



PAX Global Technology Limited

百富環球科技有限公司*

(Incorporated in Bermuda with limited liability)

(於百慕達註冊成立的有限公司)

Stock Code 股份代號 : 00327



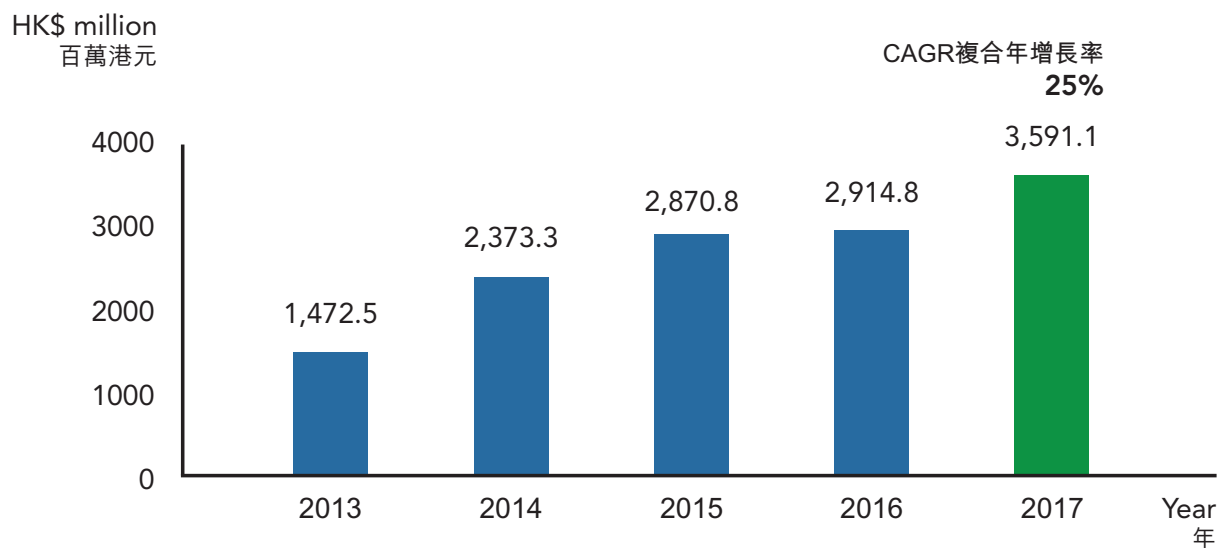
* For Identification Purpose Only
僅供識別

Financial Highlights

財務概要

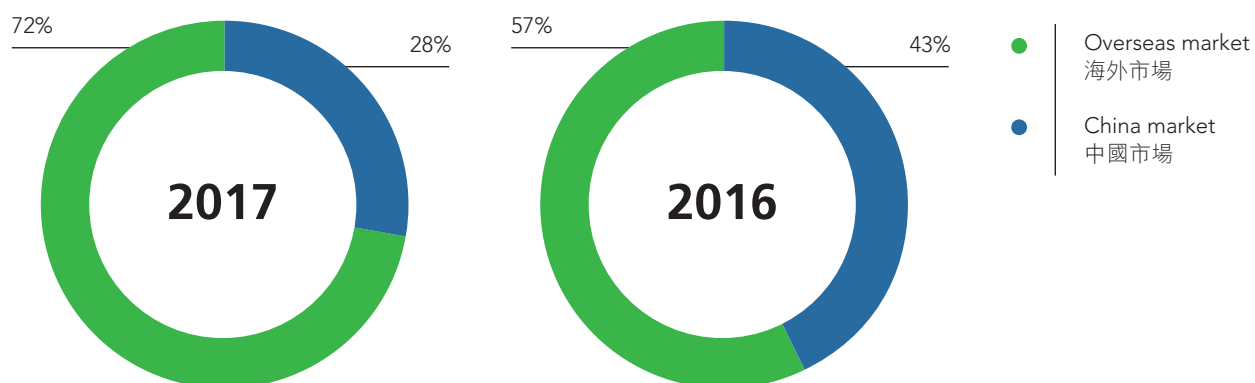
REVENUE

營業額



SALES BY GEOGRAPHICAL REGION

按地區營業額



Financial Highlights

財務概要

For the year ended 31 December (in HK\$'000)	截至十二月三十一日止年度 (千港元)	2017 二零一七年	2016 二零一六年	+ / (-)
Revenue	收入	3,591,080	2,914,842	+23.2%
Gross profit	毛利	1,457,593	1,261,994	+15.5%
Operating Profit	經營溢利	428,023	689,093	-37.9%
Profit before income tax	除所得稅前溢利	424,540	678,299	-37.4%
Profit for the year	年度溢利	336,566	603,434	-44.2%
Profit attributable to the owners of the Company	本公司持有人應佔溢利	407,507	600,908	-32.2%
Research and development costs (included in administrative expenses)	研發開支 (包括在行政費用內)	(287,230)	(183,614)	+56.4%
Impairment of assets (one-off in 2017)	資產減值 (二零一七年一次性)	(176,471)	-	N/A 不適用
Operating Profit (excluding the impairment of assets)	經營溢利 (不包括資產減值)	604,494	689,093	-12.3%
Profit before income tax (excluding the impairment of assets)	除所得稅前溢利 (不包括資產減值)	601,011	678,299	-11.4%
Profit for the year (excluding the impairment of assets)	年度溢利 (不包括資產減值)	513,037	603,434	-15.0%
Profit attributable to the owners of the Company (excluding the impairment of assets)	本公司持有人應佔溢利 (不包括資產減值)	548,954	600,908	-8.6%
At 31 December (in HK\$'000)	於十二月三十一日 (千港元)	2017 二零一七年	2016 二零一六年	+ / (-)
Total current assets	流動資產總值	4,839,173	4,220,419	+14.7%
Total assets	資產總值	5,232,216	4,433,063	+18.0%
Net current assets	流動資產淨值	3,521,846	3,295,002	+6.9%
Total equity	權益總額	3,897,066	3,501,283	+11.3%

EARNINGS PER SHARE & DIVIDEND

每股盈利及股息

Per Share (in HK\$)	每股 (港元)	2017 二零一七年	2016 二零一六年	+ / (-)
Earnings per share	每股盈利			
– Basic	– 基本	0.367	0.539	-31.9%
– Diluted	– 攤薄	0.367	0.535	-31.4%
Proposed final dividend per ordinary share	建議每股普通股末期股息	0.04	0.04	-

Financial Highlights

財務概要

FINANCIAL RATIOS

財務比率

		2017 二零一七年	2016 二零一六年
Gross profit margin	毛利率	40.6%	43.3%
Operating profit margin	經營溢利率	11.9%	23.6%
Net profit margin	淨利潤率	9.4%	20.7%
Current ratio	流動比率	3.7	4.6
Return on equity ¹	權益回報 ¹	10.5%	17.2%
Return on assets ²	資產回報 ²	7.8%	13.6%
Operating profit margin (excluding the impairment of assets)	經營溢利率 (不包括資產減值)	16.8%	23.6%
Net profit margin (excluding the impairment of assets)	淨利潤率 (不包括資產減值)	14.3%	20.7%

TURNOVER DAYS

週轉日數

Year	年度	2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年
Inventory ³	存貨 ³	139	114	112	142	138
Trade and bills receivables ⁴	應收賬款及應收票據 ⁴	147	118	121	164	158
Trade payables ⁵	應付賬款 ⁵	131	105	119	152	138
Cash conversion ⁶	現金轉換 ⁶	155	127	115	154	158

Notes

- Return on equity = Profit attributable to the owners of the Company/Equity as at year end
- Return on assets = Profit attributable to the owners of the Company/Total assets as at year end
- Inventory turnover days = Average Gross inventory balance/(Cost of sales for the year/365 days)
- Trade and bills receivables turnover days = Average Gross trade and bills receivables balance/(Turnover for the year/365 days)
- Trade payables turnover days = Average Gross trade payables balance/(Cost of sales for the year/365 days)
- Cash conversion days = Inventory turnover days + Trade and bills receivables turnover days – Trade payables turnover days

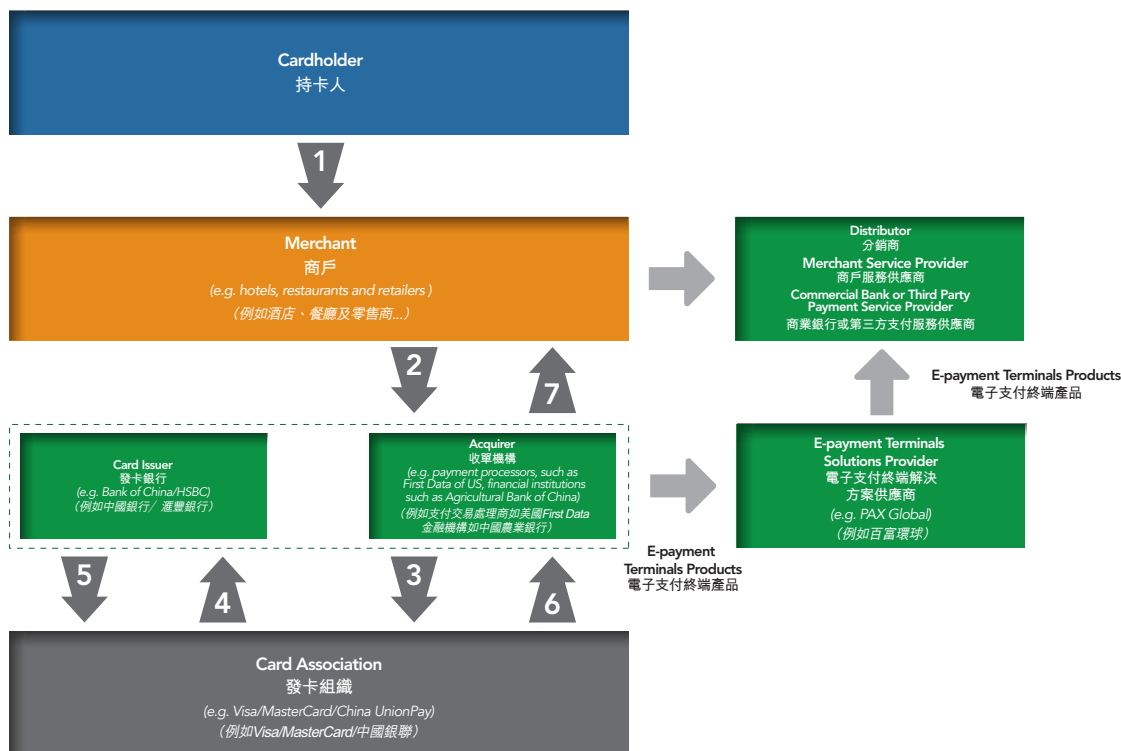
附註

- 權益回報 = 本公司持有人應佔溢利 / 年末權益
- 資產回報 = 本公司持有人應佔溢利 / 年末資產總值
- 存貨週轉日數 = 平均存貨結餘總額 / (年內銷售成本 / 365日)
- 應收賬款及應收票據週轉日數 = 平均應收賬款及應收票據結餘總額 / (年內營業額 / 365日)
- 應付賬款週轉日數 = 平均應付賬款總額 / (年內銷售成本 / 365日)
- 現金轉換日數 = 存貨週轉日數 + 應收賬款及應收票據週轉日數 - 應付賬款週轉日數

Bank Card Transaction Flow of Electronic Payment 銀行卡電子支付交易流程

The following is a simplified diagram illustrating the transaction flow in a typical electronic payment transaction

以下簡圖所示為一般銀行卡電子支付交易的交易流程



Source: Analysys International, CSI

數據來源：易觀國際、中信證券

“➡” E-payment Terminals solutions provider sells E-payment Terminals products and provides related services to merchant service provider and acquirer.

「➡」 電子支付終端解決方案供應商銷售電子支付終端產品，並提供相關服務予商戶服務供應商及收單機構。

“➡” Merchant service provider provides transaction processing solutions to merchants by assisting merchants in setting-up their operations to accept cards as a form of payment from their customers.

「➡」 商戶服務供應商透過協助商戶建立接納客戶以卡作為支付方式的業務，向商戶提供交易處理解決方案。

“➡”

「➡」

1: Cardholder purchases with card at a merchant through an E-payment Terminals.

1: 持卡人於商戶透過電子支付終端以卡支付。

2: The E-payment Terminals sends transaction data to the acquirer.

2: 電子支付終端傳送交易數據予收單機構。

3&4: The acquirer sends authorisation request and verifies with the card issuer that the card number and transaction amount are both valid through the network of card association.

3&4: 收單機構發送授權要求，並透過發卡組織的網絡向發卡機構核實卡號碼及交易金額均屬有效。

5&6: The card issuer verifies that the cardholder's credit is sufficient and grants authorisation.

5&6: 發卡機構核實持卡人的信用額充足並給予授權。

7: The acquirer receives the response and relays it to the merchant.

7: 收單機構接收回應及轉達予商戶。

Some of Our Products (for reference only) 部份公司產品（僅供參考）

ELECTRONIC CASH REGISTER SOLUTION 電子收款機解決方案

General Features: Cost efficient and space saving all-in-one integrated solution. Support all kinds of payments and operated by Android operation system.

一般特性：成本節約及空間節省的一體化解決方案，支持各類型支付模式並由Android作作業系統。



New model launched in 2017
二零一七年推出的新型號

E500

Some of Our Products (for reference only)

部份公司產品 (僅供參考)

NFC 非接觸讀卡器

General features: Support all kinds of mobile payment, including dynamic QR code technology and Contactless payment.
一般特性：支持各類型移動支付模式，包括動態二維碼技術及非接觸式支付。

New model launched in 2017
二零一七年推出的新型號

QR55



SMART E-PAYMENT SOLUTION 智能電子支付解決方案

General features: Large and high-resolution capacitive touch screen, dual cameras, fast thermal printer. Support all kinds of payments, including gift cards and loyalty programs.
一般特性：特大高清電容觸摸屏、雙攝像頭、快速熱能打印機。支持各類型支付模式，包括禮品卡及常客計劃。

A920



Some of Our Products (for reference only) 部份公司產品（僅供參考）

TRADITIONAL E-PAYMENT SOLUTION

傳統電子支付解決方案

- i) Countertop and Wireless E-payment Terminals
臺式及手持無線式電子支付終端

General features: Accept smart card, magnetic stripe card and support credit, debit and a full range of prepaid products, including gift cards and loyalty programs. Most of the models support QR code application.

一般特性：可讀取智能卡、磁條卡、並支持信用卡、借記卡及全系列預付產品，包括禮品卡及常客計劃。大部份型號可支援二維碼應用。

New model launched in 2017
二零一七年推出的新型號

Q80s



S920



Other models: Q80, S910, S900, S800, S500, S90, S80, S78, S60, S58
其他型號：Q80 · S910 · S900 · S800 · S500 · S90 · S80 · S78 · S60 · S58

Q80



S910



S900



Some of Our Products (for reference only) 部份公司產品 (僅供參考)

TRADITIONAL E-PAYMENT SOLUTION

傳統電子支付解決方案

- ii) Pin Pad Devices
密碼鍵盤設備

General features: Specifically designed for contactless payment, which comply with various industry standards including MasterCard's PayPass and Visa's payWave.

一般特性：專為非接觸式支付而設，並符合多個業內標準，包括MasterCard的PayPass及Visa的payWave。

New model launched in 2017
二零一七年推出的新型號

Q30



New model launched in 2017
二零一七年推出的新型號

SP200



Other model 其他型號：
SP20V4, SP30, S300

- iii) Multilane Series
多媒體系列

General features: Provide a fast and accurate touch response capabilities, and able to be integrated with a variety of POS systems.

一般特性：具有快速精準的觸摸響應能力，並能與多種POS系統整合。



PX7



PX5

Some of Our Products (for reference only)

部份公司產品（僅供參考）

MOBILE E-PAYMENT SOLUTION

移動電子支付解決方案

General features: Accept smart card, magnetic stripe and contactless transactions, large memory capacity, and built-in contactless card reader supports near field communications ("NFC").

一般特性：可讀取智能卡、磁條及非接觸式傳輸，具備大記憶容量，內置支援近距離無線通訊（「NFC」）的非接觸讀卡器。

D220



D200



D210



D180



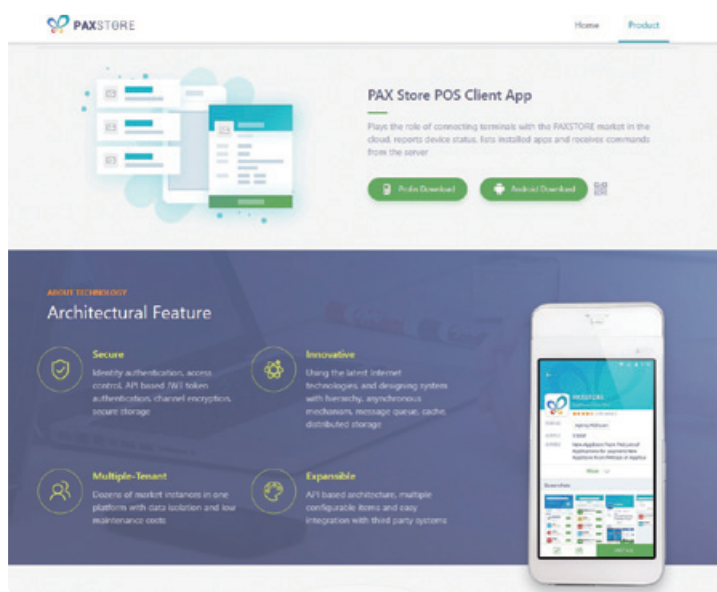
Some of Our Products (for reference only)

部份公司產品（僅供參考）

PAXSTORE (new software solution launched in 2017) (二零一七年推出的新軟件解決方案)

Features: A secure cloud-based Software-as-a-Service (“SaaS”) platform that allows you to create and manage your own independent marketplace for software application distribution. It also provides an integrated terminal management system platform and smart data analysis.

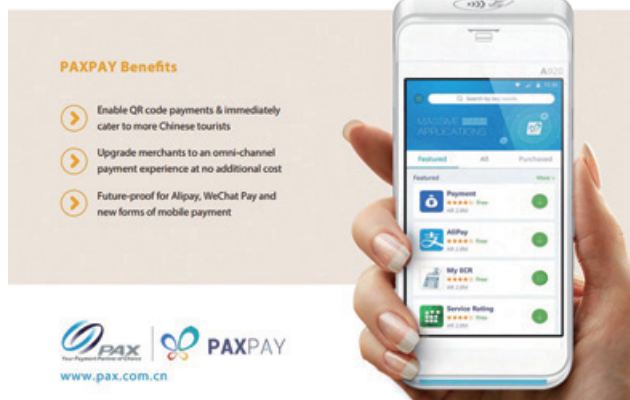
特性： 一個安全的雲端軟體即服務(「SaaS」)平台，允許您創建及管理您自己獨立的軟件應用市場。同時，它提供一個終端綜合管理系統平台和智能數據分析。



PAXPAY (new software solution launched in 2017) (二零一七年推出的新軟件解決方案)

Features: An omni-channel payment gateway platform. Through this platform, merchants' transaction will be centralised and eliminated the reconciliation to different acquirers one by one.

特性： 一個融合多種支付渠道的聚合支付平台，商戶通過此平台對多渠道交易集中對賬，免去與收單行逐一對賬困擾。





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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors

NIE Guoming (*Chairman*)
LU Jie (*Chief Executive Officer*)
LI Wenjin

Independent Non-Executive Directors

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

JOINT COMPANY SECRETARIES

CHEUNG Shi Yeung
LAU Ling Yun Agnes
CHAN Yiu Kwong

AUTHORISED REPRESENTATIVES

LI Wenjin
CHEUNG Shi Yeung
CHAN Yiu Kwong (alternate)

BERMUDA RESIDENT REPRESENTATIVE

Conyers Corporate Services (Bermuda) Limited

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS

As to Hong Kong Law

Reed Smith Richards Butler
Woo Kwan Lee & Lo

As to Bermuda Law

Conyers Dill & Pearman

董事會

執行董事

聶國明 (主席)
蘆杰 (行政總裁)
李文晉

獨立非執行董事

葉偉明
吳敏
文國權

聯席公司秘書

張仕揚
劉令茵
陳耀光

授權代表

李文晉
張仕揚
陳耀光 (替任)

百慕達註冊處代表

Conyers Corporate Services (Bermuda) Limited

核數師

羅兵咸永道會計師事務所

法律顧問

香港法律

禮德齊伯禮律師行
胡關李羅律師行

百慕達法律

Conyers Dill & Pearman



Corporate Information 公司資料

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Asia) Limited
Wing Lung Bank
The Hongkong and Shanghai Banking Corporation Limited
Hang Seng Bank Limited

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 2416, 24th Floor
Sun Hung Kai Centre
30 Harbour Road
Wanchai
Hong Kong

SHARE REGISTRAR IN BERMUDA

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Investor Services Ltd
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

COMPANY'S WEBSITE

www.paxglobal.com.hk

STOCK CODE

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主要往來銀行

中國工商銀行(亞洲)有限公司
永隆銀行
香港上海滙豐銀行有限公司
恒生銀行有限公司

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

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港灣道30號
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24樓2416室

百慕達股份過戶登記處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
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Hamilton HM 11
Bermuda

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www.paxglobal.com.hk

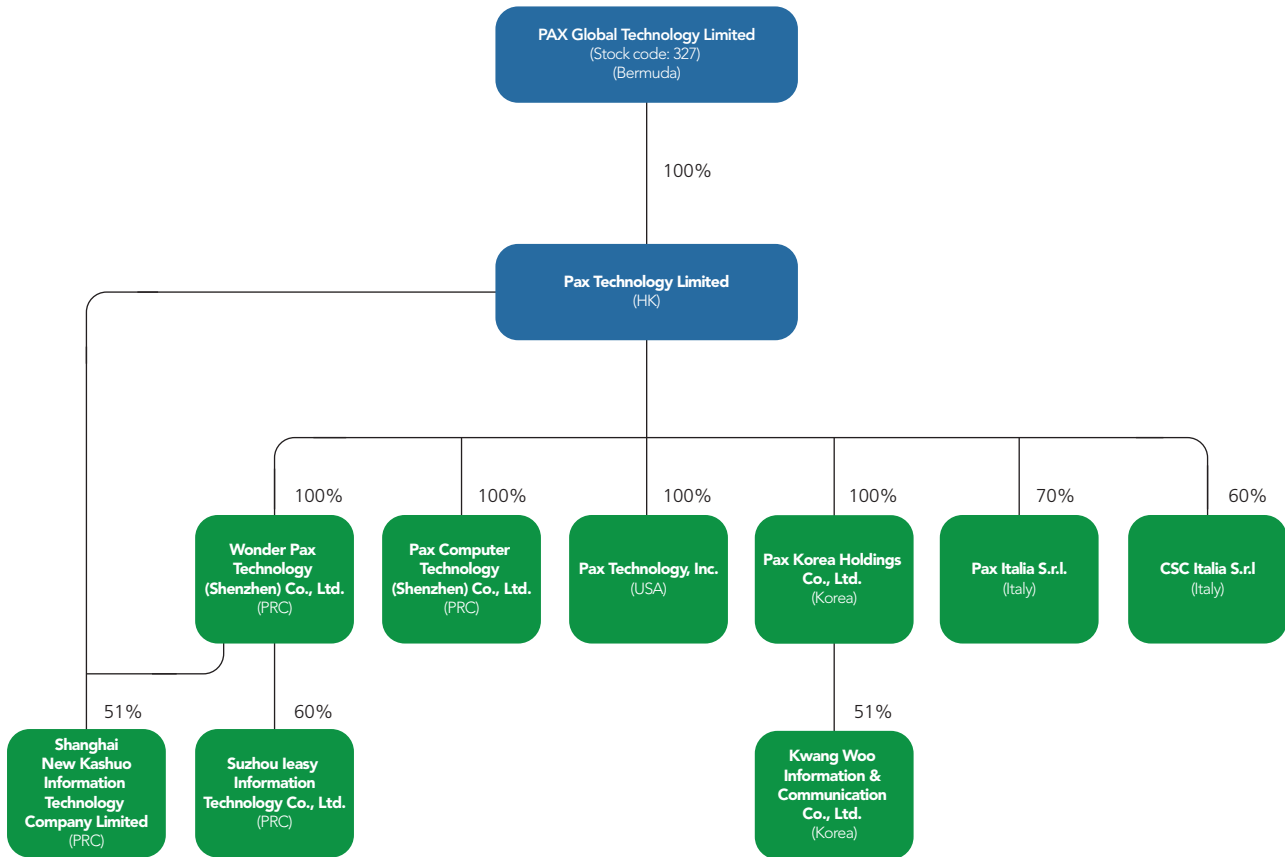
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Simplified Corporate Chart

公司架構簡表

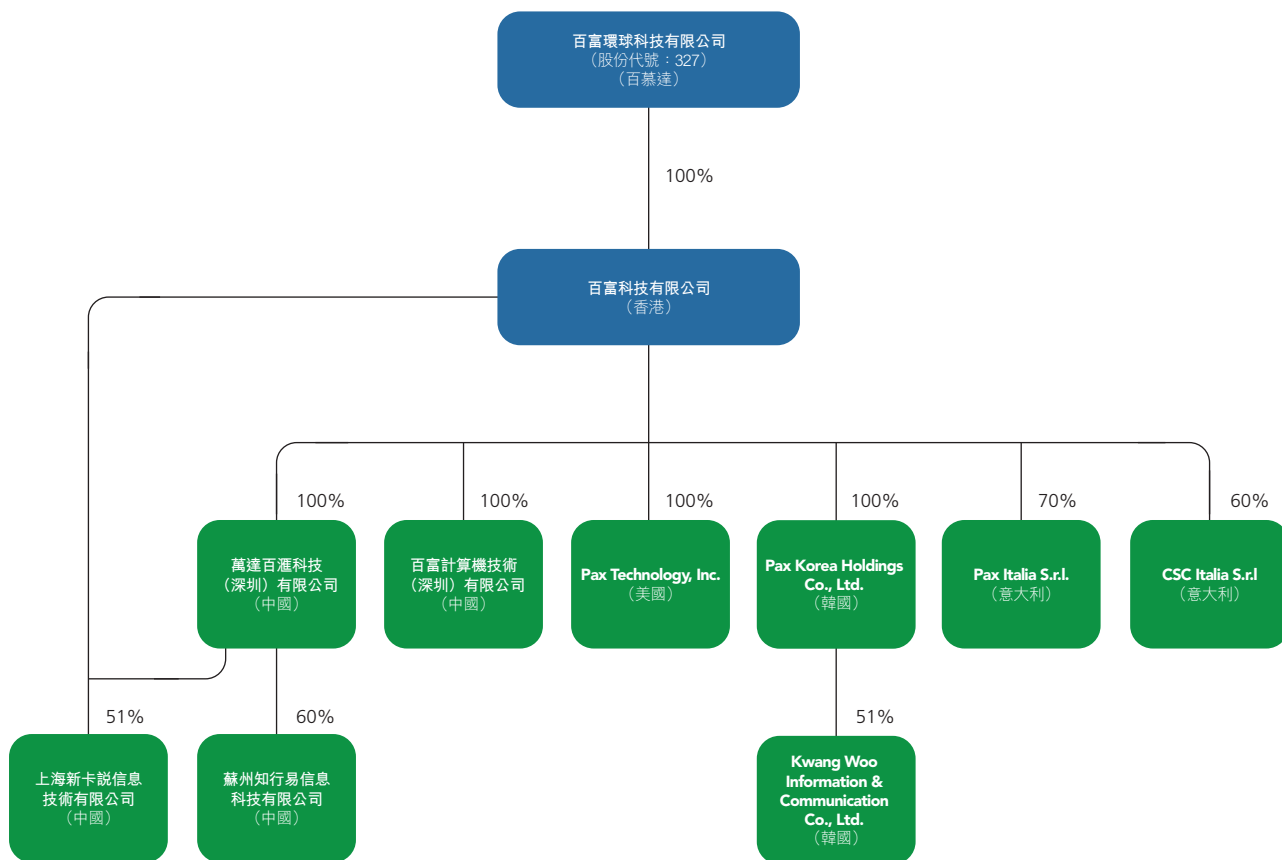
The following is a simplified corporate chart of the Group's principal operating subsidiaries up to the date of this report.



Simplified Corporate Chart

公司架構簡表

下表為截至本報告日期本集團主要營運附屬公司的公司架構簡表。



Directors and Senior Management

董事及高級管理層

As at 7 March 2018, the date of the Report of the Directors, the biographical details of the directors (the “Director(s)”) and senior management of PAX Global Technology Limited (the “Company”) are as follows:

BOARD OF DIRECTORS

Executive Directors

NIE Guoming *Chairman*

Mr. Nie, aged 55, is the Chairman and an Executive Director of the Company and the Chairman of Pax Computer Technology (Shenzhen) Co. Ltd. (“Pax Technology (Shenzhen)”). He is responsible for the overall management and strategic development of the Company and its subsidiaries (collectively, the “Group”). Mr. Nie has over 22 years of experience in the card payment industry. He joined Pax Technology Limited (“Pax Technology”) since its founding on 20 March 2000. He was the vice president of Pax Technology from 20 March 2000 to 1 January 2001 and the president of Pax Technology from 2 January 2001 to 14 June 2010. He was appointed as the chairman of Pax Technology on 14 June 2010. Mr. Nie previously worked as an engineer in the Information Technology Department of the Headquarters of China Merchants Bank in the People’s Republic of China (the “PRC”) from 1996 to 1999. Mr. Nie graduated from Tsinghua University in 1984 with a bachelor’s degree in Radio Electronics and obtained a master’s degree in Radio Electronics Engineering from Southeast University in 1991. He was appointed as the Chairman and an Executive Director of the Company on 1 December 2010.

LU Jie *Chief Executive Officer*

Mr. Lu, aged 53, is the Chief Executive Officer and an Executive Director of the Company and a director in a number of subsidiaries of the Company. He joined the Group in August 2001 and is responsible for managing all the business development, sales and marketing functions of the Group. Mr. Lu has over 17 years of experience in sales and marketing in the electronic payment industry and served a number of management positions and executive role at Beijing Order Computer Company (“Beijing Order”), a system integration company, from 1998 to 2001, including general manager of insurance department, general manager of marketing department and vice president of the company. He had also worked as an engineer of the Ministry of Geology and Mineral Resources of the PRC and the Chinese Academy of Geological Sciences from 1986 to 1994 and from 1994 to 1995 respectively. Mr. Lu holds a bachelor’s degree from Chengdu Geology Institute. He obtained an Executive Master of Business Administration degree from the Cheung Kong Graduate School of Business in 2010. He was appointed as the Chief Executive Officer and an Executive Director of the Company on 23 May 2013.

於二零一八年三月七日（即董事會報告日期），百富環球科技有限公司（「本公司」）董事（「董事」）及高級管理人員的履歷詳情如下：

董事會

執行董事

聶國明 *主席*

聶先生，55歲，為本公司主席兼執行董事，並為百富計算機技術（深圳）有限公司（「百富科技（深圳）」）的主席。彼負責本公司及其附屬公司（統稱「本集團」）的整體管理及策略發展。聶先生於卡支付行業擁有逾22年經驗。彼自百富科技有限公司（「百富科技」）於二零零零年三月二十日成立起加入該公司。彼於二零零零年三月二十日至二零零一年一月一日出任百富科技的副總裁，於二零零一年一月二日至二零一零年六月十四日間出任百富科技的總裁。彼於二零一零年六月十四日獲委任為百富科技的主席。聶先生於一九九六年至一九九九年曾於中華人民共和國（「中國」）的中國招商銀行總部的信息科技部門任職工程師。聶先生於一九八四年畢業於清華大學，持有無線電電子學學士學位，其後於一九九一年獲東南大學頒授無線電工程碩士學位。彼於二零一零年十二月一日獲委任為本公司主席及執行董事。

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蘆先生，53歲，為本公司行政總裁兼執行董事，及本公司多間附屬公司董事。彼於二零零一年八月加入本集團，負責管理本集團的所有業務發展、銷售及營銷工作。蘆先生於電子支付行業的銷售及營銷方面擁有逾17年經驗，曾於一九九八年至二零零一年在北京方正奧德計算機系統有限公司（「北京方正奧德」），一間系統集成公司，擔任多個管理職位及行政角色，包括保險部總經理、營銷部總經理及公司副總裁。彼亦於一九八六年至一九九四年及一九九四年至一九九五年分別在中國地質礦產部及中國地質科學院擔任工程師。蘆先生持有成都地質學院的學士學位。彼於二零一零年獲長江商學院頒授高級管理人員工商管理碩士學位。彼於二零一三年五月二十三日獲委任為本公司行政總裁兼執行董事。

Directors and Senior Management

董事及高級管理層

LI Wenjin

Mr. Li, aged 54, is an Executive Director of the Company. He is responsible for risk management and treasury management. He is also responsible for overseeing operations of Pax Technology of which he has been a director since 5 April 2000. Mr. Li has over 26 years of experience in investment and administrative affairs. Mr. Li was the director of Hi Sun Information Technology Services Limited (“HSITSL”) from 1 August 1997 to 3 May 2005. HSITSL was a Hong Kong company, which was a representative and purchasing office engaging in general trading and provision of consultancy services. HSITSL provided consultancy services to Pax Technology from 2002 to 2003. Mr. Li is also the managing director of Hi Sun Limited since 16 August 1999 and an executive director of Hi Sun Technology (China) Limited (“Hi Sun”), a substantial shareholder of the Company, since 7 June 2001. He has also been appointed as an executive director of both Hi Sun Limited and Hi Sun and certain of their subsidiaries. Prior to joining Hi Sun Limited in 1999, he worked for several companies in the PRC and Hong Kong, including Beijing Order from 1994 to 1995 where he was responsible for investment and administrative affairs. Mr. Li obtained a master’s degree in law from the Peking University in 1989. He was appointed as an Executive Director of the Company on 24 February 2010.

Independent Non-Executive Directors

YIP Wai Ming

Mr. Yip, aged 52, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Mr. Yip is currently an independent non-executive director of Ju Teng International Holdings Limited (巨騰國際控股有限公司), Far East Horizon Limited (遠東宏信有限公司), Poly Culture Group Corporation Limited (保利文化集團股份有限公司) and Yida China Holdings Limited (億達中國控股有限公司), all of which are companies listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mr. Yip graduated from The University of Hong Kong with a bachelor’s degree in social sciences in 1987. He also holds a bachelor’s degree in laws from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants.

WU Min

Dr. Wu, aged 46, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Previously, Dr. Wu was an assistant professor at The Hong Kong University of Science & Technology Business School and The University of Hong Kong School of Business. Dr. Wu has been teaching International Accounting Standards, US Generally Accepted Accounting Principles and Chinese Accounting Standards. Her academic research achievements in identifying US accounting restatements and frauds were reported by various media, including the Wall Street Journal, New York Times, Business Week, Fortune, CNN, etc. Dr. Wu used to cooperate with major accounting firms and the Public Company Accounting Oversight Board (US) in research in the areas of accounting manipulation and frauds by US listed companies. She also provides professional interpretation and analysis services for investment funds on accounting standards and on listed companies’ financial statements. Dr. Wu graduated from Peking University with a bachelor’s degree in Economics in 1994. Dr. Wu obtained a master’s degree in Economics from Tufts University in 1996 and a Ph.D. in Accounting from Stern School of Business, New York University in 2003.

李文晉

李先生，54歲，為本公司執行董事。彼負責風險管理及財務管理。彼自二零零零年四月五日起亦出任百富科技的董事，負責監察百富科技的營運。李先生於投資及行政事務擁有逾26年經驗。李先生於一九九七年八月一日至二零零五年五月三日擔任高陽信息產品服務有限公司（「高陽信息」）的董事。高陽信息為一家香港公司，乃進行一般買賣的代表暨採購辦事處，亦有提供諮詢服務。高陽信息於二零零二年至二零零三年向百富科技提供諮詢服務。李先生亦自一九九九年八月十六日起擔任高陽有限公司的董事總經理，並自二零零一年六月七日起出任高陽科技（中國）有限公司（「高陽」）的執行董事，而高陽則為本公司的主要股東。彼亦獲委任為高陽有限公司及高陽以及兩者的若干附屬公司的執行董事。彼於一九九九年加入高陽有限公司前，曾在中國及香港多家公司工作，包括於一九九四年至一九九五年在北京方正奧德負責投資及行政事務。李先生於一九八九年獲北京大學頒授法律碩士學位。彼於二零一零年二月二十四日獲委任為本公司執行董事。

獨立非執行董事

葉偉明

葉先生，52歲，於二零一零年十二月一日獲委任為本公司獨立非執行董事。葉先生目前為巨騰國際控股有限公司、遠東宏信有限公司、保利文化集團股份有限公司及億達中國控股有限公司的獨立非執行董事，所有上述公司均於香港聯合交易所有限公司（「聯交所」）上市。葉先生在一九八七年畢業於香港大學，持有社會科學學士學位。彼亦持有倫敦大學法律學士學位。葉先生為特許公認會計師公會資深會員及香港會計師公會及中國註冊會計師協會會員。

吳敏

吳博士，46歲，於二零一零年十二月一日獲委任為本公司的獨立非執行董事。吳博士之前為香港科技大學商學院和香港大學商學院助理教授。吳博士一直教授國際會計準則、美國公認會計準則及中國會計準則。其於識別美國會計重列及欺詐的學術研究成果廣獲華爾街日報、紐約時報、商業周刊、財富、CNN等多家媒體報道。吳博士過去曾與主要會計公司及美國上市公司會計監察委員會合作研究美國上市公司的會計操縱及欺詐領域。彼亦為投資資金提供有關會計準則及上市公司財務報表的專業詮釋及分析服務。吳博士於一九九四年畢業於北京大學，獲經濟學士學位。吳博士於一九九六年獲塔夫斯大學頒授經濟碩士學位，及於二零零三年獲紐約大學Stern School of Business頒授會計博士學位。

Directors and Senior Management

董事及高級管理層

MAN Kwok Kuen, Charles

Mr. Man, aged 59, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Mr. Man graduated from The University of Hong Kong with a bachelor's degree in laws in 1981. Mr. Man was admitted as a solicitor in Hong Kong in 1984 and has practised as a solicitor at Joseph S. C. Chan & Co. (formerly known as Chan and Lo) in Hong Kong since then. He is currently a partner of Joseph S.C. Chan & Co.

SENIOR MANAGEMENT

LUO Shaowen

Mr. Luo, aged 49, is the executive vice president and a director of Pax Technology (Shenzhen). He is responsible for the research and development management of the Company's smart electronic payment point-of-sales terminals ("E-payment Terminals") products and supply chain business (procurement production, quality management and information technology) and oversees the finance of the operations in Shenzhen. Mr. Luo graduated from Wuhan University with a bachelor's degree in economic management. Mr. Luo has over 20 years of experience in the card payment industry and over 15 years of experience in financial administration and supply chain management. He joined Pax Technology (Shenzhen) in December 2004 as the chief financial officer. Prior to joining the Group, Mr. Luo served various management positions in the Beijing Order and Beijing Hi Sun Electric Power Information Technology Limited.

CHEUNG Shi Yeung

Mr. Cheung, aged 34, is the Chief Financial Officer and one of the joint company secretaries of the Company (the "Company Secretary(ies)"). He joined the Group in October 2016 and is responsible for overseeing the business development, finance, compliance, merger and acquisition, and investor relations of the Group. Mr. Cheung graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration and has over 10 years of financial and accounting related experience. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Cheung worked for an international public accountancy firm and was involved in a number of audit and assurance, capital market transaction and advisory projects advising corporate clients including listed companies and conglomerates worldwide.

文國權

文先生，59歲，於二零一零年十二月一日獲委任為本公司獨立非執行董事。文先生於一九八一年畢業於香港大學，獲法學學士學位。文先生於一九八四年成為香港律師，自此一直在香港的陳順祖、文國權、潘慧妍律師行（前稱Chan and Lo）執業。彼目前為陳順祖、文國權、潘慧妍律師行的合夥人。

高級管理層

羅韶文

羅先生，49歲，為百富科技（深圳）的常務副總裁及董事。彼負責公司智能電子支付銷售點終端（「電子支付終端」）產品的研發管理及供應鏈業務（採購生產、質量管理及資訊科技），並監察在深圳營運的財務。羅先生畢業於武漢大學，獲經濟管理學士學位。羅先生於卡支付行業擁有逾20年經驗，及於財務管理及供應鏈管理方面擁有逾15年經驗。彼於二零零四年十二月加入百富科技（深圳）擔任財務總監。羅先生於加入本集團前，曾在北京方正奧德及北京高陽萬為電力信息技術有限公司擔任多個管理職位。

張仕揚

張先生，34歲，為本公司的首席財務官及本公司聯席公司秘書（「公司秘書」）之一。彼於二零一六年十月加入本集團，並負責監督本集團業務發展、財務、合規、併購以及投資者關係事宜。張先生畢業於香港中文大學，持有工商管理學士學位及擁有逾10年財務及會計相關經驗。彼為香港會計師公會之會員。於加入本集團前，張先生任職於一間國際會計師事務所，並參與多項審計及鑒證、資本市場交易及諮詢項目，為全球各地上市公司及企業集團等公司客戶提供意見。



Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of Directors (the "Board") of PAX Global Technology Limited ("PAX" or "the Company", together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2017.

FINANCIAL RESULTS

For the year under review, the Group's turnover amounted to HK\$3,591.1 million, representing an increase of 23.2% compared to HK\$2,914.8 million in 2016. The incline was mainly contributed by the huge increase of 57.1% in overseas markets. All regional overseas business recorded growth, especially in the Latin America and the Commonwealth of Independent States ("LACIS") and the United States of America and Canada Region ("USCA"). Moreover, the proportion of the total revenue of the overseas markets over the Group's total was 72.5%, as compared to 56.8% in the corresponding period last year.

In 2017, profit for the year was HK\$336.6 million, representing a decrease of 44.2% compared to HK\$603.4 million in 2016. The decline was mainly contributed by the one-off impairment of assets during the year in relation to the operation of the Group's non-wholly owned subsidiaries, Shanghai New Kashuo Information Technology Company Limited ("Shanghai Kashuo") and its subsidiaries (collectively, the "Kashuo Group") and Suzhou leasy Information Technology Co. ("Suzhou leasy") of HK\$159.0 million and HK\$17.5 million respectively. Excluding the effect of the one-off impairment of assets of HK\$176.5 million, the profit for the year decreased by 15.0% or HK\$90.4 million, as compared to last year.

In 2017, profit for the year attributable to the owners of the Company was HK\$407.5 million, representing a decrease of 32.2% as compared to HK\$600.9 million in 2016. Basic earnings per share for the year was 36.7 HK cents (2016: 53.9 HK cents).

During the year, the Company repurchased a total of 13,000,000 of its own shares. The Board believes that the share repurchases are in the best interests of the Company and its shareholders and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company.

The Board has recommended to declare a final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2017 (2016: HK\$0.04 per ordinary share, amounting to a total of approximately HK\$44,008,000 (2016: HK\$44,315,000)).

各位股東：

本人謹代表百富環球科技有限公司（「百富」或「本公司」，連同其附屬公司，「本集團」）董事會（「董事會」），欣然提呈本集團截至二零一七年十二月三十一日止年度的年報。

財務業績

於回顧年度，本集團營業額達3,591.1百萬港元，較二零一六年的2,914.8百萬港元增加23.2%。收入上升主要由於海外市場營業額較二零一六年大幅增加57.1%。海外各分部業務均錄得增長，特別是在拉丁美洲和獨聯體國家（「LACIS」）及美國與加拿大區（「USCA」）。此外，海外市場佔整體營業額比例72.5%，去年同期為56.8%。

於二零一七年，年度溢利為336.6百萬港元，較二零一六年的603.4百萬港元下降44.2%。下降主要由於年內確認集團非全資附屬公司上海新卡說信息有限公司（「上海卡說」）連同其附屬公司（統稱「卡說集團」）及蘇州知行易信息科技信息有限公司（「蘇州知行易」）的營運之一次性資產減值分別為159.0百萬港元及17.5百萬港元。除一次性資產減值176.5百萬港元的影響後，年度溢利較去年下降15.0%或90.4百萬港元。

於二零一七年，本公司的持有人應佔年度溢利為407.5百萬港元，較二零一六年的600.9百萬港元下降32.2%。本年度每股基本盈利為36.7港仙（二零一六年：53.9港仙）。

本公司於本年度回購合共13,000,000股股份。董事會認為，股份回購乃符合本公司及其股東之最佳利益，並可提高本公司之每股資產淨值及／或每股盈利。

董事會已建議宣派截至二零一七年十二月三十一日止年度之末期股息每股普通股0.04港元（二零一六年：每股普通股0.04港元），總金額約為44,008,000港元（二零一六年：44,315,000港元）。

Chairman's Statement 主席報告

OUTLOOK

PAX was delighted to have hit an all-time record high, in terms of the number of E-payment Terminals shipped during 2017, with over 6.4 million units sold, of which over 4.1 million units sold in overseas markets.

Over the years, PAX continues to grow its international footprint actively, where the PAX brand, technology, product quality and the customer-oriented approach have all combined to give the Group an excellent reputation in many international markets. During the year, PAX recorded an impressive growth in the United States of America ("US") and Brazil, driving a substantial increase of 57.1% in overseas revenue. In addition to the Group's intensified cooperation with over 90 global partners and distributors worldwide and providing comprehensive technical support, PAX continues to attract more reputable payment system integrators and distributors into its sales network. Leveraging on their local excellence in operational, technological and sales capabilities, PAX will further expand its market share in the future.

As the global payment patterns tend to go cashless, the future of the E-payment Terminals industry continues to evolve and shine brightly. More and more policies are being introduced in fast developing payment markets, such as China and India, which has further formalised and standardised local payment markets, thus bringing more opportunities to E-Payment Terminal solutions and related services providers. In view of the emergence of more new and innovative payment methods around the world, the Group will continue to strengthen its research and development ("R&D") efforts, continue to launch new products that meet market and business needs and reinforce its strong footing in both the overseas and PRC market.

Our superior R&D capability continues to be one of the Group's most important competitive advantages. During the year, we invested further resources in R&D in the development of our Android platforms and related "Smart" terminal solutions, as these are becoming key future payment trends. The Group will continue to invest more resources in R&D, expanding the R&D team to develop new products, and developing all-in-one electronic payment value-added solutions and services, in order to continue satisfying our global customer base. As of the end of 2017, the staff number of R&D teams was 826, accounting for 55% of the total number of employees.

前景

在二零一七年，百富欣然其電子支付終端出貨量創下歷史新高達6.4百萬台，特別是在海外市場高達4.1百萬台。

多年來，百富積極地進行國際化佈局，憑藉其品牌、技術、產品質量及以客戶為本的精神，獲多個國際市場的肯定和取得卓越的聲譽。本年度，百富在美國和巴西市場錄得可觀的增長，帶動海外收入佔比大幅提高至57.1%。本集團除了深化與全球超過90個合作夥伴和分銷商的合作，提供完善的技術支援外，百富繼續吸納更多信譽優良的支付系統集成商和分銷商加盟集團的銷售網絡。憑藉他們在當地卓越的營運、技術和銷售能力，未來將進一步擴大百富的市場份額。

隨著全球支付模式趨向非現金化，電子支付終端行業的前景一片美好。更多政策相繼在中國和印度等快速發展的支付市場出台，使當地支付市場更規範及標準化，為電子支付終端解決方案和相關服務供應商帶來更多機遇。有見及更多新興的創新支付方式在世界各地冒起，集團將繼續強化研發投入，並持續推出符合市場及商戶需求的新產品，保持集團在海外及中國市場強大的根基。

卓越的研發能力是本集團其中一個最重要的競爭優勢。本年度我們投入了額外的資源在開發安卓(Android)平台和相關智能終端方案上，這些將會成為未來支付領域的重要趨勢。本集團會繼續投入更多研發資金及資源，擴大研發隊伍開發新產品和發展一站式的電子支付全功能解決方案的增值服務，以繼續滿足廣大全球客戶群。截至二零一七年底，研發團隊人數為826，佔整體僱員總數55%。



Chairman's Statement

主席報告

PAX has completed a number of merger and acquisition (“M&A”) projects, including fund investment, minority stake investments and subsidiary acquisition projects in 2017. Through M&A, PAX further enriched its spectrum of business, expanded the international footprint and enhanced the diversity of hardware and software payment-related products and services and long-term benefits of the Group. In the future, PAX will continue to strengthen its global sales channels, expand the payment value chain and explore new innovative technologies to bring better value to its customers and shareholders.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my utmost gratitude to our customers, bankers, suppliers, business associates and most valued shareholders for their continuous trust and support to the Group, and to our dedicated directors, management and staff for their valuable contributions in 2017. I look forward to our persistent efforts to achieve much more impressive performance in the future.

Nie Guoming
Chairman

Hong Kong, 7 March 2018

在二零一七年，百富已完成多項併購項目，當中包括：基金投資、少數股權投資、附屬公司收購等。通過併購合作，進一步完善百富業務，擴大國際佈局，提升硬件和軟件的支付相關產品及服務的多元性及集團的長遠利益。未來，百富將繼續加強全球銷售渠道、擴充支付價值鏈及開拓創新新技術，為客戶及股東帶來更大價值。

鳴謝

本人藉此機會代表董事會向各客戶、銀行、供應商、業務夥伴及最尊貴的股東對本集團的持續信賴及支持，向我們的董事、管理層及員工在二零一七年所作出的寶貴貢獻致以由衷感謝，本人期待各位再接再厲，爭取更傑出的表現。

主席
聶國明

香港，二零一八年三月七日

Management Discussion and Analysis

管理層之討論與分析

FINANCIAL REVIEW

The key financial figures for the year ended 31 December 2017 are extracted as follows:

財務回顧

截至二零一七年十二月三十一日止年度的主要財務數據摘錄如下：

		For the year ended 31 December 截至十二月三十一日止年度		
		2017 二零一七年	2016 二零一六年	
		HK\$'000 千港元	HK\$'000 千港元	+ / (-)
Revenue	收入	3,591,080	2,914,842	+23.2%
Gross profit	毛利	1,457,593	1,261,994	+15.5%
Other income	其他收入	75,054	71,593	+4.8%
Selling expenses	銷售開支	(426,432)	(297,396)	+43.4%
Administrative expenses	行政費用	(501,721)	(347,098)	+44.5%
Impairment of assets (one-off in 2017)	資產減值(二零一七年 一次性)	(176,471)	–	N/A 不適用
Profit before income tax	除所得稅前溢利	424,540	678,299	-37.4%
Income tax expense	所得稅開支	(87,974)	(74,865)	+17.5%
Profit for the year	年度溢利	336,566	603,434	-44.2%
Profit attributable to the owners of the Company	本公司持有人應佔溢利	407,507	600,908	-32.2%
Research and development costs (included in administrative expenses)	研發開支(包括在行政 費用內)	(287,230)	(183,614)	+56.4%

		As at 31 December 於十二月三十一日		
		2017 二零一七年	2016 二零一六年	
		HK\$'000 千港元	HK\$'000 千港元	+ / (-)
Total current assets	流動資產總值	4,839,173	4,220,419	+14.7%
Total non-current assets	非流動資產總值	393,043	212,644	+84.8%
Total assets	資產總值	5,232,216	4,433,063	+18.0%
Total current liabilities	流動負債總額	1,317,327	925,417	+42.3%
Total non-current liabilities	非流動負債總額	17,823	6,363	+180.1%
Total liabilities	負債總額	1,335,150	931,780	+43.3%
Net current assets	流動資產淨值	3,521,846	3,295,002	+6.9%
Total equity	權益總額	3,897,066	3,501,283	+11.3%

Management Discussion and Analysis

管理層之討論與分析

For the year ended 31 December

截至十二月三十一日止年度

2017 2016

二零一七年 二零一六年 +/-

PER SHARE (IN HK\$)

Earnings per share for the profit attributable to the owners of the Company

– Basic
– Diluted

每股（港元）

本公司持有人應佔溢利的每股盈利

– 基本
– 攤薄

0.367 0.539 -31.9%

0.367 0.535 -31.4%

For the year ended 31 December

截至十二月三十一日止年度

2017 2016

二零一七年 二零一六年

FINANCIAL RATIOS

Gross profit margin

Net profit margin

Net profit margin (excluding the impairment of assets)

財務比率

毛利率

淨利潤率

淨利潤率（不包括資產減值）

40.6% 43.3%

9.4% 20.7%

14.3% 20.7%

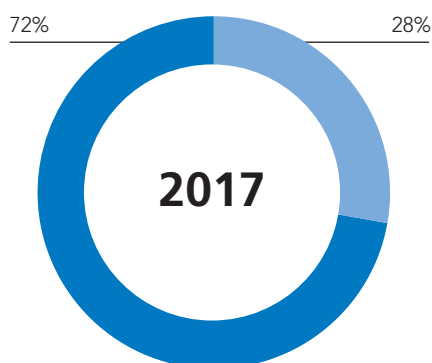
Revenue

Turnover increased by 23.2% or HK\$676.3 million to HK\$3,591.1 million for the year ended 31 December 2017 from HK\$2,914.8 million for the year ended 31 December 2016. Turnover from overseas markets grew by HK\$945.8 million to HK\$2,602.5 million, representing a growth of 57.1%. Turnover from the China Market decreased by 21.4% year-on-year or HK\$269.6 million to HK\$988.6 million.

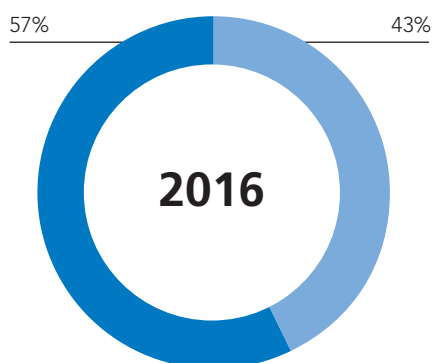
收入

營業額由截至二零一六年十二月三十一日止年度的2,914.8百萬港元增加23.2%或676.3百萬港元至截至二零一七年十二月三十一日止年度的3,591.1百萬港元。來自海外市場營業額增加945.8百萬港元至2,602.5百萬港元，增長57.1%。來自中國市場的營業額按年下降21.4%或269.6百萬港元至988.6百萬港元。

i) Sales by Geographical Region



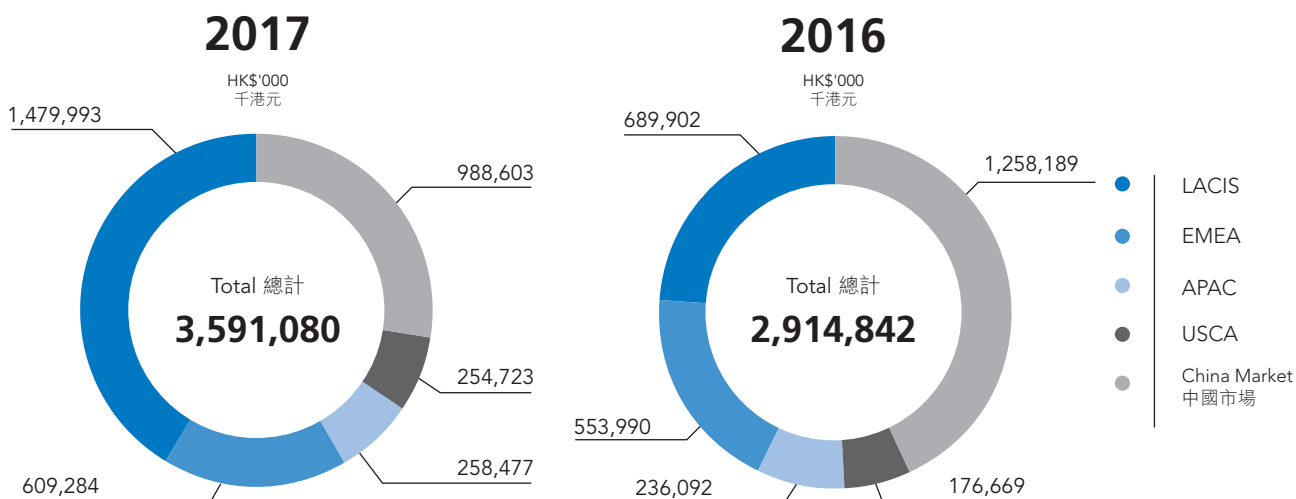
i) 按地區分類的營業額



- Overseas market
海外市場
- China market
中國市場

Management Discussion and Analysis

管理層之討論與分析



For the year ended 31 December

截至十二月三十一日止年度

	2017	2016	
	二零一七年	二零一六年	
	HK\$'000	HK\$'000	
	千港元	千港元	+ / (-)
Overseas markets			
– Latin America and the Commonwealth of Independent States ("LACIS")	1,479,993	689,902	+114.5%
– Europe, Middle East and Africa ("EMEA")	609,284	553,990	+10.0%
– Asia Pacific Region (Except for Mainland China) ("APAC")	258,477	236,092	+9.5%
– United States of America and Canada Region ("USCA")	254,723	176,669	+44.2%
	2,602,477	1,656,653	+57.1%
China Market	988,603	1,258,189	-21.4%
	3,591,080	2,914,842	+23.2%

Management Discussion and Analysis

管理層之討論與分析

Turnover generated from overseas markets increased by 57.1% to HK\$2,602.5 million for the year ended 31 December 2017 from HK\$1,656.7 million for the year ended 31 December 2016. Turnover generated from overseas markets accounted for 72% of total revenue for the year ended 31 December 2017, growing from 57% for the year ended 31 December 2016. All overseas business units recorded growth, especially the LACIS and USCA region. Brazil, the US and Italy have become PAX's key overseas markets. As of the end of 2017, we had over 90 overseas distributors and partners worldwide.

Turnover generated from the China Market decreased by 21.4% to HK\$988.6 million for the year ended 31 December 2017, from HK\$1,258.2 million for the year ended 31 December 2016. Turnover generated from the China Market accounted for 28% of total revenue for the year ended 31 December 2017 compared with 43% for the year ended 31 December 2016. The decrease was mainly due to the influence of the product mix shifting and the continuously keen price competition.

ii) Sales by Revenue Category

來自海外市場的營業額由截至二零一六年十二月三十一日止年度的1,656.7百萬港元增加57.1%至截至二零一七年十二月三十一日止年度的2,602.5百萬港元。截至二零一七年十二月三十一日止，海外市場營業額佔總營業額比截至二零一六年十二月三十一日止年度57%增長至72%。海外各分部業務均錄得增長，特別是LACIS及USCA地區。巴西、美國及意大利已成為百富海外業務重點市場。截至二零一七年底，我們共擁有超過90名遍佈世界各地的海外分銷商與合作夥伴。

來自中國市場的營業額由截至二零一六年十二月三十一日止年度的1,258.2百萬港元下降21.4%至截至二零一七年十二月三十一日止年度的988.6百萬港元。截至二零一七年十二月三十一日止年度，中國市場營業額佔總營業額28%，而截至二零一六年十二月三十一日止年度則為43%。其下降主要是由於產品組合需求產生變化及持續激烈的價格競爭。

ii) 按收入種類的營業額

		For the year ended 31 December		
		截至十二月三十一日止年度		
		2017	2016	
		二零一七年	二零一六年	
		HK\$'000	HK\$'000	
		千港元	千港元	+ / (-)
E-payment Terminals products	電子支付終端產品	3,429,679	2,757,632	+24.4%
Services:	服務：			
Payment solutions services	支付解決方案服務	95,612	125,101	-23.6%
Maintenance and installation services	維護及安裝服務	65,789	32,109	+104.9%
		3,591,080	2,914,842	+23.2%

Management Discussion and Analysis

管理層之討論與分析

E-payment Terminals products

E-payment Terminals products include smart E-payment Terminals, traditional E-payment Terminals (comprising countertop and wireless E-payment Terminals, pin pad devices and multilane E-payment Terminals), mobile E-payment Terminals and other accessory items.

Turnover from the sales of E-payment Terminals products increased by 24.4% to HK\$3,429.7 million for the year ended 31 December 2017 from HK\$2,757.6 million for the year ended 31 December 2016. The growth is attributed to the increase in sales in the overseas markets during the year.

Services

i) *Payment Solutions Services*

Turnover from the provision of payment solutions services decreased by 23.6% to HK\$95.6 million for the year ended 31 December 2017 from HK\$125.1 million for the year ended 31 December 2016. Payment solutions services income was mainly generated from the provision of value-added solutions services in the China Market.

ii) *Maintenance and Installation Services*

Turnover from the provision of maintenance and installation services increased by 104.9% to HK\$65.8 million for the year ended 31 December 2017 as compared to HK\$32.1 million for the year ended 31 December 2016. Maintenance and installation services income was mainly generated in Hong Kong and Italy.

Gross Profit Margin

Gross profit margin for the year ended 31 December 2017 was 40.6%, representing a decrease in 270 basis points as compared to 43.3% for the year ended 31 December 2016. The decrease was mainly due to the keen price competition in China Market and the incentives given to long-term customers in overseas markets.

Other Income

Other income comprised primarily of value-added tax refund, interest income from time deposit and subsidy income. It increased by 4.8% to HK\$75.1 million for the year ended 31 December 2017 from HK\$71.6 million for the year ended 31 December 2016. The increase was mainly due to the increase of interest income.

電子支付終端產品

電子支付終端產品包括智能電子支付終端、傳統電子支付終端（包括臺式及手持無綫式電子支付終端、密碼鍵盤設備及多媒體電子支付終端）、移動電子支付終端及其他配件。

銷售電子支付終端產品的營業額由截至二零一六年十二月三十一日止年度的2,757.6百萬港元上升24.4%至截至二零一七年十二月三十一日止年度的3,429.7百萬港元，增長由於年內海外市場銷售額上升。

服務

i) *支付解決方案服務*

提供支付解決方案服務的營業額由截至二零一六年十二月三十一日止年度的125.1百萬港元下降23.6%至截至二零一七年十二月三十一日止年度的95.6百萬港元。支付解決方案服務收入主要來自為中國市場提供電子支付全功能解決方案的增值服務。

ii) *維護及安裝服務*

提供維護及安裝服務的營業額由截至二零一六年十二月三十一日止年度的32.1百萬港元增加104.9%至截至二零一七年十二月三十一日止年度的65.8百萬港元。維護及安裝服務收入主要來自香港及意大利。

毛利率

截至二零一七年十二月三十一日止年度的毛利率為40.6%，較截至二零一六年十二月三十一日止年度43.3%下跌270基點。下降主要由於中國市場價格競爭激烈及對海外市場長期客戶提供之優惠。

其他收入

其他收入主要包括增值稅退稅、定期存款利息收入及補貼收入。其他收入由截至二零一六年十二月三十一日止年度的71.6百萬港元上升4.8%至截至二零一七年十二月三十一日止年度的75.1百萬港元，其上升的主要原因為利息收入的增加。

Management Discussion and Analysis

管理層之討論與分析

Selling Expenses

Selling expenses increased by 43.4% to HK\$426.4 million for the year ended 31 December 2017, from HK\$297.4 million for the year ended 31 December 2016. The increase was mainly due to the increase of sales and after-sales service staff headcounts.

Administrative Expenses

Administrative expenses increased by 44.5% to HK\$501.7 million for the year ended 31 December 2017 from HK\$347.1 million for the year ended 31 December 2016. The increase was mainly due to the expansion of R&D centres and teams, and additional headcounts.

Impairment of Assets

The Group has recognised a one-off impairment of assets of HK\$176.5 million in total during the year, consisting of impairment of HK\$159.0 million and HK\$17.5 million respectively in respect of the operation of Kashuo Group and Suzhou leasy, non-wholly-owned subsidiaries of the Company. Detail is set out in note 15 to the consolidated financial statements.

Profit for the year and Profit Attributable to the Owners of the Company

As a result of the foregoing, profit for the year was HK\$336.6 million, representing a decrease of 44.2% compared to HK\$603.4 million in 2016. Profit for the year excluding the one-off impairment of assets was HK\$513.0 million, decreased by 15.0% or HK\$90.4 million, as compared to last year.

In 2017, profit for the year attributable to the owners of the Company was HK\$407.5 million, representing a decrease of 32.2% as compared to HK\$600.9 million in 2016. Profit for the year attributable to the owners of the Company excluding the one-off impairment of assets was HK\$549.0 million, decreased by 8.6% or HK\$51.9 million, as compared to last year.

OVERVIEW

The Group is an innovative global E-payment Terminals solutions provider, engaging in the development and sales of E-payment Terminals products and the provision of payment solutions services and maintenance and installation services (collectively "E-payment Terminals solutions business").

銷售開支

銷售開支由截至二零一六年十二月三十一日止年度的297.4百萬港元增加43.4%至截至二零一七年十二月三十一日止年度的426.4百萬港元。其增加的主要原因來銷售及售後服務員工人數的大幅增加。

行政費用

行政費用由截至二零一六年十二月三十一日止年度的347.1百萬港元增加44.5%至截至二零一七年十二月三十一日止年度的501.7百萬港元，其增加的主要原因為研發基地和團隊的擴充，及員工人數增加。

資產減值

本集團於年內確認一次性資產總減值176.5百萬港元，其中有關集團非全資附屬公司卡說集團及蘇州知行易的營運之減值分別為159.0百萬港元及17.5百萬港元。詳情載於綜合財務報表附註15。

年度溢利及本公司持有人應佔溢利

由於以上所述，年度溢利為336.6百萬港元，較二零一六年的603.4百萬港元下降44.2%。年度溢利除一次性資產減值為513.0百萬港元，較去年下降15.0%或90.4百萬港元。

於二零一七年，本公司持有人應佔年度溢利為407.5百萬港元，較二零一六年的600.9百萬港元下降32.2%。本公司持有人應佔年度溢利除一次性資產減值為549.0百萬港元，較去年下降8.6%或51.9百萬港元。

概述

本集團是一家創新的全球電子支付終端解決方案供應商，從事開發及銷售電子支付終端產品及提供支付解決方案服務及維護及安裝服務（統稱「電子支付終端解決方案業務」）。

Management Discussion and Analysis

管理層之討論與分析

PAX is renowned in the international payment industry for its superior R&D capabilities, cutting edge production facilities and dedicated technical support, offering best-in-class product quality and innovative product portfolio. Attributing to a huge customer base spreading across 100 countries, an extensive sales network of local offices, channel partners and payment system integrators, PAX has established a strong global presence and achieved a leadership position.

Since 2010, the Group's shipments of global E-payment Terminals have increased by at least 10% year on year. During this period, overseas sales grew rapidly which contributed 72% of the Group's total revenue in 2017, as compared to 22% in 2010.

The Group is confident and well-positioned to continue on leveraging our strong international brand reputation, capturing ongoing growth opportunities arising from industry consolidation, further expanding our global market share in the payment terminal market and strengthening our payment solution technology and software services.

MARKET ANALYSIS AND INDUSTRY TRENDS

(i) Overseas Markets

In recent years, the rise of cashless societies has become a growing trend worldwide, and non-cash payment becomes the main payment method for most overseas markets. The demand for E-payment Terminals solutions will continue to flourish, owing to strong promotion of cashless transactions by the governments, especially the number of E-payment Terminals installed in emerging markets has grown substantially (for example, India: from about 1.8 million units in 2016 to about 3 million units in 2017).

Over the years, PAX has steadily expanded its overseas sales network of channel partners to around 90 reputable payment system integrators in over 100 countries worldwide. PAX has also established subsidiaries in different regions and continues to expand its footprint in the countries along the Silk Road Economic Belt such as Russia, Germany and Italy, laying a solid foundation for the Group's development by utilizing the opportunities arising from global integration and the "Belt and Road" initiative.

LACIS

In 2017, PAX continues to be the dominant leader in mobile payment terminals ("mPOS") market in Brazil. Since the successful launch of traditional payment terminals in 2016, the shipment volume grew rapidly which contributed a substantial sales growth in LACIS region, leading PAX to become one of the major terminals providers in the region.

憑藉本集團卓越的研發能力、最先進的生產設備和優秀的技術支援，創造出一流的產品質量和創新的產品組合，使百富在國際支付行業中享負盛名。依託遍佈全球100多個國家龐大的客戶群，以及當地辦事處、渠道合作夥伴和支付系統集成商形成龐大的銷售網絡，百富已建立強大的全球佈局和取得領導地位。

自二零一零年起，集團於全球電子支付終端出貨量每年至少增長10%。與此同時，海外銷售高速增長，收入佔總營業額百分比從二零一零年的22%增加至二零一七年的72%。

本集團有信心和能力繼續運用良好的國際品牌聲譽，捕捉行業整合所帶來的拓展機會，進一步擴大全球電子終端市場的銷售份額以及加強支付解決方案的技術及軟件服務。

市場分析和行業趨勢

(i) 海外市場

近年，無現金化社會已成為全球大趨勢，非現金支付為大部份海外市場主要的支付方式。在各國政府大力推動無現金交易下，電子支付終端的需求將持續熾熱，特別是在新興市場的已安裝電子支付終端數量大幅增加（例如：印度：由二零一六年約1.8百萬台增加至二零一七年約3百萬台）。

多年來，百富穩步擴展海外銷售夥伴網絡，銷售網絡擴展至全球100多個國家約90名信譽良好的支付系統集成商。同時，百富在不同地區設立附屬公司，以及在絲綢之路經濟帶沿線國家，如俄羅斯、德國、意大利等擴展其業務，為集團發展奠下堅實的根基，以捕捉全球一體化趨勢及「一帶一路」倡議帶來的機遇。

LACIS

在二零一七年，百富繼續成為巴西移動支付終端（「mPOS」）市場的絕對領先者。自二零一六年成功在市場上推出傳統支付終端後，在其快速增長的出貨量帶動下，拉丁美洲區的收入錄得大幅度增長，使百富成為該地區主要的終端供應商之一。

Management Discussion and Analysis

管理層之討論與分析

Sales in other parts of the Latin American region grew rapidly. Demand for PAX payment solutions continues to rise in Argentina driven by the government launched cashless payment initiatives. In Russia, PAX's high quality products have been well recognised by major acquiring banks. Strong demand of payment terminal is expected to be driven by the preparation of the forthcoming 2018 World Cup.

EMEA

PAX continues to achieve solid results in the EMEA region, where more acquiring banks, payment service providers and retail groups have chosen to use PAX's innovative solutions. Two major trends in this region are the growing market demand for Android based E-payment Terminals solutions and the increasing popularity of mPOS. In Europe, PAX achieved significant sales growth in Germany, Poland and Belgium. In other European countries such as France, Spain and the Nordics region, our channel partners are conducting certification procedures for PAX solutions. PAX's market share in the Middle East region grew further, attributing to transition towards using PAX payment solutions by the acquiring banks in the Gulf Cooperation Council (GCC) region. In Africa, the Group has commenced market development in the West Africa, where E-payment Terminals solutions are comparatively under-developed.

APAC

In most of the Asia Pacific region, PAX continues to be a leading market player. At the same time, PAX has established subsidiaries in Japan and India in order to capture opportunities arising from the ongoing preparation of the Tokyo Olympics, the Europay, MasterCard and Visa ("EMV") migration in Japan and the promotion of non-cash society by the Indian government. In November 2017, PAX further penetrated into Korea's payment market by acquiring a Korean payment terminal company, Kwang Woo Information & Communication Co. Ltd ("Kwang Woo"), so as to further realise the globalization objective of PAX. It is expected that these strategic layouts will drive sales in the Asia Pacific region and inject momentum into the Group's future revenue growth.

USCA

PAX made excellent progress in the US market. In addition to working with several large new customers to expand their business, the new generation of smart electronic cash register, the E-Series, was successfully launched at the end of 2017 and was well received by the customers. According to the Nilson Report, an industry report, card payments contributed approximately 60% of the total consumer payment in the US in 2016, compared with approximately 50% in 2011, reflecting an increase of card usage and card related payment products stickiness in the US market.

在拉丁美洲區其他國家，銷售亦錄得良好增長。在阿根廷市場，自該國政府倡議無現金支付化後，百富的支付解決方案需求持續上升。在俄羅斯市場，百富的高品質產品已受到主要收單銀行高度認可。配合正在籌備中的俄羅斯二零一八年世界盃國際大型盛事推動下，我們預料支付終端將有強勁的需求。

EMEA

在歐洲，中東和非洲地區，百富繼續取得穩定的成果，更多收單銀行、支付服務供應商和零售集團選擇使用百富的創新解決方案。該地區呈現兩大主要趨勢，Android操作系統的電子支付終端解決方案的市場需求不斷增長以及mPOS日益普及。在歐洲，百富在德國、波蘭和比利時取得顯著的銷售增長。在其他歐洲國家，如法國、西班牙和北歐地區，我們的合作夥伴正在為百富解決方案進行認證程序。在中東地區，受惠於若干海灣合作委員會(GCC)地區的收單銀行轉用百富解決方案，使百富的市場份額持續增加。在非洲，集團在電子支付終端解決方案相對較落後的西非地區展開新的市場開發。

APAC

在大部份亞太地區，百富繼續成為行業領先者。同時，為把握正在籌備中的東京奧運會、日本Europay, MasterCard及Visa ("EMV") 遷移及印度政府去現金化政策所帶來的機遇，百富先後在日本及印度成立附屬公司。在二零一七年十一月，百富通過收購韓國支付終端公司Kwang Woo Information & Communication Co. Ltd ("Kwang Woo") 打進韓國的支付市場，從而進一步實踐百富全球化的目標。預期這些戰略佈局將帶動亞太地區的銷售，為集團未來收入增長注入動力。

USCA

百富在美國市場取得長足發展，除了與多個大型新客戶達成業務拓展合作，新一代智能終端電子收款機E-Series亦成功於二零一七年年尾推出市場，並獲得客戶一致好評。根據行業報告Nilson Report指出，卡支付佔美國總消費者支付規模由二零一一年約50%增加至二零一六年約60%，可見美國市場對卡支付及其相關支付產品黏度有增無減。

Management Discussion and Analysis

管理層之討論與分析

Since the establishment of Pax Technology Inc, a subsidiary of PAX, in the US in 2008, PAX has been striving to develop integrated payment solutions, streamline merchants' payment processing procedures and reduce their operating costs. PAX's comprehensive product line and reputation for high product quality continue to be well received by North American merchants, where PAX plans to introduce more diversified payment products with excellent and professional services, in order to gain more market shares.

(ii) China Market

The development of cashless payment in China is leading around the world. With increasing economic growth, the E-payment Terminals market in China offers lots of opportunities and challenges. According to the Central Bank of China, the number of E-Payment Terminals installed across China has rapidly increased from approximately 23 million units in 2015 to around 31 million units in 2017. During the same time, the average number of bank cards held by a Chinese citizen has increased from 3.99 to 4.84. With the support of strong and powerful payment data, the payment terminal market presents tremendous opportunities in China. Due to various market factors, PAX has not taken part in the first round of bidding exercise of a renowned bank in PRC in 2018. While this will put further pressure on the forthcoming gross margin of our China business, we will continue to devote more resources to strengthening our core value of high product quality as to capture future opportunities.

With the aim of building a regulated "cashless society", the Chinese government has continued to implement payment related regulations and standards. In the middle of 2017, the People's Bank of China announced that starting from the end of June 2018, all online payment would be handled through Nets Union Clearing Corporation ("NUCC"), a centralised non-bank payment online clearing platform. This initiative will strengthen the financial supervision, reduce the risk of non-compliance and improve the transparency of operations of the third-party payment operators. In December 2017, the People's Bank of China launched "Barcode Payment Business Regulation No. 296", a security standard regulating the use of QR code payment and its security. These regulations and industry standards will bring huge benefits to the entire payment environment by enhancing the payment terminals security and related product quality requirements. In response to the changes towards high-reaching quality and security of future payment products, PAX is well-prepared to launch comprehensive products with accordingly compelling quality, such as QR55 for QR code payment and other smart terminals that fully support QR code and other payment modes to cope with the needs of various merchants.

百富自二零零八年在美國設立附屬公司 Pax Technology Inc.，一直致力發展支付應用集成解決方案，簡化商戶的支付處理流程和降低他們的營運成本。百富全面的產品線和高產品質量繼續受到北美商家的歡迎和認可，並計劃在該地區推出更多元化的支付產品，配合優秀及專業的服務，以爭取更多市場份額。

(ii) 中國市場

隨著中國在非現金支付領域走在世界前列，經濟發展穩步上揚，中國電子支付終端市場充滿機遇與挑戰。根據中國中央銀行季度數據，中國已安裝支付終端數量由二零一五年約23百萬台迅速增加至二零一七年約31百萬台。同時中國市民平均持有銀行卡由二零一五年的3.99張增加至二零一七年的4.84張。在強而有力支付數據的支持下，中國支付終端市場充滿機遇。受不同市場因素影響，百富未有參與一家中國著名的銀行在2018年的第一輪招標。這將促使集團中國業務的毛利率進一步受壓，我們將持續投入更多資源加強自身高品質核心價值，以捕捉未來的市場機遇。

為建設安全有序的「無現金社會」，中國政府持續推進支付相關的法規和行業標準。在二零一七年中，中國人民銀行宣布於二零一八年六月底所有網絡支付的業務必須通過網聯清算有限公司（「網聯」）非銀行支付機構網絡支付統一清算平台處理，這倡議將加強金融監管，減少不合規風險及提高第三方支付機構的營運透明度。二零一七年十二月，中國人民銀行推出條碼支付業務規範296號，該規範主要是對二維碼支付和安全性進行監管。這些法規及行業標準將會提高市場對支付終端安全性及相關產品品質的要求，對整個支付大環境帶來莫大裨益。為應對未來支付產品趨向更高質量及其安全性帶來的改變，百富早已做好充分準備，並推出相應高品質和全面的產品，如針對二維碼的QR55、全面支持二維碼及其他支付模式的智能終端產品，以把握各商戶的需求。

Management Discussion and Analysis

管理層之討論與分析

MANAGEMENT STRATEGY

Transaction security for consumers and merchants is critical to the payment industry. By upholding the corporate culture of continuous innovation and the pursuit of excellence, PAX continues carrying out R&D and providing secure and user-friendly payment solutions.

The Group is committed to ongoing R&D investments, introducing new products and maintaining a product portfolio of solutions that satisfy market expectations, in order to maintain its strong competitive advantage. In 2017, we increased our investment in R&D to focus on the development of the payment products tailored for the Chinese market and the certifications in international markets, while at the same time expanding our Android-based solutions products and related application development team and after-sales technical support staff.

In terms of software, during 2017, PAX successfully launched two new payment services solutions, PAXPAY and PAXSTORE, to further enhance customer loyalty to the PAX brand:

- PAXPAY : An omni-channel payment gateway system supporting access between new forms of mobile payment and multiple acquiring channels.
- PAXSTORE : An innovative open SaaS platform solution providing customers appstore marketplace functionalities combined with advanced terminal management system features.

In terms of hardware, PAX will introduce its comprehensive smart E-payment Terminals product line globally, in order to further penetrate into different markets and cater the market demand for the new generation of payment terminals. In order to strength the Group's payment terminals distribution, new products will be launched in the market from time to time, more resources will be spending on increasing sales channels and distributors. Meanwhile, in view of the emergence of a wave of cross-segment business consolidation activities in the payment industry in recent years, PAX will grasp these opportunities by offering incentive to potential customers in order to gain further market shares in certain overseas markets.

管理層策略

消費者和商戶的交易安全性是支付行業的重要基石。百富秉承不斷創新、精益求精的企業文化精神，持續研發及提供安全和易用的支付解決方案。

本集團致力於持續投入研發及不斷推出新產品，並保持滿足市場預期的解決方案產品線，以維持強大的競爭優勢。在二零一七年，我們加大在研發上的投入，專注發展符合中國市場和國際市場認證的支付產品，同時擴張以安卓系統為中心的產品和相關的程式研發團隊，以及產品售後技術支援人員。

在軟件方面，在二零一七年，百富成功推出兩種新支付服務解決方案：PAXPAY及PAXSTORE，從而加強客戶對百富產品的黏性：

- PAXPAY：全渠道支付網關系統，可支援多個收單行渠道接駁。
- PAXSTORE：創新開放的SaaS平台解決方案，主要為客戶提供應用程序商店以及先進的終端管理功能。

在硬件方面，百富將在全球全面推出完善的智能支付終端產品線，並進一步以智能支付終端滲透各市場，滿足市場對新一代支付終端多方位的需求。為加強集團的支付終端戰略佈局，新產品亦將不斷推出市場，更多資源亦會投放在增加銷售渠道及分銷商。同時，鑑於近年來支付行業出現跨領域業務合併的浪潮，百富將把握當中機會，並透過向某些海外市場的潛在客戶提供優惠，從而獲取更多的市場份額。

Management Discussion and Analysis

管理層之討論與分析

Merger & Acquisition Activities and Latest Developments

PAX has remained proactive in seeking quality assets and distinct M&A opportunities. As of the date of this announcement, the Group has completed a number of M&A projects, including fund investment, minority stake investment and subsidiary acquisitions in 2017 and 2018. Through M&A, the Group further improved the business by enhancing and diversifying the payment related products and services of the Group's hardware and software divisions.

Expansion of the Group's sales channel into new markets:

- The Group acquired 51% equity stake in a Korean company, Kwang Woo, for an aggregate consideration of US\$4.08 million in November 2017. Kwang Woo is principally engaged in the development, manufacturing and sales of E-Payment Terminals in Korea.
- The Group established subsidiaries in Japan and India in 2017 and 2018 respectively, with an aim to strengthen local sales capacity and to prepare for future opportunities in the local payment markets.

Expansion of diversified solutions and services:

- The Group acquired and subscribed for an aggregate of 60% equity stake in an Italian company, CSC Italia S.r.l. ("CSC Italia"), for an aggregate consideration of EUR3.0 million in April 2017. CSC Italia is one of the Italy's leading installation and service support companies for E-payment Terminals, personal computers, cash handling equipment and automatic teller machines.
- The Group subscribed for a 20% equity stake in a Swedish company, Onslip AB ("Onslip"), for a consideration of EUR2.1 million in April 2017. Onslip is principally engaged in the development and marketing of a SaaS platform for managing payments and other value-added applications, deployed on merchant point-of-sale solutions globally.
- The Group subscribed for a 20% equity stake in a Shanghai company, Shanghai Coshine Software Co., Ltd. ("Shanghai Coshine"), for a consideration of RMB17.0 million in September 2017. Shanghai Coshine is an advanced system and services provider in payment infrastructure, electronic business software solution and outsourcing operation.

併購活動及最新發展

百富繼續保持積極態度尋求優質資產及不同型式的併購機會。截至本報告日期，集團於二零一七年及二零一八年已完成了多個併購項目，當中包括基金投資、少數股權投資、附屬公司收購等。通過併購合作，進一步完善業務佈局，提升集團硬件和軟件的支付相關產品及服務的多元性。

擴大集團銷售渠道及開拓新市場：

- 於二零一七年十一月，集團已收購Kwang Woo之51%股權，代價為4.08百萬美元。Kwang Woo主要從事開發、生產及於韓國市場銷售電子支付終端的業務。
- 於二零一七年及二零一八年，集團先後在日本及印度成立附屬公司，加強當地銷售能力及為當地支付市場在未來的機遇作準備。

擴展多元化的解決方案及服務：

- 於二零一七年四月，集團已收購及認購意大利公司CSC Italia S.r.l. (「CSC Italia」) 合共60%之股權，代價總額為3.0百萬歐元。CSC Italia從事電子支付終端、個人電腦、現金處理設備及自動提款機的安裝及支援服務，於意大利具有領先的市場地位。
- 於二零一七年四月，集團已認購瑞典公司Onslip AB (「Onslip」) 之20%股權，代價為2.1百萬歐元。Onslip的主要業務為開發及營銷SaaS平台，用於提供和管理付款和其他增值應用程式，並為全球商家提供銷售點解決方案。
- 於二零一七年九月，本集團已認購上海公司上海開先軟件有限公司 (「上海開先」) 之20%股權，代價為17.0百萬人民幣。上海開先為國內支付系統、電子商務軟件產品和外包運營系統的提供商和服務商。

Management Discussion and Analysis

管理層之討論與分析

Exploration of innovative technologies:

- In September 2017, the Group has invested in a fund based in Beijing, with the total investment of RMB51.0 million for the year. The objective is to further strengthen PAX's competitive and technological edge in the rapidly changing fintech environment in China. This fund mainly invests in numbers of outstanding emerging technology projects and startups.

Enhancement of the Group's operational efficiency:

- Keeping up with the growth of our business and human resources, the Group through its subsidiary, acquired the land use right of a land at Pinghu, Longgang District, Shenzhen, Guangdong Province with a total planning construction area of more than 25,000 square meters (the "Land"), for a term of 20 years for a consideration of RMB73 million, pursuant to an agreement entered into with the Urban Planning, Land and Resources Commission of Shenzhen Municipality (Longgang Authority) in 2017. The Land will be principally used as the China headquarters of the Group.

Liquidity and Financial Resources

During the years of 2016 and 2017, the main source of funding to the Group was the proceeds generated from operating activities in the usual course of business of the Company. Certain financial data is summarised as follows:

探索創新技術：

- 於二零一七年九月，集團已投資於一間位於北京的基金，本年度投資總額為51.0百萬人民幣，進一步加強百富在中國快速變化的金融科技領域的競爭和技術優勢。此基金主力在市場上投資多個優質新興技術項目及初創企業。

提高集團營運效率：

- 為配合集團業務及不同部門人員的增長，集團通過其附屬公司於二零一七年根據與深圳市規劃和國土資源委員會龍崗管理局所訂立的協議，已收購位於中國廣東省深圳市龍崗區平湖一總規劃建築面積超過25,000平方米之土地（「該土地」），年期為二十年之土地使用權，代價為73百萬人民幣。該土地計劃主要用作本集團的中國總部。

流動資金及財務資源

於二零一六及二零一七年度，本集團的主要資金來源為本公司一般商業活動中營運所產生的收入。若干財務數據概述如下：

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Cash and cash equivalents	現金及現金等價值	2,165,224	2,207,205
Net current assets	流動資產淨值	3,521,846	3,295,002
Net cash generated from operating activities	經營活動產生的現金淨額	214,470	249,507
Net cash used in financing activities	融資活動所用的現金淨額	(130,913)	(91,376)
		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
Current ratio (times)	流動比率（倍）	3.7	4.6
Quick ratio (times)	速動比率（倍）	3.0	3.9

Management Discussion and Analysis

管理層之討論與分析

As at 31 December 2017, the Group had cash and cash equivalents and short-term bank deposits of HK\$2,165.2 million (2016: HK\$2,207.2 million) and borrowings of HK\$14.4 million (2016: Nil). As at 31 December 2017, the Group reported net current assets of HK\$3,521.8 million, as compared with HK\$3,295.0 million as at 31 December 2016. For the year ended 31 December 2017, net cash generated from operating activities was HK\$214.5 million, as compared with HK\$249.5 million for the year ended 31 December 2016. For the year ended 31 December 2017, net cash used in financing activities was HK\$130.9 million as compared with HK\$91.4 million for the year ended 31 December 2016.

Capital Structure and Details of Charges

As at 31 December 2017, the Group had borrowings of HK\$14.4 million (2016: Nil) and banking facilities of approximately HK\$18.0 million (2016: Nil). The borrowings were used in the operation in Korea and denominated in Korean Won ("WON"). The borrowings of HK\$10.7 million were secured by the land and buildings of a Korean subsidiary of the Company. As at 31 December 2017, approximately HK\$1,202.7 million, HK\$516.0 million, HK\$396.7 million, HK\$42.3 million, HK\$7.2 million and HK\$0.3 million (2016: HK\$1,356.5 million, HK\$721.5 million, HK\$103.3 million, HK\$25.3 million, HK\$0.6 million and Nil) of the Group's cash balances were denominated in Renminbi ("RMB"), Hong Kong dollar ("HK\$"), United States dollar ("US\$"), European dollar ("EUR"), WON and other currency respectively.

Significant Investment

Save as disclosed in this annual report, the Group held no significant investment as at 31 December 2017 (2016: Nil).

Material Acquisition and Disposal of Subsidiaries

Save as disclosed in this annual report, the Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2017 (2016: Nil).

於二零一七年十二月三十一日，本集團擁有現金及現金等價值及短期銀行存款2,165.2百萬港元（二零一六年：2,207.2百萬港元），並14.4百萬港元借貸（二零一六年：無）。於二零一七年十二月三十一日，本集團錄得流動資產淨值3,521.8百萬港元，而二零一六年十二月三十一日則為3,295.0百萬港元。截至二零一七年十二月三十一日止年度，經營活動產生的現金淨額為214.5百萬港元，而截至二零一六年十二月三十一日止年度為249.5百萬港元。截至二零一七年十二月三十一日止年度，融資活動所用的現金淨額為130.9百萬港元，而截至二零一六年十二月三十一日止年度為91.4百萬港元。

資本架構及抵押詳情

於二零一七年十二月三十一日，本集團擁有借貸14.4百萬港元（二零一六年：無）及銀行信貸約18.0百萬港元（二零一六年：無）。借貸用於韓國業務及以韓圓計值。其中10.7百萬港元的借貸由本公司一間韓國附屬公司以土地及樓宇作抵押。於二零一七年十二月三十一日，本集團約1,202.7百萬港元、516.0百萬港元、396.7百萬港元、42.3百萬港元、7.2百萬港元及0.3百萬港元（二零一六年：1,356.5百萬港元、721.5百萬港元、103.3百萬港元、25.3百萬港元、0.6百萬港元及無）的現金結餘分別以人民幣、港元、美元、歐元、韓圓及其他貨幣計值。

重大投資

除本年報披露外，本集團於二零一七年十二月三十一日並無持有任何重大投資（二零一六年：無）。

附屬公司的重大收購及出售

除本年報披露外，本集團於截至二零一七年十二月三十一日止年度並無任何重大的附屬公司收購或出售（二零一六年：無）。

Management Discussion and Analysis

管理層之討論與分析

Use of Proceeds

The net proceeds raised from the global offering received by the Company were approximately HK\$805.9 million.

As at 31 December 2017, the planned and utilised amounts of usage of total net proceeds are as follows:

		Planned amount	Utilised amount
		計劃金額	已動用金額
		HK\$ million	HK\$ million
		百萬港元	百萬港元
Enhancing research and development effort	加大研發投入	322.4	322.4
Expanding distribution network	擴大分銷網絡	120.8	120.8
Potential merger and acquisition	潛在併購	282.1	282.1
General working capital	一般營運資金	80.6	80.6
		805.9	805.9

Future Plans for Material Investments or Capital Assets

Save as disclosed in this annual report, there was no specific plan for material investments or capital assets as at 31 December 2017 (2016: Nil).

Exchange Rates Exposure

The Group derives its turnover, makes purchases and incurs expenses denominated mainly in RMB, HK\$ and US\$. The majority of assets and liabilities are denominated in RMB, HK\$ and US\$ and there are no significant assets and liabilities denominated in other currencies. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks. Any material fluctuation in the exchange rates of HK\$ or RMB may have an impact on the operating results of the Group.

The management considers that the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the same functional currency. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages foreign currency risk by closely monitoring the movement of the foreign currency rates.

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2017 (2016: Nil).

所得款項用途

本公司自全球發售籌得的所得款項淨額約為805.9百萬港元。

於二零一七年十二月三十一日，總所得款項淨額的計劃用途及已動用金額如下：

	Planned amount	Utilised amount
	計劃金額	已動用金額
	HK\$ million	HK\$ million
	百萬港元	百萬港元
Enhancing research and development effort	322.4	322.4
Expanding distribution network	120.8	120.8
Potential merger and acquisition	282.1	282.1
General working capital	80.6	80.6
	805.9	805.9

重大投資或資本資產的未來計劃

除本年報所披露外，於二零一七年十二月三十一日，概無重大投資或資本資產的具體計劃（二零一六年：無）。

匯率風險

本集團的營業額、採購及開支主要以人民幣、港元及美元計值。大部分資產及負債以人民幣、港元及美元計值，並無重大資產及負債以其他貨幣計值。目前，本集團並無訂立協議或購買工具以對沖本集團的匯率風險。港元或人民幣匯率的重大波動或會影響本集團的經營業績。

由於港元與美元掛鈎，且以美元計值的交易主要由採用相同功能貨幣的實體進行，故管理層認為與美元有關的外匯風險並不重大。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及規例。本集團密切監察匯率變動，以管理外幣風險。

或然負債

本集團於二零一七年十二月三十一日並無任何重大或然負債（二零一六年：無）。

Management Discussion and Analysis

管理層之討論與分析

Human Resources and Remuneration Policies

The total number of employees of the Group as at 31 December 2017 was 1,514. The following table shows a breakdown of employees of the Group by functions as at 31 December 2017:

Management	管理層	14
Sales and after-sales services and marketing	銷售及售後服務以及市場推廣	484
Research and development	研發	826
Quality assurance	質檢	42
Administration and human resources	行政及人力資源	44
Accounting	會計	25
Production, procurement and inventory control	生產、採購及存貨控制	79
		1,514

人力資源及薪酬政策

於二零一七年十二月三十一日，本集團僱員總數為1,514人。下表載列於二零一七年十二月三十一日根據職能劃分的各類僱員數目：

The Group ensures that its remuneration packages are comprehensive and competitive from time to time. Employees are remunerated with a fixed monthly income plus annual performance related bonuses. Share options are granted to employees to reward their contributions under the share option scheme of the Company, details of which are set out in the Report of the Directors. The Group also sponsors selected employees to attend external training courses that suit the needs of the Group's business.

Disclaimer:

Non-GAAP measures

Certain non-GAAP (generally accepted accounting principles) measures are used for assessing the Group's performance. These non-GAAP measures are not expressly permitted measures under GAAP in Hong Kong and may not be comparable to similarly titled measures for other companies. Accordingly, such non-GAAP measures should not be considered as an alternative to operating income as an indicator of the operating performance of the Group or as an alternative to cash flows from operating activities as a measure of liquidity. The use of non-GAAP measures is provided solely to enhance the overall understanding of the Group current financial performance. Additionally because the Group has historically reported certain non-GAAP results to investors, the Group considers the inclusion of non-GAAP measures provides consistency in our financial reporting.

本集團確保其薪酬安排全面及具吸引力。僱員的薪酬為每月固定薪金，另加與表現有關的年度花紅。購股權乃根據本公司購股權計劃授予僱員以酬謝彼等作出的貢獻，有關詳情載於董事會報告。本集團亦會資助僱員參加符合本集團業務需要的外部培訓課程。

免責聲明：

非公認會計原則指標

若干非公認會計原則指標乃用於評估本集團的表現，但該等非公認會計原則指標並非香港公認會計原則所明確認可的指標，故未必可與其他公司的同類指標作比較，因此，該等非公認會計原則指標不應視作經營收入（作為本集團業務表現指標）的替補或經營活動現金流量（作為衡量流動資金）的替補。提供非公認會計原則指標純粹為加強對本集團現時財務表現的整體理解，此外由於本集團以往曾向投資者報告若干採用非公認會計原則計算的業績，因此本集團認為包括非公認會計原則指標可為本集團的財務報表提供一致性。



Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2017.

The Company wishes to highlight the importance of its Board in ensuring effective leadership and control of the Company and transparency and accountability of all aspects of operations and that its business is conducted in accordance with applicable laws and regulations.

The Company also recognises the importance of good corporate governance to the Group's healthy growth and has devoted considerable efforts to identifying and formulating corporate governance practices appropriate to the Group's needs.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles (the "Principles") and code provisions (the "Code Provisions") in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

In formulating its corporate governance practices, the Company has applied the Principles and complied with all applicable Code Provisions for the year.

The Board periodically reviews and monitors the Company's policies and practices on corporate governance or compliance with legal and regulatory requirements. The Board also reviews the Group's employee handbook, training and continuous professional development of the Directors and the senior management to ensure that operations are conducted in accordance with the standards of the CG Code.

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code regulating the securities transaction of Directors and executive officers named in this annual report, on terms no less exacting than the required standard set out in the Model Code as set out in Appendix 10 to the Listing Rules.

Specific enquiry had been made to all Directors and they have confirmed that they have complied with the Model Code throughout the year and up to the date of this report.

董事會欣然提呈截至二零一七年十二月三十一日止年度的企業管治報告。

本公司謹此表明，董事會確保本公司有效領導及監控，在各方面營運的透明度及問責性的重要性，以及根據適用法律及法規進行其業務。

本公司亦明瞭良好企業管治對本集團穩健發展的重要性，已努力確立及制定符合本集團需要的企業管治常規。

企業管治常規

本公司的企業管治常規乃以聯交所證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）當中原則（「原則」）及守則條文（「守則條文」）為基礎。

於年內，本公司在制定其企業管治常規時已應用原則，並一直遵守所有適用的守則條文。

董事會定期檢討及監察本公司的企業管治政策及慣例或法律及監管規定的遵守情況。董事會亦審閱本集團的員工手冊、董事及高級管理層培訓及持續專業發展，確保營運符合企業管治守則的標準。

董事的證券交易

本集團已採納規管董事及名列本年報的行政人員進行本公司之證券交易守則，其條款不會較上市規則附錄10所載標準守則訂明的標準寬鬆。

經向全體董事作出具體查詢後，彼等已確認彼等於年內及截至本報告日期一直遵守標準守則。

Corporate Governance Report

企業管治報告

The Company has also established written guidelines regulating the transactions of securities of the Company by senior management and employees who are likely to be in possession of any inside information of the Company.

The key corporate governance principles and practices of the Company are summarised as follows:

THE BOARD

Responsibilities

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. All Directors make decisions objectively in the best interests of the Company.

The Board reserves its powers over decision of all major matters which include, inter alia, the approval and monitoring of all policy matters, overall strategies and budgeting, internal control and risk management systems, material transactions (in particular those which may involve conflict of interests of substantial shareholder(s) or Director(s)), financial information, appointment of Directors and other significant financial and operational matters.

All Directors are provided with full and timely access to Board papers and relevant information, as well as the advice and services of the Company Secretary(ies), with a view to ensuring that Board procedures and all applicable laws, rules and regulations are followed.

Each Director may seek independent professional advice in appropriate circumstances to assist with the discharge of directors' duties at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the senior management. Clear directions as to the powers, the scope of delegation and relevant arrangements were given to the senior management and subject to periodic review to ensure that they remain appropriate to the Company's needs.

Reporting to the Board and prior approval of the Board are necessary before the senior management entering into any material transactions and assuming significant commitments on behalf of the Company.

The Board has the full support of the senior management to discharge its responsibilities.

本公司亦已就可能取得本公司內幕資料的高級管理層及僱員進行本公司之證券交易制定書面指引。

本公司主要企業管治原則及常規概述如下：

董事會

職責

本公司業務整體管理賦予董事會負責，董事會承擔領導及監控本公司的責任，並透過指導及監管事務，集體負責促進本公司的成就。全體董事均客觀就本公司最佳利益作出決定。

董事會保留就所有重要事項作出決策的權力，包括（尤其是）批准及監控所有政策、整體策略及預算、內部監控及風險管理制度、重大交易（特別是可能涉及主要股東或董事的利益衝突者）、財務資料、委任董事及其他重大財務與營運事宜。

全體董事可全面及時獲得所有董事會文件及相關資料以及獲取公司秘書的意見及服務，以確保董事會程序及所有適用法律、規則及規例獲得遵守。

各董事一般可於合適情況下，經向董事會提出要求，徵求獨立專業意見協助其履行董事職責，而費用由本公司承擔。

本公司日常管理、行政及營運授權予高級管理層負責。高級管理層就其權力、授權範圍及相關安排獲得清晰指引及指示，並定期檢討，以確保其合適符合本公司需要。

高級管理層訂立任何重大交易及代本公司履行重大承諾前，須向董事會報告並獲得董事會批准。

董事會履行職責時可獲得高級管理層全面支援。

Corporate Governance Report

企業管治報告

Composition

The Board has a balance of skills, experience and diversity of perspective appropriate to the requirements of the business of the Group.

The Board currently comprises six members, consisting of three executive Directors and three independent non-executive Directors. The balanced composition of executive and independent non-executive members upholds the effective exercise of independent judgement of the Board.

The Board currently comprises the following Directors:

Executive Directors:

NIE Guoming (*Chairman*)
LU Jie (*Chief Executive Officer*)
LI Wenjin

Independent Non-Executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

An updated list of Directors identifying their role and function and whether they are independent non-executive directors is maintained on the Company's and the Stock Exchange's websites.

The biographical information of the Directors and their relationship between the members of the Board, in particular, between the Chairman and the Chief Executive, if any, are provided in the "Directors and Senior Management" section of this annual report.

Appointment, Re-election and Removal of Directors

The Company has established formal and transparent procedures for the appointment and succession planning of Directors.

All Directors are appointed for specific tenures subject to retirement by rotation at least once every three years and subject to re-election at the annual general meeting.

Each of the executive Directors has entered into a service contract with the Company for a term of three years, commencing from 23 May 2016 for Mr. Lu Jie and 1 December 2016 for Mr. Nie Guoming and Mr. Li Wenjin, unless otherwise terminated in accordance with the terms of the respective service contracts.

組成

董事會根據本集團業務而具備適當所需技巧、經驗及多樣的觀點與角度。

董事會現由六名成員組成，包括三名執行董事及三名獨立非執行董事。執行董事與獨立非執行董事的組合保持均衡，有利於董事會有效地作出獨立判斷。

董事會現由以下董事組成：

執行董事：

聶國明 (*主席*)
蘆杰 (*行政總裁*)
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

董事名單（按類別計）亦於本公司根據上市規則不時發出的所有企業通訊披露。

最新的董事會成員名單，並列明其角色或職能以及註明其是否獨立非執行董事，已於本公司及聯交所之網站設存。

董事的履歷資料及彼等與董事會成員，（特別是）主席與行政總裁的關係（如有）在本年報「董事及高級管理層」一節已有披露。

委任、重選及罷免董事

本公司已制定正式且具透明度的董事委任及繼任規劃程序。

全體董事均通過特定任期委任產生，須至少每三年輪席告退一次，並可於股東週年大會膺選連任。

執行董事已各自與本公司訂立服務合約，蘆杰先生的任期自二零一六年五月二十三日起，聶國明先生和李文晉先生的任期自二零一六年十二月一日起，為期三年，除非其中一方根據其服務合約的條款予以終止。

Corporate Governance Report

企業管治報告

Training for Directors

Newly appointed Directors receive induction on the occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities under applicable laws, rules and regulations and the Group's various governance and internal control policies. The Company also, at its expense, arranges and provides suitable training, placing an appropriate emphasis on the roles, functions and duties of a listed company director.

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged and funded in-house trainings for Directors in the form of physical seminar and provision of training materials. A summary of training received by the Directors during the year ended 31 December 2017 according to the records as provided by the Directors is as follows:

董事培訓

新委任董事於獲委任時獲得就職介紹，確保彼等恰當了解本公司業務及運作，及全面了解其於適用法律、規定及法規以及本集團各類管治及內部監控政策下的職責。此外，本公司亦自費就上市公司董事的角色、功能及職責的重要性安排及舉辦合適的培訓。

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等的知識及技能。本公司已透過舉行實質研討會及提供培訓資料為董事安排及資助內部培訓。根據董事提供的記錄，董事於截至二零一七年十二月三十一日止年度接受的培訓概要如下：

Name of Directors		Training on corporate governance, inside information and other relevant topics
董事姓名		企業管治、內幕消息及其他相關主題的培訓
Executive Directors	執行董事	
Nie Guoming	聶國明	✓
Lu Jie	蘆杰	✓
Li Wenjin	李文晉	✓
Independent Non-Executive Directors	獨立非執行董事	
Yip Wai Ming	葉偉明	✓
Wu Min	吳敏	✓
Man Kwok Kuen, Charles	文國權	✓

Directors' and Officers' Liabilities

The Company has arranged for appropriate insurance coverage in respect of legal action against the Directors and officers against losses or liabilities sustained or incurred arising from or incidental to execution of their duties. The insurance coverage is reviewed on an annual basis or any intervals as deemed appropriate by the Board.

董事及高級職員的責任

本公司已就董事及高級職員履行職責須承擔或產生或附帶產生的損失或責任而面對的法律行動安排適當保險。投保範圍乃每年或董事會認為適當的任何時候進行檢討。

Corporate Governance Report

企業管治報告

Board Meetings and Directors' Attendance

During the year, four regular Board meetings were held during the year for reviewing and approving the financial and operating performance, and the final results for the year ended 31 December 2016, quarterly results for the three months ended 31 March 2017, interim results for the six months ended 30 June 2017 and results for the nine months ended 30 September 2017, and considering and approving the overall strategies and policies of the Company.

The individual attendance record of each Director at the four regular quarterly meetings of the Board (not including other ad hoc meetings of the Board held from time to time and any other meeting(s) of members of the Board in compliance with the CG Code), meetings of the Audit Committee, Nomination Committee and, Remuneration Committee and general meeting during the year ended 31 December 2017 is set out below:

Name of Directors	董事姓名	Attendance/Number of Meetings 會議出席/舉行次數				
		Audit Committee Meetings 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Regular Board Meetings* 常規董事會會議*	General Meeting 股東大會
Nie Guoming	聶國明	N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
Lu Jie	蘆杰	N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
Li Wenjin	李文晉	N/A 不適用	1/1	1/1	4/4	1/1
Yip Wai Ming	葉偉明	2/2	1/1	1/1	4/4	1/1
Wu Min	吳敏	2/2	1/1	1/1	4/4	1/1
Man Kwok Kuen, Charles	文國權	2/2	N/A 不適用	N/A 不適用	4/4	1/1

* Not all Directors were required to attend the rest of the meetings which mainly dealt with approval of ordinary business transactions.

董事會會議及董事出席情況

年內曾舉行四次常規董事會會議，以審閱及批准財務及營運表現，分別審閱及批准截至二零一六年十二月三十一日止年度的全年業績、截至二零一七年三月三十一日止三個月的季度業績、截至二零一七年六月三十日止六個月的中期業績及截至二零一七年九月三十日止九個月的業績，以及考慮及批准本公司整體策略及政策。

各董事於截至二零一七年十二月三十一日止年度出席四個常規季度董事會會議（不包括其他不時舉行的不定期董事會會議及根據企業管治守則的董事會成員的任何其他會議）、審核委員會會議、提名委員會會議、薪酬委員會會議及股東大會的個別記錄載列如下：

Attendance/Number of Meetings 會議出席/舉行次數

Audit Committee Meetings 審核委員會會議	Nomination Committee Meeting 提名委員會會議	Remuneration Committee Meeting 薪酬委員會會議	Regular Board Meetings* 常規董事會會議*	General Meeting 股東大會
N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
N/A 不適用	N/A 不適用	N/A 不適用	4/4	1/1
N/A 不適用	1/1	1/1	4/4	1/1
2/2	1/1	1/1	4/4	1/1
2/2	1/1	1/1	4/4	1/1
2/2	N/A 不適用	N/A 不適用	4/4	1/1

* 並非全體董事均須出席主要處理批准日常業務交易的其餘會議。

Practices and Conduct of Board Meetings

Annual meeting schedules and agendas are made available to the Directors in advance.

Notices of regular Board meetings have been served to all Directors at least fourteen days before the meetings. Reasonable notice, as permitted by the Bye-laws of the Company under relevant circumstances or otherwise agreed, has been given for other Board and committee meetings.

董事會會議常規及程序

週年會議時間表及會議議程已預先發給董事。

常規董事會會議通告已最少於會議日期前十四天發給全體董事。根據公司細則按有關情況所允許或另行同意，其他董事會及委員會會議一般給予合理通知。



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The Company Secretary(ies), as delegated by the Chairman, are responsible for preparing the agendas of board meetings, taking into account any matters the Directors may propose to include, ensuring that all Directors are given opportunity to include matters in the agendas and approving the agendas. In order to enable the Directors to make informed decision, agendas and accompanying board papers, together with all appropriate, complete and reliable information are sent to all Directors or all committees members at least three days before each Board meeting or committee meeting to keep the Directors apprised of the latest developments and/or financial position of the Company. The Board and the individual Directors also have independent access to the senior management to make further enquires or when they require further information, in addition to those volunteered by the senior management.

The Company Secretary(ies) attended all regular Board meetings and, when necessary, other Board and committee meetings to advise on statutory compliance, corporate governance matters and to ensure that the Company's policies and procedures were properly followed.

The Company Secretary(ies) is responsible for preparing and keeping minutes of all Board meetings and committee meetings. The minutes recorded sufficient details of matters considered, decisions reached, concerns raised and dissenting views expressed, if any. Draft and final versions of minutes are circulated to the Directors for comment and records within a reasonable time after each meeting. The final version is kept by the Company Secretary(ies) and open for the Directors' inspection.

According to current Board practice, any material transaction, which involves conflicting interests of a substantial shareholder or a Director, are dealt with by a duly convened physical Board meeting, at which independent non-executive Directors having no material interest in the transaction should be present. Any Directors or any of their close associates having material interests in the transactions shall abstain from voting and not to be counted in the quorum at meetings for approving such transactions.

公司秘書由主席委託負責擬備董事會會議議程，並包括董事提議載入的任何事項，確保全體董事皆有機會提出商討事項列入議程及批准議程。為使董事能作出知情有根據的決定，議程及相關的董事會文件連同所有合適、完整及可靠資料，至少在董事會會議及委員會會議的舉行三天前向全體董事或全體委員會成員，致令董事知悉本公司最新發展及／或財務狀況。董事會及個人董事亦可自行接觸高級管理層作進一步查詢，或當其要求進一步資料時，除高級管理層自願提供者之外。

公司秘書出席所有常規董事會會議及於有需要時出席其他董事會會議及委員會會議，就法定守章、企業管治事宜提供意見，並確保本公司的政策及程序得到妥當遵守。

公司秘書負責擬備所有董事會會議及委員會會議之會議記錄並加以存管。會議記錄足夠詳細地記錄所考慮事項、達成的決定、提出的疑慮及所表達的反對意見（如有）。會議記錄的初稿及最終定稿於各會議後合理時段內，交董事傳閱，作出意見，最終定稿將由公司秘書備存並可供董事查閱。

根據現行董事會常規，任何涉及主要股東或董事利益衝突的重大交易，須經由正式召開的實質董事會會議（於交易無重大利益關係的獨立非執行董事應出席會議）處理。任何於交易擁有重大權益的董事或彼等之緊密聯繫人須在批准該等交易的會議放棄表決及不獲計入法定人數內。



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Chairman and Chief Executive

The roles and responsibilities of Mr. Nie Guoming and Mr. Lu Jie respectively as Chairman of the Board and Chief Executive Officer of the Company (the “CEO”) have been clearly divided and defined. The clear division of the management of the Board and the day-to-day management of business ensures a balanced power and authority such that no concentration of power should vest in any one individual.

The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practices and establishes corporate governance procedures. With the support of the Company Secretary(ies) and the senior management, the Chairman is also responsible for ensuring that the Directors receive in a timely manner adequate information, which must be accurate, clear, complete and reliable, and appropriate briefing on issues arising at Board meetings, and that all key and appropriate issues are discussed by the Board in a timely manner.

The Chairman also encourages the Directors to fully and actively participate in the Board’s affairs, taking the lead to act in the best interests of the Company. The Chairman also promotes a culture to facilitate effective contributions and encourages the Directors to express dissenting views and concerns and allow sufficient discussion of issues before decisions are made.

The CEO focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company’s day-to-day management and operations and is also responsible for developing strategic plans, formulating and reviewing the organisational structure, control systems and internal procedures and processes for the Board’s approval.

主席及行政總裁

聶國明先生及蘆杰先生分別為本公司董事會主席及行政總裁（「行政總裁」）的職責已明確劃分。董事會管理與業務日常管理明確劃分，確保決策權力及授權分佈均衡，權力不集中於任何個人。

主席提供領導及負責董事會按照良好企業管治常規有效運作及建立企業管治程序。在公司秘書及高級管理層的支持下，主席亦負責確保董事及時收到準確、清晰、完整及可靠的充份資訊，及負責確保就董事會會議上所有當前事項作出簡報，及所有主要及適當的議程由董事會及時地審議。

主席亦鼓勵董事全力投入董事會事務，並以身作則，行事符合本公司最佳利益。主席亦提倡促進作出有效貢獻的文化，鼓勵董事表達不同的意見及關注的事宜，允許在作出決策前給予充足時間討論該事宜。

行政總裁主要負責執行經董事會批准及授權的目標、政策及策略。彼負責本公司的日常管理及運作及負責制定策略計劃、擬定及審閱組織架構、監控制度及內部程序，以供董事會批准。

Independent Non-Executive Directors

The independent non-executive Directors possess a wide range of business and financial expertise, experiences and, through participation in board meetings, offer independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments and standard of conducts. Through taking the lead where potential conflicts of interests arise, serving on the Board committees, examining the Company's performance in achieving corporate goals and objectives and monitoring performance reporting, the independent non-executive Directors has become an integral part of the healthy growth of the Company.

During the year, the independent non-executive Directors also attended the annual general meeting(s) of the Company, details of which are set out on page 31, enabling them to develop a balanced understanding of the views of the shareholders.

Each of the independent non-executive Directors, namely Mr. Yip Wai Ming, Dr. Wu Min and Mr. Man Kwok Kuen, Charles, was appointed for a contractual term of one year subject to renewal on a yearly basis and re-election in accordance with the Company's Bye-laws. Such term shall be terminated: (i) by either party giving the other not less than two months' written notice; or (ii) forthwith without compensation, on ground of disqualification, gross or willful misconduct or negligence of such Director, or any failure of passing a resolution by the shareholders of the Company to be re-elected as a Director, whichever is earlier.

During the year ended 31 December 2017, the Board at all times met the requirements of Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules relating to the appointment of at least three independent non-executive Directors, representing half of the Board and with at least one of the independent non-executive Directors possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company confirms that it has received written annual confirmation from each independent non-executive Director concerning his/her independence pursuant to the requirements of Rule 3.13 of the Listing Rules and the Company considers that all independent non-executive Directors are independent in accordance with the Listing Rules.

獨立非執行董事

獨立非執行董事擁有廣泛的商業及財務專業知識與經驗，並透過參與董事會會議，在涉及策略、政策、公司表現、問責性、資源、主要委任及操守準則等事宜上，提供獨立的意見。獨立非執行董事透過在出現潛在利益衝突時發揮牽頭引導作用、出任各董事會委員會成員、審查本公司的表現是否達到企業目標和目的並監察匯報公司表現的事宜，已成為本公司穩健增長的重要力量。

年內，獨立非執行董事亦已出席本公司的股東週年大會（詳情載於第31頁），有助於彼等對股東的意見有更公正的了解。

獨立非執行董事葉偉明先生、吳敏博士及文國權先生各自獲委任，合約年期為一年，可每年重續，並根據本公司的公司細則重選連任。倘（以較早者為準）(i)任何一方向另一方發出不少於兩個月的書面通知，則有關任期可予終止；或(ii)因該董事喪失資格、嚴重或蓄意不當行為或疏忽職守或未能獲本公司股東通過決議案重選為董事，則有關任期立即終止而毋須賠償。

截至二零一七年十二月三十一日止年度，董事會一直遵守上市規則第3.10(1)、3.10(2)及3.10A條有關委任最少三名獨立非執行董事，須佔董事會成員人數一半而其中最少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識的規定。

本公司確認已接獲各獨立非執行董事根據上市規則第3.13條規定所作出有關其獨立身分的年度確認書及認為所有獨立非執行董事根據上市規則為獨立。

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BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee, for overseeing specific aspects of the Company's affairs. Each Board committee was established with defined written terms of reference setting out its authorities and duties and requiring the Board Committees to report back to the Board on their decisions or recommendations (unless otherwise restricted by legal or regulatory requirements). To provide transparency, the terms of reference of the Board committees are posted on the Company's website and the Stock Exchange's website and hard copies of which are available to shareholders upon request.

Each Board committee consists of a majority of and is respectively chaired by an independent non-executive Director. Chairman and members of each Board committee as at the date of this report are set out below:

Audit Committee

[△]YIP Wai Ming (*Chairman*)
[△]WU Min
[△]MAN Kwok Kuen, Charles

Nomination Committee

[△]WU Min (*Chairman*)
[△]YIP Wai Ming
*LI Wenjin

Remuneration Committee

[△]YIP Wai Ming (*Chairman*)
[△]WU Min
*LI Wenjin

[△] Independent non-executive Director
* Executive Director

The Board committees have been provided with sufficient resources to perform their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

董事會委員會

董事會下設三個委員會：審核委員會、提名委員會及薪酬委員會，以掌管本公司特定事務。各董事會委員會均設有明確書面職權範圍，載列其要求董事委員會向董事會報告其決定或意見的權限及職責（法律或監管規定限制者除外）。為提供透明度董事會委員會的職權範圍於本公司網站及聯交所網站刊載，其複印件亦可供股東索閱。

各董事會委員會由獨立非執行董事佔多數並擔任主席。於本報告日期，各董事會委員會主席及成員如下：

審核委員會

[△]葉偉明 (*主席*)
[△]吳敏
[△]文國權

提名委員會

[△]吳敏 (*主席*)
[△]葉偉明
*李文晉

薪酬委員會

[△]葉偉明 (*主席*)
[△]吳敏
*李文晉

[△] 獨立非執行董事
* 執行董事

董事會委員會已獲提供充足資源履行職責及可於適當情況下，合理要求徵求獨立專業意見，費用由本公司承擔。

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Audit Committee

The Audit Committee was established by the Board on 1 December 2010. The Audit Committee comprises three independent non-executive Directors (including at least one member possessing appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include, among others, the followings:

- (a) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or external auditors before submission to the Board;
- (b) to review the Company's relationship with the external auditors with reference to the work they performed, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors;
- (c) to review the adequacy and effectiveness of the Company's financial reporting system, the Group's financial control, internal control and risk management systems, associated procedures and adequacy of resources available to its internal audit functions; and
- (d) to consider and identify risks of the Group and consider effectiveness of the Group's decision making processes in crisis and emergency situations and approve major decisions affecting the Group's risk profile or exposure.

The written terms of reference describing the authority and duties of the Audit Committee was prepared and adopted with reference to the CG Code and "A Guide for The Formation of An Audit Committee" published by the Hong Kong Institute of Certified Public Accountants.

The Audit Committee held two meetings during the year ended 31 December 2017 to review half-yearly and annual financial results and reports, financial reporting and compliance procedures, internal control and risk management systems, effectiveness of internal audit function, the auditor's independence and objectivity. The Audit Committee has also met with the Company's auditor twice during the year and recommended the re-appointment of PricewaterhouseCoopers as the Company's external auditor and the Board confirms that it has taken no different view from the Audit Committee in relation to the recommended re-appointment.

審核委員會

審核委員會由董事會於二零一零年十二月一日成立。審核委員會由三名獨立非執行董事組成，當中包括至少一名具備合適專業資歷或會計或相關財務管理專業知識的成員。審核委員會全體成員均非本公司現任外聘核數師的前合夥人。

根據職權範圍，審核委員會的主要職責其中包括：

- (a) 審閱財務報表及報告，並於提交董事會前，考慮本公司的會計及財務匯報職員、監察主任或外聘核數師提出的任何重大或不尋常項目；
- (b) 參考外聘核數師所進行工作、費用及聘用條款，檢討公司與外聘核數師的關係，並就委任、續聘及罷免外聘核數師向董事會提出意見；
- (c) 審閱本公司財務報告制度、本集團的財務監控、內部監控及風險管理制度、相關程序是否充份及具備效益以及是否有足夠資源履行其內部審核職能；及
- (d) 審議及識別本集團的風險，並檢視本集團處理危機及緊急情況時的決策程序之成效，以及批准影響本集團風險概況的重要決策。

已參照企業管治守則及由香港會計師公會發出的「成立審核委員會指引」編製及採納列明審核委員會的職權及責任的書面職權範圍。

審核委員會於截至二零一七年十二月三十一日止年度曾舉行兩次會議，審閱中期及年度財務業績及報告，財務申報及合規程序、內部監控及風險管理制度、內部審核職能的有效性、核數師的獨立性及客觀性。審核委員會亦於年內與本公司核數師兩次會面，並建議續聘羅兵咸永道會計師事務所為本公司外部核數師，而董事會確認就建議續聘事宜與審核委員會並無意見分歧。



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At the end of 2017 and the date of this report, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

The Company's annual results for the year ended 31 December 2017 have been reviewed by the Audit Committee.

Nomination Committee

The Nomination Committee was established by the Board on 1 December 2010. Its terms of reference was prepared and adopted with reference to the CG Code and its principal duties include the review of the structure, size and composition of the Board, developing and formulating relevant procedures for nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, business requirements of the Group and other relevant statutory requirements and regulations. External recruitment agency may also be engaged to carry out the recruitment and selection process when necessary. It has been an underpinning philosophy of the Company to maintain diversified selection criteria in its hiring process, taking into account a wide range of attributes including age, educational background, professional experience, industry skills and expertise and such policy was recorded in writing by the Nomination Committee for the selection process of Directors in 2014. Since its establishment, the Nomination Committee has assumed the roles of reviewing such diverse selection policy at the nomination level and maintaining a diversified spectrum of Directors with varying perspectives, educational background and expertise, ranging from in-depth knowhow in the payment industry, sales and marketing talents to professional qualifications in the legal and accounting fields. Each Director has accumulated experience in his respective field of expertise for at least 10 to 30 years. Regardless of their background or experience, the Directors commonly share and acquire the talent and competence to drive the development of the industry and these are the ultimate attributes that the Nomination Committee will uphold and carry through in the talent selection process of the Company.

截止二零一七年年底及於本報告日期，並無有關或會對本公司按持續基準經營的能力產生重大疑問的事件或情況。

本公司截至二零一七年十二月三十一日止年度的全年業績已經由審核委員會審閱。

提名委員會

提名委員會由董事會於二零一零年十二月一日成立其職權範圍根據企業管治守則草擬及採納，主要職責包括檢討董事會的架構、規模及組成、建立及制定有關董事提名及委任程序以及就董事委任及繼任規劃向董事會作出建議，並評估獨立非執行董事的獨立性。

提名委員會負責就專業知識、技能、經驗、專業知識、個人誠信及投入時間以及就本集團業務需要及其他相關法定規則及規例，甄選及推薦候任董事人選。有需要時或會委任外界招聘代理進行招聘及甄選程序。於委聘程序中維持採用多元化甄選準則，同時考慮年齡、教育背景、專業經驗、行業技能及專業知識等多項特質，乃本公司一直以來秉持的基本原則，而有關政策於二零一四年由提名委員會書面記錄作為董事甄選程序之用。自成立以來，提名委員會已肩負檢討在提名方面應用多元化甄選政策之責任，確保董事具備多元化視野及不同教育背景及專業知識，從對支付行業的深入了解、銷售及市場推廣才能以至於法律及會計範疇的專業資格。董事均於各自專業知識範疇積逾至少10至30年經驗。無論董事有任何背景或經驗，彼等均擁有天賦才能及驅策行業發展的共同特質，而此亦為本公司甄選過程中提名委員會貫徹及守護的終極價值。

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To facilitate sustainable and balanced development of the Company, the Nomination Committee adopts a board diversity policy under which appointment and/or recommendation for appointment will be based on objective criteria, having due regard for the benefits of diversity on the Board, including, among others, the candidates' gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. Decisions of the Nomination Committee are made based on the merits and contribution of the selected candidates.

The Nomination Committee held one meeting during the year ended 31 December 2017 to review and recommend the re-appointment and re-election of Directors, and adoption of the procedures for proposing a person for election as a Director.

Pursuant to the Company's Bye-laws, Dr. Wu Min and Mr. Man Kwok Kuen Charles, both being independent non-executive Directors, shall retire by rotation and, being eligible, offer themselves for re-election at the for the coming 2018 annual general meeting of the Company (the "AGM").

Following the recommendation of Nomination Committee, the Board has further recommended Dr. Wu Min and Mr. Man Kwok Kuen Charles standing for re-election at the AGM.

The Company's circular dated 14 March 2018 contains detailed information of the Directors standing for re-election.

Remuneration Committee

The Remuneration Committee was established by the Board on 1 December 2010. Its terms of reference was prepared and adopted with reference to the CG Code and its primary objectives and duties include making recommendations to the Board on the remuneration policy and structure and remuneration packages of the Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which is determined with reference to the performance of the individual and the Company as well as market practice and conditions.

為促進本公司持續、均衡的發展，提名委員會採取董事會多元化政策，依據客觀標準，充分考慮多元化對董事會的裨益進行委任及／或推薦委任，其中包括候選人性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限。提名委員會基於候選人的價值與貢獻作出決策。

提名委員會於截至二零一七年十二月三十一日止年度曾舉行一次會議，以審閱及推薦續聘及重選董事以及採納推選一名人士出任董事的程序。

根據本公司的公司細則，兩位獨立非執行董事吳敏博士及文國權先生將輪值告退，彼等符合資格並願意於本公司二零一八年股東週年大會（「股東週年大會」）膺選連任。

按照提名委員會的推薦後，董事會進一步推薦吳敏博士及文國權先生於股東週年大會膺選連任的董事。

本公司日期為二零一八年三月十四日的通函載有膺選連任的董事的詳細資料。

薪酬委員會

薪酬委員會於二零一零年十二月一日成立，其職權範圍根據企業管治守則草擬及採納，主要職責包括就董事及高級管理人員的薪酬政策及結構與薪酬待遇向董事會提供推薦意見。薪酬委員會亦負責就制定該等薪酬政策及結構訂立具透明度程序，確保並無董事或彼任何聯繫人士參與釐定本身薪酬，有關薪酬乃經參考個人及本公司表現以及市場常規及情況後釐定。

Corporate Governance Report

企業管治報告

The Remuneration Committee normally meets to review the remuneration policy and structure and determine the annual remuneration packages of the Directors and the senior management and other related matters. The human resources department is responsible for collection and administration of the human resources data and making recommendations on remuneration policy and structure and remuneration packages to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman and/or the Board about these recommendations. The Remuneration Committee held one meeting during the year ended 31 December 2017 to review and recommend the remuneration packages of the Directors and the senior management of the Company, to establish a formal and transparent procedure for developing policy for the remuneration of the Directors and assessed the performance of the executive Directors and approving the terms of their respective service contracts.

The remuneration payable to the members of the senior management by band for the year ended 31 December 2017 is set out below:

薪酬委員會一般就審閱薪酬政策及結構以及釐定董事及高級管理人員年度薪酬待遇與其他相關事務舉行會議。人力資源部門負責收集及管理人力資源數據，並就薪酬政策及結構與薪酬待遇向薪酬委員會作出意見，以供其考慮。薪酬委員會須就該等意見諮詢主席及／或董事會。薪酬委員會於截至二零一七年十二月三十一日止年度曾舉行一次會議，以審閱董事及本公司高級管理層的薪酬待遇並提供建議，就制定董事薪酬政策訂立正規而具透明度的程序及評估執行董事表現及批准其各自服務合約條款。

於截至二零一七年十二月三十一日止年度按個別劃分之應付高級管理人員薪酬載列如下：

Remuneration band	薪酬組別	Number of individuals 人數
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至2,500,000 港元	2

Further particulars relating to Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 10 and 36 to the consolidated financial statements.

根據上市規則附錄十六須予披露有關董事酬金及五名最高薪人士的進一步詳情，載於綜合財務報表附註10及36。

Corporate Governance Function

The Board is responsible for performing the corporate governance duties and determining the relevant policies of the Company, which includes formulating and reviewing the Group's policies and practices on corporate governance, reviewing and monitoring the training and continuous professional development of the Directors and the senior management, reviewing and monitoring the Group's policies and practices on compliance with legal and regulatory requirements, formulating, reviewing and monitoring the code of conduct, guidelines and compliance manual applicable to employees and Directors, and reviewing the Group's compliance with the CG Code and disclosures in this Corporate Governance Report.

企業管治職能

董事會負責履行本公司的企業管治職責及決定相關政策包括制定及檢討本集團於企業管治方面的政策及常規、檢討及監察董事及高級管理層的培訓及持續專業發展，檢討及監察本集團的政策及常規是否符合法律及監管要求，制定、檢討及監察員工及董事的操守準則、指引和合規手冊，以及檢討本集團遵守企業管治守則的情況及在本企業管治報告內所作的披露。

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board and the Directors

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and complying with other financial disclosures required under the Listing Rules and other regulatory requirements.

The Directors also acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2017.

Auditor's Statement

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 81 to 89.

Senior Management

The senior management has provided the Board with sufficient explanation and necessary information enabling the Board to make an informed assessment of financial and other information put before the Board for approval.

Monthly updates have also been provided by the senior management to all members of the Board to enable proper discharge of duties by the Board as a whole or each member individually by giving them balanced and understandable assessment of the Company's performance, position and prospectus in sufficient detail.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board has developed the Group's internal control, risk assessment and management systems and has overall responsibility for reviewing and maintaining an adequate and effective risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group. It evaluates the effectiveness of the systems at least annually to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting internal audit and financial reporting functions.

有關財務報表的責任

董事會及董事

根據上市規則及其他監管要求，董事會須對年報及中期報告、上市規則與其他監管規則所規定的內幕消息公佈負責提呈均衡、清晰及易於理解的評估及遵守其他財務資料的披露。

董事亦明瞭彼等編製本公司截至二零一七年十二月三十一日止年度財務報表的責任。

核數師聲明

本公司外聘核數師有關彼等申報財務報表責任的聲明載於第81至89頁「獨立核數師報告」。

高級管理層

高級管理層已向董事會提供充分的解釋及必要的資料，讓董事會可以就提交給其批准的財務及其他資料，作出有根據的評審。

高級管理層亦已每月向董事會全體成員提供更新資料，載列有關本公司的表現，財務狀況及前景的公正及易於理解的評估，內容足以讓董事會妥當履行職責。

風險管理及內部監控

董事會已制定本集團之內部監控及風險評估及管理制度，並對檢討及維持足夠及有效之風險管理及內部監控制度負有全面責任，以保障股東利益及本集團資產。其最少每年評估制度的有效性確保本集團在會計、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。



Corporate Governance Report 企業管治報告

Risk Management and Internal Control Systems

The risk management and internal control systems of the Company are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against all risk issues. We have employed a bottom-up approach for identification, assessment and mitigation of risk at all business unit levels and across all functional areas.

Process used to identify, evaluate and manage significant risks

During the process of risk assessment, the Audit Committee is responsible for identifying the risk of the Group and deciding on the risk levels and the Board is responsible for assessing and determining the nature and extent of the risks that are acceptable to the Group when achieving its strategic objectives. After discussing and taking into consideration the risk response, the relevant departments and business units shall be assigned to implement the risk management solutions in accordance with their respective roles and responsibilities. The identified risk together with the risk response will be recorded at the risk register and subject to the Board's oversight.

Main features of Risk Management and Internal Control Systems

The key elements of the risk management and internal control systems of the Company include the establishment of a risk register to keep track of and record identified risks, the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness.

An ongoing risk assessment approach is adopted by the Company for identifying and assessing the key inherent risks that affect the achievement of its objectives. The judgement of the risk is mainly determined in accordance with the likelihood of occurrence and consequence of occurrence of the risk, which can be categorised into 3 classes, classifying the degree of risk impact as: Minor (1), Moderate (2) and Significant (3), and the probability of occurrence of risk as: Unlikely (1), Possible (2) and Likely (3). The risk degrees reflect the level of management's attention and risk treatment effort required.

風險管理及內部監控系統

本公司的風險管理及內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就所有風險問題作出合理而非絕對的保證。我們已採取由下而上的方法以識別、評估及減低在所有業務層面及各功能範疇上的風險。

用以識別、評估及管理重大風險的程序

在風險評估過程中，審核委員會負責識別本集團的風險並決定有關的風險水平，而董事會則負責評估及釐定本集團於實現其策略目標時可接受的風險性質和程度。經過討論及考慮有關的風險應對措施後，相關部門和業務單位將根據其職能及職責獲指派執行相應的風險管理解決方案。已識別之風險連同有關的風險應對措施將記錄於風險登記冊，並須受董事會監督。

風險管理及內部監控系統的主要特點

本公司風險管理及內部監控系統的主要元素包括設立風險登記冊以跟進及記錄已識別之風險、評估及檢討風險、制定及不時更新應對措施，以及持續測試內部監控程序以確保其成效。

本公司已採取持續進行的風險評估方法以識別和評估影響其達到目標的主要固有風險。風險判斷主要以發生風險的可能性及其引起的後果作為依據，並分為3個類別，風險的影響程度分為：輕微（1分）、中等（2分）及重大（3分），而發生風險的可能性分為：不可能（1分）、可能（2分）及很可能（3分）。風險程度反映管理層的關注程度及處理風險的所須努力。

Corporate Governance Report

企業管治報告

Process used to review the effectiveness of the Risk Management & Internal Control Systems and to resolve material internal control defects

In view of the Company's business and scale of operations, and in order to adopt the most cost-effective method of conducting periodic reviews of the Company's internal controls, the Internal Audit Department of the Company ("IA Department") worked with an independent consulting firm (the "Internal Control Auditor") to execute the internal audit function. The Internal Control Auditor has conducted a review of the effectiveness of the Group's risk management and internal control systems for the period from 1 November 2016 to 31 October 2017 in accordance with the requirements under Code Provision C.2 of the CG Code, according to the scope of review agreed and approved by the IA Department.

The Internal Control Auditor reported to the IA Department and the IA Department was satisfied that there had been no major deficiency noted in the areas of the Group's risk management and internal controls systems being reviewed after implementation of recommendations of the internal control defects reported by the Internal Control Auditor. The Audit Committee reviews the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures and cooperates with the IA Department to ensure the IA Department has access to information necessary to fulfil their duties and responsibilities with respect to risk assessment and risk management. Accordingly, the Audit Committee and the Board considered during the year, the risk management and internal control systems to be effective and have been implemented with adequate resources during the year.

Procedures and internal controls for the handling and dissemination of inside information

The Board has established a policy for handling and dissemination of inside information (the "Inside Information Policy"). The Inside Information Policy stipulates the obligations of the Group, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemptions and waiver to the disclosure of inside information, external communication guidelines and compliance and reporting procedures. Management of the Company takes all reasonable measures from time to time to ensure that proper safeguards exist to prevent breach of any disclosure requirement in relation to the Company. Employees are required to promptly bring any possible leakage or divulgence of inside information to the attention of the Chief Financial Officer, or his delegates, who will notify the Board timely and accordingly, in which case and in the event that there is evidence of material violation of the Inside Information Policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding recurrence.

用以檢討風險管理及內部監控系統有效性的程序及解決嚴重內部監控缺失的程序

就本公司的業務及經營規模而言，及為就本公司內部監控進行定期檢討而採用最具成本效益的方法，本公司的內部審核部門（「內部審核部門」）與一間獨立顧問公司（「內控核數師」）合作執行內部審核職能。內控核數師已根據內部審核部門協定及批准的檢討範圍及按企業管治守則內守則條文第C.2條項下規定對二零一六年十一月一日至二零一七年十月三十一日期間本集團風險管理及內部監控制度的有效程度進行檢討。

內控核數師向內部審核部門匯報，而內部審核部門滿意在實施內控核數師匯報的內部監控缺失建議後，本公司經檢討的風險管理及內部監控制度範圍並無出現重大缺失。審核委員會審閱本公司財務報告制度、內部監控制度、風險管理制度及相關程序是否充分及具備效益；及與內部審核部門合作，確保內部審核部門獲取必要信息，以履行有關風險評估與風險管理之責任和義務。因此，審核委員會及董事會認為年內風險管理及內部監控制度屬有效且於年內已以足夠資源實施。

處理及發佈內幕消息的程序和內部監控措施

董事會已制定有關處理及發佈內幕消息的政策（「內幕消息政策」）。內幕消息政策訂明本集團之責任、共享非公開資料之限制、謠言之處理、非故意之選擇性披露、豁免及免除內幕消息之披露、對外通訊與溝通指引以及遵守及報告程序。本公司管理層不時採取一切合理措施，確保已有恰當程序預防本公司違反有關的披露規定。僱員必須即時知會財務總監任何可能涉及透露或洩漏內幕消息的事宜，而財務總監或其代表將於合理切實可行情況下盡快通知董事會，從而迅速採取適當行動。如有證據顯示嚴重違反有關內幕消息政策，董事會將決定或指派適當人士決定有關糾正問題之行動及避免重蹈覆轍。

AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company in respect of the Group's annual audit services, audit services for a Korean subsidiary of the Company and non-audit services for the year ended 31 December 2017 amounted to approximately HK\$1,770,000, HK\$290,000 and HK\$1,209,000 respectively.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(a) Procedures for Requisitioning a Special General Meeting

Shareholder(s) holding as at the date of deposit of the requisition for a special general meeting not less than one-tenth of the paid up capital of the Company carrying the right to vote at general meetings of the Company may, by written requisition to the Board or the Company Secretary(ies) signed and deposited in accordance with the Bye-laws of the Company and the Bermuda Companies Act 1981, require the Directors to call a special general meeting for the transaction of business specified in the requisition.

(b) Procedures for Putting forward Proposals at General Meetings

Shareholder(s) holding not less than one-twentieth of the paid-up capital of the Company carrying the right to vote at general meetings of the Company or not less than 100 Shareholders may together, at their expense, provide a written request to the attention of the Company Secretary(ies) signed and deposited in accordance with the Bermuda Companies Act 1981 to put forward proposals at general meetings.

(c) Communication with Shareholders and Investors

General Meetings

General meetings of the Company provide a direct forum of communication between Shareholders and the Board. At the annual general meeting and special general meeting, if any, held during the year, the Directors were made available to answer questions in accordance with the requirements under the CG Code. The Company's external auditor also attended the 2017 Annual General Meeting to answer any questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies applied and its independence.

核數師酬金

本公司就截至二零一七年十二月三十一日止年度的本集團年度核數服務、本公司一間韓國附屬公司核數服務及非核數服務而向外聘核數師支付的酬金分別約為1,770,000港元、290,000港元及1,209,000港元。

股東權利及投資者關係

(a) 要求召開股東特別大會之程序

於提出呈請日期持有可於本公司股東大會上行使表決權之本公司繳足股本不少於十分之一之股東，可根據本公司之公司細則及百慕達一九八一年公司法，向董事會或公司秘書提出經簽署之書面呈請，要求董事召開股東特別大會，以處理該呈請所列明之事項。

(b) 於股東大會上提呈建議之程序

持有可於本公司股東大會上行使表決權之本公司繳入股本不少於二十分之一之股東或不少於100名股東共同聯署，可根據百慕達一九八一年公司法，向公司秘書提出經簽署之書面要求，以於股東大會上提呈建議，費用由彼等承擔。

(c) 與股東及投資者的溝通

股東大會

本公司的股東大會為股東及董事會提供直接溝通的平台。於年內，董事已根據企業管治守則出席了股東週年大會及股東特別大會（如有），以回應問題。本公司外部核數師亦出席了二零一七年股東週年大會，以回答任何有關審核、核數師報告的編製及內容、應用的會計政策及其獨立性的問題。



Corporate Governance Report

企業管治報告

Other Communications

Shareholders may also contact the Company Secretary(ies) to direct their written enquires.

The Company is committed to enhancing communications and relationships with its investors. Designated senior management maintains an open dialogue with institutional investors and analysts to keep them abreast of the Company's developments.

The Company also maintains a website at www.paxglobal.com.hk, where updates on the Company's business developments and operations, financial information and news can always be found.

Constitutional Documents

There has been no change in the Company's constitutional documents during the year and up to the date of this report.

On behalf of the Board

NIE Guoming

Chairman

Hong Kong, 7 March 2018

其他溝通

股東亦可將彼等的書面查詢寄發予公司秘書。

本公司致力加強與其投資者的溝通及關係。指定高級管理人員與機構投資者及分析員經常公開交流，以簡報本公司發展。

本公司亦設有網站www.paxglobal.com.hk，刊載本公司業務發展及營運、財務資料及消息的最新資料。

組織章程文件

年內及截至本報告日期本公司章程文件並無任何更改。

代表董事會

主席

聶國明

香港，二零一八年三月七日

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

This report is the second Environmental, Social and Governance (“ESG”) report (“ESG Report”) of PAX Global Technology Limited (“PAX” or the “Company”, together with its subsidiaries the “Group” or “we”), describing the sustainability performance and initiatives of the Group based on the Group’s most significant environmental and social impacts, as well as areas of the greatest interest or concerns to stakeholders during the period from 1 January 2017 to 31 December 2017 (the “Reporting Period”). Unless otherwise stated, this ESG Report covers the core business of the Group, which includes the Hong Kong headquarters and the wholly-owned operating PRC subsidiaries over which the Group has operational control, accounting for over 87% of the Group’s total turnover in 2017.

This ESG Report is prepared in accordance with Appendix 27 “Environmental, Social and Governance Reporting Guide” to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. For details of corporate governance, please refer to the section headed “Corporate Governance Report” in this annual report.

We value the opinions of our stakeholders. If you have any suggestions for this report and our sustainability performance, please email us at IR@pax.com.hk.

ABOUT PAX GLOBAL

The Group is principally engaged in the development and sales of electronic payment point-of-sale terminal (“E-payment Terminals”) products and the provision of payment solutions services and maintenance and installation services. We are a global leading provider of E-payment Terminals solutions which provides products and services with outstanding function and supreme quality at competitive prices to customers.

Our mission

To enhance our role in the payment value chain and offer more value-added solutions and services to customers worldwide.

關於本報告

本報告是百富環球科技有限公司（「百富環球」或「本公司」，連同其附屬公司統稱「本集團」或「我們」）第二份發表的環境、社會及管治報告（「環境、社會及管治報告」），根據本集團最重大的環境及社會影響以及有關持分者最大利益及關注的範圍，描述本集團於二零一七年一月一日至二零一七年十二月三十一日期間（「報告期」）之可持續發展的表現和措施。除非另有說明，報告範圍涵蓋本集團核心業務，包括香港總辦事處及於中國擁有營運控制權並營運中的全資附屬公司，相關業務佔集團二零一七年度的總營業額超過87%。

本環境、社會及管治報告依據香港聯合交易所有限公司證券上市規則附錄二十七《環境、社會及管治報告指引》編制。有關企業管治資料，請參閱本年報中《企業管治報告》部分。

我們十分重視各持分者的寶貴意見，如對本報告及我們的可持續發展表現有任何建議，歡迎電郵至IR@pax.com.hk。

關於百富環球

本集團主要從事開發及銷售電子支付銷售點終端（「電子支付終端」）產品並提供支付解決方案服務及維護及安裝服務，是全球領先的電子支付終端解決方案提供商，專注為客戶提供卓越、高性价比及優質的產品及服務。

我們的使命

加強我們在支付價值鏈上的作用，向全球客戶提供更多增值解決方案及服務。

Environmental, Social and Governance Report

環境、社會及管治報告

Our value

- Dominant position with leading products
- Solid research and development capability
- Comprehensive product line
- Experienced management team
- Broad and extensive distribution and services network
- Strong client base
- Cost effectiveness

Memberships and participation in exhibitions

During the Reporting Period, we played an active role in understanding the trends and best practices of various aspects of our industry through memberships and participating in international exhibitions, helping us stay at the forefront of advancements within the industry and hoping to contribute to the sustainable development of the industry and the market.

Membership

- Shenzhen Software Industry Association – Vice-president
- Shenzhen Hi-tech Industry Association – Executive Director
- Shenzhen IT – Business Processing Outsourcing Promotion Council – Member
- Smart Card Professional Committee of China Information Industry Chamber of Commerce – Member

Participation in exhibitions

- Transact 2017 in the US
- NRF 2017, a retail industry fair in the US
- Money 20/20 in Copenhagen and Las Vegas (one of the world's largest fintech conferences)
- Trustech 2017 in France
- Paris Retail Week 2017 in France
- CARDS ME 2017 in the Middle East

我們的價值

- 主導地位的領先產品
- 卓越的研發能力
- 完整產品線
- 經驗豐富的管理團隊
- 廣泛及龐大分銷及服務網絡
- 強大客戶基礎
- 高成本效益

參與的組織及展覽會

在報告期內，我們通過參與組織及國際展覽會，積極了解我們行業各方面的趨勢和最佳常規，讓我們站在行業發展的前列，為業界和市場的可持續發展作出貢獻。

參與的組織

- 深圳市軟體行業協會一副會長
- 深圳市高新技術產業協會一常務理事
- 深圳市現代服務外包產業促進會一會員
- 中國信息產業商會智慧卡專業委員會一會員

參與的展覽會

- 於美國舉行的Transact 2017
- 於美國舉行的零售業展NRF 2017
- 於哥本哈根及拉斯維加斯舉行的Money 20/20(全球最大金融科技盛會之一)
- 於法國舉行的Trustech 2017
- 於法國舉行的Paris Retail Week 2017
- 於中東舉行的CARDS ME 2017

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環境、社會及管治報告

Award & Honours

- “2017 Golden Hong Kong Stocks Awards” (co-organised by Zhitong Caijing, the No.1 Hong Kong stock information platform in China, and Hithink RoyalFlush Information Network Co., Ltd, an Internet financial information service provider) – Listed Company with the Best Growth Potential

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

As one of the global leaders in the E-payment Terminals industry, we believe that we can create long-term value for customers, shareholders, business partners, investors, employees and the community through putting sustainable development in practice. We incorporate ESG principles into our business operation and decision making, with the view of maximising our contribution to the environment and society in the course of operation.

The Group is committed to corporate social responsibility and sustainability plays a prominent role in taking the Group every step forward. Our ESG Policy sets out standards and guidelines for members of the Group in areas of occupational safety and health, environmental protection, compliance with laws, business ethics, etc., adoption and strict implementation of which are assured through training and administration.

Adhering to the principle of “quality first and customer first”, we endeavour to offer high-quality products and customer-oriented services. Our electronic payment system has obtained the ISO 9001:2015 certificate, which is an international quality control standard. We have formulated the “Quality Manual” to specify the duties of each department and set forth series of management procedures governing after-sales service, human resources and environmental management. We require our staff to strictly follow such procedures as quality management and adopt risk management measures, thereby achieving sustainable development.

獎項與榮譽

- 「2017金港股評選」（由國內港股資訊第一平臺智通財經及金融數據服務商同花順財經聯合主辦）—最具有成長性上市公司

我們的可持續發展方針

作為電子支付終端行業全球領跑者之一，我們深信實踐可持續發展能為顧客、股東、業務夥伴、投資者、員工及廣大社群創造長遠的價值。我們將環境、社會及管治原則納入業務運作及決策過程，致力於營運中提高對環境和社會的貢獻。

本集團決意履行企業社會責任，以可持續發展為根基，引領集團踏出每一步。我們的《環境、社會及管治政策》，就職業安全及健康、環境保護、守法奉公、商業道德等議題訂立標準，指引各集團成員實行有關措施，並通過培訓和管理，確保方針得以嚴格執行。

貫徹「品質第一、顧客至上」的原則，本集團致力提供質素卓越的產品，處處以客為先。我們電子支付系統獲得國際品質管制體系標準ISO 9001:2015認證，並根據其要求訂立《品質手冊》，規範各部門的職責要求，制定一系列的管理程式，包括售後服務、人力資源、環境管理等，要求員工嚴謹執行，實現優質管理以及應對風險的措施，達至可持續發展。

Environmental, Social and Governance Report

環境、社會及管治報告

OUR STAKEHOLDERS

The support and trust of our stakeholders over the years are essential for our leading position in the industry. Our stakeholders mainly include customers, suppliers, business partners, employees, shareholders, government and the community. We communicate with our stakeholders on a regular basis through a wide range of official and unofficial communication channels, including conference, interview, general meeting and client visits. We strive to understand more about their views on our approach in sustainable development, such as their priorities, expectations and opinions, based on which we can better shape our business strategy in response to their needs, so as to drive business growth and community development.

PEOPLE-ORIENTED APPROACH FOR ACHIEVING FULL POTENTIAL

Employee Overview

Our people are crucial to our business success. Thus, we attract talents of different backgrounds by offering competitive remuneration packages, providing development opportunities and developing a caring culture for employees to maintain the competitiveness of our employees and our business. As of 31 December 2017, the Group had a total of 1,276 employees in Hong Kong and Shenzhen, which comprise:

我們的持分者

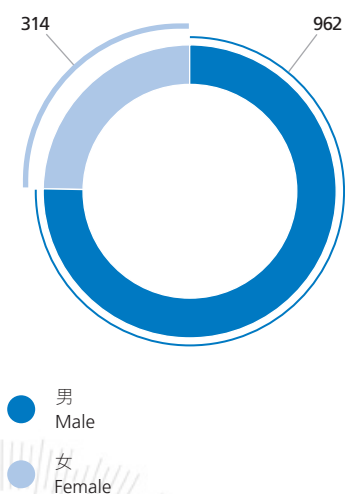
持分者多年來的支持和信任是我們成為業界的領跑者不可或缺的基石。我們的主要持分者包括客戶、供應商與業務夥伴、員工、股東、政府以及社區。我們定期與持分者聯繫，通過不同的正式和非正式溝通渠道，例如會議、訪談、股東大會及客戶巡檢等，希望更瞭解持分者對集團可持續發展方向的想法，包括他們優先考慮的事項、期望及意見，從而合宜地調整我們的企業策略以回應其需要，推動業務和社區向前發展。

以人為本 • 人盡其才

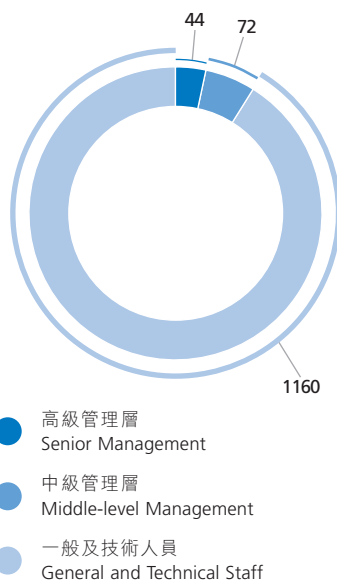
員工概覽

員工一直是集團業務賴以成功的關鍵，因此我們廣納不同背景的人才，給予員工具吸引力的報酬，為他們提供發展機會，並構建關顧員工的文化，從而保持集團員工及業務的競爭力。截至2017年12月31日，本集團在香港及深圳聘用合共1,276名員工，各類分佈如下：

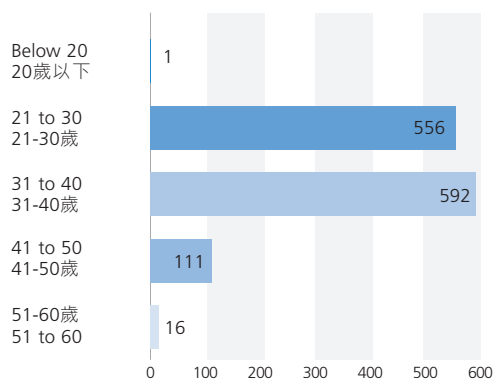
按性別分類
By Gender



按僱員類別分類
By Employee Category



按僱用年齡組別分類
By Age Group



Environmental, Social and Governance Report

環境、社會及管治報告

Talent acquisition

As a state-of-the-art technology research and development enterprise, we adhere to the principle of meritocracy in talent acquisition. We also maintain strict compliance with local labor laws and regulations, including but not limited to the “Labor Law of the People’s Republic of China”, the “Labor Contract Law of the People’s Republic of China” and the “Social Insurance Law”. We have formulated the “Human Resources Management Procedures” and give priority to internal hiring over external recruitment. We identify and promote suitable candidates internally before open recruitments which include public and campus recruitment, such as through online platform, in job fair, and through cooperation with recruitment agency, employee referral and campus promotion, etc.. The selection process comprises written tests of professional skills, comprehensive ability tests and interviews.

滙聚精英

作為一家高端技術研發企業，我們一直秉持用人唯才的理念招攬人才，同時嚴格遵守當地勞動法例及法規，包括但不限於《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《社會保險法》等。我們編制《人力資源管理程序》，遵從先內後外的原則，先在內部尋找合適人選，進行內部調職或晉升，之後再用外部渠道進行招聘，包括社會招聘和校園招聘，例如網絡招聘、現場招聘會、獵頭公司合作、內部推薦，以及校園宣講等。遴選過程包括專業技術筆試、綜合能力測試和面談等。



Case sharing

During the Reporting Period, we hired 12 university graduates through campus recruitment who joined our engineering team. We organised team-building outreach for the graduates. Led by professional coach, the new recruits participated in various team-building exercises designed to foster teamwork and cooperation, helping them to adapt to and integrate into the Group and boosting their sense of belonging.



個案分享

在報告期間，我們在校園招聘了12名大學畢業生，加入我們的工程師團隊，並為他們舉辦畢業生拓展團建活動，由專業機構教練帶隊，進行多個團隊建設訓練。活動旨在加強新員工的團隊意識和合作精神，使他們盡快融入本集團，提升歸屬感。



Environmental, Social and Governance Report

環境、社會及管治報告

We believe it is important to offer equal opportunities to our staff, hence we strive to become a preferred employer by upholding the principle of diversity recruiting. In the selection process, we consider the job applicants' ability and qualifications, regardless of their gender, race, age, religious belief and disability. To maintain a harmonious corporate culture, new employees are required to, during the enrolment process, sign the undertakings to comply with the "Staff Code of Conduct" and other rules against discrimination and insulting behaviour.

Talent Nurturing

We endeavour to provide continuous training and learning opportunities for our employees, with the views of developing their talents and promoting the growth of our business and the industry. Based on our "Training Management Procedure", each department is required to submit the "Annual Plan of Training Needs" to the Human Resources Department, where applicable, which will formulate the "Annual Training Plan".

There are three major categories of training, namely orientation training, internal training and external training offered to our employees. During the Reporting Period, we arranged training programmes such as best practices of Android development, demand analysis on effective software, the Fifth China Payment Terminal Safety Seminar, production process, knowledge and regulations of the POS industry and project management. In order to boost training effectiveness, we carry out assessment in the forms of written test for orientation training, satisfaction survey for internal training and reports on external training. We also promote self-learning and offer partial reimbursement of training fees to employees based on their learning outcomes and application at workplace. Our employees are required to record the details of their training in the personal training record, which forms the basis for performance evaluation, personnel changes and promotion.

In addition, we have developed a performance management system based on the principles of fairness, impartiality and openness, under which employees of different grades undergo evaluation on annual, half-yearly or quarterly basis, where their performance and achievements are assessed comprehensively thus motivating them to improve their individual capability and boosting general corporate efficiency, thereby facilitating our overall strategic goal. The appraisal results will be used as a reference for salary adjustment, promotion and placement.

我們相信為員工提供平等機會是十分重要的，故此一直秉持多元化的聘用原則，致力成為首選僱主。我們在甄選過程著重求職者的能力和資歷，其性別、民族、年齡、宗教信仰或殘疾狀況並不會列入考慮範圍之內。我們要求新員工在辦理入職手續時簽署保證書，表明遵守《員工守則》及其他相關的規則，禁止歧視或對他人採用侮辱性言行，維持良好融洽的企業文化。

培育人才

我們致力為員工提供持續培訓課程和學習機會，藉此發展他們的才能並拓展集團業務及整體行業發展。根據我們編制的《培訓管理程序》，各部門每年需向人力資源部提交《年度培訓需求計劃表》，並由人力資源部制定《年度培訓計劃》（如適用）。

為員工提供的培訓分為新員工培訓、內部培訓和外部培訓三大範疇。在報告期間，我們安排的培訓課程包括安卓(Android)開發最佳實踐、有效軟件需求分析、第五屆中國支付終端安全主題研討、生產導入流、POS行業知識與規範及項目管理等。為了提升培訓成效，所有培訓均設有評估，包括新員工培訓的筆試考核、內部培訓滿意度調查表、以及外部培訓報告。我們亦提倡自主學習，會依據員工的學習成果及在工作的應用，承擔相關部分培訓費用。員工受訓情況需記錄於其個人培訓記錄內，作為績效考核、人事調動、晉升等依據。

此外，建基於公平公正和公開的原則，我們設立一套績效管理制度，每年按員工職級分別進行年度、半年度或季度考核，全方位評估其工作表現及成就，從而促使員工提高自身能力，改善企業的整體運行效率，以達致整體戰略目標。考核結果會為員工的薪酬調整、發展晉升及職位調整等提供參考。

Environmental, Social and Governance Report

環境、社會及管治報告

Remuneration and benefits

To build a sustainable and stable team, the Group is dedicated to optimising staff remuneration packages and welfare. Our staff remuneration comprises basic salary and annual performance bonus. We also offer a variety of incentives such as sales commission, bonus for technology research project, long service award and good idea award to encourage employees' contribution in all aspects. We also grant options to certain employees in recognition of their efforts and performance under the Company's share option scheme. We make contribution to social security scheme (pension, insurance for unemployment, medical, maternity and work-related injury as well as housing provident fund), consolation payment and healthcare subsidies for PRC employees. Other benefits include bereavement leave, marital leave, maternity leave, compensatory time off and short working hours for lactation period, etc.

Moreover, we attach great importance to employees' work-life balance and organize a wide range of activities for them on a regular basis. During the Reporting Period, we held more than 160 staff events, including festival celebrations, birthday parties, football, basketball and badminton clubs for the employees to explore their interests and develop hobbies after work.

薪酬福利

為建立一個可持續和穩定的團隊，本集團對完善員工的薪酬方案與福利保障尤為重視。員工的酬勞由基本工資及年度表現花紅組成，另設一系列獎勵包括銷售佣金、技術開發項目獎金、長期服務獎和合理意見獎，以特別鼓勵僱員於不同領域的貢獻。我們亦會按公司購股權計畫授予購股權給部分員工，藉以表揚其努力及表現。我們為國內員工辦理五險一金（養老、失業、醫療、生育及工傷保險和住房公積金）、慰問金以及醫療補助金。其他福利涵蓋喪假、婚假、產假、補休及哺育期短時間工作制等。

此外，我們十分重視員工的工作與生活平衡，會定期組織各式各樣的活動予他們參與。在報告期間，我們為員工舉辦了逾160次活動，例如節日慶祝、生日聚會、足球、籃球、羽毛球俱樂部等，讓員工在工作之餘亦能發展身心、培養興趣。



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環境、社會及管治報告

Health and safety

Although the operation of the Group does not involve production, employees' health and safety remain our primary focus. To safeguard our people's physical and mental well-being, we endeavour to create a workplace that is free from work-related injury. We offer health checks occasionally and purchase additional group medical insurance. In terms of the working environment, we maintain clean and safe workplace through organising regular fire drills and keep the office floor, windows, doors, toilets, conference rooms, balcony and air conditioning system clean and sanitised. During the Reporting Period, there was no instance of work-related injuries or casualties.

Legal compliance

Employment standard

As a responsible enterprise, we strictly abide by the "Labor Law of the People's Republic of China" and do not tolerate child labor and forced labor. On one hand, job applicants are required to provide and affirm their identification documents to ensure that no child labor is employed. On the other hand, working hours and rest periods are expressly stipulated in the "Employees Code of Conduct" and employment contract. In case over-time work is needed, employees should obtain approval from their manager, so as to ensure that the over-time work is necessitated by work and there is no forced labour. During the Reporting Period, we carried out inspections at the offices and was not aware of any child labor or forced labor.

Anti-corruption

The Group strives to maintain sound corporate governance and makes sure that all of its operations are in strict compliance with applicable local laws and regulations. We uphold high moral standard and integrity, and forbid any forms of corruption, extortion, fraud, bribery, false representation, money laundering and forgery. The "Employees Code of Conduct" sets out restrictions on employees' behaviours. For example, employees not allowed to receive gifts, entertainment or other benefits that exceed normal social courtesy from our business associates or customers. In case of possible acceptance of benefits, employees should report to the supervisors immediately.

We encourage employees to report to the senior management any reasonably suspected violation of business ethics that is committed, was committed or intended to be committed under the name of the Group. We view such issues strictly and will take appropriate and timely actions to uphold integrity as a corporate culture. During the Reporting Period, there was no litigation against the Group or its employees involving any allegation of corruption.

健康安全

縱使本集團不涉及生產，確保員工的健康與安全依然是建立百富環球大家庭的首要重心。我們致力創造一個「零」工傷的工作環境，保障員工身心康健。我們偶爾安排健康體檢，及購買額外的團體醫療保險。在工作環境方面，我們會定期進行防火演習，清潔辦公室的地面、門窗、洗手間、會議室、陽台及空調，確保環境衛生安全。在報告期中，我們並沒有發生任何因工受傷或死亡的個案。

守法慎行

僱傭標準

我們作為一家負責任的企業，謹遵《中華人民共和國勞動法》，絕不容許童工及強制勞工的出現。一方面，應聘者需提供並確認身份證明文件，以確保我們並無錄用童工。另一方面，《員工守則》及合同均列明上班及作息時間，如有需要加班，員工應事先得到部門主管批准，以確保加班原因合乎工作需要及不會出現強制勞工的情況。在報告期間，我們已於辦公範圍進行巡查，並未發現任何童工或強制勞工。

廉潔反貪

本集團致力維持良好的企業管治，確保所有業務活動嚴格按照當地適用的法律及法規進行，誠信維護高水準的道德標準、誠信負責，禁止任何形式的貪污、勒索、欺詐、賄賂、虛假聲明、洗黑錢或偽造等行為。《員工守則》清楚列明員工需要規範的行為，不得接受來自業務往來對象或客戶超出社會常規範圍的饋贈、宴請等利益。若在可能接受利益的情況下，應立即向所屬部門主管反映。

我們亦鼓勵員工如在合理原因下相信任何人以本集團名義採取、已採取或有意採取違反本集團商業道德標準的行為時，可向高層管理人員提出。我們會嚴正正視問題，採取合適、及時的行動，維持廉潔的企業文化。於報告期內集團並無發生任何指控公司或其員工貪污之訴訟案件。

Environmental, Social and Governance Report

環境、社會及管治報告

STRIVE FOR EXCELLENCE AND INNOVATION

Achievements in innovation

Our mission is to “enhance our role in the payment value chain and offer more value-added solutions and services to customers worldwide”. To this end, we focus on research, development and innovation by devoting centralised and stable resources to support our professional research and development team every year. We have approximately 1,000 engineers, which account for over 50% of the total number of employees. Leveraging our outstanding research and development capabilities, we are able to keep expanding and diversifying our solution products, develop new payment products and strategically introduce new elements to traditional products. With a diverse product portfolio, as well as leading and advanced technology which was developed by the internal research and development team, we provide flexible and convenient payment experience to merchants and consumers. During the Reporting Period, the research and development team achieved progress in 8 projects, which include the development of the innovative electronic payment platform, additional credit card authentication, PAXSTORE solution – APP STORE application market platform and PAXPAY solution – omnichannel payment gateway platform. For details, please refer to the section headed “Some of Our Products” in the annual report.

精益求精 • 成就創新

成就創新

秉承「加強我們在支付價值鏈上的作用，向全球的客戶提供更多增值解決方案及服務」的使命，本集團專注於研究、發展和創新，每年均投放集中及穩定的資源支援專業研發團隊，我們擁有接近1,000位工程人員，超過員工總人數50%。我們優秀的研發能力使我們不斷擴展和豐富產品解決方案，創建新型支付產品，並悉心為傳統產品注入新元素。我們的產品種類豐富，具備業界領先的高端技術，且全部由內部研發團隊開發，為商戶及消費者帶來更靈活便捷的支付體驗。於報告期間，研發團隊成功開發8個項目，如開發嶄新電子支付平台、新增信用卡安全認證、PAXSTORE解決方案 – APP STORE應用市場平台、PAXPAY解決方案 – 全通道支付閘道平台等，詳情請參閱年報《部分公司產品》部分。



Case sharing

Ningbo Smart Market Project

We assisted UnionPay Merchant Services in promoting the “Cloud QuickPass”, achieving fast payment in small amount by bank card and QR code in Ningbo wet market. UnionPay Merchant Services installed our QR55 contactless card reader, an emerging payment product that supports QR code and contactless reading for merchants at the market. With the designated public WIFI network, the market provides new payment options through “Cloud QuickPass” and QR code, minimising the risks of code tampering. Our QR55 can also cater for merchants which charge by weight, through connecting to the electronic weighing scale, thereby avoiding amount inputting errors. As to merchants who are not using such scale, we provide SP30 pin pad to be used in conjunction with QR55, making amount input error-proof while bringing convenient and safe payment experience to merchants and consumers.

個案分享

寧波智慧菜市場項目

我們協助銀聯商務推廣「雲閃付」，在寧波菜市場實現銀行卡與二維碼小額快捷支付。銀聯商務在菜市場為商戶安裝我們的QR55掃碼非接觸讀卡器——款同時支持掃碼與感應式讀卡的新興支付產品，配合專用公共無線網絡，為菜市場提供「雲閃付」及掃碼支付新模式，避免一般貼碼易被篡改或變造的風險。對於需要按重量收費的商戶，我們的QR55能與電子秤直接對接，避免金額輸入錯誤的問題；在無須使用電子秤的攤位，則利用SP30密碼鍵盤與QR55對接，解決金額輸入問題，為商戶及消費者帶來更便利安全的支付體驗。



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Intellectual property

Being an industry leader, we are dedicated to develop the most advanced platform and technology to cater market needs. We spare no efforts to safeguard our intellectual property to protect the efforts of our research and development team. During the Reporting Period, we obtained 33 patents which included invention patents, utility model patents and design patents in accordance with the "Patent Law of the People's Republic of China" and the "Detailed Implementation Rules of the Patent Law of the People's Republic of China", and registered 14 software copyrights according to the "Copyright Law of the People's Republic of China" and the "Regulations for the "Protection of Computer Software". As a result, we have a total of 89 patents and 83 registered software copyrights. Our employees are required to enter into the "Confidentiality and Intellectual Property Agreement", pursuant to which they undertake not to infringe any intellectual property of the Group, including patents, trademarks and copyrights.

Below are examples of patents and copyrights registered during the Reporting Period:

Name of the patents:

POS detection device
Security structure and display unit for touch screen
Back mount for smart integrated terminal

Name of software copyrights:

PAX POS terminal RKI remote key injection system software V1.0.0
PAX POS appearance inspection system software V1.0
PAX POS motherboard automatic testing system software V1.0
PAX SDLC_EXCHANGER synchronous communication testing tool software V1.01
PAX POS terminal interface visualisation designing tool software V1.7.0
PAX DHCP protocol testing tool software V1.00.00
PAX POS terminal background Bluetooth automatic testing system software V1.00.00
PAX PayDroid safe operating system software V2.0

知識產權

作為業界先驅，我們不斷研發最新的平台及技術，迎合市場需要，並盡力保護知識產權，讓研發團隊的心血得到保障。於報告期內，我們根據《中華人民共和國專利法》及《中華人民共和國專利法實施細則》，獲得33件專利，涵蓋發明專利、實用新型專利及外觀設計專利，並根據《中華人民共和國著作權法》及《計算器軟件保護條例》，登記14件軟件著作權，累計共獲授權89件專利及登記83件軟件著作權。員工須簽定《保密及知識產權協議》，承諾絕不作出任何損害本集團知識產權，例如專利、商標、版權等的行為。

以下是我們於報告期內獲得註冊的專利及著作權例子：

專利名稱：

POS機檢測設備
觸摸屏安全防護結構及顯示裝置
智能一體化終端背夾

軟件著作權名稱：

百富POS終端RKI遠程金鑰注入系統軟件V1.0.0
百富POS機外觀檢測系統軟件V1.0
百富POS機主機板自動測試系統軟件V1.0
百富SDLC_EXCHANGER同步通訊測試工具軟件V1.01
百富POS終端介面視覺化設計工具軟件V1.7.0
百富DHCP協議測試工具軟件V1.00.00
百富POS終端後台藍牙自動測試系統軟件V1.00.00
百富PayDroid安全操作系統軟件V2.0

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Product quality

As the customers' preferred E-payment Terminals solution provider, the Group places great emphasis on product quality and safety. We have always complied with regulations applicable to the electronics industry. During the Reporting Period, we obtained 315 valid product certificates, hence, the total number of domestic and international product certificates reached 1,062. These included AMEX expresspay L2, UnionPay Card Acceptance Terminal Safety Certification and PayWave L2. We also obtained the "China Compulsory Certification" (the "3C Certification") from the government for products sold in the PRC as required by laws, proving that our products are in compliance with the specification and relevant safety standards. Our electronic payment system (which include the design and provision of E-payment Terminals, smart card reader and pin pad) has achieved ISO 9001:2015 certification, which ensures that our products meet internationally recognised quality standards.

The Group does not have any production lines and relies mainly on our suppliers to provide materials and assembly machines. The suppliers are required to enter into the quality agreement with us, so as to ensure the stability and reliability of material quality. We conduct spot checks on the supplies and determine their qualities based on the "Standard for Machine Inspection of Finished Products" and the "Procedures for Sampling Inspection" (GB/T 2828-2012). The quality of the products, in terms of the appearance, functions and packaging, must meet the required standards. Any products of substandard quality will be returned to the suppliers, recalled from the customers, repaired or replaced in accordance with the "Management Procedures for Substandard Products".

產品質量

本集團作為眾多客戶優先選擇的電子支付終端解決方案提供商，維持產品的質素及安全絕對是我們業務的核心。我們一直恪守電子行業相關法規。於報告期內，我們獲得315個產品有效證書，累計擁有1,062個國內及國際產品證書，包括AMEX expresspay L2，銀聯卡受理終端產品安全，PayWave L2等等。我們於中國境內銷售的產品按法規要求，取得由政府頒發的《中國國家強制性產品認證證書》（簡稱《3C認證》），證實產品符合規格及相關安全標準。我們的電子支付系統（包括電子支付終端機、智慧卡讀寫器及密碼鍵盤的設計與提供）已取得ISO 9001:2015認證，確保質量達至國際認可水準。

集團並沒有生產線，主要依靠供應商提供材料及組裝機器。供應商須與我們簽定品質協議，保證材料品質的穩定性和可靠性。我們會對供應材料進行抽樣檢查，根據《成品機檢驗規範》，以國家《計數抽樣檢驗程序》(GB/T 2828-2012)判定材料質量狀況。產品的質素，包括外觀、功能及包裝需達至要求的水平，如發現不合格品時，我們會根據《不合格品管理程序》處理，向供應商退貨、召回產品，或者為客戶維修、替換。



Case sharing



In view of the increasing safety awareness of the batteries used in electronics, our lithium polymer rechargeable batteries contain a Material Safety Data Sheet ("MSDS"), which prescribes the stability, reactivity and chemical composition of the batteries, so as to ensure safety under normal operation. Our products are accompanied with operating manuals, reminding users of the special precautions relating to the installation and use of products and the application of lithium batteries.

個案分享

鑒於社會對電子產品的電池安全問題日益關注，我們使用的鋰聚合物可充電電池(Lithium Polymer Rechargeable battery)均附有《材料安全資料表》測試報告（「MSDS」），說明電池穩定性和反應活性及化學組成資訊等，確保在正常情況使用下的安全性，我們的產品附有產品說明書，提示使用者關於安裝、使用產品及使用鋰電池要特別注意的事項。



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Product safety

Since the application of payment terminals is expanding, data security and safety have become the stakeholders' topics of concern. As such, the Group has been actively devoting resources in these areas. Our payment terminal product series have passed stringent tests and obtained relevant accreditation of VISA, Mastercard, Australian Payments Network and Payment Card Industry Security Standards Council, which covered PIN transaction security and contactless reader specification. This not only ensures network and system safety, but also prevents data leakage and serious fraud due to security loophole.

Labelling and advertising

When advertising and promoting our products and services, we comply with the "Advertising Law of the People's Republic of China" and relevant laws and regulations, which guarantee the authenticity and legality of the advertising contents, so as to protect consumers' rights.

Excellent service

We pursue excellence and are committed to provide quality services to ensure customer satisfaction. To enhance service efficiency, we have formulated the "Management Manual for the After-sales Service Department" and the "After-sales Services Charter", which specify the duties of various positions in after-sales services, such as technical support engineers, storekeepers and repair engineers.

產品安全

由於支付終端應用越來越廣泛，數據保安及安全問題成為眾多持分者關注的議題。本集團積極投放資源於這方面，我們一系列的支付終端產品分別通過VISA、Mastercard、澳洲支付網絡(Australian Payments Network)及支付卡產業聯盟安全標準委員會(Payment Card Industry Security Standards Council)等的嚴格測試，當中涵蓋密碼交易安全(PIN Transaction Security)及感應式讀卡機規格(Contactless Reader Specification)等範疇，並成功獲取相關認證，保證網路和系統的安全性，防止資料外泄並避免因安全性漏洞所造成的嚴重欺詐行為。

標籤及廣告

在發行廣告及宣傳我們的產品及服務時，我們謹遵《中華人民共和國廣告法》及相關法規，保證廣告內容的真實性及合法性，保障消費者權益。

優質服務

我們致力追求卓越品質，承諾為客戶提供優質的服務，務求令客戶稱心滿意。為此，我們訂立《售後服務部管理手冊》及《售後服務章程》，規範售後服務流程中各崗位的職責，例如技術支援工程師、物料管理員、維修工程師等，以提高服務效率。

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Case sharing

Examples of our after-sales service commitments:

- Repair all malfunctioning units within 5 working days upon receipt;
- Replacement of defective products within 15 days of purchase;
- Telephone support and follow-up services; and
- Provide trainings on the use and maintenance of products to customers.

個案分享

我們售後服務承諾的例子：

- 所有故障機在收到後5個工作日內修理完畢；
- 從購機之日起15日內，如發現產品有問題，可申請更換新的機器；
- 電話支援跟進服務；及
- 為客戶提供使用及維護培訓。

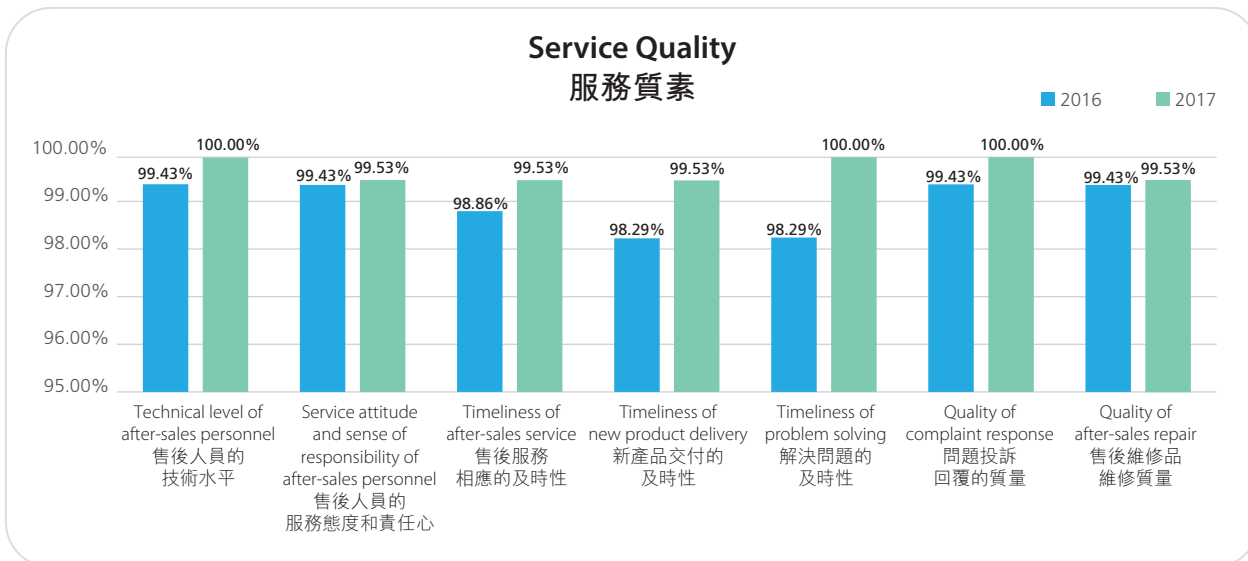
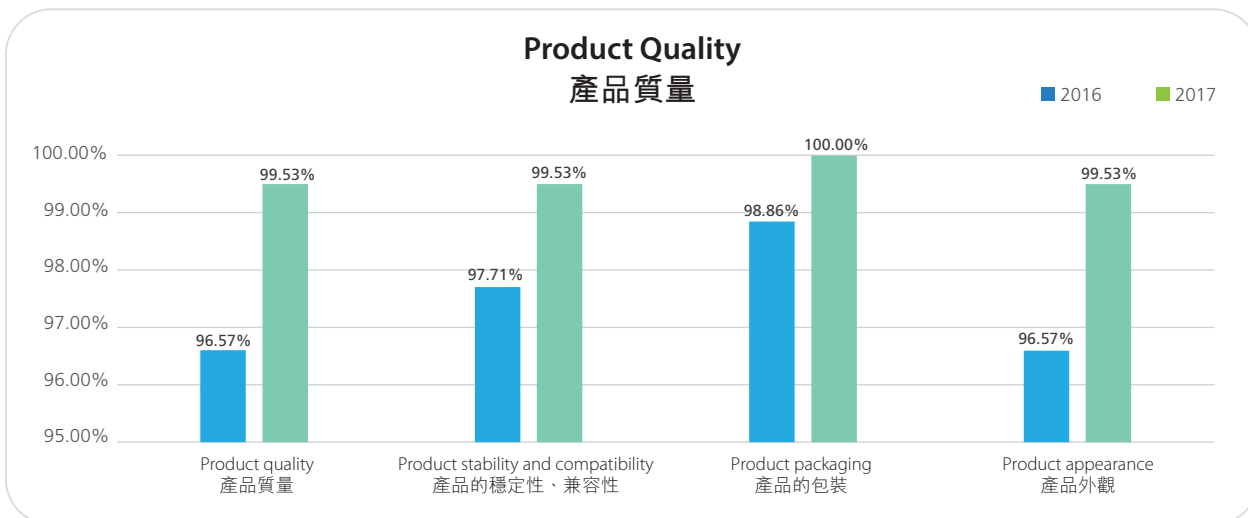
In addition, we have developed the “Customer Satisfaction Management Procedures” in order to improve communications with customers. We take initiatives to collect customers’ feedback on our products and understand their needs, in order to improve our quality and prevent problems from recurring. During the Reporting Period, we conducted the annual “Customer Satisfaction Survey” in June. Based on the 209 feedback forms collected, a total of 11 satisfaction indicators in product and service quality saw improvement from last year, each with a rating of over 99%. The overall satisfaction rate was 99.7%, which was higher than 98.44% for the corresponding period of last year.

另外，我們制定《客戶滿意度管理程序》，加強客戶溝通，主動收集客戶對公司產品的意見和需求，改善品質，預防問題再次發生。於報告期內，我們於六月份進行了一年一度的《客戶滿意度調查》，一共收集到209份表格。客戶對我們的產品及服務質素共11項指標的滿意度均比去年同期高，每項達99%以上，總體滿意度為99.7%，高於去年同期的98.44%。

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Analysis of Customer Satisfaction Survey for 2016 and 2017 2016及2017年度客戶滿意度調查分析



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Besides, we conduct inspections for bank customers every year, which include on-site inspection, technical training, on-site maintenance, product introduction, on-site repair and opinion collection. The research and development team analyses and makes improvement on product quality based on customers' valuable opinions, for the purposes of continuous product optimisation and customer experience enhancement.

As for customer complaints, we have the "Management Procedure of Customer Complaints" in place to ensure timely and appropriate responses. Customers may raise their enquiries and complaints through our hotline, email and WeChat. Our service personnel will handle each complaint on a case by case basis, which may involve machine failure, product return and unsatisfactory service attitude, etc. We require all customer complaints to be resolved within 24 hours.

Privacy protection

We protect customers' information in accordance with the applicable local privacy laws. Our employees are required to enter into the "Confidentiality Agreement" when joining the Group, by which they undertake to comply with our rules of confidentiality to protect customers' information.

Supply chain management

During the Reporting Period, we had a total of 211 suppliers, of which 41 were newly added. We mainly cooperate with suppliers in Guangdong Province so as to reduce carbon emission and pollution resulted from transportation.

We have developed the comprehensive "Supplier Management Procedures" to ensure suppliers' capabilities in terms of timeliness, quality, quantity and pricing. When selecting new suppliers, the materials control department will conduct on-site inspection and ratings and qualified ones will be included in the "List of Approved Suppliers". We cooperate with suppliers on the list exclusively and require them to enter into the "Quality Agreement" and the "Undertakings, Guarantees and Statements on the Non-use of Harmful Substances", which provide assurance of product quality at the source. We perform annual review on suppliers of raw materials and external contractors, and rate them according to the appraisal results. Suppliers rated excellent are awarded the "Annual Excellent Supplier Certificate" and are given priority when considering to increase the purchase. We discuss ways of improvements with unqualified suppliers. In case they fail to make rectification by the deadline, we may remove them from the list.

除此之外，我們每年亦會向銀行客戶進行巡檢活動，內容包括：現場巡檢、技術培訓、現場維護、產品介紹、現場機具維修及意見收集等。對於客戶針對產品品質的寶貴意見，研發團隊已進行分析及改善，務求產品不斷完善，提升用戶體驗。

對於客戶投訴，我們建立《客戶投訴管理程序》，確保投訴得到及時、適當的回應。客戶可以透過熱線電話、郵箱、微信等途徑提出查詢或投訴。服務人員需就不同的投訴情況，例如機件故障、退貨、不滿意服務人員態度等進行相應處理。我們規定，所有客戶投訴必須在二十四小時內解決。

保障私隱

為了保障客戶資料，我們遵從當地適用的私隱條例，並要求員工在辦理入職手續時簽定《保密協議》，承諾遵守我們的保密規則，保障客戶資料。

供應鏈管理

於報告期內，我們共有211間供應商，當中有41間是新增的。我們主要與位於廣東省的供應商合作，務求減低因運輸產生的碳排放，減少污染。

我們已成立全面的《供應商管理辦法》，確保供應商具備適時、適質、適量、適價的供應能力。在選擇新供應商時，物控部會對其進行現場評審，評審合格的供應商會被記錄到《合格供應商名錄》，我們只會與名錄內的供應商合作。我們要求所有供應商簽署《品質協議》及《不使用有害物質承諾聲明書》，讓產品品質從源頭得到保證。每年，我們會針對原材料及外協加工供應商進行年度評價，根據評價結果對其評級。被評為優級的供應商，我們會頒發《年度優秀供應商證書》，優先考慮增加向他們採購的訂單量。對於不合格的供應商，我們會與其檢討改善方法，如限期內未有作出改善，我們會商討是否將其於名錄中剔除。

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We hope to establish long-term and harmonious relationship with suppliers. Thus, in addition to quality of the supplies, we attach great importance to suppliers' business ethics and integrity. The "Quality Agreement" specifies our requirements for suppliers in terms of occupational health and safety, protection of employees' rights, corporate social responsibility and environmental protection. They are required to sign and strictly comply with the agreement, thereby bringing positive impact to the supply chain.

PAX'S ENVIRONMENTAL RESPONSIBILITY

Although we are not engaged in any production activities, we are concerned about the effect of our daily operation on the supply chain, the industry and the world. In order to mitigate climate change and protect the environment, we not only maintain strict compliance with national and local environmental regulations, but also implement various green measures designed to minimize our negative impact to the environment. In view of this, we have formulated the "ESG Policy" with a focus on the "environmental" aspect. Measures under the policy include:

1. Meeting the statutory requirements on environmental issues
2. Following the government guidelines for sustainable or green office so far as practicable
3. Minimising the consumption of natural resources and energy
4. Taking into consideration the environmental impact of our products and services throughout their life-cycle, including their disposal
5. Reducing waste generation and practise recycling
6. Ensuring waste disposal in a safe and responsible manner
7. Enhancing employees' environmental protection performance through education and training
8. Monitoring and assessing progress and performance to achieve continuous improvement

我們希望和供應商建立長遠和諧的關係，因此，除了著眼於供貨品質，我們亦十分重視供應商的商業道德及誠信。《品質協議》列明我們對供應商在職業健康與安全、員工權益維護、企業社會責任及保護環境等方面的要求，他們必須簽署及嚴格遵守，務求對供應鏈產生正面影響。

保護環境 • 百富有責

縱然本集團的業務不涉及生產，但我們仍相當關注日常營運對供應鏈、業界、以至地球的影響。為緩和氣候變化，保護環境，除了嚴格遵守國家及地方的環保法規，我們也要實施各項環保措施，減低業務對環境造成的負面影響。有見及此，我們在制定《環境、社會及管治政策》時，將「環境」範疇定為政策核心。政策內的措施包括：

1. 在環境議題上達到法定要求
2. 在可行範圍內盡最大努力實行政府部門發行之相關可持續發展辦公室或環保辦公指引
3. 將天然資源及能源的消耗減到最低
4. 透過產品及服務的生命週期，考慮該產品及服務對環境之影響，包括其棄置方式
5. 盡力減少製造廢物及回收廢料
6. 確保所有的廢物皆以安全及負責任的方式棄置
7. 透過教育及培訓提高員工對環境保護的意識
8. 監察及評估進度及表現以達至持續的改善

Environmental, Social and Governance Report

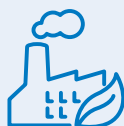
環境、社會及管治報告

Environmental footprint

Set out below are the key environmental statistics of the Group during the Reporting Period:

環境足印

以下為本集團於報告期的環境主要資料：



NOx emission: 560.14 kg
氮氧化物排放量：560.14公斤
SOx emission: 9.19 kg
硫氧化物排放量：9.19公斤
PM emission: 41.24 kg
懸浮顆粒排放量：41.24公斤



Greenhouse gas emission (Scope 1&2*):
2,511.42 tonnes CO₂e
溫室氣體排放量（範圍1及2）：2,511.42噸
二氧化碳當量
Intensity: 1.73 tonnes CO₂e/employee
密度：1.73噸二氧化碳當量／僱員



Electricity consumption: 1,602,401kWh
總耗電量：1,602,401千瓦時
Intensity: 1,102.82 kWh/employee
密度：1,102.82千瓦時／僱員



Water consumption: 43,700 m³
總耗水量：43,700立方米
Intensity: 30.08 m³/employee
密度：30.08立方米／僱員



Paper consumption: 456.78 kg
紙張消耗：456.78千克



Packaging materials (cartons): 2,500 tonnes
包裝材料（紙箱）：2,500噸



Non-hazardous waste: 1.37 tonnes
無害廢棄物：1.37公噸
Intensity: 0.94 kg/employee
密度：0.94公斤／僱員

Total waste collected for recycling: 0.16 tonnes
回收廢料循環再造：0.16噸
Total waste disposed to landfill: 0.95 tonnes
棄置廢物於堆填區總量：0.95噸

The Group does not generate a significant amount of hazardous waste.
集團並無重大的有害廢物產生。

* In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by World Business Council for Sustainable Development and World Resources Institute, Scope 1 included indirect emissions from operations that are owned or controlled by the Group, while Scope 2 included indirect emissions from the generation of purchased or acquired electricity, heating, cooling and steam consumed within the Group.

* 根據由世界企業永續發展協會及世界資源研究所所發行的溫室氣體盤查議定書－企業會計與報告標則（修訂版），範圍1涵蓋由集團擁有或控制的業務直接產生的溫室氣體排放，而範圍2則涵蓋來自集團內部消耗（購回來的或取得的）電子、熱能、冷凍及蒸氣所引致的「間接能源」溫室氣體排放。

Environmental, Social and Governance Report

環境、社會及管治報告

PAX's green operation

We are determined to build a green office that incorporates environmental protection measures into daily operations and motivates staff to protect the environment.

Regarding resources consumption, we support paperless operation and encourage e-office adoption. Since 2016, we have published our annual and interim financial reports with soy ink. Compared to traditional petroleum-based ink, soy ink is biodegradable and easier to fall off, which facilitates wastepaper recycling. We also use Forest Stewardship Council (FSC) certified paper that comes from properly-managed woods in order to minimize harm to the natural resources and protect the ecosystem. In addition, we promote waste sorting and recycling, and store office supplies in used packaging cartons to reduce the burden on landfill sites.

Regarding emission reduction, we have adopted LED tubes at offices which saves approximately 80% of electricity. Besides, we encourage video conferences in replacement of business trips, keep the air conditioners at 25°C and purchase energy-saving appliances. These initiatives cut energy consumption and help reduce pollution.

Although we do not have production lines to manufacture terminal products directly, we are aware of the environmental impacts in the entire life-cycle of our machines, from the selection of raw materials, manufacture to their application and disposal. Thus, we have developed the "Control Measures for Environmental Management Substances" and the "System for Scrapping and Destroying Machinery". These allow us to exercise strict control over production, market launch and phasing out of the products, minimising our impact on the environment caused by our products.

The "Control Measures for Environmental Management Substances" ensures that the products, its direct and indirect materials and parts comply with relevant laws and requirements. They are free from restricted hazardous materials or contain substances that are harmful to the environment or human at a level lower than international standards, such as heavy metal, organic bromide and lead.

綠色百富

我們致力建立一個綠色辦公室，將環保措施融入日常營運當中，推動員工實踐環保。

在資源運用方面，我們提倡無紙化辦公，鼓勵員工儘量使用電子渠道工作。自2016年開始，我們發行年度及半年度財務報告時，採用大豆油墨印刷，相比傳統的石油油墨，大豆油墨能自然降解，而且其印刷的紙張較容易脫墨，有利廢紙回收再生；我們同時選用由森林管理委員會(FSC)認可的紙張，證實紙張來自管理良好的森林，減少傷害自然資源，從而保護生態系統。我們亦大力推動廢物分類及重用，利用廢棄的包裝箱陳放辦公用品，減輕堆填區負擔。

在減低排放方面，辦公室儘量使用能節省約80%電力的LED光管，鼓勵員工選擇視訊會議取代出差，保持空調在25度運行，採購節能電器等。這些措施都能減少能源消耗，有助減低污染。

雖然我們並沒有生產線直接生產終端機，但我們明白，由選取原材料、生產、使用至報廢，機器的整個生命週期對環境會造成一定影響。因此，我們制定《環境管理物質管制辦法》及《機具報廢及銷毀制度》，由產品生產、進入市場直到被市場淘汰的過程均進行嚴格控制，務求將產品對環境的影響減至最低。

《環境管理物質管制辦法》確保產品及其直接、間接物料和零件符合相關法規要求，不含某些受管制的有害物質，或含有物質濃度低於國際標準，如重金屬、有機溴化物及鉛等會對地球環境及人體產生負面影響的物質。



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

We enter into the “Undertakings, Guarantees and Statements on the Non-use of Harmful Substances” with suppliers, which ensures that their supplies meet the environmental standards of the “Restriction of Hazardous Substances” (RoHs) of the European Union and the “Measures for the Control of Pollution from Electronic Information Products” of the PRC in terms of production, manufacture, packaging, storage and delivery. Apart from the undertakings, suppliers are also required to provide the RoHs test report, list of materials and material safety data sheet, so as to make sure the purchased products are made of green materials. Two outsourcing processing plants that we are currently using have obtained the “National Production Licence for Industrial Products” from the General Administration of Quality Supervision, Inspection and Quarantine of the PRC, which ensures product quality and safety. One of the outsourcing process plants which has established long-term cooperation with us even obtained the ISO 14001:2015 certification, which proves that its environmental management system meets the international standards.

The “System for Scrapping and Destroying Machinery” specifies the procedures of scrapping machines for after-sales personnel. After scrapping, the plastic casing, electronic circuit and other parts of the E-payment Terminals machines are delivered to recyclers recognised by the government, with the aim of reducing electronic wastes.

我們會與供應商簽定《不使用有害物質承諾保證、聲明書》，證明供給的產品不論在生產、製造、包裝、儲存、交付等過程，均符合歐盟《關於限制在電子電器設備中使用某些有害成分的指令》(Restriction of Hazardous Substances, RoHS) 環保標準及中國《電子資訊產品污染控制管理辦法》的規定。除聲明書，供應商亦需提供RoHS測試報告、材料物質成份表及物質安全資料表，確保採購的產品均使用環保物料。我們現正使用2家外協加工廠已獲得國家品質監督檢驗檢疫總局的《全國工業產品生產許可證》以確保產品的品質安全，而其中一家有長期合作關係的代工生產商更取得ISO 14001: 2015認證，證明其環境管理體系達到國際水準。

《機具報廢及銷毀制度》則規範售後人員處理報廢機件的程序。所有電子支付終端機具報廢後，其塑膠外殼、電子線路等組件需交由政府認可的回收公司回收，減少電子廢物產生。

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

Contribute to society and bring love to the community

PAX endeavours to build a better community and bring long-term benefits to the stakeholders and society as a whole. We contribute to society by providing strong support to local charitable organisations and encouraging employees to actively participate in community services.

During the Reporting Period, we sent 8 contestants to the “Rotary Hong Kong Ultramarathon 2017” co-organised by Rotary District 3450 and the Hong Kong Amateur Athletic Association. Under the theme of “We Serve, We Run!”, the event intended to promote healthy lifestyle and community service.

Our employees also volunteered for Food Angel and helped recycle vegetables and food parcels. Food Angel is an organisation which reduces wastage and burden on landfill sites through recycling and cooking edible surplus food. It also provides food to those in need, so that they have enough to eat.

Furthermore, we donated RMB750,000 to Peking University Education Foundation in support of the research work of the Center for Chinese and Global Affairs of Peking University. The Center is dedicated to high-level research on the major issues faced by China and the world, in particular, the prominent problems in the social development, reform and opening up of China. It conducts theoretical research and proposes policy recommendations.

Looking forward, we will continue to undertake corporate social responsibility, so as to give back and contribute to society.

貢獻社區 • 惠澤社群

百富致力成就更美好的社區，力求為持分者以至整體社會帶來長遠利益。我們一直鼎力支持本地社福機構，積極推動員工參加各項公益活動，將我們的成就回饋社會。

在報告期間，我們派出8位選手參與由國際扶輪3450地區及香港業餘田徑總會合辦的「扶輪香港超級馬拉松2017」，活動以「超我服務 由我起動」為主題，旨在推廣健康生活 and 服務社會的精神。

我們的員工亦為惜食堂擔任義工，協助處理回收的蔬菜及食物包。惜食堂透過回收及烹調仍可安全食用的剩食，減少浪費，減輕堆填區負擔，並向有需要人士提供食物援助，讓他們得到溫飽。

此外，我們亦向北京大學教育基金會捐款人民幣75萬元，支援北京大學中國與世界研究中心的研究工作。中心致力對當前中國與世界所面臨的重大問題進行高層次研究，特別是對中國社會發展和改革開放中的突出問題，展開理論探討，提供政策建議。

展望將來，我們會繼續履行企業社會責任，將我們的成就回饋及貢獻社會。





Report of the Directors

董事會報告

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

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding and the Group is principally engaged in the development and sales of E-payment Terminals products and the provision of payment solutions services and maintenance and installation services.

An analysis of the Group's performance for the year by geographical segments is set out in note 6 to the consolidated financial statements.

BUSINESS REVIEW

The Group is a leading Asian E-payment Terminals solutions provider and one of the most active global players. The Group was founded in 2000 and the Company went listed on the Hong Kong Stock Exchange in December 2010. The strategy of PAX is to focus on three key particular customer groups (Unionpay Merchant Services, Financial Institutions and Operators) by offering various integrated payment solutions services.

Further details of the business review of the Group for the year ended 31 December 2017, details of proposed dividends and discussion on the Group's future business development are provided in the Chairman's Statement section on pages 9 to 11 and Management Discussion and Analysis section on pages 12 to 26. Description of possible risks and uncertainties that the Group may be facing and particulars of any important event affecting the Group can be found in the Management Discussion and Analysis section on pages 12 to 26 and the notes to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group values the importance of protecting the environment in the process of operation. As the Group's business does not involve production lines, major wastes comprise terminal machines and tools to be disposed of post customer consumption. To mitigate the adverse impact on the environment, waste machines and tools are transferred to government-recognised recycling companies for undergoing electronic waste recycling and decomposition. In recent years, we have also strengthened the green office concept by promoting paperless office, use of energy-saving electrical appliances such as LED light pipes and inductive faucets, wastes classification and recycling, and encouraging video conferencing in place of physical business trips to reduce energy consumption and carbon footprint.

董事謹此提呈彼等的報告及本集團截至二零一七年十二月三十一日止年度的經審核財務報表。

主要業務及地區業務分析

本公司的主要業務為投資控股，本集團主要從事開發及銷售電子支付終端產品及提供支付解決方案服務及維護及安裝服務。

本集團於本年度的表現按地區劃分的分析載於綜合財務報表附註6。

業務回顧

本集團為亞洲具領導地位的電子支付終端解決方案供應商中，並為最活躍的全球同業公司之一。本集團成立於二零零零年，而本公司於二零一零年十二月在香港聯交所上市。百富的策略是主要針對三個特定客戶群（銀聯商務、金融機構與營運商）提供不同的綜合支付解決方案服務。

本集團截至二零一七年十二月三十一日止年度業務回顧的進一步詳情、擬派股息詳情及本集團未來業務發展的討論呈列於第9至11頁主席報告及第12至26頁管理層討論與分析一節。本集團可能面臨的潛在風險及不確定因素，及任何對集團有影響的重大事件的詳述，見第12至26頁管理層之討論與分析一節及綜合財務報表附註。

環境政策及表現

本集團在營運過程中重視環境保護的重要性。由於本集團的業務不涉獵生產線，有關的廢棄物主要包括客戶使用後需要報廢的終端機具。回收的報廢機具會交由政府認可的回收公司進行電子垃圾回收和分解，以減低對環境的影響。我們近年亦加強環保辦公的理念包括提倡無紙化、使用節能電器如LED光管及感應水龍頭、廢物分類及回收和鼓勵使用通過視頻形式召開會議取代出差以減少能源使用及碳足印。

Report of the Directors 董事會報告

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group seeks to uphold high standard of integrity in all aspects of business and is committed to ensure that its affairs are conducted in accordance with applicable laws and regulatory requirements and has formulated and adopted various internal control measures, approval procedures and training within all business units at all levels of the Group. During the year, there has been no violation or breach of relevant laws and regulations that had a significant impact on the Company.

RELATIONSHIP WITH KEY STAKEHOLDERS

The Group emphasizes on maintaining good relationship with its stakeholders and considers it a key element to sustainable business growth.

Employees

The Group has always been people-oriented and has attached great importance to human resource management. We attract excellent talents through fair recruitment policy and provide employees with training opportunities, good career development prospect and growth opportunities. From time to time, we offer our employees remuneration packages that are comprehensive and attractive. Some employees are granted options under the Company's share option scheme in recognition of their contribution. We also value our employee's physical and mental development. Diverse events and activities are organised for the employees for fostering work-life balance and personal growth.

Customers

The Group is committed to offering our customers products and services to the best of our ability. We highly value comments and suggestions of our customers and have always maintained effective communications with the customers. We will continue to reach out for current and prospective customers through, inter-alia, on-site visits and major customers satisfaction surveys. We believe that customers' feedback would help us to identify areas of improvement and advance us to achieve excellence.

Suppliers

Maintaining good relationship with suppliers is essential to the Group's business performance and growth because suppliers can have direct influence over the quality of the products and services and customer satisfaction. We adopt a "Management Measures for Suppliers" in respect of the supplier selection procedures, quality testing methods and comprehensive appraisal and evaluation system on potential and existing suppliers and their products and performance. We are committed to establishing a close and long-term cooperation relationship with business partners.

遵守相關法律及規例

本集團力求維持業務各方面的高度誠信，並致力確保其事務按照適用法律及監管要求進行，並已制定及採納本集團所有業務部門內的各種內部控制措施、審批程序及培訓。於年內，並無違規或觸犯對公司有重大影響的相關法律法規。

與主要利益相關者的關係

本集團重視與利益相關者保持良好關係，並認為其是業務可持續增長的關鍵因素。

僱員

本集團一直貫徹以人為本，高度重視人力資源管理。我們透過公平的招聘政策吸納優秀人才，並提供培訓機會，給予員工良好的事業發展前景和成長機會。我們不時確保其薪酬待遇全面及具吸引力，本集團部分員工根據公司購股權計劃獲授予購股權，以獎勵其貢獻。我們亦重視員工的身心發展。為僱員組織各種活動，以促進工作與生活的平衡及個人發展。

客戶

本集團致力於以最大的能力提供我們的客戶產品及服務。我們高度重視客戶的意見及建議，一直與客戶保持有效的溝通。我們將尤其透過現場訪問及對主要客戶進行滿意度調查，繼續接觸現有和潛在客戶。我們相信客戶的反饋將有助我們確定須改進的地方，並推動我們實現卓越。

供應商

與供應商保持良好的關係對本集團的業務表現及增長至關重要，因為供應商可對產品及服務的質量以及客戶滿意度產生直接影響。我們採取《供應商管理辦法》的供應商選擇程序、質量檢測方法及潛在和現有供應商及其產品和性能的全面評估及評價制度。我們致力與業務夥伴建立密切和長久的合作關係。

Report of the Directors 董事會報告

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated income statement on page 90.

DIVIDEND

An interim dividend of HK\$0.04 per ordinary share amounting to approximately HK\$44.5 million was paid to the shareholders of the Company during the year.

The Board has recommended a payment of final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2017 (year ended 31 December 2016: HK\$0.04 per ordinary share) to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 15 May 2018, subject to the approval of shareholders of the Company at the forthcoming annual general meeting of the Company which will be held on Friday, 20 April 2018, and if passed, the final dividend will be paid to the shareholders of the Company on Wednesday, 30 May 2018. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Friday, 11 May 2018 to Tuesday, 15 May 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 10 May 2018. Together with the interim dividend of HK\$0.04 per ordinary share (six months ended 30 June 2016: HK\$0.04 per ordinary share), the total dividend per ordinary share for the year was HK\$0.08 (2016: HK\$0.08).

RECORD DATE FOR DETERMINING ELIGIBILITY TO ATTEND AND VOTE AT THE AGM

Record date (being the last date for registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Friday, 13 April 2018. All transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Friday, 13 April 2018.

業績及分配

本集團截至二零一七年十二月三十一日止年度的業績載於第90頁的綜合收益表。

股息

年內，已向本公司股東支付中期股息每股普通股0.04港元，為數約44.5百萬港元。

董事會建議向於二零一八年五月十五日（星期二）營業時間結束時名列於本公司股東名冊的股東派付截至二零一七年十二月三十一日止年度的末期股息每股普通股0.04港元（截至二零一六年十二月三十一日止年度：每股普通股0.04港元），惟須由本公司股東即將於二零一八年四月二十日（星期五）舉行的本公司股東週年大會上批准方可作實，倘通過，將於二零一八年五月三十日（星期三）向本公司股東支付末期股息。為釐定獲得建議末期股息的資格，本公司將於二零一八年五月十一日（星期五）至二零一八年五月十五日（星期二）止（包括首尾兩日）暫停辦理股份登記手續，期間將不會辦理股份過戶手續。為符合取得末期股息的資格，所有股份過戶文件連同有關股票須於二零一八年五月十日（星期四）下午四時三十分前送交本公司的香港股份過戶登記分處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓），辦理股份登記手續。連同中期股息每股普通股0.04港元（截至二零一六年六月三十日止六個月：每股普通股0.04港元），本年度每股普通股股息總額為0.08港元（二零一六年：0.08港元）。

確定有權出席股東週年大會並於會上投票的記錄日期

為確定本公司股東出席股東週年大會並於會上投票的權利的記錄日期（鑒於將不會暫停辦理股份過戶登記，即指進行任何股份過戶登記的截止日期）為二零一八年四月十三日（星期五）。本公司股東必須於二零一八年四月十三日（星期五）下午四時三十分前，將所有股份過戶文件連同有關股票送交本公司香港股份過戶登記處卓佳證券登記有限公司（地址為香港皇后大道東183號合和中心22樓）進行登記。

Report of the Directors

董事會報告

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and in note 26 to the consolidated financial statements.

DONATIONS

Charitable donations of HK\$868,000 were made by the Group during the year (2016: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital are set out in notes 24 and 25 to the consolidated financial statements.

Share Option Scheme

The Company operates a share option scheme adopted by a resolution of the Board on 1 December 2010 (the "Scheme") for the issuance of in aggregate of no more than 100,000,000 shares (representing 10% in the nominal amount of the aggregate of shares in issue on 20 December 2010 (the Listing Date of the Company) (subject to the terms of the Scheme and the relevant provisions under the Listing Rules).

As at the end of 2017, the entire number of share options have been granted to the eligible participants of the Scheme and no further shares is available for issue in respect of which options may be granted under the Scheme.

Eligible participants of the Scheme would be any person or an entity belonging to any of Directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of the Group and any advisers, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters or service providers of any member of the Group who, the Board considers, in its sole discretion, have contributed or will contribute to the Group.

儲備

年內本集團及本公司的儲備變動詳情載於綜合權益變動表及綜合財務報表附註26。

捐款

本集團於年內作出慈善捐款共868,000港元(二零一六年:無)。

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註14。

股本及購股權

本公司股本的變動詳情載於綜合財務報表附註24及25。

購股權計劃

本公司運作一項通過董事會於二零一零年十二月一日的決議案採納的購股權計劃(「計劃」)，以發行合共不超過100,000,000股股份(相當於本公司上市日期二零一零年十二月二十日已發行股份總數面值的10%)，惟須遵守計劃的條款及上市規則項下的相關規定。

截至二零一七年底，全數購股權已授予該計劃的合資格參與者，並無進一步股份可根據該計劃可予以發行。

該計劃的合資格參與者為屬本集團的任何董事(包括執行董事、非執行董事及獨立非執行董事)及僱員及本集團任何成員公司的任何顧問、分銷商、承包商、供應商、代理、客戶、業務夥伴、合營企業業務夥伴、推廣員或服務供應商的任何人士或實體，為董事會以其絕對酌情權認為對本集團作出貢獻或將會作出貢獻。

Report of the Directors

董事會報告

The purpose of the Scheme is to reward the participants who have contributed or will contribute to the Group and to encourage participants to work towards enhancing the value of the Group for the benefit of the Group and the shareholders as a whole.

Unless approved by the independent shareholders, the total number of shares issued and to be issued upon the exercise of share options granted to each eligible participant (including both exercised and outstanding options) in any 12-month period must not exceed 1.0% of the number of the shares of the Company in issue.

The Scheme was effective from 1 December 2010 and unless otherwise cancelled or amended, will remain valid and effective for a period of 10 years therefrom.

The exercise price for the share options shall be determined by the Board and must be not lower than the highest of:

- (1) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant (which must be a business day);
- (2) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (3) the nominal value of the Shares.

There is no minimum period for which a share option must be held or performance targets which need to be achieved by the grantee before the share option can be exercised. However, such restrictions may be imposed on a case by case basis as terms of the grant of each share option.

During the year ended 31 December 2017, no share option was granted and a total of 5,320,000 share options, which were part of the share options granted to the employees on 28 May 2014, were exercised, and the weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$4.90 per share. A total of 6,000,000 share options lapsed in accordance with the terms of the Scheme during the year. The particulars of the share options under the Scheme are as follows:

計劃旨在獎勵曾經或將會對本集團作出貢獻的參與者，並鼓勵參與者為本公司及其股東的整體利益努力，提升本公司及其股份的價值。

除非獲獨立股東批准，否則已發行及行使授予各合資格參與者的購股權（包括已行使及尚未行使購股權）時將予發行的股份總數於任何12個月期間不得超過本公司已發行股份數目的1.0%。

該計劃自二零一零年十二月一日起生效，且除非另行註銷或修訂，否則自當時起計十年期內保持有效及具效力。

購股權的行使價將由董事會釐定，不得低於以下最高者：

- (1) 於授出日期（須為營業日）聯交所發表的每日報價表所載的股份收市價；
- (2) 緊接授出日期前五個營業日聯交所發表的每日報價表所載的股份平均收市價；及
- (3) 股份面值。

行使購股權前，並無必須持有該購股權之最短期限，承授人亦無需達成任何績效目標。然而，這種限制可能會按個別情況施加作為授予每份購股權的條款。

截至二零一七年十二月三十一日止年度，並無授出任何購股權，且合共5,320,000份購股權（此為於二零一四年五月二十八日授予僱員的購股權的一部份）已行使，股份於緊接購股權獲行使當日前的加權平均收市價為每股4.90港元。根據計劃合共6,000,000份購股權已於年內失效。計劃項下購股權的詳情如下：

Report of the Directors

董事會報告

MOVEMENTS IN THE SHARE OPTIONS OF THE COMPANY

本公司的購股權變動

Name	Date of grant	Exercised price	Number of Outstanding Share Options held as at 1 January 2017 於二零一七年一月一日所持之尚未行使購股權數目	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled during the year	Number of Outstanding Share Options held as at 31 December 2017 於二零一七年十二月三十一日所持之尚未行使購股權數目
姓名	授出日期	行使價 (HK\$) (港元)		年內授出	年內行使	年內失效	年內註銷	
Directors 董事								
Nie Guoming 竊國明	22 June 2012* 二零一二年六月二十二日*	1,230	-	-	-	-	-	-
Lu Jie 盧杰	22 June 2012* 二零一二年六月二十二日*	1,230	-	-	-	-	-	-
Li Wenjin 李文晉	22 June 2012* 二零一二年六月二十二日*	1,230	-	-	-	-	-	-
Total for Directors 董事總計			-	-	-	-	-	-
Employees 僱員								
(In aggregate) (總計)	22 June 2012* 二零一二年六月二十二日*	1,230	6,000,000	-	-	(6,000,000)	-	-
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4,860	12,274,000	-	(5,320,000)	-	-	6,954,000
Total for Employees 僱員總計			18,274,000	-	(5,320,000)	(6,000,000)	-	6,954,000
Consultants 顧問								
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4,860	1,580,000	-	-	-	-	1,580,000
Total for Consultants 顧問總計			1,580,000	-	-	-	-	1,580,000
Total 總數			19,854,000	-	(5,320,000)	(6,000,000)	-	8,534,000 [†]

* 30% of the share options were vested to the grantees on the date of grant, a further 30% were vested on the first anniversary of the date of grant and the remaining 40% were vested on the second anniversary of the date of grant. The validity period of these share options shall be 5 years from the date of grant.

* 30%購股權已於授出日期歸屬承授人，另外30%購股權已於授出日期一週年歸屬承授人，其餘40%購股權已於授出日期兩週年歸屬承授人。該等購股權的有效期限為自授出日期起計五年。

[†] A total of 8,534,000 shares (representing approximately 0.78% of the Shares in issue as at the date of this Report) are available for issue under the Scheme.

[†] 根據計劃可予發行8,534,000股股份（相當於本報告日期已發行股本約0.78%）。

Report of the Directors

董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company had reserves available for distribution as calculated under the Companies Act 1981 of Bermuda (as amended) amounting to HK\$37,685,000 (2016: HK\$43,073,000). However, the Company's share premium account, in the amount of HK\$1,274,529,000 (2016: HK\$1,299,524,000) may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's By-laws and there was no restriction against such rights under the laws of Bermuda.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and financial position of the Group for the last five financial years is set out on page 198.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, the Company repurchased an aggregate of 13,000,000 ordinary shares for a total consideration of approximately HK\$51,353,890.00 (excluding expenses) on the Stock Exchange as follows:

Month of Repurchase	購回月份	No. of shares repurchased 已購回 股份數目	Consideration per share 每股代價		Total Consideration paid 已付 總代價
			Highest HK\$ 最高 港元	Lowest HK\$ 最低 港元	
August 2017	二零一七年八月	5,000,000	4.34	4.18	21,392,190.00
August 2017	二零一七年八月	3,000,000	4.06	3.98	12,108,810.00
December 2017	二零一七年十二月	5,000,000	3.60	3.49	17,852,890.00
Total	總計	13,000,000			51,353,890.00

The Board believes that the share repurchases are in the best interests of the Company and its shareholders and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company. The above repurchased shares were cancelled during the year and the issued share capital of the Company was reduced by the nominal value of these shares accordingly and the balance of consideration was charged against the share premium account.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year.

可供分派儲備

根據百慕達一九八一年公司法（經修訂）計算，本公司於二零一七年十二月三十一日有為數37,685,000港元儲備可供分派（二零一六年：HK\$43,073,000）。然而，本公司可以繳足紅股方式分派股份溢價賬中為數1,274,529,000港元（二零一六年：1,299,524,000港元）的款項。

優先認股權

本公司的公司細則並無有關優先認股權的條文規定，而百慕達法例亦無有關該等權利的限制。

五年財務概要

本集團於過去五個財政年度的業績及財務狀況概要載於第198頁。

購買、出售或贖回證券

於年內，本公司於聯交所購回合共13,000,000股普通股，總代價約為51,353,890.00港元（不包括費用），詳情如下：

董事會認為，股份回購乃符合本公司及其股東之最佳利益，並可提高本公司之每股資產淨值及／或每股盈利。上述回購股份已於年內註銷，且本公司的已發行股本已按該等股份的面值相應減少及餘下的代價已記入股份溢價賬。

除上文所披露者外，於年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何股份。

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors:

NIE Guoming
LU Jie
LI Wenjin

Independent Non-Executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

Pursuant to the Company's Bye-laws, one-third of the Directors are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company.

Dr. WU Min and Mr. MAN Kwok Kuen, Charles will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

As at the date of this report, each of the executive Directors has entered into a service contract with the Company for a term of three years commencing, from 23 May 2016 for Mr. Lu Jie and 1 December 2016 for Mr. Nie Guoming and Mr. Li Wenjin, unless otherwise terminated in accordance with the terms of the service contract.

No director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and the senior management are set out on pages 6 to 8.

PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors and officers of the Group is currently in force and was in force throughout the financial year.

Throughout the year, the Company has maintained appropriate directors and officers liability insurance cover providing indemnity against liability, including but not limited to liability in respect of legal action against the Directors and officers of the Group thereby sustained or incurred arising from or incidental to execution of duties of his/her offices.

董事

年內及直至本報告日期的董事為：

執行董事：

聶國明
蘆杰
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

根據本公司的公司細則，三分一董事須至少每三年於本公司股東週年大會上輪值告退及膺選連任。

吳敏博士及文國權先生將退任，而彼等符合資格並願意於應屆股東週年大會膺選連任。

董事的服務合約

於本報告日期，執行董事已各自與本公司訂立服務合約，蘆杰先生的任期自二零一六年五月二十三日起，而聶國明先生和李文晉先生的任期自二零一六年十二月一日起，為期三年，除非其中一方根據服務合約的條款予以終止。

概無擬於即將舉行之股東周年大會上重選的董事與本集團訂立任何本集團不可於一年內無償（法定賠償除外）終止的服務合約。

董事及高級管理層履歷詳情

董事及高級管理層的履歷詳情載於第6至8頁。

獲准許的彌償條文

本集團董事及高級管理人員之獲准許的彌償條文現時及於整個年度一直生效。

於本年度，本公司已投購適當的董事及高級管理人員責任保險以彌償責任，其中包括但不限於本集團董事及高級管理人員因履行其職責而產生或附帶產生的法律訴訟責任。

Report of the Directors 董事會報告

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

As at 31 December 2017, the interests and short positions of each Director and the chief executive of the Company (the "Chief Executive") in the Company's shares (the "Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") are as follows:

Ordinary shares of HK\$0.10 each in the Company

Name of Director 董事姓名	Capacity 持股身份	Interest in Shares 股份權益	Total interests ⁽ⁱ⁾ 權益總額 ⁽ⁱ⁾	Approximate percentage of shareholding* 股權之概約百分比*
Nie Guoming (Chairman) 聶國明(主席)	Beneficial owner 實益擁有人	4,200,000	4,200,000(L)	0.38%
Lu Jie (Chief Executive Officer) 蘆杰(行政總裁)	Beneficial owner 實益擁有人	8,870,000	8,870,000(L)	0.81%
Li Wenjin 李文晉	Beneficial owner 實益擁有人	2,890,000	2,890,000(L)	0.26%

Notes:

- (i) The letter "L" denotes a long position in Shares.
- * The percentage is calculated based on the total number of issued shares of the Company as at 31 December 2017 which was 1,100,194,000 ordinary shares.

董事及行政總裁於股份、相關股份及債券的權益及淡倉

於二零一七年十二月三十一日，各董事及本公司行政總裁（「行政總裁」）於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的本公司股份（「股份」）、本公司相關股份及債券中，擁有已記入本公司根據證券及期貨條例第352條存置的登記冊或根據上市發行人董事進行證券交易的標準守則（「標準守則」）已知會本公司及香港聯合交易所有限公司（「聯交所」）的權益及淡倉如下：

本公司每股面值0.10港元的普通股

Name of Director 董事姓名	Capacity 持股身份	Interest in Shares 股份權益	Total interests ⁽ⁱ⁾ 權益總額 ⁽ⁱ⁾	Approximate percentage of shareholding* 股權之概約百分比*
Nie Guoming (Chairman) 聶國明(主席)	Beneficial owner 實益擁有人	4,200,000	4,200,000(L)	0.38%
Lu Jie (Chief Executive Officer) 蘆杰(行政總裁)	Beneficial owner 實益擁有人	8,870,000	8,870,000(L)	0.81%
Li Wenjin 李文晉	Beneficial owner 實益擁有人	2,890,000	2,890,000(L)	0.26%

附註：

- (i) 「L」表示股份的好倉。
- * 百分比乃根據本公司於二零一七年十二月三十一日已發行股份總數（即1,100,194,000股普通股）計算。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2017, the interests and short positions of substantial shareholders (not being a Director or the Chief Executive) in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register maintained by the Company under Section 336 of the SFO are as follows:

主要股東於股份及相關股份的權益及淡倉

按本公司根據證券及期貨條例第336條存置的登記冊所顯示，於二零一七年十二月三十一日，主要股東（而非董事或行政總裁）於本公司及其相聯法團的股份、相關股份及債券中所擁有的權益及淡倉如下：

Name of shareholder	Capacity	Class of securities	Total number of Shares (Note 1)	Approximate percentage of shareholding (Note 2)
股東名稱	身份	證券類別	股份總數 (附註1)	概約控股百分比 (附註2)
Hi Sun Technology (China) Limited ("Hi Sun") 高陽科技(中國)有限公司(「高陽」)	Beneficial owner 實益擁有人	Ordinary 普通股	364,000,000(L)	33.09%
Kopernik Global Investors LLC	Investment manager 投資經理	Ordinary 普通股	77,666,000(L)	7.06%
FIL Limited (Note 3) (附註3)	Interest of controlled corporations 受控法團權益	Ordinary 普通股	64,666,050(L)	5.88%

Notes:

- The letter "L" denotes a long position in Shares.
- The percentage is calculated based on the total number of issued shares of the Company as at 31 December 2017 which was 1,100,194,000 ordinary shares.
- FIL Limited, through its various 100% directly and indirectly controlled corporations and a 36% indirectly controlled corporation (483A Bay Street Holdings LP), is interested in an aggregate of 64,666,050 Shares.

附註：

- 字母「L」表示於股份的好倉。
- 百分比乃根據本公司於二零一七年十二月三十一日已發行股份總數（即1,100,194,000股普通股）計算。
- FIL Limited通過其各個100%直接或間接受控法團及其36%間接受控法團483A Bay Street Holdings LP，擁有合共64,666,050股股份的權益。

CONNECTED TRANSACTIONS

During the year ended 31 December 2017, the Group entered into certain continuing connected transactions and details of these continuing connected transactions are set out below:

Framework agreements with Hi Sun

Hi Sun is a substantial shareholder interested in 33.09% of the Company's issued share capital and therefore a connected person of the Company under the Listing Rules. Accordingly, transactions between the Company and Hi Sun constitute connected transactions of the Company under the Listing Rules.

i. Supply of E-payment Terminals Products

On 31 December 2015, the Company entered into a framework agreement (the "E-payment Terminals Products Framework Agreement") with Hi Sun, pursuant to which the Group agreed to sell and Hi Sun (together with its subsidiaries the "Hi Sun Group") agreed to purchase the electronic funds transfer point-of-sale products (the "E-payment Terminals Products") for the mobile and other payment solutions, services and/or platforms of the Hi Sun Group. The term of the E-payment Terminals Products Framework Agreement commenced on 22 January 2016, the date on which relevant approval of the independent shareholders was obtained at the Company's special general meeting, and will expire on 31 December 2018.

The Board considered that the entering into of the E-Payment Terminals Products Framework Agreement would offer considerable potential for expanding the Group's market share in the PRC.

The annual caps of the total contract value for the sale and purchase of E-payment Terminals products under the E-payment Terminals Products Framework Agreement for the three years ending 31 December 2016, 2017 and 2018 were set at HK\$300,000,000, HK\$350,000,000 and HK\$400,000,000 respectively and the aggregate contract value for the sale and purchase of E-Payment Terminals Products for the two years ended 31 December 2016 and 31 December 2017 were HK\$157,820,000 and HK\$135,774,000 respectively.

關連交易

於截至二零一七年十二月三十一日止年度，本集團訂立若干持續關連交易，該等持續關連交易詳情載列如下：

與高陽訂立框架協議

高陽為持有本公司已發行股本33.09%權益的主要股東，故根據上市規則，其為本公司的關連人士。因此，本公司與高陽的交易根據上市規則項下構成本公司的關連交易。

i. 供應電子支付終端產品

於二零一五年十二月三十一日，本公司與高陽訂立一份框架協議（「電子支付終端產品框架協議」），據此，本集團同意出售而高陽（連同其附屬公司，統稱「高陽集團」）同意購買用於高陽集團的移動及其他支付解決方案、服務及／或平台的電子轉賬銷售點產品（「電子支付終端產品」）。電子支付終端產品框架協議期限於二零一六年一月二十二日（即獲得本公司獨立股東於股東特別大會上作出相關批准的日期）開始，並將於二零一八年十二月三十一日屆滿。

董事會認為，訂立電子支付終端產品框架協議能為擴大本集團的中國市場份額帶來相當大的潛力。

截至二零一六年、二零一七年及二零一八年十二月三十一日止三個年度，根據電子支付終端產品框架協議，買賣電子支付終端產品的合約總額年度上限分別為300,000,000港元、350,000,000港元及400,000,000港元，而截至二零一六年十二月三十一日及二零一七年十二月三十一日止年度買賣電子支付終端產品的合約價值分別合共為157,820,000港元及135,774,000港元。

During the year, the Group has followed the internal control measures and policies of the Group in determining the prices and terms of the sale of E-payment Terminals Products to Hi Sun Group and all sales to Hi Sun Group under the E-Payment Terminals Products Framework Agreement were on terms no less favourable than those offered to independent third parties for products of comparable quality, quantity and specifications. The Company has complied with relevant reporting, announcement, independent shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

ii. Purchase of Chips

On 30 December 2016, the Group entered into a framework agreement (the "2017 Chips Framework Agreement") with Hi Sun, pursuant to which the Group agreed to purchase and the Hi Sun Group agreed to sell the mag-stripe card security decoder chips (the "Security Decoder Chips"), the security micro controller unit chips (the "Security Micro Controller Unit Chips") and the contactless reader chips (the "Contactless Reader Chips", collectively with the Security Decoder Chips and Security Micro Controller Unit Chips, the "Chips"). The 2017 Chips Framework Agreement commenced on 1 January 2017 and will expire on 31 December 2019.

The Board considered that the entering into of the 2017 Chips Framework Agreement would ensure continuous and stable supply of the Chips for production of the Group's E-Payment Terminals related products and reduce the production cost by saving the operational cost in sourcing suitable market suppliers, as the Chips supplied by the Hi Sun Group were fit for production needs of the Group and with specifications not commonly supplied by other market suppliers.

The annual caps of the total contract value for the sale and purchase of Chips contemplated under the 2017 Chips Framework Agreement for the three years ending 31 December 2017, 2018 and 2019 were set at HK\$65,000,000, HK\$70,000,000 and HK\$75,000,000 respectively, and the aggregate contract value for the sale and purchase of Chips for the year ended 31 December 2017 was HK\$59,966,000.

年內，本集團於釐定向高陽集團銷售電子支付終端產品的價格及條款時一直遵循本集團的內部監控措施及政策，且根據電子支付終端產品框架協議向高陽集團的所有銷售條款均不遜於向獨立第三方提供可比較質素、數量和規格之產品的條款。本公司已遵守上市規則第14A章的相關申報、公告、獨立股東批准及年度審核的規定。

ii. 購買芯片

於二零一六年十二月三十日，本集團與高陽訂立一項新框架協議（「二零一七年芯片框架協議」），據此，本集團同意購買及高陽集團同意出售磁條卡加密解碼芯片（「加密解碼芯片」、加密安全處理器芯片（「處理器芯片」）及非接觸卡讀卡芯片（「非接觸卡讀卡芯片」，連同加密解碼芯片及處理器芯片，統稱「芯片」）。二零一七年芯片框架協議自二零一七年一月一日起，並於二零一九年十二月三十一日屆滿。

董事會認為，訂立二零一七年芯片框架協議可確保本集團生產電子支付終端相關產品所用芯片獲得持續及穩定之供應，並可透過減省物色合適市場供應商之經營成本從而降低生產成本，因高陽集團供應之芯片切合本集團之生產需要，而其規格於其他市場供應商並不常見。

根據二零一七年芯片框架協議，截至二零一七年、二零一八年及二零一九年十二月三十一日止各個年度，買賣芯片之總合約值年度上限分別為65,000,000港元、70,000,000港元及75,000,000港元，而截至二零一七年十二月三十一日止年度買賣芯片的合約價值合共為59,966,000港元。



Report of the Directors

董事會報告

During the year, the prices payable for the purchase of the Chips under the 2017 Chips Framework Agreement were determined by making reference to the prices of other products sold by Hi Sun Group and the prices of similar products sold by third party suppliers in the industry. The Company has also complied with relevant reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Please also refer to note 34(a) to the consolidated financial statements.

The Board including the independent non-executive Directors has reviewed the above continuing connected transactions and confirmed that these transactions entered into by the Company were:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions for the year ended 31 December 2017 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The Board confirms that the auditor has issued a letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and a copy of this letter has been provided to the Stock Exchange.

A summary of significant related party transactions made during the year was disclosed in note 34 to the financial statements.

年內，根據二零一七年芯片框架協議購買芯片的應付價格乃參考高陽集團出售其他產品的價格及第三方供應商於業內出售同類產品的價格而釐定。本公司亦已遵守上市規則第14A章相關申報、公告及年度審閱的規定，及獲豁免遵守獨立股東批准的規定。

亦請參閱綜合財務報表附註34(a)。

董事會（包括獨立非執行董事）已審閱上述持續關連交易，並確認本公司訂立的該等交易為：

- (i) 於本集團一般日常業務中訂立；
- (ii) 按一般商業條款或更佳條款訂立；及
- (iii) 根據有關交易的協議進行，條款公平合理，並且符合本公司股東整體利益。

本公司核數師已獲委聘就本集團截至二零一七年十二月三十一日止年度的持續關連交易作出報告，有關報告乃按照《香港核證委聘準則》第3000號（經修訂）「審核或審閱過往財務資料以外之核證委聘」及根據香港會計師公會發出的《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」進行。董事會確認核數師已根據上市規則第14A.56條的規定，就持續關連交易發出函件，當中載列其發現及結論，而本公司已向聯交所提供有關函件。

年內進行的重大關聯方交易概要於財務報表附註34披露。

Report of the Directors

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 were entered into or existed during the year ended 31 December 2017.

DEED OF NON-COMPETITION AND CONFLICTS OF INTERESTS

A deed of non-competition was entered into between the Company and Hi Sun on 1 December 2010 (“Deed of Non-Competition”), pursuant to which Hi Sun shall not compete either directly or indirectly with the Group’s principal business activities in such geographic territories in which the Group operates.

Hi Sun has signed an annual declaration (“Declaration”) of compliance with the Deed of Non-competition confirming its compliance with the non-competition undertakings in the Deed of Non-Competition during the year. The independent non-executive Directors have reviewed the abovementioned undertakings and consider that Hi Sun has complied with the Deed of Non-Competition during the financial year ended 31 December 2017.

DIRECTORS’ INTEREST IN COMPETING BUSINESS

Mr. Li Wenjin (“Mr. Li”), an executive Director of the Company, is interested in Hi Sun Group as its executive director and a director of certain of its subsidiaries and hence required to abstain from voting on any resolution of the Board in respect of any particular transaction or business involving any actual or potential conflict of interest between the Group and Hi Sun Group.

Notwithstanding Mr. Li’s aforesaid interests in Hi Sun Group, the Board considers that Mr. Li is not interested in a business competing or is likely to compete either directly or indirectly with the Group’s business, taking into account the Deed of Non-Competition, the Declaration, any implications thereunder and the independent non-executive Directors’ subsequent review thereof.

Apart from the above, none of the Directors or any of their respective associates is interested in any business competing or likely to compete with the Group’s business that is discloseable under Rule 8.10(2) of the Listing Rules.

管理合約

於截至二零一七年十二月三十一日止年度，概無訂立或存在任何與本公司全部或任何重大業務部分相關的管理及行政合約。

不競爭契據及利益衝突

本公司與高陽於二零一零年十二月一日訂立一份不競爭契據（「不競爭契據」）據此，高陽不得在本集團經營所在地區直接或間接與本集團的主要業務活動進行競爭。

於年內，高陽已簽署不競爭契據的年度遵守聲明（「聲明」），確認其已遵守不競爭契據內的不競爭承諾。獨立非執行董事已審閱上述承諾，並認為高陽於截至二零一七年十二月三十一日止財政年度一直遵守不競爭契據。

董事於競爭業務的權益

由於本公司執行董事李文晉先生（「李先生」）亦為高陽之執行董事及其若干附屬公司之董事，擁有高陽集團的權益，所以必須就任何涉及本集團與高陽集團間存在任何實際或潛在利益衝突的特定交易及業務，放棄相關董事會決議案投票表決。

儘管李先生於高陽集團擁有上述權益，考慮到不競爭契約、聲明及其含意，以及獨立非執行董事的後續審閱，董事會認為李先生並無於與本集團業務直接或間接競爭或可能構成競爭之業務中擁有權益。

除上文所述者，概無董事或其聯繫人於根據上市規則第8.10(2)條須予披露之與本集團業務競爭或可能構成競爭之任何業務中擁有權益。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Details of the continuing connected transactions and related party transactions are respectively set out on pages 75 to 77 and 191 to 192.

Save as disclosed above, there was no other transaction, arrangement or contract of significance in which any Director or any entity connected with a Director is or was materially interested directly or indirectly subsisting at any time during or at the end of the year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 31 December 2017 attributable to the Group's major suppliers and customers are respectively as follows:

Purchases

– the largest supplier	28.3%
– five largest suppliers combined	65.2%

Sales

– the largest customer	32.4%
– five largest customers combined	53.5%

Hi Sun, a controlling shareholder holding approximately 33.09% of the issued share capital of the Company and Mr. Li Wenjin, concurrently an executive Director of the Company and Hi Sun holding approximately 0.23% of the issued share capital of Hi Sun as at 31 December 2017 were interested in Hi Sun, a subsidiary of which was one of the Group's five largest customers for the year.

Save as disclosed, none of the Directors, their close associates or any shareholder (which to the knowledge of the Directors own more than 5% of the Company's equity interest) had an interest in the major customers or suppliers noted above.

董事於合約的權益

持續關連交易及關聯方交易詳情分別載於第75至77頁及第191至192頁。

除上文所披露者外，概無就本集團業務訂立以本公司、其同系附屬公司或其他控股公司為其中訂約方以及董事及董事關連實體直接或間接擁有重大權益而於年終或年內任何時間仍然存續的其他重大交易、安排或合約。

主要客戶及供應商

截至二零一七年十二月三十一日止年度，本集團主要供應商和客戶的應佔採購和銷售百分比分別如下：

採購

– 最大供應商	28.3%
– 五大供應商合計	65.2%

銷售

– 最大客戶	32.4%
– 五大客戶合計	53.5%

高陽為持有本公司已發行股本約33.09%之控股股東，同為本公司及高陽執行董事的李先生於二零一七年十二月三十一日持有高陽已發行股本約0.23%之權益，而高陽一家附屬公司為本集團本年度五大客戶之一。

除上文所披露者外，概無據董事所知擁有本公司股權超過5%之董事、彼等之緊密聯繫人或任何股東於上述主要客戶或供應商中擁有權益。

Report of the Directors

董事會報告

PENSION SCHEME

The subsidiaries operating in Hong Kong are required to participate in a defined contribution retirement scheme ("MPF Scheme") set up in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance, under which employers and employees are each required to make regular mandatory contributions calculated at 5% of the employee's relevant income ("Mandatory Contributions") to the MPF Scheme, subject to the minimum and maximum relevant income levels as prescribed by law. Employees may also make voluntary contributions additional to Mandatory Contributions.

Any Mandatory Contributions paid for and in respect of an employee are fully and immediately vested in the employee once paid to the trustee of the MPF Scheme and any investment return derived from the investment of the Mandatory Contributions is also fully and immediately vested in the employee. The employees are entitled to all of the accrued benefits derived from the employer's Mandatory Contributions upon retirement at the age of 65 years old, death or total incapacity, subject to other applicable provisions of law.

In addition, pursuant to the government regulations in the PRC, the Group is required to contribute in favour of the employees in the PRC an amount of approximately 7% to 20% of their basic wages to certain retirement benefit schemes. The local municipal government undertakes to assume the retirement benefits obligations of those workers of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Directors confirm that the Company has maintained at all times during the year sufficient public float as prescribed by the Listing Rules.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who has remained as the Company's auditor for each of the preceding three years and will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Nie Guoming
Chairman

Hong Kong, 7 March 2018

退休金計劃

於香港營運的附屬公司須參加根據香港強制性公積金條例設立的定額供款退休計劃（「強積金計劃」），據此，僱員和僱主均須定期向強積金計劃作出供款（「強制性供款」），雙方的供款額均為僱員有關入息的5%，並受限於法定最低及最高有關入息水平。僱員也可選擇在強制性供款以外，作出額外的自願性供款。

為僱員作出的強制性供款一經支付予強積金受託人，即全數及立刻歸屬於該僱員。以強制性供款進行投資所產生的投資回報，亦會全數及即時歸屬於該僱員。僱員年屆65歲退休、身故或喪失工作能力時，將享有全部僱主強制供款所產生的累算權益（受限於其他適用法律條款）。

此外，根據中國政府法規規定，本集團須為中國僱員按其基本薪金之約7%至20%向若干退休福利計劃作出供款。當地市政府對本集團的該類僱員作出退休福利責任保證。

足夠公眾持股量

截至本報告日期，根據本公司現有公開資料及就董事所知，董事確認，本公司於年內任何時候維持上市規則規定的足夠公眾持股量。

核數師

羅兵咸永道會計師事務所已審核財務報表，彼等在過去三年一直為本公司的核數師，並將於本公司應屆股東週年大會退任，惟符合資格獲重新委任。

代表董事會

主席
聶國明

香港，二零一八年三月七日

Independent Auditor's Report

獨立核數師報告



**AN INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF PAX GLOBAL TECHNOLOGY LIMITED**
(incorporated in Bermuda with limited liability)

OPINION

What we have audited

The consolidated financial statements of PAX Global Technology Limited (the "Company") and its subsidiaries (the "Group") set out on pages 90 to 197, which comprise:

- the consolidated balance sheet as at 31 December 2017;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated balance sheet of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

羅兵咸永道

獨立核數師報告
致百富環球科技有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

百富環球科技有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第90至197頁的綜合財務報表,包括:

- 於二零一七年十二月三十一日的綜合資產負債表;
- 截至該日止年度的綜合收益表;
- 截至該日止年度的綜合全面收益表;
- 截至該日止年度的綜合權益變動表;
- 截至該日止年度的綜合現金流量表;及
- 綜合財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的綜合資產負債表及其截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露規定妥為擬備。

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Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment of receivables
- Provision for inventories

意見基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 應收款項減值
- 存貨撥備

Independent Auditor's Report

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment of receivables

應收款項的減值

Refer to Note 4(c) (critical accounting estimates and judgements) and note 21 (trade and bills receivables, deposits and other receivables) to the consolidated financial statements for the related disclosures

有關相關事項的披露，請參閱綜合財務報表附註4(c)（關鍵會計估計及判斷）及附註21（應收賬款及應收票據、按金及其他應收款項）。

As at 31 December 2017, gross trade receivables of the Group amounted to HK\$1,727.9 million, which accounted for approximately 33% of the Group's total assets. The provision for impairment of trade receivables amounted to HK\$49.2 million, majority of which was mainly attributable to customers located in China.

於二零一七年十二月三十一日，貴集團的應收賬款總額約為1,727.9百萬港元，佔貴集團總資產約33%。應收賬款的減值撥備約為49.2百萬港元，當中主要源自中國的客戶。

Management performed periodic credit monitoring, which included the review of customers' credit worthiness, collection of outstanding balances and individual credit terms. If there is indicator that the receivables are impaired, management would make specific provision against individual balances with reference to the recoverable amount.

管理層定期進行信用監督，包括審查客戶的信用值、賬款的收回情況和個別客戶的信貸期。如有跡象顯示應收款項存在減值的可能，管理層將參照可收回金額對個別結餘作出特定撥備。

We focused on this area due to the magnitude of the receivables and the estimation and judgement involved in the determination of the recoverable amounts of trade receivables.

我們關注此範疇是鑑於應收賬款的重大數額，以及在釐定應收賬款可收回金額時涉及估計和判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our audit procedures in relation to management's assessment on recoverability of trade receivables included:

我們對有關管理層評估應收賬款可收回性之審計程序包括：

- Understood and validated the credit control procedures performed by management, including its procedures on periodic review on aged receivables and assessment on recoverability of these receivables;
- 理解和驗證管理層執行的信用監控程序，包括其對定期審閱逾期應收款項及評估該等應收款項可收回性的程序；
- Tested on a sample basis, the accuracy of ageing profile on trade receivables by checking to the underlying sales invoices; and
- 透過檢查相關銷售發票，以抽樣方式測試應收賬款賬齡之準確性；及
- Tested subsequent settlement of trade receivables balances. Where settlement had not been received subsequent to the year end for those unprovided aged receivables beyond the credit period as at year end, we obtained management's assessment on the recoverability of these debts and corroborated explanations with historical settlement pattern and underlying correspondence with the relevant customers.
- 測試應收賬款結餘於結算日後的償付情況。對於在年結日已超出其信貸期的未撥備逾期應收款項在年末後仍未有付款，我們取得了管理層對該等應收賬款可回收性所作的評估，並透過相關客戶過往的償付模式和有關的往來信函佐證其解釋。

Based upon the above, we found that the estimation and judgement made by management in respect of the collectability of receivables were supportable by the available evidence.

基於上述各項，我們發現管理層就應收款項可收回性所作的估計及判斷有可得的證據支持。

Independent Auditor's Report

獨立核數師報告

Key Audit Matter

關鍵審計事項

Impairment of inventories

存貨撥備

Refer to Note 4(b) (critical accounting estimates and judgements) and note 20 (inventories) to the consolidated financial statements for the related disclosures

有關相關事項的披露，請參閱綜合財務報表附註4(b)（關鍵會計估計及判斷）及附註20（存貨）。

The Group held inventories of HK\$918.5 million as at 31 December 2017. Inventories are carried at the lower of cost and net realisable value ("NRV"). The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become obsolete, or if their selling prices have declined. For the year ended 31 December 2017, the Group has written back provision for inventories of HK\$1.8 million.

貴集團於二零一七年十二月三十一日持有存貨約918.5百萬港元。存貨乃按成本與可變現淨值（「可變現淨值」）之較低者列賬。倘存貨已經陳舊、損壞、過時或售價下跌，則可能無法收回存貨成本。截至二零一七年十二月三十一日止年度，貴集團撥回存貨撥備約1.8百萬港元。

Management determines the lower of cost and NRV of inventories by considering the ageing profile, inventory obsolescence and estimated selling price of individual inventory items.

管理層釐定存貨成本及可變現淨值之較低者時，會考慮個別存貨的庫齡、存貨是否過時和個別存貨的預測售價。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our audit procedures in relation to management's assessment on NRV and obsolescence of inventories included:

我們對有關管理層評估存貨之可變現淨值及其是否過時執行的審計程序包括：

- Understood and validated the control procedures performed by management, including its procedures in estimating the NRV of the inventories and conducting periodic review on inventory obsolescence;
- 理解和驗證管理層執行的監控程序，包括其估計存貨可變現淨值及定期覆核存貨過時的程序；
- Observed client's inventory counts to identify whether there is any damaged or obsolete inventory;
- 對存貨進行監盤，以識別出有否有任何損壞或過時存貨；
- Tested on a sample basis, the accuracy of the ageing profile of individual inventory items by checking to the underlying procurement correspondence and invoices;
- 透過檢查相關採購資料及發票，以抽樣方式測試個別存貨項目庫齡之準確性；

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Key Audit Matter

關鍵審計事項

Management calculates the NRV at each period end based on the estimated selling price less selling expenses, which requires significant judgements and assumptions to be made to determine the estimated selling price of individual product, including historical experience of selling products of similar nature and expectation of future sales based on current market conditions.

管理層以其預測售價減去出售開支來計算各期末的可變現淨值，在釐定個別產品之預測售價時須作出重大判斷及假設，包括考慮以往出售類似性質產品的經驗以及按現有市況對未來銷售作出之預測。

Management consistently applies a provisioning methodology for slow moving inventories based on inventory ageing and makes specific provision for long aged inventories. Management also conducted periodic review on inventory obsolescence, including performance of periodic inventory counts and review of holding period for individual inventory items.

管理層按存貨年期對滯銷存貨貫徹地應用撥備方法，並就長期陳舊存貨作出特定撥備。管理層亦會就存貨是否過時進行定期審查，包括定期進行存貨盤點及審閱個別存貨項目的持有期。

We focused on this area due to the estimation of provision for inventories involves significant judgement and various uncertainties as a result of changing technology, customer demand and competitors actions.

我們關注此範疇是鑑於對存貨的撥備估計涉及重大判斷，以及技術日新月異、客戶需求及競爭者之行為導致多種不明朗因素。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- Tested on a sample basis, the subsequent usage of significant inventory items, obtained through the usage report subsequent to the year end as a basis to identify inventory obsolescence. Where there are no subsequent usage of the respective items after the year end, we discussed with management its assessment on estimated future utilisation, corroborating explanations with the inventory ageing, sales orders and marketability of the relevant finished goods by using our industry knowledge and external market analysis, as appropriate; and
- 以抽樣方式測試重要存貨於年末後之使用情況，透過取得年末後的使用報告，識別出過時存貨。倘相關存貨於年末後並無用量，我們會與管理層討論其對估計存貨未來使用率作出之評估，透過我們對行業的認識和外部市場分析（如適用），佐證有關存貨庫齡、銷售訂單及相關製成品營銷能力的解釋；及
- Tested on a sample basis, the NRV of selected inventory items, by comparing the selling price subsequent to the year end, against the carrying values of these individual finished goods. Where there are no subsequent sales of the respective finished goods after the year end, we discussed with management as to the realisable value of the products, corroborating explanations with the inventory ageing, sales orders, historical margins, and current market conditions by using our industry knowledge and external market analysis, as appropriate.
- 以抽樣方式測試選定存貨項目之可變現淨值，在測試中將個別製成品於年末後的售價與其賬面值作一比較。對於年末後並無出售的相關製成品，我們已與管理層討論該產品的可變現值，並透過我們對行業的認識和外部市場分析（如適用），佐證有關存貨年期、銷售訂單、過往毛利率及現行市況的解釋。

Based on the procedures described, we found the estimations of management in relation to the provision for inventories were supportable by available evidence.

根據所述程序，我們發現管理層有關存貨撥備之估計有可得的證據支持。

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OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

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

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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 are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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

董事及審核委員會就綜合財務報表須承擔的責任

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

在擬備綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。



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, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs 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 HKSAs, 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.

核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）按照百慕達一九八一年《公司法》第90條報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。



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- 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.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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.

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審核發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。



Independent Auditor's Report

獨立核數師報告

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 Chan Tak Wai, Daniel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 7 March 2018

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳德威。

羅兵咸永道會計師事務所
執業會計師

香港，二零一八年三月七日

Consolidated Income Statement

綜合收益表

		Year ended 31 December		
		截至十二月三十一日止年度		
		2017	2016	
		二零一七年	二零一六年	
		Notes	HK\$'000	HK\$'000
		附註	千港元	千港元
Revenue	收入	5	3,591,080	2,914,842
Cost of sales	銷售成本	7	(2,133,487)	(1,652,848)
Gross profit	毛利		1,457,593	1,261,994
Other income	其他收入	5	75,054	71,593
Selling expenses	銷售開支	7	(426,432)	(297,396)
Administrative expenses	行政費用	7, 8	(501,721)	(347,098)
Impairment of assets	資產減值	7, 15	(176,471)	–
Operating profit	經營溢利		428,023	689,093
Finance costs	財務費用	9	(3,801)	(10,794)
Share of result of an investment accounted for using the equity method	按權益法入賬的投資業績	19	318	–
Profit before income tax	除所得稅前溢利		424,540	678,299
Income tax expense	所得稅開支	11	(87,974)	(74,865)
Profit for the year	年度溢利		336,566	603,434
Profit/(loss) attributable to:	應佔溢利／(虧損)：			
Owners of the Company	本公司持有人		407,507	600,908
Non-controlling interests	非控股權益		(70,941)	2,526
			336,566	603,434
			HK\$	HK\$
			per share	per share
			每股港元	每股港元
Earnings per share for the profit attributable to the owners of the Company:	本公司持有人應佔溢利之每股盈利：			
– Basic	– 基本	12(a)	0.367	0.539
– Diluted	– 攤薄	12(b)	0.367	0.535

The notes on pages 97 to 197 are an integral part of these consolidated financial statements.

第97至197頁的附註乃綜合財務報表的其中部分。

Consolidated Statement of Comprehensive Income

綜合全面收益表

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		Notes	
		附註	
		HK\$'000	HK\$'000
		千港元	千港元
Profit for the year	年內溢利	336,566	603,434
Other comprehensive income/(loss), net of tax	其他全面收益／(虧損)，扣除稅項		
<i>Items that may be subsequently reclassified to profit or loss</i>	<i>其後可能重新分類至損益之項目</i>		
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	168,423	(126,208)
Change in value of available-for-sale financial assets	可供出售金融資產之價值改變	16	-
<i>Item that will not be subsequently reclassified to profit or loss</i>	<i>其後不會重新分類至損益之項目</i>		
Remeasurement of post-employment benefit obligation	離職後福利債務重計	(141)	-
Total comprehensive income for the year, net of tax	年內全面收益總額，扣除稅項	498,703	477,226
Total comprehensive income/(loss) attributable to:	應佔全面收益／(虧損)總額：		
Owners of the Company	本公司持有人	572,058	475,534
Non-controlling interests	非控股權益	(73,355)	1,692
		498,703	477,226

The notes on pages 97 to 197 are an integral part of these consolidated financial statements.

第97至197頁的附註乃綜合財務報表的其中部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December

於十二月三十一日

2017 2016

二零一七年 二零一六年

Notes HK\$'000 HK\$'000
附註 千港元 千港元

ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	51,558	67,919
Land use rights	土地使用權	17	84,473	186
Intangible assets	無形資產	15	90,259	89,392
Available-for-sale financial assets	可供出售金融資產	16	74,517	–
Investment accounted for using the equity method	按權益法入賬的投資	19	20,720	–
Other non-current assets	其他非流動資產	21	52,785	38,353
Deferred income tax assets	遞延所得稅資產	29	18,731	16,794
Total non-current assets	非流動資產總值		393,043	212,644
Current assets	流動資產			
Inventories	存貨	20	918,452	596,539
Trade and bills receivables	應收賬款及應收票據	21	1,703,414	1,347,446
Deposits and other receivables	按金及其他應收款項	21	39,593	68,919
Restricted cash	受限制現金	22	12,490	310
Cash and cash equivalents	現金及現金等價物	23	2,165,224	2,207,205
Total current assets	流動資產總值		4,839,173	4,220,419
Total assets	資產總值		5,232,216	4,433,063
EQUITY	權益			
Equity attributable to the owners of the Company	本公司持有人應佔權益			
Share capital	股本	24	110,019	110,787
Reserves	儲備	26	3,812,757	3,354,748
			3,922,776	3,465,535
Non-controlling interests	非控股權益		(25,710)	35,748
Total equity	權益總額		3,897,066	3,501,283

The notes on pages 97 to 197 are an integral part of these consolidated financial statements.

第97至197頁的附註乃綜合財務報表的其中部分。

Consolidated Balance Sheet

綜合資產負債表

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
		Notes	
		附註	
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Deferred income tax liabilities	遞延所得稅負債	29	10,123
Other non-current liabilities	其他非流動負債		6,363
			7,700
			–
Total non-current liabilities	非流動負債總額		17,823
			6,363
Current liabilities	流動負債		
Trade payables	應付賬款	27	953,084
Other payables and accruals	其他應付賬款及應計款項	27	662,485
Current tax liabilities	當期稅項負債		281,585
Borrowings	借貸	28	68,291
			36,141
			–
Total current liabilities	流動負債總額		1,317,327
			925,417
Total liabilities	負債總額		1,335,150
			931,780
Total equity and liabilities	權益及負債總額		5,232,216
			4,433,063

The financial statements were approved by the Board of Directors on 7 March 2018 and were signed on its behalf.

本財務報表於二零一八年三月七日獲董事會批准，並由下列董事代表簽署。

NIE GUOMING
 聶國明
 Director
 董事

LI WENJIN
 李文晉
 Director
 董事

The notes on pages 97 to 197 are an integral part of these consolidated financial statements.

第97至197頁的附註乃綜合財務報表的其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to the owners of the Company 本公司持有人應佔										
		Share capital	Share premium	Capital reserve	Share option reserve	Employment benefit reserve	Available-for-sale revaluation reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	購股權儲備	福利儲備	可供出售 估值儲備	外匯儲備	保留盈利	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
For the year ended 31 December 2017	截至二零一七年十二月三十一日止年度											
Balance at 1 January 2017	於二零一七年一月一日的結餘	110,787	1,299,524	(414,978)	81,173	-	-	(162,470)	2,551,499	3,354,748	35,748	3,501,283
Comprehensive income	全面收益											
Profit for the year	年內溢利	-	-	-	-	-	-	-	407,507	407,507	(70,941)	336,566
Other comprehensive income/(loss)	其他全面收益/(虧損)											
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	-	-	-	-	-	-	170,768	-	170,768	(2,345)	168,423
Change in value of available-for-sale financial assets	可供出售金融資產之價值改變	-	-	-	-	-	(6,145)	-	-	(6,145)	-	(6,145)
Remeasurements of post-employment benefit obligations	離職後福利債務重計	-	-	-	-	(72)	-	-	-	(72)	(69)	(141)
Total comprehensive (loss)/income	全面(虧損)/收益總額	-	-	-	-	(72)	(6,145)	170,768	407,507	572,058	(73,355)	498,703
Transactions with owners	與擁有人的交易											
Repurchase of the Company's shares	回購本公司的股份	(1,300)	(50,317)	-	-	-	-	-	-	(50,317)	-	(51,617)
Share option scheme	購股權計劃											
- share options exercised	- 已行使購股權	532	25,323	-	-	-	-	-	-	25,323	-	25,855
Dividends paid	已付股息	-	-	-	-	-	-	-	(89,055)	(89,055)	-	(89,055)
Non-controlling interests arising on business combinations	業務合併產生的非控股權益	-	-	-	-	-	-	-	-	-	11,897	11,897
Total transactions with owners	與擁有人的交易總額	(768)	(24,994)	-	-	-	-	-	(89,055)	(114,049)	11,897	(102,920)
Balance at 31 December 2017	於二零一七年十二月三十一日的結餘	110,019	1,274,530	(414,978)	81,173	(72)	(6,145)	8,298	2,869,951	3,812,757	(25,710)	3,897,066

The notes on pages 97 to 197 are an integral part of these consolidated financial statements.

第97至197頁的附註乃綜合財務報表的其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to the owners of the Company 本公司持有人應佔								
		Share capital	Share premium	Capital reserve	Share option reserve	Exchange reserve	Retained earnings	Total	Non-controlling interests	Total equity
		股本	股份溢價	資本儲備	購股權儲備	外匯儲備	保留盈利	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
For the year ended 31 December 2016	截至二零一六年十二月三十一日止年度									
Balance at 1 January 2016	於二零一六年一月一日的結餘	111,201	1,323,439	(414,978)	77,370	(37,096)	2,017,638	2,966,373	13,025	3,090,599
Comprehensive income	全面收益									
Profit for the year	年內溢利	-	-	-	-	-	600,908	600,908	2,526	603,434
Other comprehensive loss	其他全面虧損									
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	-	-	-	-	(125,374)	-	(125,374)	(834)	(126,208)
Total comprehensive (loss)/income	全面(虧損)/收益總額	-	-	-	-	(125,374)	600,908	475,534	1,692	477,226
Transactions with owners	與擁有人的交易									
Repurchase of the Company's shares	回購本公司的股份	(1,000)	(51,809)	-	-	-	-	(51,809)	-	(52,809)
Share option scheme	購股權計劃									
- value of services provided	- 已提供服務的價值	-	-	-	3,803	-	-	3,803	-	3,803
- share options exercised	- 已行使購股權	586	27,894	-	-	-	-	27,894	-	28,480
Dividends paid	已付股息	-	-	-	-	-	(67,047)	(67,047)	-	(67,047)
Non-controlling interests arising on business combinations	業務合併產生的非控股權益	-	-	-	-	-	-	-	21,031	21,031
Total transactions with owners	與擁有人的交易總額	(414)	(23,915)	-	3,803	-	(67,047)	(87,159)	21,031	(66,542)
Balance at 31 December 2016	於二零一六年十二月三十一日的結餘	110,787	1,299,524	(414,978)	81,173	(162,470)	2,551,499	3,354,748	35,748	3,501,283

The notes on pages 97 to 197 are an integral part of these consolidated financial statements.

第97至197頁的附註乃綜合財務報表的其中部分。

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December
截至十二月三十一日止年度

2017 2016

二零一七年 二零一六年

Notes
附註

HK\$'000
千港元

HK\$'000
千港元

Cash flows from operating activities	經營業務的現金流量			
Cash generated from operations	經營所得現金	30(a)	277,529	356,712
Hong Kong profits tax paid	已付香港利得稅		(48,821)	(62,883)
China corporate income tax paid	已付中國企業所得稅		(10,437)	(33,528)
Interest paid	已付利息		(3,801)	(10,794)
Net cash generated from operating activities	經營業務所得現金淨額		214,470	249,507
Cash flows from investing activities	投資活動的現金流量			
Acquisitions of subsidiaries, net of cash acquired	收購附屬公司，扣除購入的現金	33	(41,417)	(10,446)
Acquisition of an investment accounted for using the equity method	收購按權益法入賬的投資		(19,406)	–
Purchase of available-for-sale financial assets	購買可供出售金融資產		(75,345)	–
Purchase of land use rights	購買土地使用權		(83,333)	–
Purchase of property, plant and equipment	購買物業、廠房及設備		(17,520)	(14,614)
Interest received	已收利息		20,847	15,848
Net cash used in investing activities	投資活動所用現金淨額		(216,174)	(9,212)
Cash flows from financing activities	融資活動的現金流量			
Proceeds from issuance of shares in connection with exercise of share options	就行使購股權發行股份所得款額		25,855	28,480
Repayment of borrowings	償還借貸		(16,096)	–
Payment for repurchase of the Company's shares	回購本公司的股份的付款		(51,617)	(52,809)
Dividends paid	股息支付		(89,055)	(67,047)
Net cash used in financing activities	融資活動所用現金淨額		(130,913)	(91,376)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物的(減少)/增加淨額		(132,617)	148,919
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		2,207,205	2,144,312
Exchange gains/(losses) on cash and cash equivalents	現金及現金等價物的匯兌收益/(虧損)		90,636	(86,026)
Cash and cash equivalents at end of the year	年終現金及現金等價物	23	2,165,224	2,207,205

The notes on pages 97 to 197 are an integral part of these consolidated financial statements.

第97至197頁的附註乃綜合財務報表的其中部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

PAX Global Technology Limited (the “Company”) is an investment holding company and together with its subsidiaries (collectively referred to as the “Group”) are principally engaged in the development and sales of electronic funds transfer point-of-sale (“E-payment Terminals”) products, provision of payment solutions services and maintenance and installation services (collectively, the “E-payment Terminals solutions business”).

The Company is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company was listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 20 December 2010.

These financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, except for the available-for-sale financial assets, contingent consideration payable and post-employment benefit obligation which are measured at fair values.

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

1 一般資料

百富環球科技有限公司(「本公司»)為一間投資控股公司，連同其附屬公司(統稱「本集團»)主要從事開發及銷售電子支付銷售點(「電子支付終端»)產品、提供支付解決方案服務及維護及安裝服務(統稱「電子支付終端解決方案業務»)。

本公司為一間在百慕達註冊成立的有限責任公司。本公司註冊辦事處的地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。

本公司於二零一零年十二月二十日在香港聯合交易所有限公司(「聯交所»)主板上市。

除另有所指外，此等財務報表以千港元(「千港元»)為單位呈列。

2 主要會計政策概要

編製該等綜合財務報表所採用的主要會計政策載列如下。除另有說明外，該等政策於所有呈列年度一直貫徹應用。

2.1 編製基準

本公司的綜合財務報表已根據香港財務報告準則(「香港財務報告準則»)及香港《公司條例》(第622章)的規定編製。除可供出售金融資產以公平值計量、應付或然代價及離職後福利債務外，綜合財務報表已按歷史成本法編製。

編製符合香港財務報告準則的財務報表須使用若干重要會計估計，並要求管理層在應用本集團會計政策時作出判斷。涉及更高程度判斷或複雜性的領域或假設及估計對綜合財務報表而言屬重要的領域於下文附註4披露。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(a) *New and amended standards adopted by the Group*

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2017:

- Recognition of Deferred Tax Assets for Unrealised Loss – Amendments to HKAS 12
- Annual improvements 2014-2016 cycle – Amendments to HKAS 12, and
- Disclosure Initiative – Amendments to HKAS 7

The adoption of these amendments did not have material impact on the financial statements for the current year. The amendments to HKAS 7 require disclosure of changes in liabilities arising from financing activities (note 30(c)).

(b) *New standards and interpretations not yet adopted*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these consolidated financial statements. None of this is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動

(a) *本集團所採納新訂及經修訂準則*

本集團已於二零一七年一月一日或之後開始的財政年度首次採納下列準則修訂：

- 就未變現虧損確認遞延稅款資產 – 香港會計準則第12號修訂本
- 二零一四年至二零一六年年改進 – 香港會計準則第12號修訂本；及
- 披露計劃 – 香港會計準則第7號修訂本

採納該等修訂並無對本年度財務報表產生重大影響。香港會計準則第7號的修訂要求對因融資活動而產生的負債變動作出披露 (附註30(c))。

(b) *尚未採納的新訂準則及詮釋*

編製此等綜合財務報表時，並未應用多項於二零一七年一月一日的後開始年度期間生效的新訂準則以及準則及詮釋修訂。除以下列出外，該預計不會對本集團的綜合財務報表產生重大影響：

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) *New standards and interpretations not yet adopted (continued)*

HKFRS 9, "Financial instruments"

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018:

Equity instruments currently classified as available-for-sale ("AFS") for which a fair value through other comprehensive income ("FVOCI") election is available and hence there will be no change to the accounting for these assets.

Accordingly, the Group does not expect the new guidance to affect the classification and measurement of these financial assets. However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the FVOCI reserve to retained earnings.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動 (續)

(b) 尚未採納的新訂準則及詮釋 (續)

香港財務報告準則第9號
[金融工具]

香港財務報告準則第9號闡述金融資產及金融負債的分類、計量及終止確認，並引入對沖會計新規則及金融資產的新減值模型。

本集團已審閱其金融資產及負債，現正估計於二零一八年一月一日採納新準則的下列影響：

現時分類為可供出售（「可供出售」）的權益工具，可按公平值計量且其變化計入其他全面收益（「按公平值計入其他全面收益」）列賬，故該等資產的會計處理並無變動。

因此，本集團預計新指引不會影響該等金融資產的分類及計量。然而，出售按公平值計入其他全面收益的金融資產所產生的收益或虧損將不會轉撥至銷售損益表中，而是將項下項目由按公平值計入其他全面收益的儲備重新分類至保留盈利。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) *New standards and interpretations not yet adopted (continued)*

HKFRS 9, "Financial Instruments" (continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

The derecognition rules have been transferred from HKAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group expects it may result in earlier recognition of credit losses.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動 (續)

(b) 尚未採納的新訂準則及詮釋 (續)

香港財務報告準則第9號「金融工具」(續)

新規定僅影響指定按公平值計量且其變動計入當期損益的金融負債，本集團金融負債的會計處理將不會受影響。本集團並無此負債。

終止確認的規則已由香港會計準則第39號「金融工具：確認及計量」轉移且並無變動。

新減值模型要求以預期信用虧損（「預期信用虧損」），而非香港會計準則第39號下僅以已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的金融資產、按公平值計入其他全面收益的債務工具、香港財務報告準則第15號「客戶合約收益」下的合約資產、應收租賃款、貸款承擔及若干財務擔保合約。根據迄今作出的評估，本集團預期導致較早確認信用損失。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) *New standards and interpretations not yet adopted (continued)*

HKFRS 9, "Financial instruments" (continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

This new standard must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

HKFRS 15, "Revenue from contracts with customers"

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.

The standard permits either a full retrospective or a modified retrospective approach for the adoption.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動 (續)

(b) 尚未採納的新訂準則及詮釋 (續)

香港財務報告準則第9號 [金融工具] (續)

新準則亦引入延伸的披露要求及呈列方式變動。該等變動預期將更改本集團有關其金融工具披露的性質及程度，尤其是於採納新準則的年度。

該新訂準則須於二零一八年一月一日或之後開始的財政年度採用。本集團自二零一八年一月一日起將追溯性地應用新規則，連同準則所容許的可行權宜方法。二零一七年的比較將不會重列。

香港財務報告準則第15號 [客戶合約收益]

香港會計師公會已為確認收益頒佈一項新準則。該準則將取代香港會計準則第18號所涵蓋有關貨品及服務合約及香港會計準則第11號所涵蓋有關建造合約及相關文獻的規定。

新訂準則乃基於貨品或服務的控制權轉移予客戶時確認收益的原則。

該準則允許採納完整追溯調整法或經修訂追溯調整法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) *New standards and interpretations not yet adopted (continued)*

HKFRS 15, "Revenue from contracts with customers" (continued)

Management is currently assessing the effects of applying the new standard on the Group's consolidated financial statements and has identified the application of HKFRS 15 may result in the identification of separate performance obligations in relation to sales of E-payment terminals products which could affect the timing of the recognition of revenue going forward.

More detailed assessment will be carried out by the Group to estimate the impact of the new rules on the Group's consolidated financial statements.

This new standard is mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives will not be restated.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動 (續)

(b) 尚未採納的新訂準則及詮釋 (續)

香港財務報告準則第15號
[客戶合約收益] (續)

管理層現時評估採納新準則對本集團綜合財務報表的影響並已識別應用香港財務報告準則第15號可能導致識別與出售電子支付終端相關的單獨表現責任，其會影響確認未來收入的時間。

本集團將進行詳細的評估，以評估新規則對本集團的綜合財務報表的影響。

該新訂準則於二零一八年一月一日或之後開始的財政年度強制採用。本集團擬使用經修訂的追溯法採納準則，這表示採納的累積影響將於截至二零一八年一月一日的保留盈利中確認，而比較將不會重列。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

- (b) *New standards and interpretations not yet adopted (continued)*
HKFRS 16, "Leases"

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the consolidated balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$37,351,000.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動 (續)

- (b) 尚未採納的新訂準則及詮釋 (續)
香港財務報告準則第16號 [租賃]

香港財務報告準則第16號已於二零一六年一月頒佈。在經營租賃及融資租賃之間的差異遭取消的情況下，其將導致近乎所有租賃均在綜合資產負債表中確認。根據新準則，以資產（租賃項目的使用權）及金融負債繳納租金均獲確認，惟期限較短及價值較低租賃不在此列。

出租人的會計處理將不會有重大變化。

該準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團的不可撤銷經營租賃承擔為37,351,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

(b) *New standards and interpretations not yet adopted (continued)*

HKFRS 16, "Leases" (continued)

The Group has not yet assessed the adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's consolidated income statement and classification of cash flows going forward.

This new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

There are no other standards and interpretations that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 主要會計政策概要 (續)

2.1 編製基準 (續)

2.1.1 會計政策及披露事項變動 (續)

(b) *尚未採納的新訂準則及詮釋 (續)*

香港財務報告準則第16號 [租賃] (續)

本集團尚未評估調整(如有)乃屬必須,例如,由於租賃條款釋義的變動及可變租賃付款的不同處理方式以及延長及終止購股權。因此,尚不太可能估計於採納新準則時必須確認的可用資產及租賃負債的金額,以及其如何影響本集團的綜合收益表及分類未來的現金流量。

該新訂準則於二零一九年一月一日或之後開始的財政年度強制採用。於此階段,本集團擬於生效日前不採納準則。本集團擬應用簡化過渡方法及將不會重列比較法,且於首次採納前年度將不會重列比較金額。

概無其他尚未生效但預期將會對當前或未來申報期間的實體或可見將來交易造成重大影響的準則及詮釋。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

(ii) *Associated company*

Associated company are entity over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investment in associated company is accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

2 主要會計政策概要 (續)

2.2 綜合原則及權益會計法

(i) *附屬公司*

附屬公司指本集團對其有控制權的所有實體。本集團對實體有控制權，是指本集團因參與該實體的營運而獲得或有權享有其可變回報，並能夠運用其指導實體活動的權力影響上述回報。附屬公司在控制權轉移至本集團當日悉數綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

本集團的業務合併使用收購會計法入賬。

集團內公司間交易、結餘及集團公司間交易的未變現收益均予以抵銷。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。附屬公司的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

於附屬公司業績及權益的非控股權益分別於綜合收益表、綜合全面收益表、綜合權益變動表及綜合資產負債表內列示。

(ii) *聯營公司*

聯營公司指本集團對其有重大影響力而無控制權或共同控制權的實體，通常情況乃本集團持有20%至50%表決權。於聯營公司的投資乃初步按成本確認後，使用權益會計法（見下文(iii)）入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

(iii) Equity accounting

Under the equity method of accounting, the investment is initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in consolidated income statement, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividend received or receivable from associated company is recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

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

The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in note 2.10.

2 主要會計政策概要 (續)

2.2 綜合原則及權益會計法 (續)

(iii) 權益會計法

根據權益會計法，投資初步按成本確認，隨後予以調整以確認本集團在被投資方綜合收益表中所佔收購後溢利或虧損及於被投資方其他全面收益中所佔其他全面收益變動。已收或應收聯營公司股息乃確認為投資賬面值的減少。

當本集團分佔以權益法入賬投資的虧損等於或超過其佔實體的權益（包括任何其他無抵押長期應收款項）時，本集團不再確認進一步虧損，除非本集團代表其他實體承擔義務或支付款項。

本集團及其聯營公司間交易所產生未變現收益的對銷，只限於本集團於該等實體的應佔權益。未變現虧損亦會對銷，除非該交易有證據顯示所轉讓資產出現減值則作別論。以權益法入賬的被投資方的會計政策已按需要變更，以確保與本集團所採納政策貫徹一致。

以權益法入賬的投資的賬面值根據附註2.10所述政策進行減值測試。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Principles of consolidation and equity accounting (continued)

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in consolidated income statement. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associated company, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

2 主要會計政策概要 (續)

2.2 綜合原則及權益會計法 (續)

(iv) 擁有權權益變動

本集團將其與非控股權益進行而不構成喪失控制權的交易視為與本集團權益持有者間進行的交易。擁有權權益變動會導致控股及非控股權益賬面值調整，以反映各自於附屬公司的權益。非控股權益調整金額與已付或已收代價的差額，乃於本公司擁有人應佔權益內確認為獨立儲備。

倘本集團因喪失控制權或重大影響力而停止對一筆投資綜合入賬或使用權益會計法，於實體的任何保留權益按公平值重新計量，有關賬面值變動在綜合收益表確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額，按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重新分類至損益或根據適用香港財務報告準則所訂明／准許者，轉撥至另一權益類別。

倘減少聯營公司的擁有權權益但仍保留重大影響，則僅會將先前於其他全面收益確認的金額中按比例計算的份額重新分類至損益（倘適用）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in consolidated income statement as a bargain purchase.

2 主要會計政策概要 (續)

2.3 業務合併

所有業務合併均以收購會計法入賬，無論所收購者為權益工具或其他資產。收購一間附屬公司所轉讓的代價包括：

- 所轉讓資產的公平值
- 所收購對象先前擁有人產生的負債
- 本集團發行的股權
- 或然代價安排產生的任何資產或負債的公平值；及
- 任何先前存在的附屬公司股權的公平值

除有限例外情況外，於業務合併收購的可識別資產以及承擔的負債及或然負債，初步按收購日期的公平值計量。本集團根據個別收購交易按公平值或非控股權益應佔被收購實體可識別資產淨值的比例確認於被收購實體的任何非控股權益。

收購相關成本於產生時支銷。

- 所轉讓代價，
- 於被收購實體的任何非控股權益金額，及
- 任何先前於被收購實體的權益於收購日期的公平值

與已收購可識別資產淨值的公平值的差額按商譽列賬。倘上述金額低於所收購業務可識別資產淨值的公平值，有關差額會作為一項廉價購買直接於綜合收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Business combinations (continued)

Contingent consideration payable is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in consolidated income statement.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in consolidated income statement.

2.4 Separate financial statements

Investment in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of an investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investment in subsidiaries is required upon receiving a dividend from these investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that make strategic decisions.

2 主要會計政策概要 (續)

2.3 業務合併 (續)

應付或然代價歸類為權益或金融負債。歸類為金融負債的金額其後重新計量至公平值，公平值變動於綜合收益表確認。

倘業務合併分階段完成，收購方過往於收購對象所持股權於收購日期的賬面值重新計量至收購日期的公平值；該項重新計量所產生的任何收益或虧損，於綜合收益表確認。

2.4 獨立財務報表

於附屬公司的投資按成本值扣除減值列賬。成本包括直接應佔投資成本。附屬公司的業績乃由本公司按已收股息及應收款項基準入賬。

倘股息超出附屬公司宣派股息期間全面收益總額，或倘獨立財務報表中投資賬面值超出綜合財務報表所示投資對象資產淨值（包括商譽）的賬面值，則須於自該投資收取股息時，對該等附屬公司的投資進行減值測試。

2.5 分部報告

經營分部乃以與向主要經營決策者提交內部報告一致的方式呈報。主要經營決策者負責分配資源及評估經營分部的表現，已被確認為作出策略決策的執行董事。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates or the currency in which funds from financing activities are generated (the "functional currency"). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within administrative expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair values gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.6 外幣換算

(a) *功能及呈報貨幣*

本集團各實體於財務報表內入賬的項目採用有關實體經營所在主要經濟環境的貨幣或融資活動產生資金的貨幣（「功能貨幣」）計量。綜合財務報表以港元呈報，而港元為本公司的功能及本集團的呈報貨幣。

(b) *交易及結餘*

外幣交易按交易當日適用之匯率或重新計量項目之估值換算為功能貨幣。因結算交易及按年末匯率換算以外幣列值的貨幣資產及負債產生的外匯收益及虧損均於綜合收益表確認。

與借貸有關之外匯收益及虧損於綜合收益表之融資成本內呈列。所有其他外匯收益及虧損於綜合收益表之行政費用內按淨基準呈列。

按公平值計量並以外幣計值之非貨幣項目使用釐定公平值當日之匯率換算。按公允值列賬之匯兌差額呈報為公平值損益之一部分。例如，非金融資產及負債，如經損益表以公平值計量且其變化計入損益的持有之股權於損益表中確認為公平值收益或虧損之一部份，而非金融資產，例如歸類為可供出售金融資產之股權，乃於其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to consolidated income statement, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2 主要會計政策概要 (續)

2.6 外幣換算 (續)

(c) 集團公司

功能貨幣與呈報貨幣不相同的海外業務(全部均非高通脹經濟的貨幣)的業績及財務狀況,按以下方式換算為呈報貨幣:

- (i) 各資產負債表所呈列資產及負債,按結算日的收市匯率換算;
- (ii) 各收益表的收入及支出均按平均匯率換算,(惟此平均值並非該等交易日期通行匯率具累積效果的合理約數除外。在此情況下,收入及支出將按交易日期匯率換算);及
- (iii) 所有由此產生的匯兌差額在其他全面收益中確認。

於編製綜合賬目時,換算海外實體任何投資淨額及借貸產生的匯兌差額均於其他全面收益確認。當出售海外業務或償還構成該投資淨額部分的任何貸款,相關的匯兌差額於綜合收益表重新歸類為出售的部分收益或虧損。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債,並按收市匯率換算。產生的匯兌差額在其他全面收益中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment

Except for freehold land with indefinite useful life which is not amortised and stated at historical cost less impairment, all other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

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

Buildings	5% – 10%
Leasehold improvements	20% or over lease terms, whichever is shorter
Office furniture and equipment	18% – 25%
Plant and equipment	9% – 33%
Motor vehicles	18% – 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the consolidated income statement.

2 主要會計政策概要(續)

2.7 物業、廠房及設備

除了具有不確定可使用年期的永久業權土地不予攤銷及按歷史成本減值外，所有物業、廠房及設備按歷史成本減折舊及減值虧損入賬。歷史成本包括收購此等項目直接應佔開支。

當與項目有關的未來經濟利益可能流入本集團，以及項目成本能可靠計算時，其後成本才會計入資產的賬面值或確認為獨立資產（如適用）。已替換部份的賬面值被終止確認。所有其他維修及保養費於產生的財政期間在綜合收益表中扣除。

物業、廠房及設備的折舊以直線法於其估計可用年期內分配其成本至剩餘價值。所採用品率如下：

樓宇	5% – 10%
租賃物業裝修	20%或按租賃年期（以較短者為準）
辦公室傢俱及設備	18% – 25%
廠房及設備	9% – 33%
汽車	18% – 25%

資產的剩餘價值及可用年期會於各報告期末審閱及調整（如適用）。倘資產的賬面值超過其估計可收回金額，則其賬面值將即時撇減至其可收回金額。

出售資產的收益及虧損指出售所得款項與有關資產賬面值之間差額，並於綜合收益表的行政開支內確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

Construction in progress represents property, plant and equipment under construction or pending installation, and is stated at cost less impairment losses. Cost comprises direct costs of construction including borrowing costs attributable to the construction during the period of construction. No provision for depreciation is made on construction in progress until such time as the relevant assets are completed and ready for intended use.

2.8 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes and not larger than an operating segment.

(b) Brand names, contractual customer relationships and others

Brand names, contractual customer relationships and others acquired in a business combination are recognised at fair values at the acquisition date. These intangible assets have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method over their expected lives from 5 to 10 years to allocate the cost of them.

2 主要會計政策概要 (續)

2.7 物業、廠房及設備 (續)

在建工程指在建或待安裝的物業、廠房及設備，並按成本值扣除減值虧損列賬。成本為施工期間直接建造成本（包括施工應佔的借貸成本）。在相關資產完工並且可以使用前，不計入在建工程的折舊。

2.8 無形資產

(a) 商譽

商譽按附註2.10所述方式計量。收購附屬公司產生的商譽納入無形資產。商譽不會攤銷，但每年作減值測試，倘有事件或情況變化顯示商譽可能減值，則會更頻密地進行測試，並按成本減累計減值虧損列賬。出售實體的所得及虧損包括與被出售實體相關的商譽的賬面值。

商譽被分配至現金產生單位以作減值測試，且為分配至預期可從產生商譽之業務合併中得益之現金產生單位或現金產生單位組別。各單位或單位組別為就內部管理目的而監察商譽的最低層次，並且不得大於一個經營分部。

(b) 商標、合約客戶關係及其他

於業務合併時收購的商標、合約客戶關係及其他按照於收購日期的公平值確認。該等無形資產具有有限可使用年期及按照成本減累計攤銷列賬。攤銷乃使用直線法計算，分配至該等5至10年的預計年期內的成本。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Land use rights

Land use rights are stated at cost less accumulated amortisation and impairment losses. Cost represents upfront prepayments made for the rights to use the land for periods varying from 10 to 50 years. Amortisation of land use rights is charged to the consolidated income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is charged to the consolidated income statement.

2.10 Impairment of non-financial assets

Goodwill not subject to amortisation is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要 (續)

2.9 土地使用權

土地使用權按成本減累計攤銷及減值虧損列賬。成本指就使用土地權利而支付之預付款項，為期10至50年。土地使用權攤銷於租期內按直線法在綜合收益表中扣除，或當出現減值，有關減值在綜合收益表中扣除。

2.10 非金融資產的減值

商譽每年進行減值測試，或倘有事件或情況變動表明其可能出現減值，則會更頻繁地進行減值測試。須攤銷的資產須於未必可收回賬面值的事件或變動發生時檢討是否出現減值。減值虧損為資產賬面值超越其可收回價值的數額。可收回金額為資產公平值減出售成本後的價值，與其使用價值之間的較高者。就評估資產減值而言，本集團按個別可識別現金流量（現金產生單位）的最低水平劃分資產類別。除商譽外，已蒙受減值的非金融資產在各報告期間均就減值是否可以撥回進行檢討。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets and liabilities

2.11.1 Classification

The Group classifies its financial assets and liabilities in the following categories: loans and receivables, available-for-sale financial assets, financial liability at fair value through profit or loss, and other financial liabilities at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables include "trade and bills receivables", "deposits and other receivables", "restricted cash" and "cash and cash equivalents" in the consolidated balance sheet.

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

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

2 主要會計政策概要(續)

2.11 金融資產及負債

2.11.1 分類

本集團將其金融資產及負債劃分為以下類別：按公平值計量且其變動計入收益表、貸款及應收款項、可供出售金融資產、按公平值計量且其變動計入當期損益的金融負債、按攤銷成本計量的其他金融負債。分類取決於收購金融資產的目的。管理層於初步確認時釐定其金融資產的分類。

(a) *貸款及應收款項*

貸款及應收款項為於活躍市場並無報價的固定或可予釐定付款的非衍生金融資產。彼等計入流動資產，惟報告期結束後超過12個月償付或預期將予償付的款項除外。此等貸款及應收款項被列為非流動資產。本集團的貸款及應收款項包括綜合資產負債表內的「應收賬款及應收票據」、「按金及其他應收款項」、「受限制現金」及「現金及現金等價物」。

(b) *可供出售金融資產*

可供出售金融資產為被指定為此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內出售該項投資，否則會將其計入非流動資產。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets and liabilities (continued)

2.11.1 Classification (continued)

(c) Financial liability at fair value through profit or loss

Financial liability at fair value through profit or loss is initially measured at fair value. At each balance sheet date subsequent to initial recognition, financial liability at fair value through profit or loss is measured at fair value, with changes in fair value recognised directly in the profit and loss account in the period in which they arise. The Group financial liability at fair value through profit or loss includes contingent consideration payable.

(d) Other financial liabilities at amortised cost

Other financial liabilities at amortised cost are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method. The Group's other financial liabilities at amortised cost comprise 'trade payables', 'other payables and accruals' and 'borrowings' in the consolidated balance sheet.

2 主要會計政策概要 (續)

2.11 金融資產及負債 (續)

2.11.1 分類 (續)

(c) 按公平值計量且其變動計入損益的金融負債

按公平值計量且其變動計入損益的金融負債初步按公平值計入損益。於初步確認後之各資產負債表日期，按公平值計量且其變動計入損益的金融負債按公平值計量，且公平值變動直接於彼等所產生的期間的損益賬內確認。本集團按公平值計量且其變動計入損益的金融負債包括或然代價。

(d) 按攤銷成本列賬的其他金融負債

按攤銷成本列賬的其他金融負債初步按公平值計量及隨後按攤銷成本採用實際利率法計量。本集團的其他按攤銷成本列賬的金融負債包括綜合資產負債表的「應付賬款」、「其他應付賬款及應計款項」及「借貸」。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Financial assets and liabilities (continued)

2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments or loans and receivables have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On derecognition of financial assets, the difference between the carrying amount and the consideration received is recognised in the consolidated income statement. Available-for-sale financial assets are subsequently carried at fair values. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

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

2 主要會計政策概要 (續)

2.11 金融資產及負債 (續)

2.11.2 確認及計量

以日常方式買賣的金融資產於交易日確認，交易日為本集團承諾購買或出售資產之日。就所有並非按公平值計量且其變化計入損益的金融資產而言，投資初步按公平值加交易成本確認。倘收取投資現金流量的權利屆滿或轉移且本集團已將所有權絕大部分風險及所有回報轉移，則終止確認金融資產。在終止確認金融資產時，賬面價值與收到的對價之間的差額在合併收益表中確認。可供出售金融資產其後按公平值列賬。貸款及應收款項其後採用實際利率法按攤銷成本列賬。

分類為可供出售的貨幣及非貨幣證券的公平值變動乃於其他全面收益內確認。

當分類為可供出售的證券被售出或出現減值時，在權益內確認的累計公平值調整乃計入綜合收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.13 Impairment of financial assets

The Group assesses at each of the balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(a) *Assets carried at amortised cost*

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2 主要會計政策概要 (續)

2.12 金融工具抵銷

倘若存在合法可強制執行的權利以抵銷所確認金額及擬按淨額基準結算或變現資產及同時結算負債，則金融資產與負債相互抵銷，而淨額於綜合資產負債表內呈報。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘本公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.13 金融資產減值

本集團於每個結算日評估是否存在客觀證據顯示一項或一組金融資產出現減值。僅在有客觀證據證明減值乃由於初步確認資產後出現一項或多項事件（「虧損事件」），而該（或該等）虧損事件對一項或一組金融資產之估計未來現金流量有影響而該等影響能可靠估量時，一項或一組金融資產方會減值及產生減值虧損。倘股本投資分類為可供出售，證券公平值重大或長期下跌至低於其成本值，則視為該等資產減值之指標。

(a) *按攤銷成本列賬之資產*

就貸款及應收賬款類別而言，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用損失）的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。

如在隨後期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損可在綜合收益表轉回。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Impairment of financial assets (continued)

(b) Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated income statement – is removed from equity and recognised in the consolidated income statement.

Impairment losses on equity instruments that were recognised in consolidated income statement are not reversed through consolidated income statement in a subsequent period.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.15 Trade, bills and other receivables

Trade, bills and other receivables including retention money receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade, bills and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indication that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the consolidated income statement.

2 主要會計政策概要 (續)

2.13 金融資產減值 (續)

(b) 分類為可供出售之資產

倘可供出售金融資產有客觀減值證據，累計虧損（按收購成本與當前公平值兩者之間的差額減該項金融資產先前於綜合收益表內確認的任何減值虧損計量）乃自權益中剔除，並於綜合收益表內確認。

於綜合收益表確認的權益投資的減值虧損於其後期間不會於綜合收益表撥回。

2.14 存貨

存貨乃以成本值及可變現淨值兩者中較低者列賬。成本以加權平均法釐定。製成品及在製品的成本包括原材料及有關生產經常開支（按正常營運能力計算）。可變現淨值為正常業務過程中的估計售價扣除適用的可變銷售開支。

2.15 應收賬款、應收票據及其他應收款項

應收賬款、應收票據及其他應收款項（包括應收預扣金額）初步按公平值確認，其後利用實際利率法按攤銷成本減減值撥備計量。當有客觀證據顯示本集團未能根據應收款項的原訂條款收回所有到期款項，即就應收賬款、應收票據及其他應收款項作出減值撥備。債務人的重大財務困難、債務人可能破產或進行債務重組，以及拖欠或逾期付款，均被視為應收款項已減值的跡象。撥備金額為資產的賬面值與按原實際利率折現的估計未來現金流量的現值的差額。資產的賬面值通過撥備賬調減，虧損金額在綜合收益表內行政開支項下確認。當應收賬款不可收回時，該金額在應收賬款撥備賬中撇銷。其後收回早前撇銷的金額則撥回扣除綜合收益表中的行政開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash on hand and deposits held at call with banks.

2.17 Share capital

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

2.18 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair values and subsequently measured at amortised cost using the effective interest method.

2.19 Borrowings

Borrowings are initially recognised at fair values, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated income statement as other income or finance costs.

2 主要會計政策概要 (續)

2.16 現金及現金等價物

於綜合現金流量表，現金及現金等價物包括手上現金及銀行活期存款。

2.17 股本

普通股分類為權益。直接歸屬於發行新股份或購股權的新增成本於權益中呈列為所得款項的減少（扣除稅項）。

2.18 應付及其他應付賬款

應付賬款是企業日常業務從供應商提供商品或勞務中須支付的義務。如果付款期限少於一年（或若更長在企業正常營業週期），應付賬款則被歸類為流動負債。否則，將被歸為非流動負債。

應付及其他應付賬款初步按公平值確認，其後使用實際利率法按攤銷成本計算。

2.19 借貸

借貸初步以公平值（經扣除所產生的交易成本）確認。借貸隨後按攤銷成本計量。所得款項（經扣除交易成本）與贖回金額之間的任何差額，乃於借貸期間在綜合收益表內以實際利率法確認。在貸款融資將可能部分或全部被提取的情況下，就設立貸款融資而支付的費用乃確認為貸款交易成本。在此情況下，該費用將被遞延，直至提取貸款時為止。在並無證據表明其將可能部分或全部被提取的情況下，該費用會作為流動資金服務的預付款項被撥充資本，並於其相關融資期間內予以攤銷。

當合約中規定的責任獲解除、取消或屆滿時，會將借貸從綜合資產負債表中移除。已消除或轉移至另一方的金融負債的賬面值與已付代價（包括所轉讓的非現金資產或所承擔的負債）之間的差額，乃於綜合收益表內確認為其他收入或財務費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Borrowings (continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 主要會計政策概要 (續)

2.19 借貸 (續)

除非本集團有無條件權利，將償付負債遞延至報告期後至少12個月，否則借貸會被分類為流動負債。

2.20 當期及遞延所得稅

本期間稅項開支包括當期及遞延稅項。稅項於綜合收益表確認，稅項是有關於其他全面收益項下確認或直接計入權益的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

(a) 當期所得稅

當期所得稅支出根據本公司附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

遞延所得稅乃就資產與負債的稅基及有關資產與負債於綜合財務報表中的賬面值兩者的暫時差額，以負債法悉數撥備。然而，倘遞延稅項負債產生自初步確認商譽，則不會列賬。倘遞延所得稅乃產生自於交易（業務合併除外）內初步確認資產或負債，而於交易當時並無影響會計或應課稅溢利或虧損，亦不會列賬。遞延所得稅乃以於結算日制定或實質制定的稅率（及法例）釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Current and deferred income tax (continued)

(b) *Deferred income tax (continued)*

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(c) *Offsetting*

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2 主要會計政策概要 (續)

2.20 當期及遞延所得稅 (續)

(b) *遞延所得稅 (續)*

遞延稅項資產於未來可能有應課稅金額可用作抵銷暫時性差額及虧損時方予以確認。

當海外業務投資的賬面值及稅基出現暫時性差額，而本集團能夠控制暫時性差額撥回時間，且可能不會在可見將來撥回時，不會確認遞延稅項負債及資產。

(c) *抵銷*

倘有法定可執行權利將當期稅項資產與負債相互抵銷而遞延稅項結餘涉及同一稅務機構，則遞延稅項資產與負債可予相互抵銷。倘有關實體有法定可執行權利可抵銷及有意按淨值基準結算，或有意同時變現資產及結算負債，則當期稅項資產及負債可相互抵銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee benefits

(a) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision, where appropriate, is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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

(b) Post employment pension obligations

The Group operates various post-employment schemes, including both defined benefit and defined contribution pension plans.

The liability or asset recognised in the consolidated balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market in such bonds, the market rates on government bonds are used.

2 主要會計政策概要 (續)

2.21 僱員福利

(a) 僱員應有假期

僱員獲享的年假在僱員可享有時確認。本集團會對僱員服務至結算日所累積的年假估算負債作出撥備（倘適用）。

僱員獲享的病假及產假直至僱員休假之時方會確認。

(b) 離職退休金責任

本集團設有多項離職計劃，包括界定福利及界定供款退休金計劃。

於綜合資產負債表就界定福利退休計劃確認的負債或資產為於報告期末的階段福利責任減計劃資產的公平值。界定福利責任每年由獨立精算師採用預計單位記存法進行計算。

界定福利責任的現值乃以支付福利的貨幣計值及與相關責任的年期相若的優質公司債券的利率，貼現估計未來現金流出而釐定。在並無有關債券的交投暢旺市場的國家，採用政府債券的市場比例。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee benefits (continued)

(b) *Post employment pension obligations (continued)*

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the consolidated income statement.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the consolidated statement of changes in equity and in the consolidated balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in consolidated income statement as past service costs.

The Group also operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Pension Scheme") set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the Pension Scheme. The assets of the Pension Scheme are held separately from those of the Group in an independently administrated fund. The Group's employer contributions vest fully with the employees when contributed to the Pension Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to vesting fully in the contributions, in accordance with the rules of the Pension Scheme.

2 主要會計政策概要 (續)

2.21 僱員福利 (續)

(b) *離職退休金責任 (續)*

利息成本淨額按界定福利責任的結餘淨額及計劃資產公平值，採用貼現率計算。此項成本計入綜合收益表的僱員福利開支內。

根據經驗而調整所產生重新計量收益及虧損以及精算假設的變動，於產生期間直接在其他全面收益確認，並計入綜合權益變動表及綜合資產負債表的保留盈利內。

因修訂或縮減計劃而令界定福利責任的現值變動，其變動將即時在綜合收益表中確認為過往服務成本。

本集團亦為其所有香港僱員運作一個根據強制性公積金計劃條例設立的定額供款強制性公積金退休計劃（「退休計劃」）。退休計劃的供款按僱員基本薪金的某個百分比計算，並於根據退休計劃規定應支付供款時在綜合收益表扣除。退休計劃的資產與本集團的資產分開持有，並由獨立管理基金保管。本集團的僱主供款在向退休計劃作出供款時悉數歸屬僱員，惟本集團作出的僱主自願供款，會按照退休計劃的規則在僱員於有關供款全數歸屬前離職時退回予本集團。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Employee benefits (continued)

(b) *Post employment pension obligations (continued)*

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 7% to 20% of the wages for the year/period of those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group. Contributions to these retirement benefits schemes are charged to the consolidated income statement as incurred.

(c) *Profit sharing and bonus plans*

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2 主要會計政策概要 (續)

2.21 僱員福利 (續)

(b) *離職退休金責任 (續)*

本集團於支付供款後即無其他付款責任。供款於到期應付時確認為僱員福利開支，並於僱員於供款全數歸屬前離職所放棄供款時扣減。預付供款於退回現金或可對銷未來供款時確認為資產。

此外，根據中華人民共和國（「中國」）政府的規例，本集團須按中國員工該年度／期間的工資約7%至20%就若干退休福利計劃作出供款，由地方市政府承擔該等本集團僱員的退休福利責任。就該等退休福利計劃作出的供款於產生時在綜合收益表中扣除。

(c) *溢利分享及花紅計劃*

本集團按照特定計算方法就花紅及溢利分享確認負債及開支，該計算方法已計入本公司股東應佔溢利並作出若干調整。當出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Share-based payments

(a) Equity-settled share based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period which is the period over which all of the specified vesting conditions are to be satisfied.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

2 主要會計政策概要(續)

2.22 以股份為基礎支付

(a) 按股本結算以股份為基礎支付交易

本集團推行一項按股本結算、以股份為基礎支付酬金的計劃，據此，實體從其僱員獲得服務作為換取本集團權益工具（購股權）的代價。為換取授出購股權而獲得僱員服務的公平值乃確認為開支。列作開支的總金額，乃參照已授出的購股權的公平值釐定：

- 包括任何市場表現情況；
- 不包括任何服務及非市場表現歸屬條件（例如有關人士於一段特定期間內是否仍為該實體的僱員）；及
- 包括任何非歸屬條件的影響。

總開支於歸屬期內確認，其為將全部特定歸屬條件將滿足的期間。

於各報告期間結算日，本集團會修訂其對根據非市場表現及服務條件預期將歸屬的購股權數目的估計。其於綜合收益表確認對原來估計作出修訂的影響（如有），並在權益作出相應調整。

於購股權獲行使時，本公司發行新股份。已收所得款項於減去所有直接應佔交易成本後撥入股本（面值）及股份溢價。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Share-based payments(continued)

(b) *Share-based payment transactions among group entities*

The grant by the Company of options over its equity instruments to the employees of subsidiaries undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.23 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2 主要會計政策概要(續)

2.22 以股份為基礎支付(續)

(b) *集團實體間以股份為基礎支付交易*

本公司向為本集團工作的附屬公司僱員所授出其股本工具的購股權被視為資本出資。所獲得僱員服務的公平值乃參考授出日期的公平值計量，於歸屬期內確認為增加對附屬公司的投資，並相應計入母公司實體賬目的權益。

2.23 撥備

當本集團因過往事件承擔現有法律或推定責任，而解除責任很有可能導致資源流出，且金額能夠可靠計算的情況下，便會確認撥備。

倘承擔若干類似責任，於釐定解除責任是否導致資源流出時，將以整類責任類別為考慮。即使同類責任當中任何一項導致資源流出可能性甚低，亦會確認撥備。

撥備採用稅前利率按照預期需結算有關責任的支出現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value-added taxes. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables, including retention money receivables, is reasonably assured.

(b) Provision of services

Revenue from payment solutions services are recognised when the corresponding services are rendered.

Revenue from fixed-price maintenance services contracts is generally recognised in the period in which the services are provided, using the straight-line basis over the terms of contracts.

2.25 Interest income

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

2 主要會計政策概要 (續)

2.24 收入確認

收入乃按已收或應收代價之公平值計量，即所供應貨物之應收款項，扣除折扣、退貨及增值稅。當收入金額能夠可靠計量，且未來經濟利益有可能流入有關實體，並已符合本集團各業務所訂的個別條件（如下文所述）時，本集團將確認收入。本集團將根據其以往業績並考慮客戶類別、交易種類及各項安排的特點作出估計。

(a) 銷售貨品

當集團旗下實體交付產品予客戶及客戶接納產品時，且合理確定可以收回相關應收款項（包括應收預扣金額），即確認銷售貨品收入。

(b) 提供服務

來自提供支付解決方案服務的收入是於相關服務提供後確認。

來自固定價格合約的維護服務收入一般於提供服務期間於合約期內按直線法基準確認。

2.25 利息收入

利息收入以實際利率法按時間比例確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.27 Value-added tax refund

Value-added tax refund are recognised in “other income” in the consolidated income statement when there is a reasonable assurance that the refund will be received which generally occurs upon the receipt of the approval of tax refund from the local tax bureau.

2.28 Government grants

Grants from the government are recognised in “other income” in the consolidated income statement at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

2.29 Research and development

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.30 Dividend distribution

Dividend distribution to the Company’s shareholders is recognised as a liability in the Group’s financial statements in the period in which the dividends are approved by the Company’s shareholders or directors, where appropriate.

2 主要會計政策概要 (續)

2.26 租約 (經營租約的承租人)

凡擁有權所涉及大部分風險及回報由出租人保留的租約，均列作經營租約。根據經營租約所付租金在扣除來自出租人的任何優惠後，在租約年內以直線法在綜合收益表支銷。

2.27 增值稅退稅

倘有合理保證可收到退稅，即通常於收到當地稅務局的退稅批准後，本集團乃於綜合收益表的「其他收入」內確認增值稅退稅。

2.28 政府資助

倘有合理保證可收到政府資助而本集團亦將會遵行所有附帶條件時，該政府資助將會按公平值於綜合收益表「其他收入」確認。

2.29 研發

研究開支於產生時支銷。考慮其商業及技術可行性而認為該項目將成功且成本能可靠地計量時，於發展項目產生的成本（有關設計及測試新產品或改良產品）確認為無形資產。其他發展開支於產生時支銷。過往確認為開支的發展成本不會於往後期間確認為資產。

2.30 股息分派

向本公司股東分派的股息於本公司股東或董事（視乎適用情況）批准股息期內，在本集團的財務報表內確認為負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Foreign exchange risk

The Group's foreign currency transactions are mainly denominated in Renminbi ("RMB"), HK\$, United States dollar ("US\$") and European dollar ("EUR"). The majority of assets and liabilities are denominated in RMB, HK\$, US\$ and EUR, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities denominating in a currency other than HK\$, RMB, US\$, EUR or Korean Won ("WON"), which are the functional currencies of the major operating companies within the Group. The Group currently does not hedge its foreign currency exposure.

The management considers the foreign exchange risk with respect to US\$ is not significant as HK\$ is pegged to US\$ and transactions denominated in US\$ are mainly carried out by entities with the same functional currency. The exchange rate of RMB to HK\$ is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. The Group manages its foreign currency risk by closely monitoring the movement of the foreign currency rates.

3 財務風險管理

3.1 財務風險因素

本集團的活動使本集團承受多種財務風險：市場風險（包括貨幣風險、公平值利率風險、現金流利率風險及價格風險）、信貸風險及流動資金風險。本集團的整體風險管理計劃針對金融市場的不可預測性，力求將對本集團財務表現所造成的潛在不利影響降至最低。

(a) 市場風險

(i) 外匯風險

本集團的外幣交易主要以人民幣（「人民幣」）、港元、美元（「美元」）及歐元（「歐元」）計值。大部分資產及負債亦以人民幣、港元、美元及歐元計值，並無重大資產及負債以其他貨幣計值。本集團面對並非以港元、人民幣、美元、歐元或韓圓（本集團旗下主要營運公司的功能貨幣）計值的未來商業交易及已確認資產及負債所產生的外匯風險。現時，本集團並無對沖其外幣風險。

管理層認為，與美元有關的外匯風險並不重大，乃因港元與美元掛鈎，加上美元計值的交易主要由採用同種功能貨幣的實體進行。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及規例。本集團透過密切監控外幣匯率的變動來管控其外幣風險。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) **Market risk** (continued)

(i) *Foreign exchange risk* (continued)

For the companies with HK\$ as their functional currency

As at 31 December 2017, if RMB had weakened/strengthened by 5% against HK\$ with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$6,798,000 (2016: HK\$6,365,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of RMB denominated cash and cash equivalents and the current account with related parties.

As at 31 December 2017, if EUR had weakened/strengthened by 5% against HK\$ with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$1,308,000 (2016: HK\$508,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of EUR denominated cash and cash equivalents, trade receivables and the current account with related parties.

For the companies with RMB as their functional currency

As at 31 December 2017, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$2,168,000 (2016: HK\$2,141,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of HK\$ denominated cash and cash equivalents and the current account with related parties.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) **市場風險** (續)

(i) *外匯風險* (續)

以港元為其功能貨幣的公司

於二零一七年十二月三十一日，倘人民幣兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利及權益將減少／增加約6,798,000港元（二零一六年：6,365,000港元），主要由於換算以人民幣為單位的現金及現金等價物及關聯方往來賬目產生外匯差異所致。

於二零一七年十二月三十一日，倘歐元兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利及權益將減少／增加約1,308,000港元（二零一六年：508,000港元），主要由於換算以歐元為單位的現金及現金等價物、應收賬款及關聯方往來賬目產生外匯差異所致。

以人民幣為其功能貨幣的公司

於二零一七年十二月三十一日，倘港元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利及權益將減少／增加約2,168,000港元（二零一六年：2,141,000港元），主要由於換算以港元為單位的現金及現金等價物及關聯方往來賬目產生外匯差異所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) **Market risk** (continued)

(i) *Foreign exchange risk* (continued)

For the companies with EUR as their functional currency

As at 31 December 2017, if US\$ had weakened/strengthened by 5% against EUR with all other variables held constant, post-tax profit for the year and equity of the Group would have been approximately HK\$381,000 (2016: HK\$613,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of EUR denominated cash and cash equivalents and trade payables.

(ii) *Price risk*

The Group is not exposed to commodity price risk.

(iii) *Cash flow and fair value interest rate risk*

The income and operating cash flows of the Group and the Company are both substantially independent of changes in market interest rates. Both the Group and the Company have no significant interest-bearing assets, except for deposits placed with banks.

As at 31 December 2017, if interest rates on all interest-bearing bank and cash deposits had been 50 basis points higher/lower with all other variables held constant, profit for the year and equity of the Group would have been HK\$7,864,000 (2016: HK\$8,406,000) higher/lower respectively, due to higher/lower interest income earned on the deposits.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) **市場風險** (續)

(i) *外匯風險* (續)

以歐元為其功能貨幣的公司

於二零一七年十二月三十一日，倘美元兌歐元貶值／升值5%，而所有其他可變因素維持不變，本集團年內除稅後溢利及權益將增加／減少約381,000港元（二零一六年：613,000港元），主要由於換算以歐元為單位的現金及現金等價物及應付賬款產生外匯差異所致。

(ii) *價格風險*

本集團未面臨商品價格風險。

(iii) *現金流及公平值利率風險*

本集團及本公司的收入及經營現金流量大部分不受市場利率變動影響，本集團及本公司亦無重大計息資產（存於銀行的存款除外）。

於二零一七年十二月三十一日，倘所有計息的銀行及現金存款的利率高出／低於50個基點而所有其他變數維持不變，該年度的溢利及本集團的權益應會因存款所賺取的利息收入增加／減少而分別增加／減少7,864,000港元（二零一六年：8,406,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) **Market risk** (continued)

(iii) *Cash flow and fair value interest rate risk (continued)*

As at 31 December 2017, the Group's borrowings are all issued at fixed rates which expose the Group to fair value interest rate risk. Management considers the fair value exposure of the fixed rate borrowings is insignificant to the Group. As at 31 December 2016, the Group did not have any borrowing.

(b) **Credit risk**

The Group is exposed to credit risk in relation to its trade, bills and other receivables, restricted cash and deposits with banks.

The carrying amounts of trade, bills and other receivables, restricted cash and deposits with banks represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits of the Group are mainly placed with state-owned financial institutions and reputable banks. The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and an appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(a) **市場風險** (續)

(iii) *現金流及公平值利率風險 (續)*

於二零一七年十二月三十一日，本集團的借貸為按固定利率計息的所有階段，其令本集團面臨公平值利率風險。管理層認為固定利率借貸的公平值風險對本集團而言無關緊要。於二零一六年十二月三十一日，本集團並無任何借貸。

(b) **信貸風險**

本集團承受與其應收賬款、應收票據及其他應收款項、受限制現金及銀行存款有關的信貸風險。

應收賬款、應收票據及其他應收款項、受限制現金及銀行存款的賬面值乃本集團所面對有關金融資產的最大信貸風險。

為管控該風險，本集團的存款主要存入國有金融機構及有良好信譽的銀行。本集團已制定政策以確保銷售予擁有相當財政實力、信用歷史及支付適當百分比首期付款的信譽良好客戶，亦制定其他監控程序以確保採取跟進措施收回逾期債務。

此外，本集團定期審核個人客戶的信用限額授權及每項個別應收賬款的可收回金額，以確保已就不可收回款項計提充分的減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group has concentration of credit risk. Sales of goods and services to the top five customers constituted 53.5% (2016: 45.4%) of the Group's revenue for the year ended 31 December 2017. They accounted for approximately 43.6% (2016: 47.5%) of the gross trade receivable balances as at 31 December 2017. Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

(c) Liquidity risk

With prudent liquidity risk management, the Group aims to maintain sufficient cash and cash equivalents and ensure the availability of funding through an adequate amount of available financing, including short-term bank borrowings. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate amount of cash and cash equivalents and flexibility in funding through having available sources of financing.

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to interest-bearing bank deposits with appropriate maturities to manage its overall liquidity position. As at 31 December 2017, the Group maintained cash and cash equivalents of approximately HK\$2,165,224,000 (2016: HK\$2,207,205,000), that are expected to be readily available and sufficient to meet the cash outflows of its financial liabilities, hence, management considers that Group's exposure to liquidity risk is not significant.

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 信貸風險 (續)

本集團有信貸集中風險。截至二零一七年十二月三十一日止年度，向五大客戶銷售的貨物及服務佔本集團營業額53.5% (二零一六年：45.4%)。彼等於二零一七年十二月三十一日佔總應收賬款結餘約43.6% (二零一六年：47.5%)。本集團持續密切監控尚未償還應收結餘的收回情況，務求將信貸風險降至最低。

(c) 流動資金風險

透過審慎的流動資金風險管理，本集團致力維持充足的現金及現金等價值，或透過充足融資金額（包括短期銀行借貸）取得資金。由於相關業務的多變性質，本集團的融資部門透過維持充足的現金及現金等價值；及透過可動用融資來源維持資金的靈活性。

經營實體所持有的現金超過營運資金管理所需的餘額時，會被撥入具有適當期限的計息銀行存款以控制整體流動資金狀況。於二零一七年十二月三十一日，本集團持有現金及現金等價值約2,165,224,000港元（二零一六年：2,207,205,000港元），預期隨時可動用並足夠滿足金融負債的現金流出。因此，管理層認為，本集團所承受的流動資金風險並不重大。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

As at 31 December 2017, the Group's total available banking facilities, amounted to approximately HK\$18,031,000, of which approximately HK\$14,367,000 has been utilised. There were no banking facilities as at 31 December 2016.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

		Less than 1 year 少於一年 HK\$'000 千港元	Between 1 and 5 years 一至五年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2017	於二零一七年十二月三十一日			
Trade payables	應付賬款	953,084	-	953,084
Other payables and accruals	其他應付賬款及應計款項	115,075	2,991	118,066
Borrowings	借貸	15,838	-	15,838
Total	總計	1,083,997	2,991	1,086,988
At 31 December 2016	於二零一六年十二月三十一日			
Trade payables	應付賬款	662,485	-	662,485
Other payables and accruals	其他應付賬款及應計款項	37,976	-	37,976
Total	總計	700,461	-	700,461

3 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 流動資金風險 (續)

於二零一七年十二月三十一日，本集團之可用銀行融資總額約為18,031,000港元，其中已動用約14,367,000港元。於二零一六年十二月三十一日並無銀行融資。

下表根據結算日餘下期間至合約到期日的分析，將本集團的非衍生金融負債分為有關到期日組別。下表所披露的金額為合約未貼現現金流量。由於折現的影響不大，故於十二個月內到期的結餘相等於其賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of gearing ratio. This ratio is calculated as total debt divided by total equity. Total debt includes borrowings of the Group. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus total debt.

As at 31 December 2017, the gearing ratio was as follow:

		As at 31 December 2017 於二零一七年 十二月三十一日 HK\$'000 千港元
Borrowings (note 28)	借貸 (附註28)	14,367
Total debt	債項總額	14,367
Total equity	權益總額	3,897,066
Total capital	資本總額	3,911,433
Gearing ratio	資本負債比率	0.4%

The Group did not have any borrowing as at 31 December 2016.

3 財務風險管理 (續)

3.2 資本管理

本集團將其股東權益視為資本。本集團管理資本的目的為保障本集團繼續以持續經營方式為股東提供回報以及為其他利益相關者帶來利益，並且維持最佳資本結構以減少資金成本。

為維持或調整資本結構，本集團可調整向股東支付股息的金額、將資本退還予股東、發行新股份或出售資產以減少債項。

本集團基於資本負債比率監控資本。該比率按貸項總額除以權益總額計算。債項總額包括本集團借貸。資本總額為列於綜合資產負債表的「權益」加上債項總額計算。

於二零一七年十二月三十一日，資本負債比率為如下：

於二零一六年十二月三十一日，本集團並無任何借貸。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation

(i) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair values as at 31 December 2017 by level of valuation techniques used to measure fair values. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the Group's financial assets and financial liability that are measured at fair values at 31 December 2017.

		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Financial assets	金融資產				
Available-for-sale financial assets	可供出售金融資產				
– Unlisted investment fund	– 非上市投資基金	–	–	55,378	55,378
– Unlisted equity investment	– 非上市股本投資	–	–	19,139	19,139
				74,517	74,517
Financial liability	金融負債				
Financial liability at fair value through profit or loss	按公平值計量且其變化計入損益				
– Contingent consideration payable	– 應付或然代價	–	–	4,689	4,689

As at 31 December 2016, the Group did not have significant financial instruments measured at fair values.

There were no significant transfers between Level 1, Level 2 and Level 3 fair value hierarchy classifications (2016: same).

3 財務風險管理 (續)

3.3 公平值估計

(i) 公平值層級

下表分析本集團於二零一七年十二月三十一日以計量公平值所用的估值技術層級劃分的按公平值入賬金融工具。有關輸入數據分類為公平值層級內的三個層級如下：

- 相同資產或負債的活躍市場報價（未經調整）（第一級）。
- 除包含於第一級的報價外，資產或負債的可觀察直接（即價格）或間接（即源自價格者）輸入資料（第二級）。
- 並非根據可觀察市場資料而釐定的資產或負債的輸入資料（即不可觀察的輸入資料）（第三級）。

下表載列本集團於二零一七年十二月三十一日按公平值計量之金融資產及金融負債。

於二零一六年十二月三十一日，本集團概無按公平值計量之重大金融負債。

第1層、第2層及第3層公平值等級分類之間並無重大轉移。（二零一六年：同上）

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(i) **Fair value hierarchy** (continued)

(a) *Financial instruments in Level 1*

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets is the current bid price. These instruments are included in level 1.

(b) *Financial instruments in Level 2*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) *Financial instruments in Level 3*

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity investment and unlisted investment fund.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(i) **公平值層級** (續)

(a) *第一層金融工具*

在活躍市場買賣的金融工具(如公開交易的衍生品、交易及可供出售證券)的公平值,根據結算日的市場報價計算。金融資產所用市場報價為當時買入價。有關工具計入第一級。

(b) *第二層金融工具*

並非在活躍市場買賣的金融工具(如場外衍生工具)以估值技術釐定公平值,盡量採用可觀察市場數據,並盡量減少依賴實體的特定估計。若工具的公平值所需所有重大數據均為可觀察數據,則有關工具計入第二級。

(c) *第三層金融工具*

若一項或多項重大輸入數據並非以可觀察的市場數據為準,則有關工具計入第三級。這是非上市股本投資及非上市投資基金的情況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value level 3 financial instruments include techniques such as discounted cash flow analysis and net asset value model. There are no changes in valuation techniques during the year.

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including level 3 fair values. As part of the valuation process, this team reports directly to the chief financial officer (CFO) and external valuers will be engaged, if necessary.

In applying the discounted cash flow technique, management has taken into account the estimated amount that the Group would receive to sell the instrument at the balance sheet date, taking into account current interest rates and the current credit worthiness of the counterparties. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(ii) 釐定公平值所用的估值技術

用以就第3層金融工具估值的特定估值技術包括貼現現金流量分析及資產淨值模式等技術。於本年度，估值技術並無變動。

本集團財務部包括就財務報告所需而進行金融資產估值(包括第3層公平值)的團隊。於估值過程中，該團隊直接向財務總監匯報，並於有需要時委聘外部估值師。

應用貼現現金流量技術時，管理層已計及本集團會收取以於結算日出售工具的估計金額、現時利率以及對手方現時信用狀況。倘運用貼現現金流量技術，估計未來現金流量按管理層於結算日的最佳估計及與類似工具的相關市場貼現率作出。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial instruments for the year ended 31 December 2017:

		Available-for-sale financial assets		Financial liability at fair value through profit or loss
		可供出售金融資產		按公平值計量且其變化計入損益的金融負債
		Unlisted investment fund	Unlisted equity investment	Contingent consideration payable
		未上市投資基金	未上市股本投資	應付或然代價
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
As at 1 January 2017	於二零一七年一月一日	-	-	-
Addition	添置	58,219	17,126	-
Acquisition of a subsidiary (note 33(a))	收購一間附屬公司(附註33(a))	-	-	6,116
Fair value loss on revaluation recognised in other comprehensive income	於其他全面收益確認的重估公平值虧損	(5,592)	(553)	-
Fair value gains on revaluation recognised in consolidated income statement	於綜合收益表內確認的重估公平值收益	-	-	(2,216)
Exchange realignment	匯兌調整	2,751	2,566	789
As at 31 December 2017	於二零一七年十二月三十一日	55,378	19,139	4,689
Changes in fair value for the year included in consolidated income statement attributable to balances at the end of the reporting period	就報告期末關於該結餘計入綜合收益表內之年度公平值變動	-	-	(2,216)

3 財務風險管理(續)

3.3 公平值估計(續)

(iii) 使用重大不可觀察輸入數據的公平值計量(第3層)

下表呈列截至二零一七年十二月三十一日止年度第3層金融工具的變動：

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

Quantitative information about fair value measurements using significant unobservable inputs (Level 3):

- (a) *Available-for-sale financial asset – unlisted equity investment*
The key unobservable assumptions used in the valuation of the unlisted equity investment as at 31 December 2017 are:

Valuation technique	Unobservable inputs	As at 31 December 2017 於二零一七年 十二月三十一日
估值技術	不可觀察輸入數據	
Discounted cash flow analysis 折現現金流量分析	Pre-tax discount rate 稅前貼現率	19.6%
	Terminal growth rate 終端增長率	2.0%
	Compound annual growth rate 複合年增長率	27.4%

As at 31 December 2017, the pre-tax discount rate used to compute the fair value is 19.6%. If the discount rate shifted upward by 1%, the impact on other comprehensive income would be HK\$1,972,000. The higher the pre-tax discount rate, the lower the fair value.

3 財務風險管理 (續)

3.3 公平值估計 (續)

(iii) 使用重大不可觀察輸入數據的公平值計量 (第3層) (續)

有關使用重大不可觀察輸入數據的公平值計量 (第3層) 的定量資料:

- (a) *可供出售金融資產—非上市股本投資*
於二零一七年十二月三十一日非上市股本投資估值採用的主要不可觀察假設為:

於二零一七年十二月三十一日，用於計算公平值的稅前貼現率為19.6%。倘該貼現率上升1%，對其他全面收益的影響將為1,972,000港元。稅前貼現率越高，公平值越低。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

(iii) Fair value measurements using significant unobservable inputs (level 3) (continued)

(b) Available-for-sale financial asset – unlisted investment fund

The key unobservable assumption used in the valuation of the unlisted investment fund as at 31 December 2017 is:

Valuation technique	Unobservable input	As at 31 December 2017 於二零一七年 十二月三十一日
估值技術	不可觀察輸入數據	
Net asset value (Note i) 資產淨值 (附註i)	N/A 不適用	N/A 不適用

Note:

(i) The Group has determined that the audited net asset value approximates fair value of the unlisted investment fund after applying a portfolio discount of 10%.

(c) Financial liability at fair value through profit or loss – contingent consideration payable

The fair value of the contingent consideration payable is generally derived using discounted cash flow analysis. The key unobservable assumption used in the analysis as at 31 December 2017 is discount rate. Management considers that the impact of discounting is not significant.

There were no significant transfers of financial assets between the fair value hierarchy classifications during the year.

The available-for-sale financial assets represent an investment in a 20% equity interest of an unlisted company incorporated in Sweden and an investment in unlisted equity fund incorporated in the PRC (note 16).

3 財務風險管理 (續)

3.3 公平值估計 (續)

(iii) 使用重大不可觀察輸入數據的公平值計量 (第3層) (續)

(b) 可供出售金融資產—非上市投資基金

於二零一七年十二月三十一日非上市投資基金估值採用的主要不可觀察假設為：

As at
31 December 2017
於二零一七年
十二月三十一日

N/A
不適用

附註：

(i) 本集團確定在應用投資組合折讓10%後，經審核資產淨值相當於非上市投資基金的公平值。

(c) 按公平值計量且其變化計入損益的金融負債—應付或然代價

應付或然代價的公平值一般使用折現現金流量分析得出。於二零一七年十二月三十一日的分析所採用的主要不可觀察假設為貼現率。管理層認為貼現的影響並不重大。

年內，概無公平值等級分類間的金融資產重大轉讓。

可供出售金融資產指於一間在瑞典成立的非上市公司的20%股權及於一隻在中國成立的非上市股本基金的投資 (附註16)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.4 Offsetting financial assets and financial liabilities

No financial assets and financial liabilities were subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2016 and 2017.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated financial statements are evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

(a) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current tax and deferred tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

3 財務風險管理 (續)

3.4 抵銷金融資產和金融負債

於二零一六年及二零一七年十二月三十一日，概無金融資產及金融負債須作抵銷、可執行總互抵安排和類似安排。

4 重要會計估計及判斷

用於編製綜合財務報表的估計及判斷，乃基於過往經驗及其他因素，包括預期日後在有關情況下相信會合理出現的事件而作出。本集團作出有關未來的估計及假設。按此規範，所作的會計估計甚少與有關的實際結果相同。下文載列有極大風險會導致須對下一個財政期間資產與負債的賬面值作出重大調整的估計及假設。

(a) 所得稅及遞延稅款

對所得稅釐定撥備時，需要作出重要的判斷。許多交易及計算的最終釐定無法確定。當最終的稅款結果與最初記賬金額不同時，有關差額將影響釐定期間的當期稅項和遞延稅款資產及負債。

當管理層認為將來很有可能應課稅溢利以抵銷暫時性差額或可使用稅務虧損時，有關若干暫時性差額及稅務虧損的遞延稅項資產予以確認。實際使用的結果可能不同。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Provision for inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is written down to net realisable value when there is an objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sales have increased.

The amount written off in the consolidated income statement is the difference between the carrying value and net realisable value of the inventories. In determining whether the inventories can be recoverable, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered. During the year, certain inventories written down in prior years have been subsequently sold at prices higher than their then net realisable value. Provision regarding these inventories have been reversed. Based on management's best estimates, an impairment provision of HK\$48,742,000 was made as at 31 December 2017 (2016: HK\$50,566,000) (note 20).

(c) Impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to the receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and provision for impaired receivables in the period in which such estimate has been changed.

4 重要會計估計及判斷 (續)

(b) 存貨撥備

存貨乃按成本及可變現淨值兩者之間較低者入賬。倘有客觀證據顯示存貨成本或不能收回，則將存貨成本撇減至可變現淨值。倘存貨損壞、全部或部份陳舊或售價下跌，則可能不能收回存貨成本。倘進行銷售將予產生的估計成本增加，亦可能導致不能收回存貨成本。

於綜合收益表撇銷的金額為存貨的賬面值與可變現淨值之間的差額。於釐定可收回的存貨成本時須作出重大判斷。於作出有關判斷時，本集團會評估（其中包括）以任何方式收回金額的時間及情況。年內，過往年度撇減的若干存貨以高於它們的可變現淨值出售，該存貨撥備因此被撥回。根據管理層的最佳估計，於二零一七年十二月三十一日作出減值撥備48,742,000港元（二零一六年：50,566,000港元）（附註20）。

(c) 應收款項減值

本集團根據評估應收款項的可收回性作出應收款項減值撥備。撥備於若干事件或變動顯示未能收回結餘時應用於應收款項。識別減值需要判斷及估計。倘預期有別於原先估計，有關差異將於該估計改變期間影響應收款項的賬面值及就已減值應收款項作出的撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND OTHER INCOME

The Group is principally engaged in the sales of E-payment Terminals products, the provision of payment solutions services and maintenance and installation services. Revenue and other income recognised during the year are as follows:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入		
Sales of E-payment Terminals products	銷售電子支付終端產品	3,429,679	2,757,632
Services:	服務:		
Payment solutions services	支付解決方案服務	95,612	125,101
Maintenance and installation services	維護及安裝服務	65,789	32,109
		3,591,080	2,914,842
Other income	其他收入		
Interest income	利息收入	20,847	15,005
Value-added tax refund (Note (i))	退還增值稅(附註(i))	35,182	44,840
Subsidy income	補貼收入	12,286	10,138
Others	其他	6,739	1,610
		75,054	71,593

Note (i) The amount represents the Group's entitlement to value-added tax refund in relation to the sales of self-developed software products in the PRC.

The management reviews the Group's internal reporting in order to assess performance and allocate resources. The management has determined the operating segments based on the internal reports reviewed by the Executive Directors to make strategic decisions. The Group is principally engaged in the E-payment Terminals solutions business, and the management considers that the Group operates in one single business segment.

The Group primarily operates in Hong Kong, the PRC (China excluding Hong Kong, Macau and Taiwan), the United States of America (the "US") and Italy. The management assesses the performance of the Group from a geographic perspective based on the locations of the subsidiaries in which revenues are generated.

The management assesses the performance of the operating segments based on a measurement of segmental operating profit/(loss).

5 收入及其他收入

本集團主要從事銷售電子支付終端產品、提供支付解決方案服務及維護及安裝服務。於有關年度已確認的收入及其他收入如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Revenue	收入		
Sales of E-payment Terminals products	銷售電子支付終端產品	3,429,679	2,757,632
Services:	服務:		
Payment solutions services	支付解決方案服務	95,612	125,101
Maintenance and installation services	維護及安裝服務	65,789	32,109
		3,591,080	2,914,842
Other income	其他收入		
Interest income	利息收入	20,847	15,005
Value-added tax refund (Note (i))	退還增值稅(附註(i))	35,182	44,840
Subsidy income	補貼收入	12,286	10,138
Others	其他	6,739	1,610
		75,054	71,593

附註(i) 該金額指本集團於中國銷售自主開發軟件產品而享有的增值稅退款。

管理層審閱本集團內部報告以評估表現並分配資源。管理層根據由執行董事所審閱以作出策略決定的內部報告而釐定業務分類。本集團主要從事電子支付終端解決方案業務，及管理層認為本集團經營單一業務分類。

本集團主要於香港、中國(中國不包括香港、澳門及台灣)、美國及意大利經營。管理層從地域角度按產生收入之附屬公司的位置評估本集團的表現。

管理層根據分類經營溢利/(虧損)的計量評估經營分類的表現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION

An analysis of the Group's turnover and results during the year by segment is as follows:

6 分類資料

於有關年度及按分類劃分的本集團營業額及業績分析如下：

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Turnover from external customers	來自外部客戶的營業額	1,417,336	1,811,570	254,723	107,451	-	3,591,080
Inter-segment turnover	分類間營業額	1,368,869	130,505	-	123	(1,499,497)	-
Total turnover	總營業額	2,786,205	1,942,075	254,723	107,574	(1,499,497)	3,591,080
Segmental earnings before interest expense, taxes, depreciation and amortisation ("EBITDA")	分類除利息支出、稅項、折舊及攤銷前盈利 ("EBITDA")	127,879	494,079	3,659	2,110	7,774	635,501
Depreciation (note 7)	折舊(附註7)	(21,023)	(567)	(170)	(1,066)	-	(22,826)
Amortisation (note 7)	攤銷(附註7)	(6,227)	(500)	-	(1,454)	-	(8,181)
Impairment of assets (note 7)	資產減值(附註7)	(176,471)	-	-	-	-	(176,471)
Segmental operating (loss)/profit	分類經營(虧損)/溢利	(75,842)	493,012	3,489	(410)	7,774	428,023
Finance costs	財務費用						(3,801)
Share of result of an investment accounted for using equity method	按權益法入賬的投資業績						318
Profit before income tax	所得稅前溢利						424,540
Income tax expense	所得稅開支						(87,974)
Profit for the year	年內溢利						336,566

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

		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Turnover from external customers	來自外部客戶的營業額	1,622,321	1,042,909	176,669	72,943	-	2,914,842
Inter-segment turnover	分類間營業額	914,695	163,560	-	-	(1,078,255)	-
Total turnover	總營業額	2,537,016	1,206,469	176,669	72,943	(1,078,255)	2,914,842
Segmental EBITDA	分類EBITDA	438,711	249,023	5,055	3,065	3,623	699,477
Depreciation (note 7)	折舊(附註7)	(6,180)	(253)	(345)	(377)	-	(7,155)
Amortisation (note 7)	攤銷(附註7)	(2,352)	-	-	(877)	-	(3,229)
Segmental operating profit	分類經營溢利	430,179	248,770	4,710	1,811	3,623	689,093
Finance costs	財務費用						(10,794)
Profit before income tax	所得稅前溢利						678,299
Income tax expense	所得稅開支						(74,865)
Profit for the year	年內溢利						603,434

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The segment assets and liabilities as at 31 December 2017 and additions to non-current assets for the year ended 31 December 2017 are as follows:

		As at 31 December 2017 於二零一七年十二月三十一日					
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Segment assets	分類資產	3,728,617	1,877,835	193,693	99,475	(667,404)	5,232,216
Segment liabilities	分類負債	1,484,612	319,254	230,166	50,835	(749,717)	1,335,150

		Year ended 31 December 2017 截至二零一七年十二月三十一日止年度					
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Additions to non-current assets	非流動資產的添置	112,194	66,981	608	33,888	-	213,671

6 分類資料(續)

於二零一七年十二月三十一日的分類資產及負債以及截至二零一七年十二月三十一日止年度非流動資產的添置如下：

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綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The segment assets and liabilities at 31 December 2016 and additions to non-current assets for the year ended 31 December 2016 were as follows:

		As at 31 December 2016 於二零一六年十二月三十一日					
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Segment assets	分類資產	3,360,671	1,483,999	127,537	70,631	(609,775)	4,433,063
Segment liabilities	分類負債	1,224,057	113,234	167,499	20,695	(593,705)	931,780

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度					
		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外) HK\$'000 千港元	Hong Kong and others 香港及其他 HK\$'000 千港元	US 美國 HK\$'000 千港元	Italy 意大利 HK\$'000 千港元	Elimination 抵銷 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Additions to non-current assets	非流動資產的添置	179,980	122	170	887	-	181,159

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

Segmental EBITDA represents segmental operating profit/ (loss) before finance costs, income tax expense, depreciation of property, plant and equipment, amortisation of land use rights and intangible assets and impairment of assets. Segment assets consist primarily of property, plant and equipment, land use rights, intangible assets, available-for-sale financial assets, investment accounted for using the equity method, other non-current assets, inventories, trade and bills receivables, deposits and other receivables, restricted cash and cash and cash equivalents. Segment liabilities consist primarily of trade payables, other payables and accruals, current tax liabilities and borrowings.

Additions to non-current assets mainly comprise additions to property, plant and equipment, land use rights and intangible assets including additions resulting from acquisitions through business combinations.

In 2017, revenue of approximately HK\$1,163,702,000 (2016: HK\$529,405,000) is derived from the largest customer, representing 32.4% (2016: 18.2%) of the total revenue, which is attributable to the HK operating segment; HK\$259,617,000 (2016: HK\$263,550,000) is derived from the second largest customer, representing 7.2% (2016: 9.0%) of the total revenue, which is attributable to the PRC operating segment.

Information provided to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

The Group is mainly domiciled in Hong Kong, the PRC, the US and Italy.

6 分類資料(續)

分類EBITDA指扣除融資成本、所得稅開支、物業、廠房及設備折舊、土地使用權及無形資產攤銷及資產減值以前的分類經營溢利／(虧損)。分類資產主要包括物業、廠房及設備、土地使用權、無形資產、可供出售金融資產、按權益法入賬的投資、其他非流動資產、存貨、應收賬款及應收票據、按金及其他應收款項、受限制現金以及現金及現金等價值。分類負債主要包括應付賬款、其他應付賬款及應計款項以及當期稅項負債及借貸。

非流動資產添置主要包括對物業、廠房及設備、土地使用權及無形資產(包括透過業務合併收購所得的添置)。

於二零一七年，為數約1,163,702,000港元(二零一六年：529,405,000港元)的收入乃來自最大客戶，該等收入佔總收入的32.4%(二零一六年：18.2%)並歸屬於香港業務分部。為數約259,617,000港元(二零一六年：263,550,000港元)的收入乃來自第二大客戶，該等收入佔總收入的7.2%(二零一六年：9.0%)並歸屬於中國業務分部。

向執行董事報告的計量方法與綜合財務報表內方法一致。

本集團主要以香港、中國、美國及意大利為註冊地。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The Group's non-current assets by geographical location, which is determined by the geographical location in which the asset is located, is as follows:

6 分類資料(續)

按該資產所在地劃分的本集團非流動資產載列如下：

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產		
PRC, other than Hong Kong, Macau and Taiwan	中國(香港、澳門及台灣除外)	244,700	196,845
Hong Kong and others	香港及其他	96,718	626
US	美國	562	125
Italy	意大利	51,063	15,048
		393,043	212,644

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses, administrative expenses and impairment of assets are analysed as follows:

7 按性質劃分的開支

計入銷售成本、銷售開支、行政開支及資產減值的開支分析如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Remuneration to the Company's auditor	本公司核數師酬金		
– Group's annual audit services	– 本集團年度核數服務	1,770	1,620
– audit services for Kwang Woo Information & Communication Co., Ltd (“Kwang Woo”)	– Kwang Woo Information & Communication Co., Ltd (「Kwang Woo」)核數服務	290	–
– non-audit services	– 非核數服務	1,209	480
Remuneration to other auditors	其他核數師酬金	435	208
Depreciation of property, plant and equipment (note 14)	物業、廠房及設備折舊(附註14)	22,826	7,155
Amortisation of land use rights (note 17)	土地使用權攤銷(附註17)	3,173	5
Amortisation of intangible assets (note 15)	無形資產攤銷(附註15)	5,008	3,224
Employee benefit expenses (including Directors' emoluments) (note 10)	僱員福利開支(包括董事酬金)(附註10)	482,845	308,140
Costs of inventories sold (note 20)	售出存貨成本(附註20)	2,098,181	1,620,895
Operating lease rentals in respect of buildings	樓宇的經營租賃租金	32,429	25,066
Research and development costs	研發成本	287,230	183,614
Sales commission	銷售佣金	25,509	13,661
Provision for impairment of receivables, net (note 21(c))	應收款項減值撥備—淨額(附註21(c))	2,941	586
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	30	117
Reversal of provision for obsolete inventories (note 20)	陳舊存貨撥備撥回(附註20)	(1,824)	(17,983)
Impairment of assets (Note a)	資產減值(附註a)	176,471	–

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE (continued)

Note a

Impairment of assets (note 15), consists of:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Shanghai New Kashuo Information Technology Company Limited ("Shanghai Kashuo") and its subsidiaries (collectively the "Kashuo Group")	上海新卡說信息技術有限公司 (「上海卡說」) 及其附屬公司 (統稱「卡說集團」)		
– Impairment of property, plant and equipment (note 14)	– 物業、廠房及設備的減值 (附註14)	37,723	–
– Impairment of goodwill and other intangible assets* (note 15)	– 商譽及其他無形資產減值* (附註15)	53,837	–
– Impairment of trade receivables (note 21)	– 應收賬款減值 (附註21)	40,279	–
– Impairment of other assets	– 其他資產減值	27,119	–
Suzhou leasy Information Technology Co. Ltd ("Suzhou leasy")	蘇州知行易信息技術有限公司 (「蘇州知行易」)		
– Impairment of goodwill and other intangible assets* (note 15)	– 商譽及其他無形資產減值* (附註15)	17,513	–
		176,471	–

* The amounts include the reversals of deferred tax liabilities recognised on the date of acquisition, in connection with the intangible assets of Kashuo Group and Suzhou leasy with the amount of HK\$3,473,000 and HK\$391,000 respectively.

7 按性質劃分的開支 (續)

附註a

資產減值 (附註15) 包括：

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
上海新卡說信息技術有限公司 (「上海卡說」) 及其附屬公司 (統稱「卡說集團」)			
– 物業、廠房及設備的減值 (附註14)		37,723	–
– 商譽及其他無形資產減值* (附註15)		53,837	–
– 應收賬款減值 (附註21)		40,279	–
– 其他資產減值		27,119	–
蘇州知行易信息技術有限公司 (「蘇州知行易」)			
– 商譽及其他無形資產減值* (附註15)		17,513	–
		176,471	–

* 該金額包括於收購日確認與卡說集團及蘇州知行易無形資產相關的遞延稅項負債的撥回，分別為3,473,000港元及391,000港元。

8 NET FOREIGN EXCHANGE GAIN/LOSS

The net foreign exchange gain recognised in administrative expenses for the year ended 31 December 2017 amounted to HK\$5,141,000 (2016: net loss of HK\$7,270,000).

9 FINANCE COSTS

Factoring costs

8 外匯淨收益／虧損

截至二零一七年十二月三十一日止年度於行政開支中確認的外匯淨收益，為5,141,000港元 (二零一六年：淨虧損7,270,000港元)。

9 財務費用

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Factoring costs	保理業務費用	3,801	10,794

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

10 僱員福利開支(包括董事酬金)

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Wages and salaries	工資及薪金	430,844	267,322
Share options granted to employees	授予僱員的購股權	-	3,513
Social security and pension costs	社會保障及退休金成本	51,792	37,305
Employee benefit obligation – defined benefit plans	僱員福利債務—界定福利計劃	209	-
		482,845	308,140

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2017 included three Directors (2016: three) whose emoluments are reflected in the analysis shown in note 36. The emoluments payable to the remaining two (2016: two) individuals during the year are as follows:

五名最高薪人士

本集團截至二零一七年十二月三十一日止年度五名最高薪人士包括三名董事(二零一六年:三名),其酬金已於附註36分析內反映。本年度應付餘下二名(二零一六年:兩名)人士的酬金載列如下:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Salaries, allowances, share options and benefits in kind	薪金、津貼、購股權及實物福利	4,256	4,925
Pension cost	退休金成本	28	26
		4,284	4,951

The emoluments fell within the following band:

酬金介乎下列組別:

		Number of individuals	
		人數	
		2017	2016
		二零一七年	二零一六年
Emolument band	酬金組別		
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	2	2
		2	2

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INCOME TAX EXPENSE

11 所得稅開支

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Current income tax	即期所得稅		
– China corporate income tax	– 中國企業所得稅	6,913	41,454
– Hong Kong profits tax	– 香港利得稅	82,228	46,826
– Overseas profits tax	– 海外利得稅	13	644
Over provision in prior year, net	過往年度超額撥備，淨額	(1,147)	(871)
Total current income tax	即期所得稅開支總額	88,007	88,053
Deferred income tax	遞延所得稅	(33)	(13,188)
Income tax expense	所得稅開支	87,974	74,865

Hong Kong profits tax has been provided for at the rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the year ended 31 December 2017.

Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008 (the "CIT Law"), companies in the PRC are subject to income tax of 25% unless preferential rate is applicable.

- Pax Computer Technology (Shenzhen) Co., Ltd. ("Pax Computer Shenzhen"), a wholly owned subsidiary of the Company, is located in the Shenzhen Special Economic Zone. Pursuant to Caishui [2016] Circular 49 jointly released by the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission and the Ministry of Industry and Information Technology of the PRC, management performed self-assessment on the eligibility for the tax incentives. Management estimated that Pax Computer Shenzhen was qualified as a National Key Software Enterprise and entitled to the preferential corporate income tax rate of 10% (2016: 10%) for the year ended 31 December 2017. The application of the preferential tax rate is a critical accounting estimate as set out in note 4(a) to these financial statements.

截至二零一七年十二月三十一日止年度，香港利得稅根據估計應課稅溢利按稅率16.5%（二零一六年：16.5%）作出撥備。

海外溢利的稅項已根據本集團經營業務所在的司法權區的現行法例、詮釋及慣例，按現行稅率計算。

根據於二零零八年一月一日生效的中國企業所得稅法（「企業所得稅法」），中國公司須繳納25%的所得稅，除非優惠利率適用。

- 本公司附屬公司百富計算機技術（深圳）有限公司（「百富計算機深圳」）位於深圳經濟特區。根據財政部、國家稅務總局、國家發展和改革委員會以及中國工業和信息化部聯合發佈的財稅[2016]49號通知，管理層對稅務優惠的資格進行自我評估。管理層估計百富計算機深圳屬國家重要軟件企業，截至二零一七年十二月三十一日止年度有權享有10%（二零一六年：10%）優惠企業所得稅率。如附註4(a)所載，應用優惠稅率為重要會計估計。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INCOME TAX EXPENSE (continued)

- Wonder Pax Technology (Shenzhen) Co. Ltd. (“Wonder Pax”), a wholly owned subsidiary of the Company, obtained the approval from the relevant applicable tax authorities in April 2015 for a preferential tax treatment and is fully exempted from corporate income tax for two years, beginning in 2014, followed by a 50% tax exemption for the ensuing three years. As such, the applicable corporate income tax rate of Wonder Pax is 12.5% (2016: 12.5%) for the year ended 31 December 2017.

The taxation on the Group’s profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities in the respective jurisdictions as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	424,540	678,299
Tax calculated at domestic tax rates applicable to profits in the respective countries	按於各個國家產生溢利的適用當地稅率計算的稅項	46,540	89,279
Income not subject to taxation	毋須納稅的收入	(5,233)	(6,492)
Tax incentives for research and development expenses available for a subsidiary incorporated in the PRC (Note (i))	於中國註冊成立的附屬公司就研發費用的稅項優惠(附註(i))	(8,364)	(5,587)
Expenses not deductible for taxation purposes	就稅務而言不可扣減的開支	34,859	1,148
Tax losses for which no deferred income tax was recognised	未確認遞延所得稅的稅項虧損	21,891	8
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(572)	(2,620)
Over provision in prior year, net	上一年度超額撥備, 淨額	(1,147)	(871)
		87,974	74,865

Note (i): The Group obtained an incentive from the PRC tax authority relating to the research and development expenses of a subsidiary in the PRC. Under such tax incentive rule, the Group may claim an additional tax deduction up to 50% of the relevant research and development expenses incurred in a year approved by the PRC tax authority.

The weighted average applicable tax rate was 11.0% (2016: 13.2%) for the year ended 31 December 2017. The change is carried by a change in the profit ability mix of the Group’s subsidiaries in the respective countries.

11 所得稅開支(續)

- 本公司全資附屬公司萬達百滙科技(深圳)有限公司(「萬達百滙」)於二零一五年四月獲相關適用稅務機關批准享有優惠稅待遇,並於二零一四年開始獲全面免繳企業所得稅兩年,其後三年獲稅項豁免50%。因此,萬達百滙於截至二零一七年十二月三十一日止年度的適用企業所得稅稅率為12.5%(二零一六年:12.5%)。

本集團除所得稅前溢利的稅項與採用適用於各個司法權區的合併實體溢利的加權平均稅率計算的理論金額的差額如下:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	424,540	678,299
Tax calculated at domestic tax rates applicable to profits in the respective countries	按於各個國家產生溢利的適用當地稅率計算的稅項	46,540	89,279
Income not subject to taxation	毋須納稅的收入	(5,233)	(6,492)
Tax incentives for research and development expenses available for a subsidiary incorporated in the PRC (Note (i))	於中國註冊成立的附屬公司就研發費用的稅項優惠(附註(i))	(8,364)	(5,587)
Expenses not deductible for taxation purposes	就稅務而言不可扣減的開支	34,859	1,148
Tax losses for which no deferred income tax was recognised	未確認遞延所得稅的稅項虧損	21,891	8
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(572)	(2,620)
Over provision in prior year, net	上一年度超額撥備, 淨額	(1,147)	(871)
		87,974	74,865

附註(i): 本集團一間位於中國的附屬公司就其研發費用獲得中國稅務機關頒佈的一項稅項優惠。根據有關稅務優惠規則,本集團可申請額外降低稅項金額達年內相關研發費用的50%,由中國稅務機關批准。

截至二零一七年十二月三十一日止年度,加權平均適用稅率為11.0%(二零一六年:13.2%)。變動乃由於本集團於各國的附屬公司盈利能力組合出現變化所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年	2016 二零一六年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利(千港元)	407,507	600,908
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數(千股)	1,109,277	1,114,457
Basic earnings per share (HK\$ per share)	每股基本盈利(每股港元)	0.367	0.539

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share option. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年	2016 二零一六年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利(千港元)	407,507	600,908
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數(千股)	1,109,277	1,114,457
Adjustments for share options (thousand shares)	就購股權作出的調整(千股)	2,236	8,557
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	每股攤薄盈利的普通股加權平均數(千股)	1,111,513	1,123,014
Diluted earnings per share attributable to owners of the Company (HK\$ per share)	本公司持有人應佔每股攤薄盈利(每股港元)	0.367	0.535

12 每股盈利

(a) 基本

每股基本盈利乃按本公司持有人應佔本年度溢利除年內已發行普通股加權平均數計算。

(b) 攤薄

每股攤薄盈利的計算方式為假設轉換所有具潛在攤薄效應的普通股以調整已發行普通股的加權平均數。本公司現有一類具潛在攤薄效應的普通股購股權。就購股權而言，按尚未行使購股權所附認購權的貨幣價值計算，以釐定可按公平值(定為本公司股份期內的平均市價)購買的股份數目。按上述方式計算的股份數目與假設購股權獲行使時應已發行的股份數目作比較。

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 DIVIDENDS

In 2017, interim dividend of HK\$0.04 per ordinary share (2016: HK\$0.04 per ordinary share) was paid, amounting to approximately HK\$44,528,000 (2016: HK\$44,715,000). A final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2017 (2016: HK\$0.04 per ordinary share), amounting to HK\$44,008,000 (2016: HK\$44,315,000), is to be proposed at the annual general meeting on 20 April 2018. These financial statements do not reflect this dividend payable.

13 股息

於二零一七年，本公司已支付中期股息每股普通股0.04港元（二零一六年：每股普通股0.04港元），為數約44,528,000港元（二零一六年：44,715,000港元）。將於二零一八年四月二十日之股東週年大會建議有關截至二零一七年十二月三十一日止年度之末期股息每股普通股0.04港元（二零一六年：每股普通股0.04港元），為數44,008,000港元（二零一六年：44,315,000港元）。本財務報表並不反映該應付股息。

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Interim dividend paid of HK\$0.04 (2016: HK\$0.04) per ordinary share	已支付每股普通股0.04港元中期 股息（二零一六年：0.04港元）	44,528	44,715
Proposed final dividend of HK\$0.04 (2016: HK\$0.04) per ordinary share	每股普通股0.04港元的建議末期股息 （二零一六年：0.04港元）	44,008	44,315
		88,536	89,030

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Land and buildings 土地及 樓宇	Construction in process 在建工程	Leasehold improvements 租賃 物業裝修	Office furniture and equipment 辦公室 傢俱及設備	Plant and equipment 廠房及設備	Motor vehicles 汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31 December 2017	截至二零一七年 十二月三十一日止年度							
Opening net book amount	期初賬面淨值	-	-	1,442	8,595	55,796	2,086	67,919
Acquisitions of subsidiaries (note 33)	收購附屬公司（附註33）	16,352	-	228	2,116	3,216	817	22,729
Additions	添置	-	2,577	2,105	7,071	3,493	2,274	17,520
Disposals	出售	-	-	-	(30)	-	-	(30)
Impairment (note 15)	減值（附註15）	-	-	(1,204)	(2,110)	(33,643)	(766)	(37,723)
Depreciation (note 7)	折舊（附註7）	(37)	-	(587)	(3,635)	(17,808)	(759)	(22,826)
Exchange realignment	匯兌差額	(1)	94	203	846	2,662	165	3,969
Closing net book amount	期末賬面淨值	16,314	2,671	2,187	12,853	13,716	3,817	51,558
At 31 December 2017	於二零一七年 十二月三十一日							
Cost	成本	23,590	2,671	3,952	28,168	20,429	9,866	88,676
Accumulated depreciation and impairment	累計折舊及減值	(7,276)	-	(1,765)	(15,315)	(6,713)	(6,049)	(37,118)
Net book amount	賬面淨值	16,314	2,671	2,187	12,853	13,716	3,817	51,558

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT (continued)

14 物業、廠房及設備 (續)

		Land and buildings 土地及樓宇 HK\$'000 千港元	Leasehold improvements 租賃物業裝修 HK\$'000 千港元	Office furniture and equipment 辦公室傢俱及設備 HK\$'000 千港元	Plant and equipment 廠房及設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	-	1,386	4,909	2,970	2,215	11,480
Acquisitions of subsidiaries	收購附屬公司	-	-	1,115	-	-	1,115
Additions	添置	-	805	6,160	57,997	743	65,705
Disposals	出售	-	-	(117)	-	-	(117)
Depreciation (note 7)	折舊 (附註7)	-	(669)	(3,219)	(2,487)	(780)	(7,155)
Exchange realignment	匯兌差額	-	(80)	(253)	(2,684)	(92)	(3,109)
Closing net book amount	期末賬面淨值	-	1,442	8,595	55,796	2,086	67,919
At 31 December 2016	於二零一六年十二月三十一日						
Cost	成本	6,708	3,300	22,539	61,378	7,107	101,032
Accumulated depreciation	累計折舊	(6,708)	(1,858)	(13,944)	(5,582)	(5,021)	(33,113)
Net book amount	賬面淨值	-	1,442	8,595	55,796	2,086	67,919

Depreciation expense of HK\$15,517,000 (2016: HK\$1,633,000) has been charged to cost of goods sold and HK\$7,309,000 (2016: HK\$5,522,000) has been charged to administrative expenses.

折舊開支15,517,000港元(二零一六年:1,633,000港元)已計入銷售成本及7,309,000港元(二零一六年:5,522,000港元)已計入行政開支。

There is no transfer of plant and equipment from inventories for the year ended 31 December 2017 (2016: HK\$51,091,000).

截至二零一七年十二月三十一日止年度廠房及設備並無轉移自存貨(二零一六年:51,091,000港元)。

As at 31 December 2017, borrowings of HK\$10,716,000 (2016: Nil) were secured by land and buildings in Korea with a net book value of HK\$16,314,000 (note 28). There was no borrowing as at 31 December 2016.

於二零一七年十二月三十一日,10,716,000港元的借貸以賬面淨值16,314,000港元的韓國土地及樓宇作抵押(附註28)。於二零一六年十二月三十一日並無借貸。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 INTANGIBLE ASSETS

15 無形資產

		Goodwill	Brand names	Contractual customer relationships and others	Total
		商譽	商標	合約客戶關係及其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended 31 December 2017	截至二零一七年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	64,583	–	24,809	89,392
Acquisitions of subsidiaries (note 33)	收購附屬公司(附註33)	40,424	12,467	20,910	73,801
Impairment	減值	(59,077)	–	(16,137)	(75,214)
Amortisation (note 7)	攤銷(附註7)	–	(301)	(4,707)	(5,008)
Exchange realignment	匯兌差額	5,078	137	2,073	7,288
Closing net book amount	期末賬面淨值	51,008	12,303	26,948	90,259
At 31 December 2017	於二零一七年十二月三十一日				
Cost	成本	112,239	12,621	52,446	177,306
Accumulated amortisation and impairment	累計攤銷及減值	(61,231)	(318)	(25,498)	(87,047)
Net book amount	賬面淨值	51,008	12,303	26,948	90,259
		Goodwill	Brand names	Contractual customer relationships and others	Total
		商譽	商標	合約客戶關係及其他	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度				
Opening net book amount	期初賬面淨值	8,144	–	7,481	15,625
Acquisitions of subsidiaries (note 33)	收購附屬公司(附註33)	60,833	–	22,202	83,035
Amortisation (note 7)	攤銷(附註7)	–	–	(3,224)	(3,224)
Exchange realignment	匯兌差額	(4,394)	–	(1,650)	(6,044)
Closing net book amount	期末賬面淨值	64,583	–	24,809	89,392
At 31 December 2016	於二零一六年十二月三十一日				
Cost	成本	64,583	–	28,293	92,876
Accumulated amortisation	累計攤銷	–	–	(3,484)	(3,484)
Net book amount	賬面淨值	64,583	–	24,809	89,392

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 INTANGIBLE ASSETS (continued)

Amortisation of HK\$5,008,000 (2016: HK\$3,224,000) has been charged to administrative expenses.

The relevant goodwill is allocated to the respective groups of CGUs, which represent the lowest level within the Group at which the relevant goodwill is monitored for internal management purposes, and not larger than an operating segment.

As at 31 December 2017, the Group's goodwill of HK\$20,039,000 and HK\$30,969,000 is attributable to the acquisition of Kwang Woo and the operation in Italy respectively. As at 31 December 2016, the Group's goodwill of HK\$41,049,000, HK\$15,696,000 and HK\$7,838,000 was attributable to the acquisition of Kashuo Group, Suzhou leasy and the operation in Italy respectively.

The recoverable amounts of CGUs are determined based on a value in use calculation. The calculation uses pre-tax cash flow projection based on financial budgets approved by management covering a five-year period. Thereafter, the cash flows are extrapolated using the terminal growth rates not exceeding the long-term average growth rate of the countries in which the CGU operates.

15 無形資產(續)

攤銷5,008,000港元(二零一六年: 3,224,000港元)已自行政費用扣除。

相關商譽分配至有關現金產生單位組別。現金產生單位指就內部管理目的而對相關商譽進行監督的本集團最低層級，並且不得大於一個經營分部。

於二零一七年十二月三十一日，本集團的商譽20,039,000港元及30,969,000港元乃分別來自收購Kwang Woo以及意大利的業務。於二零一六年十二月三十一日，本集團的商譽41,049,000港元、15,696,000港元及7,838,000港元乃分別來自收購卡說集團、蘇州知行易以及意大利的業務。

現金產生單位的可收回款額基於使用價值計算釐定。該計算根據管理層所批准的五年期財政預算採用稅前現金流量預測進行計算。此後，推斷現金流量所採用的終端增長率不會超過現金產生單位經營所在國家的長期平均增長率。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 INTANGIBLE ASSETS (continued)

Impairment test for goodwill arising from the acquisition of Kwang Woo and the operation in Italy

The key assumptions are as follows:

		Kwang Woo		The operation in Italy 意大利的業務	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
Pre-tax discount rate	稅前貼現率	9.3%	N/A 不適用	20.3%	15.1%
Compound annual growth rate	複合年增長率	7.6%	N/A 不適用	23.2%	13.9%
Terminal growth rate	終端增長率	2.0%	N/A 不適用	2.0%	3.0%

The recoverable amount calculated based on value in use exceeded carrying value as at 31 December 2017. An increase in pre-tax discount rate to 1.4% and 0.3% would remove the remaining headroom for Kwang Woo and the operation in Italy, respectively.

Impairment test for goodwill arising from the acquisition of Kashuo Group

As disclosed in our announcement dated 16 November 2017, owing to the intensifying competition in the China payment market, various types of new operating models have created immense pressure on the operation of payment-related value-added services, particularly the online-to-offline closed loop business which Kashuo Group primarily operates. The business model and profitability of Kashuo Group have been accordingly affected by unexpected market competition and increasing uncertainties. Competitors have launched similar solutions with enhanced functionalities at lower cost to the market. Despite management's effort in launching a number of business initiatives, including offering discounted price and undertaking more promotion activities, Kashuo Group continued to suffer loss. The performance of Kashuo Group significantly dropped in the second half of 2017. In view of the above, the Group decided not to further the business of Kashuo Group. As a result, the Group recognised an impairment of goodwill and other intangible assets (including the reversal of deferred tax liabilities recognised on the date of acquisition in connection with the intangible assets) of HK\$53,837,000, provision for impairment of trade receivables of HK\$40,279,000, impairment of property, plant and equipment of HK\$37,723,000 and write-off of other assets of HK\$27,119,000 during the year ended 31 December 2017 (note 7).

15 無形資產 (續)

對收購Kwang Woo及意大利的業務所產生的商譽進行減值測試

主要假設載列如下：

		Kwang Woo		The operation in Italy 意大利的業務	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
Pre-tax discount rate	稅前貼現率	9.3%	N/A 不適用	20.3%	15.1%
Compound annual growth rate	複合年增長率	7.6%	N/A 不適用	23.2%	13.9%
Terminal growth rate	終端增長率	2.0%	N/A 不適用	2.0%	3.0%

於二零一七年十二月三十一日，根據使用價值計算的可收回款額超過賬面值。稅前貼現率增至1.4%及0.3%將分別抵銷Kwang Woo及意大利的業務的剩餘差額。

對收購卡說集團所產生的商譽進行減值測試

誠如本公司日期為二零一七年十一月十六日的公佈所披露，中國支付市場競爭日趨激烈，市場中多種不同的新經營模式為支付相關增值服務，特別是對卡說集團主營之線上及線下(O2O)閉環業務帶來龐大的營運壓力。因此，卡說集團之業務模式及盈利能力受到難以預料之市場競爭及不明朗因素增加所影響。競爭對手不斷以更低成本向市場推出功能更完善的相似解決方案。雖然管理層努力推行多項業務舉措（包括提供折扣價及進行更多推廣活動），但卡說集團持續虧損。二零一七年下半年卡說集團的表現大幅下滑。鑒於以上所述，本集團決定不再進一步進行卡說集團業務。因此，本集團於截至二零一七年十二月三十一日止年度確認商譽及其他無形資產減值（包括收購日確認無形資產相關的遞延稅項負債）為53,837,000港元、應收賬款減值撥備為40,279,000港元、物業、廠房及設備減值為37,723,000港元及其他資產撇銷為27,119,000港元（附註7）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 INTANGIBLE ASSETS (continued)

Impairment test for goodwill arising from the acquisition of Kashuo Group (continued)

A qualified PRC law firm has been appointed to follow up with the voluntary winding-up of Shanghai Kashuo in accordance with the laws of the PRC. Should Shanghai Kashuo liquidate, the Group is expected to recognise a potential gain of up to approximately HK\$60 million in reversal of its existing liabilities.

Impairment test for goodwill arising from the acquisition of Suzhou leasy

Suzhou leasy is principally engaged in the development and sales of enterprise resource planning management software in the PRC. During the year, the prospect of small-scale service providers such as Suzhou leasy has been significantly challenged by the intensifying competition induced by the major market players. Due to the continuous loss suffered by Suzhou leasy and the worsening market condition, the Group decided to scale down its expansion plan.

For the purpose of the goodwill impairment assessment, the Group revised its cash flow forecasts of this CGU. The management has assessed the recoverable amount of Suzhou leasy as at 31 December 2017 based on the fair-value less costs to sell calculation. The recoverable is considered insignificant which is lower than the carrying amount of this CGU, this shortfall leads to full impairment of goodwill and other intangible assets (including the reversal of deferred tax liabilities recognised on the date of acquisition in connection with the intangible assets) of HK\$17,513,000 during the year ended 31 December 2017 (note 7).

15 無形資產 (續)

對收購卡說集團所產生的商譽進行減值測試 (續)

一所合資格中國律師事務所已被委任依據中國法律跟進上海卡說的自願清盤。本集團預期將確認不多於約60百萬港元的潛在收益，以撥回其現有負債。

對收購蘇州知行易所產生的商譽進行減值測試

蘇州知行易主要在中國從事開發及銷售企業資源規劃管理軟件。年內，小規模的服務供應商如蘇州知行易的前景亦面臨其主要市場競爭對手所引發的激烈競爭的嚴峻挑戰。鑒於蘇州知行易持續虧損及市場惡化的狀況，本集團決定縮減其擴充計劃規模。

為進行商譽減值評估，本集團已修訂該現金產生單位的現金流量預測。管理層已於二零一七年十二月三十一日根據公平值減出售成本計算評估蘇州知行易之可收回金額。可收回金額被認為並不重大，且低於現金產生單位之賬面值，該差額導致截至二零一七年十二月三十一日止年度內全數商譽及其他無形資產（包括收購日確認無形資產相關的遞延稅項負債）為17,513,000港元（附註7）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

16 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group's available-for-sale financial assets include unlisted equity investment and unlisted investment fund with the following details:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於一月一日	-	-
Addition	添置	75,345	-
Fair value losses on revaluation recognised in other comprehensive income	於其他全面收益中確認的重估公平值損益	(6,145)	-
Exchange realignment	匯兌調整	5,317	-
At 31 December	於十二月三十一日	74,517	-
Unlisted equity investment outside Hong Kong	香港境外非上市股權投資	19,139	-
Unlisted investment fund outside Hong Kong	香港境外非上市投資基金	55,378	-
		74,517	-

Available-for-sale financial assets are dominated in the following currencies:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
EUR	歐元	19,139	-
RMB	人民幣	55,378	-
		74,517	-

16 可供出售金融資產

本集團的可供出售金融資產包括非上市股權投資及非上市投資基金，有關詳情如下：

可供出售金融資產乃以下列貨幣計值：

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 LAND USE RIGHTS

The Group's interests in land use rights represent upfront payments for land and their net carrying values are analysed as follows:

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Opening net carrying value	期初賬面淨值	186	203
Addition	添置	83,333	–
Amortisation (note 7)	攤銷(附註7)	(3,173)	(5)
Exchange realignment	匯兌調整	4,127	(12)
Closing net carrying value	期末賬面淨值	84,473	186

The Group's land use rights are located in the PRC and is held on leases of between 10 to 50 years. Amortisation of the Group's land use rights has been charged to administrative expenses.

During the year ended 31 December 2017, the Group acquired the land use right of a land at Pinghu, Longgang District, Shenzhen, Guangdong Province with a total planning construction area of more than 25,000 square meters, for a term of 20 years for a consideration of RMB73,000,000 (equivalent to approximately HK\$83,333,000), pursuant to an agreement entered into with the Urban Planning, Land and Resources Commission of Shenzhen Municipality (Longgang Authority).

17 土地使用權

本集團於土地使用權的權益指土地前其付款，其賬面淨值分析如下：

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Opening net carrying value	期初賬面淨值	186	203
Addition	添置	83,333	–
Amortisation (note 7)	攤銷(附註7)	(3,173)	(5)
Exchange realignment	匯兌調整	4,127	(12)
Closing net carrying value	期末賬面淨值	84,473	186

本集團的土地使用權位於中國，租期為10至50年。本集團土地使用權的所有攤銷已計入行政開支。

截至二零一七年十二月三十一日止年度，集團與深圳市規劃和國土資源委員會龍崗管理局訂立協議，收購位於中國廣東省深圳市龍崗區平湖一總規劃建築面積超過25,000平方米之土地，年期為二十年之土地使用權，代價為73,000,000人民幣（相當於約83,333,000港元）。

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綜合財務報表附註

18 SUBSIDIARIES

The following is a list of principal subsidiaries as at 31 December 2017 and 2016:

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及營業地點	Particulars of issued and paid up/registered capital 已發行及繳足股本/ 註冊資本詳情所持權益	Interest held 所持權益	
				2017 二零一七年	2016 二零一六年
Pax Technology Limited 百富科技有限公司	Hong Kong, limited liability company 香港, 有限公司	Sales of E-payment Terminals products and provision of related services in Hong Kong 在香港銷售電子支付終端產品及提供相關服務	HK\$113,125,000 113,125,000港元	100%	100%
Pax Computer Technology (Shenzhen) Co., Ltd. (*) 百富計算機技術(深圳)有限公司	The PRC, limited liability company 中國, 有限公司	Development and sales of E-payment Terminals products and provision of related services in the PRC 在中國研發及銷售電子支付終端產品及提供相關服務	HK\$380,000,000 380,000,000港元	100%	100%
Wonder Pax Technology (Shenzhen) Co., Ltd. (*) 萬達百匯科技(深圳)有限公司	The PRC, limited liability company 中國, 有限公司	Development of software and hardware of E-payment Terminals products and provision of related services in PRC 在中國研發電子支付終端產品的軟件及硬件及提供相關服務	HK\$20,000,000 20,000,000港元	100%	100%
Pax Technology, Inc.	The US, limited liability company 美國, 有限公司	Sales of E-payment Terminals products in the US 在美國銷售電子支付終端產品	US\$1,000 1,000美元	100%	100%
Pax Italia S.r.l.	Italy, limited liability company 意大利, 有限公司	Development and customising software systems and sales of E-payment Terminals products in Italy 在意大利開發及個人化軟件系統及銷售電子支付終端產品	EUR100,000 100,000歐元	70%	70%
Shanghai New Kashuo Information Technology Company Limited (*) 上海新卡說信息有限公司	The PRC, limited liability company 中國, 有限公司	Provision of payment solution services in the PRC 在中國提供支付解決方案服務	RMB30,000,000 30,000,000人民幣	51%	51%
Suzhou leasy Information Technology Co., Ltd (*) 蘇州知行易信息科技有限公司	The PRC, limited liability company 中國, 有限公司	Development and sales of enterprise resource planning management software in the PRC 在中國研發及銷售企業資源管理的軟件	RMB7,500,000 7,500,000人民幣	60%	60%
CSC Italia S.r.l.	Italy, limited liability company 意大利, 有限公司	Provision of software systems and E-payment Terminals maintenance and installation services in Italy 在意大利提供軟件系統及電子支付終端的維護及安裝服務	EUR100,000 100,000歐元	60%	-
Kwang Woo Information & Communication Co., Ltd.	Korea, limited liability company 韓國, 有限公司	Development, manufacturing and sales of E-payment Terminals products in Korea 在韓國研發、生產及銷售電子支付終端產品	WON1,100,000,000 1,100,000,000韓圓	51%	-

* The English names of Pax Computer Shenzhen, Wonder Pax, Shanghai Kashuo and Suzhou leasy represent the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

18 附屬公司

於二零一七年及二零一六年十二月三十一日, 主要附屬公司名單如下:

* 由於百富計算機深圳, 萬達百匯, 上海卡說及蘇州知行易並無正式的英文名稱, 故其英文名稱是由本集團管理層致力從中文名稱翻譯過來。

Notes to the Consolidated Financial Statements

綜合財務報表附註

18 SUBSIDIARIES (continued)

The non-controlling interests in respect of Pax Italia S.r.l., Shanghai Kashuo, Suzhou leasy CSC Italia and Kwang Woo are not material. The loss attributable to non-controlling interests during the year ended 31 December 2017 was mainly attributable to the impairment of assets of Kashuo Group.

19 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

Set out below is an associated company of the Group as at 31 December 2017, Shanghai Coshine Software Company Ltd. ("Shanghai Coshine"). Shanghai Coshine has share capital consisting solely of registered capital, which is held directly by the Group; its principal place of business is in the PRC.

Shanghai Coshine is an advanced system and services provider in payment infrastructure, electronic business software solution and outsourcing operation.

18 附屬公司(續)

有關Pax Italia S.r.l.、上海卡說、蘇州知行易、CSC Italia及Kwang Woo的非控股權益並不重大。截至二零一七年十二月三十一日年度，非控股權益應佔損失主要歸於卡說集團資產減值。

19 按權益法入賬的投資

以下載列於二零一七年十二月三十一日本集團的聯營公司上海開先軟件有限公司(「上海開先」)。上海開先的股本僅包括註冊資本，由本集團直接持有；其主要營業地點位於中國。

上海開先為國內支付系統、電子商務軟件產品和外包運營系統的提供商和服務商。

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及法定實體類別	Particular of registered capital 註冊資本詳情	Nature of relationship 關係性質	Effective Interest held 實際所持權益	Measurement method 計量方法
31 December 2017					
二零一七年十二月三十一日					
Shanghai Coshine 上海開先	The PRC, limited liability company 中國，有限公司	RMB13,326,190 人民幣13,326,190元	Associate 聯營公司	20% 20%	Equity method 權益法
				As at 31 December	
				於十二月三十一日	
				2017	2016
				二零一七年	二零一六年
				HK\$'000	HK\$'000
				千港元	千港元
Aggregate carrying amount of individually immaterial associate	個別不重大聯營公司的賬面值總額			20,720	-
Aggregate amounts of the Group's share of:	本集團分佔持續經營業務之：				-
• Profit for the year	• 年度溢利			750	-
• Amortisation of intangible assets	• 無形資產攤銷			(432)	-
				318	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD (continued)

There is no contingent liability relating to the Group's interest in Shanghai Coshine. The Group's interest in Shanghai Coshine is not material.

Shanghai Coshine is a private company and there is no quoted market price available for its shares.

19 按權益法入賬的投資 (續)

概無有關本集團於上海開先之權益之或然負債。本集團於上海開先的權益並不重大。

上海開先為一間私人公司，其股份並無公開市場報價。

20 INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

The cost of inventories included in cost of sales during the year amounted to HK\$2,098,181,000 (2016: HK\$1,620,895,000), which included reversal of provision for obsolete inventories of HK\$1,824,000 (2016: HK\$17,983,000).

20 存貨

As at 31 December	
於十二月三十一日	
2017	2016
二零一七年	二零一六年
HK\$'000	HK\$'000
千港元	千港元

	257,297	152,614
	169,080	116,550
	492,075	327,375
	918,452	596,539

年內，於銷售成本入賬的存貨成本約為2,098,181,000港元（二零一六年：1,620,895,000港元），其中包括陳舊存貨撥備撥回1,824,000港元（二零一六年：17,983,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

21 應收賬款及應收票據、按金及其他應收款項

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Current portion	即期部分		
Trade receivables (note (a))	應收賬款(附註(a))	1,695,406	1,245,947
Amounts due from related parties (note (a), 34(b))	應收關聯方款項(附註(a)·34(b))	32,453	65,196
Less: provision for impairment of receivables (note (c))	減: 應收賬款減值撥備(附註(c))	(49,163)	(4,067)
Trade receivables, net	應收賬款—淨額	1,678,696	1,307,076
Bills receivables (note (b))	應收票據(附註(b))	24,718	40,370
Trade and bills receivables	應收賬款及應收票據	1,703,414	1,347,446
Deposits and other receivables	按金及其他應收款項	39,593	68,919
Trade and bills receivables, deposits and other receivables	應收賬款及應收票據、按金及其他應收款項	1,743,007	1,416,365
Non-current portion	非即期部分		
Lease prepayment	租賃預付款項	43,077	24,672
Others	其他	9,708	13,681
		52,785	38,353

The carrying amounts of the Group's trade and bills receivables, deposits and other receivables are denominated in the following currencies:

本集團的應收賬款及應收票據、按金及其他應收款項的賬面值以下列貨幣計值:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
RMB	人民幣	898,779	872,070
US\$	美元	753,886	502,263
EUR	歐元	59,583	22,713
HK\$	港元	20,812	19,319
WON	韓圓	9,947	—
		1,743,007	1,416,365

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

The fair values of trade and bills receivables, deposits and other receivables approximate their carrying values as at 31 December 2016 and 2017.

(a) Trade receivables

The Group's credit terms to trade debtors range generally from 0 to 180 days. However, credit terms of more than 180 days may be granted to customers on a case-by-case basis upon negotiation. As at 31 December 2016 and 2017, the ageing analysis of the trade receivables and amounts due from related parties based on invoice date is as follows:

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Up to 90 days	90日以內	1,213,758	846,807
91 to 180 days	91至180日	242,795	277,772
181 to 365 days	181至365日	128,667	58,915
Over 365 days	365日以上	142,639	127,649
		1,727,859	1,311,143

As at 31 December 2017, trade receivables included retention money receivables of HK\$91,100,000 (2016: HK\$77,874,000), which represents 2% to 5% (2016: 2% to 5%) of the relevant contract sum granted to certain number of the customers in the PRC that has a retention period of three to five years. As at 31 December 2017, retention money receivables aged over 365 days amounted to HK\$72,005,000 (2016: HK\$57,932,000).

The Group's sales are made to several major customers and there is concentration of credit risks. Sales of goods and services to the top five customers constituted approximately 53.5% (2016: 45.4%) of the Group's turnover for the year ended 31 December 2017. They accounted for approximately 43.6% (2016: 47.5%) of the gross trade receivable balances as at 31 December 2017.

21 應收賬款及應收票據、按金及其他應收款項 (續)

於二零一六年及二零一七年十二月三十一日，應收賬款及應收票據、按金及其他應收款項的公平值與其賬面值相若。

(a) 應收賬款

本集團給予貿易債務人的信貸期由0至180日不等。然而，經磋商後可按個別情況向客戶授出超過180日的信貸期。於二零一六年及二零一七年十二月三十一日，應收賬款及應收關聯方款項按發票日期的賬齡分析如下：

於二零一七年十二月三十一日，應收賬款包括應收預扣金額91,100,000港元（二零一六年：77,874,000港元），佔授予中國若干客戶的相關合同總額為2%至5%（二零一六年：為2%至5%），而預扣期則為三至五年。於二零一七年十二月三十一日，應收預扣金額賬齡超過365日的總額為72,005,000港元（二零一六年：57,932,000港元）。

本集團的銷售乃向數名主要客戶作出且有信貸集中風險。截至二零一六年十二月三十一日止年度，對五大客戶銷售的貨品及提供的服務佔本集團營業額約53.5%（二零一六年：45.4%），而佔於二零一六年十二月三十一日的應收賬款結餘總額約43.6%（二零一六年：47.5%）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

Receivables that were neither past due nor impaired amounted to approximately HK\$1,576,716,000 (2016: HK\$1,243,259,000) as at 31 December 2017.

As of 31 December 2017, trade receivables of HK\$101,980,000 (2016: HK\$63,817,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Up to 90 days	90日以內	9,174	7,042
91 to 180 days	91至180日	14,685	13,079
181 to 365 days	181至365日	51,562	34,372
Over 365 days	365日以上	26,559	9,324
		101,980	63,817

(b) Bills receivables

The balance represents bank acceptance notes with maturity periods of within six months.

The maturity profile of the bills receivables of the Group is as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Up to 90 days	90日以內	11,703	40,370
91 to 180 days	91至180日	13,015	–
		24,718	40,370

21 應收賬款及應收票據、按金及其他應收款項 (續)

(a) 應收賬款 (續)

於二零一七年十二月三十一日，既無逾期亦無減值的應收款項約1,576,716,000港元（二零一六年：1,243,259,000港元）。

於二零一七年十二月三十一日，應收賬款101,980,000港元（二零一六年：63,817,000港元）已逾期但未減值，且與眾多並無重大財務困難的獨立客戶有關，基於過往經驗，逾期款項可予收回。此等應收賬款的賬齡分析如下：

(b) 應收票據

該結餘指到期期間為六個月以內的銀行承兌票據。

本集團應收票據的到期情況如下：

Notes to the Consolidated Financial Statements

綜合財務報表附註

21 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

(c) Provision for impairment of trade receivables

The movement on the provision for impairment of trade receivables is as follows:

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	於年初	4,067	3,694
Provision for the year (note 7)	年內撥備(附註7)	2,941	886
Impairment (note 7)	減值(附註7)	40,279	–
Reversal of provision (note 7)	撥備撥回(附註7)	–	(300)
Exchange realignment	匯兌調整	1,876	(213)
At end of the year	於年末	49,163	4,067

The maximum exposure to credit risk at the reporting date is the carrying values of each class of receivables mentioned above. The Group did not hold any collateral as security for these receivables as at 31 December 2017 (2016: same).

As at 31 December 2017, trade receivables of HK\$40,279,000 relating to Kashuo Group were impaired (note 7).

22 RESTRICTED CASH

Restricted cash represents bank deposits of the Group which were placed as guarantee deposits for tenders and as securities for sales of goods to customers and were denominated in RMB and EUR.

As at 31 December 2017, the effective interest rate on restricted bank deposits was 0.02% (2016: 0.35%) per annum.

21 應收賬款及應收票據、按金及其他應收款項(續)

(c) 應收賬款減值撥備

應收賬款減值撥備變動如下：

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	於年初	4,067	3,694
Provision for the year (note 7)	年內撥備(附註7)	2,941	886
Impairment (note 7)	減值(附註7)	40,279	–
Reversal of provision (note 7)	撥備撥回(附註7)	–	(300)
Exchange realignment	匯兌調整	1,876	(213)
At end of the year	於年末	49,163	4,067

於報告日期面臨的最大信貸風險為上述各類應收款項的賬面值。於二零一七年十二月三十一日，本集團並無就該等應收款項持有任何抵押品(二零一六年：同上)。

於二零一七年十二月三十一日，有關於卡說集團的應收款項的減值為40,279,000港元(附註7)。

22 受限制現金

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Restricted bank deposits	受限制銀行存款	12,490	310

受限制現金指本集團作為投標的擔保按金以及銷貨予客戶的擔保而存放的銀行存款，乃以人民幣及歐元計值。

於二零一七年十二月三十一日，受限制銀行存款的實際利率為每年0.02%(二零一六年：0.35%)。

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綜合財務報表附註

23 CASH AND CASH EQUIVALENTS

23 現金及現金等價值

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Cash and cash equivalents	現金及現金等價值	2,165,224	1,997,495
Short-term bank deposits	短期銀行存款	-	209,710
		2,165,224	2,207,205

As at 31 December 2017, funds of the Group amounting to HK\$1,203,074,000 (2016: HK\$1,365,412,000) were deposited in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

於二零一七年十二月三十一日，本集團為數1,203,074,000港元（二零一六年：1,365,412,000港元）存放在中國境內銀行開立的銀行賬戶，而有關資金的付匯受到外匯管制。

The carrying amounts of cash and cash equivalents were denominated in the following currencies:

現金及現金等價值的賬面值分別以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
RMB	人民幣	1,202,699	1,356,454
HK\$	港元	515,977	721,455
US\$	美元	396,717	103,353
EUR	歐元	42,256	25,333
WON	韓圓	7,237	610
Other	其他	338	-
		2,165,224	2,207,205

The maximum exposure to credit risk of the Group as at 31 December 2017 were HK\$2,165,083,000 (2016: HK\$2,207,143,000).

於二零一七年十二月三十一日，本集團最大信貸風險為2,165,083,000港元（二零一六年：2,207,143,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 SHARE CAPITAL

24 股本

		Number of ordinary shares 每股面值 0.1港元的 普通股 Thousand shares 千股	Ordinary shares of HK\$0.1 each 普通股數目 HK\$'000 千港元
Ordinary shares, issued and fully paid	已發行及繳足普通股		
1 January 2017	二零一七年一月一日	1,107,874	110,787
Shares repurchased during the year	年內股份回購	(13,000)	(1,300)
Employee share option scheme: – Proceeds from shares issued (note 25)	僱員購股權計劃： – 發行股份所得款項 (附註25)	5,320	532
At 31 December 2017	於二零一七年十二月三十一日	1,100,194	110,019
1 January 2016	二零一六年一月一日	1,112,014	111,201
Shares repurchased during the year	年內股份回購	(10,000)	(1,000)
Employee share option scheme: – Proceeds from shares issued (note 25)	僱員購股權計劃： – 發行股份所得款項 (附註25)	5,860	586
At 31 December 2016	於二零一六年十二月三十一日	1,107,874	110,787

During the year ended 31 December 2017, the Company repurchased a total of 13,000,000 ordinary shares (2016: 10,000,000) on the Stock Exchange at an aggregate purchase consideration (including expenses) of HK\$51,617,000 (2016: HK\$52,809,000). Such repurchased shares were subsequently cancelled during the year. Details of the ordinary shares repurchased on the Stock Exchange during the year are as follows:

截至二零一七年十二月三十一日止年度，本公司以總代價（包括開支）51,617,000港元（二零一六年：52,809,000港元）在聯交所購回合共13,000,000股（二零一六年：10,000,000股）普通股。該等購回股份隨後於年內註銷。年內在聯交所購回的普通股詳情如下：

Month of repurchase	購回月份	Number of ordinary shares repurchased (Thousand Shares) 購回普通股 數目 (千股)	Highest purchase price per ordinary shares (HK\$) 每股 普通股的 最高購買價 (港元)	Lowest purchase price per ordinary shares (HK\$) 每股 普通股的 最低購買價 (港元)
August 2017	二零一七年八月	5,000	4.34	4.18
August 2017	二零一七年八月	3,000	4.06	3.98
December 2017	二零一七年十二月	5,000	3.60	3.49

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 SHARE CAPITAL (continued)

As a result of the above share repurchases, the issued share capital of the Company was reduced by the par value of the aforesaid repurchased ordinary shares. As at the date of these financial statements, the number of issued shares of the Company is 1,100,194,000 ordinary shares.

The directors believe that the above share repurchases are in the best interests of the Company and its shareholders and that such share repurchases would lead to an enhancement of the net assets value per share and/or earnings per share of the Company.

25 SHARE OPTION SCHEME

(a) Share option scheme

On 1 December 2010, the Board of Directors of the Company approved a share option scheme (the "Scheme") for the issuance of in aggregate no more than 10% in nominal amount of the aggregate of shares in issue on the listing date of the Company, representing 100,000,000 shares (subject to the terms of the scheme and the relevant provisions under the Listing Rules).

The purpose of the Scheme is to reward participants who have contributed or will contribute to the Group and to encourage participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its shareholders as a whole.

The Scheme became effective on 1 December 2010 and unless otherwise cancelled or amended, will remain valid and effective for the period of 10 years from that date.

24 股本(續)

由於上述股份購回，本公司已發行股本按上述購回的普通股的面值相應減少。於該等財務報表日期，本公司已發行股份數目為1,100,194,000股普通股。

董事認為，上述股份購回符合本公司及其股東的最佳利益，而該股份購回將導致本公司的每股資產淨值及／或每股盈利增加。

25 購股權計劃

(a) 購股權計劃

於二零一零年十二月一日，本公司董事會批准一項購股權計劃（「該計劃」）以發行合共不超過本公司於上市日期已發行股份總面值的10%，即100,000,000股股份（但須按照該計劃的條款及遵守上市規則的有關規定）。

該計劃旨在獎勵曾經或將會對本集團作出貢獻的參與者，並鼓勵參與者為本公司及其股東的整體利益，努力提升本公司及其股份的價值。

該計劃於二零一零年十二月一日生效，除非另行撤銷或修訂，否則該計劃將自該日起10年期間一直有效。

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 SHARE OPTION SCHEME (continued)

25 購股權計劃 (續)

(b) Share option movements

(b) 購股權的變動

Name 姓名	Date of grant 授出日期	Exercised price 行使價 (HK\$) (港元)	Number of Share Options held as at 1 January 2017 於二零一七年一月一日所持的購股權數目	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Number of Share Options held as at 31 December 2017 於二零一七年十二月三十一日所持的購股權數目
Employees 僱員							
(In aggregate) (總計)	22 June 2012* 二零一二年六月二十二日*	1.230	6,000,000	-	-	(6,000,000)	-
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	12,274,000	-	(5,320,000)	-	6,954,000
Total for Employees 僱員總計			18,274,000	-	(5,320,000)	(6,000,000)	6,954,000
Consultants 顧問							
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,580,000	-	-	-	1,580,000
Total for Consultants 顧問總計			1,580,000	-	-	-	1,580,000
Total 總數			19,854,000	-	(5,320,000)	(6,000,000)	8,534,000

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 SHARE OPTION SCHEME (continued)

(b) Share option movements (continued)

Name 姓名	Date of grant 授出日期	Exercised price	Number of Share Options held as at		Granted during the year	Exercised during the year	Lapsed during the year	Number of Share Options held as at	
			1 January 2016	31 December 2016				於二零一六年 一月一日 所持的 購股權數目	於二零一六年 十二月 三十一日 所持的 購股權數目
Employees									
僱員									
(In aggregate) (總計)	22 June 2012* 二零一二年六月二十二日*	1.230	6,000,000		-	-	-	6,000,000	
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	18,134,000		-	(5,860,000)	-	12,274,000	
Total for Employees 僱員總計			24,134,000		-	(5,860,000)	-	18,274,000	
Consultants									
顧問									
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,580,000		-	-	-	1,580,000	
Total for Consultants 顧問總計			1,580,000		-	-	-	1,580,000	
Total 總數			25,714,000		-	(5,860,000)	-	19,854,000	

* The share options will be vested to the grantees, among which 30% of the share options would be vested on the date of grant, a further 30% of the share options be vested on the first anniversary of the date of grant and the remaining 40% of the share options will be vested on the second anniversary of the date of grant. The validity period of these share options shall be 5 years from the date of grant.

* 購股權歸屬承授人，當中30%購股權於授出日期歸屬，另外30%購股權將於授出日期一週年歸屬，其餘40%購股權將於授出日期兩週年歸屬。該等購股權的有效期為自授出日期起計五年。

25 購股權計劃 (續)

(b) 購股權的變動 (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 SHARE OPTION SCHEME (continued)

(b) Share option movements (continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		Year ended 31 December 截至十二月三十一日止年度			
		2017 二零一七年		2016 二零一六年	
		Average exercise price in HK\$ per share option	Options (thousands)	Average exercise price in HK\$ per share option	Options (thousands)
		每購股權的 港元平均 行使價	購股權 (千份)	每購股權的 港元平均 行使價	購股權 (千份)
At 1 January	於一月一日	3.763	19,854	4.013	25,714
Exercised	已行使	4.860	(5,320)	4.860	(5,860)
Lapsed	已失效	1.230	(6,000)	-	-
At 31 December	於十二月三十一日	4.860	8,534	3.763	19,854

On 22 June 2012, 80,400,000 share options were granted to certain directors and employees at an exercise price of HK\$1.23 per share. These options were expired on 21 June 2017.

On 28 May 2014, 22,254,000 share options were granted to certain employees and consultants at an exercise price of HK\$4.86 per share. These options will expire on 27 May 2019.

During the year ended 31 December 2017, no share based payment expense (2016: HK\$3,803,000) was recognised in the consolidated income statement and was credited in equity. The weighted average share price immediately before the share options exercised dates was HK\$4.60 (2016: HK\$7.16) per share. As at 31 December 2017, out of the 8,534,000 (2016: 19,854,000) outstanding options, 8,534,000 (2016: 19,854,000) options were exercisable.

25 購股權計劃 (續)

(b) 購股權的變動 (續)

尚未行使的購股權數目及其相關加權平均行權價格變動如下：

於二零一二年六月二十二日，80,400,000份購股權按行使價每股1.23港元授予若干董事及僱員。該等購股權已於二零一七年六月二十一日屆滿。

於二零一四年五月二十八日，22,254,000份購股權以行使價每股4.86港元授予若干僱員及顧問。該等購股權將於二零一九年五月二十七日期到。

於截至二零一七年十二月三十一日止年度，並無股份支付開支於綜合收益表確認（二零一六年：3,803,000港元）及已計入股權。緊接購股權行使日期前的加權平均股價為每股4.60港元（二零一六年：7.16港元）。於二零一七年十二月三十一日，8,534,000份（二零一六年：19,854,000份）尚未行使購股權中，8,534,000份（二零一六年：19,854,000份）購股權為可行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 RESERVES

26 儲備

		Share premium	Capital reserve	Share option reserve	Employment benefit reserve 在職 福利儲備	Available- for-sale revaluation reserve 可供出售 估值儲備	Exchange reserve 外匯儲備	Retained earnings 保留盈利	Total 總計
		HK\$'000 千港元	HK\$'000 千港元 (note (i)) (附註(i))	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
For the year ended 31 December 2017	截至二零一七年十二月三十一日 止年度								
Balance at 1 January 2017	於二零一七年一月一日的結餘	1,299,524	(414,978)	81,173	-	-	(162,470)	2,551,499	3,354,748
Comprehensive income	全面收益								
Profit for the year	年內溢利	-	-	-	-	-	-	407,507	407,507
Other comprehensive income/(loss)	其他全面收益/(虧損)								
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	-	-	-	-	-	170,768	-	170,768
Change in value of available-for-sale financial assets	可供出售金融資產之價值改變	-	-	-	-	(6,145)	-	-	(6,145)
Remeasurements of post-employment benefit obligations	離職後福利債務重計	-	-	-	(72)	-	-	-	(72)
Total comprehensive (loss)/income	全面(損失)/收益總額	-	-	-	(72)	(6,145)	170,768	407,507	572,058
Transactions with owners	與擁有人的交易								
Repurchase of the Company's shares	回購本公司的股份	(50,317)	-	-	-	-	-	-	(50,317)
Share option scheme	購股權計劃								
- share options exercised	- 已行使購股權	25,323	-	-	-	-	-	-	25,323
Dividends paid	已付股息	-	-	-	-	-	-	(89,055)	(89,055)
Total transactions with owners	與擁有人的交易總額	(24,994)	-	-	-	-	-	(89,055)	(114,049)
Balance at 31 December 2017	於二零一七年十二月三十一日的結餘	1,274,530	(414,978)	81,173	(72)	(6,145)	8,298	2,869,951	3,812,757

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 RESERVES (continued)

26 儲備 (續)

		Share premium 股份溢價 HK\$'000 千港元	Capital reserve 資本儲備 HK\$'000 千港元 (note (ii)) (附註(i))	Share option reserve 購股權儲備 HK\$'000 千港元	Exchange reserve 外匯儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the year ended 31 December 2016	截至二零一六年十二月三十一日 止年度						
Balance at 1 January 2016	於二零一六年一月一日的結餘	1,323,439	(414,978)	77,370	(37,096)	2,017,638	2,966,373
Comprehensive income	全面收益						
Profit for the year	年內溢利	-	-	-	-	600,908	600,908
Other comprehensive loss	其他全面損失						
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	-	-	-	(125,374)	-	(125,374)
Total comprehensive (loss)/income	全面(虧損)/收益總額	-	-	-	(125,374)	600,908	475,534
Transactions with owners	與擁有人的交易						
Repurchase of the Company's shares	回購本公司的股份	(51,809)	-	-	-	-	(51,809)
Share option scheme	購股權計劃						
- value of services provided	- 已提供服務的價值	-	-	3,803	-	-	3,803
- share options exercised	- 已行使購股權	27,894	-	-	-	-	27,894
Dividends paid	已付股息	-	-	-	-	(67,047)	(67,047)
Total transactions with owners	與擁有人的交易總額	(23,915)	-	3,803	-	(67,047)	(87,159)
Balance at 31 December 2016	於二零一六年十二月三十一日的結餘	1,299,524	(414,978)	81,173	(162,470)	2,551,499	3,354,748

Note:

附註：

(i) Capital reserve

Capital reserve represents the difference between (i) the aggregate of the consideration for the acquisitions upon the reorganisation completed on 15 February 2010; and (ii) the aggregate of the share capital and share premium of the directly owned subsidiaries of the Company.

(ii) Statutory reserves

The subsidiary of the Company in the PRC is required to allocate 10% of the company's net profit to the statutory reserves fund until such fund reaches 50% of its registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase its registered capital, provided that such fund is maintained at a minimum of 25% of its registered capital. As at 31 December 2017, retained earnings comprised statutory reserves fund amounting to HK\$173,268,000 (2016: HK\$125,275,000).

(i) 資本儲備

資本儲備指下列兩者的差額：(i)於二零一零年二月十五日完成重組時的收購代價總額；及(ii)本公司直接擁有的附屬公司的股本及股份溢價總額。

(ii) 法定儲備

本公司於中國的附屬公司須將公司純利的10%分配至法定儲備金，直至該儲備金達至其註冊資本的50%。經有關當局批准後，法定儲備金可用於抵銷累計虧損或增加其註冊資本，惟該儲備金最低須維持於其註冊資本25%的水平。於二零一七年十二月三十一日，保留盈利包括法定儲備金173,268,000港元(二零一六年：125,275,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

27 應付賬款、其他應付賬款及應計款項

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Trade payables	應付賬款	937,093	649,271
Amount due to a related party (note 34(b))	應付一名關聯方款項(附註34(b))	15,991	13,214
		953,084	662,485
Other payables and accruals	其他應付賬款及應計款項		
Receipt in advance from customers	預先收取客戶款項	70,519	89,327
Other tax payables	其他應付稅款	95,991	99,488
Other accrued expenses and payables	其他應計開支及賬款	115,075	37,976
		281,585	226,791
		1,234,669	889,276

The ageing analysis of trade payables (including amount due to a related party of trading in nature) based on invoice date is as follows:

應付賬款按發票日期的賬齡分析(包括應付一名關聯方交易性的款項)如下:

		As at 31 December 於十二月三十一日	
		2017 二零一七年	2016 二零一六年
		HK\$'000 千港元	HK\$'000 千港元
Up to 90 days	90日以內	808,948	567,613
91 to 180 days	91日至180日	137,140	92,649
181 to 365 days	181日至365日	4,175	–
Over 365 days	365日以上	2,821	2,223
		953,084	662,485

The average credit period granted by the Group's suppliers ranges from 0 to 180 days.

本集團獲供應商授予的平均信貸期介乎0至180日。

Notes to the Consolidated Financial Statements

綜合財務報表附註

28 BORROWINGS

28 借貸

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Current	即期		
Bank borrowings held by a subsidiary in Korea	韓國附屬公司持有的銀行借貸	14,367	-

As at 31 December 2017, the bank borrowings would be matured and repayable within 1 year and bear average fixed interests of 4.23% annually (2016: Nil). The interest-bearing borrowings are carried at amortised cost.

The carrying amounts of the Group's borrowings as at 31 December 2017 are denominated in WON and approximate their fair values.

As at 31 December 2017, the borrowings of HK\$10,716,000 were secured by land and buildings in Korea with net book values of HK\$16,314,000 (note 14).

As at 31 December 2017, total undrawn facilities are approximately HK\$3,664,000. There were no bank borrowings as at 31 December 2016.

於二零一七年十二月三十一日，銀行借貸將於一年內到期並償還，並按年平均固定利率4.23%（二零一六年：零）計息。計息借貸按攤銷成本列賬。

於二零一七年十二月三十一日，本集團借貸的賬面值以韓圓計值及與公平值相若。

於二零一七年十二月三十一日，10,716,000港元的借貸以賬面淨值為16,314,000港元的韓國土地及樓宇作抵押（附註14）。

於二零一七年十二月三十一日，未提取融資總額約為3,664,000港元。於二零一六年十二月三十一日並無銀行借貸。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 DEFERRED INCOME TAX

- (a) Deferred income tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. At 31 December 2017, the Group has unrecognised tax losses to be carried forward against future taxable income amounted to HK\$177,436,000 (2016: HK\$88,563,000). Tax losses amounting to HK\$177,248,000 (2016: HK\$88,386,000) will expire from 2022 to 2037 (2016: 2028 to 2036). The remaining tax losses have no expiry date. The potential deferred income tax assets in respect of these tax losses which have not been recognised will be calculated based on the effective income tax rates according to prevailing tax laws and regulations in which the Group operates.
- (b) Cai Shui 2008 Circular 1, which was jointly issued by the Ministry of Finance and the State Administration of Taxation, took effect on 22 February 2008. Under the circular, dividends declared by foreign investment enterprises ("FIEs") to foreign investors out of their cumulative retained earnings as at 31 December 2007 shall be exempt from withholding income tax. For dividends declared out of profit earned after 1 January 2008, withholding income tax will be levied on the foreign investor at a tax rate of 10% unless the foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding tax arrangement.

As at 31 December 2017, deferred income tax liabilities have not been provided for in the consolidated financial statements in respect of the withholding tax that would be payable on unremitted earnings of the PRC subsidiary of the Company amounting to approximately HK\$102,179,000 (2016: HK\$94,226,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

29 遞延所得稅

- (a) 遞延所得稅資產乃因應相關稅項利益有可能透過日後應課稅溢利變現而就所結轉的稅項虧損作確認。於二零一七年十二月三十一日，本集團的未確認稅項虧損為177,436,000港元（二零一六年：88,563,000港元），可結轉以抵銷日後應課稅收入。此稅項虧損為數177,248,000港元（二零一六年：88,386,000港元）將於二零二二年至二零三七年（二零一六年：二零二八年至二零三六年）屆滿。剩餘的稅項虧損沒有到期日。尚未確認的該等稅項虧損的潛在遞延所得稅資產將根據本集團經營國家的實際所得稅率及當時適用的稅法及規例計算。
- (b) 財政部及國家稅務總局聯合發出的財稅2008第1號通知於二零零八年二月二十二日生效。根據該通知，外商投資企業（「外資企業」）自其二零零七年十二月三十一日的累計保留盈利向海外投資者宣派的股息將豁免繳納預扣所得稅。自二零零八年一月一日後所賺取的溢利中宣派的股息，將按10%的稅率對海外投資者徵收預扣所得稅，除非海外投資者註冊成立的司法權區與中國訂有稅務條約，規定不同的預扣稅安排。

於二零一七年十二月三十一日，由於本集團可控制撥回暫時差額的時間且暫時差額可能不會於可見未來撥回，故尚未就本集團位於中國的附屬公司未匯盈利的應付預扣稅於綜合財務報表作出遞延所得稅負債撥備約102,179,000港元（二零一六年：94,226,000港元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

30 綜合現金流量表附註

(a) Reconciliation of profit before income tax to cash generated from operations

(a) 除所得稅前溢利與經營所得現金的對賬

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax	除所得稅前溢利	424,540	678,299
Adjustments for:	調整：		
Interest income	利息收入	(20,847)	(15,005)
Finance costs	財務費用	3,801	10,794
Depreciation of property, plant and equipment	物業、廠房及設備折舊	22,826	7,155
Amortisation of land use rights	土地使用權攤銷	3,173	5
Amortisation of intangible assets	無形資產攤銷	5,008	3,224
Impairment of assets	資產減值	176,471	–
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	30	117
Share of result of an investment accounted for using the equity method	按權益法入賬的投資業績	(318)	–
Share-based payments	以股份為基礎支付	–	3,803
Employee benefit obligations	僱員福利債務	209	–
Provision for impairment of receivables, net	應收款項減值撥備，淨額	2,941	586
Reversal of provision for obsolete inventories	陳舊存貨撥備撥回	(1,824)	(17,983)
		616,010	670,995
Operating profit before working capital changes:	營運資金變動前的經營溢利：		
Increase in trade and bills receivables, deposits and other receivables	應收賬款及應收票據、按金及其他應收款項增加	(278,902)	(183,707)
Increase in inventories	存貨增加	(255,183)	(97,653)
(Increase)/decrease in restricted cash	受限制現金（增加）／減少	(11,728)	8,489
Increase/(decrease) in trade payables, other payables and accruals	應付賬款、其他應付賬款及應計款項增加／（減少）	207,332	(41,412)
Cash generated from operations	經營所得現金	277,529	356,712

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

		Year ended 31 December 截至十二月三十一日止年度	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Net book amount	賬面淨值	30	117
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(30)	(117)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備的所得款項	-	-

(c) Reconciliation of liabilities arising from financing activities

This section sets out the movement in liabilities arising from financing activities for each of the years presented.

30 綜合現金流量表附註 (續)

(b) 於綜合現金流量表中，出售物業、廠房及設備的所得款項包括：

(c) 融資活動所產生負債的對賬

本節載列所呈列各年度融資活動所產生負債的變動。

		Borrowing due within 1 year 一年內到期的借貸 HK\$'000 千港元
As at 1 January 2017	於二零一七年一月一日	-
Acquisition of a subsidiary (note 33(b))	收購一間附屬公司(附註33(b))	30,463
Cash flows	現金流量	(16,906)
Foreign exchange adjustments	匯兌調整	810
As at 31 December 2017	於二零一七年十二月三十一日	14,367

31 CONTINGENT LIABILITIES

As at 31 December 2017 and 2016, the Group had no contingent liabilities.

31 或然負債

於二零一七年及二零一六年十二月三十一日，本集團並無或然負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 OPERATING LEASE COMMITMENTS

As at 31 December 2017 and 2016, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of certain office premises as follows:

		As at 31 December 於十二月三十一日	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Not later than one year	不超過一年	22,489	23,460
Later than one year and not later than five years	超過一年但不超過五年	14,862	24,225
		37,351	47,685

33 BUSINESS COMBINATIONS

(a) Acquisition of CSC Italia

Pursuant to an agreement signed between Pax Technology Limited ("Pax Technology"), a wholly-owned subsidiary of the Company, CSC Italia S.c.a.r.l and the quotaholders of CSC Italia, Pax Technology acquired and subscribed for an aggregation of 60% equity stake in CSC Italia in the forms of:

- cash consideration amounted to EUR1,750,000 (equivalent to approximately HK\$14,272,000) paid to the original quotaholders of CSC Italia;
- capital injection of EUR500,000 (equivalent to approximately HK\$4,078,000) to CSC Italia; and
- gross contingent consideration payable of EUR750,000 (equivalent to approximately HK\$6,116,000) to the original quotaholders of CSC Italia.

Upon the completion of the acquisition on 20 April 2017, CSC Italia became a subsidiary of Pax Technology. Acquisition-related costs of HK\$1,346,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2017.

32 營運租賃承諾

於二零一七年及二零一六年十二月三十一日，本集團根據若干辦公室物業的不可撤銷經營租賃須支付的未來最低租金付款總額如下：

33 業務合併

(a) 收購CSC Italia

根據本公司全資附屬公司百富科技有限公司（「百富科技」），CSC Italia S.c.a.r.l與CSC Italia份額持有人簽訂的協議，百富科技乃按下列方式收購及認購CSC Italia合共60%股本權益：

- 向CSC Italia原份額持有人支付現金代價1,750,000歐元（相當於約14,272,000港元）；
- 向CSC Italia注資500,000歐元（相當於約4,078,000港元）；及
- 向CSC Italia原份額持有人支付應付或然代價總額750,000歐元（相當於約6,116,000港元）。

於二零一七年四月二十日完成該收購後，CSC Italia成為百富科技之附屬公司。收購相關成本1,346,000港元已自截至二零一七年十二月三十一日止年度的綜合收益表行政費用扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BUSINESS COMBINATIONS (continued)

33 業務合併(續)

(a) Acquisition of CSC Italia (continued)

The provisional fair values of assets acquired and liabilities assumed, the consideration paid and the carrying value of non-controlling interests at the acquisition date are summarised in the table below:

(a) 收購CSC Italia(續)

下表概述於收購日期購入資產及承擔負債的暫定公平值、已支付代價及非控股權益的賬面值：

		HK\$'000 千港元
Consideration	代價	
Cash paid	已付現金	14,272
Capital injection	注資	4,078
Contingent consideration payable	應付或然代價	6,116
		24,466
Recognised amounts of identifiable assets acquired and liabilities assumed	購入可識別資產及承擔負債的已確認金額	
Property, plant and equipment (note 14)	物業、廠房及設備(附註14)	1,706
Intangible assets – contractual customer relationships and others (note 15)	無形資產—合約客戶關係及其他(附註15)	6,063
Intangible assets – brand names (note 15)	無形資產—商標(附註15)	1,999
Trade receivables	應收賬款	9,997
Cash and cash equivalents	現金及現金等價物	5,087
Trade payables	應付賬款	(7,950)
Other payables and accruals	其他應付賬款及應計款項	(6,017)
Deferred income tax liabilities	遞延所得稅負債	(2,983)
Total identifiable net assets	可識別資產淨值總額	7,902
Non-controlling interests	非控股權益	(3,821)
Goodwill (note 15)	商譽(附註15)	20,385
		24,466
Cash consideration paid	已付現金代價	18,350
Less: cash and cash equivalents acquired	減：購入現金及現金等價物	(5,087)
Net cash outflow on acquisition for the year	年內收購現金流出淨額	13,263
Acquisition-related costs included in administrative expenses in the consolidated income statement for the year	計入年內綜合收益表行政費用的收購相關成本	1,346

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BUSINESS COMBINATIONS (continued)

(a) Acquisition of CSC Italia (continued)

The goodwill is attributable to a number of factors, amongst others, to the synergies expected to arise from the Group's operation in Italy after the acquisition. CSC Italia will combine with the Group's previous acquisition in Italy as an operating segment. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of trade receivables is HK\$9,997,000. The gross contractual amount for trade receivables due is HK\$9,997,000, all of which is expected to be collectible. Deferred income tax liabilities of HK\$2,983,000 have been provided in relation to the fair value adjustments of intangible assets arising from the acquisition.

The contingent consideration payable represents the amount payable up to EUR750,000 (equivalent to approximately HK\$6,116,000) to the original quotaholders of CSC Italia upon fulfillment of certain profit targets. The maximum potential undiscounted amount of all future payments that the Group could be required to make under this arrangement is EUR750,000 (equivalent to approximately HK\$6,116,000).

The revenue included in the consolidated income statement since 20 April 2017 contributed by CSC Italia was HK\$28,944,000. It had net profit of HK\$565,000 over the same period.

Had CSC Italia been consolidated from 1 January 2017, the consolidated income statement would show pro-forma revenue of HK\$3,603,766,000 and profit of HK\$336,245,000.

33 業務合併 (續)

(a) 收購CSC Italia (續)

商譽乃歸因於多項因素，其中包括預期於收購後將由意大利經營產生的協同效應。CSC Italia將與本集團之前在意大利收購的經營分部。就所得稅而言，預期所確認的商譽概不可扣減。

應收賬款的公平值為9,997,000港元。到期應收賬款的總合約金額為9,997,000港元，預期全部均可被收回。遞延所得稅負債2,983,000港元已就收購所產生的無形資產按公平值調整計提撥備。

應付或然代價指於達致若干溢利目標時應付予CSC Italia原份額持有人的款項最多750,000歐元（相當於約6,116,000港元）。本集團根據該安排須支付最高的所有未來款項的潛在未折現金額750,000歐元（相當於約6,116,000港元）。

自二零一七年四月二十日起，CSC Italia貢獻並計入綜合收益表的收入為28,944,000港元。其於同期錄得溢利565,000港元。

倘CSC Italia已自二零一七年一月一日起合併入賬，則綜合收益表應呈列備考收入3,603,766,000港元及溢利336,245,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BUSINESS COMBINATIONS (continued)

(b) Acquisition of Kwang Woo

Pursuant to an agreement signed between Pax Technology and Kwang Woo, Pax Technology will conditionally acquire up to 80% equity interest in Kwang Woo, at a consideration of US\$6,400,000 (equivalent to approximately HK\$50,000,000) in four tranches. The first tranche of acquisition was completed on 1 November 2017 at a consideration of US\$4,080,000 (equivalent to approximately HK\$31,824,000), and Kwang Woo became a 51% owned subsidiary of Pax Technology. Upon fulfillment of certain conditions, the Group may further acquire 9%, 10% and 10% of Kwang Woo additional interest at US\$720,000 (equivalent to approximately HK\$5,616,000), US\$800,000 (equivalent to approximately HK\$6,240,000) and US\$800,000 (equivalent to approximately HK\$6,240,000), respectively. Acquisition-related costs of HK\$1,083,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2017.

33 業務合併(續)

(b) 收購Kwang Woo

根據百富科技與Kwang Woo簽訂的協議，百富科技將有條件地分批收購Kwang Woo最多80%之股權，代價為6,400,000美元（相等於約50,000,000港元）。第一批以代價4,080,000美元（相等於約31,824,000港元）收購已於二零一七年十一月一日完成，待若干條件達成後，Kwang Woo成為百富科技擁有51%權益之附屬公司。本集團可進一步按720,000美元（相等於約5,616,000港元）、800,000美元（相等於約6,240,000港元）及800,000美元（相等於約6,240,000港元）分別收購Kwang Woo額外9%、10%及10%之權益。收購相關成本1,083,000港元已自截至二零一七年十二月三十一日止年度的綜合收益表行政費用扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BUSINESS COMBINATIONS (continued)

33 業務合併 (續)

(b) Acquisition of Kwang Woo (continued)

The fair values of assets acquired and liabilities assumed, the consideration paid and the carrying value of non-controlling interest at the acquisition date are summarised in the table below:

(b) 收購Kwang Woo (續)

下表概述於收購日期購入資產及承擔負債的公平值、已支付代價及非控股權益的賬面值：

		HK\$'000 千港元
Consideration	代價	
Cash paid	已付現金	31,824
Recognised amounts of identifiable assets acquired and liabilities assumed	購入可識別資產及承擔負債的已確認金額	
Property, plant and equipment (note 14)	物業、廠房及設備 (附註14)	21,023
Intangible assets – contractual customer relationships and others (note 15)	無形資產—合約客戶關係及其他 (附註15)	14,847
Intangible assets – brand names (note 15)	無形資產—商標 (附註15)	10,468
Other non-current assets	其他非流動資產	5,597
Deferred income tax assets	遞延所得稅資產	639
Inventories	存貨	13,236
Trade receivables	應收賬款	9,376
Deposits and other receivables	按金及其他應收款項	1,794
Cash and cash equivalents	現金及現金等價物	3,670
Trade payables	應付賬款	(10,124)
Borrowings	借貸	(30,463)
Other liabilities	其他負債	(14,742)
Deferred income tax liabilities	遞延所得稅負債	(5,460)
Total identifiable net assets	可識別資產淨值總額	19,861
Non-controlling interest	非控股權益	(8,076)
Goodwill (note 15)	商譽 (附註15)	20,039
		31,824
Cash consideration paid	已付現金代價	31,824
Less: cash and cash equivalents acquired	減：購入現金及現金等價物	(3,670)
Net cash outflow on acquisition for the year	年內收購現金流出淨額	28,154
Acquisition-related costs included in administrative expenses in the consolidated income statement for the year	計入年內綜合收益表行政費用的收購相關成本	1,083

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BUSINESS COMBINATIONS (continued)

(b) Acquisition of Kwang Woo (continued)

The goodwill is attributable to a number of factors, amongst others, the synergies expected to arise after the Group's acquisition of this subsidiary. None of the goodwill recognised is expected to be deductible for income tax purposes.

The fair value of trade receivables is HK\$9,376,000. The gross contractual amount for trade receivables due is HK\$9,376,000, all of which is expected to be collectible. Deferred income tax liabilities of HK\$5,460,000 have been provided in relation to the fair value adjustments of intangible assets, property, plant and equipment and inventories arising from the acquisition.

The revenue included in the consolidated income statement since 1 November 2017 contributed by Kwang Woo was HK\$11,772,000. It had net loss of HK\$1,665,000 over the same period.

Had Kwang Woo been consolidated from 1 January 2017, the consolidated income statement would show pro-forma revenue of HK\$3,695,511,000 and profit of HK\$328,327,000.

33 業務合併 (續)

(b) 收購 Kwang Woo (續)

商譽乃歸因於多項因素，其中包括預期於本集團收購該附屬公司後將產生的協同效應。就所得稅而言，預期所確認的商譽概不可扣減。

應收賬款的公平值為9,376,000港元。到期應收賬款的總合約金額為9,376,000港元，預期全部均可被收回。遞延所得稅負債5,460,000港元已就收購所產生的無形資產、物業、廠房及設備及存貨按公平值調整計提撥備。

自二零一七年十一月一日起，Kwang Woo貢獻並計入綜合收益表的收入為11,772,000港元。其於同期錄得虧損1,665,000港元。

倘Kwang Woo已自二零一七年一月一日起合併入賬，則綜合收益表應呈列備考收入3,695,511,000港元及溢利328,327,000港元。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has, directly or indirectly, the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(a) Transactions with related parties

Except for those disclosed below and elsewhere on the financial statements, the Group has no significant transactions with related parties during the year ended 31 December 2017 (2016: same).

34 關聯方交易

倘一名人士有能力直接或間接控制其他人士或在其他人士作出財務及經營決策時對其施加重大影響，則該人士被認為是該名其他人士的關聯方。

(a) 與關聯方的交易

除下文所披露者及財務報表的其他地方外，本集團於截至二零一七年十二月三十一日年度與關聯方並無任何重大交易（二零一六年：同上）。

		Year ended 31 December	
		截至十二月三十一日止年度	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Sales of electronic payment products to subsidiaries of Hi Sun Technology (China) Limited ("Hi Sun")* (Note (i))	向高陽科技(中國)有限公司(「高陽」)*的附屬公司銷售電子支付產品(附註(i))	135,774	134,889
Rental fees paid to a subsidiary of Hi Sun (Note (ii))	向高陽的一間附屬公司支付租金(附註(ii))	1,460	1,505
Purchase of raw materials from a subsidiary of Hi Sun (Notes (iii))	自高陽的一間附屬公司購買原材料(附註(iii))	59,966	31,726
Commission income from a subsidiary of Hi Sun (Notes (iv))	向高陽之附屬公司收取佣金收入(附註(iv))	139	–

* The Company is an associate of Hi Sun whose shares are listed on the Main Board of the Stock Exchange.

* 本公司為高陽的聯營公司，其股份於聯交所主板上市。

Note (i): The sales of electronic payment products to subsidiaries of Hi Sun were transacted pursuant to the terms and conditions set out in the framework agreement entered into by the Company and the relevant party on 19 December 2012. The terms and conditions of the framework agreement have been renewed on 31 December 2015.

附註(i): 向高陽的附屬公司銷售電子支付產品按本公司與相關方於二零一二年十二月十九日訂立的框架協議所載條款及條件進行交易。該框架協議所載條款及條件已於二零一五年十二月三十一日續期。

Note (ii): Rental fees paid to a subsidiary of Hi Sun was charged at a fixed monthly fee mutually agreed between the two parties. These transactions were de minimis continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

附註(ii): 向高陽的一間附屬公司支付的租金每月按固定費用收取，由訂約雙方共同協定。該等交易為上市規則第14A章項下最低限額持續關連交易，豁免遵守申報、年度審閱、公告及獨立股東批准的規定。

Notes to the Consolidated Financial Statements

綜合財務報表附註

34 RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

Note (iii): Purchase of raw materials from a subsidiary of Hi Sun was conducted pursuant to terms and conditions set out in the framework agreement entered into by the Company and the relevant party on 31 December 2013. The terms and conditions of the framework agreement have been renewed on 30 December 2016.

Note (iv): Commission received from a subsidiary of Hi Sun was charged at a rate mutually agreed between two parties.

(b) Balances with related parties

The balances with the subsidiaries of Hi Sun are unsecured, interest free and with a credit period of 60 days.

34 關聯方交易 (續)

(a) 與關聯方的交易 (續)

附註(iii)：向高陽的一間附屬公司購買原材料按本公司與相關方於二零一三年十二月三十一日訂立的框架協議所載條款及條件進行。該框架協議所載條款及條件已於二零一六年十二月三十日續期。

附註(iv)：向高陽的一間附屬公司收取由雙方共同商定價格的佣金。

(b) 與關聯方的結餘

該等與高陽附屬公司的結餘為無抵押、免息且附帶60日信貸期。

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		HK\$'000	HK\$'000
		千港元	千港元
Amounts due from subsidiaries of Hi Sun (note 21)	應收高陽附屬公司的款項 (附註21)	32,453	65,196
Amount due to a subsidiary of Hi Sun (note 27)	應付高陽一間附屬公司的款項 (附註27)	15,991	13,214

(c) Key management compensation

During the year ended 31 December 2017 and 2016, key management compensation is equivalent to the Directors' emoluments as disclosed in note 36.

(c) 主要管理層酬金

於二零一七年及二零一六年十二月三十一日，主要管理層酬金相對於附註36披露之董事酬金。

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

35 本公司資產負債表及儲備變動

Balance sheet of the Company

本公司資產負債表

		As at 31 December	
		於十二月三十一日	
		2017	2016
		二零一七年	二零一六年
		Notes	
		附註	
		HK\$'000	HK\$'000
		千港元	千港元
ASSETS	資產		
Non-current asset	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	592,344	592,344
Total non-current assets	非流動資產總值	592,344	592,344
Current assets	流動資產		
Deposits and other receivables	按金及其他應收款項	396	473
Amount due from a subsidiary	應收一間附屬公司款項	583,694	253,694
Cash and cash equivalents	現金及現金等價值	336,263	696,976
Total current assets	流動資產總值	920,353	951,143
Total assets	資產總值	1,512,697	1,543,487
EQUITY	權益		
Equity attributable to the owners of the Company	本公司持有人應佔權益		
Share capital	股本	110,019	110,787
Reserves	儲備	(a) 1,393,388	1,423,770
Total equity	權益總額	1,503,407	1,534,557
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accruals	其他應付賬款及應計款項	9,290	8,930
Total current liabilities and total liabilities	流動負債總額及負債總額	9,290	8,930
Total equity and liabilities	權益及負債總額	1,512,697	1,543,487

Notes to the Consolidated Financial Statements

綜合財務報表附註

35 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

35 本公司資產負債表及儲備變動(續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Retained earnings 保留盈利 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Balance at 1 January 2017	於二零一七年 一月一日的結餘	1,299,524	81,173	43,073	1,423,770
Profit for the year	年度溢利	-	-	83,667	83,667
Repurchase of the Company's shares	回購本公司的股份	(50,317)	-	-	(50,317)
Share option scheme	購股權計劃				
- share options exercised	- 已行使購股權	25,323	-	-	25,323
Dividends paid	已付股息	-	-	(89,055)	(89,055)
Total transactions with owners	與擁有人的交易總額	(24,994)	-	(5,388)	(30,382)
Balance at 31 December 2017	於二零一七年 十二月三十一日的結餘	1,274,530	81,173	37,685	1,393,388
Balance at 1 January 2016	於二零一六年 一月一日的結餘	1,323,439	77,370	25,512	1,426,321
Profit for the year	年度溢利	-	-	84,608	84,608
Repurchase of the Company's shares	回購本公司的股份	(51,809)	-	-	(51,809)
Share option scheme	購股權計劃				
- value of services provided	- 已提供服務的價值	-	3,803	-	3,803
- share options exercised	- 已行使購股權	27,894	-	-	27,894
Dividends paid	已付股息	-	-	(67,047)	(67,047)
Total transactions with owners	與擁有人的交易總額	(23,915)	3,803	17,561	(2,551)
Balance at 31 December 2016	於二零一六年 十二月三十一日的結餘	1,299,524	81,173	43,073	1,423,770

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

36 董事利益及權益（香港公司條例（第622章）第383節、公司（披露董事利益資料）規定（第622G章）及香港上市規則規定的披露）

(a) Directors' and chief executive's emoluments

The remuneration of every Director and the chief executive of the Company during the year is set out below:

(a) 董事及行政總裁酬金

年內，本公司各董事及行政總裁的新酬載列如下：

		For the year ended 31 December 2017 截至二零一七年十二月三十一日止年度							Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就個人擔任董事（不論為本公司或其附屬公司業務）職務已付或應收的酬金	
Name	姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Housing allowance 房屋津貼 HK\$'000 千港元	Estimated money value of other benefits (Note (a)) 其他利益的估計貨幣價值（附註(a)） HK\$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主的退休福利計劃供款 HK\$'000 千港元	Remunerations paid or receivable in respect of accepting office as director 就接受董事職務已付或應收薪酬 HK\$'000 千港元	Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or its subsidiary undertaking 就董事管理本公司或其附屬公司業務事宜的其他服務已付或應收酬金 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive Directors		執行董事								
Nie Guoming (Chairman)	龔圓明 (主席)	1,300	903	2,300	-	-	47	-	-	4,550
Lu Jie (Chief Executive Officer)	盧杰 (行政總裁)	1,200	2,840	2,300	-	-	46	-	-	6,386
Li Wenjin	李文晉	1,200	-	2,300	-	-	18	-	-	3,518
		3,700	3,743	6,900	-	-	111	-	-	14,454
Independent Non-Executive Directors		獨立非執行董事								
Yip Wai Ming	葉偉明	180	-	150	-	-	-	-	-	330
Wu Min	吳敏	180	-	150	-	-	-	-	-	330
Man Kwok Kuen, Charles	文國權	180	-	150	-	-	-	-	-	330
Total	總計	540	-	450	-	-	-	-	-	990
		4,240	3,743	7,350	-	-	111	-	-	15,444

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

36 董事利益及權益（香港公司條例（第 622章）第383節、公司（披露董事利 益資料）規定（第622G章）及香港上 市規則規定的披露）（續）

(a) Directors' and chief executive's emoluments (continued)

(a) 董事及行政總裁酬金（續）

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

Emoluments paid or receivable in respect of a person's services as a director,
whether of the Company or its subsidiary undertaking
就個人擔任董事（不論為本公司或其附屬公司業務）職務已付或應收的酬金

Name	姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Housing allowance 房屋津貼 HK\$'000 千港元	Estimated money value of other benefits (Note (a)) 其他利益的 估計貨幣價值 (附註(a)) HK\$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主的退休 福利計劃供款 HK\$'000 千港元	Remunerations paid or receivable in respect of office as director 就接受董事 職務已付或 應收薪酬 HK\$'000 千港元	Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or its subsidiary undertaking 就董事管理 本公司或其 附屬公司業務 事宜的其他 服務已付或 應收酬金 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive Directors 執行董事										
Nie Guoming (Chairman)	聶國明 (主席)	1,000	826	2,300	-	-	35	-	-	4,161
Lu Jie (Chief Executive Officer)	盧杰 (行政總裁)	900	1,296	3,231	-	-	40	-	-	5,467
Li Wenjin	李文晉	800	-	2,300	-	-	18	-	-	3,118
		2,700	2,122	7,831	-	-	93	-	-	12,746
Independent Non-Executive Directors 獨立非執行董事										
Yip Wai Ming	葉偉明	162	-	120	-	-	-	-	-	282
Wu Min	吳敏	162	-	120	-	-	-	-	-	282
Man Kwok Kuen, Charles	文國權	162	-	120	-	-	-	-	-	282
Total	總計	486	-	360	-	-	-	-	-	846
		3,186	2,122	8,191	-	-	93	-	-	13,592

Note (a): Other benefits include leave pay, share options and insurance premium.

附註(a)：其他利益包括支薪假、購股權及保險費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

36 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2016: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2016: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2017, the Company did not pay consideration to any third parties for making available directors' services (2016: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2017, there are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled bodies corporate by and connected entities with such directors (2016: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2016: Nil).

36 董事利益及權益（香港公司條例（第622章）第383節、公司（披露董事利益資料）規定（第622G章）及香港上市規則規定的披露）（續）

(b) 董事退休福利

年內，概無董事已收取或將收取任何退休福利（二零一六年：無）。

(c) 董事終止僱傭福利

年內，概無董事已收取或將收取任何終止僱傭福利（二零一六年：無）。

(d) 就作出董事服務向第三方提供的代價

截至二零一七年十二月三十一日止年度，本公司概無就作出董事服務向任何第三方支付代價（二零一六年：無）。

(e) 有關以董事、受控制法人團體及該等董事的關聯實體為受益人的貸款、準貸款及其他交易的資料

截至二零一七年十二月三十一日止年度，概無有關以董事、受控制法人團體及該等董事的關聯實體為受益人的貸款、準貸款及其他交易安排（二零一六年：無）。

(f) 董事於交易、安排或合約中的重大權益

本公司概無就其業務訂立本公司為其中訂約方及本公司董事直接或間接擁有重大權益而於年終或年內任何時間仍然存續的重大交易、安排或合約（二零一六年：無）。

Five Years Financial Summary

五年財務概要

A summary of the published consolidated results and of the consolidated assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set as below:

摘錄自經審核財務報表及按適用情況重新分類的本集團過去五個財政年度已公佈綜合業績及綜合資產與負債概要如下：

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元
Results	業績					
Revenue	收入	3,591,080	2,914,842	2,870,794	2,373,272	1,472,488
Gross profit	毛利	1,457,593	1,261,994	1,092,490	864,866	541,129
Operating profit	經營溢利	428,023	689,093	657,973	463,194	266,190
Profit for the year attributable to the owners of the Company	本公司持有人應佔年內溢利	407,507	600,908	620,736	391,806	226,540
Financial position	財務狀況					
Assets and liabilities	資產及負債					
Total assets	總資產	5,232,216	4,433,063	4,080,199	3,334,313	2,832,808
Total liabilities	總負債	1,335,150	931,780	989,600	786,133	745,686
Capital and reserves	股本及儲備					
Total equity	權益總額	3,897,066	3,501,283	3,090,599	2,548,180	2,087,122



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