand Cayman, KY1-1111
Cayman Islands

執行董事

楊新民先生(主席及行政總裁)
楊震先生
關志恒先生

獨立非執行董事

鄭發丁博士
潘禮賢先生
楊偉慶先生

合資格會計師兼公司秘書

楊慧玲女士 · HKICPA

核數師

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註冊會計師
香港
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主要往來銀行

華僑永亨銀行有限公司
江蘇銀行
蘇州銀行
香港上海滙豐銀行有限公司

總辦事處及主要營業地點

中華人民共和國
上海市
靜安區
西藏北路18號
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註冊辦事處

Conyers Trust Company (Cayman) Limited
Cricket Square
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Grand Cayman, KY1-1111
Cayman Islands

Corporate Information 公司資料

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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LEGAL ADVISORS

Tung, Ng, Tse & Heung Solicitors
Conyers Dill & Pearman, Cayman

PRINCIPAL SHARE REGISTRAR

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
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Grand Cayman, KY1-1110
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

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

STOCK CODE

The Stock Exchange of Hong Kong Limited: 395

香港主要營業地點

香港
銅鑼灣
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法律顧問

董吳謝香律師事務所
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主要股份過戶登記處

Royal Bank of Canada Trust
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4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman, KY1-1110
Cayman Islands

香港股份過戶登記分處

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

股份代號

香港聯合交易所有限公司: 395

Five-Year Financial Summary 五年財務摘要

| | | 2016 | 2015 | 2014 | 2013 | 2012 |
|---|------------------------|---------------|---------------|---------------|---------------|---------------|
| | | 二零一六年 | 二零一五年 | 二零一四年 | 二零一三年 | 二零一二年 |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| | | | | (Restated) | | |
| | | | | (經重列) | | |
| Revenue | 收入 | 24,319 | 33,559 | 46,684 | 101,669 | 156,577 |
| Loss for the year | 年度虧損 | (157,898) | (143,309) | (156,971) | (206,105) | (200,362) |
| EBIT | 息稅前利潤 | (158,294) | (139,009) | (146,015) | (130,201) | (171,501) |
| EBITDA | 息稅折舊及攤銷前利潤 | (125,269) | (82,718) | (107,012) | (113,054) | (150,153) |
| Loss per share – basic (RMB) | 每股虧損—基本(人民幣) | (0.0366) | (0.0409) | (0.0103) | (0.0821) | (0.0817) |
| Loss per share – diluted (RMB) | 每股虧損—攤薄(人民幣) | (0.0366) | (0.0409) | (0.0103) | (0.0821) | (0.0818) |
| Ordinary shares (shares) | 普通股數目(股) | 4,762,033,424 | 3,968,361,424 | 3,366,947,850 | 2,806,947,850 | 2,453,806,546 |
| Bank and cash balances (including pledged bank deposits) | 銀行及現金結存 (包括已抵押銀行存款) | 100,545 | 95,515 | 93,119 | 317,157 | 483,364 |
| Total assets | 總資產 | 248,061 | 292,751 | 538,553 | 1,091,573 | 1,439,221 |
| Net asset value | 淨資產值 | 137,487 | 221,356 | 271,031 | 268,398 | 370,470 |
| Net asset value per share (RMB) | 每股淨資產值(人民幣) | 0.03 | 0.06 | 0.08 | 0.10 | 0.15 |

Corporate Profile 集團簡介

Smartac Group China Holdings Limited (the “**Company**” or together with its subsidiaries the “**Group**”), listed on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 28 October 2002. In order to signify its clear focus on developing its Online-to-Offline (“**O2O**”) solutions segment and integrated digital marketing (“**IDM**”) solutions segment and leverage on its strength and expertise in software development as an O2O solutions provider and Wi-Fi network system operator, the Group completed the disposal of its zirconium and petrochemicals business in China and Indonesia during 2015.

In line with the Group’s development in mobile internet service as well as the trend in the information technology industry for the big data market in the PRC, the Group collaborated with Shenzhen Tencent Computer System Company Limited, a subsidiary of Tencent Holdings Limited (stock code: 00700.HK) to develop a smart Wi-Fi railway internet network (“**Smart Wi-Fi Network**”) in the PRC and integrate smart phone APP Weixin (微信) enabling users to access to the Smart Wi-Fi Network when travelling in the concerned railway stations in the PRC. Besides, the Group together with Guangzhou South Railway Station, have developed and launched smart robot, to provide real-time services to the passengers with the Group’s business intelligence and big data analysis technology.

On the other hand, the Group also provided O2O solutions and maintenance services mainly to shopping malls and retail shops by managing comprehensive social customer relationship management platforms and providing big data management and operation services for effective implementation of more targeted promotion and marketing activities to improve business performance. The Group also entered a Wi-Fi network installation and operation agreement with Tianjin China Resources Vanguard Limited (“**Tianjin CR Vanguard**”) to provide different digital marketing activities for Tianjin CR Vanguard.

The Group, through its wholly owned subsidiaries, engaged in various Wi-Fi network installations and operations in railway stations in the PRC, major business areas in Shanghai and a nationwide supermarket brand in Tianjin. The Group provided installation, post-installation maintenance and operation service of wireless network systems in approximately 150 railway stations in the PRC. Besides, the Group worked with its associate, Shanghai Zewei Information Technology Company Limited (“**Zewei**”) and China Telecommunications Corporation (“**China Telecom**”) for the development of pop-up advertisements and APP operation for users in major business areas in Shanghai.

In the future, the Group will continue to advance towards the target of becoming the leader in provision of integrated solutions and platform in the O2O and IDM businesses. Besides, the Group will actively seek for opportunities and strategic partners to expand the business through various forms, not limited to technological cooperation and business joint ventures.

中國智能集團控股有限公司(「本公司」或連同其附屬公司統稱「本集團」)於二零零二年十月二十八日於香港聯合交易所有限公司(「聯交所」)上市。為表明其重點在於發展線上線下(「O2O」)解決方案分部及綜合電子推廣(「綜合電子推廣」)解決方案分部，以及善用其作為一間O2O解決方案供應商及Wi-Fi網絡系統運營商在軟件開發方面的優勢及專長，本集團於二零一五年完成出售其位於中國及印尼的鋳化學品及成品油產品業務。

為迎合本集團在移動互聯網服務的發展以及中國大數據市場在資訊科技行業的發展趨勢，本集團與深圳市騰訊計算機系統有限公司(騰訊控股有限公司(股份代號：00700.HK)的附屬公司)合作，在中國開發智能Wi-Fi鐵路互聯網網絡(「智能Wi-Fi網絡」)，並整合智能手機微信APP以讓用戶在途經中國相關火車站時能夠接入智能Wi-Fi網絡。此外，本集團與廣州南站攜手開發及推出智能機器人，藉助本集團的商業智能及大數據分析技術向旅客提供實時服務。

另一方面，本集團亦通過管理全面的社交會員管理平台及提供大數據管理及營運服務，主要為商場及零售店舖提供O2O解決方案及維護服務，以便有效實施更具針對性的宣傳及營銷活動，從而提升業務表現。本集團亦與天津華潤萬家生活超市有限公司(「天津華潤萬家」)訂立Wi-Fi網絡鋪設和營運合同，為天津華潤萬家提供不同的電子推廣活動。

本集團透過其全資附屬公司從事中國火車站、上海主要商務區及天津一個全國性超市品牌的各種Wi-Fi網絡鋪設及營運。本集團於中國約150個火車站提供無線網絡系統安裝、安裝後維護及營運服務。此外，本集團與其聯營公司上海澤維信息技術有限公司(「澤維」)及中國電信集團(「中國電信」)合作，在上海主要商務區向用戶提供彈出型廣告及APP軟件營運。

未來，本集團將繼續朝著成為O2O及綜合電子推廣業務的領先綜合解決方案與平台供應商的目標邁進。再者，本集團將通過各種形式積極尋找機會與戰略夥伴，包括但不限於技術合作與企業合資，以拓展業務。

Chairman's Statement 主席報告



Yang Xin Min 楊新民
Chairman 主席

Dear Valued Shareholders

On behalf of the Board of Directors (the “Board”) of the Company, I herein present the annual results of the Group for the financial year ended 31 December 2016 (“FY2016”).

Through big data and cloud computing technologies, the Group conducted a comprehensive analysis and offered a more precise O2O marketing programme, thereby enabling more targeted sales volume improvement of merchants and better consumption experience for consumers. The Group also continued to develop and operate smart services of different scenes, with Wi-Fi network as entry and social customer relationship management platforms as foundation, driving mutual linkage and interactions between scenes, people and merchandise or services.

In FY2016, the Group provided merchants and brands with new media channels which reached consumers to boost spending as well as enhance the commercial value for their customers and businesses through O2O solutions. Moreover, during the year, the Group completed the installation of Wi-Fi network in 60 designated stores of Tianjin CR Vanguard. During the operation period, the Group will have the exclusive right in operating network, marketing and promotional activities in the stores, providing fast and safe internet service to customers of the stores, providing data analysis service to Tianjin CR Vanguard as well as gradually offering diversified O2O smart interactive services. The abovementioned services will be put into operation in 2017, which will integrate complementarily with the Group's competitive edge in O2O smart retail solutions, big data and cloud computing, forming a key part of the “new retail” cycle. The Group also established and operated Wi-Fi network systems in various scenes, including approximately 150 railway stations in the PRC and popular business areas in Shanghai (in which we cooperated with Zewei and China Telecom to officially operate free Wi-Fi network). However, due to high operating costs and low revenue generated, the Group may decide to suspend the Wi-Fi operations for railways under Beijing Railway Administration and Lanzhou Railway Administration from FY2017. For the Wi-Fi operations for railway operated under Guangzhou Railway (Group) Corporation, the related operation agreement will be expiring in the mid of FY2017. The Group is still considering and negotiating for the renewal of the operation agreement with more favourable terms.

各位尊敬的股東：

本人謹代表本公司董事會(「董事會」)呈列本集團於截至二零一六年十二月三十一日止財政年度(「二零一六財政年度」)之全年業績。

通過大數據、雲計算等技術，本集團進行整體分析及提供更精準的O2O營銷方案，從而使商戶更有針對性地提升銷售額，使消費者獲得更好的消費體驗。本集團亦繼續打造及營運以Wi-Fi網路為入口、社交會員管理平台為基礎的不同場景的智能化服務，使場景、人、商品或服務互相連結並產生互動。

於二零一六財政年度，本集團通過O2O方案為商家及品牌提供新的媒體管道接觸消費者以推動消費，為客戶及業務提高商業價值。此外，本集團於年內完成為天津華潤萬家指定的60家賣場打造Wi-Fi網路，並將在營運期內享有其賣場的網絡營銷及推廣活動的獨家營運權，為賣場的顧客提供高速安全的上網服務，為天津華潤萬家提供數據分析服務，並陸續提供多樣化的O2O智能互動服務，該服務將於二零一七年開始投入營運，並將與本集團的O2O智慧零售解決方案、大數據和雲計算方面的優勢形成互補，成為「新零售」週期中的重要環節。本集團亦在不同的場景打造及營運Wi-Fi網路系統，包括為中國約150個火車站及與澤維及中國電信合作正式運營上海市熱門商務區的免費Wi-Fi網路。然而，由於營運成本高昂及所得收入微薄，本集團或會決定自二零一七財政年度起停止於北京鐵路局及蘭州鐵路局的火車站Wi-Fi網路營運。就廣州鐵路(集團)公司的火車站Wi-Fi網路營運而言，相關的經營協議將於二零一七財政年度中屆滿。本集團仍在考慮及磋商更為有利的條款以重續經營協議。

Chairman's Statement 主席報告

Mobile payment will be the mainstream of payment market in the future. Haihai Travel Cloud Limited, a subsidiary of the Company, became an authorised institutional service provider in Hong Kong during the year. It commenced the business in relation to providing services to Hong Kong retail and catering industries including the application and technological docking for WeChat payment service and application for WeChat public accounts so as to save merchants' transaction time and offer convenient consuming experience to consumers.

As for O2O solutions, the Group mainly developed customer relationship management system's application for its retail customers such as shopping malls and chain stores during the year, with an aim to enhance consumers' interactive experience and nurture consumer's regular information browsing habits and thus attract traffic into the offline channels. By enabling consumers to fully enjoy the efficiency, diversity and convenience from their consumption experience, consumer loyalty has been cultivated whereas spending power has been enhanced. According to the offline spending records and media browsing history of consumers and members, it can facilitate precise information transmission and hence once again promote offline sales to consumers.

The Group started to conduct research and development on smart robots since 2015. We launched together with Guangzhou South Railway Station the first smart robot in the railway station of the PRC. The robot was put into service at Guangzhou South Railway Station in February 2016, offering real-time and personalised services, including navigation, enquiries on ticketing, shopping and dining etc. to passengers. Riding on the national policy to actively promote the "Internet plus" Artificial Intelligence by the PRC government, the Group plans to combine its self-owned artificial intelligence, big data and cloud computing technologies, thereby providing integrated smart products, developing and operating smart scenes and building smart cities. The Group will put more efforts into the research and development of smart robots as well as their connections with smart retail system, with an aim to apply such technologies in large scenes with high customer traffic such as major transportation hubs, shopping malls, department stores, hotels, conferences, exhibitions and fast food restaurants.

During the year, the Group has entered into a strategic partnership agreement with the second largest telecommunication operator in Macau and plans to collect interactive data and customer feedback from online social media via cloud platform. By integrating various types of information such as offline Wi-Fi network, location data and transaction record, the Group aims to build a fundamental big data platform for developing a smart city for Macau and conduct elementary information analysis and processing. As a result, the Group can provide consumers with convenient and efficient shopping, discounts and payment service which cater for the characteristics of Macau as a tourist city.

Last but not least, on behalf of the Board, I would like to take this opportunity to express its sincere gratitude to our shareholders, customers, suppliers, business partners and all the staff for their long term support and confidence in the Group!

Yours Faithfully

Yang Xin Min
Chairman

31 March 2017

移動支付是未來的支付市場的主流，本集團之附屬公司嗨嗨旅遊雲有限公司，於年內在香港成為認可的機構服務商，開展了為香港零售、餐飲業等商戶向微信申請開通、技術對接微信支付服務及申請微信公眾號的業務，節省商戶交易時間，給消費者帶來便捷的消費體驗。

在O2O解決方案上，年內本集團主要為購物中心、連鎖賣場等零售商超客戶提供會員管理系統應用功能的開發，提升消費者的互動體驗，養成消費者定期流覽資訊的習慣，並逐步成為會員，從而為線下導流，使消費者在體驗過程中充分感受到其便捷性以及多元化，提供購物消費便利，培養消費者忠誠度以及增強消費驅動力。根據消費者及會員的線下消費記錄及其它自有媒體的瀏覽記錄，精準推送資訊，再次引導消費者的線下銷售。

由二零一五年本集團開始研發智能機器人，與廣州南站，共同推出第一台中國鐵路站內智能機器人，於二零一六年二月在廣州南站投入服務，為旅客提供即時及個人化服務，包括導航、票務查詢、購物及餐飲查詢等。本集團藉著中國政府積極推進「互聯網+」人工智能的國家政策，計劃將結合自身擁有的人工智能、大數據及雲計算的技術提供集成智能產品、打造並運營智慧場景、建設智慧城市。本集團將加大力度研發智能機器人，與智慧零售系統對接，將其應用在大型交通樞紐、商場百貨、酒店會展、快餐店等高人流的大型場景上。

本集團於年內與澳門的第二大電信營運商簽訂策略性合作夥伴協議，並計劃通過雲平台收集線上社交媒體互動資料及客戶回饋資訊，通過整合線下Wi-Fi網絡、定位資料、交易記錄各類資料，本集團旨在建立澳門智慧城市的基礎大數據平台，並對資料進行基本的分析和處理。針對澳門旅遊城市的特性，本集團從而能為消費者提供便捷購物、優惠折扣、支付等服務。

最後，本人藉此機會代表董事會向我們的股東、客戶、供應商、業務合作夥伴及全體員工之長期支持及信任，深表感謝！

楊新民
主席

謹啟
二零一七年三月三十一日

Management Discussion and Analysis 管理層討論及分析

BUSINESS REVIEW

IDM solutions segment

During FY2016, through working with Zewei and China Telecom, the Group continued to provide free Wi-Fi access to users in major business areas in Shanghai and operate the Wi-Fi network by providing pop-up digital advertisements on its own Shanghai Wi-Fi portal page and posting promotion articles for customers through its own Shanghai Wi-Fi WeChat public account. The Group also continued to provide Wi-Fi networks facilities installation, post-installation maintenance and operations of the Wi-Fi network in the railway stations operated by Guangzhou Railway (Group) Corporation, Beijing Railway Administration and Lanzhou Railway Administration during the year. As at 31 December 2016, the Group has established Wi-Fi network in around 150 railway stations in the PRC. The Group provided free Wi-Fi access to users and operated the Wi-Fi network by providing pop-up digital advertisements on its own railway Wi-Fi portal page in railway stations and posting promotion articles for customers through its own railway Wi-Fi WeChat public account. However, due to high operating costs and low revenue generated, the Group may discontinue the operation of the Wi-Fi network operated by Beijing Railway Administration and Lanzhou Railway Administration from FY2017. For the Wi-Fi network operation under Guangzhou Railway (Group) Corporation, the related operation agreement will be expiring in the mid of FY2017. The Group is still considering and negotiating for the renewal of the operation agreement with more favourable terms up to the date of this annual report.

Besides, the Group established the Wi-Fi network in the designated stores of Tianjin China Resources Vanguard Limited (“**Tianjin CR Vanguard**”). CR Vanguard is a nationwide supermarket brand operated by China Resources (Holdings) Limited with not less than 4,000 supermarkets/outlets in 31 provinces/cities in China. Tianjin CR Vanguard is the operating vehicle for CR Vanguard in Northern China. As at 31 December 2016, the Company has completed Wi-Fi network installation in 60 stores for Tianjin CR Vanguard and the operation will start to contribute revenue for the Group in the coming year. During the operation period, the Group will have the exclusive right in operating the Wi-Fi network and marketing activities in the stores, providing fast and safe internet service to customers in the stores, providing data analysis service such as stores’ traffic analysis, customers’ behavior analysis and consumption pattern analysis to Tianjin CR Vanguard as well as gradually offering diversified O2O smart interactive services such as delivering e-coupon, targeted promotion and product enquiry functions to customers.

業務回顧

綜合電子推廣解決方案分部

於二零一六財政年度，本集團透過與澤維及中國電信合作，繼續在上海主要商務區內向用戶提供免費Wi-Fi網絡，並透過在其自身上海Wi-Fi門戶頁面提供彈出型電子廣告，和通過其自身上海Wi-Fi微信公眾號為客戶張貼推廣文章，以營運有關Wi-Fi網絡。本集團亦繼續為廣州鐵路(集團)公司、北京鐵路局及蘭州鐵路局營運的火車站提供Wi-Fi網絡的設備安裝、安裝後維護及營運服務。於二零一六年十二月三十一日，本集團已於中國約150個火車站建立Wi-Fi網絡。本集團向用戶提供免費Wi-Fi網絡，並透過其在火車站的自身鐵路Wi-Fi門戶頁面提供彈出型電子廣告，和通過其自身Wi-Fi微信公眾號為客戶張貼推廣文章，以營運有關Wi-Fi網絡。然而，由於營運成本高昂及所得收入微薄，本集團可能自二零一七財政年度起終止經營北京鐵路局及蘭州鐵路局營運的Wi-Fi網絡業務。就廣州鐵路(集團)公司營運的Wi-Fi網絡而言，相關的經營協議將於二零一七財政年度中屆滿。截至本年度報告日期，本集團仍在考慮及磋商更為有利的條款以重續經營協議。

此外，本集團在天津華潤萬家生活超市有限公司(「天津華潤萬家」)指定的賣場建立Wi-Fi網絡。華潤萬家是華潤(集團)有限公司旗下的一個全國性超市品牌，在中國31個省市擁有不少於4,000間超市/門市。天津華潤萬家則是華潤萬家在華北地區的經營機構。於二零一六年十二月三十一日，本公司已完成位於天津華潤萬家的60家賣場安裝Wi-Fi網絡，該業務將於來年開始為本集團貢獻收入。於營運期內，本集團將擁有在該等賣場獨家營運Wi-Fi網絡及市場推廣活動，為賣場的客戶提供高速安全的上網服務，為天津華潤萬家提供數據分析服務(如賣場的客流分析、客戶行為分析及消費模式分析)，以及陸續向客戶提供多樣化的O2O智能互動服務(如傳送電子優惠券、精準廣告及產品查詢功能)。

Management Discussion and Analysis 管理層討論及分析

The Group has entered into a strategic cooperation agreement with Ctrip Financial Services (Hong Kong) Limited (“Ctrip”) in relation to the business cooperation of “cross-border tourists shopping” in May 2016. During the year, the initial area of cooperation under the strategic cooperation was the provision of promotion services to Ctrip in shopping malls and retail shops in Korea and Japan. The Group would further negotiate with Ctrip to sign any supplementary agreement under the strategic cooperation agreement.

The Group started to develop the Wechat payment business in Hong Kong in the year to provide services for retail and catering businesses in the application and technological docking for WeChat payment service and application for WeChat public accounts. Merchants using WeChat payment service can save transaction time and offer convenient experience to consumers. The WeChat payment business is still in the startup stage in the year and will expect to strengthen the growth in the coming years.

O2O solutions segment

During the year, the Group delivered O2O services to various clients such as shopping malls, retail shops and exhibition centres by providing social customer relationship management platforms, big data management and maintenance service for effective implementation of more targeted promotion and marketing activities to improve business performance. The services made these clients to interact with their customers through different channels such as i-Beacon, WeChat public accounts and Kiosk. The Group enabled their customers to receive coupons, rewards, discounts and messages through different ways such as using the “WeChat Shake” function in WeChat, through Wi-Fi interactive games using Kiosk and through WeChat public account. The Group also helped the clients to analyse customers’ consumption habits from the data captured in the social customer relationship management platforms so as to help its clients to design more effective marketing strategy to attract customers in order to drive sales. Besides, the Group also provided maintenance services for the voice recording system, call center system and social customer relationship management platforms in the year.

The Group has been developing smart robots during the year. In FY2016, by working together with Guangzhou South Railway Station, the Group have developed and launched the first smart robot providing services such as passengers’ enquiry services and local tourist information in Guangzhou South Railway Station. The Group has also begun to sell smart robots and provided post-maintenance service of the smart robots to customers. The Group will keep rolling updates of smart robots until it is ready for mass production and plan to introduce smart robots into transportation hubs, shopping malls, hotels and exhibition centers in the coming years.

於二零一六年五月，本集團與攜程金融服務(香港)有限公司(「攜程」)就「跨境旅遊客境外購物」業務合作簽訂戰略合作協議。年內，戰略合作下的初步合作領域為於韓國及日本商場和零售店舖為攜程提供促銷服務。本集團將與攜程就戰略合作協議下簽訂任何補充協議展開進一步磋商。

年內，本集團於香港開始發展微信支付業務，為零售和餐飲企業申請微信支付服務、提供微信支付服務的技術對接和申請微信公眾號。商戶透過使用微信支付服務，能夠節省交易時間並為客戶提供便捷的消費體驗。年內，微信支付業務仍尚處開初階段，並預期將於未來幾年有所增長。

O2O解決方案分部

年內，本集團向不同客戶如商場、零售店舖及展覽中心交付O2O服務，提供社交會員管理平台、大數據管理及維護服務，從而有效地執行更多針對性的促銷和營銷活動，改善業務表現。上述服務使該等客戶能夠透過i-Beacon、微信公眾號及Kiosk等不同渠道與顧客進行互動。本集團使彼等的客戶能夠通過不同方式例如使用微信的「微信搖一搖」功能、通過使用Kiosk的Wi-Fi互動遊戲及通過微信公眾號等接收優惠券、獎勵、折扣和消息。本集團亦協助客戶利用社交會員管理平台所收集的數據對顧客的消費習慣進行分析，藉此協助其客戶制定更有效的營銷策略，吸引顧客及提高銷售額。此外，本集團亦於年內提供語音記錄系統、呼叫中心系統及社交會員管理平台的維護服務。

年內，本集團致力開發智能機器人。於二零一六財政年度，本集團與廣州南站攜手開發及推出首個智能機器人，於廣州南站內為乘客提供查詢服務及本地旅遊資訊等。本集團亦開始銷售智能機器人，並向客戶提供智能機器人的售後維護服務。本集團將持續更新智能機器人，直至可作批量生產為止，並計劃來年在交通樞紐、商場、酒店及展覽中心引入智能機器人。

Management Discussion and Analysis 管理層討論及分析

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors are aware that the Group is exposed to various risks, including some which are specific to the Group or the industries in which the Group operates as well as others that are common to most businesses. The Group's major risks are summarised below.

Financial risk

The Group's activities expose it to a variety of financial risks including foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management procedures covers the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Details about the Group's financial risk management are set out in note 6 to the consolidated financial statements.

Manpower and retention risk

The Group may face the risk of not being able to attract and retain key personnel and talents with appropriate and required skills, experience and competence which would meet the business objectives of the Group. The Group will provide attractive remuneration package to suitable candidates and personnel, propose incentives to retain talents and optimize internal training and promotion mechanism.

Risk of rapid technological change

The O2O industry is in the stage of transformation and upgrading. If the Group fails to promptly react to the change in technologies to satisfy customers' demands, it might result in an adverse impact on the financial status and operating results of the Group. The Group, therefore, strives to response swiftly to the market to provide more comprehensive product solutions and services to customers.

Risk of change in economy, politics and government policies

Most assets of the Group were located in the PRC and approximately 83% of the income was from the business in the PRC in 2016. Therefore, the operating results, financial status and prospects of the Group are influenced by the changes in economy, politics and government policies in the PRC. Hence, the Company will reinforce the communications with business partners, enhance the innovation on technology, strengthen the aftersales maintenance market, consolidate and ensure stable and healthy development of the PRC market.

主要風險及不明朗因素

董事知悉本集團面對各種風險，包括某些為本集團或本集團所經營行業特有的風險，其他則為大多數行業所面對之常見風險。本集團之主要風險於下文概述。

財務風險

本集團之業務承受各種財務風險，包括外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理程序涵蓋金融市場之難以預測性，並尋求對本集團之財務表現產生之潛在不利影響減至最低。本集團財務風險管理之詳情載於綜合財務報表附註6。

人力供應及留聘人才之風險

本集團可能面臨無法吸引及留聘具備適當及所需技能、經驗及才能之主要人員及人才之風險，該等主要人員及人才均為達致本集團業務目標所需之因素。本集團將為合適人選及人員提供具吸引力之薪酬計劃，提出激勵措施留住人才及優化內部培訓及晉升機制。

技術急速轉變之風險

O2O行業正處於轉型升級階段。倘本集團未能及時應對技術變革以滿足客戶需求，將可能對本集團之財務狀況及經營業績造成不利影響。因此，本集團努力迅速回應市場，向客戶提供更全面之產品解決方案及服務。

經濟、政治及政府政策變更之風險

本集團於二零一六年大部份資產位於中國，且收入約83%源自於中國業務。因此，本集團之經營業績、財務狀況及前景均受到中國經濟、政治及政府政策變動之影響。為此，本公司將加強與業務合作夥伴的溝通，加大技術創新，同時強化售後維護市場，鞏固並確保中國市場之穩健發展。

Management Discussion and Analysis 管理層討論及分析

Risk of data loss or operation interruption

The Group is dependent on information technology systems and networks. Any material disruption or slowdown of the information technology systems could cause loss of the intellectual property rights of customers, suppliers and the Group. Therefore, the Group established internal policy on source code management, data security, regular system checks and data backup to safeguard data security and integrity.

FINANCIAL REVIEW

Revenue

The Group recorded a decrease in revenue by RMB9,240,000 from RMB33,559,000 in FY2015 to RMB24,319,000 in FY2016. Revenue represented (i) sales of software, IT system and services of RMB3,851,000 (2015: RMB13,645,000); (ii) consultation and maintenance service income of RMB16,939,000 (2015: RMB18,216,000); (iii) provision of digital advertising platform and related solutions services of RMB3,529,000 (2015: RMB1,698,000). The drop of revenue mainly attributed to the decrease in sales of software, IT system and services which was due to the full year effect of decrease by a subsidiary disposed in FY2015 and the further diminishment of system integration business in FY2016.

Hardware, telecom and direct operation costs

Hardware, telecom and direct operation costs consisted of hardware cost, software cost, installation cost, telecom operation cost, advertising and promotion cost and other direct costs incurred for O2O solutions segment and IDM solutions segment. The balance decreased by RMB7,031,000 from RMB21,689,000 in FY2015 to RMB14,658,000 in FY2016 mainly due to the decrease in hardware cost incurred for the system integration business in FY2016.

Employee benefits expenses

Employee benefits expenses increased by RMB2,519,000 from RMB32,072,000 in FY2015 to RMB34,591,000 in FY2016 mainly due to the net effect of (i) the full year effect recognised in FY2016 for staff costs in the subsidiaries in Korea and Japan which were incorporated in late 2015 and early 2016 respectively; (ii) increase in number of staff involved in information technology services in big data management; (iii) less staff costs capitalised in internally generated software upon completion of research and development; and (iv) decrease in staff costs in system integration business in FY2016.

數據遺失或運作中斷之風險

本集團依賴資訊科技系統及網絡。任何資訊科技系統之嚴重中斷或減速均可能導致客戶、供應商及本集團遺失知識產權。因此，本集團制定有關管理源代碼、數據保安、定期檢查系統及進行數據備份之內部政策，以保障數據之安全性及完整性。

財務回顧

收入

本集團錄得收入由二零一五年財政年度的人民幣33,559,000元減少人民幣9,240,000元至二零一六年財政年度的人民幣24,319,000元。收入指(i)銷售軟件、資訊科技系統及服務收入人民幣3,851,000元(二零一五年：人民幣13,645,000元)；(ii)諮詢及維修服務收入人民幣16,939,000元(二零一五年：人民幣18,216,000元)；(iii)提供電子廣告平台及相關解決方案服務收入人民幣3,529,000元(二零一五年：人民幣1,698,000元)。收入下跌主要歸因於銷售軟件、資訊科技系統及服務收入減少，此乃由於在二零一五年財政年度出售一間附屬公司導致全年下跌的影響以及系統整合業務於二零一六年財政年度進一步減少所致。

硬件、電訊及直接經營成本

硬件、電訊及直接經營成本包括O2O解決方案分部及綜合電子推廣解決方案分部所產生的硬件成本、軟件成本、安裝成本、電訊經營成本、廣告及推廣成本以及其他直接成本。該金額由二零一五年財政年度的人民幣21,689,000元減少人民幣7,031,000元至二零一六年財政年度的人民幣14,658,000元，主要由於系統整合業務於二零一六年財政年度所涉及的硬件成本下降所致。

員工福利費用

員工福利費用由二零一五年財政年度的人民幣32,072,000元增加人民幣2,519,000元至二零一六年財政年度的人民幣34,591,000元，主要由於(i)分別於二零一五年年底及二零一六年年初註冊成立的韓國及日本附屬公司於二零一六年財政年度所確認的全年影響；(ii)大數據管理資訊科技服務所涉及的員工數目增加；(iii)研發完成令軟件研發員工成本資本化部分減少；及(iv)於二零一六年財政年度系統整合業務的員工成本減少的淨影響所致。

Management Discussion and Analysis 管理層討論及分析

Other operating expenses

Other operating expenses mainly represented auditor's remuneration, legal and professional fee, business development costs, office rental expenses, travelling expenses and other office expenses. The amount was relatively stable with slight increase by RMB604,000 from RMB25,568,000 in FY2015 to RMB26,172,000 in FY2016.

Depreciation

Depreciation expenses decreased by RMB8,786,000 from RMB11,917,000 in FY2015 to RMB3,131,000 in FY2016 mainly because property, plant and equipment of IDM solutions segment impaired and the additions decreased significantly in FY2016 upon the completion of Wi-Fi network installation in railway stations.

Amortisation of intangible assets

Amortisation of intangible assets increased by RMB3,555,000 from RMB5,472,000 in FY2015 to RMB9,027,000 in FY2016 mainly attributable to the additions of new internally generated software in O2O solutions segment during the year.

Amortisation of long-term prepayments

Amortisation of long-term prepayments decreased by RMB12,778,000 from RMB33,589,000 in FY2015 to RMB20,811,000 mainly because significant portion of the long term prepayment in the IDM solutions segment has been impaired and thus less amortisation was made in FY2016.

Impairment loss on available-for-sale financial assets

Impairment loss on available-for-sale financial assets of RMB1,600,000 represented full impairment has been made to the investment cost in the unlisted equity securities in two private companies established in the PRC which do not have quoted market prices and an active market to assess their fair values.

Impairment loss on non-current assets

Impairment loss on non-current assets of RMB6,529,000 represented total impairment loss recognised to property, plant and equipment and construction in progress of the IDM solutions segment in FY2016 since recoverable amount of the cash-generating unit ("CGU") of the assets belonged was below the carrying amount of the CGU due to low revenue generated from the segment.

其他經營費用

其他經營費用主要為核數師酬金、法律及專業費用、業務開發費用、辦公室租賃支出、差旅支出及其他辦公室支出。該金額相對穩定，由二零一五年財政年度的人民幣25,568,000元輕微增加人民幣604,000元至二零一六年財政年度的人民幣26,172,000元。

折舊

折舊費用由二零一五年財政年度的人民幣11,917,000元減少人民幣8,786,000元至二零一六年財政年度的人民幣3,131,000元，主要由於綜合電子推廣解決方案分部的物業、廠房及設備減值及於二零一六年財政年度完成火車站Wi-Fi網絡安裝後添置大幅減少所致。

無形資產攤銷

無形資產攤銷由二零一五年財政年度的人民幣5,472,000元增加人民幣3,555,000元至二零一六年財政年度的人民幣9,027,000元，主要歸因於年內添置O2O解決方案分部的內部研發軟件所致。

長期預付款攤銷

長期預付款攤銷由二零一五年財政年度的人民幣33,589,000元減少人民幣12,778,000元至人民幣20,811,000元，主要由於綜合電子推廣解決方案分部大部份的長期預付款已減值，並於二零一六年財政年度錄得攤銷減少。

可供出售金融資產減值虧損

可供出售金融資產減值虧損人民幣1,600,000元指就投資兩間於中國成立的私人公司的非上市權益證券的成本全數減值，原因是該等證券並無市場價格，且無法於活躍市場評估彼等的公允價值所致。

非流動資產減值虧損

非流動資產減值虧損人民幣6,529,000元指於二零一六年財政年度綜合電子推廣解決方案分部的物業、廠房及設備及在建工程內確認的減值虧損總額，原因是鑒於分部產生的收入微小，令資產所屬現金產生單位（「現金產生單位」）的可收回金額低於現金產生單位的賬面值。

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Impairment loss on goodwill

Impairment loss on goodwill of RMB26,052,000 was recognised in FY2016 since the recoverable amount of the CGU of the assets belonged to software development within the O2O solutions segment was below the carrying amount of the CGU.

Provision for onerous contracts

Provision for onerous contracts of RMB50,575,000 represented the commitment for the long-term prepayments regarding the operation of wireless network at railway stations in the IDM solutions segment for the forthcoming years. Due to unsatisfactory results from operations for both years 2016 and 2015 arising from huge operating cost incurred and low revenue generated, the management may decide to suspend the Wi-Fi operations for two particular railways in order to reduce the losses, hence a provision for onerous contracts of approximately RMB50,575,000 was recognised as at 31 December 2016.

OUTLOOK

Riding on the promotion of national policy of “Internet plus” Artificial Intelligence, the Group continues to leverage its advantages of technological integration and consolidation over years to integrate its artificial intelligence, big data and cloud computing technologies, thereby providing integrated smart products, developing and operating smart scenes and building smart cities.

Regarding artificial intelligence, the Group has completed research and development and launched the first smart robot during the year. The Group intends to put more efforts into research and development of smart robots for applications in large scenes with high traffic such as major transportation hubs, shopping malls, department stores, hotels, exhibitions and fast food restaurants, in order to reduce labour costs, collect users' information, draw tourists' attention, enhance service experience, provide front-desk services and hotel delivery services and attract membership.

Regarding the development of smart scenes, the Group plans to develop an O2O convention and exhibition (“C&E”) platform for a C&E center facilitating visitors to easily locate preferred traders and products in the C&E center. We also plan to integrate the smart C&E center with various tourism resources so as to develop a “C&E driven tourism” market. Upon completion of the project, we plan to replicate this success in various large C&E centers.

Regarding the construction of smart city, the Group plans to build a tourism-based smart city for Macau and develop a basic big data platform for the smart city by building a cloud Wi-Fi network. Citizens will thus be able to enjoy more efficient, convenient and safe life experience.

商譽減值虧損

由於O2O解決方案分部內軟件開發所屬資產的現金產生單位的可收回金額低於現金產生單位的賬面值，因此於二零一六年財政年度已確認商譽減值虧損為人民幣26,052,000元。

虧損性合約撥備

該虧損性合約撥備人民幣50,575,000元指確認綜合電子推廣解決方案分部在火車站運營無線網絡的長期預付款於未來數年承擔之金額。鑑於二零一六年及二零一五年營運成本高昂及所得收入微薄，使營運不如理想。管理層或會決定停止於兩條特定火車鐵路的火車站運營Wi-Fi網絡將以減低虧損。因此，於截至二零一六年十二月三十一日止年度的綜合損益與其他全面收益表中確認虧損性合約撥備人民幣50,575,000元。

展望

藉助推進「互聯網+」人工智能時代的國家政策，本集團繼續利用多年的技術集成與整合的優勢，整合人工智能、大數據、雲計算的技術為多個行業和場景提供集成智能產品、打造並運營智慧場景及建設智慧城市。

在人工智能方面，本集團於年內完成研發及推出了第一部智能機器人，計劃未來將再研發新機器人，應用在大型交通樞紐、商場百貨、酒店會展、快餐店等高人流的大型場景上，從而減低人力成本、收集使用者資料、引起遊客關注、提升服務體驗、提供前台服務及酒店送物服務、吸粉發展會員等。

在打造智慧場景方面，本集團計劃為一個會展中心開發會展O2O平台，幫助到會展中心參觀展覽會的客人最容易找到想接觸的商家和產品，計劃把智慧會展整合各旅遊資源，打造「會展推動旅遊」的市場，計劃完成後擬將這成功案例進軍至各大型會展中心。

在建設智慧城市方面，本集團計劃為澳門城市打造以旅遊業為主營的智慧城市，通過建設雲端Wi-Fi網絡，建立智慧城市的基礎大數據平台，將可為市民提供更快捷、方便、安全的生活體驗。

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Acting in concert with Suzhou Government in promoting resources and policies on artificial intelligence and big data industry, the Group is studying the feasibility of redeveloping its office building in Suzhou Industrial Park into the first innovation and entrepreneurship center featuring artificial intelligence, big data and cloud computing. The office building will be reshaped from a simple leasing model to an incubator model to attract more start-up companies to move in. Taking this opportunity, we may reach more outstanding teams and companies which could interact and integrate with the Group. The Group will continue to actively explore strategic opportunities to expand its business through various means such as technological cooperation, joint ventures and merger and acquisition.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group committed to implement various ways to encourage in compliance with environmental legislation and promote awareness towards environmental protection to the employees. It implements green office practices such as setting default double-sided printing, promoting to reuse single-side printed papers, encouraging staff to maintain electronic records in order to reduce paper consumption, reducing energy consumption by switching off idle lightings and electrical appliances and setting optimal temperature on the air conditioning. The Group will ongoing review its environmental practices and consider implementing further measures in its operation.

For details, please refer to the section headed “Environmental, Social and Governance Report” on page 32 of this annual report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group’s business is mainly operated by its subsidiaries in Hong Kong, the PRC, British Virgin Islands, Macau, Korea and Japan and the Company was incorporated in the Cayman Islands and is a listed company on the Main Board of the Stock Exchange. The Group accordingly shall comply with relevant laws and regulations in the operating regions. During the year ended 31 December 2016 and up to the date of this annual report, as far as the Company is aware, there was no material breach of or noncompliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group. The Group will seek for professional legal opinions from legal advisors when necessary to ensure that the Group’s transactions and business are in conformity with all applicable laws and regulations.

另外，本集團計劃配合蘇州政府推廣人工智能和大數據產業的資源及政策，本集團正研究把蘇州辦公大樓重新改造為蘇州工業園區第一家人工智能、大數據、雲計算的創新創業中心的可行性，把辦公大樓從簡單的租賃模式轉化為孵化器模式，吸引更多創業公司進駐，並藉此機會接觸更多的優秀團隊人員和公司與本集團互動和整合。本集團將繼續積極尋找戰略機會，通過技術合作、企業合資、收購合併等各種形式擴展業務。

環境政策及表現

本集團致力推行各項措施，鼓勵遵守環境法例及向僱員推廣環保意識。本集團推行環保辦公室措施，例如預設雙面列印、提倡重用單面印刷紙張、鼓勵員工使用電子記錄以減少用紙、關掉閒置照明設備及電器，並將空調設定於合適之溫度，從而達致節約能源。本集團將不斷檢討其環保常規，並考慮於業務營運中進一步推行環保措施。

詳情請參閱本年度報告第32頁「環境、社會及管治報告」一節。

遵守相關法律及法規

本集團主要透過其位於香港、中國、英屬處女群島、澳門、韓國及日本之附屬公司經營業務，本公司於開曼群島註冊成立並為於聯交所主板上市之公司。因此，本集團須遵守營運地區之相關法律及法規。於二零一六年十二月三十一日止年度及截至本年度報告日期，就本公司所知，本集團並無嚴重違反或不遵守適用法律及法規，致使對本集團之業務及營運造成重大影響。本集團將於適當時向法律顧問徵求專業法律意見，確保本集團之交易及業務遵守所有適用法律及法規。

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KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group recognises that employees are the valuable assets and regards the personal development of its employees as highly important. The Group wants to continue to be an attractive employer for committed employees. During the year, there was no dispute on salary payments and all accrued remunerations, in all kinds, were settled on or before their respective due dates, as stipulated under individual employee's employment contract. The Group also ensures that all the employees are reasonably remunerated by regular review and the policies on salary increment, promotion, bonus, allowances and all other related benefits are updated from time to time. Being people-oriented, the Group is committed to provide a safe and healthy workplace for its employees and encourage them to have a work-life balance. For details of employment and labour practices, please refer to the section headed "Environmental, Social and Governance Report" on pages 33 to 34 of this annual report.

The Group appreciates the importance of maintaining good relationship with customers and suppliers to meet its immediate and long-term business goals. The Group values the feedback from customers through regular communication to provide customers with enhanced services and address their concerns in a timely manner. For suppliers, the Group assures their performance for the quality of delivered products.

During the financial year ended 31 December 2016, there is no circumstance of any event between the Group and its employees, customers and suppliers which will have a significant impact on the Group's business and on which the Group's success depends.

CAPITAL EXPENDITURES

The capital expenditures for the year ended 31 December 2016 and 2015 were approximately RMB18,550,000 and RMB32,490,000, respectively. The capital expenditures for 2016 and 2015 represented self-developed software, construction in progress and additions of property, plant and equipment for O2O solutions segment and IDM solutions segment.

與僱員、客戶及供應商之重要關係

本集團深明僱員為寶貴資產，並高度重視僱員之個人發展。本集團有意繼續成為能吸引忠誠僱員的僱主。年內，概無有關薪金付款的糾紛，且所有應計薪酬均於僱員個人聘用合約所訂明之到期日或之前支付。本集團亦定期檢討以確保全體僱員獲合理報酬，並不時更新有關加薪、晉升、花紅、津貼及所有其他相關福利方面之政策。本集團以人為本，致力為僱員提供安全及健康的工作環境，鼓勵僱員在工作與生活中取得平衡。有關僱傭及勞工常規之詳情，請參閱本年度報告第33至34頁「環境、社會及管治報告」一節。

本集團重視與客戶及供應商維持良好關係之重要性，以達到其短期及長期業務目標。本集團重視客戶之反饋，通過定期溝通向客戶提供增值服務及適時處理客戶所關注事宜。就供應商而言，本集團對供應商交付產品品質之表現作出肯定。

截至二零一六年十二月三十一日止財政年度，本集團與其僱員、客戶及供應商之間概無發生任何將對本集團之業務及其成功要素有重大影響的事件。

資本支出

截至二零一六年及二零一五年十二月三十一日止年度的資本支出分別約為人民幣18,550,000元及人民幣32,490,000元。二零一六年及二零一五年的資本支出為O2O解決方案分部及綜合電子推廣解決方案分部之自行開發軟件、在建工程及添置物業、廠房及設備的支出。

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LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group's bank and cash balances were approximately RMB99,953,000 (2015: approximately RMB95,515,000). The Company had completed the placing of 793,672,000 ordinary shares on 15 December 2016 which generated a net proceed of approximately RMB72,193,000 (equivalent to approximately HK\$80,750,000), which was mainly used as general working capital for existing business and for investment of new business in the upstream and downstream of the Group's principal business if opportunities arise.

As at 31 December 2016, the Group has bank loans of RMB15,000,000 (2015: approximately RMB17,368,000). All bank loans were denominated in Renminbi and repayable within one year. Bank loans of RMB3,000,000 and RMB12,000,000 were arranged at fixed interest rates and floating interest rates respectively. The bank loans were secured by charge over the land, building, investment properties and personal guarantee provided by a director of the Company.

The Group monitors capital on the basis of the net debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity attributable to the owners of the Company. As at 31 December 2016, the net debt-to-adjusted capital ratio was 2.52% (2015: not applicable since the cash and cash equivalents was over total debts). It is the Group's strategy to keep the net debt-to-adjusted capital ratio as low as feasible.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 18 November 2016, the Company through its non-wholly owned subsidiary, completed the disposal of 52% of equity interest in Advanced Voice Technologies Asia Limited, which principally engaged in trading of voice mail telephone system and provision of maintenance services, for a cash consideration of HK\$340,000 (equivalent to approximately RMB304,000).

Saved for the above, the Group did not have any other significant investments, material acquisitions and disposals during the year.

流動資金及財政資源

於二零一六年十二月三十一日，本集團的銀行及現金結存約為人民幣99,953,000元(二零一五年：約人民幣95,515,000元)。於二零一六年十二月十五日，本公司完成了配售793,672,000股普通股，產生所得款項淨額約人民幣72,193,000元(約相等於港幣80,750,000元)，主要用作現有業務之一般營運資金，並於機會出現時用作投資與本集團主要業務相關的上游和下游新業務。

截至二零一六年十二月三十一日，本集團有銀行貸款人民幣15,000,000元(二零一五年：約人民幣17,368,000元)。所有銀行貸款均以人民幣計價，且須於一年內償還。銀行貸款人民幣3,000,000元及人民幣12,000,000元分別按固定利率及浮動利率計息。銀行貸款以土地、樓宇、投資性物業及本公司一名董事提供之個人擔保作抵押。

本集團基於淨債務對調整後資本比率監察資本。該比率以淨債務除以經調整後資本計算。淨債務以債務總額減現金及現金等價物計算。經調整後資本包括本公司擁有人應佔權益的全部組成部分。於二零一六年十二月三十一日，淨債務對調整後資本比率為2.52%(二零一五年：不適用，乃由於現金及現金等價物超過債務總額所致)。本集團的策略是盡可能將淨債務對調整後資本比率維持在低水平。

重大投資、收購及出售

於二零一六年十一月十八日，本公司透過其非全資附屬公司完成出售於艾維特語音科技亞洲有限公司(其主要從事於語音郵件電話系統交易及提供維修服務)之52%股權，現金代價為港幣340,000元(約相等於人民幣304,000元)。

除上文所述者外，本集團於年內並無任何其他重大投資、收購及出售事項。

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SHARE CAPITAL STRUCTURE

During the two years ended 31 December 2015 and 2016, no options were granted or exercised. In current year, a total of 3,800,000 share options were lapsed.

On 15 December 2016, the Company issued 793,672,000 ordinary shares of HK\$0.05 each at placing price of HK\$0.1033 per share pursuant to the placing agreement dated 30 November 2016 to not less than six placees. The net proceed was approximately RMB72,193,000 (equivalent to approximately HK\$80,750,000). The aggregate nominal value of the placing shares was approximately RMB35,478,000 (equivalent to approximately HK\$39,684,000) and the net price to the Company per placing share was HK\$0.102. The market price per placing share as at 30 November 2016, being the date on which the terms of the issue were fixed, was HK\$0.129. The reason of making the issue was to provide a good opportunity to raise additional funds to strengthen the financial position of the Company so as to facilitate its future development. The use of the proceeds was mainly used as general working capital for existing business and for investment of new business in the upstream and downstream of the Group's principal business if opportunities arise.

As at 31 December 2016, the total issued share capital of the Company was approximately RMB214,067,000 (approximately equivalent to HK\$238,101,000) divided into 4,762,033,424 ordinary shares with a par value of HK\$0.05 each.

FOREIGN EXCHANGE EXPOSURE

Major subsidiaries of the Group operate in the PRC and most of the transactions are denominated in RMB. As certain of the Group's monetary assets and liabilities are denominated in HK\$, US\$, KRW and JPY, any significant exchange rate fluctuations of HK\$, US\$, KRW and JPY against RMB may have financial impacts to the Group. Currently, the Group does not use any derivative financial instruments. Nevertheless, the Group will review the risk from time to time and take response measures if necessary.

股本結構

於截至二零一五年及二零一六年十二月三十一日止兩個年度，並無任何購股權被授出或行使。於年內共有3,800,000股購股權期滿失效。

於二零一六年十二月十五日，本公司已根據日期為二零一六年十一月三十日之配售協議按配售價每股港幣0.1033元發行793,672,000股每股面值港幣0.05元之普通股予不少於六名承配人。所得款項淨額為約人民幣72,193,000元(約相等於港幣80,750,000元)。配售股份之總面值為約人民幣35,478,000元(約相等於港幣39,684,000元)，而本公司每股配售股份之淨價格為港幣0.102元。每股配售股份於二零一六年十一月三十日(即釐定發行條款當日)之市場價格為港幣0.129元。發行配售股份之理由為本公司提供一個良好的機會籌集額外資金以增強財務狀況，有助促進未來發展。所得款項主要用作現有業務之一般營運資金，並於機會出現時用作投資與本集團主要業務相關的上游和下游新業務。

於二零一六年十二月三十一日，本公司已發行總股本為約人民幣214,067,000元(約相等於港幣238,101,000元)，被分為4,762,033,424股每股面值港幣0.05元之普通股。

外匯風險

本集團之主要附屬公司均於中國運營，且大部份交易均以人民幣計值。由於本集團若干貨幣資產及負債均以港幣、美金、韓圓及日圓計值，港幣、美金、韓圓及日圓兌人民幣之任何重大匯率波動或會對本集團造成財務影響。本集團目前並無使用任何衍生金融工具。然而，本集團將不時審核風險，並在必要時採取應對措施。

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CONTINGENT LIABILITIES

As at 31 December 2016, the Group had no material contingent liabilities (2015: nil).

PLEDGED ASSETS

As at 31 December 2016, the following assets of the Group were pledged as securities, among others, for the banking facilities granted by its bankers:

- (i) Charge over the building with carrying amount of approximately RMB6,042,000 (31 December 2015: approximately RMB6,447,000);
- (ii) Charge over the prepaid land lease payments with carrying amount of approximately RMB2,174,000 (31 December 2015: approximately RMB2,230,000);
- (iii) Charge over the investment properties with fair value of approximately RMB54,000,000 (31 December 2015: approximately RMB50,300,000); and
- (iv) Personal guarantee provided by a director of the Company.

HUMAN RESOURCES

As at 31 December 2016, the Group had a total of approximately 175 employees (As at 31 December 2015: approximately 215 employees). Employee benefits expenses (including directors' emoluments) for the year were approximately RMB45,462,000 (2015: approximately RMB46,034,000). Employees were remunerated based on their performance, experience and prevailing industry practice. Bonuses and rewards might also be awarded based on individual staff performance and in accordance with the Group's overall remuneration policies. The Group's management reviewed the remuneration policies and packages on a regular basis. The Remuneration Committee of the Company's Board is responsible for overseeing and reviewing the remuneration packages of the Directors and senior management.

或然負債

於二零一六年十二月三十一日，本集團並無重大或然負債(二零一五年：無)。

資產抵押

於二零一六年十二月三十一日，本集團已抵押以下資產，作為獲取其往來銀行授予銀行融資額度的抵押品(包括其他)：

- (i) 賬面值約為人民幣6,042,000元(二零一五年十二月三十一日：約人民幣6,447,000元)之樓宇之抵押；
- (ii) 賬面值約人民幣2,174,000元(二零一五年十二月三十一日：約人民幣2,230,000元)之土地租賃預付款之抵押；
- (iii) 公允值約人民幣54,000,000元(二零一五年十二月三十一日：約人民幣50,300,000元)之投資性物業之抵押；及
- (iv) 本公司一名董事提供之個人擔保。

人力資源

於二零一六年十二月三十一日，本集團共有約175名僱員(於二零一五年十二月三十一日：約215名僱員)。本年度員工福利費用(包括董事酬金)約為人民幣45,462,000元(二零一五年：約人民幣46,034,000元)。僱員的薪酬乃按彼等的表現、經驗及當時業內薪酬水平釐定。本集團亦會按個別員工表現及根據本集團的整體薪酬政策發放花紅及獎金。本集團的管理層定期檢討薪酬政策及計劃。本公司董事會之薪酬委員會負責監察及檢討所有董事及高級管理人員之薪酬計劃。

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

EXECUTIVE DIRECTORS

Mr. Yang Xin Min, aged 67, senior economist, is the founding Chairman, Chief Executive Officer and substantial shareholder of the Company. Mr. Yang graduated from the Beijing Economics Correspondence College. Since August 1977, Mr. Yang has been the General Manager of all predecessor entities of the Group. Mr. Yang has over 30 years' experience in the research, production management and international market development of zirconium chemicals. Mr. Yang is responsible for the formulation of the Group's overall business strategies and overseeing the daily operations of the Group. Mr. Yang is the father of Mr. Yang Zhen who is the Executive Director of the Company.

Mr. Yang Zhen, aged 40, is currently the president of the Hong Kong Association of Yixing and the vice president of Yixing Young Entrepreneurs Association. Mr. Yang graduated from Nanjing University with a bachelor degree in international trade and obtained EMBA degree at the Cheung Kong Graduate School of Business. Mr. Yang had served as a director of Century Dragon Investment Limited (an indirect wholly owned subsidiary of the Company until 18 December 2015) from 9 August 2000 until 18 December 2015. Mr. Yang is also appointed as the Business Development Director of the Company since 1 September 2014. He is responsible for the promotion of wireless network, O2O systems and solutions for the wireless system installation and software development. Mr. Yang is the son of Mr. Yang Xin Min who is the Chairman, Chief Executive Officer and substantial shareholder of the Company.

Mr. Kwan Che Hang Jason, aged 49, was appointed as an Executive Director of the Company in December 2013. Mr. Kwan was the founder and Chief Executive Officer of Smartac Group. He graduated in 1991 from the University of British Columbia, Canada with a Bachelor of Commerce degree and in 2010 from the EMBA program of Cheung Kong Graduate School of Business. During the period of his university studies, Mr. Kwan was the first Chinese Marketing Executive working for the Vancouver Board of Trade, as well as a part-time writer for the financial section of a local magazine. After graduation, Mr. Kwan joined the Jardines Group and was assigned to work in the IT division of the Jardines Group. In 1995, Mr. Kwan was assigned as the Regional Manager in Vietnam, and a year later he was assigned to work in the Shanghai subsidiary. In 1998, Mr. Kwan was promoted as the General Manager of Eastern China region where he worked until 1999.

In 2000, Mr. Kwan founded the Smartac Group and had opened 9 branch offices in China focusing on IT system integration business. In 2002, Mr. Kwan was a member of the Executive Committee and the Chairman of the IT Committee of the Hong Kong Chamber of Commerce (Shanghai). In 2007, the Suzhou subsidiary of Smartac Group was selected as one of the key developing enterprises in the Suzhou Industrial Park ("SIP") and had been granted the right to construct an office block in the SIP which is now used as the PRC headquarter of Smartac Group. Mr. Kwan is highly experienced in providing services in mobile internet technology, O2O solutions and retail big data service operation.

執行董事

楊新民先生，現年67歲，高級經濟師，本公司之創辦主席、行政總裁兼主要股東。楊先生畢業於北京經濟函授大學，自一九七七年八月起一直擔任本集團所有前身機構之總經理。楊先生擁有超過30年銨化合物研究、生產管理及國際市場發展之經驗。楊先生負責制訂本集團整體業務策略，並監管本集團之日常運作。楊先生為本公司執行董事楊震先生之父親。

楊震先生，現年40歲，為現任香港宜興同鄉會會長及宜興青年企業家協會副會長。楊先生畢業於南京大學國際貿易學士，並在長江商學院取得EMBA(工商管理碩士)學位。楊先生自二零零零年八月九日起於龍興投資有限公司(至二零一五年十二月十八日為本公司的間接全資附屬公司)擔任董事至二零一五年十二月十八日。楊先生亦自二零一四年九月一日起擔任本公司之業務拓展總監，負責推廣無線系統、O2O系統及解決方案、無線系統安裝及軟件開發。楊先生為本公司主席、行政總裁兼主要股東楊新民先生之兒子。

關志恒先生，現年49歲，於二零一三年十二月獲委任為本公司執行董事。關先生為盈聯集團之創辦人及首席執行官。他在一九九一年畢業於加拿大英屬哥倫比亞大學金融商科學士，並於二零一零年畢業於長江商學院之EMBA課程。關先生於大學期間曾出任溫哥華貿易局首位華人會籍銷售代表，並為溫哥華當地雜誌兼任編寫財經專欄。關先生於大學畢業後即加入怡和集團，獲委派到怡和集團旗下之資訊科技部門工作。關先生於一九九五年獲派駐越南出任區域經理，於一年後再調任至上海分公司。關先生在一九九八年獲升任為華東區總經理，直至一九九九年離任。

關先生於二零零零年創辦了盈聯集團，曾先後在中國9個城市成立分公司，主要從事資訊系統整合之業務。關先生於二零零二年曾擔任上海香港商會理事和資訊科技小組組長。於二零零七年，盈聯集團在蘇州之附屬公司獲蘇州工業園區(「蘇州工業園區」)認定為重點培養企業，並獲批地在蘇州工業園區內興建辦公大樓，目前用作盈聯集團之中國總部。關先生在提供移動互聯網技術、O2O解決方案及零售大數據的服務運營均具有豐富經驗。

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Cheng Faat Ting Gary, aged 49, was appointed as an Independent Non-Executive Director of the Company in November 2001. He is the Chairman of the Audit Committee, Remuneration Committee and Nomination Committee of the Company. In 2011, Dr. Cheng graduated with a Doctor of Business Administration from the City University of Hong Kong with research area in “Independent Non-Executive Director (“INED”) and Corporate Governance”. He is one of few practicing CPA in Hong Kong with DBA degree of research area concentrated in INED study. Dr. Cheng is a Fellow Certified Public Accountant in both Hong Kong and the United States of America (“USA”) and a Certified Tax Advisor of the Taxation Institute of Hong Kong. Dr. Cheng received his Bachelor’s degree in Accounting (Honours) and Master’s degree of Business Administration from Southern Illinois University, USA, in 1992 and 1994 respectively. Dr. Cheng had worked at the audit division of the international accounting firm, PricewaterhouseCoopers, and has over 24 years of experience in financial reporting, business advisory, auditing, accounting, tax investigation and liquidation. Dr. Cheng is currently the Managing Director of Gary Cheng CPA Limited. For public services, Dr. Cheng currently serves as Chairman of CityU Eminence Society, President of Hong Kong Metropolitan Lions Club and committee member of Social Welfare Advisory Committee of HKSAR.

Mr. Poon Lai Yin, Michael, aged 45, was appointed as an Independent Non-Executive Director of the Company in January 2010. Mr. Poon had acted as the Chief Financial Officer in two companies listed on the Growth Enterprise Market of the Stock Exchange since 2002, and was mainly responsible for the overall financial management, internal control function and accounting function. Mr. Poon has over 15 years of experience in financial reporting, business advisory, auditing, taxation, accounting, merger and acquisition. Mr. Poon is a fellow member of Hong Kong Institute of Certified Public Accountants, a member of CPA Australia and a practicing member of Asset Management Association of China. He holds a Bachelor’s degree in Administrative Studies with York University in Canada and a Master’s degree in Practicing Accounting with Monash University in Australia. Mr. Poon had been working for an international accounting firm and was responsible for providing business advisory and assurance services for some listed clients. Mr. Poon is currently an Independent Non-Executive Director of China Uptown Group Company Limited (stock code: 2330) since November 2006 and the alternate to Mr. Amir Gal-Or, a Non-Executive Director of Vincent Medical Holdings Limited (stock code: 1612) since July 2016. Mr. Poon is also the Chief Executive Officer and the Company Secretary of Anxin-China Holdings Limited (stock code: 1149) since February 2017. Mr. Poon was the Independent Non-Executive Director of Sun International Resources Limited (stock code: 8029) during the period from September 2008 to August 2011. Mr. Poon was the Executive Director and Non-Executive Director of Celebrate International Holdings Limited (previously known as Hong Kong Life Group Holdings Limited, stock code: 8212) during the period from October 2010 to July 2011 and from July 2011 to December 2011, respectively.

獨立非執行董事

鄭發丁博士，現年49歲，於二零零一年十一月獲委任為本公司獨立非執行董事。彼為本公司審核委員會、薪酬委員會及提名委員會主席。於二零零一年，鄭博士畢業於香港城市大學並獲得工商管理學博士，專研「獨立非執行董事（「獨立非執行董事」）及企業管治」範疇。他是在香港執業會計師當中，擁有工商管理博士學位並專注於獨立非執行董事研究的少數人士之一。鄭博士擁有香港及美國（「美國」）資深執業會計師資格，同時為香港稅務學會註冊稅務師。鄭博士分別於一九九二年及一九九四年畢業於美國南伊利諾州大學會計學學士（一級榮譽）及工商管理學碩士。鄭博士曾任職於國際會計師事務所普華永道的審計部，對財務報告、業務顧問、審核、會計、稅務調查及清盤方面擁有逾24年經驗。鄭博士現職加多利會計師事務所有限公司董事總經理。公共服務方面，鄭博士現時擔任香港城市大學「城賢匯」主席、香港華都獅子會會長及香港特別行政區社會福利諮詢委員會成員。

潘禮賢先生，現年45歲，於二零一零年一月獲委任為本公司獨立非執行董事。潘先生自二零零二年起先後於兩間在聯交所創業版上市之公司出任首席財務官，主要負責整體財務管理、內部監控及會計工作。潘先生於財務報告、業務顧問、審核、稅務、會計及收購合併方面擁有逾15年工作經驗。潘先生為香港會計師公會資深會員、澳洲會計師公會會員及中國證券投資基金業協會執業會員。潘先生持有加拿大約克大學（York University）行政學學士學位及澳洲Monash University實務會計碩士學位。潘先生曾任職某國際會計師事務所，負責為多間上市客戶提供業務顧問及審核服務。潘先生自二零零六年十一月起擔任中國上城集團有限公司（股份代號：2330）的獨立非執行董事及自二零一六年七月起擔任永勝醫療控股有限公司（股份代號：1612）非執行董事Amir Gal Or先生的替代董事。自二零一七年二月起，潘先生亦為中國安芯控股有限公司（股份代號：1149）的行政總裁及公司秘書。潘先生在二零零八年九月至二零一一年八月期間曾出任太陽國際資源有限公司（股份代號：8029）之獨立非執行董事。潘先生在二零一零年十月至二零一一年七月及二零一一年七月至二零一一年十二月期間，曾分別出任譽滿國際（控股）有限公司（前稱香港生命集團控股有限公司，股份代號：8212）之執行董事及非執行董事。

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

Mr. Yang Wei Qing, aged 40, a renowned internet economist, and is the founder and Chief Executive Officer of iResearch Consulting Group (“iResearch”). He is also the co-founder of China Venture Investment Consulting Group (“China Venture”). Mr. Yang obtained his Bachelor Degree from East China University of Science and Technology in 1998 and obtained his EMBA from Cheung Kong Graduate School of Business in 2010. Being enthusiastic about internet industry, Mr. Yang co-founded an internet marketing company, Wise Horse Marketing Company, in 1999 and became one of the first generation internet business founders and an expert in China’s internet marketing. Mr. Yang started his business in internet-related research and consulting by establishing iResearch at Shanghai in late 2002. iResearch has now developed into one of the most highly professional internet consulting firms in China, publishing almost 100 research reports related to internet industry every year and serving the major companies in internet industry, internet marketing business as well as providing research consultancy service in the application of internet for traditional business enterprises. In 2005, Mr. Yang, together with a business partner, co-founded China Venture, which mainly participates in the operation of investment websites and engages in fund raising, merger and acquisition projects. Mr. Yang is highly experienced in research and consulting for internet-related and internet marketing businesses.

SENIOR MANAGEMENT

Ms. Yeung Wai Ling, aged 36, is the Financial Controller and Company Secretary of the Group. Ms. Yeung graduated from Hong Kong Baptist University and received a bachelor degree in Business Administration (Accounting). She is a member of the Hong Kong Institute of Certified Public Accountants. Before joining the Group in 2015, she has worked in international accounting firm and Singapore listed company. She has extensive experience in auditing and financial reporting.

Mr. Kwan Che Ho Jacky, aged 44, joined the Group’s non-wholly owned subsidiary – Smartac Solutions (Suzhou) Limited (“Smartac Solutions”) in December 2014 as Retail Business General Manager. He graduated from the University of British Columbia with a Master degree of Engineering in 1997. He joined the Hong Kong GEM Board listed company – Proactive Technology Holdings Limited in 1999, engaged in business communication services and specialized in VoIP communications and call center operations. In 2001, he joined Smartac Group which was acquired by the Group as a non-wholly owned subsidiary in 2013 as Sales and Marketing General Manager. Over these 15 years, he provided application solutions, established and maintained communications and call center systems for various companies in logistics, retail and foreign financial industries such as UPS, TNT, IKEA in China, Hang Lung Properties, UBS, BNP Paribas, Standard Chartered Bank.

楊偉慶先生，現年40歲，著名網絡經濟專家，艾瑞諮詢集團（「艾瑞」）創始人兼行政總裁，同時亦是投中集團（「投中」）的共同創始人。楊先生在一九九八年於華東理工大學取得學士學位，並在二零一零年於長江商學院取得高級管理人員工商管理碩士學位。懷著對互聯網行業的熱愛，楊先生在一九九九年投身於互聯網行業，與合作夥伴共同創立智馬網絡行銷公司，成為中國第一批互聯網創業人和中國網絡行銷專家。於二零零二年底，楊先生在上海創立艾瑞，向互聯網研究諮詢領域進軍。目前，艾瑞已成為中國最專業的互聯網諮詢公司之一，每年發佈近百份互聯網相關領域研究報告，服務主流互聯網及網絡行銷公司，並為傳統企業提供互聯網應用方面的研究諮詢服務。於二零零五年，楊先生與合作夥伴共同創建投中，投中主要參與投資行業網站之運作及從事融資併購業務。楊先生在互聯網相關及網絡行銷業務之研究諮詢領域均擁有豐富經驗。

高級管理人員

楊慧玲女士，現年36歲，為本集團財務總監兼公司秘書。楊女士畢業於香港浸會大學，獲得工商管理會計學學士學位，為香港會計師公會會員。於二零一五年加入本集團前，楊女士就職於國際會計師事務所與新加坡上市公司，擁有豐富的審計及財務報告經驗。

關志豪先生，現年44歲，於二零一四年十二月加入本集團非全資附屬公司蘇州盈聯智能科技股份有限公司（「蘇州盈聯」），擔任零售業務總經理。關先生一九九七年畢業於加拿大英屬哥倫比亞大學工程系碩士，於一九九九年加入香港創業板上上市公司寶訊科技控股有限公司，從事企業通信業務，專注於VoIP通信及呼叫中心建設業務。他於二零零一年加入盈聯集團（二零一三年被本集團收購為非全資附屬公司），擔任銷售市場總經理。關先生在這15年間，為物流、零售和外資金融行業等行業提供應用解決方案，其中為UPS、TNT、中國宜家、恆隆地產、瑞銀集團、法國巴黎銀行及渣打銀行等公司建立及維護通訊及呼叫中心系統。

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

Mr. Zhang Fang, aged 37, Software Development General Manager of Smartac Solutions, was responsible for developing online to offline software solutions, SCRM system and processing massive software data distribution and analysis. Mr. Zhang joined Smartac Solutions in 2006 and had worked as Senior Software Develop Engineer, Project Manager, CRM Department Manager and Developer Director during the period from 2006 to August 2014. He was promoted to Software Development General Manager in August 2014. Mr. Zhang graduated from Shanghai East China Normal University and joined the direct marketing company – Shanghai Mecox Lane International Mailorder Company Limited to develop invoicing and workflow systems. He had also involved in the development of customer relationship management, enterprise resource planning, management information systems, call center software and was responsible for software projects and database management.

Ms. Xu Ai Ping, aged 45, joined the Group's wholly owned subsidiary – Solomedia Digital (Shanghai) Limited in November 2014 as Group Human Resources Director. Ms. Xu graduated from Nanjing Normal University with Associate degree in English and Hong Kong University School of Professional and Continuing Education with Postgraduate Diploma in Organizational and Human Resources Management. Ms. Xu has been working in human resources management field in the high technology industry for over 16 years. She has a wealth of practical experience in human resources aspects and worked in the China Resources Group Limited's semiconductor manufacturing company – CSMC Technologies Corporation, US-owned chip design company – Advanced Analogic Technologies Inc. and US-owned semiconductor company – Skyworks Solutions Inc.

張放先生，現年37歲，為蘇州盈聯的軟件開發總經理，負責開發線上到線下解決方案軟體，處理大型軟體的資料流程及分析。張先生於二零零六年加入蘇州盈聯，於二零零六年至二零一四年八月期間擔任高級軟件開發工程師、項目經理、客戶關係管理部門經理及開發總監。他於二零一四年八月獲晉升為軟件開發總經理。張先生畢業於上海華東師範大學，加入直複行銷企業上海麥考林國際郵購有限公司，從事研發進銷存與工作流系統。他亦曾參與研發客戶關係管理、企業資源規劃、管理資訊系統及呼叫中心軟體，並負責軟體專案及資料庫管理。

徐愛平女士，現年45歲，於二零一四年十一月加入本集團全資附屬公司一鴿子數碼科技(上海)有限公司，擔任集團人力資源總監。徐女士畢業於南京師範大學英語專業及取得大專文憑並自香港大學專業進修學院組織與人力資源管理專業取得研究生文憑。徐女士在高科技行業從事人力資源管理工作超過16年，於人力資源管理方面具有豐富的實戰經驗，曾任職於華潤集團有限公司旗下半導體製造公司華潤上華科技有限公司、美資晶片設計公司Advanced Analogic Technologies Inc. 及美資半導體公司Skyworks Solutions Inc.。

Corporate Governance Report 企業管治報告

CORPORATE GOVERNANCE PRACTICE

The Company believes that corporate governance is essential to the success of the Company and has adopted various measures to ensure that a high standard of corporate governance is maintained.

During the year ended 31 December 2016, the Company has complied with the Code on Corporate Governance Practices 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”) except for the following deviation:

Code Provision A.2.1 of the Corporate Governance Code stipulates that the roles of Chairman and Chief Executive Officer (“CEO”) to be performed by different individuals. The deviation is deemed appropriate as the Company believes that the combination of the roles of Chairman and CEO promotes the efficient formulation and the implementation of the Company’s strategies enabling the Group to grasp business opportunities efficiently and promptly. The Company considers that through the supervision of its Board and its Independent Non-Executive Directors (“INEDs”), a balancing mechanism exists so that the interests of the shareholders are adequately and fairly represented.

BOARD OF DIRECTORS

Composition

The Board is responsible for supervision of the management of the business and affairs, approval of strategic plans and reviewing of financial performance. The Board currently consists of three Executive Directors and three INEDs:

Executive Directors : Mr. Yang Xin Min (*Chairman and CEO*)
Mr. Yang Zhen
Mr. Kwan Che Hang Jason

INEDs : Dr. Cheng Faat Ting Gary
Mr. Poon Lai Yin Michael
Mr. Yang Wei Qing

The Board membership is covered by professionally qualified and widely experienced personnel so as to bring in valuable contribution and different professional advices and consultancy for the development of the Company. The number of INEDs represented half of the Board membership.

Biographies of all Directors are set out on pages 19 to 21 of this annual report.

企業管治常規

本公司深信企業管治為本公司成功的關鍵，並已採取各項措施，以確保維持高標準的企業管治。

於截至二零一六年十二月三十一日止年度，本公司均有遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四所載之企業管治常規守則所列的所有守則條文，惟以下偏離除外：

企業管治守則的守則條文第A.2.1條規定主席與行政總裁（「行政總裁」）的職務應由不同人士擔任。本公司認為偏離該規定是恰當的，因由同一人兼任主席和行政總裁職務乃被認為可以提高本公司的企業決策及執行效率，有助於本集團更高效及時地抓住商機。本公司認為，在董事會及獨立非執行董事（「獨立非執行董事」）的監管下，通過制衡機制，股東的利益能夠得以充份及公平的體現。

董事會

組成

董事會負責監督業務及事務之管理、批准策略計劃及檢討財務表現。董事會現由三名執行董事及三名獨立非執行董事組成：

執行董事 : 楊新民先生(主席及行政總裁)
楊震先生
關志恒先生

獨立非執行董事 : 鄭發丁博士
潘禮賢先生
楊偉慶先生

董事會成員包括具有專業資格及豐富經驗的人士，藉以為本公司帶來寶貴之貢獻，以及就本公司之發展提供各類專業建議及意見。獨立非執行董事之人數佔董事會成員的一半。

各董事之履歷載列於本年度報告第19頁至21頁。

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Appointments, Re-election and Removal of Directors

Code provision A.4.2 of the Code on Corporate Governance Practices stipulates that all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Each of the INEDs has entered into a service contract with the Company for a term of one to two years. At every annual general meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not less than one-third shall retire from office.

A Director appointed by the Board to fill a casual vacancy or as an addition shall hold office until the next annual general meeting.

Role and Function

Save for the Board meetings held between the Executive Directors during the normal course of business, the Board also conducted regular meetings of all board members during the year. Such Board meetings involve active participation, either in person or through other electronic means of communication, of a majority of the Directors. In addition, the Board members will also discuss on ad hoc issues through informal meetings and granted approval on material decisions by way of Board written resolutions in accordance with the Company's articles of association.

During the year, 11 Board meetings were held and the attendance of each Director is set out as follows:

| Directors 董事 | | No. of meetings attended 出席會議次數 |
|--------------------------|-------|---------------------------------------|
| Mr. Yang Xin Min | 楊新民先生 | 11/11 |
| Mr. Yang Zhen | 楊震先生 | 11/11 |
| Mr. Kwan Che Hang Jason | 關志恒先生 | 10/11 |
| Dr. Cheng Faat Ting Gary | 鄭發丁博士 | 11/11 |
| Mr. Poon Lai Yin Michael | 潘禮賢先生 | 11/11 |
| Mr. Yang Wei Qing | 楊偉慶先生 | 9/11 |

委任、重選及撤換董事

企業管治常規守則之守則條文第A.4.2條規定，獲委任填補空缺的所有董事，均須由股東於其獲委任後的首個股東大會上選出。各董事（包括有固定委任期的董事）須最少每三年輪值退任一次。

每名獨立非執行董事與本公司訂立為期一至兩年之服務合約。於各股東周年大會上，當時三分之一的董事（或倘數目不是三的倍數，則以最接近的數目為準，惟不少於三分之一）須退任。

任何董事會委任填補空缺或增補的董事須任職直至下一屆股東周年大會。

角色及職責

除執行董事於日常業務過程中舉行之董事會會議外，董事會於年內亦會舉行全體董事之常規會議，大部份董事皆親身出席或以其他電子通訊方式積極參與該等會議。另外，董事會成員亦會就一些特別事項作出非正式會議形式的討論，並根據本公司章程細則以董事會書面決議案批准重要的決策。

年內，本公司召開了11次董事會會議，各董事的出席率如下：

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INEDs

The Company has appointed three INEDs, with two of them possess recognised accounting professional qualifications in Hong Kong or overseas.

The Company has received annual confirmation of independence from each of the INEDs pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent within the definition of the Listing Rules.

Chairman and CEO

Under the Code on Corporate Governance Practices, the roles of Chairman and CEO should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. Mr. Yang Xin Min has been the Chairman and the CEO of the Company since its incorporation and is in charge of the overall management of the Company and the Group. The Company considers that the combination of the roles of Chairman and CEO is conducive to strong and consistent leadership and can promote the efficient formulation and implementation of the Company's strategies which will enable the Group to grasp business opportunities efficiently and promptly. The Company considers that through the supervision of its Board and its INEDs, a balancing mechanism between the Board and the management of the Company exists so that the interests of the shareholders are adequately and fairly represented.

BOARD COMMITTEES

There are three committees established under the Board:

(a) Audit Committee

The Audit Committee, comprises all INEDs of the Company, is chaired by Dr. Cheng Faat Ting Gary who is a professional accountant and has proven experience in audit, finance and accounting.

The terms of reference of the Audit Committee follow the guidelines set out by the Hong Kong Institute of Certified Public Accountants, and have been updated on terms no less exacting than those set out in the Code on Corporate Governance Practices. The primary duties of the Audit Committee are to ensure the objectivity and credibility of financial reporting, risk management and internal control procedures as well as to maintain an appropriate relationship with the external auditors of the Company. Each member of the Audit Committee has unrestricted access to the external auditors and all senior staff of the Group.

獨立非執行董事

本公司已委任三名獨立非執行董事，其中兩名均具有在香港或海外認可之會計專業資格。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。本公司認為全體獨立非執行董事均符合上市規則中獨立人士之定義。

主席及行政總裁

根據企業管治常規守則，主席及行政總裁的角色不應由同一人兼任。主席與行政總裁之間的職責分工須清晰訂明並以書面形式列載。楊新民先生自本公司註冊成立以來，一直擔任主席及行政總裁的職務，負責本公司及本集團的整體管理。本公司認為，由同一人兼任主席和行政總裁職務，有助於加強及維持領導層之連貫性，並可以提高本公司的企業決策及執行效率，有助於本集團更高效及時地抓住商機。本公司認為，在董事會及獨立非執行董事的監管下，通過董事會及本公司管理層之間的制衡機制，股東的利益能夠得以充份及公平地體現。

董事委員會

董事會已成立以下三個委員會：

(a) 審核委員會

審核委員會成員包括本公司全體獨立非執行董事，並由鄭發丁博士出任主席。鄭博士是專業會計師，於審核、財務及會計方面擁有豐富經驗。

審核委員會之職權範圍，乃依照香港會計師公會之指引而制定，並按不寬鬆於企業管治常規守則所列者之標準而予以更新。審核委員會之主要職責是確保財務報告、風險管理及內部監控程序之客觀性及可信度，以及與本公司外聘核數師保持良好關係。審核委員會各成員可無限制地接觸外聘核數師及本集團所有高級職員。

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The Audit Committee held two meetings during the year, in particular, to review and discuss:

- the interim results and annual audited financial statements;
- the auditing and financial reporting matters, including the management letter from the external auditors in relation to the audit of the Group for the year ended 31 December 2016;
- the appointment of external auditors; and
- the effectiveness of risk management and internal control systems.

All issues raised by the Audit Committee have been addressed by the management of the Company. The work and findings of the Audit Committee have been reported to the Board. During the year, no issues brought to the attention of the management of the Company were of sufficient importance to require disclosure in this annual report.

The Board agrees with the Audit Committee's proposal for the reappointment of RSM Hong Kong as the Company's external auditor for 2017. The recommendation will be put forward for the approval of the shareholders of the Company at the Annual General Meeting to be held on 31 May 2017.

Full minutes of the Audit Committee meetings are kept by the Company Secretary. Draft and final versions of minutes of the Audit Committee meetings will be sent to all members of the Audit Committee for their comment and record respectively.

Auditor's Remuneration

An analysis of the remuneration paid to the external auditor of the Company, RSM Hong Kong, in respect of audit services and non-audit services for the year ended 31 December 2016 is set out below:

| Service category 服務類別 | Fees paid/payable 已付／應付費用 HK\$'000 港幣千元 |
|---|--|
| Audit service 核數服務 | 1,350 |
| Non-audit service 非核數服務 | |
| - Review on continuing connected transactions - 持續關連交易審查 | 60 |
| | 1,410 |

審核委員會於本年度曾舉行兩次會議，以重點審閱及討論：

- 中期業績及經審核年度財務報表；
- 核數及財務報告事宜，包括外聘核數師有關本集團截至二零一六年十二月三十一日止年度審核的管理建議書；
- 委任外聘核數師；及
- 風險管理及內部監控系統的有效性。

由審核委員會建議的所有事項均得到本公司管理層處理。審核委員會的工作及結果已向董事會匯報。年內，並無任何被提出讓本公司管理層注意的事項之重要程度足以需要於本年度報告內披露。

董事會同意審核委員會提議，重聘中瑞岳華(香港)會計師事務所為本公司二零一七年的外聘核數師。有關建議將在於二零一七年五月三十一日舉行的股東周年大會上提呈本公司股東批准。

審核委員會會議的所有會議紀錄均由公司秘書保存。審核委員會會議紀錄的草擬本及最後版本將分別提交審核委員會全體成員審議及記錄。

核數師酬金

截至二零一六年十二月三十一日止年度就核數服務及非核數服務支付予本公司外聘核數師中瑞岳華(香港)會計師事務所的酬金分析載列如下：

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(b) Remuneration Committee

The Remuneration Committee currently consists of three members, namely two INEDs, Dr. Cheng Faat Ting Gary (Chairman), Mr. Poon Lai Yin Michael and one Executive Director, Mr. Yang Xin Min.

The Company formulated written terms of reference of the Remuneration Committee based on terms no less exacting than the required standard as set out in the Code on Corporate Governance Practices. The Remuneration Committee is responsible for ensuring formal and transparent procedures for developing remuneration policies and overseeing the remuneration packages of the Directors and senior management. It takes into consideration on factors such as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management. The Remuneration Committee meets at least once a year. The Remuneration Committee had reviewed the remuneration packages of all Directors and made recommendation to the Board during the year.

(c) Nomination Committee

The Nomination Committee currently consists of the three members, namely two INEDs, Dr. Cheng Faat Ting Gary (Chairman), Mr. Poon Lai Yin Michael and one Executive Director, Mr. Yang Xin Min.

The Company formulated written terms of reference of the Nomination Committee based on terms no less exacting than the required standard as set out in the Code on Corporate Governance Practices.

The Nomination Committee meets at least once a year. The Committee's members' primary roles and functions are to assess and recommend the appointment and re-appointment of Directors to the Board, as well as overseeing the appointment, management succession planning and performance evaluation of key senior management of the Company.

The Nomination Committee has reviewed and is of the opinion that the current size and composition of the Board is adequate to facilitate effective decision-making. The Nomination Committee is also satisfied that the Board comprises directors, who, as a group, provide the core competencies necessary to guide the Group.

A proposal for the appointment of a new Director will be considered and reviewed by the Nomination Committee. Candidates to be selected and recommended are those experienced, high caliber individuals. All candidates must be able to meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules.

(b) 薪酬委員會

薪酬委員會目前包括三名成員，即兩名獨立非執行董事鄭發丁博士(主席)、潘禮賢先生及一名執行董事楊新民先生。

本公司按不低於企業管治常規守則所列者之標準制定薪酬委員會之書面職權範圍。薪酬委員會負責確保正式及具透明度之薪酬政策制訂程序以及監管各董事及高級管理層之薪酬組合。薪酬委員會考慮之因素包括可比較公司支付之薪金水平、各董事及高級管理層所投入之時間及職責等。薪酬委員會每年最少舉行一次會議。薪酬委員會於年內已審閱所有董事之薪酬待遇，並向董事會作出建議。

(c) 提名委員會

提名委員會目前包括三名成員，即兩名獨立非執行董事鄭發丁博士(主席)、潘禮賢先生及一名執行董事楊新民先生。

本公司按不低於企業管治常規守則所列者之標準制定提名委員會之職權範圍。

提名委員會每年最少舉行一次會議，其成員之首要角色及職責是評估及向董事會推薦董事的委任及續聘，及監察本公司主要高級管理人員的委任、繼任計劃及表現評核。

提名委員會已審閱並認為董事會現時之成員人數及組合足以令本集團作出有效決策。提名委員會亦認為董事會之董事團結一致，有助提供引導本集團前進所需之核心優勢。

提名委員會會考慮及審閱每位新董事之委任建議。被選擇及推薦之候選人皆是具有經驗之高質素人選。所有候選人必須符合上市規則第3.08條及3.09條所列出的標準。

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A candidate who is to be appointed as an INED should also meet the independence criteria as set out in Rule 3.13 of the Listing Rules.

將被委任為獨立非執行董事之候選人，亦應符合上市規則第3.13條所訂明之獨立標準。

Attendance Record at Board Committee Meetings

董事委員會會議出席記錄

The following table shows the attendance of Directors at the Board Committee meetings during the year:

下表載列年內各董事出席董事委員會會議之情況：

| Directors 董事 | No. of meetings attended 出席會議次數 | | |
|-----------------------------------|------------------------------------|---------------------------------|-------------------------------|
| | Audit Committee 審核委員會 | Remuneration Committee 薪酬委員會 | Nomination Committee 提名委員會 |
| Mr. Yang Xin Min 楊新民先生 | N/A | 6/6 | 1/1 |
| Dr. Cheng Faat Ting Gary 鄭發丁博士 | 2/2 | 6/6 | 1/1 |
| Mr. Poon Lai Yin Michael 潘禮賢先生 | 2/2 | 6/6 | 1/1 |
| Mr. Yang Wei Qing 楊偉慶先生 | 0/2 | N/A | N/A |

DIRECTORS' SECURITIES TRANSACTIONS

董事進行證券交易

The Company has adopted a code of conduct rules (the “**Code of Conduct**”) regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules.

本公司已採納一套有關董事進行證券交易之行為守則(「行為守則」)，該等守則之要求將不寬鬆於上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)規定之標準。

Having made specific enquiry with all Directors, the Company confirms that all the Directors have complied with the required standard set out in the Code of Conduct and the Model Code throughout the year.

經向全體董事作出特定查詢後，本公司確認各董事於本年度內已遵守行為守則及標準守則所載之標準規定。

ACCOUNTABILITY AND AUDIT

問責及核數

The Directors are responsible for overseeing the preparation of financial statements for each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

董事負責監督每個財政期間財務報表的編製，以真實和公平地反映該期間本集團財政狀況及業績與現金流量。董事確認，經作出一切合理查詢後，就彼等所知、所了解及所信，彼等並不知悉任何可能會對本集團持續經營能力造成重大疑慮之事件或情況之重大不確定因素。

The statement of the auditors of the Company about their responsibilities for the audit of the Group's consolidated financial statements is set out in the Independent Auditor's Report on pages 51 to 56.

有關本公司核數師就審核本集團綜合財務報表須承擔之責任的聲明，列於第51頁至56頁之獨立核數師報告內。

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RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for overseeing the Group's risk management and internal control systems on an ongoing basis in order to safeguard the Group's assets, investments and the shareholders' interest and reviewing their effectiveness at least annually through the Audit Committee.

The Group's internal audit team assists the Board and the Audit Committee in the review of the effectiveness of the Group's risk management and internal control systems on an ongoing basis and in fulfilling its oversight and corporate governance roles in the Group's financial, operational and compliance controls. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

During the year, the Group's internal audit team conducted selective reviews of the effectiveness of the systems of risk management and internal controls of the Group over financial, operational and compliance controls. These results were assessed by Group's internal audit team and reported to the Audit Committee, which then reviewed and reported the same to the Board. The Audit Committee and the Board were not aware of any areas of concern that would have a material impact on the Group's financial position or operating results and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions.

The Company regulates the handling and dissemination of inside information to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made. The Company's legal advisor also assists the Board to assess whether the relevant information is considered to be inside information and needs to be disclosed as soon as reasonably practicable.

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Board recognises the importance of good communications with all shareholders. The Company's annual general meeting is a valuable forum for the Board to communicate directly with the shareholders. The Chairmen of the Board, of the Audit Committee and of the Remuneration Committee are present to answer shareholders' questions. An annual general meeting circular is distributed to all shareholders at least 21 days before the annual general meeting. It sets out the procedures for conducting a poll and other relevant information of the proposed resolutions.

風險管理及內部監控

為保障本集團之資產、投資以及股東之利益，董事會確認其持續監督本集團風險管理及內部監控系統的責任，並透過審核委員會至少每年審閱其有效性。

本集團內部審核團隊協助董事會及審核委員會持續審核本集團風險管理及內部監控系統之有效性，並履行其於本集團財務監控、運作監控及合規監控之監督及企業管治角色。由於該等系統及內部監控旨在管理而非消除未能達成業務目標之風險，故僅可就不會有重大的失實陳述或損失作出合理而非絕對之保證。

於本年度，本集團內部審核團隊對本集團風險管理及內部監控系統在財務、營運及合規監控方面的有效性展開篩查檢討。有關結果由本集團內部審核團隊評估並向審核委員會匯報，審核委員會審閱其資料後再向董事會匯報。審核委員會及董事會確認沒有任何會對本集團的財務狀況或營運表現產生重大影響的事項，並認為風險管理及內部監控系統整體上有效且充足，包括在會計、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。

本公司規管內幕消息之處理及發佈，以確保內幕消息在批准披露前保密，並有效率及一致地發佈該等消息。本公司法律顧問亦協助董事會評估有關消息是否被視為內幕消息並需要在合理可行情況下盡快披露。

與股東及投資者的溝通

董事會認同與所有股東有良好的溝通至為重要，本公司的股東周年大會提供寶貴場合讓董事會直接與股東溝通。董事會、審核委員會及薪酬委員會之主席皆會出席股東周年大會，解答股東提問。有關股東周年大會的通函於股東周年大會舉行前最少二十一天寄發予所有股東，通函載列進行票選的程序及其他建議的議案的有關資料。

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A key element of effective communication with shareholders and investors is the prompt and timely dissemination of information in relation to the Group. The Company has announced its annual and interim results in a timely manner. Printed copies of the Annual Report 2015 and Interim Report 2016 were sent to all shareholders.

All the reports, announcements and circulars that had been filed by the Company with the regulatory authorities can be reviewed at and downloaded from the Company's website at www.smartacgroup.com.

SHAREHOLDERS' RIGHTS

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual directors. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and of Hong Kong Exchanges and Clearing Limited after each general meeting.

Convening an Extraordinary General Meeting by Shareholders

Pursuant to Article 58 of the Articles of Association of the Company, any one or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Company's Articles of Association or the Cayman Islands Companies Law for shareholders to move new resolutions at general meetings. Shareholders who wish to move a resolution may request the Company to convene a general meeting in accordance with the procedures set out in the preceding paragraph.

與股東及投資者作有效的溝通，主要在於快捷及適時發佈有關本集團的信息。本公司依時宣佈其全年業績及中期業績。二零一五年度報告及二零一六年中期報告之印刷本已寄發予所有股東。

所有本公司提交予監管機構之報告、公告及通函，皆可在本公司網站www.smartacgroup.com閱覽及下載。

股東權利

為保障股東的權益及權利，本公司將於股東大會就每項大致獨立的事項（包括選舉個別董事）提呈獨立決議案。所有於股東大會上提呈的決議案將根據上市規則以按股數投票方式表決，而投票結果將於各股東大會結束後刊登於本公司及香港交易及結算所有限公司的網站。

股東召開股東特別大會的權利

根據本公司的組織章程細則第58條，任何於遞呈要求日期持有本公司繳足股本（附帶權利可於本公司股東大會上投票）不少於十分之一的一名或多名股東有權隨時向董事會或本公司的秘書發出書面要求，要求董事會召開股東特別大會以處理有關要求中指明的任何事項；且該大會應於遞呈該要求後兩個月內舉行。倘遞呈要求後二十一日內，董事會未有行動召開有關大會，則要求人可以同一方式召開股東特別大會，而本公司須向要求人彌償要求人因董事會未能召開股東特別大會而產生的所有合理支出。

於股東大會提呈建議

本公司的組織章程細則及開曼群島公司法並無有關股東於股東大會提呈新決議案的條文。股東如欲提呈決議案，可根據上段所載程序要求本公司召開股東大會。

Corporate Governance Report 企業管治報告

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board of the Company, shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Room 1204, 12th Floor, COFCO Tower, 262 Gloucester Road,
Causeway Bay, Hong Kong
For the attention of the Board of Directors

Shareholders are encouraged to provide, amongst other things, in particular, their email addresses to the Company in order to facilitate timely and effective communication.

向董事會作出查詢

向本公司董事會作出任何查詢時，股東可向本公司發送書面查詢。本公司通常不會處理口頭或匿名查詢。

聯絡詳情

股東可將彼等的查詢或要求按上述方式郵寄至以下地址：

地址：香港銅鑼灣告士打道262號中糧大廈
12樓1204室
董事會收

本公司鼓勵股東向本公司提供(其中包括，尤其是)電郵地址以促成及時有效的溝通。

Environmental, Social and Governance Report 環境、社會及管治報告

We are pleased to present this report in accordance with the Environmental, Social and Governance (“ESG”) Reporting Guide in Appendix 27 of the Listing Rules set out by the Stock Exchange. The report describes the policies in two subject areas, namely, Environmental and Social of the business operations of the Group, as required by the ESG Reporting Guide.

ENVIRONMENTAL

Emissions

The operations of the Group do not generate significant air emissions and hazardous waste. The key environmental impacts from the Group’s operations are the indirect greenhouse gas emissions from electricity consumption at the workplace and from business travel by employees.

The Group applies energy saving measures to reduce energy consumption and carbon emissions in the workplace including using energy saving lighting, setting optimal temperature on the air conditioning, and switching off the lighting and air conditioning after office hours. The Group also encourages the employees to switch off their computers and other office equipment when not utilised.

Use of Resources

The resources used by the Group are mainly attributed to electricity and paper consumption at its offices. The Group strives to minimise the environmental impact by saving electricity and paper consumption.

The water consumption of the Group is minimal. For office electricity control, the Group requires employees to switch off all the lights and electronic appliances before they leave the offices.

The Group committed to promote paper saving by setting default double-sided printing, encouraging staff to have environmentally friendly photocopying habit, reusing any single-side printed papers and using e-statement or scanning to reduce paper consumption. Besides, teleconference is encouraged to avoid unnecessary travel.

The Environment and Natural Resources

The Group’s environmental impact and use of natural resources is minimal. However, in order to enhance environmental sustainability, the Group executes practices that improve energy efficiency, gives careful consideration to conserve resources for its operation to minimise any environmental impact and raises environmental awareness by sharing green messages with its employees.

我們欣然根據聯交所所載之上市規則附錄二十七環境、社會及管治(「環境、社會及管治」)報告指引呈列此報告。報告按照環境、社會及管治報告指引所規定，描述本集團之業務營運在環境及社會這兩個主要範疇上的政策。

環境

排放物

本集團業務不會產生重大的廢氣排放物 and 有害廢棄物。本集團業務對環境造成之主要影響為來自工作場所之耗電及僱員商旅之間接溫室氣體排放。

本集團採取節能措施，包括使用節能燈具、把空調裝置設於最適當溫度及在非辦公時間把照明和空調裝置關掉，以減低工作場所之能源消耗及碳排放量。本集團亦鼓勵僱員關掉不使用之電腦及其他文儀設備。

資源使用

本集團使用之資源主要來自其辦公室之電力及紙張消耗。本集團致力透過節約電力及紙張消耗以盡量減低對環境之影響。

本集團之耗水量微乎其微。辦公室用電控制方面，本集團要求僱員於離開辦公室前關掉所有電燈及電器。

本集團承諾推動節約用紙，方法為預設雙面打印、鼓勵員工養成減少影印之習慣、再用已單面列印之紙張及使用電子報表或掃描以減少耗紙量。此外，本集團亦鼓勵進行電話會議以避免不必要之差旅。

環境及天然資源

本集團對環境影響及天然資源的使用量微乎其微。然而，為加強環保可持續性，本集團推行常規提升能源效益，並周詳考慮節約營運所用資源，從而減低任何對環境之影響，及透過與僱員分享環保信息以提高環保意識。

Environmental, Social and Governance Report 環境、社會及管治報告

SOCIAL

Employment and Labour Practices

Employment

Employees are regarded as the greatest and valuable assets and core competitive advantage of the Group and also provide driving force for the continuous innovation of the Group.

The Group's practices and policies with respect to: (i) compensation and dismissal; (ii) recruitment and promotion; (iii) working hours; (iv) rest periods; (v) equal opportunity; (vi) diversity; (vii) anti-discrimination; and (viii) other benefits and welfare have complied with the relevant laws and regulations.

In order to ensure each employee understand the policy of the Group, the Group published an employee handbook that includes the terms and conditions of employment, staff compensation and benefits (yearly bonus, allowances, various types of leave entitlement, medical benefits, social security, mandatory provident fund and training), promotion channel, occupational safety, complaint channels and office rules.

The Group offers competitive remuneration and implements a sound performance appraisal system with appropriate incentives, promoting career development and progression by appropriate training and providing opportunities within the Group for career advancement. Salaries are reviewed and adjusted on a yearly basis and employees are entitled to yearly bonus based on performance appraisals and the market trend.

The Group's employees work under a standard 40 hours per week. Employees are entitled to overtime pay or compensation leave if they obtain prior approval from their managers. The Group also provides employees paid leave for national public holidays, annual leave, sick leave, marriage leave, compassionate leave and maternity leave.

The Group recruits and promotes employees without regard to race, religion, gender, marital status and disability, provides good working environment free from discrimination and harassment, thus putting the principle of equality and fairness into practice. The Group seriously considers all those valuable opinions from the employees for enhancing workplace productivity and harmony which can help the Group to build a united and harmonious professional team.

社會

僱傭及勞工常規

僱傭

僱員被視為本集團最大及寶貴資產和競爭優勢之核心所在，同時為本集團提供不斷創新之原動力。

本集團有關(i)薪酬及解僱；(ii)招聘及晉升；(iii)工作時數；(iv)假期；(v)平等機會；(vi)多元化；(vii)反歧視；及(viii)其他待遇及福利之常規及政策均已遵守相關法律及法規。

為確保各僱員了解本集團之政策，本集團已刊發僱員手冊，當中載有關於僱傭、員工薪酬及福利（年度花紅、津貼、各類可享假期、醫療福利、社會保障、強制性公積金及培訓）、晉升渠道、職業安全、投訴渠道及辦公室規則之條款及細則。

本集團提供具競爭力之薪酬，並設有完善表現評核制度，實行適當獎勵措施、提供合適培訓以協助僱員事業發展及晉升及於本集團內提供事業發展機會。薪金會按年進行檢討及調整，及根據表現評核及市場趨勢，僱員可享有年度花紅。

本集團僱員之每週標準工時為40小時。在獲得其經理事先批准下，僱員可享有加班工資或補假。本集團亦為僱員提供國家法定假期、年假、病假、婚假、恩恤假及產假等有薪假期。

本集團不論種族、宗教、性別、婚姻狀況及殘健聘請及晉升僱員，並提供並無歧視及騷擾之良好工作環境，從而實踐平等及公平原則。本集團慎重考慮僱員有關提升工作場所生產力及和諧工作氣氛之所有寶貴意見，這有助本集團建立團結和諧之專業團隊。

Environmental, Social and Governance Report 環境、社會及管治報告

Health and Safety

To safeguard employees' occupational health and safety, the Group provides safe, healthy and comfortable working environment and has complied with the local relevant laws and regulations on occupational health and safety.

The Group offers its employees medical insurance coverage and health check plans. Employees are trained to follow the safety rules and regulations in accordance to the employee handbook and employment contract, and utilise available and appropriate protection measures at all times to avoid accidents and protect themselves and coworkers from safety risks. During the year ended 31 December 2016, the Group did not encounter any major accidents, staff fatalities or serious work related injuries from the Group's operation.

Development and Training

The Group believes that employees are the key to business success. In order to continuously enhance the Group's performance and to keep it in the forefront of the competitors, employees should have good training to face the challenges of today's changing market environment. Therefore, the Group is committed to the training and development of employees to enrich their knowledge, skills and ability to work, so as to release the greatest potential of its employees in the workplace.

In daily operations, the Group provides induction training for new employees to help them familiarise with the Group's business and operations, vision and mission, core values, business goals and overview as well as the product knowledge. Trainings are provided by the Group in different forms, including but not limited to on-the-job training, outbound training, in-house training and corporate external training courses. The Group also encourages employees to enroll training courses such as occupational ethics, business technology, safety courses and the Group would subsidy whole or part of the training fees upon the approval from human resources department and related department manager.

Labour Standards

The Group strictly complies with the local relevant labour laws and regulations. The Group requires reviewing and verifying applicant's identity information during the recruitment process and recruitment of child labour is strictly prohibited. Applicants are also required to provide document proofs of academic qualifications and working experience for verifications. The Group enters employment contract with each of its employee in accordance with the local relevant laws and regulations and prohibits forced labour. No employee is paid less than the minimum wage specified by the government regulations. Monthly salary payments, social security and mandatory provident fund contributions are made on time according to the employee handbook. Employees are not be forced to work beyond working hours and are entitled to overtime pay or compensation leave in accordance with local regulations.

健康與安全

為保障僱員之職業健康與安全，本集團提供安全、健康及舒適之工作環境，並已遵守當地職業健康與安全方面之相關法律法規。

本集團為其僱員提供醫療保險及健康檢查計劃。僱員會根據僱員手冊及僱傭合約接受培訓遵從安全規則及規例，且於任何時間使用現有和合適之保護措施，以防止事故發生並保護自身及同事免受安全風險。截至二零一六年十二月三十一日止年度，本集團並沒有於業務中遭遇任何重大意外、人員傷亡或嚴重工傷事故。

發展及培訓

本集團相信僱員為業務成功之關鍵所在。為持續提升本集團之表現及使其一直領先競爭對手，僱員應接受良好培訓以應對現今市場環境不斷轉變帶來之挑戰。因此，本集團致力於僱員培訓及發展，以豐富彼等之知識、技能及工作能力，從而啟發僱員於工作上發揮最大潛能。

在日常營運中，本集團為新僱員提供入職培訓，以協助彼等熟悉本集團之業務及營運、願景及使命、核心價值、業務目標及概覽以及產品知識。本集團會提供不同形式培訓，包括但不限於在職培訓、外展培訓、內部培訓及企業外部培訓課程。本集團亦鼓勵僱員參與培訓課程(如職業道德、業務科技及安全課程)，於獲得人力資源部及相關部門經理批准後，本集團會資助全部或部分培訓費用。

勞工準則

本集團嚴格遵守當地相關勞工法律法規。本集團於招聘過程中需審閱及核實申請人之身份資料，並嚴禁聘請童工。申請人亦須提供學歷資格及工作經驗之證明文件以供核實。本集團根據當地相關法律法規與其各僱員訂立僱傭合約，並禁止強制勞工。概無僱員薪金低於政府法規所規定之最低工資。月薪、社會保障及強制性公積金供款會按照僱員手冊準時支付。僱員不會被強迫加班，並根據當地法規可享有加班工資或補假。

Environmental, Social and Governance Report 環境、社會及管治報告

Operating Practices

Supply Chain Management

The Group values the partnership with suppliers and works together to promote sustainable development of the industry. The Group seeks to continuously evaluating suppliers mainly in the aspects of their background, qualification, past performance, fulfillment of contract, professionalism of project team and social responsibility. The Group values communication with suppliers and establishes strategic cooperation with suppliers through technical support and unique competitive advantage, which can achieve win-win situation and strengthen the cooperation with each other.

Product Responsibility

The Group complies with local regulations relevant to the operation of its business in areas such as health and safety, advertising, and privacy matters relating to its products and services.

The Group pays highly attention to the quality and safety of services. In 2016, the Group have not had any complaints or request to terminate projects due to poor quality and safety. If a complaint should arise, the Group will immediately assess the complaint and conduct an internal investigation into the matter to identify the source of the issue and take remedial actions.

The Company strictly complies with the Advertising Law of the PRC and requires that employees of sales department must provide customers with accurate and true information on the Group's services.

The Group's employees are obligated to retain in confidence and disallowed to use any and all information obtained in connection with their employment, including, but not limited to, trade secrets, know how, client information, supplier information and other proprietary information for the benefit of his own and others in accordance to the employee handbook and the employment contract.

The Group emphasises the importance of protecting customers' data. Source code backup are being done from time to time to protect the Group's most valuable assets from any event of system crashes and errors. The operations of the Group always involve the intellectual property rights of customers, suppliers and the Group, therefore protection of intellectual property rights is extremely important to the Group. The Group adds protective clauses to the contracts entered into with customers and suppliers to safeguard the intellectual property rights and confidentiality.

營運慣例

供應鏈管理

本集團重視與供應商之夥伴關係，共同合作推動行業之可持續發展。本集團尋求持續評估供應商，主要評估範疇包括其背景、資格、過往表現、合約履行、項目團隊的專業水平及社會責任。本集團重視與供應商之溝通，通過技術支援及獨特競爭優勢與供應商開展戰略合作，以達致雙贏局面及加強彼此之間的合作。

產品責任

就有關其產品和服務之健康與安全、廣告及私隱事宜等範疇內，本集團均已遵守當地與其業務營運相關之法規。

本集團高度重視服務質量及安全。於二零一六年，本集團並無由於劣質及安全問題而接獲任何投訴或終止項目之要求。倘出現投訴，本集團將馬上評估有關投訴及就事件進行內部調查，以找出問題源頭及採取補救措施。

本公司嚴格遵守中國廣告法，並規定銷售部門僱員必須就本集團服務向客戶提供準確及真實之資料。

根據僱員手冊及僱傭合約，本集團僱員有義務對其在受聘期間獲得之任何及全部資料(包括但不限於商業機密、技術知識、客戶資料、供應商資料及其他專有資料)進行保密，且不准利用該等資料為其本人及其他人士謀取利益。

本集團強調保障顧客資料之重要性。源代码備份工作會不時進行，以保障本集團之最寶貴資產免因任何系統故障和錯誤事故而受損。本集團營運一直涉及顧客、供應商及本集團之知識產權，因此保障知識產權對本集團而言極為重要。本集團會在與顧客及供應商訂立之合約中加入保護條款，以保障知識產權及機密資料。

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Anti-corruption

All of the Group's operations comply with local and national legislation on standards of conduct, such as with the Prevention of Bribery Ordinance in Hong Kong and relevant legislation on anti-corruption and bribery in the PRC, South Korea and Japan and other relevant laws and regulations relating to extortion, fraud and money-laundering.

The Group promotes integrity and prevents unethical pursuits. The Group has implemented an effective whistleblowing policy for reporting wrongdoings in accordance with the employee handbook. The Group has also set out an integrity agreement for the purpose of signing with the external parties to avoid any advantage given or received in the conduct of the Group's business.

Community Investment

The Group always seeks to be a positive force in the communities in which it operates and maintains close communications and interactions with the communities in order to contribute to local development.

The Group believes that the creation of a beautiful and peaceful community relies on the cooperation of people, corporations and the government. By working together with various community partners, the Group believes can bring a tremendous impact on the sustainable development of the communities in which it operates.

The government in Suzhou encourages companies to employ the landless farmers of Suzhou Industrial Park and provide them the necessary pre-job training. The subsidiary of the Group situated in the Suzhou Industrial Park joined the scheme and employed 6 landless farmers during the year of 2016. The Group also actively encourages employees to volunteer their time and skills to benefit local communities. It gives employees the opportunities to find out more about the society and environment and reinforce the Group's corporate values.

反貪污

本集團所有業務均遵守當地及國家法例之操守準則，例如香港的防止賄賂條例及中國、南韓及日本的相關反貪污法例，以及有關勒索、欺詐及洗黑錢之其他相關法律法規。

本集團推崇誠信，防止不道德活動。本集團已實施有效舉報政策，供僱員根據僱員手冊舉報不當行為。本集團亦有一份廉潔協議，以供其與外部人士簽署，從而避免於進行本集團業務時提供或收取任何利益。

社區投資

本集團一直尋求成為其營運所在社區之正面力量，以及與社區維持緊密聯繫和互動，為當地發展作出貢獻。

本集團相信創造美好和諧的社區有賴市民、企業及政府通力合作。本集團深信，與不同的社區夥伴攜手合作可為其營運所在社區之可持續發展帶來重大影響。

蘇州政府鼓勵公司聘請蘇州工業園區之失地農民及為其提供所需的職前培訓。本集團位於蘇州工業園區之附屬公司參與有關計劃，並在二零一六年聘請了六名失地農民。本集團亦積極鼓勵僱員主動付出時間及技能造福當地社區，從而加深僱員對社會及環境的認識及提升本集團之企業價值。

Directors' Report 董事會報告

PRINCIPAL ACTIVITIES

The Group is principally engaged in (i) sale of software and provision of O2O consultation service; and (ii) provision of digital advertising platform and related solutions.

The principal activities of the Company's subsidiaries are set out in note 26 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segment is set out in note 10 to the consolidated financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 57 to 58.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: nil).

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the last five financial years is set out on page 4.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 20 to the consolidated financial statements.

SHARE ISSUED DURING THE YEAR

Details of the share issued during the year ended 31 December 2016 are set out in note 40 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 61.

主要業務

本集團主要從事(i)銷售軟件與提供O2O諮詢服務；及(ii)提供電子廣告平台及相關解決方案。

本公司附屬公司之主要業務載於綜合財務報表附註26。

本集團本年度按經營分部之表現分析載於綜合財務報表附註10。

業績及分派

本集團於截至二零一六年十二月三十一日止年度之業績載於第57頁至58頁之綜合損益與其他全面收益表。

董事會不建議派發截至二零一六年十二月三十一日止年度末期股息(二零一五年：無)。

五年財務摘要

本集團於過去五個財政年度之業績及資產與負債摘要載於第4頁。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情載於綜合財務報表附註20。

本年度已發行股份

於截至二零一六年十二月三十一日止年度之已發行股份詳情載於綜合財務報表附註40。

儲備

本集團於本年度之儲備變動詳情載於第61頁之綜合權益變動表。

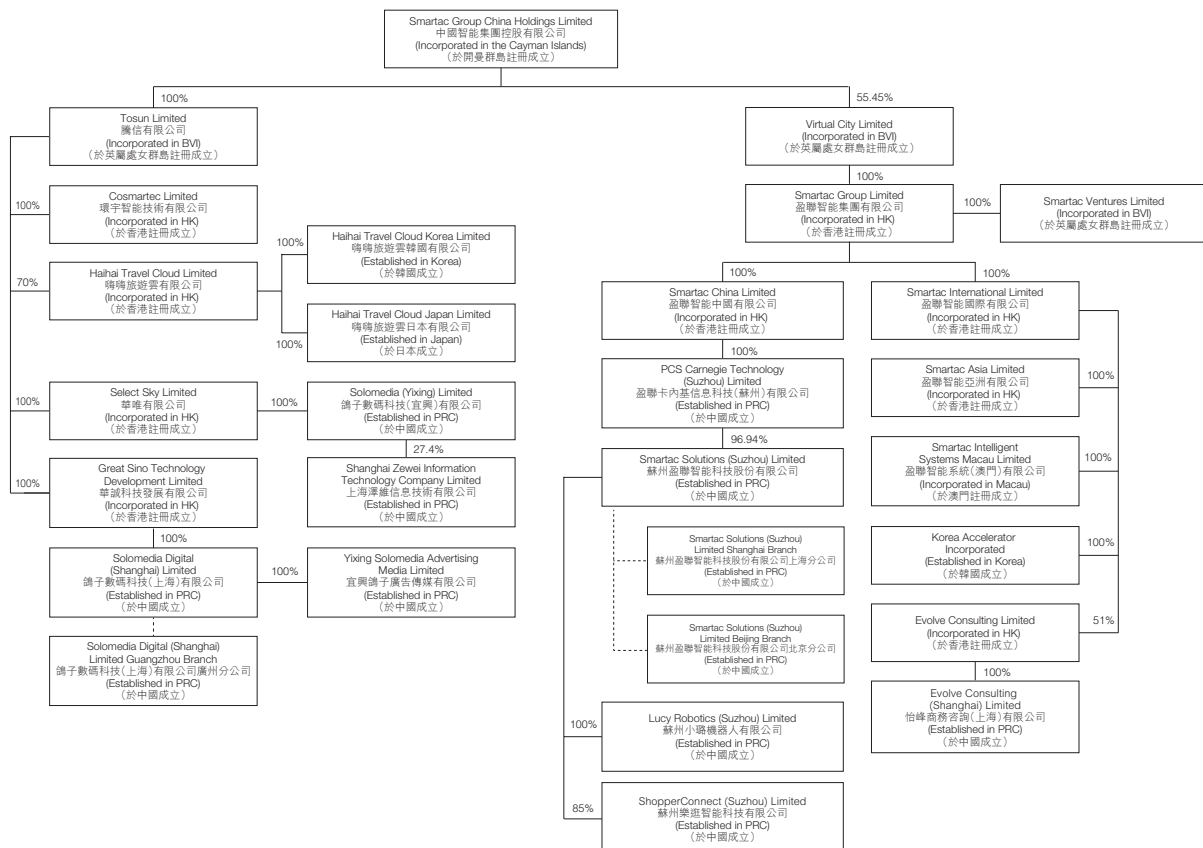
Directors' Report 董事會報告

DISTRIBUTABLE RESERVES

Pursuant to the Companies Law of the Cayman Islands and the Company's articles of association, in addition to the retained profits of the Company, the ordinary share premium account of the Company is also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid. Accordingly, the Company's reserves available for distribution to shareholders as at 31 December 2016 amounted to nil (2015: approximately RMB48,776,000).

GROUP STRUCTURE

As at 31 December 2016, the Group's structure was as follows:



可分配儲備

根據開曼群島公司法及本公司之公司章程細則，除本公司的保留溢利外，本公司的普通股溢價賬亦可分派予股東，惟前提是本公司將有能力支付其於緊隨擬支付任何有關分派當日後到期的日常業務債項。因此，於二零一六年十二月三十一日，本公司可分派予股東的儲備為零元(二零一五年：約人民幣48,776,000元)。

集團架構

於二零一六年十二月三十一日，本集團之架構如下：

Directors' Report 董事會報告

DIRECTORS

The Directors who held office during the year and as at the date of this report are shown below. Their biographies are set out on pages 19 to 21.

Executive Directors

Mr. Yang Xin Min, *Chairman and Chief Executive Officer*
Mr. Yang Zhen
Mr. Kwan Che Hang Jason

Independent Non-Executive Directors

Dr. Cheng Faat Ting Gary
Mr. Poon Lai Yin Michael
Mr. Yang Wei Qing

Each of the above Directors has entered into a service contract with the Company for a term of one to two years. Each service contract will continue thereafter unless terminated by either party thereto giving to the other at least three months' notice (Executive Directors) or one month's notice (INEDs) in writing.

The Company has received from each of the INEDs a confirmation letter of his independence pursuant to paragraph 12B of Appendix 16 of the Listing Rules and considers each of the INEDs is independent.

董事

於年內及於本報告日期的董事列示如下，彼等之簡歷載於第19頁至21頁。

執行董事

楊新民先生，*主席及行政總裁*
楊震先生
關志恒先生

獨立非執行董事

鄭發丁博士
潘禮賢先生
楊偉慶先生

上述董事均與本公司訂立任期一至兩年之服務合約。各份服務合約均於到期後自動續約，除非其中一方以最少三個月(執行董事)或一個月(獨立非執行董事)書面通知終止。

根據上市規則附錄16第12B段，本公司已收到各位獨立非執行董事之確認函件，並認為各獨立非執行董事均為獨立人士。

Directors' Report 董事會報告

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

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of the Securities and Futures Ordinance ("SFO") which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Director is taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

Long positions in the shares

| Name of Director 董事姓名 | Capacity 身份 | Number of Shares 股份數目 | | | Approximate Percentage of Total Share Capital 約佔總股本 百分比 |
|--|------------------|------------------------------|----------------------------|---------------------------|--|
| | | Personal Interest 個人權益 | Other Interests 其他權益 | Total Interests 總權益 | |
| Yang Xin Min 楊新民 | Beneficial 實益 | 592,573,880 | – | 592,573,880 | 12.44% |
| Yang Zhen 楊震 | Beneficial 實益 | 1,336,000 | – | 1,336,000 | 0.03% |
| Kwan Che Hang Jason (<i>note 1</i>) 關志恒(附註1) | Beneficial 實益 | 231,413,304 | – | 231,413,304 | 4.86% |
| Cheng Faat Ting Gary (<i>note 2</i>) 鄭發丁(附註2) | Beneficial 實益 | – | 200,000 | 200,000 | 0.004% |

Notes:

- The 231,413,304 shares comprised (i) 792,000 shares held by Mr. Kwan Che Hang Jason directly; and (ii) 230,621,304 shares held by China Software Services (Holdings) Limited ("CSS"). Mr. Kwan Che Hang Jason was the controlling shareholder of CSS and therefore was deemed to have an interest in the 230,621,304 shares.
- The 200,000 shares are held by the spouse of Dr. Cheng Faat Ting Gary and therefore Dr. Cheng Faat Ting Gary is deemed to have an interest in the 200,000 shares.

董事及最高行政人員於本公司及其相關法團之股份、相關股份及債權證中的權益及淡倉

於二零一六年十二月三十一日，本公司董事及最高行政人員於本公司或任何相聯法團(定義見證券及期貨條例(「證券及期貨條例」))之股份、相關股份及債權證中擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之權益及淡倉(包括根據證券及期貨條例有關條文董事被視為或當作擁有之權益及淡倉);或(b)根據證券及期貨條例第352條須登記於該規定所指登記冊之權益及淡倉;或(c)根據標準守則須知會本公司及聯交所之權益及淡倉如下:

股份之好倉

附註:

- 該231,413,304股股份包括(i)由關志恒先生直接持有的792,000股股份;及(ii)由中國軟件服務(控股)有限公司(「中國軟件」)持有的230,621,304股股份。由於關志恒先生為中國軟件之控股股東，故被視為在該230,621,304股股份中擁有權益。
- 由於該200,000股股份由鄭發丁博士之配偶所持有，故鄭發丁博士被視為在該200,000股股份中擁有權益。

Directors' Report 董事會報告

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2016, so far as was known to the Directors and the chief executive of the Company, the following persons had an interest or short position in the shares and underlying shares in would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

Long positions in the shares

| Name of Shareholder 董事姓名 | Capacity 身份 | Number of Shares 股份數目 | | Approximate Percentage of Total Share Capital 約佔總股本百分比 |
|---|------------------|------------------------------|---------------------------|--|
| | | Personal Interest 個人權益 | Total Interests 總權益 | |
| Yang Xin Min 楊新民 | Beneficial 實益 | 592,573,880 | 592,573,880 | 12.44% |
| HK DYF Int'l Holding Group Limited 香港鼎益豐國際控股集團有限公司 | Beneficial 實益 | 260,536,000 | 260,536,000 | 5.47% |

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had any interest, either direct or indirect, in any business, which may compete or constitute a competition with the business of the Group.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE GROUP'S BUSINESS

Details of the continuing connected transactions and related party transactions are disclosed in this report and in note 49 to the consolidated financial statements respectively.

Save for the above, no other transactions, arrangements or contracts of significance in relation to the Group's business to which the Company or any its subsidiaries was a party and in which a director of the Company or his connected entity had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

At no time during the year was the Company or any of its subsidiaries, a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

主要股東於本公司之股份及相關股份中的權益及淡倉

於二零一六年十二月三十一日，就本公司董事及最高行政人員所知，以下人士擁有股份及相關股份中之權益或淡倉而須根據證券及期貨條例第XV部2及3分部之條文向本公司披露；或直接或間接擁有附有權利可於任何情況下在本公司或本集團任何其他成員公司之股東大會上投票之任何類別股本面值5%或以上之權益。

股份之好倉

董事於競爭性業務之權益

概無董事於任何直接或間接與本集團業務構成競爭或可能構成競爭之業務中擁有任何權益。

董事於與本集團業務有關的重大交易、安排或合約中擁有重大權益

有關持續關連交易及關聯方交易之詳情分別於本報告及綜合財務報表附註49中披露。

除上文所述者外，本公司或其任何附屬公司概無訂立其他與本集團業務有關之重大交易、安排或合約於本年度結束時或於年內任何時間仍然存續，而本公司董事或與其有關連的實體於當中直接或間接擁有重大權益。

於本年度內任何時間，本公司或其任何附屬公司概無訂立任何安排致使本公司董事可透過購入本公司或任何其他法人團體的股份或債券而獲益。

Directors' Report 董事會報告

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the year.

SHARE OPTIONS GRANTED PURSUANT TO THE SHARE OPTION SCHEME

Pursuant to the written resolution by the shareholders of the Company on 24 September 2002, the Share Option Scheme (the “**Old Scheme**”) was approved and adopted. The Old Scheme was terminated by a resolution passed by the shareholders in the Company’s annual general meeting held on 27 May 2011. No further options can be granted under the Old Scheme but in all other respects the provisions of the Old Scheme shall remain in full force and effect.

On 27 May 2011, the shareholders passed a resolution in the annual general meeting to approve and adopt a new Share Option Scheme (the “**New Scheme**”) and the Board may, at its discretion, grant options (“**Options**”) to Eligible Participants as defined in (ii) below.

The total number of shares in respect of which options may be granted under the New Scheme shall be 230,936,210 shares, representing approximately 4.8% of the issued share capital of the Company as at the date of this annual report.

(i) Purpose

The purpose of the New Scheme is to enable the Company to grant Options to Eligible Participants as incentives or rewards for their contribution to the Company and/or any of its subsidiaries. Through the New Scheme, the Company can motivate and reward the Eligible Participants who have contributed to the Company by enhancing its performance, improving its management and operation, and providing it with good advice and ideas.

(ii) Eligible Participants

The Eligible Participants of the New Scheme to whom Option(s) may be granted by the Board shall include any employees, Non-Executive Directors, Directors, advisors, consultants, and any shareholders of any members of the Group or any invested entities or any holders of any securities issued by any members of the Group or any invested entities.

管理合約

於本年度內概無訂立或存有與本公司或其附屬公司全部或任何重大部分業務的管理及行政有關的合約。

根據購股權計劃授出購股權

根據本公司股東於二零零二年九月二十四日之書面決議案，購股權計劃（「舊計劃」）已獲批准及採納。在二零一一年五月二十七日舉行之本公司股東周年大會上，股東已通過一項決議案以終止舊計劃。此後將不會再根據舊計劃授出購股權，惟舊計劃各項條文之所有其他方面將繼續全面生效及具有效力。

於二零一一年五月二十七日，股東在股東周年大會上通過一項決議案，以批准及採納一項新的購股權計劃（「新計劃」），據此，董事會可酌情向合資格參與者（定義見下文(ii)）授予購股權（「購股權」）。

根據新計劃可能授出的購股權涉及之股份總數將為230,936,210股股份，佔本公司於本年度報告日期已發行股本約4.8%。

(i) 目的

新計劃之目的為使本公司可向合資格參與者授出購股權，作為鼓勵及獎賞彼等對本公司及/或其任何附屬公司作出貢獻。本公司通過新計劃，可激勵並獎勵提升本公司表現、改善其管理營運並向其提供可取建議及意見之合資格參與者。

(ii) 合資格參與者

可獲董事會授予購股權之新計劃合資格參與者，包括本集團任何成員公司或任何被投資實體之僱員、非執行董事、董事、諮詢人、顧問及任何股東或本集團任何成員公司或任何被投資實體所發行任何證券之任何持有人。

Directors' Report 董事會報告

(iii) Maximum number of shares

- (a) The total number of shares which may be issued upon exercise of all Options which may be granted under the New Scheme and any other share option schemes of the Company (“**Scheme Mandate Limit**”) shall not exceed 10% of the total number of shares in issue as at the date on which the New Scheme will be approved and adopted by the shareholders, unless the Company obtains a refresh approval from the shareholders pursuant to paragraph (b) below. Options lapsed in accordance with the terms of the New Scheme shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (b) The Company may seek approval of the shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed 10% of the shares in issue as at the date of the approval of the renewal by the shareholders. Upon any such renewal, all Options granted under the New Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. In seeking the approval, the Company shall send a circular to the shareholders.
- (c) The Company may grant Options to the Eligible Participant(s) beyond the Scheme Mandate Limit if the grant of such Options is specifically approved by the shareholders in general meeting. In seeking such approval, a circular must be sent to the shareholders containing a generic description of the identified Eligible Participant(s), the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Participant(s), and how the terms of these Options serve such purpose.

Notwithstanding the above, the maximum number of shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 30% of the total number of shares in issue from time to time.

(iii) 股份數目上限

- (a) 根據新計劃及本公司任何其他購股權計劃可授出之所有購股權獲行使時，可予發行之股份總數（「計劃授權上限」）不得超過股東將予批准及採納新計劃當日已發行股份總數之10%，惟本公司根據下文第(b)段獲得股東之更新批准者除外。計算是否超逾計劃授權上限時，根據新計劃條款已失效之購股權將不予計算。
- (b) 本公司可於股東大會上尋求股東批准以更新計劃授權上限，惟以此方式更新之計劃授權上限不得超過股東批准更新當日已發行股份之10%。經任何該等更新後，計算是否超逾經更新計劃授權上限時，於批准該等更新前根據新計劃或本公司任何其他購股權計劃授出之所有購股權（包括根據新計劃及本公司任何其他購股權計劃尚未行使、已註銷、已失效之購股權及已行使之購股權）將不予計算。於尋求股東批准時，本公司應向股東寄發一份通函。
- (c) 本公司可向合資格參與者授出超逾計劃授權上限之購股權，惟該等購股權之授出須經股東於股東大會上明確批准。為尋求股東批准，本公司須向股東寄發一份通函，當中總體說明已確認合資格參與者、將授出購股權之數目及條款、向已確定合資格參與者授出購股權之目的，以及該等購股權之條款如何達致有關目的。

儘管上文已有所規定，所有根據新計劃已授出但尚未行使之購股權及根據本公司任何其他購股權計劃可能授出之購股權獲行使時，予以發行之股份數目上限不得超過不時已發行股份總數之30%。

Directors' Report 董事會報告

(iv) Maximum entitlement of each Eligible Participant

- (a) The total number of shares issued and to be issued upon exercise of the Options granted under the New Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding Options) to each Eligible Participant in any 12-month period must not exceed 1% of the then total issued share capital of the Company (the "Individual Limit").
- (b) Any further grant of Options to an Eligible Participant in excess of the Individual Limit (including exercised, cancelled and outstanding Options) in any 12-month period up to and including the date of such further grant must be subject to the shareholders' approval in general meeting of the Company with such Eligible Participant and his associates abstaining from voting. A circular must be sent to the shareholders disclosing the identity of the identified Eligible Participant(s), the number and terms of the Options granted and to be granted, the number and terms of Options to be granted to such identified Eligible Participant(s) must be fixed before the shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price.

(v) Offer acceptance period and Option price

An offer of grant of an Option may be accepted by an Eligible Participant within 28 days from the date of the offer of grant of the Option. A consideration of HK\$1.00 is payable on acceptance of the offer of grant of an Option. To the extent that the offer of grant of an Option is not accepted within twenty-eight (28) days from the date on which the offer for the grant of Options is made in the manner indicated herein, it will be deemed to have been irrevocably declined and lapsed automatically.

(iv) 每名合資格參與者之配額上限

- (a) 在任何十二個月期間內每名合資格參與者根據新計劃及本公司任何其他購股權計劃獲授之購股權(包括已行使、已註銷及尚未行使之購股權)予以行使時,已發行及將予發行之股份總數不得超過本公司當時已發行股本總額之1%(「個別上限」)。
- (b) 若向合資格參與者進一步授出購股權會導致在截至再授出購股權日期(包括該日)止任何十二個月期間內,該合資格參與者所獲授之購股權總額超出個別上限(包括已行使、已註銷及尚未行使之購股權),則須經股東於本公司股東大會上批准(於會上該合資格參與者及其聯繫人士必須放棄投票)。本公司須向股東寄發一份通函,當中披露已確定合資格參與者之身份、已授出及將予授出購股權之數目及條款,該等已確定合資格參與者獲授購股權之數目及條款須於股東批准前釐定,而計算行使價時,提呈該等進一步授出購股權之董事會會議之日期應被視為授出日期。

(v) 接納提呈之時間及購股權價格

合資格參與者可於授出購股權要約提出當日起計28日內接納獲授之購股權要約,而接納獲授購股權要約時須支付代價港幣1.00元。倘授出之購股權要約未有於自要約日期起計二十八(28)日內按本條款所示之方式接納,其將會視為被不可撤回地拒絕並自動失效。

Directors' Report 董事會報告

(vi) Timing for exercise of Options

An Option shall be exercisable in whole or in part and in accordance with the terms of the New Scheme at any time during a period to be determined and notified by the Directors to each Grantee, which period may commence on the day on which the offer for the grant of Options is made but shall end in any event not later than 10 years commencing from the date the Board makes an offer of the grant of an Option subject to the provisions for early termination thereof. The Directors have the discretion to impose a minimum period for which an Option has to be held before the exercise of the subscription rights attaching thereto on case by case basis.

(vii) Subscription price

Subject to the adjustment made in accordance with the terms of the New Scheme, the exercise price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of making the offer of grant of an option (which shall be stated in the letter containing the offer of grant of an option) but in any case the exercise price must be at least the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a trading day; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date of the offer of grant; and (iii) the nominal value of the shares.

For the year ended 31 December 2016 and 2015, no Options have been granted by the Company under the Old Scheme and the New Scheme.

(vi) 行使購股權之時間

購股權可按照新計劃之條款於董事決定並已知會各承授人之期間內任何時間全部或部份行使，該期間可自授出購股權要約提出當日開始，惟在任何情況下不得遲於董事會授予購股權建議當日起計十年（惟可根據該計劃條款而提早終止）。董事可按個別情況酌情釐定須於行使購股權所附購股權前持有購股權之最短期限。

(vii) 認購價

根據按新計劃條款作出之調整，任何特定購股權之行使價應為董事會於提出授出購股權要約之時全權酌情釐定之價格（其須於授出之購股權要約函件內訂明），惟在任何情況下行使價必須最少為下列三者中之最高者：(i) 股份於授出購股權要約當日（須為交易日）之收市價（以聯交所每日報價表所載者為準）；(ii) 股份於緊接授出購股權要約日期前五個營業日之平均收市價（以聯交所每日報價表所載者為準）；及(iii) 股份面值。

於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，本公司並無根據舊計劃及新計劃授出購股權。

Directors' Report 董事會報告

Details of the movement of the Options granted and exercised during the year were as follows:

於年內之購股權授出及行使變動如下：

| Name of Grantee | Date of Grant | Exercisable Period | Subscription Price per Share | Number of Options (Note) | | | Outstanding as at 31 December 2016 |
|---|---------------|------------------------------|------------------------------|------------------------------------|------------------------------|------------------------|------------------------------------|
| | | | | Outstanding as at 31 December 2015 | Reclassified during the year | Lapsed during the year | |
| 授予人姓名 | 授出日期 | 可行使期間 | 每股認購價 (note) (附註) | 於二零一五年十二月三十一日 尚未行使 | 年內重分類 | 年內失效 | 於二零一六年十二月三十一日 尚未行使 |
| <i>Executive Directors:</i> | | | | | | | |
| <i>執行董事：</i> | | | | | | | |
| Yang Xin Min | 14 June 2011 | 14 June 2011 to 13 June 2016 | HK\$0.818 | 1,600,000 | - | (1,600,000) | - |
| 楊新民 | 二零一一年六月十四日 | 二零一一年六月十四日至二零一六年六月十三日 | 港幣0.818元 | | | | |
| Subtotal | | | | 1,600,000 | - | (1,600,000) | - |
| 小計 | | | | | | | |
| <i>Independent Non-Executive Directors:</i> | | | | | | | |
| <i>獨立非執行董事：</i> | | | | | | | |
| Cheng Faat Ting Gary | 14 June 2011 | 14 June 2011 to 13 June 2016 | HK\$0.818 | 200,000 | - | (200,000) | - |
| 鄭發丁 | 二零一一年六月十四日 | 二零一一年六月十四日至二零一六年六月十三日 | 港幣0.818元 | | | | |
| Poon Lai Yin Michael | 14 June 2011 | 14 June 2011 to 13 June 2016 | HK\$0.818 | 200,000 | - | (200,000) | - |
| 潘禮賢 | 二零一一年六月十四日 | 二零一一年六月十四日至二零一六年六月十三日 | 港幣0.818元 | | | | |
| Subtotal | | | | 400,000 | - | (400,000) | - |
| 小計 | | | | | | | |
| Employees | 14 June 2011 | 14 June 2011 to 13 June 2016 | HK\$0.818 | 1,800,000 | - | (1,800,000) | - |
| 僱員 | 二零一一年六月十四日 | 二零一一年六月十四日至二零一六年六月十三日 | 港幣0.818元 | | | | |
| Grand Total | | | | 3,800,000 | - | (3,800,000) | - |
| 合計 | | | | | | | |

Note:

Certain Subscription Price per Share and number of Options shown in the table above had been restated to reflect the effect of the 1 to 20 subdivision of Shares which took effect from 9 November 2009.

附註：

以上列表中有若干每股認購價及購股權數目已重列，以反映於二零零九年十一月九日生效之每一股分拆為二十股之股份分拆。

Directors' Report 董事會報告

CONNECTED TRANSACTIONS

During the year, the Group had the following continuing connected transactions which were required to be disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

On 5 September 2014, the Company and Solomedia Shanghai and subsidiaries of the Company, save and except for Smartac Group Limited and its direct or indirect wholly or non-wholly owned subsidiaries (“**Contractor Group**”), entered into the Master Sub-Contracting Agreement with Smartac Group Limited and its direct or indirect wholly or non-wholly owned subsidiaries (“**Sub-Contractor Group**”) in relation to the provision of sub-contracting services by the Sub-Contractor Group. The Sub-Contractor Group is directly owned by Virtual City Limited which in turn is owned as to 55.45% by the Company and 44.55% by CSS. Since Mr. Kwan Che Hang Jason, director and shareholder of the Company, is also the controlling shareholder of CSS, any company of the Sub-Contractor Group is therefore a connected person of the Company. As such, the transactions contemplated under the Master Sub-Contracting Agreement would constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The Master Sub-Contracting Agreement had a term of three years. According to the Master Sub-Contracting Agreement during the year, the aggregate services charged to the Contractor Group by the Sub-Contractor Group in respect of project management and installation service, software development service and maintenance service were RMB214,200 (2015: RMB5,439,264), RMB1,518,971 (2015: RMB7,645,246) and RMB99,144 (2015: RMB687,343) respectively.

Our INEDs have reviewed the continuing connected transactions set out above, and are of the view that the continuing connected transactions have been entered into under the following circumstances:

- (i) in the ordinary and usual course of business;
- (ii) on normal commercial terms or on terms no less favourable to the Group than terms offered to/by independent third parties; and
- (iii) in accordance with the relevant agreements governing those transactions on terms that are fair and reasonable and in the interest of the shareholders of the Company as a whole.

關連交易

於本年度內，本集團有下列持續關連交易須遵守上市規則第14A章所載之規定予以披露。

於二零一四年九月五日，本公司與鴿子上海及本公司的附屬公司(盈聯智能集團有限公司及其直接或間接全資或非全資附屬公司除外)(「**承包商集團**」)與盈聯智能集團有限公司及其直接或間接全資或非全資附屬公司(「**分包商集團**」)就分包商集團提供分包服務而訂立分包主協議。分包商集團由Virtual City Limited直接持有，而本公司及中國軟件分別持有其55.45%及44.55%的股權。由於本公司董事兼股東關志恒先生亦為中國軟件的控股股東，因此分包商集團的任何公司均為本公司之關連人士。故此，分包主協議項下擬進行的交易構成上市規則第14A章項下本公司之持續關連交易。

分包主協議為期三年。根據分包主協議，分包商集團於年內分別就項目管理及安裝服務、軟件開發服務及維修服務向承包商集團收取人民幣214,200元(二零一五年：人民幣5,439,264元)、人民幣1,518,971元(二零一五年：人民幣7,645,246元)及人民幣99,144元(二零一五年：人民幣687,343元)。

獨立非執行董事已審閱上述持續關連交易，並認為持續關連交易乃於下列情況下訂立：

- (i) 於一般及日常業務過程中；
- (ii) 按一般商業條款或不遜於本集團向獨立第三方提供／自獨立第三方獲取之條款；及
- (iii) 根據規管該等交易之相關協議，按公平合理並符合本公司股東整體利益之條款。

Directors' Report 董事會報告

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

In respect of the continuing connected transactions disclosed (the "Disclosed Continuing Connected Transactions"), the Company's auditors concluded that:

- (i) nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions have not been approved by the Company's board of directors.
- (ii) for transactions involving the provision of services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- (iii) 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.
- (iv) with respect to the aggregate amount of the continuing connected transactions set out above, nothing has come to their attention that causes them to believe that the Disclosed Continuing Connected Transactions have exceeded the annual cap disclosed in the Company's announcement dated 5 September 2014.

CORPORATE GOVERNANCE

The Company is committed to maintaining the highest standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 23 to 31.

中瑞岳華(香港)會計師事務所已獲委聘根據香港核證委聘準則第3000號(經修訂)「審計或審閱歷史財務資料以外之核證委聘」並參考香港會計師公會頒佈的實務說明第740號關於香港上市規則所述持續關連交易的核數師函件，就本集團之持續關連交易作出報告。中瑞岳華(香港)會計師事務所已根據上市規則第14A.56條發出其無保留意見函件，當中載有彼等就本集團於上文披露之持續關連交易進行審閱所得結果及結論。本公司已向聯交所提供核數師函件之副本。

就所披露之持續關連交易(「所披露持續關連交易」)而言，本公司核數師之結論為：

- (i) 概無任何事件促使彼等認為所披露持續關連交易未經本公司董事會審批。
- (ii) 就涉及本集團提供服務的交易而言，彼等並無發現任何情況導致彼等認為相關交易於所有重大方面並未遵守本集團之定價政策。
- (iii) 概無任何事件促使彼等認為有關交易於任何重大方面並無按照規管有關交易之相關協議而訂立。
- (iv) 就上述持續關連交易之總金額而言，概無任何事件促使彼等認為所披露持續關連交易已超出本公司日期為二零一四年九月五日之公告中披露之年度上限。

企業管治

本公司一向致力維持最高標準之企業管治常規。有關本公司採納之企業管治常規，詳載於第23頁至31頁之企業管治報告內。

Directors' Report 董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, the aggregate revenue attributable to the largest customer and the five largest customers of the Group accounted for approximately 21% and 56% of the Group's total revenue for the year respectively; and the aggregate purchases from the largest and the five largest suppliers of the Group accounted for approximately 18% and 46% of the Group's total purchases for the year, respectively.

As far as the Directors are aware, none of the Directors of the Company, their respective associates (as defined in the Listing Rules), and the existing shareholders of the Company who own more than 5% of the Company's issued share capital, had any interests in the Group's five largest customers or suppliers at any time during the year.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board 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. Details of responsibilities of directors for the consolidated financial statements are set out in the Independent Auditor's Report on page 54.

The Directors are responsible for the proper keeping of accounting record in order to secure assets of the Company and the Group. The Directors are also responsible for adopting reasonable measures to prevent and check any fraudulences and irregularities.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2016 is set out in the section headed "Management Discussion and Analysis" on pages 8 to 18 of this annual report which forms part of this Directors' Report.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

主要客戶及供應商

於截至二零一六年十二月三十一日止年度，本集團最大及五大客戶之收入總額分別佔本集團總收入約21%及56%；本集團向其最大及五大供應商之採購總額分別佔本集團於本年度總採購額約18%及46%。

據董事所知，於本年度任何時間，本公司所有董事、其各自聯繫人士（定義見上市規則）及擁有本公司已發行股本5%以上的本公司現有股東，概無在本集團五大客戶或供應商中擁有任何權益。

董事就綜合財務報表須承擔之責任

董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表真實及公允地反映及落實董事認為編製綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。董事就綜合財務報表須承擔之責任詳情載於第54頁之獨立核數師報告。

董事須負責存置妥當會計記錄，以保障本公司及本集團資產，以及採取合理步驟防止及查察有否任何欺詐及其他不合常規之情況。

業務回顧

本集團截至二零一六年十二月三十一日止年度之業務回顧載於本年度報告第8頁至18頁「管理層討論及分析」一節，並構成董事會報告之其中一部分。

購入、出售或贖回上市證券

本公司及其任何附屬公司在本年度內並無購入、出售或贖回本公司之任何上市證券。

Directors' Report 董事會報告

PRE-EMPTIVE RIGHTS

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as required under the Listing Rules during the year.

NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 5 January 2017, the Group entered into a conditional sale and purchase agreement with a director of a non-wholly owned subsidiary, Evolve Consulting Limited ("Evolve"), to dispose of the Group's entire 51% equity interests in Evolve and its subsidiary, which engaged in the provision of IT related services, for a cash consideration of HK\$3,950,000 (equivalent to approximately RMB3,553,000).

Save as disclosed above, there were no other material non-adjusting events after the reporting period.

AUDITOR

RSM Hong Kong retire, and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of RSM Hong Kong will be put at the forthcoming Annual General Meeting.

By order of the Board

Yang Xin Min
Executive Director

31 March 2017

優先購買權

根據本公司之公司細則或開曼群島法例，概無載列任何有關本公司須按比例向現有股東提呈發售新股份之優先購買權規定。

足夠公眾持股量

根據本公司從公開途徑所得之資料及根據董事於本報告刊發前最後可行日期所知，本公司於年內一直維持上市規則所規定之足夠公眾持股量。

於報告期間後未經調整之事項

於二零一七年一月五日，本集團與非全資附屬公司 Evolve Consulting Limited ("Evolve") 之一名董事訂立有條件買賣協議，出售本集團於 Evolve 及其附屬公司全部 51% 之股權，現金代價為港幣 3,950,000 元（約相等於人民幣 3,553,000 元）。Evolve 及其附屬公司從事提供資訊科技相關服務。

除上文所披露者外，於報告期間後概無其他重大未經調整之事項。

核數師

中瑞岳華(香港)會計師事務所退任，並合資格重選連任。重新委任中瑞岳華(香港)會計師事務所的決議案將於應屆股東周年大會上提呈。

承董事會命

楊新民
執行董事

二零一七年三月三十一日

Independent Auditor's Report 獨立核數師報告



To the shareholders of
Smartac Group China Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Smartac Group China Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”) set out on pages 57 to 144, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”) 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 Hong Kong Institute of Certified Public Accountants (“**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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. The key audit matters we identified are:

1. Impairment assessment on goodwill and intangible assets of Online-to-Offline (“**O2O**”) solutions segment; and
2. Impairment assessment on non-current assets of Integrated Digital Marketing (“**IDM**”) solutions segment.

致中國智能集團控股有限公司之股東
(於開曼群島註冊成立之有限公司)

意見

我們已審核載列於57頁至144頁中國智能集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，該等綜合財務報表包括於二零一六年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益與其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註(包括重要會計政策概要)。

我們認為，該等綜合財務報表已根據國際會計準則委員會(「國際會計準則委員會」)頒佈之國際財務報告準則(「國際財務報告準則」)真實及公允地反映 貴集團於二零一六年十二月三十一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，並已按照香港公司條例之披露規定妥為編製。

意見之基礎

我們根據香港會計師公會(「香港會計師公會」)頒佈之香港核數準則(「香港核數準則」)進行審核工作。我們在该等準則下承擔之責任已在本報告「核數師就審核綜合財務報表須承擔之責任」一節中作進一步闡述。根據香港會計師公會頒佈之專業會計師道德守則(「守則」)，我們獨立於 貴集團，且我們已根據守則履行我們的其他道德責任。我們相信，我們已獲得之審核憑證能充份及適當地為我們的意見提供基礎。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表之審核最為重要之事項。該等事項乃於我們審核整體綜合財務報表及出具意見時進行處理，且我們不會就該等事項提供單獨之意見。我們已識別之關鍵審核事項為：

1. 線上線下(「**O2O**」)解決方案分部商譽及無形資產之減值評估；及
2. 綜合電子推廣(「**綜合電子推廣**」)解決方案分部非流動資產之減值評估。

Independent Auditor's Report 獨立核數師報告

Key Audit Matter 關鍵審核事項

1. Impairment assessment on goodwill and intangible assets of O2O solutions segment O2O解決方案分部商譽及無形資產之減值評估

Refer to notes 5(c), 5(e), 24 and 25 to the consolidated financial statements

茲提述綜合財務報表附註5(c)、5(e)、24及25

The Group recorded goodwill and intangible assets arising from the acquisition of 51% equity interest in Virtual City Limited and its subsidiaries in 2013. Goodwill was allocated to the cash generating unit ("CGU") of software development and CGU of hardware installation respectively. The carrying amounts of goodwill and intangible assets amounting to RMB31,747,000 and RMB38,920,000 as at 31 December 2016 (before impairment loss for the year), wholly relating to CGU of software development. Goodwill is required to be tested for impairment on an annual basis. The O2O solutions segment recorded operating loss of RMB21,814,000 (before tax and impairment loss) for the year ended 31 December 2016. This indicated that the carrying amounts of goodwill and intangible assets under the O2O solutions segment may be impaired.

貴集團分別錄得產生自二零一三年收購Virtual City Limited及其附屬公司51%股權之商譽及無形資產。商譽已分別分配至軟件開發現金產生單位(「現金產生單位」)及硬件安裝現金產生單位。於二零一六年十二月三十一日，商譽及無形資產之賬面值(未計年內減值虧損前)分別為人民幣31,747,000元及人民幣38,920,000元，全數與軟件開發現金產生單位有關。商譽須每年進行減值測試。截至二零一六年十二月三十一日止年度，O2O解決方案分部錄得經營虧損(未計稅項及減值虧損前)人民幣21,814,000元。這顯示O2O解決方案分部之商譽及無形資產之賬面值可能出現減值。

An impairment loss of RMB26,052,000 was made to reduce the carrying amount of goodwill to its recoverable amount. The recoverable amount was determined on the basis of value in use models that required significant management judgement in making assumptions about budgeted revenues, profit margins, growth rates and in selecting an appropriate market discount rates.

減值虧損為人民幣26,052,000元，以將商譽之賬面值調減至其可收回金額。該可收回金額乃以使用價值模型而釐定，管理層需要對預算收入、利潤率、增長率之假設以及選擇適當之市場貼現率方面作出重大判斷。

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures regarding management's assessment of goodwill and intangible assets of O2O solutions segment included:

我們就管理層評估O2O解決方案分部之商譽及無形資產執行之程序包括：

- Evaluating the independent external valuer's competence, capabilities and objectivity;
評估獨立外聘評估師之資歷、能力和客觀性；
- Assessing the integrity of the value in use model;
評估使用價值模型之完整性；
- Challenging the reasonableness of management's key assumptions based on our knowledge of the business and the industry;
根據我們對有關業務及行業之認知，對管理層之主要假設是否合理提出質疑；
- Reconciling input data to supporting evidence, such as approved budgets and considering the historical accuracy of those budgets;
將輸入數據與支持憑證(如經審批之預算)進行核對，並考慮該等預算之歷史準確性；
- Assessing the appropriateness of the discount rates used with the assistance of our internal valuation specialists; and in internal valuation experts' assistance, assessing the appropriateness of the discount rates used;
在內部評估專家協助下，評估所採用貼現率是否恰當；及
- Assessing the adequacy of the disclosures in relation to the impairment assessment.
評估有關減值評估之披露是否充足。

Independent Auditor's Report 獨立核數師報告

Key Audit Matter 關鍵審核事項

(2) Impairment assessment on non-current assets of IDM solutions segment

綜合電子推廣解決方案分部非流動資產之減值評估

Refer to notes 5(a), 20 and 22 to the consolidated financial statements

茲提述綜合財務報表附註5(a)、20及22

The Group has property, plant and equipment, and construction in progress of RMB3,825,000, and RMB2,704,000 related to IDM solutions segment as at 31 December 2016 (before impairment losses for the year). The IDM solutions segment recorded operating loss of RMB96,733,000 (before impairment losses) for the year ended 31 December 2016. This indicated that the carrying amount of these non-current assets attributable to the CGU of IDM solutions activities may be impaired. The directors assessed the recoverable amounts of these assets therefore.

於二零一六年十二月三十一日，貴集團分別有物業、廠房及設備人民幣3,825,000元及在建工程人民幣2,704,000元與綜合電子推廣解決方案分部有關(未計本年度減值虧損前)。截至二零一六年十二月三十一日止年度，綜合電子推廣解決方案分部錄得經營虧損人民幣96,733,000元(未計減值虧損前)。這顯示屬於綜合電子推廣解決方案活動現金產生單位之非流動資產之賬面值可能需作出減值。因此，董事已對該等資產之可收回金額進行評估。

Impairment losses of RMB3,825,000 and RMB2,704,000 were made on the property, plant and equipment and construction in progress respectively to reduce the carrying amounts of these assets to their recoverable amounts, which were determined based on the value in use model that required significant management judgement in making assumptions about the budgeted revenues, profit margins, growth rates and in selecting an appropriate market discount rates.

對物業、廠房及設備及在建工程分別作出減值虧損人民幣3,825,000元及人民幣2,704,000元，以將該等資產之賬面值調減至其可收回金額，有關金額乃以使用價值模型釐定，管理層需要對預算收入、利潤率、增長率之假設以及選擇適當的市場貼現率方面作出重大判斷。

How our audit addressed the Key Audit Matter

我們的審核如何處理關鍵審核事項

Our procedures regarding management's assessment of non-current assets of IDM solutions segment included:

我們就管理層評估綜合電子推廣解決方案分部之非流動資產執行之程序包括：

- Evaluating the independent external valuer's competence, capabilities and objectivity;
評估獨立外聘評估師之資歷、能力和客觀性；
- Assessing the integrity of the value in use model;
評估使用價值模型之完整性；
- Challenging the reasonableness of management's key assumptions based on our knowledge of the business and the industry;
根據我們對有關業務及行業之認知，對管理層之主要假設是否合理提出質疑；
- Reconciling input data to supporting evidence, such as approved budgets and considering the historical accuracy of those budgets;
將輸入數據與支持憑證(如經審批之預算)進行核對，並考慮該等預算之歷史準確性；
- Assessing the appropriateness of the discount rates used with the assistance of our internal valuation specialists; and in internal valuation experts' assistance, assessing whether the discount rates used are appropriate; and
- Assessing the adequacy of the disclosures in relation to the impairment assessment.
評估有關減值評估之披露是否充足。

Independent Auditor's Report 獨立核數師報告

OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all the information 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 and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information identified above 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 the Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

其他資料

董事須對其他資料負責。其他資料包括年度報告內之所有資料，但不包括綜合財務報表及我們就此發出之核數師報告。

我們對綜合財務報表之意見並不涵蓋其他資料，且我們亦不對其他資料發表任何形式之保證結論。

就我們審核綜合財務報表而言，我們的責任是閱讀上文所識別之其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了解之情況有重大不一致，或者似乎有重大錯誤陳述。

基於我們審核執行之工作，倘我們認為其他資料存在重大錯誤陳述，我們必須報告該事實。在這方面，我們沒有任何報告。

董事就綜合財務報表須承擔之責任

董事須負責根據國際會計準則委員會頒佈之國際財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表真實及公允地反映及落實董事認為編製綜合財務報表所必要之內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估貴集團持續經營之能力，並在適用情況下披露與持續經營有關之事項，以及採用持續經營會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際之替代方案。

審核委員會協助董事履行監督貴集團財務匯報過程之責任。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.

核數師就審核綜合財務報表須承擔之責任

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之重大錯誤陳述取得合理保證，並出具包括我們意見之核數師報告。我們僅向全體股東報告我們的意見，除此以外，我們的報告不可用作其他用途。我們概不就本報告之內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平之保證，但不能保證按照香港核數準則進行之審核，總能發現某一重大錯誤陳述存在。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匯總起來可能影響綜合財務報表使用者所作出之經濟決定，則有關錯誤陳述可被視為重大。

在根據香港核數準則進行審核的過程中，我們運用了專業判斷及保持了專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述之風險，設計及執行審核程序以應對該等風險，以及獲取充足及適當之審核憑證，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，或凌駕於內部監控之上，因此未能發現因欺詐而導致之重大錯誤陳述之風險高於未能發現因錯誤而導致之重大錯誤陳述之風險。
- 了解與審核相關之內部監控，以設計適當之審核程序，但目的並非對貴集團內部監控之有效性發表意見。
- 評價董事所採用會計政策之恰當性及所作會計估計及相關披露之合理性。
- 對董事採用持續經營會計基礎之恰當性作出結論。根據所獲取之審核憑證，確定是否存在與事件或情況有關之重大不確定性，從而可能導致對貴集團之持續經營能力產生重大疑慮。倘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注意綜合財務報表內之相關披露。倘有關披露不足，則我們須修改我們的意見。我們的結論是基於截至核數師報告日止所取得之審核憑證。然而，未來事件或情況可能導致貴集團不能繼續持續經營。
- 評價綜合財務報表之整體列報方式、結構及內容(包括披露)，以及綜合財務報表是否公允反映相關交易及事件。
- 就貴集團內實體或業務活動之財務資料獲取充足、適當之審核憑證，以便對綜合財務報表發表意見。我們須負責貴集團審核之方向、監督及執行。我們對審核意見承擔全部責任。

Independent Auditor's Report 獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 Mr. Chris Wong Wo Cheung.

RSM Hong Kong
Certified Public Accountants
Hong Kong

31 March 2017

核數師就審核綜合財務報表須承擔之責任(續)

我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等事項，包括我們在審核中識別出內部監控之任何重大缺陷。

我們亦向審核委員會提交聲明，說明我們已符合有關獨立性之相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性之所有關係及其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通之事項中，我們決定哪些事項對本期綜合財務報表之審核最為重要，因而構成關鍵審核事項。我們會在核數師報告中描述該等事項，除非法律及法規不允許對某件事項作出公開披露，或在極端罕見之情況下，倘合理預期在我們報告中溝通某事項而造成之負面後果將會超過其產生之公眾利益，我們將不會在此等情況下在報告中溝通該事項。

本獨立核數師報告的審核項目合夥人為王和祥先生。

中瑞岳華(香港)會計師事務所
執業會計師
香港

二零一七年三月三十一日

Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益與其他全面收益表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

| | | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|------------|--------------------------|-----------------------------------|-----------------------------------|
| | Note 附註 | | | |
| CONTINUING OPERATIONS | | 持續經營業務 | | |
| Revenue | | 收入 | 24,319 | 33,559 |
| Fair value gain of investment properties | 21 | 投資性物業公允價值收益 | 3,700 | 3,660 |
| Other income | 9 | 其他收入 | 7,311 | 8,336 |
| Hardware, telecom and direct operation costs | | 硬件、電訊及直接經營成本 | (14,658) | (21,689) |
| Employee benefits expenses | 14 | 員工福利費用 | (34,591) | (32,072) |
| Other operating expenses | | 其他經營費用 | (26,172) | (25,568) |
| Depreciation | | 折舊 | (3,131) | (11,917) |
| Amortisation of intangible assets | | 無形資產攤銷 | (9,027) | (5,472) |
| Amortisation of long-term prepayments | 28 | 長期預付款攤銷 | (20,811) | (33,589) |
| Impairment loss on available-for-sale financial assets | 29 | 可供出售金融資產減值虧損 | (1,600) | (600) |
| Impairment loss on non-current assets | 20(c) | 非流動資產減值虧損 | (6,529) | (44,864) |
| Impairment loss on goodwill | 24 | 商譽減值虧損 | (26,052) | (26,449) |
| Provision for onerous contracts | 34(b) | 虧損性合約撥備 | (50,575) | - |
| Gain/(loss) on disposal of a subsidiary | 45 | 出售一間附屬公司的收益/ (虧損) | 46 | (1,370) |
| Loss from operations | | 經營虧損 | (157,770) | (158,035) |
| Finance costs | 11 | 財務成本 | (888) | (2,590) |
| Share of result of an associate | 27 | 應佔一間聯營公司業績 | (524) | (197) |
| Impairment loss on investment in an associate | 27 | 聯營公司投資減值虧損 | - | (7,224) |
| Loss before tax | | 除稅前虧損 | (159,182) | (168,046) |
| Income tax credit/(expense) | 12 | 所得稅抵免/(費用) | 1,284 | (1,242) |
| Loss for the year from continuing operations | 13 | 來自持續經營業務的年度虧損 | (157,898) | (169,288) |
| DISCONTINUED OPERATIONS | | 已終止持續經營業務 | | |
| Profit for the year from discontinued operations | 17 | 來自已終止持續經營業務的年度 溢利 | - | 25,979 |
| Loss for the year | | 本年度虧損 | (157,898) | (143,309) |
| Other comprehensive income for the year, net of tax | | 本年度其他全面收益(稅後) | | |
| <i>Items that may be reclassified to profit or loss:</i> | | <i>可重新分類至損益的項目：</i> | | |
| Exchange differences reclassified to profit or loss on disposal of subsidiaries | 45 | 於出售附屬公司時重新分類至 損益的匯兌差額 | (51) | (96,671) |
| Exchange differences on translating foreign operations | | 換算境外業務產生的匯兌差額 | 2,170 | 4,952 |
| Total comprehensive income for the year | | 本年度全面收益總額 | (155,779) | (235,028) |

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益與其他全面收益表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

| | Note 附註 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|---------------------|-----------------------------------|-----------------------------------|
| Loss for the year attributable to: | 以下人士應佔本年度虧損： | | |
| Owners of the Company | 本公司股東 | (146,762) | (128,058) |
| Non-controlling interests | 非控股權益 | (11,136) | (15,251) |
| | | (157,898) | (143,309) |
| Loss for the year attributable to: | 以下人士應佔本年度虧損： | | |
| Owners of the Company | 本公司股東 | (146,762) | (154,037) |
| – continuing operations | – 持續經營業務 | | 25,979 |
| – discontinued operations | – 已終止持續經營業務 | – | |
| | | (146,762) | (128,058) |
| <i>Non-controlling interests</i> | <i>非控股權益</i> | | |
| – continuing operations | – 持續經營業務 | (11,136) | (15,251) |
| – discontinued operations | – 已終止持續經營業務 | – | – |
| | | (11,136) | (15,251) |
| Total comprehensive income for the year attributable to: | 以下人士應佔本年度全面收益總額： | | |
| Owners of the Company | 本公司股東 | (144,329) | (220,486) |
| Non-controlling interests | 非控股權益 | (11,450) | (14,542) |
| | | (155,779) | (235,028) |
| Total comprehensive income for the year attributable to: | 以下人士應佔本年度全面收益總額： | | |
| Owners of the Company | 本公司股東 | (144,329) | (149,793) |
| – continuing operations | – 持續經營業務 | | (70,693) |
| – discontinued operations | – 已終止持續經營業務 | – | |
| | | (144,329) | (220,486) |
| <i>Non-controlling interests</i> | <i>非控股權益</i> | | |
| – continuing operations | – 持續經營業務 | (11,450) | (14,542) |
| – discontinued operations | – 已終止持續經營業務 | – | – |
| | | (11,450) | (14,542) |
| LOSS PER SHARE | 每股虧損 | | |
| <i>Basic loss per share (cents)</i> | <i>每股基本虧損(人民幣分)</i> | | |
| From continuing operations | 來自持續經營業務 | (3.66) | (4.09) |
| From discontinued operations | 來自已終止持續經營業務 | – | 0.69 |
| | | (3.66) | (3.40) |
| <i>Diluted loss per share (cents)</i> | <i>每股攤薄虧損(人民幣分)</i> | | |
| From continuing operations | 來自持續經營業務 | (3.66) | (4.09) |
| From discontinued operations | 來自已終止持續經營業務 | – | 0.69 |
| | | (3.66) | (3.40) |

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016
於二零一六年十二月三十一日

| | | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|-----------------|------------|-----------------------------------|-----------------------------------|
| | | Note 附註 | | |
| Non-current assets | 非流動資產 | | | |
| Property, plant and equipment | 物業、廠房及設備 | 20 | 10,728 | 13,949 |
| Investment in an associate | 於一間聯營公司投資 | 27 | 3,480 | 4,004 |
| Investment properties | 投資性物業 | 21 | 54,000 | 50,300 |
| Construction in progress | 在建工程 | 22 | - | 64 |
| Prepaid land lease payments | 土地租賃預付款 | 23 | 2,118 | 2,174 |
| Goodwill | 商譽 | 24 | 5,695 | 31,747 |
| Intangible assets | 無形資產 | 25 | 38,920 | 37,943 |
| Long-term prepayments | 長期預付款 | 28 | - | - |
| Other receivables | 其他應收款 | 32(c) | - | 212 |
| Available-for-sale financial assets | 可供出售金融資產 | 29 | - | - |
| | | | 114,941 | 140,393 |
| Current assets | 流動資產 | | | |
| Prepaid land lease payments | 土地租賃預付款 | 23 | 56 | 56 |
| Other investments | 其他投資 | 30 | 4,000 | 24,010 |
| Inventories | 存貨 | 31 | 1,339 | 2,624 |
| Trade and other receivables | 應收賬款及其他應收款 | 32 | 27,180 | 29,375 |
| Due from a related party | 應收一名關聯方款項 | 49(c) | - | 726 |
| Tax assets | 稅項資產 | | - | 52 |
| Pledged bank deposits | 已抵押銀行存款 | 33 | 592 | - |
| Bank and cash balances | 銀行及現金結存 | 33 | 99,953 | 95,515 |
| | | | 133,120 | 152,358 |
| Current liabilities | 流動負債 | | | |
| Trade and other payables | 應付賬款及其他應付款 | 34(a) | 36,452 | 27,812 |
| Provision for onerous contracts | 虧損性合約撥備 | 34(b) | 50,575 | - |
| Contingent payables | 或然應付款項 | 38 | - | - |
| Due to directors | 應付董事款項 | 35 | 248 | 6,574 |
| Due to a related party | 應付一名關聯方款項 | 49(c) | - | 130 |
| Bank loans | 銀行貸款 | 36 | 15,000 | 17,368 |
| Due to an associate | 應付一間聯營公司款項 | 27(a) | - | 9,625 |
| Current tax liabilities | 當期稅項負債 | | 92 | 1,212 |
| | | | 102,367 | 62,721 |
| Net current assets | 流動資產淨額 | | 30,753 | 89,637 |
| Total assets less current liabilities | 總資產減流動負債 | | 145,694 | 230,030 |

Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016
於二零一六年十二月三十一日

| | | Note 附註 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|--------------|------------|-----------------------------------|-----------------------------------|
| Non-current liabilities | 非流動負債 | | | |
| Convertible bonds | 可換股債券 | 37 | - | - |
| Deferred tax liabilities | 遞延稅項負債 | 39 | 8,207 | 8,674 |
| | | | 8,207 | 8,674 |
| NET ASSETS | 淨資產 | | 137,487 | 221,356 |
| Capital and reserves | 資本及儲備 | | | |
| Share capital | 股本 | 40 | 214,067 | 178,589 |
| Reserves | 儲備 | 42(a) | (121,774) | (16,288) |
| Equity attributable to owners of the Company | 本公司股東應佔權益 | | 92,293 | 162,301 |
| Non-controlling interests | 非控股權益 | | 45,194 | 59,055 |
| TOTAL EQUITY | 總權益 | | 137,487 | 221,356 |

Approved by the Board of Directors on 31 March 2017 and are signed on its behalf by:

董事會於二零一七年三月三十一日批准及由下列人士代表董事會簽署：

Yang Zhen
楊震
Director
董事

Kwan Che Hang Jason
關志恒
Director
董事

Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

| | | Attributable to owners of the Company 本公司股東應佔 | | | | | | | | | Non-controlling interests ("NCI") 非控股權益 | | Total |
|---|-------------------------|--|-----------------------|------------------|-------------------|-----------------------------|--------------------------------------|-------------------|--------------------|---------------------|---|------------------|-----------|
| | | Share capital | Share premium account | Merger reserve | Statutory reserve | Share-based payment reserve | Foreign currency translation reserve | Capital reserve | Other reserve | Accumulated losses | Total | Total | |
| | | 股本 | 股份溢價賬 | 合併儲備 | 法定儲備 | 股份支付款儲備 | 匯兌儲備 | 資本儲備 | 其他儲備 | 累計虧損 | 總計 | 總計 | |
| | | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| | | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 | |
| | | (note 40) | (note 42(b)(i)) | (note 42(b)(ii)) | (note 42(b)(iii)) | (note 42(b)(iv)) | (note 42(b)(v)) | (note 42 (b)(vi)) | (note 42 (b)(vii)) | (note 42 (b)(viii)) | (note 42 (b)(ix)) | (note 42 (b)(x)) | |
| | | (附註40) | (附註42(b)(i)) | (附註42(b)(ii)) | (附註42(b)(iii)) | (附註42(b)(iv)) | (附註42(b)(v)) | (附註42 (b)(vi)) | (附註42 (b)(vii)) | (附註42 (b)(viii)) | (附註42 (b)(ix)) | (附註42 (b)(x)) | |
| At 1 January 2015 | 於二零一五年一月一日 | 154,387 | 840,792 | (11,085) | 95,452 | 1,759 | (4,057) | - | - | (870,044) | 207,214 | 63,817 | 271,031 |
| Total comprehensive income for the year | 本年內全面收益總額 | - | - | - | - | - | (92,428) | - | - | (128,058) | (220,486) | (14,542) | (235,028) |
| Transfer of statutory reserves | 法定儲備轉移 | - | - | - | 172 | - | - | - | - | (172) | - | - | - |
| Dividend paid to NCI | 派付非控股權益股息 | - | - | - | - | - | - | - | - | - | - | (194) | (194) |
| Deemed acquisition of NCI | 視為收購非控股權益 | - | - | - | - | - | - | - | - | (9,858) | (9,858) | 9,858 | - |
| Acquisition of NCI | 收購非控股權益 | - | - | - | - | - | - | - | - | (26,912) | (26,912) | 450 | (36,028) |
| Issue of new shares upon placement (note 40(b)) | 配售時發行新股份(附註40(b)) | 13,941 | 125,407 | - | - | - | - | - | - | - | 139,348 | - | 139,348 |
| Issue of new shares upon conversion of convertible bonds (note 40(a)) | 兌換可換股債券時發行新股份(附註40(a)) | 5,778 | 46,813 | - | - | - | - | - | - | - | 52,591 | - | 52,591 |
| Issue of new shares upon consideration shares granted (note 40(c)) | 授出代價股份時發行新股份(附註40(c)) | 4,473 | 25,497 | - | - | - | - | - | - | - | 29,970 | - | 29,970 |
| Disposal of discontinued operations | 出售已終止持續經營業務 | - | - | 11,085 | (96,452) | - | - | - | (8,385) | 92,752 | - | 24 | 24 |
| Disposal of a subsidiary (note 45(d)) | 出售一間附屬公司(附註45(d)) | - | - | - | - | - | - | - | - | - | - | (358) | (358) |
| Lapse of share options granted in prior years | 過往年度授出之購股權失效 | - | - | - | - | (423) | - | - | - | 423 | - | - | - |
| Changes in equity for the year | 本年度權益變動 | 24,192 | 197,717 | 11,085 | (96,280) | (423) | (92,375) | (9,619) | (8,385) | (71,825) | (44,313) | (4,762) | (49,675) |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | 178,589 | 1,038,509 | - | 172 | 1,336 | (96,432) | (9,619) | (8,385) | (941,869) | 162,301 | 59,055 | 221,356 |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | - | - | - | 2,433 | - | - | (146,762) | (144,329) | (11,450) | (155,779) |
| Disposal of a subsidiary (note 45(a)) | 出售一間附屬公司(附註45(a)) | - | - | - | - | - | - | - | - | - | - | (284) | (284) |
| Issue of new shares upon placement (note 40(d)) | 配售時發行新股份(附註40(d)) | 35,478 | 36,715 | - | - | - | - | - | - | - | 72,193 | - | 72,193 |
| Disposal of interest to NCI (note 45(b)) | 向非控股權益出售權益(附註45(b)) | - | - | - | - | - | 65 | - | - | 1,972 | 2,037 | (2,036) | 1 |
| Deemed acquisition of NCI | 視為收購非控股權益 | - | - | - | - | - | - | - | - | 91 | 91 | (91) | - |
| Lapse of share options granted in prior years | 過往年度授出之購股權失效 | - | - | - | - | (1,336) | - | - | - | 1,336 | - | - | - |
| Changes in equity for the year | 本年度權益變動 | 35,478 | 36,715 | - | - | (1,336) | 2,498 | - | - | (143,363) | (70,008) | (13,861) | (83,869) |
| At 31 December 2016 | 於二零一六年十二月三十一日 | 214,067 | 1,075,224 | - | 172 | - | (93,934) | (9,619) | (8,385) | (1,085,232) | 92,293 | 45,194 | 137,487 |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

| | Note 附註 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|--------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES 經營活動產生之現金流量 | | | |
| (Loss)/profit before tax | 除稅前(虧損)/溢利 | | |
| Continuing operations | 持續經營業務 | (159,182) | (168,046) |
| Discontinued operations | 已終止持續經營業務 | - | 26,266 |
| | | (159,182) | (141,780) |
| Adjustments for: | 經調整： | | |
| Depreciation | 折舊 | 3,131 | 13,015 |
| Amortisation of prepaid land lease payments | 土地租賃預付款攤銷 | 56 | 1,246 |
| Amortisation of intangible assets | 無形資產攤銷 | 9,027 | 8,442 |
| Amortisation of long-term prepayments | 長期預付款攤銷 | 20,811 | 33,589 |
| Interest income | 利息收入 | (211) | (17) |
| Interest expenses on bank loans wholly repayable within five years | 須於五年內悉數償還之銀行貸款利息支出 | 888 | 1,326 |
| Other finance costs | 其他財務成本 | - | 6 |
| Interest expenses on convertible bonds measured at amortised cost | 按攤銷成本計量之可換股債券利息支出 | - | 1,439 |
| Allowance for inventories | 存貨撥備 | 438 | 552 |
| Reversal of allowance for trade receivables | 應收賬款撥備回撥 | (12) | (466) |
| Allowance for trade receivables | 應收賬款撥備 | 153 | 242 |
| Impairment loss on other receivables | 其他應收款減值虧損 | 2,683 | 4,050 |
| Impairment loss on non-current assets | 非流動資產減值虧損 | 6,529 | 44,864 |
| Impairment loss on goodwill | 商譽減值虧損 | 26,052 | 26,449 |
| Impairment loss on available-for-sale financial assets | 可供出售金融資產之減值虧損 | 1,600 | 600 |
| Write-off of property, plant and equipment | 物業、廠房及設備撇銷 | 132 | 24 |
| Write-off of construction in progress | 在建工程撇銷 | 48 | 53 |
| Write-off of intangible assets | 無形資產撇銷 | 1,392 | - |
| Change in fair value of contingent payables | 或然應付款項的公允值變動 | - | (2,649) |
| Change in fair value of investment properties | 投資性物業的公允值變動 | (3,700) | (3,660) |
| Share of result of an associate | 應佔一間聯營公司業績 | 524 | 197 |
| Impairment loss on investment in an associate | 一間聯營公司投資減值虧損 | - | 7,224 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備的收益 | (23) | - |
| Gain on disposal of construction in progress | 出售在建工程的收益 | (723) | - |
| Gain on disposal of intangible assets | 出售無形資產的收益 | (948) | - |
| Gain on disposal of subsidiaries | 出售附屬公司的收益 | (46) | (44,155) |
| Provision for onerous contracts | 虧損性合約撥備 | 50,575 | - |
| Foreign exchange loss | 匯兌虧損 | - | 717 |
| Operating loss before working capital changes | 營運資金變動前之經營虧損 | (40,806) | (48,692) |
| Decrease in inventories | 存貨減少 | 815 | 470 |
| (Increase)/decrease in trade and other receivables | 應收賬款和其他應收款(增加)/減少 | (472) | 3,460 |
| Decrease/(increase) in due from a related party | 應收一名關聯方款項減少/(增加) | 726 | (458) |
| Decrease in trade and other payables | 應付賬款和其他應付款減少 | (11,877) | (4,283) |
| (Decrease)/increase in due to directors | 應付董事款項(減少)/增加 | (6,326) | 9,566 |
| (Decrease)/increase in due to a related party | 應付一名關聯方款項(減少)/增加 | (127) | 1,074 |
| Cash used in operating activities | 經營活動耗用之現金 | (58,067) | (38,863) |
| Income taxes paid | 已付所得稅 | (251) | (2,580) |

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

| | | Note 附註 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|-------------------------------|------------|-----------------------------------|-----------------------------------|
| Net cash used in operating activities | 經營活動耗用之淨現金 | | (58,318) | (41,443) |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動產生之 現金流量 | | | |
| Increase in pledged bank deposits | 已抵押銀行存款增加 | | (592) | - |
| Receipt of other investments | 收取其他投資 | | 24,190 | - |
| Purchase of other investments | 購買其他投資 | | (4,000) | (24,010) |
| Purchase of available-for-sale financial assets | 購買可供出售金融資產 | | (1,600) | (600) |
| Disposals of subsidiaries, net of cash | 出售附屬公司，已扣除現金 | 45 | (522) | (3,717) |
| Purchases of property, plant and equipment | 購買物業、廠房及設備 | | (217) | (3,811) |
| Payment for amount due to an associate | 支付應付一間聯營公司款項 | | (9,625) | - |
| Proceeds from disposal of intangible assets | 出售無形資產所得款項 | | 950 | - |
| Proceeds from disposal of construction in progress | 出售在建工程所得款項 | | 723 | - |
| Proceeds from disposal of property, plant and equipment | 出售物業、廠房及設備 所得款項 | | 256 | - |
| Payment for construction in progress | 支付在建工程款項 | | (6,943) | (13,769) |
| Payment for intangible assets | 支付無形資產款項 | | (10,992) | (14,532) |
| Payment for long-term prepayments | 支付長期預付款 | | - | (5,425) |
| Bank interests received | 收取銀行利息 | | 31 | 17 |
| Net cash used in investing activities | 投資活動耗用之淨現金 | | (8,341) | (65,847) |
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動產生之 現金流量 | | | |
| Repayment of bank loans | 償還銀行貸款 | | (22,868) | (16,597) |
| Bank loans raised | 籌集銀行貸款 | | 20,500 | 19,562 |
| Acquisition of non-controlling interests | 收購非控股權益 | | - | (36,028) |
| Proceeds from issue of shares, net | 發行股份所得款項淨額 | | 72,193 | 139,348 |
| Dividend paid to non-controlling interests | 支付非控股權益股息 | | - | (194) |
| Interests and other finance cost paid | 支付利息及其他財務成本 | | (888) | (1,332) |
| Net cash generated from financing activities | 融資活動產生之淨現金 | | 68,937 | 104,759 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加/ (減少)淨額 | | 2,278 | (2,531) |
| Effect of foreign exchange rate changes | 匯率變動影響額 | | 2,160 | 4,927 |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | 於一月一日之現金及 現金等價物 | | 95,515 | 93,119 |
| CASH AND CASH EQUIVALENTS AT 31 DECEMBER | 於十二月三十一日之現金及 現金等價物 | | 99,953 | 95,515 |
| ANALYSIS OF CASH AND CASH EQUIVALENTS | 現金及現金 等價物分析 | | | |
| Bank and cash balances | 銀行及現金結存 | 33 | 99,953 | 95,515 |

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

1. GENERAL INFORMATION

Smartac Group China Holdings Limited (the “Company”) was incorporated on 18 July 2000 in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is 5/F, Block A, No. 18 North Xizang Road, Shanghai, 200085, the People’s Republic of China (the “PRC”). The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 26 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2016, Mr. Yang Xin Min is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”). IFRSs comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Application of new and revised IFRSs

The IASB has issued a number of new and revised IFRSs that are first effective for annual periods beginning on or after 1 January 2016. None of these developments have had a material effect on how the Group’s results and financial position for the current or prior periods have been prepared or presented.

1. 一般資料

中國智能集團控股有限公司(「本公司」)乃根據開曼群島公司法於二零零零年七月十八日在開曼群島註冊成立為受豁免有限公司。本公司註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands。主要營業地址為中華人民共和國(「中國」)上海市靜安區西藏北路18號四行天地A座5樓。本公司之股份在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司是一間投資控股公司。其附屬公司主要業務載於綜合財務報表附註26。

本公司董事認為，於二零一六年十二月三十一日，楊新民先生為本公司最終控制方。

2. 編製基準

該等綜合財務報表乃根據國際會計準則委員會(「國際會計準則委員會」)頒佈的一切適用的國際財務報告準則(「國際財務報告準則」)進行編製。國際財務報告準則包括國際財務報告準則(「國際財務報告準則」)、國際會計準則(「國際會計準則」)及詮釋。該等綜合財務報表亦遵從適用的聯交所證券上市規則的披露條文以及香港公司條例(第622章)的披露規定。本集團採納的重要會計政策於下文披露。

國際會計準則委員會已頒佈若干新訂及經修訂的國際財務報告準則，該等準則於本集團當期會計期間首次生效或可以提早採用。附註3載列於當期及過往會計期間因首次採用與本集團有關的會計準則而反映於本綜合財務報表內的任何會計政策變動。

3. 採納新訂及經修訂國際財務報告準則

(a) 應用新訂及經修訂國際財務報告準則

國際會計準則委員會已頒佈多項新訂及經修訂國際財務報告準則，該等準則於二零一六年一月一日或之後開始的年度期間首次生效。該等修訂對本集團當前或過往期間業績及財務狀況的編製或呈列方式並無重大影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised IFRSs (Continued)

Recent IFRS developments which are required to be adopted in annual accounting periods beginning on or after 1 January 2016

Amendments to IAS 1 Presentation of Financial Statements: Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify various presentation issues relating to:

- Assessment of materiality versus minimum disclosure requirements of a standard.
- Disaggregation of specific line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position. There is also new guidance on the use of subtotals.
- Confirmation that the notes do not need to be presented in a particular order.
- Presentation of other comprehensive income items arising from equity-accounted associates and joint ventures.

(b) New and revised IFRSs in issue but not yet effective

The Group has not early applied new and revised IFRSs that have been issued but are not yet effective for the financial year beginning on 1 January 2016. These new and revised IFRSs include the following which may be relevant to the Group.

3. 採納新訂及經修訂國際財務報告準則(續)

(a) 應用新訂及經修訂國際財務報告準則(續)

須於2016年1月1日或之後開始的會計期間採納的最新國際財務報告準則發展

國際會計準則第1號(修訂本)財務報表的呈報：披露計劃

國際會計準則第1號(修訂本)釐清現有國際會計準則第1號的規定，而非對其作出重大變動。該等修訂釐清下列多項呈報事項：

- 對重要性的評估與準則最低限度披露要求的考慮。
- 分列損益與其他全面收益表及財務狀況表中的特定項目。使用小計亦有新的指引。
- 確認附註毋須按特定順序呈列。
- 源自權益法入賬的聯營公司及合營企業的其他綜合收益項目的呈列。

(b) 已頒佈但未生效的新訂及經修訂國際財務報告準則

本集團並無提早應用已頒佈但尚未於二零一六年一月一日開始之財政年度生效之新訂及經修訂國際財務報告準則。該等新訂及經修訂國際財務報告準則包括可能與本集團有關的以下方面。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised IFRSs in issue but not yet effective (Continued)

| | Effective for accounting periods beginning on or after |
|--|--|
| Amendments to IAS 7 Statement of Cash Flows: Disclosure initiative | 1 January 2017 |
| Amendments to IAS 12 Income Taxes: Recognition of deferred tax assets for unrealised losses | 1 January 2017 |
| IFRS 9 Financial Instruments | 1 January 2018 |
| IFRS 15 Revenue from Contracts with Customers | 1 January 2018 |
| Amendments to IFRS 2 Share-based Payment: Classification and measurement of share-based payment transactions | 1 January 2018 |
| Amendments to IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts | 1 January 2018 |
| IFRS 16 Leases | 1 January 2019 |
| Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or contribution of assets between an investor and its associate or joint venture | To be determined |

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course.

3. 採納新訂及經修訂國際財務報告準則(續)

(b) 已頒佈但未生效的新訂及經修訂國際財務報告準則(續)

| | 於以下日期或 之後開始之會 計期間生效 |
|--|---------------------------|
| 國際會計準則第7號 (修訂本)現金流量表： 披露計劃 | 二零一七年 一月一日 |
| 國際會計準則第12號 (修訂本)所得稅：確認 遞延稅項資產的未變 現虧損 | 二零一七年 一月一日 |
| 國際財務報告準則第9號 金融工具 | 二零一八年 一月一日 |
| 國際財務報告準則第15號 來自客戶合約的收益 | 二零一八年 一月一日 |
| 國際財務報告準則第2號 (修訂本)股份支付款 項：股份支付款項交易 的分類及計量 | 二零一八年 一月一日 |
| 國際財務報告準則第4號 (修訂本)保險合約：在 國際財務報告準則第4 號保險合約下應用國際 財務報告準則第9號 金融工具 | 二零一八年 一月一日 |
| 國際財務報告準則第16號 租賃 | 二零一九年 一月一日 |
| 國際財務報告準則第10號 綜合財務報表及國際會 計準則第28號於聯營 公司及合營企業的投資 (修訂本)：投資者與其 聯營公司或合營企業之 間的資產出售或出資 | 待定 |

本集團現正評估該等修訂及新訂準則於首次應用期間預期帶來的影響。截至目前，本集團已確認新訂準則的若干範疇可能對綜合財務報表產生重大影響。下文載述預期影響的進一步詳情。由於本集團尚未完成其評估，故或會於適當時候確認進一步的影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016
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3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised IFRSs in issue but not yet effective (Continued)

IFRS 9 Financial Instruments

The standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The standard introduces a new approach to the classification of financial assets which is based on cash flow characteristics and the business model in which the asset is held. A debt instrument that is held within a business model whose objective is to collect the contractual cash flows and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at amortised cost. A debt instrument that is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the instruments and that has contractual cash flows that are solely payments of principal and interest on the principal outstanding is measured at fair value through other comprehensive income. All other debt instruments are measured at fair value through profit or loss. Equity instruments are generally measured at fair value through profit or loss. However, an entity may make an irrevocable election on an instrument-by-instrument basis to measure equity instruments that are not held for trading at fair value through other comprehensive income.

The requirements for the classification and measurement of financial liabilities are carried forward largely unchanged from IAS 39 except that when the fair value option is applied changes in fair value attributable to changes in own credit risk are recognised in other comprehensive income unless this creates an accounting mismatch.

IFRS 9 introduces a new expected-loss impairment model to replace the incurred-loss impairment model in IAS 39. It is no longer necessary for a credit event or impairment trigger to have occurred before impairment losses are recognised. For financial assets measured at amortised cost or fair value through other comprehensive income, an entity will generally recognise 12-month expected credit losses. If there has been a significant increase in credit risk since initial recognition, an entity will recognise lifetime expected credit losses. The standard includes a simplified approach for trade receivables to always recognise the lifetime expected credit losses.

The de-recognition requirements in IAS 39 are carried forward largely unchanged.

IFRS 9 substantially overhauls the hedge accounting requirements in IAS 39 to align hedge accounting more closely with risk management and establish a more principle based approach.

The new expected credit loss impairment model in IFRS 9 may result in the earlier recognition of impairment losses on the Group's trade receivables and other financial assets. The Group is unable to quantify the impact until a more detailed assessment is completed.

3. 採納新訂及經修訂國際財務報告準則(續)

(b) 已頒佈但未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第9號金融工具

該準則取代國際會計準則第39號金融工具：確認及計量。

該準則就金融資產分類引入新方法，即基於現金流量特徵及持有資產的業務模式釐定。對於以收取合約現金流為目的之業務模式中持有的債務工具，以及擁有純粹為支付本金及尚未償還本金利息的合約現金流債務工具，均按攤銷成本計量。對於同時以收取合約現金流及出售工具為目的之業務模式中持有的債務工具，以及擁有純粹為支付本金及尚未償還本金利息的合約現金流債務工具，均按公允值計入其他全面收益計量。所有其他債務工具按公允值列入損益而計量。股本工具一般按公允值列入損益而計量。然而，實體可按個別工具基準作出不可撤回的選擇，把並非持作買賣的股本工具按公允值計入其他全面收益而計量。

有關分類及計量金融負債的規定大致繼承國際會計準則第39號，並無重大變動，惟倘選擇按公允值計量，因自身信貸風險變動所引致的公允值變動乃於其他全面收益中確認，除非此舉會產生會計錯配。

國際財務報告準則第9號引入新的預期虧損減值模式，取代國際會計準則第39號的已發生虧損減值模式。確認減值虧損前毋須再事先發生信貸事件或減值原因。就按攤銷成本計量或按公允值計入其他全面收益的金融資產而言，實體一般將確認十二個月的預期信貸虧損。倘於初步確認後信貸風險顯著上升，實體將確認使用年限內的預期信貸虧損。該準則就應收賬款納入一項簡化處理方法，藉以經常確認使用年限內的預期信貸虧損。

國際會計準則第39號內終止確認的規定獲大致繼承，並無重大變動。

國際財務報告準則第9號大幅修改國際會計準則第39號內的對沖會計規定，以使對沖會計法更切合風險管理，並建立更加符合原則基準的會計方法。

國際財務報告準則第9號的新預期信貸虧損減值模式可能導致提早確認本集團應收賬款及其他金融資產的減值虧損。本集團於完成更為詳細的評估後方可量化有關影響。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016
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3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised IFRSs in issue but not yet effective (Continued)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 replaces all existing revenue standards and interpretations.

The core principle of the standard is that an entity recognises revenue to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to become entitled in exchange for those goods and services.

An entity recognises revenue in accordance with the core principle by applying a 5-step model:

1. Identify the contract with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when or as the entity satisfies a performance obligation

The standard also includes comprehensive disclosure requirements relating to revenue.

The Group is currently assessing the impacts of adopting IFRS 15 on the consolidated financial statement.

The Group is unable to estimate the impact of the new standard on the consolidated financial statements until a more detailed analysis is completed.

3. 採納新訂及經修訂國際財務報告準則(續)

(b) 已頒佈但未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第15號來自客戶合約的收益

國際財務報告準則第15號取代所有現有收益準則及詮釋。

該準則的核心原則為實體確認收益以描述向客戶轉讓的貨品及服務，該金額應反映該實體預期就交換該等貨品及服務而有權獲取的代價。

實體根據核心原則透過應用五個步驟模式確認收益：

1. 識別與客戶訂立的合約
2. 識別合約中的履約責任
3. 釐定交易價格
4. 將交易價格分配至合約中的履約責任
5. 於實體完成履約責任時(或就此)確認收益

該準則亦包括有關收益的全面披露規定。

本集團目前正在評估採納國際財務報告準則第15號對綜合財務報表的影響。

本集團於完成更為詳細的分析後方可估計新訂準則對綜合財務報表的影響。

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3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised IFRSs in issue but not yet effective (Continued)

IFRS 16 Leases

IFRS 16 replaces IAS 17 Leases and related interpretations. The new standard introduces a single accounting model for lessees. For lessees the distinction between operating and finance leases is removed and lessees will recognise right-of-use assets and lease liabilities for all leases (with optional exemptions for short-term leases and leases of low value assets). IFRS 16 carries forward the accounting requirements for lessors in IAS 17 substantially unchanged. Lessors will therefore continue to classify leases as operating or financing leases.

The Group's office property leases are currently classified as operating leases and the lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term. Under IFRS 16 the Group may need to recognise and measure a liability at the present value of the future minimum lease payments and recognise a corresponding right-of-use asset for these leases. The interest expense on the lease liability and depreciation on the right-of-use asset will be recognised in profit or loss. The Group's assets and liabilities will increase and the timing of expense recognition will also be impacted as a result.

As disclosed in note 47, the Group's future minimum lease payments under non-cancellable operating leases for its office properties amounted to RMB4,604,000 as at 31 December 2016. The Group will need to perform a more detailed assessment in order to determine the new assets and liabilities arising from these operating leases commitments after taking into account the transition reliefs available in IFRS 16 and the effects of discounting.

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. investment properties).

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

3. 採納新訂及經修訂國際財務報告準則(續)

(b) 已頒佈但未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號租賃

國際財務報告準則第16號取代國際會計準則第17號租賃及其相關詮釋。該新訂準則引入有關承租人的單一會計處理模式。承租人毋需區分經營及融資租賃，但需就全部租賃確認使用權資產及租賃負債(短期租賃及低價值資產的租賃可獲選擇性豁免)。國際財務報告準則第16號大致保留國際會計準則第17號有關出租方的會計處理規定而不變。因此，出租方需繼續將租賃分類為經營租賃或融資租賃。

本集團的辦公物業租賃目前分類為經營租賃，租賃款項(經扣除出租方給予的任何獎勵金後)於租賃期內以直線法確認為支出。根據國際財務報告準則第16號，本集團可能需就該等租賃按未來最低租賃款項的現值確認及計量負債，並確認該等租賃的相應使用權資產。租賃負債的利息支出及使用權資產的折舊將於損益中確認。本集團的資產及負債將因而有所增加且支出確認的時間亦會受到影響。

誠如附註47所披露，於二零一六年十二月三十一日，本集團就其辦公室物業的不可撤銷經營租賃項下的未來最低租賃款項為人民幣4,604,000元。本集團將需進行更詳盡的評估，以於考慮國際財務報告準則第16號允許的過渡安排及貼現影響後，釐定該等經營租賃承擔所產生的新資產及負債。

4. 重要會計政策

除下文會計政策另有所述者(如投資性物業)外，該等綜合財務報表已按歷史成本準則編製。

編製符合國際財務報告準則的財務報表需要使用若干主要會計估計，亦需要董事在應用本集團會計政策過程中作出其判斷。倘涉及高度的判斷及高度複雜性，或對綜合財務報表而言屬重大假設及估計之範疇，乃於附註5披露。

於編製該等綜合財務報表時採用之重要會計政策載列如下。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, 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 Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

4. 重要會計政策(續)

(a) 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。附屬公司乃指本集團具有控制權的實體。當集團有權從實體參與活動中獲得可變回報並且能夠利用權力支配回報時，表明集團對實體具有控制權。當集團有權引導相關活動（比如對實體收益有重大影響的活動）時，亦說明集團對實體具有控制權。

在評估控制權時，集團會考慮其自有的潛在表決權以及其他方擁有的潛在表決權，來確定是否有控制權。如果持有者有實際能力執行該權利，那麼只能考慮潛在表決權。

附屬公司乃自控制權轉讓予本集團當日起綜合入賬，並自控制權終止當日起不再綜合入賬。

出售附屬公司而導致失去控制權之損益乃指(i)出售代價公允值連同於該附屬公司任何保留投資公允值與(ii)本公司分佔該附屬公司資產淨值連同與該附屬公司有關之任何餘下商譽以及任何累計匯兌儲備兩者間之差額。

集團內公司間之交易、結餘及未變現溢利已對銷。未變現之虧損也對銷，除非有關交易證明資產之轉讓出現減值。附屬公司之會計政策在需要時已作修改，確保其與本集團採納之政策一致。

非控股權益指並非直接或間接歸屬於本公司之附屬公司權益。非控股權益於綜合財務狀況表及綜合權益變動表之權益內列賬。於綜合損益與其他全面收益表內，非控股權益呈列為年度損益及全面收益總額在非控股股東與本公司擁有人之間的分配。

Notes to the Consolidated Financial Statements 綜合財務報表附註

For the year ended 31 December 2016
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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Consolidation (Continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling shareholders even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(b) Business combination and goodwill

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The consideration transferred in a business combination is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and any contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the sum of the consideration transferred over the Group's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the sum of the consideration transferred is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Group.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the sum of the consideration transferred in a business combination to calculate the goodwill.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

4. 重要會計政策(續)

(a) 綜合賬目(續)

即使導致非控股權益結餘出現虧絀，溢利或虧損及其他全面收益各項目歸屬於本公司擁有人及非控股股東。

本公司於附屬公司之所有權權益之變動(不會導致失去控制權)作為權益交易入賬(即與擁有人(以彼等之擁有人身份)進行交易)。控股及非控股權益之賬面值經調整以反映其於附屬公司相關權益之變動。非控股權益被調整之金額與已付或已收代價公允值之間之任何差額須直接於權益內確認並歸屬於本公司擁有人。

於本公司綜合財務狀況表內，於一間附屬公司投資以成本扣除減值虧損入賬，除非有關投資被劃分為持作出售(或計入劃分為持作出售之出售組別)。

(b) 業務合併及商譽

本集團採用收購法為業務合併中所收購之附屬公司列賬。業務合併時轉撥之代價乃按所付出資產於收購日期之公允值、所發行之股本工具及所產生之負債以及任何或然代價計量。收購相關成本於有關成本產生及接獲服務期間確認為支出。於收購時附屬公司之可識別資產及負債，均按其於收購日期之公允值計量。

該等轉撥代價總額超出本集團應佔附屬公司可識別資產及負債之公允淨值之差額乃列作商譽。本集團應佔可識別資產及負債之公允淨值超出轉撥代價總額之任何差額乃於綜合損益內確認為本集團應佔議價收購收益。

對於分段進行之業務合併，先前已持有之附屬公司之股權乃按收購日期之公允值重新計量，而由此產生之損益於綜合損益內確認。公允值會加入至業務合併轉撥代價總額以計算商譽。

於附屬公司之非控股權益初步按非控股股東應佔該附屬公司於收購當日之可識別資產及負債之公允淨值比例計量。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Business combination and goodwill (Continued)

After initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs") or groups of CGUs that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. Goodwill impairment reviews are undertaken annually, or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGUs containing the goodwill is compared to its recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(c) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities, are considered when assessing whether the Group has significant influence. In assessing whether a potential voting right contributes to significant influence, the holder's intention and financial ability to exercise or convert that right is not considered.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets and liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of the investment over the Group's share of the net fair value of the associate's identifiable assets and liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses and other comprehensive income is recognised in consolidated statement of profit or loss and other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

4. 重要會計政策(續)

(b) 業務合併及商譽(續)

於初步確認後，商譽一般按成本減累計減值虧損計量。就減值測試而言，因業務合併而購入之商譽乃分配至預期從合併協同效應中獲利之各個現金產生單位（「現金產生單位」）或各組現金產生單位。各獲分配商譽之各個或各組單位指就內部管理而言本集團監察商譽之最低層面。商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時作更頻密檢討。包含商譽之現金產生單位賬面值與其可收回價值比較，可收回金額為使用價值與公允值減出售成本兩者中之較高者。任何減值即時確認為支出，且其後不會撥回。

(c) 聯營公司

聯營公司為本集團對其施加重大影響力之實體。重大影響力乃指有權參與相關實體之財務及經營政策決定，但未能對相關政策實施控制或共同控制之能力。現時可行使或可兌換之潛在投票權（包括其他實體持有之潛在投票權）之存在及影響於評估本集團是否具有重大影響力時予以考慮。於評估潛在投票權是否構成重大影響力時，持有人行使或兌換該權利之意向及財務能力不予考慮。

於聯營公司之投資於綜合財務報表按權益法進行列賬並初步按成本確認。於收購當中聯營公司之可識別資產及負債乃按其公允值於收購日期進行計量。投資成本超出本集團應佔該聯營公司之可識別資產及負債之公允淨值部分列賬作商譽。商譽計入投資賬面值，且當出現客觀憑證投資減值時於各報告期末連同投資進行減值測試。本集團應佔可識別資產及負債之公允淨值超出收購成本之任何部分於綜合損益中確認。

本集團應佔聯營公司之收購後損益及其他全面收益於綜合損益與其他全面收益表確認。當本集團應佔聯營公司之虧損等於或超過其於聯營公司之權益（包括實質上構成本集團於聯營公司之投資淨額之任何長期權益）時，則本集團於其代表聯營公司產生責任或作出付款前不會確認進一步虧損。倘若聯營公司其後錄報溢利，本集團僅於其應佔溢利等於未確認之應佔虧損時恢復確認其應佔溢利。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Associates (Continued)

The gain or loss on the disposal of an associate that results in a loss of significant influence represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that associate and (ii) the Group's entire carrying amount of that associate (including goodwill) and any related accumulated foreign currency translation reserve. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also 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.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The consolidated financial statements are presented in Renminbi ("**RMB**") which is the Company's presentation currency and the functional currency of the principal operating subsidiaries of the Group. The Company's functional currency is Hong Kong dollars ("**HKS**"). The directors consider that choosing RMB as the presentation currency best suits the need of shareholders and investors.

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

4. 重要會計政策(續)

(c) 聯營公司(續)

因出售聯營公司導致失去重大影響力之損益乃指(i)出售代價公允值加於聯營公司保留任何投資公允值與(ii)本集團於聯營公司之全部賬面值(包括商譽)及任何相關累計外匯儲備之差額。倘若於聯營公司之投資成為合營企業之投資,則本集團持續應用權益法且並無就保留權益進行重新計量。

本集團與其聯營公司之間進行交易之未變現溢利乃以本集團於聯營公司之權益為限進行抵銷。除非交易提供所轉讓資產之減值憑證,否則未變現虧損亦予以抵銷。聯營公司之會計政策於必要時作出變更以確保與本集團所採納政策一致。

(d) 外幣換算

(i) 功能及呈報貨幣

本集團各實體之財務報表所包括之項目,均以該實體營運之主要經濟環境之貨幣(「**功能貨幣**」)計量。本綜合財務報表乃以人民幣(「**人民幣**」)呈報,人民幣為本公司之呈報貨幣及本集團主要附屬公司之功能貨幣。本公司功能貨幣為港幣(「**港幣**」)。董事認為選擇人民幣作為呈報貨幣更為符合股東及投資者需求。

(ii) 每一實體之財務報表之交易及結餘

外幣交易於初步確認時均採用交易當日之匯率換算為功能貨幣。外幣之貨幣性資產及負債均按各報告期末之匯率換算。按此換算政策產生之溢利及虧損均於損益內確認。

按公允值計量及以外幣計值的非貨幣項目乃按釐定公允值當日的匯率折算。

當非貨幣項目之盈虧於其他全面收益確認時,該盈虧的任何匯兌部份於其他全面收益確認。當非貨幣項目之盈虧於損益確認時,該盈虧的任何匯兌部份於損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Foreign currency translation (Continued)

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (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 exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form the part of the net investment in foreign entities and of borrowings are recognised in the other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Property, plant and equipment

Property, plant and equipment including buildings for administrative purposes (other than properties under construction as described below), are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

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 are recognised in profit or loss during the period in which they are incurred.

4. 重要會計政策(續)

(d) 外幣換算(續)

(iii) 綜合賬目之換算

本集團旗下所有實體如擁有與本公司之呈報貨幣不一致之功能貨幣，則其業績及財務狀況均按以下方式換算為本公司之呈報貨幣：

- 各財務狀況表呈報之資產及負債均按照該財務狀況表結算日之收市匯率換算；
- 收入及支出均按該期間的平均匯率換算(若此平均匯率未能合理反映交易日匯率所帶來之累計影響，在此情況下，收入及支出則按交易當日之匯率換算)；及
- 所有匯兌差額均於其他全面收益中確認，並於外幣匯兌儲備中累計。

於綜合賬目時，因換算組成於境外實體之淨投資的貨幣部分及借貸而產生之匯兌差額於其他全面收益中確認並於外幣匯兌儲備中累計。倘出售境外經營業務時，該等匯兌差額乃重新分類至綜合損益內並確認為出售損益之一部份。

收購境外實體所產生之商譽及公允值調整均列為境外實體之資產及負債，並按收市匯率換算。

(e) 物業、廠房及設備

物業、廠房及設備(包括作行政用途之樓宇，惟不包括下文所述之在建物業)以按成本減隨後累計折舊及其後累計減值虧損(如有)入賬。

其後成本乃納入資產賬面值或確認為個別資產(如適用)，但只有在該項目有可能為本集團流入未來經濟利益，以及可以可靠地計量該項目之成本情況下才以此方式處理。所有其他維修及保養費用於其所產生之期間在損益確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

| | |
|-------------------------------------|-------------------------------------|
| Buildings and leasehold improvement | 3.33% - 33.33%, over the lease term |
| Machinery and equipment | 4.55% - 25% |
| Office equipment and fixtures | 12.5% - 33.33%, over the lease term |
| Motor vehicles | 12.5% - 25% |

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and equipment pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(f) Investment properties

Investment properties are land and/or buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment properties are stated at its fair value based on valuation by an external independent valuer. Gains or losses arising from changes in fair value of the investment properties are recognised in profit or loss for the period in which they arise.

The gain or loss on disposal of investment properties is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

(g) Operating leases

(i) The Group as lessee

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

Prepaid land lease payments are stated at cost and subsequently amortised on the straight-line basis over the remaining term of the lease.

(ii) The Group as lessor

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

4. 重要會計政策(續)

(e) 物業、廠房及設備(續)

物業、廠房及設備乃以直線法於估計可使用年期內，按足以撇銷其成本減去其殘值計算折舊。主要年度率如下：

| | |
|----------|-------------------------|
| 樓宇及租賃翻新 | 3.33%-33.33%， 按租賃期限計 |
| 機器及設備 | 4.55%-25% |
| 辦公室設備及裝置 | 12.5%-33.33%， 按租賃期限計 |
| 汽車 | 12.5%-25% |

殘值、可使用年期及折舊方法會於各報告期末予以審閱及作出調整(如適用)。

在建工程指正在興建中的樓宇以及待安裝的廠房及設備，以成本扣除減值虧損入賬。在有關資產可供使用時開始計提折舊。

出售物業、廠房及設備之收益或虧損指出售相關資產所得款項淨額與賬面值兩者之差額，並於損益中確認。

(f) 投資性物業

投資性物業是指賺取租金與/或資本升值的土地與/或樓宇。投資性物業最初是以其成本計量的，包括物業的所有直接成本。

初始確認之後，投資性物業以外外部獨立評估師的估值為基礎計量其公允值。投資性物業公允值變動產生的損益於該變動產生期間的損益中確認。

出售投資性物業之損益是指出售物業所得款項淨額與賬面值之間的差額，並在損益中確認。

(g) 經營租賃

(i) 本集團作為承租人

所有資產所存風險及回報絕大部份並無轉移予本集團之租賃皆作為經營租賃。經營租賃之應付租金(經扣除出租方給予之任何獎勵金後)於租賃期內以直線法確認為支出。

土地租賃預付款項按成本列賬及隨後於餘下租期內以直線法攤銷。

(ii) 本集團作為出租人

所有資產所存風險及回報絕大部份並無轉移予承租人之租賃皆作為經營租賃。經營租賃之租金收入於相關租賃期內以直線法確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from the Group's software development is recognised only if all of the following conditions are met:

- An asset is created that can be identified (such as software and new processes);
- It is probable that the asset created will generate future economic benefits; and
- The development cost of the asset can be measured reliably.

Internally generated intangible assets are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 5 years. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

(i) Intangible assets acquired in a business combination and acquired separately

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

Amortisation of intangible assets is charged to profit or loss on a straight line basis over their estimated useful lives as follows:

| | |
|----------------------------|-----------|
| Backlog | 1.4 years |
| Technical know-how | 5 years |
| Operating license | 22 years |
| Software development costs | 5 years |

Both the period and method of amortisation are reviewed annually.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

4. 重要會計政策(續)

(h) 研發支出

研究活動支出在其產生之期間被確認為費用。只有在以下所有條件均滿足時，有關本集團軟件開發之內部產生無形資產方予確認：

- 創建的資產可予識別(比如軟件與新程式)；
- 創建的資產可能會產生未來經濟收益；及
- 資產的開發成本能夠可靠計量。

內部產生的無形資產是用其成本減去累計攤銷與減值虧損列賬。按照直線法計算估計使用年限(5年)內的攤銷。當內部產生的無形資產不能被確認時，開發支出在其產生的期間內於損益中確認。

(i) 業務合併中收購及單獨收購的無形資產

倘於業務合併所收購之無形資產符合無形資產之定義，且其公允值能可靠計量，則有關資產會與商譽分開識別及確認。該等無形資產之成本為於收購當日之公允值。

於初次確認後，於業務合併所收購之無形資產乃按與分開收購的無形資產相同的基準，按成本扣除累計攤銷及累計減值虧損列賬。

無形資產之攤銷乃以直線法按其如下估計可使用年期於損益內扣除：

| | |
|--------|------|
| 手頭合約 | 1.4年 |
| 技術知識 | 5年 |
| 經營許可 | 22年 |
| 軟件開發成本 | 5年 |

攤銷年期及方法均每年審閱一次。

(j) 存貨

存貨按成本及可變現淨值兩者中較低者呈列。成本乃按加權平均法釐定。在製品及製成品之成本包括原材料、直接工資及按適當比例計算之所有生產日常費用及加工費(如適用)。可變現淨值乃指於日常業務過程中之估計售價減估計完成成本及估計出售時將產生之必要成本計算。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(l) Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial assets within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

The Group classifies its financial assets in the following 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.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method (except for short-term receivables where interest is immaterial) minus any reduction for impairment or uncollectibility. Typically trade and other receivables, bank balances and cash are classified in this category.

4. 重要會計政策(續)

(k) 確認及終止確認金融工具

當本集團成為工具合同條文的一方，則在綜合財務狀況表確認金融資產及金融負債。

當自資產收取現金流之合約權利屆滿時；本集團將擁有資產之絕大部份風險及回報轉讓時；或本集團既未轉讓亦無保留資產的絕大部份風險及回報但亦未保留對資產的控制權時，終止確認金融資產。終止確認金融資產後，資產賬面值與已收代價及於其他全面收益內確認之累計損益之總和差額於損益內確認。

當有關合約內指定之責任解除、取消或屆滿時終止確認金融負債。終止確認金融負債之賬面值與已付代價之差額於損益內確認。

(l) 金融資產

倘金融資產買賣根據合約進行，而合約條款規定該金融資產須於有關市場確定之期限內交付，則該等金融資產按交易日期基準確認及終止確認，並初步按公允值加直接應佔交易成本計量，惟按公允值計入損益計算之金融資產除外。

本集團將金融資產分類為以下類別：貸款及應收款以及可供出售金融資產。有關分類視乎所收購金融資產之用途而定。管理層於首次確認金融資產時釐定分類。

(i) 貸款及應收款

貸款及應收款為非衍生金融資產，可按固定或可予釐定款項支付，且並無活躍市場報價。此等資產採用實際利率法按攤銷成本(惟利息並不重大之短期應收款除外)減任何減值扣減或不可收回款項列賬。一般情況下，應收賬款及其他應收款、銀行結存及現金歸入此類。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial assets (Continued)

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost less impairment losses.

(m) Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

(n) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value.

(o) Discontinued operations

A discontinued operation is a component of the Group (i.e. the operations and cash flows of which can be clearly distinguished from the rest of the Group) that either has been disposed of, or is classified as held for sale, and which represents a separate major line of business or geographical 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.

Classification as a discontinued operation occurs upon disposal or when the component meets the criteria to be classified as held for sale in accordance with IFRS 5, if earlier. It also occurs when the component is abandoned.

4. 重要會計政策(續)

(l) 金融資產(續)

(ii) 可供出售金融資產

可供出售金融資產乃指並無歸屬以下各項之非衍生金融資產：貸款及應收款、持有至到期投資或按公允值計入損益之金融資產。可供出售金融資產其後按公允值計量。該等投資之公允值變動產生之損益於其他全面收益中確認並於投資重估儲備中累計直至投資出售或出現投資減值之客觀憑證為止，屆時於其他全面收益確認之過往累計損益重新由權益分類至損益。採用實際利率法計算之利息及可供出售權益投資之股息於損益中確認。

於活躍市場並無市場報價且其公允值未能可靠計量之股本工具投資以及與其掛鈎且須透過交付未有報價股本工具進行結算之衍生工具乃按成本減減值虧損進行計量。

(m) 應收賬款及其他應收款

應收賬款乃為於日常業務過程中出售商品或提供服務產生之應收客戶款項。倘若收取應收賬款及其他應收款預期為一年或以內(或按業務正常營運週期，以較長者為準)，則該等款項分類作流動資產。否則，彼等按非流動資產列賬。

應收賬款及其他應收款初步按公允值確認且其後採用實際利率法按攤銷成本減減值撥備進行計量。

(n) 現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭之現金、存放於銀行及其他財務機構之活期存款，以及短期高流動性的投資(可轉換為現金款項及有限風險的價值變動)。

(o) 已終止持續經營業務

已終止持續經營業務乃指本集團已出售或分類為持作出售並屬單獨主要業務線或經營地區的部分(即可清晰區別於本集團其他業務之經營業務及現金流)，或單一協調計劃出售單獨主要業務線或經營地區的部分，或專門收購以轉售為目的之附屬公司。

於出售時或當相關部分符合根據國際財務報告準則第5號劃分為持作出售規定時(以較早者為準)，方可劃分為已終止持續經營業務。當放棄相關部分業務時，亦如此劃分。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Discontinued operations (Continued)

When an operation is classified as discontinued, a single amount is presented in the statement of profit or loss, 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 constituting the discontinued operation.

(p) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out in (q) to (v) below.

(q) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost 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 12 months after the reporting period.

(r) Convertible bonds

Convertible bonds which entitle the holder to convert the loans into equity instruments, other than into a fixed number of equity instruments at a fixed conversion price, are regarded as combined instruments consisting of a liability and a derivative component. At the date of issue, the fair value of the derivative component is determined using an option pricing model; this amount is carried as a derivative liability that is subsequently measured at fair value through profit or loss until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the liability component and is carried as a liability at amortised cost using the effective interest method until extinguished on conversion or redemption.

Transaction costs are apportioned between the liability and derivative components of the convertible loans based on the allocation of proceeds to the liability and derivative components on initial recognition. The portion related to the derivative component is expensed immediately.

(s) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

4. 重要會計政策(續)

(o) 已終止持續經營業務(續)

當經營業務劃分為已終止持續者，其單一金額於損益表呈列並包括：

- 已終止持續經營業務之稅後損益；及
- 計算公允價值減出售成本時，或於出售資產或構成已終止持續經營業務之出售組別時確認之稅後損益。

(p) 金融負債及股本工具

金融負債及股本工具乃根據該金融負債及股本工具所訂立合約安排性質及國際財務報告準則有關金融負債及股本工具之定義而進行分類。股本工具指證明於扣減本集團之所有負債後於其資產中餘下權益之任何合約。就特定金融負債及股本工具採納之會計政策載列於下文(q)至(v)段。

(q) 借貸

借貸初步按公允價值確認並扣除所涉交易成本，其後以實際利率法按攤銷成本計量。

借貸分類為流動負債，惟本集團可無條件推遲結算至呈報期後最少12個月的負債則除外。

(r) 可換股債券

賦予持有人權利可將貸款轉換為股本工具而非按固定轉換價轉換為固定數目股本工具的可換股債券，視為複合工具，其中包括負債部分及衍生部分。於發行日期，衍生部分的公允價值採用期權定價模式釐定，該金額列為衍生負債，將於隨後通過公允價值計入損益直至全數轉換或贖回為止。所得款項的餘下部分撥入負債部分，並使用實際利率法按攤銷成本列為負債，直至全數轉換或贖回為止。

交易成本按初步確認時分配所得款項至負債及衍生部分的比例撥入可換股借貸的負債及衍生部分。與衍生部分有關的部分會即時列作支出。

(s) 應付賬款及其他應付款

應付賬款及其他應付款初步按公允價值確認，其後以實際利率法按攤銷成本計量，除非貼現影響並不重大，在此情況下，則按成本入賬。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Contingent payables

Contingent payables are classified as financial liabilities as they are resulted from a contract under contingent consideration arrangement. The amount is initially recognised and subsequently measured at fair value. Change in fair value is recognised in profit or loss when it arises.

(u) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(v) Derivative financial instruments

Derivatives are initially is recognised and subsequently measured at fair value.

Changes in the fair value of derivatives are recognised in profit or loss as they arise.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the combined instrument is not carried at fair value with changes in fair value recognised in profit or loss.

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably.

(i) Service fee income

Service fee income is recognised when the services are rendered.

(ii) Rental income

Rental income is recognised on a straight-line basis over the lease term.

(iii) Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

4. 重要會計政策(續)

(t) 或然應付款項

根據或然代價安排之合約所產生的或然應付款項分類為金融負債。有關金額按公允價值初步確認隨後計量，公允價值變動自其產生起於損益中確認。

(u) 股本工具

本公司發行的股本工具按已收款項扣除直接發行成本入賬。

(v) 衍生金融工具

衍生工具初步及隨後按公允價值確認。

衍生工具公允價值變動於發生時在損益中確認。

當其風險與特徵與主合同風險與特徵不緊密相關，且複合工具不隨著損益中確認的公允價值變化而執行時，其他金融工具或其他非金融主合同中嵌入的衍生工具將被視為單獨衍生工具。

(w) 收入確認

收入按已收或應收代價之公允價值計量，並當經濟利益可能流入本集團及收入金額能可靠計量時確認。

(i) 服務費收入

服務費收入於提供服務時確認。

(ii) 租金收入

租金收入以直線法於租賃期內確認。

(iii) 利息收入

利息收入乃按時間比例基準並以實際利率法確認。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Employee benefits

(i) Employee leaves entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Obligation for contributions to the PRC local government defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred.

(iii) Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

(y) Share-based payments

The Group issued equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

(z) Borrowing costs

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 capitalised as part of 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.

4. 重要會計政策(續)

(x) 僱員福利

(i) 僱員應享假期

僱員的年假及長期服務假期於賦予僱員時確認。截至報告期間止已就僱員因所提供服務享有的年假及長期服務假期的估計負債作出撥備。

僱員可享有之病假及產假將於正式休假時方可確認。

(ii) 退休金承擔

本集團向所有僱員適用之定額供款退休計劃供款。本集團及僱員向有關計劃作出之供款乃根據僱員之基本薪金的百分比計算。扣除損益之退休福利計劃成本乃指本集團應付予基金之供款。

根據中國有關勞動規則和法規對中國地方政府界定供款退休計劃供款的承擔，於產生時在損益中確認作支出。

(iii) 解僱補償

解僱補償在以下兩種情況中以較早發生的日期時確認：當本集團不可撤回該等補償的要約，及當本集團確認重組成本並包括支付解僱補償時。

(y) 股份支付款項

本集團發行權益結算股份支付款項予若干董事及僱員。

向董事及僱員作出之權益結算股份支付款項乃於授出日期按公允值(不包括非市場形式歸屬條件影響)計量。於權益結算股份支付款項授出日期釐定之公允值乃根據本集團對最終將歸屬之股份估計及經調整非市場形式歸屬條件影響，於歸屬期按直線法列作支出。

(z) 借貸成本

借貸成本直接源自收購、建造或生產合資格資產，而有關資產需要一段長時間方可供作擬定用途或出售之借貸成本會撥充該等資產成本部分，直至該資產大致上可供作擬定用途或出售為止。尚未用於合資格資產之特定借貸作短期投資賺取之投資收入，於合資格資本化之借貸成本中扣除。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Borrowing costs (Continued)

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(aa) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(ab) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and an associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

4. 重要會計政策(續)

(z) 借貸成本(續)

對於一般性借入資金用於獲取一項合資格的資產，可予資本化的借貸成本乃以在該資產的支出應用一個資本化比率釐定。資本化比率為期內適用於本集團尚未償還借款(用於獲取一項合資格的資產的借貸除外)的借貸成本的加權平均值。

所有其他借貸成本乃於其產生期間在損益確認。

(aa) 政府補助

當合理保證本集團將遵守政府補助的附帶條件及將接獲補助時，確認政府補助。

有關收入的政府補助將予以遞延，並將於須配合擬補助的成本的期間內在損益中確認。

用作補償本集團已產生支出或虧損或旨在為本集團提供即時財務資助而無未來相關成本之應收政府補助於應收期間在損益中確認。

(ab) 稅項

所得稅是指即期稅項及遞延稅項之總額。

即期應付稅項乃根據本年度之應課稅溢利計算。應課稅溢利與於損益確認溢利淨額有所不同，原因是應課稅溢利不包括其他年度之應課稅或可予扣稅之收入或支出項目，及免稅或不可扣稅之項目。本集團有關即期稅項之負債乃採用於報告期末已實行或實質已實行之稅率計算。

遞延稅項乃指在綜合財務報表內資產及負債之賬面值與採用應課稅溢利計算之相應稅基之差額。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在預期應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不會確認有關資產及負債。

遞延稅項負債乃按於附屬公司及一間聯營公司之投資而產生之應課稅暫時差額確認入賬，惟倘本集團可控制暫時差額之撥回，並預期該暫時差額將不會在可見將來沖回者除外。

遞延稅項資產之賬面值乃於各報告期末進行檢討，並調低至預期將不可能有充裕之應課稅溢利以收回所有或部份資產。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment properties are depreciable and are held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties is measured based on the expected manner as to how the properties will be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(ac) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

4. 重要會計政策(續)

(ab) 稅項(續)

遞延稅項乃根據於報告期末已實行或實質實行之稅率，按預期在負債償還或資產變現期間適用之稅率計算。遞延稅項乃自損益中確認，惟倘遞延稅項是與在其他全面收益確認或直接於權益確認的項目有關時，則在此情況下亦會於其他全面收益或直接於權益確認。

遞延稅項資產與負債計量反映了按本集團期望遵循的方式進行的報表期末的稅收結果，從而收回或解決資產及負債之賬面價值。

在計量以公允價值模式計量的投資性物業遞延稅項時，假定該等物業的賬面價值將透過出售來收回，除非該假設不成立。當投資性物業可折舊並且在本集團經營模式內（其營業目標是消耗投資性物業體現的所有經濟效益，而不是透過出售方式）被持有時，說明該假設不成立。如果該假設不成立，該等投資性物業的遞延稅項將按物業預期之收回方式計量。

當可合法執行權利許可即期稅項資產與即期稅項負債抵銷，以及當有關之所得稅是由同一稅務機關所徵收，並且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相抵銷。

(ac) 非金融資產減值

其他非金融資產之賬面值於各報告期間結算日評估有無減值跡象，倘資產已減值，則作為支出透過綜合損益表撇減至其估計可收回金額。可收回金額就個別資產釐定，惟倘資產並無產生大部分獨立於其他資產或資產組合之現金流入除外。在此種情況下，可收回金額就資產所屬之現金產生單位釐定。可收回金額按個別資產或現金產生單位之使用價值與其公允價值減出售成本兩者中之較高者計算。

使用價值為資產／現金產生單位估計未來現金流量之現值。現值按反映貨幣時間價值及資產／現金產生單位（已計量減值）之特有風險之稅前貼現率計算。

現金產生單位減值虧損首先就該單位之商譽進行分配，然後按比例在現金產生單位其他資產間進行分配。因估計變動而造成其後可收回金額增加將計入損益，除非有關資產按重估價值列賬，否則撥回減值。

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4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ad) Impairment of financial assets

At the end of each reporting period, the Group assesses whether its financial assets (other than those at fair value through profit or loss) are impaired, based on objective evidence that, as a result of one or more events that occurred after the initial recognition, the estimated future cash flows of the (group of) financial asset(s) have been affected.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered also to be objective evidence of impairment.

In addition, for trade receivables that are assessed not to be impaired individually, the Group assesses them collectively for impairment, based on the Group's past experience of collecting payments, an increase in the delayed payments in the portfolio, observable changes in economic conditions that correlate with default on receivables, etc.

Only for trade receivables, the carrying amount is reduced through the use of an allowance account and subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For all other financial assets, the carrying amount is directly reduced by the impairment loss.

For financial assets measured at amortised cost, if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed (either directly or by adjusting the allowance account for trade receivables) through profit or loss. However, the reversal must not result in a carrying amount that exceeds what the amortised cost of the financial asset would have been had the impairment not been recognised at the date the impairment is reversed.

(ae) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow is remote.

(af) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 重要會計政策(續)

(ad) 金融資產減值

於各報告期間結算日，本集團根據(一組)金融資產之估計日後現金流量因於初步確認後發生之一項或多項事件而已受到影響之客觀證據，評估其金融資產(惟透過損益按公允值計算者除外)是否減值。

就可供出售股本工具而言，投資之公允值顯著或長期減少至低於其成本時，亦視作減值之客觀憑證。

另外，就評估為並非個別減值之應收賬款而言，根據本集團過往收取款項之經驗、組合內延遲付款之增加、與拖欠應收款項相關之經濟狀況之可觀察變動等，本集團整體評估其是否減值。

僅就應收賬款而言，賬面值乃透過使用撥備賬作出扣減，而其後收回先前撇銷之金額則計入撥備賬。撥備賬之賬面值變動於損益內確認。

就所有其他金融資產，賬面值會直接按減值虧損作出扣減。

就按攤銷成本計量的金融資產，倘減值虧損之金額於其後期間減少，而該減少可以客觀地與確認減值後發生之一項事件有關，則先前已確認之減值虧損透過損益撥回(直接或通過調整應收賬款之撥備賬)。然而，撥回不得導致撥回減值當日之賬面值超過該金融資產於未確認減值時之攤銷成本。

(ae) 撥備及或然負債

如果本集團目前須就已發生的事件承擔法定或推定責任，並可能需要流出經濟利益以清償有關責任，且可作出可靠估計，本集團便會就不確定時間或金額之負債確認撥備。如果貨幣時間值重大，有關撥備則按預計清償責任所需支出的現值列賬。

倘經濟效益流出之可能情況較低，或無法對有關數額作可靠估計，則披露該責任為或然負債，但經濟利益外流之機會極微者除外。須視乎一宗或多宗日後事件是否發生方可確認之可能責任亦會被披露為或然負債，但經濟利益外流之機會極微者除外。

(af) 報告期後事項

為本集團於報告期末之狀況提供額外資料均屬於調整事項，並於綜合財務報表內反映。並非調整事項之重大報告期後事項則於綜合財務報表附註中披露。

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5. CRITICAL JUDGEMENT AND KEY ESTIMATES

Critical judgement in applying accounting policies

In the process of applying the accounting policies, the directors have made the following judgement that has the most significant effect on the amounts recognised in the consolidated financial statements.

Deferred tax for investment properties

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the directors have reviewed the Group's investment property portfolios and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in determining the Group's deferred tax for investment properties, the presumption that investment properties measured using the fair value model is recovered through sale is rebutted.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Depreciation and impairment on property, plant and equipment and construction in progress

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment and construction in progress. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The Group assesses whether property, plant and equipment and construction in progress have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment and construction in progress have been determined based on value in use calculations of each CGU the property, plant and equipment and construction in progress belonged, which requires the Group to estimate the future cash flows expected to arise from the CGUs and a suitable discount rate in order to calculate the present value. The carrying amount exceeded the recoverable amount of the property, plant and equipment and construction in progress, therefore, impairment loss of RMB3,825,000 (2015: RMB24,724,000) and RMB2,704,000 (2015: RMB5,015,000) on property, plant and equipment and construction in progress were charged to profit or loss respectively. Details of the impairment loss calculation are provided in note 20(c) to the consolidated financial statements.

The carrying amount of property, plant and equipment and construction in progress as at 31 December 2016 was RMB10,728,000 (2015: RMB13,949,000) and nil (2015: RMB64,000) respectively.

5. 重要判斷及主要估計

應用會計政策之重要判斷

在應用會計政策之過程中，董事已作出以下對綜合財務報表內所確認數額具重大影響之判斷。

投資性物業之遞延稅項

就計量以公允價值模式計算之投資性物業遞延稅項而言，董事已檢討本集團投資性物業組合併得出結論認為本集團之投資性物業並根據旨在隨著時間（而不是通過出售）消耗有關投資性物業所包含之絕大部分經濟利益的商業模式持有。因此，於釐定本集團投資性物業之遞延稅項時，投資性物業使用公允價值計量之模式可通過銷售收回之假定。

估計不確定因素之主要來源

下文載述於報告期末存在重大風險可能導致須對下一財政年度資產及負債賬面值作出重大調整之未來主要假設及其他估計不確定因素之主要來源。

(a) 物業、廠房及設備以及在建工程之折舊與減值

本集團釐定其物業、廠房及設備以及在建工程之估計可使用年期、殘值及相關折舊支出。此項估計乃根據性質及功能相若之物業、廠房及設備過往實際可使用年期及殘值為基準作出。本集團將於可使用年期及殘值有別於以往估計之時調整折舊費用，或會撤銷或撤減已棄置之技術過時或非策略資產。

本集團根據會計政策評估物業、廠房及設備以及在建工程是否存在任何減值跡象。物業、廠房及設備以及在建工程之可收回金額乃根據物業、廠房及設備以及在建工程所歸屬之各現金產生單位的使用價值計算。為計算現值，本集團須估計該現金產生單位可能產生之未來現金流及適當的貼現率。由於物業、廠房及設備以及在建工程之賬面值超出其可收回金額，因此，物業、廠房及設備以及在建工程之減值虧損人民幣3,825,000元（二零一五年：人民幣24,724,000元）及人民幣2,704,000元（二零一五年：人民幣5,015,000元）已分別於損益扣除。有關減值虧損計算之詳情載於綜合財務報表附註20(c)。

於二零一六年十二月三十一日，物業、廠房及設備以及在建工程之賬面值分別為人民幣10,728,000元（二零一五年：人民幣13,949,000元）及人民幣零元（二零一五年：人民幣64,000元）。

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5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(b) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant estimates are required in determining the provision for income taxes. There are many 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 recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

During the year, RMB1,284,000 (2015: RMB1,242,000 charged) of income tax was credited to profit or loss based on the estimated assessable profit.

(c) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. The carrying amount of goodwill at 31 December 2016 was RMB5,695,000 (2015: RMB31,747,000) after an impairment loss of RMB26,052,000 (2015: RMB26,449,000) was recognised during the year. Details of the impairment loss calculation are provided in note 24 to the consolidated financial statements.

(d) Fair values of investment properties

The Group appointed an independent professional valuer to assess the fair values of the investment properties. In determining the fair values, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions. The carrying amount of investment properties as at 31 December 2016 was RMB54,000,000 (2015: RMB50,300,000) after recognition of the fair value gain of RMB3,700,000 (2015: RMB3,660,000) to the profit or loss during the year.

(e) Amortisation and impairment on intangible assets

The Group determines the estimated useful lives and related amortisation for the Group's intangible assets. The useful lives of intangible assets are assessed to be either finite or indefinite, based on the expected usage and technical obsolescence from the changes in the market demands or services output from the assets. Intangible assets with finite useful lives are amortised over the expected useful economic lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for the intangible assets with a finite useful life are reviewed by the management at least at the end of each reporting period.

5. 重要判斷及主要估計(續)

估計不確定因素之主要來源(續)

(b) 所得稅

本集團須繳納數個司法管轄權區的所得稅。在釐定所得稅撥備時，須作出重大估計。在日常業務中許多交易及計算均難以明確釐定最終稅項。倘該等事項的最終稅務結果與初步入賬金額不同，該等差額將影響稅務釐定期內所得稅及遞延稅項撥備。

於本年度，根據估計應課稅溢利之所得稅抵免人民幣1,284,000元(二零一五年：費用人民幣1,242,000元)已計入損益。

(c) 商譽減值

釐定商譽有否減值須估計獲分配商譽之現金產生單位的使用價值。計算使用價值要求本集團估計預期自現金產生單位產生的未來現金流及適當折現率以計算現值。年內確認減值虧損人民幣26,052,000元(二零一五年：人民幣26,449,000元)後，商譽於二零一六年十二月三十一日的賬面值為人民幣5,695,000元(二零一五年：人民幣31,747,000元)。減值虧損計算方法之詳情載於綜合財務報表附註24。

(d) 投資性物業的公允值

本集團委任一名獨立的專業評估師來評估投資性物業的公允值。在確定其公允值時，評估師採用涉及某些評估的估值方法。公司董事判斷並確認估值方法及參數資料能反映當前市場行情。年內在損益中確認公允值收益人民幣3,700,000元(二零一五年：人民幣3,660,000元)後，投資性物業於二零一六年十二月三十一日之賬面值為人民幣54,000,000元(二零一五年：人民幣50,300,000元)。

(e) 無形資產之攤銷及減值

本集團決定無形資產的預計可用年期及有關攤銷。無形資產之可用年期基於資產預期用途及市場需求或服務產出變動導致的技術過時而評估為固定期限或無固定期限。使用年期有限之無形資產於預計可用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時評估減值。管理層至少於各呈報期末評估一次使用年期有限之無形資產之攤銷期及攤銷方法。

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5. CRITICAL JUDGEMENT AND KEY ESTIMATES (Continued)

Key sources of estimation uncertainty (Continued)

(e) Amortisation and impairment on intangible assets (Continued)

The Group assesses whether any indication of impairment in accordance with the accounting policy. The recoverable amounts of intangible assets have been determined based on value in use calculations of each CGU the intangible assets belonged which requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Amount of RMB1,392,000 (2015: nil) was written off for the year ended 31 December 2016.

The carrying amount of intangible assets as at 31 December 2016 was RMB38,920,000 (2015: RMB37,943,000).

(f) Allowance for trade and other receivables

The Group makes allowance for trade and other receivables based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Allowances arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

During the year, allowance for trade and other receivables net of reversal of RMB2,824,000 (2015: RMB3,826,000 allowance net of reversal for both continuing and discontinued operations) was recognised in profit or loss. The carrying amount of trade and other receivables as at 31 December 2016 was RMB27,180,000 (2015: RMB29,375,000).

(g) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

At 31 December 2016, RMB438,000 of allowance for slow-moving inventories was made (2015: nil).

5. 重要判斷及主要估計(續)

估計不確定因素之主要來源(續)

(e) 無形資產之攤銷及減值(續)

本集團根據會計政策評估是否存在任何減值跡象。無形資產之可收回金額乃根據無形資產所歸屬之各現金產生單位的使用價值計算。為計算現值，本集團須估計該現金產生單位可能產生之未來現金流及適當的貼現率。於截至二零一六年十二月三十一日止年度，已撇銷金額為人民幣1,392,000元(二零一五年：無)。

於二零一六年十二月三十一日，無形資產賬面值為人民幣38,920,000元(二零一五年：人民幣37,943,000元)。

(f) 應收賬款及其他應收款撥備

本集團會根據應收賬款及其他應收款之可收回性評估(包括每名債務人之現行信用可靠性及過往收款歷史)作出應收賬款及其他應收款撥備。倘有事件或情況變動顯示結餘可能無法收回，則產生撥備。確認呆壞賬需要使用判斷及估計。倘實際結果與原有估計不同，則有關差額將會對於該估計已作出變動之年度內應收賬款及其他應收款之賬面值及呆賬撥備費用產生影響。

於本年度，應收賬款及其他應收款扣除撥回撥備人民幣2,824,000元(二零一五年：就持續經營業務及已終止持續經營業務扣除撥回撥備人民幣3,826,000元)於損益中確認。於二零一六年十二月三十一日，應收賬款及其他應收款的賬面值為人民幣27,180,000元(二零一五年：人民幣29,375,000元)。

(g) 滯銷存貨撥備

滯銷存貨撥備乃根據存貨賬齡及估計可變現淨值作出撥備。撥備金額的評估涉及判斷及估計。倘日後實際結果有別於原來估計，該等差額將影響估計變動的期間內存貨的賬面值及撥備支出/撥回。

於二零一六年十二月三十一日，就滯銷存貨作出的撥備為人民幣438,000元(二零一五年：無)。

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6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has certain exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in RMB, Korean Won ("KRW"), HK\$, Japanese Yen ("JPY") and United States dollars ("US\$"). The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

At 31 December 2016, if the RMB had weakened 5 per cent against the HK\$ with all other variables held constant, consolidated loss after tax for the year would have been RMB141,000 (2015: RMB1,423,000) lower, arising mainly as a result of the foreign exchange difference on bank and cash balances denominated in HK\$. If the RMB had strengthened 5 per cent against the HK\$ with all other variables held constant, consolidated loss after tax for the year would have been RMB141,000 (2015: RMB1,423,000) higher, arising mainly as a result of the foreign exchange difference on bank and cash balances denominated in HK\$.

(b) Credit risk

(i) Trade and other receivables

The Group's credit risk is primarily attributable to trade and other receivables. In order to minimise credit risk, management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Amount due from a related party is closely monitored by the other directors.

At 31 December 2016, the Group has a certain concentration of credit risk as 32% (2015: 25%) and 83% (2015: 67%) of the total trade receivables were due from the Group's largest debtor and the five largest debtors as at 31 December 2016 respectively. The Group does not hold any collateral over these balances.

(ii) Deposits with banks and cash balance and other investments

The credit risk on bank and cash balances and other investments are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

6. 財務風險管理

本集團之業務承受各種財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團之整體風險管理計劃針對金融市場之難以預測性，並尋求對本集團之財務表現產生之潛在不利影響減至最低。

(a) 外幣風險

本集團大部份業務交易、資產及負債主要以人民幣、韓圓(「韓圓」)、港幣、日圓(「日圓」)及美金(「美金」)計值，因而需承受一定的外幣風險。本集團目前並無就外幣交易、資產及負債制定外幣對沖政策。本集團將密切監察其外幣風險，並考慮於需要時對沖重大外幣風險。

於二零一六年十二月三十一日，倘人民幣兌港幣貶值5%，而所有其他變量維持不變，則本年度除稅後綜合虧損將減少人民幣141,000元(二零一五年：人民幣1,423,000元)，主要由於以港幣計值的銀行及現金結存的外匯差額所致。倘人民幣兌港幣升值5%，而所有其他變量維持不變，則本年度除稅後綜合虧損將增加人民幣141,000元(二零一五年：人民幣1,423,000元)，主要由於以港幣計值的銀行及現金結存的外匯差額所致。

(b) 信貸風險

(i) 應收賬款及其他應收款

本集團的信貸風險主要來自應收賬款及其他應收款。為盡力降低信貸風險，管理層已制定信貸政策並持續監控該等信貸風險之情況。應收一名關聯方款項由其他董事嚴密監控。

於二零一六年十二月三十一日，由於本集團之應收賬款總額中分別有32% (二零一五年：25%)及83%(二零一五年：67%)為本集團於二零一六年十二月三十一日之最大債務人及五大債務人所結欠，因此面對若干集中信貸風險。本集團並無就該等結餘持有任何抵押品。

(ii) 銀行存款及現金結存及其他投資

銀行及現金結存及其他投資的信貸風險有限，原因是交易對手均為由國際信用評級機構評定具有高信用等級的銀行。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on contractual undiscounted cash flows of the Group's non-derivative of financial liabilities is as follows:

| | | The Group 本集團 | | | |
|---------------------------------|-------------------|--|--|--|---------------------------------|
| | | Less than 1 year 一年內 RMB'000 人民幣千元 | Between 1 and 2 years 一至兩年 RMB'000 人民幣千元 | Between 2 and 5 years 兩至五年 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| At 31 December 2016 | 於二零一六年 十二月三十一日 | | | | |
| Trade and other payables | 應付賬款及其他應付款 | 36,452 | – | – | 36,452 |
| Provision for onerous contracts | 虧損性合約撥備 | 50,575 | – | – | 50,575 |
| Due to directors | 應付董事款項 | 248 | – | – | 248 |
| Bank loans | 銀行貸款 | 15,414 | – | – | 15,414 |
| At 31 December 2015 | 於二零一五年 十二月三十一日 | | | | |
| Trade and other payables | 應付賬款及其他應付款 | 27,812 | – | – | 27,812 |
| Due to directors | 應付董事款項 | 6,574 | – | – | 6,574 |
| Due to a related party | 應付一名關聯方款項 | 130 | – | – | 130 |
| Bank loans | 銀行貸款 | 17,368 | – | – | 17,368 |
| Due to an associate | 應付一間聯營公司款項 | 9,625 | – | – | 9,625 |

(d) Interest rate risk

The Group's exposure to interest rate risk arises from its bank balances and short-term bank loans. These balances bear interests at variable rates that vary with the then prevailing market condition.

At 31 December 2016, if interest rates at that date had been 100 basis points higher/lower with all other variables held constant, consolidated loss after tax for the year would have been RMB865,000 lower/higher (2015: RMB726,000 lower/higher), arising mainly as a result of higher/lower interest income/expenses on bank deposits and bank loans.

Other than the bank balances and a bank loan as mentioned above, the Group's deposits, other investments and certain short-term bank loans bear interest at fixed interest rates and therefore are subject to fair value interest rate risks.

6. 財務風險管理(續)

(c) 流動資金風險

本集團之政策為定期監察目前及預期之流動資金需求，從而確保本集團維持足夠現金儲備以應付其短期及較長期的流動資金需求。

根據本集團非衍生金融負債之合約未貼現現金流作出到期分析如下：

(d) 利率風險

本集團面對的利率風險來自其銀行結存及短期銀行貸款。該等款項按當時市況而釐定的浮動利率計算利息。

於二零一六年十二月三十一日，倘當天利率上升/下降100個點子，而所有其他變數保持不變，則本年度除稅後綜合虧損將減少/增加人民幣865,000元(二零一五年：減少/增加人民幣726,000元)，主要由於銀行存款及銀行貸款的利息收入/支出增加/減少所致。

除上文所述銀行結存及銀行貸款外，本集團之存款、其他投資及若干短期銀行貸款按固定利率計息並因此可能承受公允值利率風險。

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6. FINANCIAL RISK MANAGEMENT (Continued)

(e) Categories of financial instruments at 31 December:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|-----------------------------------|
| Financial assets: | 金融資產： | | |
| Loans and receivables (including cash and cash equivalents) | 貸款及應收款(包括現金及現金等價物) | 130,016 | 146,472 |
| Financial liabilities: | 金融負債： | | |
| Financial liabilities at amortised cost | 按攤銷成本的金融負債 | 101,528 | 51,362 |

(f) Fair values

Except as disclosed in note 29 to the consolidated financial statements, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

(f) 公允值

除綜合財務報表附註29所披露者外，本集團於綜合財務狀況表內反映之金融資產及金融負債之賬面值與其各自之公允值相若。

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

| | |
|-----------------|--|
| Level 1 inputs: | quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date. |
| Level 2 inputs: | inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. |
| Level 3 inputs: | unobservable inputs for the asset or liability. |

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

7. 公允值計量

公允值指市場參與者之間於計量日，在有序交易中出售資產將收取或轉讓負債將支付的價格。下文披露使用公允值等級計量的公允值，用作計量公允值的估值方法參數據此分為三個級別：

| | |
|--------|------------------------------------|
| 第一層參數： | 本集團可於計量日獲得之相同資產或負債於活躍市場上的報價(未經調整)。 |
| 第二層參數： | 第一層所包括的報價以外，資產或負債直接或間接觀察得出之參數。 |
| 第三層參數： | 資產或負債不可觀察到的參數。 |

本集團的政策是確認截至事件或變化日導致轉讓的任何三個級別轉入及轉出情況。

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7. FAIR VALUE MEASUREMENTS (Continued)

7. 公允價值計量(續)

(a) Disclosure of level in fair value hierarchy:

(a) 公允價值等級架構披露情況：

| | | Fair value measurements as at 31 December 2016 using: 公允價值計量 於二零一六年十二月三十一日採用： | | | |
|--|------------------|--|------------------------------------|------------------------------------|---------------------------------|
| Description | 種類 | Level 1 第一層 RMB'000 人民幣千元 | Level 2 第二層 RMB'000 人民幣千元 | Level 3 第三層 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Recurring fair value measurement: | | | | | |
| Investment properties | 投資性物業 | | | | |
| - Commercial PRC (note 21) | - 中國商業 (附註21) | - | - | 54,000 | 54,000 |

| | | Fair value measurements as at 31 December 2015 using: 公允價值計量 於二零一五年十二月三十一日採用： | | | |
|--|------------------|--|------------------------------------|------------------------------------|---------------------------------|
| Description | 種類 | Level 1 第一層 RMB'000 人民幣千元 | Level 2 第二層 RMB'000 人民幣千元 | Level 3 第三層 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
| Recurring fair value measurement: | | | | | |
| Investment properties | 投資性物業 | | | | |
| - Commercial PRC (note 21) | - 中國商業 (附註21) | - | - | 50,300 | 50,300 |

(b) Reconciliation of assets/liabilities measured at fair value based on level 3:

(b) 根據第三層按公允價值計量的資產／負債對賬：

| Description | 種類 | Assets/(liabilities) at fair value through profit or loss 按公允價值計入損益 之資產／(負債) |
|---|-------------------------|---|
| At 1 January 2016 | 於二零一六年一月一日 | 50,300 |
| Total gains or losses recognised in profit or loss (#) | 於損益中確認之收益或虧損 總額(#) | 3,700 |
| At 31 December 2016 | 於二零一六年十二月三十一日 | 54,000 |
| (#) Include gains or losses for assets held at end of reporting period | (#) 包括報告期末持有 資產收益或虧損 | 3,700 |

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7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets/liabilities measured at fair value based on level 3: (Continued)

| Description | 種類 | Assets/(liabilities) at fair value through profit or loss 按公允值計入損益之資產/(負債) | | |
|---|-------------------------|--|--|---|
| | | Investment properties 投資性物業 RMB'000 人民幣千元 | Derivative financial instruments 衍生金融工具 RMB'000 人民幣千元 | 2015 Total 二零一五年總計 RMB'000 人民幣千元 |
| At 1 January 2015 | 於二零一五年一月一日 | 46,640 | (5,247) | 41,393 |
| Release upon conversion of convertible bonds | 兌換可換股債券時解除 | - | 5,236 | 5,236 |
| Total gains or losses recognised in profit or loss (#) | 於損益中確認之收益或 虧損總額(#) | 3,660 | - | 3,660 |
| Exchange difference | 匯兌差額 | - | 11 | 11 |
| At 31 December 2015 | 於二零一五年 十二月三十一日 | 50,300 | - | 50,300 |
| (#) Include gains or losses for assets held at end of reporting period | (#) 包括報告期末持有資 產收益或虧損 | 3,660 | - | 3,660 |

The total gains or losses recognised in profit or loss including those assets and liabilities at end of reporting period are presented in the face (2015: face and included in other income) of the consolidated statement of profit or loss and other comprehensive income.

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2016:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least twice a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with recognised professional qualifications and recent experience to perform the valuations.

7. 公允值計量(續)

(b) 根據第三層按公允值計量的資產/負債對賬:(續)

於損益中確認之收益或虧損總額(包括該等與報告期末之資產及負債有關)在綜合損益與其他全面收益表中獨立呈列(二零一五年:獨立呈列及包括在其他收入)。

(c) 本集團採用的估值程序以及二零一六年十二月三十一日公允值計量使用的估值方法及參數的披露:

本集團的財務總監負責財務申報所需的資產與負債公允值計量,包括第三層公允值計量。財務總監直接向董事會匯報該等公允值計量情況。財務總監與董事會每年最少兩次檢討討論估值程序與有關結果。

對於第三層公允值計量,本集團一般會外聘具有認可專業資格以及近期進行過估值的估值專家進行計量。

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7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2016: (Continued)

Level 3 fair value measurements

| Description 種類 | Valuation technique 估值方法 | Unobservable inputs 不可觀察 的參數 | Range 範圍 | Effect on fair value for increase of inputs 參數增加對 公允值的影響 | Fair value 公允值 | |
|---|---|---------------------------------------|---|---|--|--|
| | | | | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
| | | | | | asset/ (liabilities) 資產/ (負債) | asset/ (liabilities) 資產/ (負債) |
| Investment properties - Commercial PRC 投資性物業-中國商業 | Income capitalisation approach 收入資本化法 | Yield 收益率 | 4%-5.5% (2015: 3.8%-4.5%) 4%-5.5% (二零一五年: 3.8%-4.5%) | Higher of the yield, lower of fair value 收益率增加, 公允值減少 | 54,000 | 50,300 |
| | | Market rent 市場租金 | Monthly office rental RMB30/sq.m. (2015: RMB25.5/sq.m.) 辦公室每月租金 人民幣30元/每平方米 (二零一五年: 人民幣25.5元/每平方米) | Higher of the market rent, higher of fair value 市場租金增加, 公允值 增加 | | |
| | | | Monthly car parking space RMB132-220/unit (2015: RMB123-205/unit) 停車位每月人民幣132元至 人民幣220元/每單位 (二零一五年: 人民幣123元 至人民幣205元/每單位) | | | |

7. 公允值計量(續)

(c) 本集團採用的估值程序以及二零一六年十二月三十一日公允值計量使用的估值方法及參數的披露:(續)

第三層公允值計量

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8. REVENUE

An analysis of the Group's revenue for the year as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|-------------------|-----------------------------------|-----------------------------------|
| Sales of software, IT system and services | 銷售軟件、資訊科技系統及服務 | 3,851 | 13,645 |
| Consultation and maintenance service income | 諮詢及維修服務收入 | 16,939 | 18,216 |
| Provision of digital advertising platform and related solutions services | 提供電子廣告平台及相關解決方案服務 | 3,529 | 1,698 |
| | | 24,319 | 33,559 |

8. 收入

本集團於本年度的收入分析如下：

9. OTHER INCOME

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|-----------------------------------|
| Bank interest income | 銀行利息收入 | 31 | 17 |
| Interest on other investments | 其他投資利息 | 180 | - |
| Government grants | 政府補助 | 770 | 332 |
| Net foreign exchange gain | 匯兌收益淨額 | 735 | 1,570 |
| Change in fair value of contingent payables (note 38) | 或然應付款項公允值變動 (附註38) | - | 2,649 |
| Gross rental income from investment properties | 投資性物業的租金收入總額 | 2,148 | 1,885 |
| Value-added tax refund | 增值稅退款 | 774 | 1,322 |
| Gain on disposal of property, plant and equipment | 出售物業、廠房及設備的收益 | 23 | - |
| Gain on disposal of construction in progress | 出售在建工程的收益 | 723 | - |
| Gain on disposal of intangible assets | 出售無形資產的收益 | 948 | - |
| Others | 其他 | 979 | 561 |
| | | 7,311 | 8,336 |

9. 其他收入

10. SEGMENT INFORMATION

The Group has two (2015: two) reportable segments as follows:

- (i) Online to Offline ("O2O") solutions segment – Sale of software and provision of O2O consultation service
- (ii) Integrated digital marketing ("IDM") solutions segment – Provision of digital advertising platform and related solutions

O2O solutions segment is attributable to Virtual City Limited ("VCL") and its subsidiaries.

IDM solutions segment is attributable to Tosun Limited and its subsidiaries.

The Group's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different technology and marketing strategies. Each of the above operating segments corresponds to related subsidiaries engaging in the respective segment activities.

10. 分部資料

本集團有以下兩個(二零一五年：兩個)呈報分部：

- (i) 線上線下(「O2O」)解決方案分部 – 銷售軟件與提供O2O諮詢服務
- (ii) 綜合電子推廣(「綜合電子推廣」)解決方案分部 – 提供電子廣告平台及相關解決方案

O2O解決方案分部歸屬於Virtual City Limited (「VCL」)及其附屬公司。

綜合電子推廣解決方案分部歸屬於騰信有限公司及其附屬公司。

本集團的呈報分部是提供不同產品和服務的戰略業務單位。因為各業務需要不同的技術及營銷策略，故彼等乃分開進行管理。以上各經營分部包含從事相關分部活動的附屬公司。

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10. SEGMENT INFORMATION (Continued)

The accounting policies of the operating segments are the same as those described in note 4 to the consolidated financial statements. Segment profits or losses do not include corporate income and expenses. Segment assets do not include corporate assets. Segment liabilities do not include corporate liabilities.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at current market prices.

(i) Information about reportable segments profit or loss, assets and liabilities:

| | O2O solutions segment O2O解決方案分部 | | IDM solutions segment 綜合電子推廣解決方案分部 | | Total 總計 | |
|---|------------------------------------|---------------------------|---------------------------------------|---------------------------|---------------------------|---------------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | 二零一六年 RMB'000 人民幣千元 | 二零一五年 RMB'000 人民幣千元 | 二零一六年 RMB'000 人民幣千元 | 二零一五年 RMB'000 人民幣千元 | 二零一六年 RMB'000 人民幣千元 | 二零一五年 RMB'000 人民幣千元 |
| Year ended 31 December | 截至十二月三十一日止年度 | | | | | |
| Revenue from external customers | 20,771 | 31,861 | 3,548 | 1,698 | 24,319 | 33,559 |
| Segment loss | (46,582) | (30,718) | (103,262) | (125,582) | (149,844) | (156,300) |
| Interest revenue | 25 | 12 | 6 | 4 | 31 | 16 |
| Interest expense | 888 | 1,151 | - | - | 888 | 1,151 |
| Depreciation and amortisation | 11,241 | 7,643 | 14,300 | 43,767 | 25,541 | 51,410 |
| Income tax (credit)/expense | (1,284) | 1,242 | - | - | (1,284) | 1,242 |
| Other material non-cash items: | 其他重大非現金項目： | | | | | |
| Impairment on goodwill | (26,052) | (26,449) | - | - | (26,052) | (26,449) |
| Impairment on non-current assets | - | - | 6,529 | 44,864 | 6,529 | 44,864 |
| Additions to segment non-current assets | 11,558 | 26,997 | 71,416 | 20,752 | 82,974 | 47,749 |
| At 31 December | 於十二月三十一日 | | | | | |
| Segment assets | 121,774 | 164,957 | 35,717 | 66,611 | 157,491 | 231,568 |
| Segment liabilities | (29,734) | (33,662) | (79,007) | (29,089) | (108,741) | (62,751) |
| Investment in an associate | - | - | 3,480 | 4,004 | 3,480 | 4,004 |

(ii) Reconciliations of reportable segments revenue and profit or loss:

| | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|----------------|-----------------------------------|-----------------------------------|
| Revenue | 收入 | |
| Total revenue | 24,319 | 33,559 |

10. 分部資料(續)

經營分部的會計政策與綜合財務報表附註4所述者相同。分部損益不包括企業收入及支出。分部資產不包括企業資產。分部負債不包括企業負債。

本集團將分部間的銷售及轉讓按向第三方(即按現行市價)進行之銷售或轉讓計算。

(i) 呈報分部的損益、資產及負債資料：

(ii) 呈報分部收入及損益對賬：

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10. SEGMENT INFORMATION (Continued)

10. 分部資料(續)

(ii) Reconciliations of reportable segments revenue and profit or loss: (Continued)

(ii) 呈報分部收入及損益對賬：(續)

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|--------------|-----------------------------------|-----------------------------------|
| Profit or loss | 損益 | | |
| Total loss of reportable segments | 呈報分部總虧損 | (149,844) | (156,300) |
| Unallocated amounts: | 未分配金額： | | |
| Change in fair value of contingent payables | 或然應付款項公允值變動 | - | 2,649 |
| Unallocated head office and corporate expenses | 未分配總辦事處及企業費用 | (8,054) | (15,637) |
| Consolidated loss for the year | 年度綜合虧損 | (157,898) | (169,288) |

Reconciliations of reportable segments assets and liabilities:

呈報分部資產及負債對賬：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|--------------|-----------------------------------|-----------------------------------|
| Assets | 資產 | | |
| Total assets of reportable segments | 呈報分部總資產 | 157,491 | 231,568 |
| Unallocated amounts: | 未分配金額： | | |
| Unallocated head office and corporate assets | 未分配總辦事處及企業資產 | 90,570 | 61,183 |
| Consolidated total assets | 綜合總資產 | 248,061 | 292,751 |
| Liabilities | 負債 | | |
| Total liabilities of reportable segments | 呈報分部總負債 | 108,741 | 62,751 |
| Unallocated amounts: | 未分配金額： | | |
| Unallocated head office and corporate liabilities | 未分配總辦事處及企業負債 | 1,833 | 8,644 |
| Consolidated total liabilities | 綜合總負債 | 110,574 | 71,395 |

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10. SEGMENT INFORMATION (Continued)

(iii) Geographical information:

The Group's revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

Revenue

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|----------------------------|---------|-----------------------------------|-----------------------------------|
| PRC except Hong Kong | 中國不包括香港 | 20,150 | 18,322 |
| Hong Kong | 香港 | 4,154 | 10,897 |
| Macau | 澳門 | 15 | 4,340 |
| Consolidated total revenue | 綜合總收入 | 24,319 | 33,559 |

In presenting the geographical information, revenue is based on the locations of the customers.

The Group's non-current assets are substantially located in the PRC.

(iv) Revenue from major customers:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------------|-----|-----------------------------------|-----------------------------------|
| Customer A | 客戶A | 4,989 | 7,546 |
| Customer B | 客戶B | 2,846 | 4,155 |

Each of the major customers represents a single external customer whose sale transaction is generated from O2O solutions segment of the Group.

10. 分部資料(續)

(iii) 地理資料：

本集團來自外部客戶之收入(按營運地點劃分)及有關非流動資產的資料(按資產地點劃分)詳述如下：

收入

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|----------------------------|---------|-----------------------------------|-----------------------------------|
| PRC except Hong Kong | 中國不包括香港 | 20,150 | 18,322 |
| Hong Kong | 香港 | 4,154 | 10,897 |
| Macau | 澳門 | 15 | 4,340 |
| Consolidated total revenue | 綜合總收入 | 24,319 | 33,559 |

於呈報地理資料時，收入乃基於客戶所處位置得出。

本集團之非流動資產大部份在中國境內。

(iv) 來自主要客戶的收入：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------------|-----|-----------------------------------|-----------------------------------|
| Customer A | 客戶A | 4,989 | 7,546 |
| Customer B | 客戶B | 2,846 | 4,155 |

各主要客戶指其銷售交易來自本集團O2O解決方案分部的單一外部客戶。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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11. FINANCE COSTS

11. 財務成本

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|----------------------------|-----------------------------------|-----------------------------------|
| Interest expenses on bank loans wholly repayable within five years | 須於五年內悉數償還之銀行貸款利息支出 | 888 | 1,145 |
| Imputed interest expenses on convertible bonds wholly payable within five years (note 37) | 須於五年內悉數支付可換股債券潛在利息支出(附註37) | - | 1,439 |
| Others | 其他 | - | 6 |
| | | 888 | 2,590 |

12. INCOME TAX (CREDIT)/EXPENSE

12. 所得稅(抵免)/費用

Income tax has been recognised in profit or loss as following:

已於損益確認的所得稅如下：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|----------------------------|-----------------------------------|-----------------------------------|
| Current tax – Hong Kong profits tax | 本期稅項 – 香港利得稅 | | |
| Provision for the year | 年內撥備 | - | - |
| Over-provision in prior year | 過往年度超額撥備 | - | (33) |
| | | - | (33) |
| Current tax – PRC enterprise income tax (“PRC EIT”) | 本期稅項 – 中國企業所得稅 (「中國企業所得稅」) | | |
| Provision for the year | 年內撥備 | - | 1,382 |
| Over-provision in prior year | 過往年度超額撥備 | (817) | (34) |
| | | (817) | 1,348 |
| Deferred tax (note 39) | 遞延稅項(附註39) | | |
| Provision for the year | 年內撥備 | (467) | (47) |
| Over-provision in prior year | 過往年度超額撥備 | - | (26) |
| | | (467) | (73) |
| Income tax (credit)/expense | 所得稅(抵免)/費用 | (1,284) | 1,242 |

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong profits tax is required since the Group has no assessable profit for the years ended 31 December 2016 and 2015.

Tax charge on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group’s subsidiaries operate, based on existing legislation, interpretation and practices in respect thereof.

根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團毋須繳納開曼群島及英屬處女群島的任何所得稅。

截至二零一六年及二零一五年十二月三十一日止年度，由於本集團並無應課稅溢利，故並未就香港利得稅計提撥備。

本集團在其他產生應課稅溢利的地方，已根據本集團附屬公司的營業所在國家之現有相關法例、闡釋與慣例，按照其適用稅率來計算稅項。

Notes to the Consolidated Financial Statements 綜合財務報表附註

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12. INCOME TAX (CREDIT)/EXPENSE (Continued)

The new PRC EIT law (the "New Tax Law") that was passed by the Tenth National People's Congress on 16 March 2007 introduced various changes which included the unification of the EIT for domestic and foreign enterprises at 25%. The New Tax Law was effective from 1 January 2008.

蘇州盈聯智能科技股份有限公司 (Smartac Solutions (Suzhou) Limited. ("SZYL")) was recognised as an advance technology enterprise (高新技術企業) in 2011 and was entitled to enjoy an income tax concession at preferential rate of 15% effective from 1 January 2011. In order to enjoy the preferential rate of 15%, SZYL was required to apply for renewal every three years from first year of approval. In 2014, SZYL has renewed its status and was entitled the preferential rate of 15% for the years ended 31 December 2014, 2015 and 2016.

The reconciliation between the income tax (credit)/expense and the product of loss before tax multiplied by the PRC EIT rate is as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|--------------------------------|-----------------------------------|-----------------------------------|
| Loss before tax | 除稅前虧損 | (159,182) | (168,046) |
| Tax at the PRC EIT rate of 25% (2015: 25%) | 按中國企業所得稅稅率25%計算之稅項(二零一五年: 25%) | (39,796) | (42,011) |
| Tax effect of income that is not taxable | 毋須課稅收入之稅務影響 | (654) | (4,910) |
| Tax effect of expenses that are not deductible | 不可扣稅支出之稅務影響 | 30,241 | 14,025 |
| Tax effect of temporary differences and tax losses not recognised | 未確認暫時性差異及稅務虧損之稅務影響 | 7,049 | 32,638 |
| Tax effect of utilisation of tax losses not previously recognised | 動用先前未經確認之稅務虧損之稅務影響 | (8) | (75) |
| Tax effect of tax concession | 稅務優惠之稅務影響 | - | (176) |
| Over-provision in prior years | 過往年度超額撥備 | (817) | (92) |
| Tax effect of different tax rates of subsidiaries | 附屬公司不同稅率之稅務影響 | 2,701 | 1,843 |
| Income tax (credit)/expense | 所得稅(抵免)/費用 | (1,284) | 1,242 |

12. 所得稅(抵免)/費用(續)

第十屆全國人民代表大會於二零零七年三月十六日通過之新中國企業所得稅法(「新稅法」)引入多項變動，包括將內資及外資企業之企業所得稅稅率統一為25%。該新稅法自二零零八年一月一日起生效。

蘇州盈聯智能科技股份有限公司(「蘇州盈聯」)在二零一一年被確認為高新技術企業，並自二零一一年一月一日起有權享有15%的優惠稅率。為享有15%的優惠稅率，蘇州盈聯須自獲審批後首年起計每三年申請重續有關資格。在二零一四年，蘇州盈聯再獲確認為高新技術企業，截至二零一四年、二零一五年及二零一六年十二月三十一日止年度均可享有15%的優惠稅率。

所得稅(抵免)/費用與除稅前虧損乘以中國企業所得稅稅率之結果對賬如下：

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13. LOSS FOR THE YEAR FROM CONTINUING AND DISCONTINUED OPERATIONS

The Group's loss for the year from continuing and discontinued operations is stated after charging/(crediting) the following:

13. 持續經營及已終止持續經營業務之本年度虧損

本集團來自持續經營及已終止持續經營業務之本年度虧損已扣除/(計入)下列各項：

| | | Continuing 持續經營業務 | | Discontinued 已終止持續經營業務 | |
|---|------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
| Allowance for trade receivables# | 應收賬款撥備# | 153 | - | - | 242 |
| Reversal of allowance for trade receivables# | 應收賬款撥備回撥# | (12) | (150) | - | (316) |
| Impairment loss on other receivables# | 其他應收款減值虧損# | 2,683 | - | - | 4,050 |
| Allowance for inventories# | 存貨撥備# | 438 | - | - | 552 |
| Amortisation of intangible assets | 無形資產攤銷 | 9,027 | 5,472 | - | 2,970 |
| Amortisation of prepaid land lease payments | 土地租賃預付款攤銷 | 56 | 56 | - | 1,189 |
| Auditor's remuneration# | 核數師酬金# | | | | |
| - Audit services | - 核數服務 | | | | |
| - Current year | - 本年度 | 1,160 | 1,303 | - | - |
| - Over-provision in prior year | - 過往年度 超額撥備 | (232) | - | - | - |
| - Other services | - 其他服務 | 52 | 521 | - | - |
| | | 980 | 1,824 | - | - |
| Change in fair value of contingent payables | 或然應付款項的 公允值變動 | - | (2,649) | - | - |
| Cost of inventories sold | 存貨銷售成本 | 4,577 | 7,391 | - | 34,528 |
| Depreciation | 折舊 | 3,530 | 12,293 | - | 1,098 |
| Less: amount capitalised in software development costs | 減：於軟件開發成本 中資本化的金額 | (399) | (376) | - | - |
| | | 3,131 | 11,917 | - | 1,098 |
| Direct operating expenses of investment properties that generate rental income# | 可產生租金收入的 投資性物業直接 經營費用# | 1,265 | 1,255 | - | - |
| Research and development cost# | 研發成本# | 4,484 | 1,382 | - | - |
| Impairment loss on construction in progress | 在建工程減值虧損 | 2,704 | 5,015 | - | - |
| Impairment loss on property, plant and equipment | 物業、廠房及設備 減值虧損 | 3,825 | 24,724 | - | 70 |
| Impairment loss on long-term prepayments | 長期預付款減值虧損 | - | 15,125 | - | - |
| Write-off of intangible assets | 無形資產撤銷 | 1,392 | - | - | - |
| Write-off of construction in progress | 在建工程撤銷 | 48 | 53 | - | - |
| Write-off of property, plant and equipment | 物業、廠房及設備撤銷 | 132 | 24 | - | - |
| Operating leases charges in respect of# | 經營租賃費用# | | | | |
| - Office premises in Hong Kong | - 香港的寫字樓物業 | 789 | 715 | - | 489 |
| - Leasehold land in the PRC | - 中國的租賃土地 | 2,536 | 3,391 | - | - |
| - Others | - 其他 | 764 | 198 | - | 225 |
| | | 4,089 | 4,304 | - | 714 |

Included under others of other income and other operating expenses.

包括在其他收入之其他及其他經營費用。

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14. EMPLOYEE BENEFITS EXPENSES

14. 員工福利費用

| | Continuing 持續經營業務 | | Discontinued 已終止持續經營業務 | |
|--|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
| Staff costs (including directors' emoluments and amount classified as research and development cost) | | | | |
| – Salaries, bonus and allowance | 40,808 | 41,858 | – | 10,891 |
| – Retirement benefit scheme contributions | 3,843 | 3,709 | – | 835 |
| – Severance payment | 811 | 467 | – | – |
| | 45,462 | 46,034 | – | 11,726 |
| Less: amount capitalised in software development costs | (10,871) | (13,962) | – | – |
| | 34,591 | 32,072 | – | 11,726 |

The five highest paid individuals in the Group during the year included three (2015: two) directors whose emoluments are reflected in the analysis presented in note 15 to the consolidated financial statements. The emoluments of the remaining two (2015: three) individuals are set out below:

本集團本年度五位最高薪酬人士包括三位(二零一五年: 兩位)董事, 其酬金已於綜合財務報表附註15所列分析內反映。其餘兩位(二零一五年: 三位)人士之酬金如下:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|----------|-----------------------------------|-----------------------------------|
| Salaries and allowances | 薪金及津貼 | 1,058 | 1,351 |
| Retirement benefit scheme contributions | 退休福利計劃供款 | 30 | 41 |
| Severance payment | 遣散費 | 127 | 32 |
| | | 1,215 | 1,424 |

The emoluments fell within the following band:

其酬金組別如下:

| | | Number of individuals 人數 | |
|--|--|-----------------------------|---------------|
| | | 2016 二零一六年 | 2015 二零一五年 |
| Nil to HK\$1,000,000 (equivalent to nil to RMB859,000 (2015: nil to RMB814,000)) | 港幣零元至港幣1,000,000元 (相等於人民幣零元至人民幣859,000元(二零一五年: 人民幣零元至人民幣814,000元)) | 2 | 3 |

During the year, no amount was paid or payable by the Group to the directors or any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

於本年度, 本集團並無支付或應付款項予各董事及任何一名最高受薪之五名僱員, 作為吸引彼等加盟或於加盟本集團時之獎勵, 或作為離職時之補償。

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15. BENEFITS AND INTERESTS OF DIRECTORS

15. 董事福利及權益

(a) Directors' emoluments

(a) 董事薪酬

The remuneration of every director is set out below:

各位董事之薪酬載述如下：

| | | For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度 | | | |
|--|-----------------|--|---------------------------|---|------------------------|
| | | Fees | Salaries and allowances | Retirement benefit scheme contributions | Total |
| | | 袍金 RMB'000 人民幣千元 | 薪金及津貼 RMB'000 人民幣千元 | 退休福利計劃供款 RMB'000 人民幣千元 | 合計 RMB'000 人民幣千元 |
| Name of director | 董事名稱 | | | | |
| Executive directors | 執行董事 | | | | |
| Mr. Yang Xin Min | 楊新民先生 | - | 1,374 | - | 1,374 |
| Mr. Kwan Che Hang Jason | 關志恒先生 | 421 | 1,086 | 21 | 1,528 |
| Mr. Yang Zhen | 楊震先生 | - | 618 | 17 | 635 |
| | | 421 | 3,078 | 38 | 3,537 |
| Independent Non-executive directors | 獨立非執行董事 | | | | |
| Dr. Cheng Faat Ting Gary | 鄭發丁博士 | 94 | - | - | 94 |
| Mr. Poon Lai Yin Michael | 潘禮賢先生 | 86 | - | - | 86 |
| Mr. Yang Wei Qing | 楊偉慶先生 | 86 | - | - | 86 |
| | | 266 | - | - | 266 |
| Total for 2016 | 於二零一六年合計 | 687 | 3,078 | 38 | 3,803 |

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15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

15. 董事福利及權益(續)

(a) Directors' emoluments (Continued)

(a) 董事薪酬(續)

For the year ended 31 December 2015
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| Name of director | Fees | Salaries and allowances | Retirement benefit scheme | Total |
|--|-------------|-------------------------|---------------------------|--------------|
| | | | contributions | |
| | 袍金 | 薪金及津貼 | 退休福利計劃供款 | 合計 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | 人民幣千元 | 人民幣千元 | 人民幣千元 | 人民幣千元 |
| Executive directors | | | | |
| Mr. Yang Xin Min | – | 1,400 | 8 | 1,408 |
| Ms. Huang Yue Qin (note a) | – | 331 | 7 | 338 |
| Mr. Kwan Che Hang Jason | – | 676 | 20 | 696 |
| Mr. Yang Zhen (note b) | – | – | – | – |
| | – | 2,407 | 35 | 2,442 |
| Non-executive director | | | | |
| Mr. Wang Jia Wei (note c) | (350) | – | – | (350) |
| Independent Non-executive directors | | | | |
| Dr. Cheng Faat Ting Gary | 90 | – | – | 90 |
| Mr. Poon Lai Yin Michael | 81 | – | – | 81 |
| Mr. Yang Wei Qing | 81 | – | – | 81 |
| | 252 | – | – | 252 |
| Total for 2015 | (98) | 2,407 | 35 | 2,344 |

Notes:

- (a) resigned on 31 December 2015
(b) appointed on 31 December 2015
(c) resigned on 4 May 2015

During the year ended 31 December 2015, Mr. Wang Jia Wei waived his emolument being the non-executive director for the period from 2011 up to the date of his resignation in 2015.

附註：

- (a) 於二零一五年十二月三十一日辭任
(b) 於二零一五年十二月三十一日獲委任
(c) 於二零一五年五月四日辭任

於截至二零一五年十二月三十一日止年度，汪嘉偉先生放棄其於二零一一年至二零一五年辭任日止期間作為非執行董事之薪酬。

(b) Directors' material interests in transactions, arrangements or contracts

(b) 董事於交易、安排或合約之重大權益

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

於年末或年內任何時間並無存續任何本公司訂立而本公司董事及其關連人士直接或間接擁有重大權益且與本集團業務有關之重大交易、安排及合約。

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16. DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a mandatory provident fund scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for all qualifying employees in Hong Kong. The Group's contributions to the MPF Scheme are calculated at 5% of the salaries and wages subject to a monthly maximum amount of contribution of HK\$1,500 per employee and vest fully with employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries established in the PRC are members of a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute certain percentage of the employees' basic salaries and wages to the central pension scheme to fund the retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of these subsidiaries. The only obligation of this subsidiary with respect to the central pension scheme is to meet the required contributions under the scheme.

The Group's total contributions to these schemes charged to the profit or loss during the year ended 31 December 2016 amounted to approximately RMB3,843,000 (2015: RMB4,544,000) representing contributions payable by the Group to the schemes at the appropriate rates set by the local government of the countries the subsidiaries operate.

17. DISCONTINUED OPERATIONS

On 21 September 2015, the Company entered into a sale and purchase agreement of the 100% equity interest of Kanway Investments Limited ("Kanway") at a consideration of approximately RMB16,281,000 (equivalent to HK\$20,000,000). The disposal was completed on 27 September 2015. The principal activities of Kanway and its subsidiaries were provision of petrochemicals storage and trading services.

On 23 October 2015, the Company entered into a sale and purchase agreement of the 100% equity interest of Kingweston Technology Limited ("Kingweston") at a consideration of approximately RMB6,513,000 (equivalent to HK\$8,000,000). The disposal was completed on 18 December 2015. The principal activity of Kingweston and its subsidiaries were manufacturing and trading of zirconium products.

On 28 December 2015, the Company entered into a sale and purchase agreement to dispose 51% equity interest of P.T. Asia Prima Resources Limited ("APR") at a consideration of approximately RMB1,893,000 (equivalent to US\$300,000). The disposal was completed on 28 December 2015. The principal activity of APR was separation, processing and refining of zircon sand, contracting and management of mining concession and the sale of zircon products.

Details of the assets and liabilities disposed of, and the calculation of the profit or loss on disposals, are disclosed in note 45(c) to the consolidated financial statements.

16. 定額供款退休計劃

本集團根據香港強制性公積金計劃條例為香港之所有合資格僱員設立一項強制性公積金計劃(「強積金計劃」)。本集團乃以僱員薪金及工資的5%計算強積金計劃供款，惟每名僱員之每月最高供款額為港幣1,500元。向強積金計劃供款後，供款即歸僱員所有。

本集團中國附屬公司的員工為當地市政府運作的中央退休基金計劃的成員。該等附屬公司須按員工的基本薪金及工資支付一定比例的金額至中央退休基金計劃以資助退休金。當地市政府履行承擔該等附屬公司所有現在已退休或將來會退休的員工的退休金的義務。就中央退休基金計劃，該附屬公司僅須達到該計劃中的出資要求。

截至二零一六年十二月三十一日止年度，本集團於損益中扣除的向該等計劃繳納之供款總額約為人民幣3,843,000元(二零一五年：人民幣4,544,000元)，即本集團按附屬公司之營運所在國家之政府設定的相關費率應向該等計劃繳納的供款數額。

17. 已終止持續經營業務

於二零一五年九月二十一日，本公司訂立買賣協議，出售加威投資有限公司(「加威」)的全部股權，代價為約人民幣16,281,000元(相等於港幣20,000,000元)。出售事項於二零一五年九月二十七日完成，加威及其附屬公司的主要業務為提供成品油倉儲及貿易服務。

於二零一五年十月二十三日，本公司訂立買賣協議，出售金威斯通技術有限公司(「金威斯通」)的全部股權，代價為約人民幣6,513,000元(相等於港幣8,000,000元)。出售事項於二零一五年十二月十八日完成，金威斯通及其附屬公司的主要業務為製造及買賣鋳產品。

於二零一五年十二月二十八日，本公司訂立買賣協議以代價約人民幣1,893,000元(相等於美金300,000元)出售P.T. Asia Prima Resources Limited(「APR」)51%股權。出售事項於二零一五年十二月二十八日完成。APR主要業務為鋳砂分解、加工及提煉，承包和管理開礦權，及鋳砂產品銷售。

出售資產及負債的詳情及於出售時損益的計算方法於綜合財務報表附註45(c)披露。

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17. DISCONTINUED OPERATIONS (Continued)

17. 已終止持續經營業務(續)

2015
二零一五年
RMB'000
人民幣千元

| | | |
|---|--------------------------------|----------|
| Loss for the year from discontinued operations: | 來自已終止持續經營業務的本年度虧損 | |
| Revenue | 收入 | 52,009 |
| Cost of sales and services | 銷售及服務成本 | (43,609) |
| Gross profit | 毛利 | 8,400 |
| Other income | 其他收入 | 3,221 |
| Selling expenses | 銷售費用 | (1,632) |
| Administrative expenses | 行政費用 | (24,945) |
| Other operating expenses | 其他經營費用 | (4,052) |
| Impairment of non-current assets | 非流動資產減值 | (70) |
| Loss from operations: | 經營虧損： | (19,078) |
| Finance costs | 財務成本 | (181) |
| Loss before tax | 稅前虧損 | (19,259) |
| Income tax expense | 所得稅費用 | (287) |
| Loss for the year (note 13) | 本年度虧損(附註13) | (19,546) |
| Gain on disposal of discontinued operations (note 45(c)) | 出售已終止持續經營業務的收益(附註45(c)) | 45,525 |
| Profit for the year from discontinued operations (attributable to owners of the Company) | 來自已終止持續經營業務的本年度溢利 (本公司股東應佔) | 25,979 |

Loss for the year from discontinued operations is disclosed in note 13 to the consolidated financial statements.

來自已終止經營業務的本年度虧損於綜合財務報表附註13內披露。

2015
二零一五年
RMB'000
人民幣千元

| | | |
|---|------------------------|-----------|
| Cash flows from discontinued operations: | 來自已終止持續經營業務現金流： | |
| Net cash inflows from operating activities | 經營業務之現金流入淨額 | 80,002 |
| Net cash inflows from investing activities | 投資業務之現金流入淨額 | 312,315 |
| Net cash outflows from financing activities | 融資業務之現金流出淨額 | (285,000) |
| Net cash inflows | 現金流入淨額 | 107,317 |

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18. DIVIDENDS

The directors do not recommend the payment of any dividend for the year ended 31 December 2016 (2015: nil).

19. LOSS PER SHARE

(a) Basic loss per share

(i) From continuing and discontinued operations

The calculation of basic loss per share attributable to owners of the Company is based on the loss for the year attributable to owners of the Company of approximately RMB146,762,000 (2015: RMB128,058,000) and the weighted average number of ordinary shares of 4,005,326,969 (2015: 3,770,513,753) in issue during the year.

(ii) From continuing operations

The calculation of basic loss per share from continuing operations attributable to owners of the Company is based on the loss for the year from continuing operations attributable to owners of the Company of approximately RMB146,762,000 (2015: RMB154,037,000) and the denominator used is the same as that detailed above.

(iii) From discontinued operations

Basic earnings per share from the discontinued operations was RMB0.69 cents in 2015 based on the profit for the year from discontinued operations attributable to the owners of the Company of approximately RMB25,979,000 and the weighted average number of ordinary shares of 3,770,513,753 issued in 2015.

(b) Diluted loss per share

The exercise of the Group's outstanding share options for the year ended 31 December 2016 would be anti-dilutive for loss per share from continuing operations.

The exercise of the Group's outstanding convertible bonds and outstanding share options for the year ended 31 December 2015 would be anti-dilutive for loss per share from continuing operations.

18. 股息

董事不建議派發截至二零一六年十二月三十一日止年度股息(二零一五年：無)。

19. 每股虧損

(a) 每股基本虧損

(i) 來自持續經營及已終止持續經營業務

本公司股東應佔每股基本虧損乃根據本公司股東應佔本年度虧損約人民幣146,762,000元(二零一五年：人民幣128,058,000元)及本年度已發行普通股之加權平均數4,005,326,969股(二零一五年：3,770,513,753股)計算。

(ii) 來自持續經營業務

本公司股東應佔持續經營業務每股基本虧損乃根據本公司股東應佔持續經營業務本年度虧損約人民幣146,762,000元(二零一五年：人民幣154,037,000元)計算，所用分母與上文詳述者相同。

(iii) 來自已終止持續經營業務

於二零一五年已終止持續經營業務的每股基本盈利為人民幣0.69分，乃根據本公司股東於二零一五年應佔已終止持續經營業務之年度溢利人民幣25,979,000元及於二零一五年已發行普通股之加權平均數3,770,513,753股計算。

(b) 每股攤薄虧損

截至二零一六年十二月三十一日止年度行使本集團未行使購股權將令持續經營業務的每股虧損有反攤薄效果。

截至二零一五年十二月三十一日止年度行使本集團未償還可換股債券及未行使購股權將令持續經營業務的每股虧損有反攤薄效果。

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20. PROPERTY, PLANT AND EQUIPMENT

20. 物業、廠房及設備

| | | Buildings and leasehold improvement 樓宇及 租賃翻新 RMB'000 人民幣千元 | Machinery and equipment 機器及設備 RMB'000 人民幣千元 | Office equipment and fixtures 辦公室設備 與裝置 RMB'000 人民幣千元 | Motor vehicles 汽車 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|---------------------------------|---|--|---|---|---------------------------------|
| Cost | 成本 | | | | | |
| At 1 January 2015 | 於二零一五年一月一日 | 248,529 | 616,114 | 7,624 | 10,015 | 882,282 |
| Additions | 添置 | 812 | - | 1,130 | 1,869 | 3,811 |
| Write-off | 撇銷 | - | - | (107) | - | (107) |
| Disposal of subsidiaries (note 45(c) and (d)) | 出售附屬公司 (附註45(c)及(d)) | (239,521) | (616,114) | (4,270) | (9,556) | (869,461) |
| Transfer from construction in progress (note 22) | 由在建工程轉撥 (附註22) | 135 | - | 36,117 | - | 36,252 |
| Exchange differences | 匯兌差額 | 5 | - | 39 | - | 44 |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月 三十一日及 二零一六年一月一日 | 9,960 | - | 40,533 | 2,328 | 52,821 |
| Additions | 添置 | 32 | - | 185 | - | 217 |
| Write-off | 撇銷 | (381) | - | (35) | - | (416) |
| Disposals | 出售 | - | - | (112) | (528) | (640) |
| Disposal of a subsidiary (note 45(a)) | 出售一間附屬公司 (附註45(a)) | - | - | (17) | - | (17) |
| Transfer from construction in progress (note 22) | 由在建工程轉撥 (附註22) | - | - | 9,737 | - | 9,737 |
| Exchange differences | 匯兌差額 | 36 | - | 1 | - | 37 |
| At 31 December 2016 | 於二零一六年 十二月三十一日 | 9,647 | - | 50,292 | 1,800 | 61,739 |
| Accumulated depreciation and impairment | 累計折舊及減值 | | | | | |
| At 1 January 2015 | 於二零一五年一月一日 | 240,411 | 602,166 | 4,446 | 8,734 | 855,757 |
| Charge for the year | 年內支出 | 933 | 372 | 11,387 | 699 | 13,391 |
| Impairment losses (note c) | 減值虧損(附註c) | - | - | 24,724 | - | 24,724 |
| Write-off | 撇銷 | - | - | (83) | - | (83) |
| Disposal of subsidiaries (note 45(c) and (d)) | 出售附屬公司 (附註45(c)及(d)) | (239,516) | (602,538) | (3,826) | (9,056) | (854,936) |
| Exchange differences | 匯兌差額 | - | - | 19 | - | 19 |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月 三十一日及 二零一六年一月一日 | 1,828 | - | 36,667 | 377 | 38,872 |
| Charge for the year | 年內支出 | 1,110 | - | 1,928 | 492 | 3,530 |
| Write-off | 撇銷 | (249) | - | (35) | - | (284) |
| Disposals | 出售 | - | - | (77) | (330) | (407) |
| Disposal of a subsidiary (note 45(a)) | 出售一間附屬公司 (附註45(a)) | - | - | (9) | - | (9) |
| Transfer from construction in progress (note 22) | 由在建工程轉撥 (附註22) | - | - | 5,482 | - | 5,482 |
| Exchange differences | 匯兌差額 | 8 | - | (6) | - | 2 |
| Impairment losses (note c) | 減值虧損(附註c) | - | - | 3,825 | - | 3,825 |
| At 31 December 2016 | 於二零一六年 十二月三十一日 | 2,697 | - | 47,775 | 539 | 51,011 |
| Carrying amount | 賬面值 | | | | | |
| At 31 December 2016 | 於二零一六年 十二月三十一日 | 6,950 | - | 2,517 | 1,261 | 10,728 |
| At 31 December 2015 | 於二零一五年 十二月三十一日 | 8,132 | - | 3,866 | 1,951 | 13,949 |

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20. PROPERTY, PLANT AND EQUIPMENT (Continued)

Notes:

- (a) The Group's buildings are located in the PRC under medium term leases.
- (b) At 31 December 2016, the carrying amount of the Group's property, plant and equipment pledged as security for the Group's bank loans of RMB15,000,000 (2015: RMB17,000,000) (note 36) amounted to approximately RMB6,042,000 (2015: RMB6,447,000).
- (c) The non-current assets are attributable to the CGU of railway Wi-Fi operations and CGU of other Wi-Fi operations. The recoverable amounts of the CGUs have been determined on the basis of their value in use calculation using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group conducted impairment testings on the carrying amounts of the non-current assets. Based on the valuation report prepared by Avista Valuation Advisory Limited ("Avista"), an independent firm of professional valuers, impairment losses of non-current assets charged to profit or loss are analysed as follows:

20. 物業、廠房及設備(續)

附註：

- (a) 本集團之樓宇均在中國以中期租約持有。
- (b) 於二零一六年十二月三十一日，本集團賬面值約為人民幣6,042,000元(二零一五年：人民幣6,447,000元)之物業、廠房及設備已用作抵押本集團人民幣15,000,000元(二零一五年：人民幣17,000,000元)之銀行貸款(附註36)。
- (c) 非流動資產來自火車站Wi-Fi網絡營運之現金產生單位及其他Wi-Fi網絡營運之現金產生單位。現金產生單位之可收回金額已採用貼現現金流量法根據其使用價值釐定。貼現現金流量法之主要假設乃與期內之貼現率、增長率及預算毛利率及營業額有關。本集團採用除稅前比率估計貼現率，該除稅前比率反映現金產生單位之貨幣時值及特定風險之現時市場評估。增長率乃根據現金產生單位業務經營所在地區之長期平均經濟增長率計算。預算毛利率及營業額乃基於過去慣例及市場發展預期計算。

本集團就非流動資產之賬面值進行減值測試。根據獨立專業估值師艾華迪評估諮詢有限公司(「艾華迪」)所編製之估值報告，扣除損益之非流動資產減值虧損分析如下：

IDM solutions segment
綜合電子推廣解決方案分部
For the year ended 31 December
截至十二月三十一日止年度

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------------------------------------|-------------|-----------------------------------|-----------------------------------|
| Property, plant and equipment | 物業、廠房及設備 | 3,825 | 24,724 |
| Construction in progress (note 22) | 在建工程(附註22) | 2,704 | 5,015 |
| Long-term prepayments (note 28) | 長期預付款(附註28) | - | 15,125 |
| Charged to profit or loss | 扣除損益 | 6,529 | 44,864 |

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3% (2015: 3%). This rate does not exceed the average long-term growth rate for the relevant markets. The rates used to discount the forecast cash flows from the Group's railway Wi-Fi operations and other Wi-Fi operations are 22.3% (2015: 21.8%) and 22.3% (2015: nil) respectively.

Due to the unpredictability of income generated from the IDM solutions segment, the recoverable amounts of the CGUs are zero. Full impairment was made on the above non-current assets for the years ended 31 December 2016 and 2015.

本集團編製之現金流量預測，乃源自經董事批准未來五年及剩餘期間的增長率3%(二零一五年：3%)之最近期財務預算。該增長率不超過有關市場的平均長期增長率。本集團火車站Wi-Fi網絡營運及其他Wi-Fi網絡營運之預測現金流量所採用的貼現率分別為22.3%(二零一五年：21.8%)及22.3%(二零一五年：無)。

由於綜合電子推廣解決方案分部產生的收入不可預測，故現金產生單位之可收回金額為零。截至二零一六年及二零一五年十二月三十一日止年度已就以上非流動資產全數減值。

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截至二零一六年十二月三十一日止年度

21. INVESTMENT PROPERTIES

21. 投資性物業

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-----------------|----------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 50,300 | 46,640 |
| Fair value gain | 公允價值收益 | 3,700 | 3,660 |
| At 31 December | 於十二月三十一日 | 54,000 | 50,300 |

The fair value of the Group's investment properties at 31 December 2016 and 2015 was valued on income capitalisation approach by taking into account the net rental income of the existing lease and achievable in the existing market with due allowance for the reversionary income potential of the lease. The valuation was performed by Grant Sherman Appraisal Limited, an independent firm of chartered surveyors.

There was no change in the valuation approach for the years ended 31 December 2015 and 2016. The fair value of the Group's investment properties is within level 3 of the fair value hierarchy.

The Group's investment properties at its carrying amounts are analysed as follows:

於二零一六年及二零一五年十二月三十一日，本集團投資性物業之公允價值乃採用收入資本化法估值，已計入現有租約所取得之租金收益淨額及於現有市場中可取得之租金收入淨額，並就租賃可複歸潛在收入作出適當的考慮。該估值由一間獨立特許測量師行中證評估有限公司進行。

於截至二零一五年及二零一六年十二月三十一日止年度的估值方法並無變動。本集團投資性物業公允價值在三級公允價值層級範圍內。

本集團投資性物業按賬面值分析如下：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-------------------------------|-------------|-----------------------------------|-----------------------------------|
| The PRC: Medium-term lease | 中國： 中期租賃 | 54,000 | 50,300 |

At 31 December 2016, the investment properties were pledged as security for the Group's bank loans of RMB15,000,000 (2015: RMB17,000,000) (note 36).

於二零一六年十二月三十一日，投資性物業已用作抵押本集團人民幣15,000,000元(二零一五年：人民幣17,000,000元)之銀行貸款(附註36)。

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22. CONSTRUCTION IN PROGRESS

22. 在建工程

| | | RMB'000 人民幣千元 |
|---|-------------------------|------------------|
| Cost | 成本 | |
| At 1 January 2015 | 於二零一五年一月一日 | 28,683 |
| Additions | 添置 | 13,769 |
| Disposal of discontinued operations (note 45(c)) | 出售已終止持續經營業務(附註45(c)) | (1,068) |
| Transfer to property, plant and equipment (note 20) | 轉撥至物業、廠房及設備(附註20) | (36,252) |
| Write-off | 撇銷 | (53) |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | 5,079 |
| Additions | 添置 | 6,943 |
| Transfer to property, plant and equipment (note 20) | 轉撥至物業、廠房及設備(附註20) | (9,737) |
| Write-off | 撇銷 | (48) |
| Disposals | 出售 | (1,207) |
| At 31 December 2016 | 於二零一六年十二月三十一日 | 1,030 |
| Accumulated impairment | 累計減值 | |
| At 1 January 2015 | 於二零一五年一月一日 | - |
| Impairment loss (note 20(c)) | 減值虧損(附註20(c)) | (5,015) |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | (5,015) |
| Disposals | 出售 | 1,207 |
| Transfer to property, plant and equipment (note 20) | 轉撥至物業、廠房及設備(附註20) | 5,482 |
| Impairment loss (note 20(c)) | 減值虧損(附註20(c)) | (2,704) |
| At 31 December 2016 | 於二零一六年十二月三十一日 | (1,030) |
| Carrying amount | 賬面值 | |
| At 31 December 2016 | 於二零一六年十二月三十一日 | - |
| At 31 December 2015 | 於二零一五年十二月三十一日 | 64 |

The Group's construction in progress comprises costs incurred on computer hardware, machinery and equipment pending installation. The assets belong to the CGU of IDM solutions segments, details of impairment loss are disclosed in note 20(c).

本集團的在建工程包括尚待安裝之電腦硬件、機器及設備所產生的成本。該等資產屬於綜合電子推廣解決方案分部之現金產生單位，有關減值虧損詳情於附註20(c)披露。

23. PREPAID LAND LEASE PAYMENTS

23. 土地租賃預付款

The Group's interests in prepaid land lease payments represent prepaid operating lease payments and their net book values are analysed as follows:

本集團於土地租賃預付款的權益指預付經營租賃付款，彼等的賬面淨值分析如下：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|----------------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 2,230 | 40,690 |
| Disposal of discontinued operations (note 45(c)) | 出售已終止持續經營業務(附註45(c)) | - | (37,215) |
| Amortisation for the year | 年內攤銷 | (56) | (1,245) |
| At 31 December | 於十二月三十一日 | 2,174 | 2,230 |
| Current portion | 流動部分 | (56) | (56) |
| Non-current portion | 非流動部分 | 2,118 | 2,174 |

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23. PREPAID LAND LEASE PAYMENTS (Continued)

As at 31 December 2016, the Group's leasehold properties are located in the PRC under medium-lease of fifty years.

As at 31 December 2016, the prepaid land lease payments were pledged as security for the Group's bank loans of RMB15,000,000 (2015: RMB17,000,000) (note 36).

23. 土地租賃預付款(續)

於二零一六年十二月三十一日，本集團位於中國之租賃物業乃以五十年之中期租約持有。

於二零一六年十二月三十一日，土地租賃預付款已用作抵押本集團人民幣15,000,000元(二零一五年：人民幣17,000,000元)之銀行貸款(附註36)。

24. GOODWILL

24. 商譽

| | | O2O solutions segment O2O解決方案分部 | | | Total 總計 RMB'000 人民幣千元 |
|---|---------------------------------|---|--|---|---------------------------------|
| | | Petrochemicals segment 成品油分部 RMB'000 人民幣千元 (note (a)) (附註(a)) | Software development 軟件開發 RMB'000 人民幣千元 (note (b)) (附註(b)) | Hardware installation 硬件安裝 RMB'000 人民幣千元 (note (b)) (附註(b)) | |
| Cost | 成本 | | | | |
| At 1 January 2015 | 二零一五年一月一日 | 255,573 | 56,093 | 3,689 | 315,355 |
| Disposal of a subsidiary (note 45(d)) | 出售一間附屬公司 (附註45(d)) | - | - | (1,586) | (1,586) |
| Disposal of discontinued operations (note 45(c)) | 出售已終止持續經營 業務(附註45(c)) | (255,573) | - | - | (255,573) |
| At 31 December 2015 and 1 January 2016 | 於二零一五年 十二月三十一日及 二零一六年一月一日 | - | 56,093 | 2,103 | 58,196 |
| Disposal of a subsidiary (note 45(a)) | 出售一間附屬公司 (附註45(a)) | - | - | (857) | (857) |
| At 31 December 2016 | 於二零一六年 十二月三十一日 | - | 56,093 | 1,246 | 57,339 |
| Accumulated impairment losses | 累計減值虧損 | | | | |
| At 1 January 2015 | 二零一五年一月一日 | 255,573 | - | - | 255,573 |
| Impairment loss | 減值虧損 | - | 24,346 | 2,103 | 26,449 |
| Disposal of discontinued operations (note 45(c)) | 出售已終止持續經營 業務(附註45(c)) | (255,573) | - | - | (255,573) |
| At 31 December 2015 and 1 January 2016 | 於二零一五年 十二月三十一日及 二零一六年一月一日 | - | 24,346 | 2,103 | 26,449 |
| Disposal of a subsidiary (note 45(a)) | 出售一間附屬公司 (附註45(a)) | - | - | (857) | (857) |
| Impairment loss | 減值虧損 | - | 26,052 | - | 26,052 |
| At 31 December 2016 | 於二零一六年 十二月三十一日 | - | 50,398 | 1,246 | 51,644 |
| Carrying amount | 賬面值 | | | | |
| At 31 December 2016 | 於二零一六年 十二月三十一日 | - | 5,695 | - | 5,695 |
| At 31 December 2015 | 於二零一五年 十二月三十一日 | - | 31,747 | - | 31,747 |

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24. GOODWILL (Continued)

Goodwill acquired in a business combination is allocated, at acquisition, to the CGUs that are expected to benefit from that business combination.

Notes:

- (a) The Group acquired 100% equity interest in Muntari Holdings Limited and its subsidiaries (collectively referred to the "Muntari Group") on 6 January 2011. The goodwill arising from the acquisition is allocated to CGU of petrochemicals segment. The goodwill was fully impaired since the year ended 31 December 2012. The amount was derecognised during the year ended 31 December 2015 upon disposed of discontinued operations.
- (b) The Group acquired 51% of the equity interest in VCL in 2013. The goodwill arising from the acquisition is allocated to CGU of software development and CGU of hardware installation respectively under the O2O solutions segment.

The recoverable amounts of the CGUs have been determined on the basis of their value in use calculations using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and turnover during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and turnover are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3% (2015: 3%). This rate does not exceed the average long-term growth rate for the relevant markets. The rates used to discount the forecast cash flows from the Group's software development activity is 19.1% (2015: 17.8% for both software development and hardware installation activities).

Before impairment testing, the carrying amount of goodwill allocated to CGU of software development within the O2O solutions segment was RMB31,747,000 (2015: RMB56,093,000). The recoverable amount of this CGU was below the carrying amount of the CGU of which the assets belong. The recoverable amount of CGU was approximately RMB52,999,000 (2015: RMB111,779,000). Therefore, an impairment loss of RMB26,052,000 (2015: RMB24,346,000) was recognised to profit or loss.

Goodwill allocated to CGU of hardware installation within the O2O solutions segment was fully impaired in 2015 upon disposal of one of major subsidiaries of this CGU (note 45(d)).

24. 商譽(續)

於業務合併時收購之商譽乃於收購時分配至預期可受惠於業務合併之現金產生單位。

附註：

- (a) 本集團於二零一一年一月六日收購蒙泰利控股有限公司及其附屬公司(合稱「蒙泰利集團」)100%的股權。收購導致的商譽分配至成品油分部的現金產生單位。有關商譽自截至二零一二年十二月三十一日止年度起已全額減值。該款項已於截至二零一五年十二月三十一日止年度內出售已終止持續經營業務後終止確認。
- (b) 本集團於二零一三年收購VCL 51%的股權。此項收購產生的商譽分別分配至O2O解決方案分部下軟件開發及硬件安裝的兩個現金產生單位。

現金產生單位的可收回金額乃根據其使用價值採用貼現現金流量法釐定。貼現現金流量法之主要假設乃與期內之貼現率、增長率及預算毛利率及營業額有關。本集團採用除稅前比率估計貼現率，該除稅前比率反映現金產生單位之貨幣時值及特定風險之現時市場評估。增長率乃根據現金產生單位業務經營所在地區之長期平均經濟增長率計算。預算毛利率及營業額乃基於過去慣例及市場發展預期計算。

本集團編製之現金流量預測，乃源自經董事通過未來五年及剩餘期間的增長率為3%(二零一五年：3%)之最近期財務預算。該增長率不超過有關市場的平均長期增長率。本集團軟件開發業務的預測現金流量所採用的貼現率為19.1%(二零一五年：軟件開發及硬件安裝業務均為17.8%)。

進行減值測試前，賬面值為人民幣31,747,000元(二零一五年：人民幣56,093,000元)的商譽分配至O2O解決方案分部內的軟件開發現金產生單位。此現金產生單位的可收回金額低於資產所屬現金產生單位的賬面值。現金產生單位的可收回金額為約人民幣52,999,000元(二零一五年：人民幣111,779,000元)。因此，於損益確認減值虧損人民幣26,052,000元(二零一五年：人民幣24,346,000元)。

分配至O2O解決方案分部之硬件安裝現金產生單位的商譽已於二零一五年出售該現金產生單位下的一間主要附屬公司(附註45(d))後全額減值。

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25. INTANGIBLE ASSETS

25. 無形資產

| | | Technical know-how 技術知識 RMB'000 人民幣千元 (note (a)) (附註(a)) | Operating license 經營許可 RMB'000 人民幣千元 (note (b)) (附註(b)) | Software development costs 軟件開發成本 RMB'000 人民幣千元 (note (c)) (附註(c)) | Backlog 手頭合約 RMB'000 人民幣千元 (note (d)) (附註(d)) | Total 總計 RMB'000 人民幣千元 |
|---|-------------------------|---|--|---|--|---------------------------------|
| Cost | 成本 | | | | | |
| At 1 January 2015 | 於二零一五年一月一日 | 4,345 | 174,924 | 33,983 | 1,141 | 214,393 |
| Additions | 添置 | - | - | 14,910 | - | 14,910 |
| Disposal of discontinued operations (note 45(c)) | 出售已終止持續經營業務(附註45(c)) | (4,345) | (174,924) | - | (1,141) | (180,410) |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | - | - | 48,893 | - | 48,893 |
| Additions | 添置 | - | - | 11,390 | - | 11,390 |
| Write-off | 撇銷 | - | - | (1,392) | - | (1,392) |
| Disposals | 出售 | - | - | (3) | - | (3) |
| Exchange difference | 匯兌差額 | - | - | 9 | - | 9 |
| At 31 December 2016 | 於二零一六年十二月三十一日 | - | - | 58,897 | - | 58,897 |
| Accumulated amortisation and impairment losses | 累計攤銷及減值虧損 | | | | | |
| At 1 January 2015 | 於二零一五年一月一日 | 4,345 | 134,033 | 5,478 | 1,141 | 144,997 |
| Amortisation for the year | 年內攤銷 | - | 2,970 | 5,472 | - | 8,442 |
| Disposal of discontinued operations (note 45(c)) | 出售已終止持續經營業務(附註45(c)) | (4,345) | (137,003) | - | (1,141) | (142,489) |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | - | - | 10,950 | - | 10,950 |
| Amortisation for the year | 年內攤銷 | - | - | 9,027 | - | 9,027 |
| Disposals | 出售 | - | - | (1) | - | (1) |
| Exchange difference | 匯兌差額 | - | - | 1 | - | 1 |
| At 31 December 2016 | 於二零一六年十二月三十一日 | - | - | 19,977 | - | 19,977 |
| Carrying amount | 賬面值 | | | | | |
| At 31 December 2016 | 於二零一六年十二月三十一日 | - | - | 38,920 | - | 38,920 |
| At 31 December 2015 | 於二零一五年十二月三十一日 | - | - | 37,943 | - | 37,943 |

Notes:

- (a) Technical know-how mainly represents a production technology in respect of rechargeable batteries acquired from a third party at a cost of RMB3,500,000 in 2003 and was amortised over the estimated useful life of 5 years.
- (b) Operating license represents the license to operate the wholesale and storage of petrochemicals granted by the PRC government authorities and is amortised over the estimated useful life of 22 years.
- (c) Software development costs represent the self-developed software for sales and is amortised over the estimated useful life of 5 years. Software development costs belong to the CGU of O2O solutions segment, details of the impairment testing on which are set out in note 24.
- (d) Backlog represents the operating lease contracts signed with customer in respect of the petrochemicals storage business and was amortised over the estimated useful life of 1.4 years.

附註：

- (a) 技術知識主要指有關於二零零三年向第三方以人民幣3,500,000元收購的二次充電電池的生產技術，並於5年的估計可使用年限內攤銷。
- (b) 經營許可指由相關中國政府機構授出的經營成品油批發及倉儲業務的許可，於其22年估計使用年內攤銷。
- (c) 軟件開發成本指自主研發以供出售的軟件，並於五年的預計可用年內攤銷。軟件開發成本屬O2O解決方案分部的現金產生單位，減值測試詳情載於附註24。
- (d) 手頭合約指就成品油倉儲業務與客戶訂立的營運租賃合約，於其1.4年估計使用年內攤銷。

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26. INVESTMENTS IN SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2016 are as follows:

26. 附屬公司投資

於二零一六年十二月三十一日之附屬公司詳情如下：

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊/ 成立地點 | Issued capital/ registered capital 已發行股本/ 註冊資本 | Percentage of ownership interest 擁有權益之比例 | | Principal activities 主要業務 |
|--|---|---|---|----------------|---|
| | | | Direct 直接 | Indirect 簡接 | |
| VCL | BVI 英屬處女群島 | US\$11,000 美金11,000元 | 55.45% | - | Investment holding 投資控股 |
| Smartac Group Limited 盈聯智能集團有限公司 | HK 香港 | HK\$14,450,001 港幣14,450,001元 | - | 100% | Investment holding 投資控股 |
| Smartac International Limited 盈聯智能國際有限公司 | HK 香港 | HK\$1 港幣1元 | - | 100% | Investment holding 投資控股 |
| Smartac Asia Limited 盈聯智能亞洲有限公司 | HK 香港 | HK\$1,000 港幣1,000元 | - | 100% | Provision of communication system installation and system integration business 提供通訊系統安裝及系統整合業務 |
| Smartac China Limited 盈聯智能中國有限公司 | HK 香港 | HK\$15,612,500 港幣15,612,500元 | - | 100% | Investment holding 投資控股 |
| Evolve Consulting Limited ("Evolve") | HK 香港 | HK\$10,000 港幣10,000元 | - | 51% | Investment holding 投資控股 |
| Evolve Consulting (Shanghai) Limited* 怡峰商務諮詢(上海)有限公司* | The PRC 中國 | US\$110,000 美金110,000元 | - | 100% | Provision of IT related services 提供資訊科技相關服務 |
| PCS Carnegie Technology (Suzhou) Limited* ("PCS Carnegie") 盈聯卡內基信息科技(蘇州)有限公司* (「盈聯卡內基」) | The PRC 中國 | US\$3,310,000 美金3,310,000元 | - | 100% | Investment holding 投資控股 |
| SZYL 蘇州盈聯 | The PRC 中國 | RMB31,000,000 人民幣31,000,000元 | - | 96.94% | Software development 軟件開發 |
| Smartac Intelligent Systems Macau Limited 盈聯智能系統(澳門)有限公司 | Macau 澳門 | MOP100,000 澳門幣100,000元 | - | 100% | Provision of communication system installation and system integration business 提供通訊系統安裝及系統整合業務 |
| Smartac Ventures Limited | BVI 英屬處女群島 | US\$1 美金1元 | - | 100% | Dormant 暫無業務 |
| Korea Accelerator Incorporated (formerly known as Smartac Global Shopping Limited) (前稱「Smartac Global Shopping Limited」) | Korea 韓國 | KRW500,000,000 500,000,000韓圓 | - | 100% | Inactive 暫不活躍 |

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

26. 附屬公司投資(續)

Particulars of the subsidiaries as at 31 December 2016 are as follows:
(Continued)

於二零一六年十二月三十一日之附屬公司詳情如下：(續)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊/ 成立地點 | Issued capital/ registered capital 已發行股本/ 註冊資本 | Percentage of ownership interest 擁有權益之比例 | | Principal activities 主要業務 |
|---|---|---|---|----------------|--|
| | | | Direct 直接 | Indirect 簡接 | |
| Lucy Robotics (Suzhou) Limited ("Lucy Robotics") (formerly known as Smartac Global Shopping (Suzhou) Limited) 蘇州小璐機器人有限公司 (「小璐機器人」) (前稱「蘇州嗨嗨網絡科技有限公司」) | The PRC 中國 | RMB2,000,000 人民幣2,000,000元 | - | 100% | Robot development 機器人開發 |
| ShopperConnect (Suzhou) Limited ("ShopperConnect") [^] 蘇州樂遊智能科技有限公司(「樂遊」) [^] | The PRC 中國 | RMB2,000,000 人民幣2,000,000元 | - | 85% | Software development 軟件開發 |
| Tosun Limited 騰信有限公司 | BVI 英屬處女群島 | US\$1 美金1元 | 100% | - | Investment holding 投資控股 |
| Select Sky Limited 華唯有限公司 | HK 香港 | HK\$24,000,000 港幣24,000,000元 | - | 100% | Investment holding 投資控股 |
| Haihai Travel Cloud Limited 嗨嗨旅遊雲有限公司 | HK 香港 | HK\$21,400,000 港幣21,400,000元 | - | 70% | Investment holding 投資控股 |
| Great Sino Technology Development Limited ("GSTD") 華誠科技發展有限公司(「華誠」) | HK 香港 | HK\$220,000,000 港幣220,000,000元 | - | 100% | Investment holding 投資控股 |
| Cosmartec Limited 環宇智能技術有限公司 | HK 香港 | HK\$30,000,000 港幣30,000,000元 | - | 100% | Inactive 暫不活躍 |
| Haihai Travel Cloud Korea Limited 嗨嗨旅遊雲韓國有限公司 | Korea 韓國 | KRW110,000,000 110,000,000韓圓 | - | 100% | Inactive 暫不活躍 |
| Haihai Travel Cloud Japan Limited [^] 嗨嗨旅遊雲日本有限公司 [^] | Japan 日本 | JPY5,000,000 5,000,000日圓 | - | 100% | Inactive 暫不活躍 |
| Solomedia Digital (Shanghai) Limited ("Solomedia Shanghai") [#] 鴿子數碼科技(上海)有限公司 (「鴿子上海」) [#] | The PRC 中國 | HK\$240,000,000 港幣240,000,000元 | - | 100% | Provision of advertising, IT and networking services 提供廣告、信息技術及網絡服務 |
| Solomedia (Yixing) Limited ("Solomedia Yixing") [#] 鴿子數碼科技(宜興)有限公司 (「鴿子宜興」) [#] | The PRC 中國 | HK\$50,000,000 港幣50,000,000元 | - | 100% | Provision of advertising, IT and networking services 提供廣告、信息技術及網絡服務 |
| Yixing Solomedia Advertising Media Limited ("Solomedia Ad") [#] 宜興鴿子廣告傳媒有限公司(「鴿子廣告」) [#] | The PRC 中國 | RMB1,000,000 人民幣1,000,000元 | - | 100% | Provision of advertising, IT and networking services 提供廣告、信息技術及網絡服務 |

* These subsidiaries are foreign investment enterprises established pursuant to the law of the PRC.

* 該等附屬公司乃根據中國法律設立的外商投資企業。

[#] Being English translated names.

[#] 為英文翻譯之名稱

[^] These subsidiaries were newly incorporated during the year.

[^] 該等附屬公司剛於本年度註冊成立。

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26. INVESTMENTS IN SUBSIDIARIES (Continued)

Notes:

The following table shows information on the subsidiaries that have NCI material to the Group. The financial information represents amounts before inter-company eliminations.

26. 附屬公司投資(續)

附註：

下表為擁有非控股權益且對本集團而言屬重大的附屬公司資料。財務資料代表公司內部沖銷之前的金額。

| | | VCL | |
|---|----------------------|-----------------------------------|-----------------------------------|
| Date of incorporation 成立日期 | | 28 August 2013 二零一三年八月二十八日 | |
| Place of incorporation 註冊地點 | | BVI 英屬處女群島 | |
| Principal place of business 主要營業地點 | | HK and the PRC 香港及中國 | |
| % of ownership interests/voting rights held by NCI 擁有權益之比例／非控股權益持有的投票權 | | 44.55% | |
| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
| At 31 December: | 於十二月三十一日： | | |
| Non-current assets | 非流動資產 | 103,258 | 100,856 |
| Current assets | 流動資產 | 22,195 | 49,338 |
| Current liabilities | 流動負債 | (23,553) | (26,558) |
| Non-current liabilities | 非流動負債 | (8,336) | (8,804) |
| Net assets | 淨資產 | 93,564 | 114,832 |
| Accumulated NCI | 累計非控股權益 | 21,684 | 31,871 |
| Year ended 31 December: | 截至十二月三十一日止年度： | | |
| Loss and total comprehensive income | 虧損與全面收益總額 | (20,934) | (159) |
| Loss allocated to NCI | 分配至非控股權益的虧損 | (9,813) | (322) |
| Net cash (used in)/generated from operating activities | 經營活動(耗用)/產生之淨現金 | (5,160) | 10,290 |
| Net cash used in investing activities | 投資活動耗用之淨現金 | (11,585) | (16,295) |
| Net cash (used in)/generated from financing activities | 融資活動(耗用)/產生之淨現金 | (2,373) | 21,619 |
| Net (decrease)/increase in cash and cash equivalents | 現金及現金等價物(減少)/增加淨額 | (19,118) | 15,614 |

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27. INVESTMENT IN AN ASSOCIATE

27. 於一間聯營公司投資

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|---------------|-----------------------------------|-----------------------------------|
| Unlisted investment: | 非上市投資： | | |
| Share of net assets | 應佔淨資產 | 3,480 | 4,004 |
| Goodwill | 商譽 | 7,224 | 7,224 |
| | | 10,704 | 11,228 |
| Less: Accumulated impairment loss (note c) | 減：累計減值虧損(附註c) | (7,224) | (7,224) |
| | | 3,480 | 4,004 |

Notes:

- (a) The amount due to an associate is unsecured, interest-free and repayable on demand.
- (b) Details of the Group's associate at 31 December 2016 are as follows:

附註：

- (a) 應付一間聯營公司款項為無抵押、免息及須於要求時償還。
- (b) 本集團於二零一六年十二月三十一日之聯營公司詳情如下：

| Name 名稱 | Place of establishment 成立地點 | Registered capital 註冊資本 | Percentage of ownership interest 權益百分比 | Principal activities 主要業務 |
|--|-----------------------------------|-------------------------------|---|---|
| Shanghai Zewei Information Technology Company Limited ("Zewei") 上海澤維信息技術有限公司 (「澤維」) | The PRC 中國 | RMB6,060,606 人民幣6,060,606元 | 27.4% | Provision of information inquiries and sharing services 提供資訊查詢及 分享服務 |

The following table shows information of an associate that is material to the Group. This associate is accounted for in the consolidated financial statements using the equity method. The summarised financial information presented is based on the associate's management financial statements prepared under IFRS.

下表載列對本集團而言一間屬重大聯營公司資料。該聯營公司採用權益會計法計入綜合財務報表。所呈列財務資料概要乃基於聯營公司管理層按國際財務報告準則編製之財務報表。

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|----------------|-----------------------------------|-----------------------------------|
| At 31 December: | 於十二月三十一日： | | |
| Non-current assets | 非流動資產 | 2,107 | 715 |
| Current assets | 流動資產 | 11,089 | 15,224 |
| Non-current liabilities | 非流動負債 | (206) | (206) |
| Current liabilities | 流動負債 | (289) | (1,118) |
| Net assets | 淨資產 | 12,701 | 14,615 |
| Group's share of net assets | 本集團應佔淨資產 | 3,480 | 4,004 |
| Goodwill | 商譽 | 7,224 | 7,224 |
| Group's share of carrying amount of interests | 本集團應佔權益賬面值 | 10,704 | 11,228 |
| Year ended 31 December: | 截至十二月三十一日止年度： | | |
| Revenue | 收入 | 5,244 | 397 |
| Loss for the year/period and total comprehensive income | 年內/期內虧損及全面收益總額 | (1,914) | (720) |

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27. INVESTMENT IN AN ASSOCIATE (Continued)

Notes: (Continued)

(b) (Continued)

Pursuant to a supplemental agreement signed between 天翼科技創業投資有限公司 ("Tianyi Venture") and an individual relating to Zewei dated 15 September 2015, the Group has the right to acquire RMB200,000 registered capital of Zewei from one of the existing shareholders at a consideration of RMB600,000 and subscribe at maximum of RMB1,631,702 for newly increased registered capital in Zewei at a consideration of RMB9,625,000, (the "Call Option"). The Call Option is exercisable within 30 days from the date of the issuance of the audited financial statements for the year ended 31 December 2016, of which Zewei is subject to different audited net profit conditions. Details of the Call Option are set out in the Company's announcement dated 15 September 2015.

The fair value of the Call Option as at 16 November 2015 was determined to be zero by reference to valuation reports. The fair value of the Call Option was calculated using the Scenario Based Analysis approach and valued by Avista. The inputs of the valuation model are as follows:

Share price of Zewei
澤維之股價
Expected exercise price*
預計行使價*
Risk free rate
無風險利率
Life of Call Options
認購期權年期

Range from RMB21,322 to RMB31,983
介乎人民幣21,322元至人民幣31,983元
RMB47,181
人民幣47,181元
2.62%
1.25 years
1.25年

* The expected exercise price is estimated based on the Zewei's profit forecast.

* 預計行使價乃基於澤維之溢利預測。

(c) The recoverable amount of the investment, in Zewei, is determined from the value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rate, growth rate and budgeted turnover. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the investment in Zewei. The growth rate is based on long-term average economic growth rate of the geographical area in which Zewei operates. Budgeted turnover are based on expectations on market development of related operations.

(c) 投資澤維之可收回金額乃按使用價值計算釐定。使用價值計算中的主要假設乃關於折現率、增長率及預算收入。本集團預計折現率使用除稅前比率反映當前市場之貨幣時間價值評估及投資澤維之特定風險。增長率乃基於澤維業務營運所在地理區域之長期平均經濟增長率。預算收入乃基於有關營運之市場發展預期。

The cash flow forecasts of Zewei were derived from the most recent financial budgets approved by the directors covering a five-year period using a growth rate of 3%. The pre-tax rate used to discount the forecast cash flow is 23.2%. Due to the unpredictability of income generated from this operation and uncertainty of having a long term contractual arrangement with a major strategic partner, the recoverable amount of Zewei decreased and impairment loss of RMB7,224,000 was recognised in profit or loss in 2015.

澤維之現金流量預測源於經董事批准涵蓋五年期之使用增長率3%之最近期財務預算。用於貼現預測現金流量的稅前利率為23.2%。由於該營運所產生的收入不可預測及與主要合作伙伴長期合約安排的不確定性導致澤維之可收回金額減少，已於二零一五年度的損益表中確認減值虧損人民幣7,224,000元。

27. 於一間聯營公司投資(續)

附註：(續)

(b) (續)

根據天翼科技創業投資有限公司(「天翼創投」)與一名有關澤維的個人於二零一五年九月十五日所簽署的補充協議，本集團有權以代價人民幣600,000元收購澤維其中一名現有股東註冊資本人民幣200,000元及以代價人民幣9,625,000元認購最多人民幣1,631,702元澤維新增註冊資本(「認購期權」)。認購期權可自截至二零一六年十二月三十一日止年度經審計財務報表出具日期起30日內行使，基於澤維經審計淨利潤而釐定。認購期權的詳情載於本公司日期為二零一五年九月十五日的公告。

認購期權於二零一五年十一月十六日之公允價值經參考估值報告釐定為零。認購期權公允價值由艾華迪使用基於情景分析法計算得出其估值。估值模式所用輸入數據如下：

As at 16 November 2015
於二零一五年十一月十六日

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27. INVESTMENT IN AN ASSOCIATE (Continued)

As at 31 December 2016, the bank and cash balances of the Group's associate in the PRC denominated in RMB amounted to RMB10,754,000 (2015: RMB4,370,000). Conversion of RMB into foreign currencies and remittance of RMB out of the PRC are subject to the foreign exchange control regulations imposed by the PRC government.

28. LONG-TERM PREPAYMENTS

Prepayment for rights to operate the wireless networks at railway stations

During the year, the Group made prepayments for railway Wi-Fi operations. The movement of prepayments is as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------------------------------|---------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | - | 43,289 |
| Additions | 增加 | 20,811 | 5,425 |
| Amortisation for the year | 本年度攤銷 | (20,811) | (33,589) |
| Impairment loss (note 20(c)) | 減值虧損(附註20(c)) | - | (15,125) |
| At 31 December | 於十二月三十一日 | - | - |

29. AVAILABLE-FOR-SALE FINANCIAL ASSETS

| | | | |
|----------------------------|---------|---------|-------|
| Non-current assets | 非流動資產 | | |
| Unlisted equity securities | 非上市權益證券 | 2,200 | 600 |
| Less: impairment loss | 減: 減值虧損 | (2,200) | (600) |
| | | - | - |

The unlisted equity securities represented investments of 1.81% and 2.44% equity interests in two private companies established in the PRC, of RMB2,000,000 and RMB200,000 respectively. The investments were carried at costs as they do not have quoted market prices in an active market and their fair values cannot be reliably measured. Based on unaudited financial information, the directors considered that recoverability was low. Impairment losses of RMB1,400,000 and RMB200,000 were made to reduce the carrying amounts as at 31 December 2016.

The above available-for-sale financial assets are denominated in Renminbi.

27. 於一間聯營公司投資(續)

於二零一六年十二月三十一日，本集團於中國的聯營公司以人民幣計值之銀行及現金結存為人民幣10,754,000元(二零一五年：人民幣4,370,000元)。人民幣兌換外幣及將人民幣匯出中國境外須遵守中國政府的外匯管制規定。

28. 長期預付款

火車站無線網絡之營運權預付款項

於年內，本集團於火車站營運Wi-Fi網絡而支付預付款。預付款變動如下：

29. 可供出售金融資產

非上市權益證券指投資於兩間在中國成立的私人公司1.81%及2.44%之股本權益，分別為人民幣2,000,000元及人民幣200,000元。該等投資按成本列值，因彼等於活躍市場並無列出市場價格及公允值無法可靠計量。根據未經審核財務資料，董事認為可收回性低，故此已於二零一六年十二月三十一日作出減值虧損人民幣1,400,000元及人民幣200,000元以調減其賬面值。

以上可供出售金融資產以人民幣計值。

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30. OTHER INVESTMENTS

As at 31 December 2016, the Group's other investments represented financial products issued by two banks. These financial products were performance linked non-equity products on demand with variable return rates indexed to the performance of the underlying assets. The accrued and unpaid interest will be received upon redemption of the investment from the banks. The directors considered that the carrying value of the financial products approximates their fair value at the end of the reporting period.

As at 31 December 2015, the Group's other investments represented certificate of deposits ("CDs") held by the Company issued by financial institutions. The CDs carried fixed interest at 0.9% – 1% per annum, payable yearly. The CDs were mature in August 2016.

31. INVENTORIES

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-----------------|------|-----------------------------------|-----------------------------------|
| Raw materials | 原材料 | 38 | - |
| Finished goods | 製成品 | 1,739 | 2,624 |
| | | 1,777 | 2,624 |
| Less: Allowance | 減：撥備 | (438) | - |
| | | 1,339 | 2,624 |

Reconciliation of allowance for inventories:

存貨撥備對賬：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-------------------------------------|-------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | - | 19,892 |
| Allowance for the year | 年內撥備 | 438 | 552 |
| Disposal of discontinued operations | 出售已終止持續經營業務 | - | (20,444) |
| At 31 December | 於十二月三十一日 | 438 | - |

30. 其他投資

於二零一六年十二月三十一日，本集團的其他投資指兩家銀行發行之金融產品。該等金融產品為業績掛鈎非權益類產品，其回報率隨相關資產表現而變動。應計及未付利息將於向銀行贖回有關投資時收取。董事認為，金融產品之賬面值與其於報告期末之公允值相若。

於二零一五年十二月三十一日，本集團的其他投資指本公司持有由金融機構發出之存款證（「存款證」）。存款證按0.9%至1%之固定年利率計息，並按年支付。存款證已於二零一六年八月到期。

31. 存貨

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32. TRADE AND OTHER RECEIVABLES

32. 應收賬款及其他應收款

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-------------------------------|--------------|-----------------------------------|-----------------------------------|
| Trade receivables (note (a)) | 應收賬款(附註(a)) | 5,709 | 4,650 |
| Less: Allowance | 減: 撥備 | (770) | (724) |
| | | 4,939 | 3,926 |
| Advance payments to suppliers | 預付供應商款項 | 404 | 301 |
| Deposits | 按金 | 7,310 | 7,665 |
| Prepayments | 預付款 | 1,305 | 1,661 |
| Other receivables (note (b)) | 其他應收款(附註(b)) | 13,222 | 15,822 |
| | | 27,180 | 29,375 |

Note:

(a) Trade receivables

The Group's trading terms with customers are mainly on credit. The credit terms generally range from 30 to 90 days. For new customers, payment in advance is normally required. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by the directors and senior management.

The ageing analysis of the Group's trade receivables, based on invoice date, and net of allowance, is as follows:

附註:

(a) 應收賬款

本集團與客戶的貿易條款以信貸方式為主。信用期限一般介於30天至90天之間。新客戶通常須支付預付款。本集團力求保持對未結清應收賬款的嚴格控制。董事及高級管理人員對逾期餘額進行定期審閱。

根據發票日期，本集團應收賬款(經扣除撥備)之賬齡分析如下：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--------------------|--------|-----------------------------------|-----------------------------------|
| Up to 3 months | 3個月內 | 3,603 | 3,142 |
| 3 to 6 months | 3至6個月 | 525 | 105 |
| 6 months to 1 year | 6個月至1年 | 682 | - |
| Over 1 year | 1年以上 | 129 | 679 |
| | | 4,939 | 3,926 |

Reconciliation of allowance for trade receivables:

應收賬款撥備對賬:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-------------------------------------|-------------|-----------------------------------|-----------------------------------|
| At 1 January | 於一月一日 | 724 | 1,710 |
| Allowance for the year | 年內撥備 | 153 | 242 |
| Disposal of discontinued operations | 出售已終止持續經營業務 | - | (762) |
| Write-off | 撇銷 | (95) | - |
| Reversal of allowance | 撥備回撥 | (12) | (466) |
| At 31 December | 於十二月三十一日 | 770 | 724 |

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32. TRADE AND OTHER RECEIVABLES (Continued)

Note: (Continued)

(a) Trade receivables (Continued)

As of 31 December 2016, trade receivables of approximately RMB1,972,000 (2015: RMB1,719,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--------------------|--------|-----------------------------------|-----------------------------------|
| Up to 3 months | 3個月內 | 1,161 | 959 |
| 3 to 6 months | 3至6個月 | 464 | 81 |
| 6 months to 1 year | 6個月至1年 | 218 | 331 |
| Over 1 year | 1年以上 | 129 | 348 |
| | | 1,972 | 1,719 |

The carrying amounts of the Group's net trade receivables are denominated in the following currencies:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| HK\$ | 港幣 | 502 | 376 |
| RMB | 人民幣 | 3,981 | 2,710 |
| US\$ | 美金 | - | 840 |
| KRW | 韓圓 | 289 | - |
| JPY | 日圓 | 167 | - |
| | | 4,939 | 3,926 |

(b) At 31 December 2016, an impairment of RMB2,683,000 (2015: RMB4,050,000 from discontinued operations) was made for the other receivable.

(c) At 31 December 2015, other receivables included in non-current assets represented an amount due from a purchaser arising from disposal of a subsidiary as disclosed in note 45(d).

32. 應收賬款及其他應收款(續)

附註：(續)

(a) 應收賬款(續)

於二零一六年十二月三十一日，應收賬款約人民幣1,972,000元(二零一五年：人民幣1,719,000元)逾期但未出現減值，涉及若干無近期欠款記錄的獨立客戶。該等應收賬款之賬齡分析如下：

本集團應收賬款淨額之賬面值按以下貨幣計值：

(b) 於二零一六年十二月三十一日，已就其他應收款作出人民幣2,683,000元(二零一五年：來自終止經營業務人民幣4,050,000元)的減值。

(c) 於二零一五年十二月三十一日，計入非流動資產的其他應收款指出售一間附屬公司產生的應收買方之款項(如附註45(d)所披露)。

33. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES

33. 已抵押銀行存款及銀行及現金結存

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-----------------------------------|--------------|-----------------------------------|-----------------------------------|
| Cash at bank and on hand (note a) | 銀行存款及現金(附註a) | 99,953 | 95,515 |
| Pledged bank deposits (note b) | 已抵押銀行存款(附註b) | 592 | - |
| | | 100,545 | 95,515 |

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33. PLEDGED BANK DEPOSITS AND BANK AND CASH BALANCES (Continued)

Note:

- (a) The carrying amounts of the Group's bank and cash balances are denominated in the following currencies:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--------|-----|-----------------------------------|-----------------------------------|
| US\$ | 美金 | 17,097 | 19,610 |
| HK\$ | 港幣 | 78,701 | 68,008 |
| RMB | 人民幣 | 3,753 | 4,166 |
| KRW | 韓圓 | 287 | 3,684 |
| JPY | 日圓 | 105 | - |
| Others | 其他 | 10 | 47 |
| | | 99,953 | 95,515 |

As at 31 December 2016, the Group's bank and cash balances held by the PRC subsidiaries denominated in RMB amounted to approximately RMB3,753,000 (2015: RMB4,166,000). Conversion of RMB into foreign currencies and remittance of RMB out of the PRC are subject to the foreign exchange control regulations imposed by the PRC government.

- (b) The Group's pledged bank deposits represented deposits pledged to a bank for bank guarantee.

34. TRADE AND OTHER PAYABLES AND PROVISION FOR ONEROUS CONTRACTS

(a) Trade and other payables

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|--------------------|-----------------------------------|-----------------------------------|
| Trade payables | 應付賬款 | 3,515 | 2,906 |
| Receipts in advance from customers | 客戶預收款 | 747 | 428 |
| Payables for construction costs and purchase of property, plant and equipment | 建築成本及購買物業、廠房及設備應付款 | 2,658 | 1,292 |
| Other payables | 其他應付款 | 26,269 | 18,520 |
| Accrued expenses | 預提費用 | 3,263 | 4,666 |
| | | 36,452 | 27,812 |

The ageing analysis of the Group's trade payables, based on the date of receipt of goods or service consumed, is as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--------------------|--------|-----------------------------------|-----------------------------------|
| Up to 3 months | 3個月內 | 1,772 | 2,543 |
| 3 to 6 months | 3至6個月 | 1,577 | 78 |
| 6 months to 1 year | 6個月至1年 | - | 4 |
| Over 1 year | 1年以上 | 166 | 281 |
| | | 3,515 | 2,906 |

33. 已抵押銀行存款及銀行及現金結存(續)

附註：

- (a) 本集團銀行及現金結存之賬面值以下列貨幣計值：

| | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--------|-----------------------------------|-----------------------------------|
| US\$ | 17,097 | 19,610 |
| HK\$ | 78,701 | 68,008 |
| RMB | 3,753 | 4,166 |
| KRW | 287 | 3,684 |
| JPY | 105 | - |
| Others | 10 | 47 |
| | 99,953 | 95,515 |

於二零一六年十二月三十一日，本集團中國附屬公司所持有的以人民幣計值之銀行及現金結存約為人民幣3,753,000元(二零一五年：人民幣4,166,000元)。人民幣兌換外幣及將人民幣匯出中國境外須遵守中國政府的外匯管制規定。

- (b) 本集團的已抵押銀行存款指為取得銀行擔保而作出之存款抵押。

34. 應付賬款及其他應付款及虧損性合約撥備

(a) 應付賬款及其他應付款

| | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---|-----------------------------------|-----------------------------------|
| Trade payables | 3,515 | 2,906 |
| Receipts in advance from customers | 747 | 428 |
| Payables for construction costs and purchase of property, plant and equipment | 2,658 | 1,292 |
| Other payables | 26,269 | 18,520 |
| Accrued expenses | 3,263 | 4,666 |
| | 36,452 | 27,812 |

根據收貨或享用服務當日本集團之應付賬款之賬齡分析如下：

| | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--------------------|-----------------------------------|-----------------------------------|
| Up to 3 months | 1,772 | 2,543 |
| 3 to 6 months | 1,577 | 78 |
| 6 months to 1 year | - | 4 |
| Over 1 year | 166 | 281 |
| | 3,515 | 2,906 |

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34. TRADE AND OTHER PAYABLES AND PROVISION FOR ONEROUS CONTRACTS (Continued)

(a) Trade and other payables (Continued)

The carrying amounts of the Group's trade payables are denominated in the following currencies:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 3,386 | 2,578 |
| HK\$ | 港幣 | 11 | 328 |
| US\$ | 美金 | 118 | - |
| | | 3,515 | 2,906 |

(b) Provision for onerous contracts

The provision of RMB50,575,000 represented recognition of commitment for the railway Wi-Fi operation for the forthcoming years. Due to unsatisfactory results from operations for both years 2016 and 2015 arising from huge operating cost incurred and low revenue generated, the management may decide to suspend the Wi-Fi operations for two particular railways in order to reduce the losses, hence a provision for onerous contracts of RMB50,575,000 was recognised as at 31 December 2016.

35. DUE TO DIRECTORS

The amounts due to directors are unsecured, interest-free and repayable on demand.

36. BANK LOANS AND BANKING FACILITIES

The analysis of the Group's bank loans is as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Secured bank loans repayable within one year | 須於一年內償還之已抵押銀行貸款 | 15,000 | 17,000 |
| Bank invoice loans | 銀行發票貸款 | - | 368 |
| | | 15,000 | 17,368 |

The carrying amounts of the Group's bank loans are denominated in the following currencies:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 15,000 | 17,000 |
| US\$ | 美金 | - | 368 |
| | | 15,000 | 17,368 |

34. 應付賬款及其他應付款及虧損性合約撥備 (續)

(a) 應付賬款及其他應付款 (續)

本集團應付賬款之賬面值按以下貨幣計值：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 3,386 | 2,578 |
| HK\$ | 港幣 | 11 | 328 |
| US\$ | 美金 | 118 | - |
| | | 3,515 | 2,906 |

(b) 虧損性合約撥備

該人民幣50,575,000元指確認綜合電子推廣解決方案分部在火車站運營Wi-Fi網絡的長期預付款於未來數年承擔之金額。鑑於二零一六年及二零一五年營運成本高昂及所得收入微薄，使營運不如理想。管理層或會決定停止於兩條火車線路的火車站運營Wi-Fi網絡以減低虧損。因此，於截至二零一六年十二月三十一日止年度的綜合損益與其他全面收益表中確認虧損性合約撥備人民幣50,575,000元。

35. 應付董事款項

應付董事款項為無抵押、免息及須於要求時償還。

36. 銀行貸款及銀行融資

本集團銀行貸款分析如下：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|-----------------|-----------------------------------|-----------------------------------|
| Secured bank loans repayable within one year | 須於一年內償還之已抵押銀行貸款 | 15,000 | 17,000 |
| Bank invoice loans | 銀行發票貸款 | - | 368 |
| | | 15,000 | 17,368 |

本集團銀行貸款之賬面值按以下貨幣計值：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------|-----|-----------------------------------|-----------------------------------|
| RMB | 人民幣 | 15,000 | 17,000 |
| US\$ | 美金 | - | 368 |
| | | 15,000 | 17,368 |

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36. BANK LOANS AND BANKING FACILITIES (Continued)

The average interest rates at 31 December were as follows:

| | | 2016 二零一六年 | 2015 二零一五年 |
|--------------------|--------|-------------------------------|-------------------------------|
| Bank loans | 銀行貸款 | 4.79% to 5.66% 4.79%至5.66% | 5.61% to 7.28% 5.61%至7.28% |
| Bank invoice loans | 銀行發票貸款 | N/A 不適用 | 4.75% to 6.25% 4.75%至6.25% |

The Group's bank loans are repayable within one year. Bank loans of RMB3,000,000 are arranged at fixed interest rates and expose the Group to fair value interest rate risk while amount of RMB12,000,000 bank loan and bank invoice loans are arranged at floating interest rates, thus exposing the Group to cash flow interest rate risk.

As at 31 December 2016, bank loans of RMB15,000,000 (2015: RMB17,368,000) are secured by:

- Charge over the building (note 20(b));
- Charge over the prepaid land lease payments (note 23);
- Charge over the investment properties (note 21); and
- Personal guarantee provided by a director of the Company (note 49(b)).

37. CONVERTIBLE BONDS

The Company issued 2 tranches, Tranche 1 and Tranche 2, of convertible bonds at 100% of the principal amount of HK\$65,000,000 for each tranche (totalling HK\$130,000,000), as part of the consideration for the acquisition of Muntari Group on 6 January 2011. The convertible bonds are interest-free and unsecured.

On 16 June 2011, Tranche 1 of convertible bonds with principal amount of HK\$65,000,000 were converted into 144,444,444 ordinary shares of the Company.

The rights of the convertible bond holders to convert Tranche 2 convertible bonds into ordinary shares are as follows:

- Conversion rights regarding Tranche 2 of convertible bonds are exercisable at any time after 15 days from the date of the board meeting for approving the audited financial statements of Ningbo Lianyi Enterprise Management Consultancy Company Limited and Ningbo Bokun Petrochemical Storage Company Limited for the financial year ended 31 December 2011 up to 10 business days prior to its maturity date on 6 January 2016.
- If a convertible bond holder exercises its conversion rights, the Company is required to deliver ordinary shares at a conversion price of HK\$0.45 per share.

The convertible bond holders are not entitled to redeem the convertible bonds before their maturity date. On the other hand, the Company shall have the right to redeem all, but not some only, of the convertible bonds outstanding at an amount equivalent to the principal amount of the convertible bonds in its sole and absolute discretion at any time after 30 months of the issue date of the convertible bonds.

36. 銀行貸款及銀行融資(續)

於十二月三十一日之平均利率：

| | | 2016 二零一六年 | 2015 二零一五年 |
|--------------------|--------|-------------------------------|-------------------------------|
| Bank loans | 銀行貸款 | 4.79% to 5.66% 4.79%至5.66% | 5.61% to 7.28% 5.61%至7.28% |
| Bank invoice loans | 銀行發票貸款 | N/A 不適用 | 4.75% to 6.25% 4.75%至6.25% |

本集團之銀行貸款須於一年內償還。銀行貸款人民幣3,000,000元以固定利率計息及本集團承受公允價值利率風險，而人民幣12,000,000元的銀行貸款及銀行發票貸款則以浮動利率計息，因此令本集團承受現金流利率風險。

於二零一六年十二月三十一日，銀行貸款人民幣15,000,000元(二零一五年：人民幣17,368,000元)乃以下列項目抵押：

- 樓宇之抵押(附註20(b))；
- 土地租賃預付款之抵押(附註23)；
- 投資性物業之抵押(附註21)；及
- 本公司一名董事提供之個人擔保(附註49(b))。

37. 可換股債券

於二零一一年一月六日，本公司發行兩批(第一批及第二批)可換股債券，各批按本金額港幣65,000,000元(合共港幣130,000,000元)之100%發行，作為收購蒙泰利集團之部份對價。該等可換股債券為免息及無抵押。

於二零一一年六月十六日，本金額為港幣65,000,000元的第一批可換股債券已兌換為144,444,444股本公司普通股。

可換股債券持有人將第二批可換股債券兌換為普通股之權利如下：

- 第二批可換股債券之換股權可於批准寧波聯易企業管理諮詢有限公司及寧波市博琨石化倉儲有限公司截至二零一一年十二月三十一日止財政年度之經審核財務報表之董事會會議當日起十五日後至其到期日(即二零一六年一月六日)前十個營業日內任何時間行使。
- 倘若可換股債券持有人行使換股權，則本公司須按每股港幣0.45元之換股價向其發行普通股。

可換股債券持有人無權在可換股債券到期日前要求贖回可換股債券。另一方面，本公司有權於可換股債券發行日期起計三十個月後的任何時間全權酌情按等同可換股債券本金之金額贖回全部(而非部份)之未兌換之可換股債券。

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37. CONVERTIBLE BONDS (Continued)

During the year ended 31 December 2015, the Tranche 2 convertible bonds with principal amount of HK\$65,000,000 were converted into 144,444,444 ordinary shares of the Company (note 40(a)).

The Tranche 2 convertible bonds have been split between the liability component and derivative component as follows:

| | | Liability component 負債部分 RMB'000 人民幣千元 | Derivative component 衍生部分 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|------------------------|--|---|---------------------------------|
| At 1 January 2015 | 於二零一五年一月一日 | 46,029 | 5,247 | 51,276 |
| Interest charge for the year (note 11) | 年內利息支出(附註11) | 1,439 | - | 1,439 |
| Transfer to equity upon conversion (note 40(a)) | 於兌換後轉撥至股本 (附註40(a)) | (47,355) | (5,236) | (52,591) |
| Exchange difference | 匯兌差額 | (113) | (11) | (124) |
| At 31 December 2015 | 於二零一五年十二月三十一日 | - | - | - |

The interest charged for 2015 was calculated by applying an effective interest rate of 8.92% per annum to the liability component.

The derivative component is measured at its fair value at the date of issue, at the end of each reporting period and the date of conversion. The fair value has been determined by Avista. The fair values are estimated using the binomial model (level 3 fair value measurement). The key assumptions used are as follows:

| | | Date of conversion 7 May 2015 兌換日二零一五年 五月七日 |
|---------------------------------|---------|--|
| Weighted average share price | 加權平均股價 | HK\$0.44 港幣0.44元 |
| Weighted average exercise price | 加權平均行使價 | HK\$0.45 港幣0.45元 |
| Expected volatility | 預期波幅 | 70% |
| Expected life | 預期年限 | 1.02 years |
| Risk free rate | 無風險利率 | 1.02年 0.13% |
| Expected dividend yield | 預期股息收益率 | 0% |

37. 可換股債券(續)

截至二零一五年十二月三十一日止年度，本金金額港幣65,000,000元之第二批可換股債券兌換為本公司144,444,444股普通股(附註40(a))。

第二批可換股債券已被劃分為負債部分及衍生部份如下所示：

| | 負債部分 RMB'000 人民幣千元 | 衍生部分 RMB'000 人民幣千元 | 總計 RMB'000 人民幣千元 |
|------------------------|--------------------------|--------------------------|------------------------|
| 於二零一五年一月一日 | 46,029 | 5,247 | 51,276 |
| 年內利息支出(附註11) | 1,439 | - | 1,439 |
| 於兌換後轉撥至股本 (附註40(a)) | (47,355) | (5,236) | (52,591) |
| 匯兌差額 | (113) | (11) | (124) |
| 於二零一五年十二月三十一日 | - | - | - |

二零一五年利息支出乃就負債部分按實際利率每年8.92%計算。

衍生部分按其於發行日、各報告期末及兌換日的公允值計量。公允值經由艾華迪釐定。公允值乃使用二項式模型(第三層公允值計量)估計。所用的主要假設如下：

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38. CONTINGENT PAYABLES

The Company offered 2 tranches, Tranche A of 253,141,304 consideration shares and Tranche B of 108,489,130 consideration shares to the shareholders of VCL as part of the consideration for the acquisition of the 51% equity interest in VCL in 2013.

On 26 November 2013, Tranche A of 253,141,304 consideration shares were issued at HK\$0.28 per share based on closing price of the Company's shares on share issue date. The fair value of Tranche B consideration shares was approximately RMB31,742,000 (equivalent to HK\$39,599,000) as at 31 December 2014.

On 24 November 2015, Tranche B of 108,489,130 consideration shares were issued at HK\$0.335 per share based on closing price of the Company's shares on share issue date.

38. 或然應付款項

本公司於二零一三年向VCL股東發行第A批253,141,304股代價股份及第B批108,489,130股代價股份，作為收購VCL的51%股權部份對價，共發售2批。

於二零一三年十一月二十六日，253,141,304股第A批代價股份按本公司於股份發行日的收市價每股港幣0.28元發行。第B批代價股份於二零一四年十二月三十一日的公允值約為人民幣31,742,000元(相當於港幣39,599,000元)。

於二零一五年十一月二十四日，第B批代價股份108,489,130股乃根據本公司股份於股份發行日之收市價每股港幣0.335元發行。

| | | 2015 二零一五年 RMB'000 人民幣千元 |
|---|-------------------|-----------------------------------|
| At 1 January | 於一月一日 | 31,742 |
| Change in fair value (note 9) | 公允值變動(附註9) | (2,649) |
| Release upon issue of consideration shares (note 40(c)) | 發行代價股份回撥(附註40(c)) | (29,970) |
| Exchange difference | 匯兌差額 | 877 |
| At 31 December | 於十二月三十一日 | - |

39. DEFERRED TAX

The following are the deferred tax liabilities recognised by the Group.

39. 遞延稅項

本集團確認之遞延稅項負債如下。

| | | Property, plant and equipment and other assets 物業、廠房 及設備及 其他資產 RMB'000 人民幣千元 | Intangible assets 無形資產 RMB'000 人民幣千元 | Investment properties 投資性物業 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|--|-------------------------|---|--|---|---------------------------------|
| At 1 January 2015 | 於二零一五年一月一日 | (420) | (12,614) | (5,936) | (18,970) |
| Credited/(charged) to profit or loss (note 12) | 計入/(扣除)損益(附註12) | 56 | 567 | (550) | 73 |
| Disposal of discontinued operations (note 45(c)) | 出售已終止持續經營業務(附註45(c)) | - | 10,223 | - | 10,223 |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | (364) | (1,824) | (6,486) | (8,674) |
| Credited/(charged) to profit or loss (note 12) | 計入/(扣除)損益(附註12) | 32 | 990 | (555) | 467 |
| At 31 December 2016 | 於二零一六年十二月三十一日 | (332) | (834) | (7,041) | (8,207) |

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39. DEFERRED TAX (Continued)

At 31 December 2016, the Group has unused tax losses of approximately RMB141,612,000 (2015: RMB102,512,000) available for offset against future profits. No deferred tax asset has been recognised in respect of the tax losses of approximately RMB141,612,000 (2015: RMB102,512,000) due to the unpredictability of future profit streams.

The unused tax losses of approximately RMB130,978,000 (2015: RMB98,936,000) will expire as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-----------|-------|-----------------------------------|-----------------------------------|
| Year 2019 | 二零一九年 | 24,448 | 24,448 |
| Year 2020 | 二零二零年 | 74,488 | 74,488 |
| Year 2021 | 二零二一年 | 32,042 | - |
| | | 130,978 | 98,936 |

Apart from the tax losses as disclosed above, the remaining tax losses may be carried forward indefinitely.

39. 遞延稅項(續)

於二零一六年十二月三十一日，本集團有未使用之稅項虧損約人民幣141,612,000元(二零一五年：人民幣102,512,000元)可用來抵銷將來溢利。因將來溢利情況未能準確預測，故稅項虧損約人民幣141,612,000元(二零一五年：人民幣102,512,000元)之遞延稅項資產未予確認。

未使用之稅項虧損約人民幣130,978,000元(二零一五年：人民幣98,936,000元)到期時間如下：

除上述披露之稅項虧損外，餘下之稅項虧損可無限期結轉。

40. SHARE CAPITAL

40. 股本

| | | The Company 本公司 | |
|---|--|-----------------------------|--|
| | | Number of shares 股份數目 | Nominal value of shares 股份面值 HK\$'000 港幣千元 |
| Authorised: | | | |
| Ordinary shares of HK\$0.05 each | 法定： 每股面值港幣0.05元的普通股 | | |
| At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016 | 於二零一五年一月一日、 二零一五年十二月三十一日、 二零一六年一月一日及 二零一六年十二月三十一日 | 8,000,000,000 | 400,000 |

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For the year ended 31 December 2016
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40. SHARE CAPITAL (Continued)

40. 股本(續)

| | | Number of shares 股份數目 | Nominal value of shares 股份面值 HK\$'000 港幣千元 | Nominal value of shares 股份面值 RMB'000 人民幣千元 |
|---|-------------------------|-----------------------------|--|--|
| Issued and fully paid: | 已發行及已繳足： | | | |
| At 1 January 2015 | 於二零一五年一月一日 | 3,366,947,850 | 168,347 | 154,397 |
| Issue of shares upon conversion of convertible bonds (note (a)) | 兌換可換股債券時發行股份 (附註(a)) | 144,444,444 | 7,222 | 5,778 |
| Issue of shares upon placement (note (b)) | 配售時發行股份 (附註(b)) | 348,480,000 | 17,424 | 13,941 |
| Issue of shares upon consideration share granted (note (c)) | 授出代價股份時發行股份 (附註(c)) | 108,489,130 | 5,424 | 4,473 |
| At 31 December 2015 and 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | 3,968,361,424 | 198,417 | 178,589 |
| Issue of shares upon placement (note (d)) | 配售時發行股份 (附註(d)) | 793,672,000 | 39,684 | 35,478 |
| At 31 December 2016 | 於二零一六年十二月三十一日 | 4,762,033,424 | 238,101 | 214,067 |

Notes:

- (a) On 7 May 2015, principal amount of HK\$65,000,000 Tranche 2 of convertible bonds with carrying amount of approximately RMB52,591,000 was converted into 144,444,444 ordinary shares of the Company of HK\$0.05 each and approximately RMB5,778,000 (equivalent to HK\$7,222,000) and approximately RMB46,813,000 (equivalent to HK\$51,967,000) was credited to share capital and share premium account respectively.
- (b) On 28 May 2015, the Company and Orient Securities (Hong Kong) Limited entered into a placing agreement in respect of the placement of 348,480,000 ordinary shares of HK\$0.05 each at a price of HK\$0.51 per share. The placement was completed on 5 June 2015 and the premium on the issue of shares, amounting to approximately RMB125,407,000 (equivalent to HK\$156,733,000), net of share issue expenses of approximately RMB2,855,000 (equivalent to HK\$3,568,000), was credited to the Company's share premium account and approximately RMB13,941,000 (equivalent to HK\$17,424,000) was credited to share capital.
- (c) On 24 November 2015, Tranche B of 108,489,130 consideration shares were issued at HK\$0.335, based on the closing price of the Company's shares on that date, of which approximately RMB25,497,000 (equivalent to HK\$30,919,000) was credited to the Company's share premium, and approximately RMB4,473,000 (equivalent to HK\$5,424,000) was credited to share capital.
- (d) On 30 November 2016, the Company and Orient Securities (Hong Kong) Limited entered into a placing agreement in respect of the placement of 793,672,000 ordinary shares of HK\$0.05 each at a price of HK\$0.1033 per share. The placement was completed on 15 December 2016 and the premium on the issue of shares, amounting to approximately RMB36,715,000 (equivalent to HK\$41,067,000), net of share issue expenses of approximately RMB1,105,000 (equivalent to HK\$1,236,000), was credited to the Company's share premium account and approximately RMB35,478,000 (equivalent to HK\$39,684,000) was credited to share capital.

附註：

- (a) 於二零一五年五月七日，本金金額為港幣65,000,000元的第二批可換股債券賬面值約人民幣52,591,000元已兌換為144,444,444股之本公司每股港幣0.05元普通股，約人民幣5,778,000元(相等於港幣7,222,000元)及約人民幣46,813,000元(相等於港幣51,967,000元)分別計入股本及股份溢價賬。
- (b) 於二零一五年五月二十八日，本公司與東方證券(香港)有限公司訂立配售協議以每股港幣0.51元配售348,480,000股每股港幣0.05元之普通股。該配售於二零一五年六月五日完成，扣除發行股份費用約人民幣2,855,000元(相等於港幣3,568,000元)後，發行股份所得溢價約人民幣125,407,000元(相等於港幣156,733,000元)計入本公司股份溢價賬，及約人民幣13,941,000元(相等於港幣17,424,000元)計入股本。
- (c) 於二零一五年十一月二十四日，本公司根據本公司股份於該日的收市價按每股港幣0.335元發行第B批108,489,130股代價股份，其中約人民幣25,497,000元(相等於港幣30,919,000元)計入本公司股份溢價賬，約人民幣4,473,000元(相等於港幣5,424,000元)計入股本。
- (d) 於二零一六年十一月三十日，本公司與東方證券(香港)有限公司訂立配售協議以每股港幣0.1033元配售793,672,000股每股港幣0.05元之普通股。該配售於二零一六年十二月十五日完成，扣除發行股份費用約人民幣1,105,000元(相等於港幣1,236,000元)後，發行股份所得溢價約人民幣36,715,000元(相等於港幣41,067,000元)計入本公司股份溢價賬，及約人民幣35,478,000元(相等於港幣39,684,000元)計入股本。

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40. SHARE CAPITAL (Continued)

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, if any, return capital to shareholders, issue new shares, or sell assets to reduce debt. No changes were made in the objectives, policies and processes during the years ended 31 December 2015 and 2016.

The Group monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debts less cash and cash equivalents. Adjusted capital comprises all components of equity (i.e. share capital, share premium, retained profits and other reserves).

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|------------------------------------|-------------|-----------------------------------|-----------------------------------|
| Debt (a) | 債務(a) | 102,275 | 61,509 |
| Less: Bank and cash balances | 減：銀行及現金結存 | (99,953) | (95,515) |
| Net debt | 淨債務 | 2,322 | (34,006) |
| Equity (b) | 權益(b) | 92,293 | 162,301 |
| Net debt-to adjusted capital ratio | 淨債務對調整後資本比率 | 2.52% | N/A |

(a) Debt is defined as due to an associate, trade and other payables, provision for onerous contracts, due to directors, bank loans, liability components of convertible bonds and due to a related party as detailed in notes 27(a), 34(a) and (b), 35, 36, 37 and 49(c) to the consolidated financial statements.

(b) Equity includes all capital and reserves attributable to the owners of the Company.

It is the Group's strategy to keep the net debt-to-adjusted capital ratio as low as feasible.

The only externally imposed capital requirement is that for the Group to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares.

The Group checks the substantial share interests showing the non-public float through the Stock Exchange's website and it demonstrates continuing compliance with the 25% limit throughout the year. At 31 December 2016, 82.67% (2015: 79.16%) of shares were in public hands.

40. 股本(續)

本集團資本管理之目的是為了保障本集團持續經營之能力，以持續向股東提供回報及為持份者帶來得益。

本集團根據經濟環境及相關資產風險特徵的變化管理資本架構並對其作出調整。為維持或調整資本架構，本集團或會調整支付予股東之股息款額(如有)、向股東返還股本、發行新股份、或出售資產以減低債務。於截至二零一五年及二零一六年十二月三十一日止年度有關目的、政策及流程並無變動。

本集團基於淨債務對調整後資本比率監察資本。該比率以債務除以經調整後資本計算。淨債務以債務總額減現金及現金等價物計算。經調整後資本包括權益的全部組成部分(即股本、股份溢價、保留溢利及其他儲備)。

(a) 債務界定為應付一間聯營公司款項、應付賬款及其他應付款、虧損性合約撥備、應付董事款項、銀行貸款及可換股債券的負債部分以及應付一名關聯方款項，詳情見綜合財務報表附註27(a)、34(a)及(b)、35、36、37及49(c)。

(b) 權益包括本公司股東應佔的所有資本及儲備。

本集團的策略是盡可能將淨債務對調整後資本比率維持在低水平。

唯一外部實施的資本要求是本集團在聯交所上市須維持至少25%的公眾持股量。

本集團透過聯交所網站查詢顯示非公眾持股量之主要股份權益，其顯示於本年度繼續符合25%上限。截至二零一六年十二月三十一日，82.67%(二零一五年：79.16%)的股份由公眾持有。

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綜合財務報表附註

For the year ended 31 December 2016
截至二零一六年十二月三十一日止年度

41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY 41. 本公司財務狀況表及儲備變動

(a) Statement of financial position of the Company

(a) 本公司財務狀況表

| | | At 31 December 於十二月三十一日 | |
|----------------------------------|---------------|-----------------------------------|-----------------------------------|
| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
| Non-current assets | 非流動資產 | | |
| Property, plant and equipment | 物業、廠房及設備 | 383 | 445 |
| Investments in subsidiaries | 於附屬公司投資 | 22,345 | 61,981 |
| | | 22,728 | 62,426 |
| Current assets | 流動資產 | | |
| Prepayment and other receivables | 預付款及其他應收款 | 419 | 4,437 |
| Due from subsidiaries | 應收附屬公司款項 | - | 24,255 |
| Other investments | 其他投資 | - | 24,010 |
| Bank and cash balances | 銀行及現金結存 | 89,768 | 32,292 |
| | | 90,187 | 84,994 |
| Current liabilities | 流動負債 | | |
| Accruals and other payables | 預提費用及其他應付款 | 1,630 | 2,242 |
| Due to directors | 應付董事款項 | 203 | 6,402 |
| | | 1,833 | 8,644 |
| Net current assets | 流動資產淨額 | 88,354 | 76,350 |
| NET ASSETS | 淨資產 | 111,082 | 138,776 |
| Capital and reserves | 股本及儲備 | | |
| Share capital | 股本 | 214,067 | 178,589 |
| Reserves | 儲備 | (102,985) | (39,813) |
| TOTAL EQUITY | 總權益 | 111,082 | 138,776 |

Approved by the Board of Directors on 31 March 2017 and are signed on its behalf by:
董事會於二零一七年三月三十一日批准及由下列人士代表董事會簽署：

Yang Zhen
楊震
Director
董事

Kwan Che Hang Jason
關志恒
Director
董事

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For the year ended 31 December 2016
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41. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

41. 本公司財務狀況表及儲備變動(續)

(b) Reserve movement of the Company

(b) 本公司儲備變動

| | | Share premium account 股份溢價賬 RMB'000 人民幣千元 (note 42(b)(i)) (附註42(b)(i)) | Share-based payment reserve 股份支付款儲備 RMB'000 人民幣千元 (note 42(b)(iv)) (附註42(b)(iv)) | Foreign currency translation reserve 匯兌儲備 RMB'000 人民幣千元 (note 42(b)(v)) (附註42(b)(v)) | Accumulated losses 累計虧損 RMB'000 人民幣千元 | Total 總計 RMB'000 人民幣千元 |
|---|-------------------------|---|---|--|---|---------------------------------|
| At 1 January 2015 | 於二零一五年一月一日 | 840,792 | 1,759 | (100,032) | (750,547) | (8,028) |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | 10,107 | (239,609) | (229,502) |
| Issue of shares upon placement (note 40(b)) | 配售時發行股份(附註40(b)) | 125,407 | - | - | - | 125,407 |
| Issue of shares upon conversion of convertible bonds (note 40(a)) | 兌換可換股債券時發行股份(附註40(a)) | 46,813 | - | - | - | 46,813 |
| Issue of consideration shares in related to acquisition of VCL (note 40(c)) | 有關收購VCL發行代價股份(附註40(c)) | 25,497 | - | - | - | 25,497 |
| Lapse of share options granted in prior years | 過往年度授出之購股權失效 | - | (423) | - | 423 | - |
| Changes in equity for the year | 本年度權益變動 | 197,717 | (423) | 10,107 | (239,186) | (31,785) |
| At 31 December 2015 and at 1 January 2016 | 於二零一五年十二月三十一日及二零一六年一月一日 | 1,038,509 | 1,336 | (89,925) | (989,733) | (39,813) |
| Total comprehensive income for the year | 本年度全面收益總額 | - | - | 434 | (100,321) | (99,887) |
| Issue of shares upon placement (note 40(d)) | 配售時發行股份(附註40(d)) | 36,715 | - | - | - | 36,715 |
| Lapse of share options granted in prior years | 過往年度授出之購股權失效 | - | (1,336) | - | 1,336 | - |
| Changes in equity for the year | 本年度權益變動 | 36,715 | (1,336) | 434 | (98,985) | (63,172) |
| At 31 December 2016 | 於二零一六年十二月三十一日 | 1,075,224 | - | (89,491) | (1,088,718) | (102,985) |

42. RESERVES

42. 儲備

(a) The Group

(a) 本集團

The amounts of the Group's reserves and movements therein are presented in the Group's consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

本集團之儲備金額及其變動於綜合損益與其他全面收益表以及綜合權益變動表呈列。

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42. RESERVES (Continued)

(b) Nature and purpose of reserves

(i) Share premium account

Share premium represents premium arising from the issue of shares at a price in excess of their par value. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

(ii) Merger reserve

The merger reserve of the Group arose as a result of the Group reorganisation implemented in preparation for the listing of the Company's shares in 2002 and represented the difference between the nominal value of the aggregate capital of the subsidiaries combined under the group reorganisation over the nominal value of the share capital of the Company issued in exchange therefore.

(iii) Statutory reserve

The statutory reserve, which is non-distributable, is appropriated from the profit after taxation of the Group's PRC subsidiaries under the applicable laws and regulations in the PRC.

(iv) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 4(y) to the consolidated financial statements.

(v) Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 4(d) to the consolidated financial statements.

(vi) Capital reserve

The capital reserve represents the premium arising from further acquisition of the equity interest up to 100% in GSTD during the year ended 31 December 2015.

(vii) Other reserve

Other reserve represents the non distributable reserves regarding the disposal of discontinued operations during the year ended 31 December 2015.

42. 儲備(續)

(b) 儲備性質及目的

(i) 股份溢價賬

股份溢價賬乃指因按高於每股面值之價格發行股份而產生之溢價。根據開曼群島公司法，本公司股份溢價賬之資金可供分派予本公司股東，惟緊隨建議分派股息日期後，本公司須有能力償還其於日常業務過程中到期之債務。

(ii) 合併儲備

本集團之合併儲備因二零零二年籌備本公司股份上市而實施集團重組所產生，是根據集團重組進行合併之附屬公司總股本之面值，與本公司為換取該等股本而發行之股本面值之差異。

(iii) 法定儲備

法定儲備為不可分派，乃根據中國適用法律及法規自本集團中國附屬公司除稅後溢利中劃撥。

(iv) 股份支付款儲備

股份支付款儲備指根據綜合財務報表附註4(y)就權益結算股份支付款項採納的會計政策確認本集團已授出但實際或估計未行使購股權數目的公允值。

(v) 匯兌儲備

匯兌儲備包括換算境外業務的財務報表所產生的所有外匯差額。本公司根據綜合財務報表附註4(d)所載的會計政策處理該儲備。

(vi) 資本儲備

資本儲備指截至二零一五年十二月三十一日止年度進一步收購華誠100%股權的溢價。

(vii) 其他儲備

其他儲備指截至二零一五年十二月三十一日止年度出售已終止持續經營業務有關的不可分派儲備。

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43. SHARE-BASED PAYMENTS

Equity-settled share option scheme

Pursuant to the written resolution passed by the shareholders of the Company on 24 September 2002, the share option scheme (the “**Old Scheme**”) was approved and adopted and, the board of directors may, at its discretion, grant options to any director (whether executive or non-executive and whether independent or not), any employee (whether full-time or part-time), any consultant or adviser of or to the Company or the Group (whether on an employment or contractual or honorary basis and whether paid or unpaid).

Pursuant to the resolution passed by the shareholders of the Company in the annual general meeting held on 27 May 2011, the Old Scheme was terminated such that no further options could thereafter be offered under the Old Scheme but in all other respects and provisions of the Old Scheme shall remain in full force and effect, while a new share option scheme (the “**New Scheme**”) was approved and adopted and, the board of directors may, at its discretion, grant options to the eligible persons as defined in the New Scheme.

The Company operates the New Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants include the full-time and part-time employees, directors and full-time and part-time business consultants of the Company and the shareholders of the Group. The New Scheme became effective on 27 May 2011 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the New Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the New Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the New Scheme, if earlier.

43. 股份支付款項

以權益結算之購股權計劃

根據本公司股東於二零零二年九月二十四日通過的書面決議案，本公司通過並採納購股權計劃（「舊計劃」），董事會可酌情授予本公司或本集團任何董事（執行董事或非執行董事、獨立董事或非獨立董事）、僱員（全職或兼職）、顧問或諮詢人（不論是受僱、合約或名譽及有償或無償性質）購股權。

根據本公司股東於二零一一年五月二十七日舉行之股東周年大會中通過的決議案，本公司已終止舊計劃（此後概不得根據舊計劃進一步授出購股權，惟舊計劃所有其他方面及各項條文將繼續全面生效及具有效力），同時並批准及採納一項新購股權計劃（「新計劃」），董事會可酌情授予新計劃內所定義之合資格人士購股權。

本公司運作新計劃，旨在獎勵及嘉獎對本集團業務成功作出貢獻的合資格參與者。合資格參與者包括本公司的全職及兼職僱員、董事和全職及兼職業務顧問以及本集團股東。新計劃於二零一一年五月二十七日生效，除非另行取消或修訂，否則將由該日起計十年內維持有效。

根據新計劃現時可授出的未行使購股權最高數目（於行使時）相等於本公司任何時間之已發行股份的30%。於任何十二個月期間內因行使購股權而須向新計劃各合資格參與者發行的股份最高數目，不得超過本公司任何時間已發行股份的1%。凡再次授出超出此限額的購股權，必須於股東大會上取得股東批准。

向本公司董事、最高行政人員或主要股東或彼等任何聯繫人授出購股權，須事先獲獨立非執行董事批准。此外，於任何十二個月期間，向本公司一位主要股東或獨立非執行董事或彼等任何聯繫人授出超出本公司任何時間已發行股份0.1%或超出總值港幣5,000,000元（根據本公司股份於授出日期的價格計算）之任何購股權，須事先於股東大會上獲股東批准。

承授人可於由授出購股權建議日期起計二十八日內藉支付名義代價合共港幣1元接納購股權授出建議。授出購股權之行使期由董事決定，於特定的歸屬期後展開，並於不遲於購股權建議日期起計五年之日期或新計劃屆滿日期（如其為較早者）終止。

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43. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; (ii) the Stock Exchange average closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company's shares on the date of the offer.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Details of the specific categories of options relevant up to 13 June 2016 were as follows:

| Date of grant 授出日期 | Grantee 承授人 | Vesting period 歸屬期 | Exercise period 行使期 | Subscription Price per share 每股認購價 HK\$ 港幣 | No. of shares granted 授出購股權數量 |
|----------------------------|-----------------|-----------------------|--|--|-------------------------------------|
| 14 June 2011 二零一一年六月十四日 | Directors 董事 | Immediate 即時 | 14 June 2011 to 13 June 2016 二零一一年六月十四日至 二零一六年六月十三日 | 0.818元 | 2,000,000 |
| 14 June 2011 二零一一年六月十四日 | Employees 僱員 | Immediate 即時 | 14 June 2011 to 13 June 2016 二零一一年六月十四日至 二零一六年六月十三日 | 0.818元 | 1,800,000 |
| Grand Total 總計 | | | | | 3,800,000 |

If the options remain unexercised after an exercise period from the date of grant, the options expire. Options are forfeited if the employee leaves the Group.

43. 股份支付款項(續)

以權益結算之購股權計劃(續)

購股權的行使價乃由董事決定，惟行使價不得低於下列中的最高者：(i)本公司股份於建議授出購股權當天在聯交所的收市價；(ii)本公司股份於緊接建議授出購股權當天在聯交所前五個交易日的平均收市價；及(iii)本公司股份於建議授出購股權當天的面值。

購股權並無賦予持有人可享有股息或於股東大會上投票的權利。

直至二零一六年六月十三日之相關購股權特定分類詳情如下：

倘購股權於授出日期起計之行使期後仍未行使，則購股權將告屆滿。倘僱員離開本集團則喪失購股權。

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43. SHARE-BASED PAYMENTS (Continued)

Equity-settled share option scheme (Continued)

Details of the specific categories of options relevant up to 13 June 2016 were as follows: (Continued)

| | | 2016 二零一六年 | | | | |
|---------------------------------|---------|---|---------------------------------|--|---|-----------------------|
| Grantee | 承授人 | Outstanding at 1 January 於一月一日 尚未行使 | Expired during the year 年內屆滿 | Outstanding at 31 December 於十二月三十一日 尚未行使 | Exercisable at 31 December 於十二月三十一日 可行使 | Exercise price 行使價 |
| Directors | 董事 | 2,000,000 | (2,000,000) | - | - | - |
| Employees | 僱員 | 1,800,000 | (1,800,000) | - | - | - |
| | | 3,800,000 | (3,800,000) | - | - | |
| Weighted average exercise price | 加權平均行使價 | HK\$0.82 港幣0.82元 | HK\$0.82 港幣0.82元 | N/A 不適用 | N/A 不適用 | |

| | | 2015 二零一五年 | | | | |
|---------------------------------|---------|---|--|--|---|-----------------------|
| Grantee | 承授人 | Outstanding at 1 January 於一月一日 尚未行使 | Reclassified/ Expired during the year 年內重分類/ 屆滿 | Outstanding at 31 December 於十二月三十一日 尚未行使 | Exercisable at 31 December 於十二月三十一日 可行使 | Exercise price 行使價 |
| Directors | 董事 | 3,800,000 | (1,800,000) | 2,000,000 | 2,000,000 | HK\$0.818 港幣0.818元 |
| Employees | 僱員 | 1,200,000 | 600,000 | 1,800,000 | 1,800,000 | HK\$0.818 港幣0.818元 |
| | | 5,000,000 | (1,200,000) | 3,800,000 | 3,800,000 | |
| Weighted average exercise price | 加權平均行使價 | HK\$0.82 港幣0.82元 | HK\$0.82 港幣0.82元 | HK\$0.82 港幣0.82元 | HK\$0.82 港幣0.82元 | |

All options outstanding were expired after the exercisable period. No share option was granted for the years ended 31 December 2016 and 2015.

所有尚未行使之購股權已於可行使期間後屆滿。截至二零一六年及二零一五年十二月三十一日止年度，並無任何購股權被授出。

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44. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2016, an amount of approximately RMB20,811,000 in relation to payment for railway wifi operations was accrued during the year and included in other payables as at 31 December 2016.

44. 主要非現金交易

截至二零一六年十二月三十一日止年度，就年內應計火車站運營無線網絡付款約人民幣20,811,000元已計入於二零一六年十二月三十一日之其他應付款。

45. NOTE TO CASH FLOW STATEMENT

(a) Disposal of a subsidiary

On 18 November 2016, the Group entered into a sale agreement with directors of Advanced Voice Technologies Asia Limited ("AVTA") to dispose 52% entire equity interests in AVTA. AVTA was principally engaged in trading of voice mail telephone system and provision of maintenance services.

Net assets at the date of disposal were as follows:

45. 現金流量表附註

(a) 出售一間附屬公司

於二零一六年十一月十八日，本集團與艾維特語音科技亞洲有限公司（「艾維特語音」）的董事訂立銷售協議，出售於艾維特語音的52%股權。艾維特語音主要從事語音郵件電話系統交易及提供維修服務。

於出售日期之淨資產如下：

| | | RMB'000 人民幣千元 |
|---|----------------|------------------|
| Property, plant and equipment (note 20) | 物業、廠房及設備(附註20) | 8 |
| Trade and other receivables | 應收賬款及其他應收款 | 56 |
| Bank and cash balances | 銀行及現金結存 | 826 |
| Due to fellow subsidiaries | 應付同系附屬公司款項 | (3) |
| NCI | 非控股權益 | (284) |
| Trade and other payables | 應付賬款及其他應付款 | (294) |
| Net assets disposed of | 出售資產淨值 | 309 |
| Release of foreign currency translation reserve | 外幣換算儲備回撥 | (51) |
| Gain on disposal of a subsidiary | 出售一間附屬公司收益 | 46 |
| Total consideration | 總代價 | 304 |
| Consideration satisfied by | 代價以下列方式支付 | |
| Cash | 現金 | 304 |
| Net cash outflow arising on disposal: | 出售時產生的現金流出淨額： | |
| Cash consideration received | 已收現金代價 | 304 |
| Cash and cash equivalents disposed of | 出售現金及現金等價物 | (826) |
| | | (522) |

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45. NOTE TO CASH FLOW STATEMENT (Continued)

(b) Disposal of interest in a subsidiary without loss of control

During the year, the Group disposed of 30% interests in a wholly-owned subsidiary at a cash consideration of HK\$1,000. The effect of the disposal on the equity attributable to the owners of the Company is as follows:

| | | RMB'000 人民幣千元 |
|---|--------------|------------------|
| Carrying amount of the interests disposed | 已出售權益的賬面值 | 2,036 |
| Consideration received from non-controlling interests | 非控股權益的已收代價 | 1 |
| Gain on disposal recognised directly in equity | 直接於權益確認的出售收益 | 2,037 |

(c) Disposals of discontinued operations

On 27 September, 18 December and 28 December 2015, the Group discontinued the petrochemicals and zirconium products segments at the time of the disposal of its subsidiaries, Kanway and its subsidiaries, Kingweston and its subsidiaries and APR as fully disclosed in note 17.

List of disposed subsidiaries as follows:

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊/成立地點 | Issued capital/ registered capital 已發行股本/ 註冊資本 | Percentage of ownership interest 擁有權益之比例 | | Principal activities 主要業務 |
|--|---|---|--|----------------|---|
| | | | Direct 直接 | Indirect 間接 | |
| Kingweston 金威斯通 | BVI 英屬處女群島 | US\$2,500,000 美金2,500,000元 | 100% | - | Investment holding 投資控股 |
| APR | Indonesia 印尼 | US\$1,900,000 美金1,900,000元 | 51% | - | Separation, processing and refining of zircon sand, contracting and management of mining concession and the sale of zircon products 鋨砂分解、加工及提煉， 承包和管理開礦權， 及鋨砂銷售 |
| 濱海龍晶化工有限公司 | The PRC 中國 | US\$12,410,550 美金12,410,550元 | - | 100% | Research, development, manufacturing and sales of zirconium compounds 研發、製造及銷售鋨化合物 |
| Century Dragon Investment Limited 龍興投資有限公司 | HK 香港 | HK\$15,000,000 港幣15,000,000元 | - | 100% | Leasing of the Group's office premises in HK, provision of administrative services and general trading in HK 本集團香港辦公室租賃， 於香港提供行政服務及 一般貿易 |

45. 現金流量表附註(續)

(b) 在不失去控制權的情況下出售附屬公司權益

於年內，本集團以現金代價港幣1,000元出售一間全資附屬公司的30%權益。出售對本公司擁有人應佔權益的影響如下：

(c) 出售已終止持續經營業務

於二零一五年九月二十七日、十二月十八日及十二月二十八日，本集團於出售其附屬公司加威及其附屬公司、金威斯通及其附屬公司及APR時，終止成品油及鋨業分部(如附註17所充分披露)。

已出售附屬公司列表如下：

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45. NOTE TO CASH FLOW STATEMENT (Continued)

(c) Disposals of discontinued operations (Continued)

| Name of subsidiary 附屬公司名稱 | Place of incorporation/ establishment 註冊/成立地點 | Issued capital/ registered capital 已發行股本/ 註冊資本 | Percentage of ownership interest 擁有權益之比例 | | Principal activities 主要業務 |
|---|--|---|---|----------------|--|
| | | | Direct 直接 | Indirect 間接 | |
| 宜興倍特電池有限公司 | The PRC 中國 | US\$4,200,000 美金4,200,000元 | - | 100% | Research, development, manufacturing and sales of rechargeable batteries 研發、製造及銷售二次充電電池 |
| 宜興新興鋳業有限公司 | The PRC 中國 | US\$13,100,000 美金13,100,000元 | - | 100% | Research, development, manufacturing and sales of zirconium compounds, electronic materials, electronics ceramics and new energy materials 研發、製造及銷售鋳化合物、電子材料、電子陶瓷及新能源材料 |
| Kanway 加威 | BVI 英屬處女群島 | US\$50,000 美金50,000元 | 100% | - | Investment holding 投資控股 |
| Muntari Holdings Limited 蒙泰利控股有限公司 | BVI 英屬處女群島 | US\$1 美金1元 | - | 100% | Investment holding 投資控股 |
| Muntari Investments (HK) Limited 蒙泰利投資(香港)有限公司 | HK 香港 | HK\$1 港幣1元 | - | 100% | Investment holding 投資控股 |
| Ningbo Lianyi Enterprise Management Consultancy Company Limited 寧波聯易企業管理諮詢有限公司 | The PRC 中國 | RMB1,500,000 人民幣1,500,000元 | - | 100% | Provision of management consulting service 提供管理諮詢服務 |
| Ningbo Bokun Petrochemical Storage Company Limited 寧波市博琨石化倉儲有限公司 | The PRC 中國 | RMB50,000,000 人民幣50,000,000元 | - | Note* 附註* | Provision of petrochemicals storage and wholesale services 提供成品油倉儲及批發服務 |
| Note*: | Control the subsidiary through a series of contractual arrangements and enjoy 100% of its economic benefits. | | 附註*: | | 通過一系列合約安排控制該附屬公司並享有其100%的經濟利益。 |

45. 現金流量表附註(續)

(c) 出售已終止持續經營業務(續)

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45. NOTE TO CASH FLOW STATEMENT (Continued)

45. 現金流量表附註(續)

(c) Disposals of discontinued operations (Continued)

(c) 出售已終止持續經營業務(續)

Aggregated net assets at the dates of disposals were as follows:

於出售日期之淨資產總額如下：

| | | RMB'000 人民幣千元 |
|---|---------------------|------------------|
| Property, plant and equipment (note 20) | 物業、廠房及設備(附註20) | 14,429 |
| Construction in progress (note 22) | 在建工程(附註22) | 1,068 |
| Prepaid land lease payments (note 23) | 土地租賃預付款(附註23) | 37,215 |
| Intangible assets (note 25) | 無形資產(附註25) | 37,921 |
| Inventories | 存貨 | 22,589 |
| Trade and other receivables | 應收賬款及其他應收款 | 67,090 |
| Bank and cash balances | 銀行及現金結存 | 23,032 |
| Trade and other payables | 應付賬款及其他應付款 | (56,871) |
| Due to related companies | 應付關聯方款項 | (35,143) |
| Due to directors | 應付董事款項 | (8,000) |
| Current tax liabilities | 當期稅項負債 | (18,054) |
| NCI | 非控股權益 | 24 |
| Deferred tax liabilities (note 39) | 遞延稅項負債(附註39) | (10,223) |
| Net assets disposed of | 出售資產淨值 | 75,077 |
| Release of foreign currency translation reserve | 外幣換算儲備回撥 | (96,636) |
| Professional expenses | 專業費用 | 721 |
| Gain on disposal of discontinued operations (note 17) | 出售已終止持續經營業務收益(附註17) | 45,525 |
| Total consideration | 總代價 | 24,687 |
| Consideration satisfied by | 代價以下列方式支付 | |
| Cash | 現金 | 20,840 |
| Deferred sales proceeds | 遞延銷售所得款項 | 3,847 |
| | | 24,687 |
| Net cash outflow arising on disposal: | 出售時產生的現金流出淨額： | |
| Cash consideration received, net of expenses | 已收現金代價，扣除支出 | 20,119 |
| Cash and cash equivalents disposed of | 出售現金及現金等價物 | (23,032) |
| | | (2,913) |

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45. NOTE TO CASH FLOW STATEMENT (Continued)

45. 現金流量表附註(續)

(d) Disposal of a subsidiary

On 14 October 2015, the Group entered into a sale agreement with a director of PCS I-Datacomms Limited ("PCSI") to dispose 51% entire equity interests in PCSI. PCSI was principally engaged in provision of structure cabling, IT infrastructures system integration business and system maintenance.

Net assets at the date of disposal were as follows:

(d) 出售一間附屬公司

於二零一五年十月十四日，本公司與盈聯通訊科技有限公司(「盈聯通訊」)一名董事訂立銷售協議，出售於盈聯通訊全部51%股權。盈聯通訊主要從事結構電纜、資訊科技基礎架構、系統集成業務及系統維修。

於出售日期之淨資產如下：

| | | RMB'000 人民幣千元 |
|---|------------------|------------------|
| Property, plant and equipment (note 20) | 物業、廠房及設備(附註20) | 96 |
| Inventories | 存貨 | 1,412 |
| Trade and other receivables | 應收賬款及其他應收款 | 2,839 |
| Bank and cash balances | 銀行及現金結存 | 916 |
| Current tax liabilities | 當期稅項負債 | 254 |
| Due to fellow subsidiaries | 應付同系附屬公司款項 | (277) |
| Due to a related company | 應付一間關聯公司款項 | (183) |
| Due to shareholder | 應付股東款項 | (610) |
| NCI | 非控股權益 | (358) |
| Trade and other payables | 應付賬款及其他應付款 | (3,716) |
| Net assets disposed of | 出售資產淨值 | 373 |
| Goodwill allocated to the subsidiary (note 24) | 分配至附屬公司之商譽(附註24) | 1,586 |
| Release of foreign currency translation reserve | 外幣換算儲備回撥 | (35) |
| Loss on disposal of a subsidiary | 出售一間附屬公司虧損 | (1,370) |
| Total consideration | 總代價 | 554 |
| Consideration satisfied by | 代價以下列方式支付 | |
| Cash | 現金 | 112 |
| Deferred sales proceeds | 遞延銷售所得款項 | 442 |
| | | 554 |
| Net cash outflow arising on disposal: | 出售時產生的現金流出淨額： | |
| Cash consideration received | 已收現金代價 | 112 |
| Cash and cash equivalents disposed of | 出售現金及現金等價物 | (916) |
| | | (804) |

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45. NOTE TO CASH FLOW STATEMENT (Continued)

(e) Acquisition of an associate

On 21 January 2015 and 15 September 2015, the Group entered into an investment agreement and supplemental agreement with Tianyi Venture and an individual to acquire in aggregate 27.4% equity interest in Zewei (note 27). Zewei is principally engaged in provision of information inquiries and sharing services in the PRC. The consideration for the acquisition was satisfied by cash of RMB11,425,000. The amount was fully settled during 2016.

46. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|---------------------|-----------------------------------|-----------------------------------|
| Property, plant and equipment Contracted but not provided for | 物業、廠房及設備 已簽約但未撥備 | 598 | 20,793 |

47. LEASE COMMITMENTS

At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---------------------------------------|----------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 3,755 | 3,924 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 849 | 2,305 |
| After five years | 五年後 | - | 69 |
| | | 4,604 | 6,298 |

The Group leases offices and land under operating lease with fixed rental. The lease runs for an initial period of 1 to 3 years, with an option to renew when all terms are renegotiated.

At 31 December 2016, the total future minimum lease expected to be received under non-cancellable operating leases are as follows:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---------------------------------|----------|-----------------------------------|-----------------------------------|
| Within 1 year | 一年內 | 1,991 | 1,904 |
| After 1 year but within 5 years | 一年後但五年以內 | 800 | 1,026 |
| | | 2,791 | 2,930 |

45. 現金流量表附註(續)

(e) 收購一間聯營公司

於二零一五年一月二十一日及二零一五年九月十五日，本集團與天翼創投及一名個人訂立投資協議及補充協議，以收購澤維合共27.4%股權(附註27)。澤維主要從事於中國提供資訊查詢及分享服務。收購代價以現金方式支付為人民幣11,425,000元。該款項已於二零一六年內悉數支付。

46. 資本承擔

本集團於報告期末的資本承擔如下：

47. 租約承擔

於二零一六年十二月三十一日，根據不可撤銷之營運租約於未來需支付之最低租賃款總額如下：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---------------------------------------|----------------|-----------------------------------|-----------------------------------|
| Within one year | 一年內 | 3,755 | 3,924 |
| In the second to fifth year inclusive | 第二至第五年(包括首尾兩年) | 849 | 2,305 |
| After five years | 五年後 | - | 69 |
| | | 4,604 | 6,298 |

本集團按營運租約以固定租金租賃辦公室及土地。初步租期為一年至三年，屆時重新磋商一切條件後有權續約。

於二零一六年十二月三十一日，根據不可撤銷之營運租約預期於未來可收取之最低租賃款總額如下：

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|---------------------------------|----------|-----------------------------------|-----------------------------------|
| Within 1 year | 一年內 | 1,991 | 1,904 |
| After 1 year but within 5 years | 一年後但五年以內 | 800 | 1,026 |
| | | 2,791 | 2,930 |

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For the year ended 31 December 2016
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47. LEASE COMMITMENTS (Continued)

The Group leases out the investment properties under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease after the date at which time all terms are negotiated. Lease payments are usually adjusted every year to reflect market rentals. None of the leases includes contingent rentals.

48. OTHER COMMITMENTS

At 31 December 2016, the Group had certain commitments in respect of the outstanding capital contribution of the following companies:

| | | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-----------------------------|---------------|-----------------------------------|-----------------------------------|
| 上海荷特寶配餐服務有限公司 | 上海荷特寶配餐服務有限公司 | 1,800 | - |
| Lucy Robotics | 小璐機器人 | - | 1,900 |
| ShopperConnect | 樂逛 | 1,600 | - |
| Solomedia Shanghai | 鴿子上海 | 13,494 | - |
| Solomedia Yixing | 鴿子宜興 | 23,390 | 26,000 |
| PCS Carnegie | 盈聯卡內基 | 817 | - |
| Solomedia Ad | 鴿子廣告 | - | 1,000 |
| Haihai Travel Cloud Limited | 嗨嗨旅遊雲有限公司 | 4,480 | 18,133 |
| Cosmartec Limited | 環宇智能技術有限公司 | 26,988 | 25,419 |

At 31 December 2015, the Group had commitments of RMB76,910,000 and RMB28,900,000 in respect of the outstanding payment for the long-term prepayments and deposits respectively.

49. RELATED PARTIES TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in the financial statements, the Group had entered into the following transactions with its related parties during the year.

(a) Transactions with related parties

| Name of related parties 關聯方名稱 | Relationship 關係 | Nature of transaction 交易性質 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|---|---|-----------------------------------|-----------------------------------|
| Shanghai Bokun Investments Co., Ltd. 上海博琨投資有限公司 | Controlled by a director of the Company 受本公司一名董事控制 | Motor vehicles service fee charged 支付汽車服務費 | - | 393 |
| Zewei 澤維 | An associate 一間聯營公司 | Sale of an intangible asset 出售一項無形資產 | 950 | - |
| | | Service income received 收取服務收入 | 113 | - |
| | | Service cost charged 支付服務成本 | 2,324 | - |

(b) Details of guarantees provided by related parties for banking facilities granted to the Group are as set out in note 36 to the consolidated financial statements.

47. 租約承擔(續)

本集團按營運租約出租投資性物業。初步租賃期一般為一至三年，屆時重新磋商一切條件後有權續約。租賃款通常每年調整以反映市場租金。該等租約並無包括或然租金。

48. 其他承擔

於二零一六年十二月三十一日，本集團就以下公司的未完成出資金額有若干承擔：

於二零一五年十二月三十一日，本集團就尚未支付之長期預付款及按金承擔分別為人民幣76,910,000元及人民幣28,900,000元。

49. 關聯方交易

除財務報表其他部分披露的關聯方交易及結餘之外，本集團年內亦與其關聯方進行了以下交易。

(a) 與關聯方之交易

(b) 關聯方授予本集團之銀行融資擔保詳情載列於綜合財務報表附註36。

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For the year ended 31 December 2016
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49. RELATED PARTIES TRANSACTIONS (Continued)

49. 關聯方交易(續)

(c) Amounts due from/(to) related parties

| Name of related parties 關聯方名稱 | Relationship 關係 | Terms 交易性質 | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|--|---|--|-----------------------------------|-----------------------------------|
| Proactive Cyberspace Company Limited 盈聯數碼集團有限公司 | Controlled by a director of the Company 受本公司一名董事控制 | Unsecured, interest-free and repayable on demand 無抵押、免息及須於要求時償還 | - | 726 |
| PCS Telecom Limited 盈聯電訊有限公司 | Controlled by a director of the Company 受本公司一名董事控制 | Unsecured, interest-free and repayable on demand 無抵押、免息及須於要求時償還 | - | (130) |

(c) 應收/(應付)關聯方款項

(d) The compensation to the Group's key management personnel, including amounts paid to the Company's directors and certain of the highest paid employees, is disclosed in note 15 to the consolidated financial statements.

The remuneration of directors and other members of key management during the year was as follows:

(d) 本集團主要管理人員之酬金，當中包括支付予本公司董事及最高受薪僱員之款項，已在綜合財務報表附註15中披露。

年內董事及主要管理層其他成員之薪酬如下：

| | 2016 二零一六年 RMB'000 人民幣千元 | 2015 二零一五年 RMB'000 人民幣千元 |
|-----------------------------|-----------------------------------|-----------------------------------|
| Short-term benefits 短期利益 | 5,908 | 4,762 |

50. EVENT AFTER THE REPORTING PERIOD

On 5 January 2017, the Group entered into a conditional sale and purchase agreement with a director of a non-wholly owned subsidiary, Evolve, to dispose of the Group's entire 51% equity interests in Evolve and its subsidiary, which engaged in the provision of IT related services, for a cash consideration of HK\$3,950,000 (equivalent to approximately RMB3,553,000).

51. COMPARATIVE FIGURES

The expenses presented in the consolidated statement of profit or loss and other comprehensive income have been changed from the classification by function to classification by nature as the directors consider that the new presentation is more appropriate to the financial statements following the Group's current business.

50. 報告期後事項

於二零一七年一月五日，本集團與一間非全資附屬公司Evolve的董事訂立有條件買賣協議，出售本集團持有Evolve及其附屬公司(該等公司從事提供資訊科技相關服務)的全部51%股權，現金代價為港幣3,950,000元(約相等於人民幣3,553,000元)。

51. 比較數字

依照本集團現時的業務，董事認為財務報表的新呈列方式更為恰當，呈列於綜合損益與其他全面收益表的支出已由按功能分類轉變為按性質分類。