



賽伯樂國際控股有限公司 Cybernaut International Holdings Company Limited

(formerly known as Sinoref Holdings Limited) (前稱華耐控股有限公司)
(incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)
Stock Code 股份代號 : 1020



Annual Report 2017 年報

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Corporate Information

公司資料

EXECUTIVE DIRECTORS

Mr. Zhu Min (*Chairman*)
Mr. Gao Xiang
Mr. Sin Kwok Wai Ronald
Mr. Lu Yongchao
Mr. Xu Yejun

NON-EXECUTIVE DIRECTORS

Mr. Chow Chi Wa
Ms. Yip Sum Yu

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tong Yiu On
Mr. Li Yik Sang
Mr. Cao Ke

CHIEF EXECUTIVE OFFICER

Mr. Gao Xiang

CO-CHIEF EXECUTIVE OFFICER

Dr. Wang Matthew Yang

COMPANY SECRETARY

Mr. Sin Kwok Wai Ronald

AUTHORISED REPRESENTATIVES

Mr. Sin Kwok Wai Ronald
Ms. Yip Sum Yu

AUDIT COMMITTEE

Mr. Tong Yiu On (*Chairman*)
Mr. Li Yik Sang
Mr. Cao Ke

REMUNERATION COMMITTEE

Mr. Cao Ke (*Chairman*)
Mr. Lu Yongchao
Mr. Tong Yiu On
Mr. Li Yik Sang

NOMINATION COMMITTEE

Mr. Lu Yongchao (*Chairman*)
Mr. Tong Yiu On
Mr. Li Yik Sang
Mr. Cao Ke

REGISTERED OFFICE

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Cayman Islands

執行董事

朱敏先生 (*主席*)
高翔先生
冼國威先生
呂永超先生
徐葉君先生

非執行董事

周志華先生
葉芯瑜女士

獨立非執行董事

唐耀安先生
李奕生先生
曹克先生

行政總裁

高翔先生

聯席行政總裁

王陽博士

公司秘書

冼國威先生

授權代表

冼國威先生
葉芯瑜女士

審核委員會

唐耀安先生 (*主席*)
李奕生先生
曹克先生

薪酬委員會

曹克先生 (*主席*)
呂永超先生
唐耀安先生
李奕生先生

提名委員會

呂永超先生 (*主席*)
唐耀安先生
李奕生先生
曹克先生

註冊辦事處

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
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Grand Cayman, KY1-1111
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HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

AUDITOR

Elite Partners CPA Limited

LEGAL ADVISER

Tang Tso & Lau
Michael Li & Co.

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited
China Citic Bank International Limited
Hang Seng Bank

COMPANY WEBSITE

www.cybernaut.com.hk

STOCK CODE

Stock Exchange of Hong Kong: 1020

總辦事處及中國主要營業地點

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皇后大道東183號
合和中心22樓

核數師

開元信德會計師事務所有限公司

法律顧問

鄧曹劉律師行
李智聰律師事務所

主要往來銀行

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中信銀行(國際)有限公司
恒生銀行

公司網址

www.cybernaut.com.hk

股份代號

香港聯交所：1020

Chairman's Statement

主席報告書

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Cybernaut International Holdings Company Limited, which was formerly known as Sinoref Holdings Limited ("Cybernaut" or the "Company", together with its subsidiaries, collectively as the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2017.

The global economy has strengthened over the past year. A number of advanced economies are growing at an above-trend rate and unemployment rates are low. Globally, inflation remains low, although it has increased in some economies and further increases are expected given the tight labour markets. The Chinese economy continues to grow solidly, with the authorities paying increased attention to the risks in the financial sector and its sustainability of growth. China has increasingly shifted toward domestically driven demand and used government projects to increase demand in areas that might be suffering. The Chinese Ministry of Commerce has said that China being the world's second largest economy has maintained a stable and sound momentum. Such momentum in China will lay a solid foundation for the economy to achieve its annual growth and employment target, and the economy is likely to have an economic expansion at around 6.5 percent this year, unchanged from 2017. The improvement in the industrial production is a major contributor to the stable growth of Chinese economy in 2017. And the fixed-asset investment for the full year of 2017 grew 7.9 percent, up from 7.2 percent of last year, according to the data released by the National Bureau of Statistics of China.

各位股東：

本人謹代表賽伯樂國際控股有限公司（前稱華耐控股有限公司）（「賽伯樂」或「本公司」，連同其附屬公司統稱「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之年報。

過去一年來全球經濟增強，數個發達經濟體以超趨勢的速率增長且失業率低。全球通膨情況維持於較低水平，雖在部分經濟體通膨已升高且因勞工市場緊縮而預期通膨將進一步升高。中國經濟繼續穩固增長，政府機關加強關注金融業風險及可持續性增長中國正逐漸轉向由內需拉動之經濟體，並利用政府項目刺激經濟不景氣地區的需求。中國商務部已表示中國身為世界第二大經濟體，已維持穩定理想的勢頭。此勢頭將為中國經濟鋪下穩固的基礎，以達成其年增長及就業目標，中國經濟今年亦可能擴張約6.5%，自二零一七年起維持不變。工業生產改善是中國經濟在二零一七年度保持穩定增長的主要原因。根據中國國家統計局公布之數據，固定資產投資在二零一七年全年增長7.9%，較去年的7.2%有所升高。

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At the China Development Forum 2018 in Beijing, held on March 24, 2018, the American economist Joseph Stiglitz said that even if China changed its trade policies, it would not help resolve Washington's issue of the multilateral trade deficits as it was a consequence of the US macroeconomy. And at the Boao Forum for Asia in Hainan PRC, held on April 10, 2018 President Xi Jinping promised to open the country's economy further and lower import tariffs on products including cars, in a speech seen as an attempt to defuse an escalating trade dispute with the United States. China will certainly respond to any trade dispute in a resolute way that work within the international law and under the framework of the World Trade Organization to resolve the trade tensions with the US. President Xi also said "Cold War mentality" and arrogance had become obsolete and would be repudiated. Being threatened billions of dollars in tariffs on the Chinese goods by the US President Donald Trump's administration and with hopes for a compromise that could avert a trade war, he said China would sharply widen market access for foreign investors. Then Elon Musk tweeted after President Xi's speech in the Forum, "This is a very important action by China to open the market for more car imports. And avoiding a trade war will benefit all countries!".

As outlined in his Government Work Report on March 5, 2018 by Premier Li Keqiang that it is the right moment for the country's rapid development to increase the focus on high-quality growth, and the direction of development is not only forward but also upward. In fact, the landmark Belt and Road Initiative (BRI) is now gaining greater impetus, with 67 countries partnered with China to create a so-called new Silk Road. The China Iron and Steel Association has recommended Chinese steel companies to make use of "BRI" opportunities, because competition and unilateral protectionism in the global steel market could intensify after the United States decided to impose punitive tariffs on steel product shipments. The BRI offers Chinese steel companies opportunities to establish partnerships with downstream companies in related countries and regions, and build on-site research and development facilities to meet local steel demand for certain projects. However, cutting overcapacity in bloated sectors like steel and coal has been

在二零一八年三月二十四日於北京舉辦的中國發展高層論壇2018年會上，美國經濟學家約瑟夫•斯蒂格利茨表示，即使中國改變其貿易政策，亦無法化解因美國總體經濟導致美國政府產生多邊貿易逆差的問題。在二零一八年四月十日於中國海南舉辦的博鰲亞洲論壇上，中國國家主席習近平在演說中承諾將進一步開放國家經濟並降低汽車等進口產品的關稅，試圖化解與美國之間不斷惡化的貿易糾紛。中國必將以果斷的方式，在符合國際法律及世界貿易組織框架的情況下處理任何與美國的貿易糾紛。習主席亦表示，「冷戰思維」及傲慢已變得過時且可能將被推翻。在美國唐納德•特朗普政府威脅對中國產品施加數十億美元關稅的情況下，並抱持希望能以折衷辦法避免貿易戰爭，習主席表示中國將大幅對外國投資者開放市場。隨習主席在論壇發表演說後，埃隆•馬斯克在推特上轉推並表示，「這是中國為開放進口更多汽車所採取極重大的行動，而且避免貿易戰爭將令所有國家受益！」

李克強總理於二零一八年三月五日在其政府工作報告中概述，對國家的快速發展而言，現正是加強專注於高質素增長的正確時機，發展的方向不但向前亦向上。事實上，具里程碑意義之一帶一路倡議現已獲得更多推動力，67個國家與中國合作打造所謂的「新絲路」。中國鋼鐵工業協會建議中國鋼材公司利用一帶一路帶來機會，因為在美國決定對鋼產品運輸施加遲罰性關稅後，全球鋼市場的競爭及單方保護主義將會升高。一帶一路提供中國鋼材公司機會，與相關國家及地區的下游公司建立夥伴關係，以及為若干項目建造當地研發設施，滿足當地鋼鐵需求。然而，過去幾年來降低飽和行業如鋼材及煤業的過剩產能已成為中國政府的優先工作議程之一。根據工業和信息化部，中國計劃自二零一

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high on the China government work agenda in recent years. According to the Ministry of Industry and Information Technology (MIIT), China plans to eliminate 100 to 150 million tonnes (MT) of crude steel capacity in the five years from 2016. In the past two years, China cut steel production capacity by about 115 MT as part of the country's supply-side structural reform. In 2018, China plans to cut 30 MT of ineffective steel capacity and 150 MT of coal capacity, according to a government work report released earlier. The pressure of cutting overcapacity remains for the steel sector, whereas the progress is still slow in some particular regions. Meanwhile, our PRC subsidiary in production of steel flow control product has strived hard to face the drastic market competition, following the adverse effect from the fluctuation in the steel industry.

In his annual budget speech, the Financial Secretary of Hong Kong, Mr. Paul Chan, addressed that the city's economy for 2017 with GDP came in slightly faster than government expectations at 3.8 percent, which was the fastest since 2011. He mentioned that over HK\$50 billion of the government spending would be earmarked for long-term push as "investing in the future", help innovative and creative industries include a start-up fund and investments in sectors such as fintech. Information and Technology is undoubtedly an economic driver in this new era. Economists forecast HK GDP will ease in 2018 to 3.1 percent. In fact, the Hong Kong home prices have surged for 15 straight months despite the repeated government cooling measures. The property sector in Hong Kong, however, is seen by analysts as a potential risk, as US interest rates trend higher and that weighs on mortgage payments and household consumption. Under the applicable Hong Kong Laws and complying with the provisions of the Hong Kong Money Lenders Ordinance, our money lending subsidiary provides loans mainly on first property mortgage loans and secured financing in the market. Considering the financial strength and repayment ability of the customers together with the collaterals of the properties in Hong Kong, the risks involved in the loans and advances to the customers of the money lending business are relatively low. With the development pace in line with the Group's expectation, the money lending subsidiary business had achieved sound results in 2017. It will develop more business on high net worth customers, through sub-mortgage arrangements and increase own customer portfolio through more referrals.

六年的五年後削減100至150百萬噸(百萬噸)的粗鋼產能。過去兩年來，作為國家供應端結構性改革的一環，中國已削減約115百萬噸的鋼產能。根據先前發佈的政府工作報告，中國計劃於二零一八年削減30百萬噸低效鋼產能及150百萬噸煤產能。鋼材行業仍舊面臨削減產能過剩的壓力，在部分特定區域進度仍緩慢。在鋼材行業波動產生的不利影響後，我們製造鋼水控流產品的中國附屬公司已努力面對劇烈市場競爭。

香港財政司司長陳茂波在其年度預算演說中表示，針對於二零一七年該市經濟之國內生產總值增長為3.8%，較政府預期微快，亦為自二零一一年以來增長最快的一次。彼提到超過500億港元政府開支將預留於長期推動「投資未來」，幫助創新及創意產業包括如金融科技等行業之新創基金及投資。在新時代裡，資訊科技無疑是經濟的驅動力。經濟學家預測香港國內生產總值於二零一八年將放緩至3.1%。事實上，香港樓價已連續十五個月飆升，儘管政府數度實施樓市降溫政策。然而，分析師認為香港物業行業為潛在風險，因美國趨向升息恐影響按揭付款及家庭消費。根據適用的香港法例並遵守香港放債人條例的條文，我們的放債附屬公司在市場上提供的借貸主要為首次物業按揭貸款及已抵押融資。考慮到客戶的財務能力及環款能力，連同香港物業抵押品，貸款及對放債業務客戶的墊款涉及的風險相對偏低。因發展速度與本集團預期一致，放債附屬公司業務於二零一七年達成理想業績。該業務將透過二次按揭安排及經由更多轉介擴充自身客戶組合，在高淨值客戶上發展更多業務。

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Today, eCommerce transactions can be made anytime that allow people to buy products at any time of the day or week that suits them. In this highly competitive market, some eCommerce business has implemented feature of new financial technologies such as blockchain, which enables users to effectively extract and develop big data samples, establish a precise and extensive database of consumer transactions and consumption behaviour in systems for the management control and business enhancement. Our eCommerce and information technology (IT) subsidiary enterprise has well-established businesses with a number of brand producers and suppliers in PRC and established strategic cooperation relationships with famous brand groups. During 2017, the subsidiary had high sales growth through its online sales platforms and other than greater expansion in the B2C eCommerce; it had also increased its IT-enhanced solution sales for clients with its Multi marketplace management and sales platforms. Besides, its established B2B setup has generated more revenue through a direct path between pre-identified domestic and PRC suppliers with overseas distributors and retailers. To get a greater market share and premium gains on timely growth, it has also developed closer cooperation with well-established partners in various regions around the world.

Facing the global trend in market today, there is a need of having the knowledge economy in China. As an iResearch analyst has recently commented, "The advancement of technology is the foundation of the growing online education industry." Using the information technology in China, we may also solve the problem of insufficient course setting for more than 4 million students in the remote and impoverished areas, where there is a serious shortage of teachers. Now, online start-ups are gaining ground with parents who grew up in the Internet era. Whilst Chinese parents have always prioritized academic achievement in their children's studies, some analysts even comment that the future of teaching in China will be mainly online.

現時，由於電子商務交易可隨時於網上進行，客戶可於其認為合適的時間購物。於高度競爭的市場中，部分電子商務業務已實施新財務科技的功能如區塊鏈，可讓使用者有效截取及發展大數據樣本，在系統中建立精確且廣泛的客戶交易及消費行為資料庫，以供管理控制及業務改善，我們的電子商務及資訊科技附屬公司企業已與中國數個品牌製造商及供應商建立良好業務，並與著名品牌集團建立策略合作關係。於二零一七年內，該附屬公司透過其銷售平台及B2C電子商務的其他更多擴張達成高銷售增長。該附屬公司亦以其多元市場管理及銷售平台，增加其資訊科技增級解決方案之銷售。此外，其現有的B2B體系透過在預先確定國內及中國供應商及海外分銷商及零售商間建立直接渠道而產生更多收入。為擴張市場份額及在及時增長中獲得收益，該公司亦已在全世界不同區域與信譽良好的夥伴建立更密切的合作關係。

面對當今市場中的全球趨勢，需要掌握中國的知識經濟。iResearch分析師最近評論：「科技的發展是線上教育產業增長的根基。」利用中國的資訊科技，我們也許可以為超過400萬名在偏遠及貧窮地區的學生解決課程設置不足且當地嚴重缺乏教師的問題。現在線上創新公司在網路時代中成長的父母身上取得進展。中國父母一直已其子女的學業成就為優先，部分分析師甚至表示中國未來的教學主要會在線上進行。

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The application of internet technology calls for cooperation between education and the industry. Some education technology enterprises are integrating technologies and internet into education to give children a better learning. With the development of Internet Plus and Big Data technology, a public service innovation initiated by Beijing Municipal Education Commission through the Beijing's Middle School Teachers Online Tutoring Service Platform, can effectively share high-quality educational resources and provide an accurate, personalized education service to students. According to the data from China Internet Network Information Centre, there are big opportunities for online education companies in China, which might attract 144 million users by the end of June 2018. Michael Moe, CEO of U.S.-based Global Silicon Valley (GSV) Capital, has watched education technology enterprises around the world, and GSV Capital has invested in online education platform Coursera for a period of time. Mr. Moe believes that in the knowledge-based economy, education increasingly makes a difference to not only how an individual does, but how a company does, and how well a country does.

On 22 November 2017, we completed the acquisition of Cybernaut Technology International Limited group. Within the group, the Hong Kong Cybernaut Limited 香港賽伯樂 has its wholly-owned subsidiary in PRC, named 湖州賽樂弘教育科技有限公司 Huzhou Sai Le Hong Education Technology Limited (“湖州公司”, “Huzhou Company”) that in turn has the VIE Agreements arrangement with 京師沃學(北京)教育科技有限公司 Capital Wowxue (Beijing) Education Technology Limited (“沃學”, “Wowxue”) that confers upon our Group sufficient control over the board and daily operations of Wowxue. In December 2016, Wowxue was awarded “2016年度品牌知名度教育機構(2016 Annual Brand Awareness Education Institution)” by Xinhua Net and in May 2017, it was awarded “互聯網+教育行業領軍企業獎 (Internet + Education Industry Leadership Award*)” by National Public Service Platform for Industry. In addition to the production and distribution of online courses in its course library, Wowxue provides online education system solutions to schools or educational institutions through information infrastructure of connection gateways to link up their platforms

應用資訊科技需要教育及產業合作。部分教育科技企業正將科技及互聯網與教育整合以提供孩童更好的學習。隨著Internet Plus及大數據科技的發展，透過北基市教育委員會發起之公共服務創新－北京中學教師線上教學服務平台，高品質教育資源可有效分享，並向學生提供精確、個人化教育服務。根據中國互聯網路信息中心的資料，其可在二零一八年六月底前吸引1.44億使用者。美國Global Silicon Valley (GSV) Capital公司首席執行官邁克爾·莫一直關注全世界各地教育科技企業，且GSV Capital已投資在線上教育平台Coursera一段時間。莫先生相信以知識為主的經濟中，教育不止影響個人行為，亦影響公司及國家的發展。

於二零一七年十一月二十二日，我們完成收購Cybernaut Technology International Limited集團。於該集團旗下，香港賽伯樂有限公司的中國全資附屬公司湖州賽樂弘教育科技有限公司（「湖州公司」）與京師沃學（北京）教育科技有限公司（「沃學」）已簽訂可變利益實體協議。該協議賦予本集團對沃學董事會及日常營運足夠的控制權。於二零一六年十二月，沃學獲新華網頒發「2016年度品牌知名度教育機構獎」，並於二零一七年五月獲國家產業公共服務平台頒發「互聯網+教育行業領軍企業獎」。除為其課程圖書館中製作及發行線上課程以外，沃學為學校或教育機構提供線上教育系統解決方案，以透過連接網關之資訊基礎建設將其平台連結至沃學

Chairman's Statement 主席報告書

with online platforms of Wowxue. With the rise of the "Internet + Education" Era, the tide of online-to-offline (O2O) dual teacher teaching model has come and the norms in the education industry in the China is rapidly changing. The Directors believe that there are sufficient managerial competencies and expertise in operating the business of Wowxue. And the future prospects of Wowxue as aforementioned in the online education are encouragingly bright, so the Board believes that the businesses of Wowxue will enable a positive contribution to the Group.

Moving forward, the Group will exercise due caution to face all challenges ahead and implement business strategy to diversify more efforts towards the profitable businesses. We will make use of our strength in different industry markets in the foreseeable future and reward shareholders with better results. Additionally, we will review on any potential business investments and opportunities from time to time, so as to diversify our business developments and revenue streams.

Lastly, I would like to take this opportunity to express our sincere gratitude to the members of the Board, the management and all our dedicated staff for their invaluable services for the Group. We are aiming at well-positioned all our businesses to deliver further growth on our shareholder's value. And I would also like to thank our business partners and shareholders for their ongoing support and trust over the years.

Zhu Min
Chairman

的平台。隨著進入「網路+教育」年代，O2O雙重教師教學模式的風潮已至，中國教育產業的規範亦正在迅速改變。董事相信有充足的管理能力及專業知識營運沃學之業務。如上述，沃學在線上教育的未來發展亦相當光明，因此董事會相信，沃學的業務將對公司產生正面的貢獻。

展望未來，本集團將謹慎面對未來所有挑戰，並實施策略分散更多努力至具有高溢利業務。我們將在可見未來利用在不同行業市場的優勢，以較佳業績回報股東。另外，我們將不時審視任何潛在業務投資及機會，從而分散我們的業務發展及收入流。

最後，本人謹藉此機會對董事會成員、管理層及忠誠投入的員工對本集團提供的寶貴服務表示我們衷心感謝。我們的目標是使所有業務取得最佳狀態，以進一步提升股東價值。本人亦同時感激我們業務夥伴及股東多年以來的不斷支持和信任。

朱敏
主席

Management Discussion and Analysis

管理層討論與分析

MARKET REVIEW

In 2017, the aftermath of the political and economic crises and market fluctuation in United States of America and Europe continued to affect the world economy, together with the inherent fear of the unexpected terrorist attacks. Since the presidency of Donald Trump in January 2017, the political and threatening economic measures of United States had greatly led global economy to become a more volatile financial market worldwide.

The Chinese economy remained on the path of moderation, and with faster economic expansion and a better employment picture, China's per capita disposable income grew 7.3% in 2017. The National Bureau of Statistics of China reported the gross domestic product (GDP) for the full year of 2017 was at a growth rate at about 6.9 %, higher than the 26-year low of 6.7% in 2016. Strong growth in industry and exports and a resilient property market were the main drivers of the expansion in economy.

According to the World Steel Association (worldsteel), the world crude steel production reached 1,691.2 million tonnes (Mt) for the year 2017, up by 5.3% as compared to 2016. China made more than half the world's steel but a slowdown in its economy and sagging global demand had left the industry with excess capacity. The National Bureau of Statistics reported that China's crude steel production in 2017 reached 831.7 Mt, up by 5.7% on 2016 and China's share of world crude steel production increased from 49.0% in 2016 to 49.2% in 2017.

市場回顧

於二零一七年，美國及歐洲的政治及經濟危機及市場波動持續影響著全球經濟，也帶來了對未知恐怖攻擊的恐懼。自唐納德·特朗普於二零一七年一月任職總統後，美國政治及具威脅性的經濟措施導致全球經濟情勢成了更為動盪的金融市場。

中國經濟持續溫和復甦，隨著加速擴張的經濟及更佳的就業情況，於二零一七年，中國人平均可支配收入增長7.3%。根據中國國家統計局的資料，二零一七年全年國內生產總值(GDP)增長率為約6.9%，高於二零一六年的約6.7% (為26年來最低)。業界及出口增長強勁以及強韌的物業市場為經濟擴展的主要驅動力。

根據世界鋼鐵協會的資料，二零一七年的全球粗鋼產量達到1,691.2百萬噸(百萬噸)，與二零一六年相比增加5.3%。中國的鋼產量超過世界產量的一半，但中國經濟放緩及全球需求下降，導致行業產能過剩。國家統計局指出，中國的粗鋼產量於二零一七年達到831.7百萬噸，與二零一六年相比增加5.7%。二零一七年中國分佔世界粗鋼產量自二零一六年49.0%增加至49.2%。

Management Discussion and Analysis 管理層討論與分析

Throughout 2017, the government authorities tackled excess steel production in the country through consolidation and closed the inefficient and polluting factories; moreover, the oversupply condition of steel in market remained unresolved in China. There was a quickened pace of industrial overcapacity cuts in China. According to the Ministry of Industry and Information Technology (MIIT), China slashed its crude steel production capacity by more than 50 Mt and also phased out the production of 140 Mt of low-quality steel made from scrap metal in 2017. Besides, it was reported that China had eliminated a total of 250 Mt coal production capacity and there was emissions cut of both sulfur dioxide and nitrogen oxide by 8% in 2017. The government restrictions, bans on low-quality steel production and factory closures had made the competition fierce among the steel manufacturers in China. As our steel flow control product manufacturing plant was closely related to the steel industry in China, the subsidiary business was then so adversely affected in operation and its production was unfavourably performed under the harsh market challenges in 2017.

The Hong Kong property market in 2017 had continued its promising growth in terms of property price and transaction volume, with an anticipated slow rise in interest rate and the stable economic growth. The measure from the Hong Kong Government had repeatedly requested the moneylender to properly run their business in compliance with the additional government regulations and restrictions in 2017. Our subsidiary of money lending business made all prudent measures in its running, as the government authority had periodically advised the borrowers to be aware of the risks of increased interest rate, and the implication of the unstable and uncertain economic environment.

於二零一七年，政府當局透過整合及關閉效率不彰且造成污染的工廠解決國內過剩的鋼產量，以及仍為解決鋼鐵市場供給過剩的問題。中國正在加速削減過剩的工業產能。根據中國工業和信息化部（工信部），於二零一七年，中國削減其粗鋼產量產能逾50百萬噸，並淘汰140百萬噸使用廢料所作的低品質鋼鐵。此外，其指出中國已清除250百萬噸煤炭產能，亦於二零一七年減少8%的二氧化硫及氮氧化物。政府禁止低品質鋼鐵產品及工廠關閉的限制，使得中國鋼廠競爭激烈。我們的鋼水控流產品製造廠與中國鋼鐵行業密切相關，因此二零一七年附屬公司營運業務受到負面影響，其產品於艱難的市場挑戰下亦不利於行。

於二零一七年，香港物業市場物業價格及交易量持續出現可觀成長，預期利率上升幅度有限且經濟成長穩定。於二零一七年，香港政府的措施多次要求放債人遵守額外政府法規及限制，適當營運業務。在不穩定及不確定的經濟環境下，政府當局定期建議借款人注意利率增加風險，我們從事放債業務的附屬公司因而採取謹慎的措施及安排。

Management Discussion and Analysis 管理層討論與分析

There are a lot of business opportunities available to electronic commerce (eCommerce) business today. And eCommerce is growing rapidly worldwide with comparatively a greater extent in Asia Pacific region and particularly in PRC. The hypercompetitive eCommerce industry needs also to have efficient and speedy logistics in support to satisfy customers with security. eBay, the eCommerce giant has already launched its guaranteed delivery program for shoppers to their ordered items on its platform. This provides shoppers with faster and more precise details on the delivery dates of their purchase. As our eCommerce subsidiary also had business trades through eBay platform during 2017, so we found this program providing us safety and precise delivery to customers in remote areas, and improved our expansion strategy and partnership plans in eCommerce business.

Information technology (IT) has been revolutionizing education development over the past five years in PRC. According to the PRC Ministry of Education, China will promote the application of IT to advance education reform and ensure equitable access to education. After a wave of investments in online education started in 2015, investors were more rational and the market became healthily developing in 2017. In fact, the traditional brick and mortar education giants have also stepped into the field. The top two Chinese education firms listed on Nasdaq, TAL Education Group and New Oriental Education, have invested in more than 100 companies spanning online tutoring platforms, social apps and education technologies.

目前，電子商務商機眾多。電子商務業務在全球迅速成長，且在亞太地區（尤其是中國）相對較快速。高度競爭的電子商務產業亦需要有效率及快速的物流，以穩妥的方式滿足顧客需求。電子商務龍頭eBay為顧客推出一項保證交付計劃，加快平台訂貨運送，為顧客提供更快速及精準的購物交付日期。於二零一七年，由於我們的電子商務附屬業務的貿易亦透過eBay平台進行，我們認為這項新計劃能為我們偏遠地區的顧客提供安全且精準的交付服務，並改善我們的電子商務業務擴張策略夥伴計劃。

在中國，資訊科技於過去五年已變革教育發展。根據中國教育部，中國將提升資訊科技的應用，以推動教育改革及確保取得教育的公平性。投資線上教育的浪潮起源於二零一五年，而於二零一七年，投資者變得較為理性，且市場亦較為健全發展。事實上，傳統及實體教育巨頭亦踏入了這個領域。中國於納斯達克上市的兩大教育公司好未來教育集團及新東方學校，已投資超過100家跨線上教育平台、社交應用軟體及教育科技的公司。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

The Cybernaut Group (Group) previously known as the Sinoref Group, comprises business sources with subsidiaries engaged in the manufacture and sale of advanced steel flow control products; in the manufacture and sales of paper converting equipments; money lending business; electronic commerce (eCommerce) and information technology (IT) solution business; and the business of internet education online services acquired in November 2017.

The Group's PRC subsidiary of steel flow control product manufacturing plant is principally engaged in the manufacture and sale of advanced steel flow control products including subentry nozzle, stopper, tundish nozzle and ladle shroud. In 2017, steel manufacturers in China continued struggling hard to reduce outputs under the huge government pressure and regulatory challenges amidst the deteriorating global market. Likewise, our steel flow product manufacturing plant had competed painstakingly with others to secure market share while facing with various structural adjustments and transformation needs in the industry. Against this backdrop, the subsidiary continued to experience downward pressure on pricing and fierce competition during 2017. Coupled with a reemergence of inflationary pressure on raw materials and other direct costs, there was a high squeeze on gross margin. Additionally, the increasing spending in research and development of the subsidiary business heaped more pressure on the sector operation. During the year, the subsidiary management had been striving extremely hard to maintain market position in the drastic cutthroat market competition while having loosened internal restructuring processes and controls, so resulted in a greater segment loss during the year under review.

業務回顧

賽伯樂集團（「本集團」）（前稱華耐控股有限公司）的業務包括與附屬公司從事製造及銷售高端鋼水控流產品、製造及銷售紙張加工設備、放債業務、電子商務及資訊科技解決方案業務以及於二零一七年十一月收購之互聯網教育線上服務業務。

本集團於中國的附屬公司為鋼水控流產品製造廠，主要從事製造及銷售高端鋼水控流產品，如浸入式水口、塞棒、中間包水口及長水口。於二零一七年，由於在全球市場惡化的巨大政府壓力及法規挑戰下減少生產，令中國鋼廠持續艱苦經營。同樣地，本集團鋼水控流產品製造廠在面臨業界眾多結構調整及改革需求時，艱辛地與其他同業競爭，以鞏固市場份額。在此情況下，該附屬公司於二零一七年持續承受價格下跌及激烈競爭的壓力。加上原材料再度通膨壓力及其他直接成本，導致毛利率高度緊縮。此外，附屬公司業務之研發支出增加造成部門營運更多壓力。於本年度，附屬公司管理層於急劇激烈競爭市場中，極其努力維持市場地位，並放緩內部重組及控制，導致於回顧年度內產生更多的分部虧損。

Management Discussion and Analysis 管理層討論與分析

Time Credit Limited (TCL), the subsidiary of the Group engaged in money lending business in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) had developed sound and effective business growth. During 2017, the subsidiary generated revenue mainly on first mortgage property loans to customers for their long and short term financial needs. TCL maintained a good brand name and its loan portfolio contributed a steady income for the Group with its high net worth customer base and market share with partnership alliance on sub-mortgage arrangements. Its business was well-performed, and it had sought minor expansion in a more healthy and solid position in the mortgage loan business portfolio, with caution on the interest impact, the property market and the industry challenges. On 8 March 2016, TCL as the lender entered into the loan agreement, that constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules, with the borrower (an independent third party) and pursuant to which the lender had agreed to grant a loan of HK\$110 million to the borrower for a term of 12 months. This mortgage short-term loan was matured and fully settled in 2017, and it had generated a good revenue for the Group.

本集團的附屬公司友邦信貸有限公司（「TCL」）於香港從事香港法例第163章放債人條例項下之放債業務，並已取得理想及有效的業務增長。於二零一七年，此附屬公司主要在向客戶提供首次物業按揭貸款以應付彼等的長期及短期財務需要方面產生收益。TCL維持良好品牌，且其貸款組合透過其高淨值客戶基礎及就二次按揭安排成立夥伴聯盟而取得的市場份額為本集團帶來穩定收入。其業務表現良好，於留意利息影響、物業市場及業界挑戰的同時，於按揭貸款業務投資組合中微幅擴展至更為健全及穩固的水平。於二零一六年三月八日，TCL作為放款人與借款人（一名獨立第三方）訂立一份貸款協議，據此，放款人已同意向借款人授出110,000,000港元的貸款，年期為12個月。貸款協議構成上市規則第14章項下本公司之須予披露交易。該按揭短期貸款已於二零一七年到期及全數結算，並為本集團帶來理想收入。

Management Discussion and Analysis 管理層討論與分析

The eCommerce industry in Asia Pacific has been hypercompetitive, retailers are moving beyond competing on price to competing on logistics, and getting packages to access more people with greater speed and security. Our subsidiary business, being one of the retailers with a stake in the eCommerce market, cannot settle with customer only for low prices alone; and it must continue advancing its own capabilities to enhance revenue generating and its own brand name. The IT business subsidiary of the Group that we named as “Soaring or VTZero”, has principally engaged in the eCommerce industry, specializing on B2C retailing through the eBay and Amazon platforms and internet wholesale businesses with a focus on overseas consumers, logistics management and sourcing. Besides, the subsidiary also generated good revenue in its IT project solution for different type of corporate customers. In 2017, its business activities through such platforms had established remarkable revenue with majority of client orders from USA, Australia and EU countries. Other than relying merely on one or two platforms as means for it to generate sales income, the subsidiary started selling smart phone accessories and well-branded products on new platforms, namely Rakuten, Newegg and Walmart marketplaces since June 2017. During the year, its main product-mix for sales shifted from phone accessories and home gadgets to the second-handed and refurbished phones of good brand names. The eCommerce business has kept up with the market innovation and trends on product sales in overseas markets and also developed B2C segment sales in Europe, through liaison with authorized parties for logistic arrangements in easy pick up locations and an efficient delivery.

亞太區電子商務行業競爭異常激烈，零售商的競爭重點已不在價格，而是在物流方面及以更快和更穩妥的方式向客戶提供產品。作為著眼發展電子商務市場的零售商，我們的附屬公司業務不能單單依靠低廉價格吸引客戶，更需要繼續加強本身能力以增加收入及自身品牌。我們命名為「Soaring」或「VTZero」的本集團資訊科技附屬公司主要從事透過eBay及亞馬遜平台進行集中於B2C零售的電子商務行業及集中於海外消費者、物流管理及採購的互聯網批發業務。此外，此附屬公司亦自旗下針對不同類型企業客戶的資訊科技項目解決方案產生豐厚收入。於二零一七年，透過該等平台的業務活動帶來了可觀收入，其主要客戶訂單來自美國、澳洲及歐洲國家。除僅僅仰賴一或兩個平台以產生銷售收入外，自二零一七年六月起，附屬公司開始於新平台（即樂天、新蛋及沃爾瑪等市場）銷售智能手機配件及知名品牌產品。於本年度，其主要銷售產品組合由手機配件及家庭配件轉向知名品牌手機的二手銷售及翻新。電子商務業務就產品銷售方面的市場革新及趨勢緊貼海外市場，並與經授權方聯盟發展於歐洲的B2C分部銷售，以實現取貨地點方便及付運高效的物流安排。

Management Discussion and Analysis

管理層討論與分析

Consolidation in Customer Base

In 2017, our steel flow industry has consolidated its customer base in the PRC market. Meanwhile, the Group continued to be the key supplier of the top 10 steel manufacturers in the PRC, including Baosteel Group, Shougang Group, Hebei Group and Wuhan Steel. Going forward, the Group will continue to explore business opportunities with domestic steel manufacturers to drive further business growth.

During the year under review, the major customers in our paper equipment manufacturing business were JK Paper Ltd and Great Wall Machinery & Mfg. (Philips.), Inc., originated in India and Philippines respectively. One of our client, JK Paper Ltd, contribute 14% of revenue in paper industry of the Group in 2017

In our the money lending business, we have diversified different clients in order to disperse the risk and only focus on first mortgage clients in order to minimize the risk of the breach of contract. In 2017, our major clients included business clients and also the Hong Kong listed companies.

In 2017, our eCommerce business obtained about 80% revenue was from online retail and the remaining was from wholesale. In future, we will enhance the customer royalty so that they will visit our site regularly. The major customers were USA, France and UK.

Expanded Overseas Market

During the year under review, the steel flow control product subsidiary of the Group has built up the reputation of the brand "Sinoref" among the steel industry over the years and has successfully gained a good reputation of many of the world's most renowned steel manufacturers, including: the world's largest steel and mining company, ArcelorMittal; and the world's largest manufacturer, processor and distributor of special long steel products, Carboref GmbH. The Group will continue to enhance its global brand awareness of Sinoref with the view to strive for a leading position in the industry.

鞏固客戶基礎

於二零一七年，我們的鋼水產業已鞏固了中國市場的客戶基礎。同時，本集團仍是中國十大鋼廠的主要供應商，包括寶鋼集團、首鋼集團、河北集團及武漢鋼鐵。展望未來，本集團將繼續與國內鋼廠一併發掘商機，進一步推動業務增長。

於回顧年度，我們紙製設備製造業務之主要客戶為JK Paper Ltd及Great Wall Machinery & Mfg. (Philips.), Inc.，其分別位於印度及菲律賓。其中一名客戶JK Paper Ltd於二零一七年佔本集團製紙業收入之14%。

於我們的放債業務，我們擁有多元的客戶以分散風險，並著重首次按揭客戶以減少違反合約之風險。於二零一七年，我們的主要客戶包括商業客戶，亦包括香港上市公司。

於二零一七年，我們的電子商務業務收入約80%來自於網上零售，其餘則是來自批發。未來，我們將加強客戶忠誠度，以使彼等能定期光顧。主要客戶來自美國、法國及英國。

擴充海外市場

於回顧年度，經過多年耕耘，本集團的鋼水控流產品附屬公司已在鋼鐵行業打響「Sinoref」品牌，並成功獲得多家全球知名鋼鐵生產企業的青睞，包括世界最大的鋼鐵及礦業公司ArcelorMittal及世界最大的超長鋼材產品製造商、加工商及分銷商Carboref GmbH。本集團將繼續提升Sinoref品牌的國際知名度，鞏固本集團在業界的領先地位。

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During the year under review, for the paper equipment manufacturing business, we continue to expand to other Asian countries such as Philippines, Indian and Korea. The Group will also seek for the opportunity to explore revenue from other countries.

In 2017, eCommerce contributed more than 50% of total revenue of the Group. In the future, we will strive to expand more business in France, Germany and Russia in order to capture more market share.

Enhanced Research and Development

For the year ended 31 December 2017, the Group's PRC subsidiaries has attained four new registered invention patents. This bring the Group's total to 37 registered patents as at the end of the year. Its strong research and development capability is a core competitive edge of Sinoref that has helped the subsidiary become China's second largest advanced steel flow control product manufacturer in China. The Group has adopted a number of leading self-developed technologies which enable the Group to enjoy a preferential tax rate as a Chinese High-tech Enterprise, supporting future earnings to record new heights.

Apart from further developing its steel flow control products business, the Group has also been seeking potential opportunities in steel-related as well as non-steel related businesses. During the period under review, the Group significantly boosted its investment in research and development to further diversify its business. In order to increase the segment revenue in eCommerce business, we will invest more research and development cost in 2018 and will develop our own website and produce more innovative products and consigned in Amazon and some France internet platforms.

於回顧年度，我們持續擴展紙製設備製造業務至其他亞洲國家，如菲律賓、印度及韓國。本集團亦將探尋於其他國家增加收入的機會。

於二零一七年，電子商務佔本集團總收入逾50%。未來，我們將努力擴展法國、德國及俄羅斯之業務，以把握更多市場份額。

加強研發

截至二零一七年十二月三十一日止年度，本集團之中國附屬公司取得四項新註冊發明專利。這令本集團於年末合共擁有37項註冊專利。強大的研發能力是華耐的核心競爭優勢，幫助附屬公司在中國成為中國第二大高端鋼水控流產品製造商。本集團已採用了多項領先的自主研發技術，該等自主研發技術能讓本集團享有中國高新技術企業優惠稅率，支持未來盈利以創新高。

除了進一步發展鋼水控流產品業務外，本集團也一直在鋼鐵相關及非鋼鐵相關業務中尋求潛在商機。於回顧期間，本集團顯著加大研發投資力度，以進一步增加業務種類。為了增加電子商務業務之分部收入，我們將於二零一八年投入更多研發成本及開發自身網站及製造更多創新產品，並於亞馬遜或法國互聯網平台販售。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2017, the Group's revenue was approximately RMB364.7 million (2016: RMB357.8 million). The increase in revenue was mainly due to the largely increase in eCommerce business.

Cost of Sales

The Group's cost of sales mainly comprised costs of raw materials, labour, depreciation and other direct costs of sales. During the year, the Group's cost of sales increased by approximately 4.6% from RMB340.7 million in 2016 to approximately RMB356.4 million in 2017.

Gross Profit

The Group experienced a gross profit of approximately RMB8.3 million for the year ended 31 December 2017. For the year ended 31 December 2016, the Group recorded a gross profit of approximately RMB17.1 million. The gross profit was mainly resulted from the effective cost control in money lending and eCommerce business, however, due to the sluggish market demand, gross loss still occur in steel industry.

Impairment Loss

The repayment ability of Chinese steel enterprises deteriorated sharply in 2017 due to market situation, an impairment loss for trade receivables amounted to approximately RMB18.1 million was recognised for the year ended 31 December 2017 (2016: RMB1.5 million). Also, there was an impairment loss on inventory of the paper equipment manufacturing business recognised to approximately RMB4.1 million in 2017 (2016: nil).

財務回顧

收入

截至二零一七年十二月三十一日止年度，本集團的收入約為人民幣364,700,000元（二零一六年：人民幣357,800,000元）。收入增加乃主要由於電子商務業務大幅增加。

銷售成本

本集團的銷售成本主要包括原材料成本、勞工成本、折舊及其他直接銷售成本。於本年度，本集團的銷售成本自二零一六年的人民幣340,700,000元增加約4.6%至二零一七年的約人民幣356,400,000元。

毛利

本集團於截至二零一七年十二月三十一日止年度，錄得毛利約人民幣8,300,000元。截至二零一六年十二月三十一日止年度，本集團錄得毛利約人民幣17,100,000元。毛利主要由於放債及電子商務業務的有效成本控制。然而，由於市場需求萎縮，故鋼鐵行業仍產生毛損。

減值虧損

於二零一七年，中國鋼鐵企業因市場環境導致還款能力急遽下降，引致於截至二零一七年十二月三十一日止年度確認貿易應收款項的減值虧損約人民幣18,100,000元（二零一六年：人民幣1,500,000元）。且於二零一七年，確認紙製設備製造業務的存貨減值虧損約人民幣4,100,000元（二零一六年：零）。

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Selling and Distribution Costs

The Group's selling and distribution costs comprised sales commissions, sales staff costs and transportation costs. During the year under review, its selling and distribution costs decreased to approximately RMB14.5 million, representing a decrease of approximately 28.6% from approximately RMB20.3 million for the previous year. The decrease was mainly attributable to the decrease in sales commission and transportation costs in steel industry.

Administrative Expenses and Other Expenses

The Group's administrative expenses and other expenses increased by approximately 12.0% from approximately RMB96.5 million for year ended 31 December 2016 to approximately RMB108.0 million for the year ended 31 December 2017. The Group has devoted resources to research and development, amounting to approximately RMB22.8 million for the year ended 31 December 2017 for creating more new products to meet with its customers' needs.

Finance Costs

The Group's finance costs were approximately RMB5.0 million for the year ended 31 December 2017 (2016: RMB5.5 million). The interest rate for bank loan was at a fixed interest rate of 5.22% per annum (2016: 4.92% per annum).

Taxation

The PRC steel flow product manufacturing subsidiary of the Company and internet education service provider of the Company have successfully obtained the Chinese High-tech Enterprise Certification (中國高新技術企業認證) in 2015 and 2017 respectively. Consequently, the PRC subsidiary is entitled to the PRC Enterprise Income Tax ("EIT") rate of 15% for three years for 2015 and 2017. The EIT rate for another PRC subsidiary of the Company engaged in production of paper machineries is 25%.

銷售及分銷成本

本集團的銷售及分銷成本包括銷售佣金、銷售員工成本及運輸成本。於回顧年度內，其銷售及分銷成本減少至約人民幣14,500,000元，自去年的約人民幣20,300,000元減少約28.6%。該減少乃主要由於鋼鐵業銷售佣金及運輸成本減少所致。

行政開支及其他開支

本集團的行政開支及其他開支自截至二零一六年十二月三十一日止年度的約人民幣96,500,000元增加約12.0%至截至二零一七年十二月三十一日止年度的約人民幣108,000,000元。本集團投放資源於研發活動，於截至二零一七年十二月三十一日止年度投放了約人民幣22,800,000元以創造更多新產品滿足客戶需要。

財務成本

於截至二零一七年十二月三十一日止年度，本集團的財務成本約為人民幣5,000,000元（二零一六年：人民幣5,500,000元）。銀行貸款利率為固定年利率5.22%（二零一六年：年利率4.92%）。

稅項

本公司的中國鋼水控流產品製造附屬公司及本公司的互聯網教育服務供應商分別於二零一五年及二零一七年成功取得中國高新技術企業認證。因此，該中國附屬公司須自二零一五年及二零一七年起三年按15%的稅率繳納中國企業所得稅（「企業所得稅」）。本公司另一家從事生產造紙機的中國附屬公司的企業所得稅稅率為25%。

Management Discussion and Analysis

管理層討論與分析

Loss for the Year

As a result of the challenging conditions, the Group's loss for the year was approximately RMB138.3 million, compared to approximately RMB137.9 million for the previous year. The loss was mainly due to a combination of factors, which include (i) the impairment loss in inventories and trade receivables; and (ii) the increase in staff expenses in eCommerce business. The Group's loss per share decreased from RMB4.86 cents for the year ended 31 December 2016 to RMB3.49 cents in 2017.

Final Dividends

The Board does not recommend the payment of a final dividend for year ended 31 December 2017 (2016: Nil).

Capital Structure, Liquidity and Financial Resources

During the year ended 31 December 2017, the Group's bank balances and cash was approximately RMB194.0 million (2016: RMB40.1 million).

Total equity of the Group as at 31 December 2017 was approximately RMB649.0 million (2016: RMB563.9 million). The Group has an outstanding bank and other loan and promissory notes of approximately RMB50.6 million and RMB185.6 million, respectively as at 31 December 2017 (2016: RMB84.5 million and RMB195.7 million).

年內虧損

基於情況具挑戰性，本集團的年內虧損約為人民幣138,300,000元，而上一年度錄得約人民幣137,900,000元。虧損主要是由於多個因素的共同影響，其中包括(i)存貨及貿易應收款項之減值虧損；及(ii)電子商務業務之員工開支增加。本集團的每股虧損自截至二零一六年十二月三十一日止年度的人民幣4.86分減少至二零一七年度的人民幣3.49分。

末期股息

董事會不建議派付截至二零一七年十二月三十一日止年度的末期股息（二零一六年：無）。

資本架構、流動資金及財務資源

於截至二零一七年十二月三十一日止年度，本集團的銀行結餘及現金約為人民幣194,000,000元（二零一六年：人民幣40,100,000元）。

本集團於二零一七年十二月三十一日的權益總額約為人民幣649,000,000元（二零一六年：人民幣563,900,000元）。於二零一七年十二月三十一日，本集團的未償還銀行及其他貸款及承兌票據分別約為人民幣50,600,000元及人民幣185,600,000元（二零一六年：人民幣84,500,000元及人民幣195,700,000元）。

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Material Acquisitions and Disposals of Subsidiaries and Associated Companies

On 22 November 2017, the Company acquired 100% equity interest of Cybernaut Technology International Limited and its subsidiaries, which is engaged in the provision of internet education services to kindergarten, primary and secondary schools at a consideration of approximately RMB495 million (i.e. HK\$320 million subject to adjustments detailed in the circular of the Company dated 27 October 2017).

Save as disclosed above, the Group had no other material acquisitions or disposals during the year.

Pledge of Assets

As at 31 December 2017, the Group pledged certain of its buildings and leasehold land with aggregate net carrying value of approximately RMB0.40 million (2016: RMB0.80 million) as collaterals for the bank loan granted to the Group. Gearing ratio is calculated based on total debt at the end of the year divided by total assets at the end of the year multiplied by 100%. As at 31 December 2017, the gearing ratio of the Group was 19% (2016: 29%).

重大收購及出售附屬公司及聯營公司

於二零一七年十一月二十二日，本公司以代價約人民幣495,000,000元（即320,000,000港元）（可予調整，詳情載於本公司日期為二零一七年十月二十七日之通函）收購Cybernaut Technology International Limited及其附屬公司之100%股權。Cybernaut Technology International Limited主要從事向幼兒園、小學及中學提供互聯網教育服務。

除上文所披露者外，本集團於年內概無其他重大收購或出售。

資產抵押

於二零一七年十二月三十一日，本集團已將若干賬面淨值總額約為人民幣400,000元（二零一六年：人民幣800,000元）的樓宇及租賃土地抵押，以作為本集團獲授銀行貸款之抵押品。資產負債比率乃按年末總負債除以年末總資產乘以100%計算。於二零一七年十二月三十一日，本集團資產負債比率為19%（二零一六年：29%）。

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管理層討論與分析

CONTINGENT CONSIDERATION AND LIABILITIES

On 26 July 2017, the Company entered into the Share Purchase Agreement (the “SPA”) with Cybernaut Education Limited, a company which is owned as to 90% by Mr. Zhu Min, an executive director and a substantial shareholder of the Company, (the “Vendor”). Pursuant to the SPA, the consideration will be subject to adjust based on the net profit after tax generating from operating activities (the “Net Profit”) of the Cybernaut Technology International Limited and its subsidiaries as shown in the audited consolidated financial statements for:

- (i) the Net Profit for the six-month period ending 30 June 2018 shall not be less than HK\$7.5 million;
- (ii) the Net Profit for the six-month period ending 31 December 2018 shall not be less than HK\$7.5 million;
- (iii) the Net Profit for the six-month period ending 30 June 2019 shall not be less than HK\$9 million; and
- (iv) the Net Profit for the six-month period ending 31 December 2018 shall not be less than HK\$9 million.

The fair value of the contingent consideration was determined by an independent professional valuer not connected with the Group based on Binomial Option Pricing Model. The fair value as at 31 December 2017 was RMB143 million.

As at 31 December 2017, saved as disclosed in above, the Group had not provided any form of guarantee for any company outside the Group. The Group is not involved in any current material legal proceedings, nor is the Group aware of any pending or potential material legal proceedings involving the Group.

或然代價及負債

於二零一七年七月二十六日，本公司與 Cybernaut Education Limited（一家由本公司執行董事及主要股東朱敏先生持有90%之公司）（「賣方」）訂立購股協議（「購股協議」）。根據購股協議，代價須基於Cybernaut Technology International Limited及其附屬公司之經審核綜合財務報表所示之來自經營活動之稅後淨溢利（「淨溢利」）予以調整：

- (i) 於截至二零一八年六月三十日止六個月期間之淨溢利不得少於7,500,000港元；
- (ii) 於截至二零一八年十二月三十一日止六個月期間之淨溢利不得少於7,500,000港元；
- (iii) 於截至二零一九年六月三十日止六個月期間之淨溢利不得少於9,000,000港元；及
- (iv) 於截至二零一八年十二月三十一日止六個月期間之淨溢利不得少於9,000,000港元。

或然代價公平值乃由與本集團無關連之獨立專業估值師按二項式期權定價模式所釐定。於二零一七年十二月三十一日之公平值為人民幣143,000,000元。

於二零一七年十二月三十一日，除上文所披露者外，本集團並無向本集團以外的任何公司提供任何形式的擔保。本集團目前並無涉及任何重大法律訴訟，亦不知悉有任何涉及本集團的未決或潛在的重大法律訴訟。

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CONTRACTUAL AGREEMENTS

During the year ended 31 December 2017, certain business activities of the Group which were/are categorised as “restricted” business under the PRC laws and regulations have been carried out by the Group through a series of contractual agreements (the “VIE Agreements”), and that happened at the acquisition of Cybernaut Technology International Limited (the “Project Company”) on 22 November 2017. The VIE agreements are a series of agreements, including but not limited to the Management Services Agreement, the Equity Pledge Agreement, the Loan Agreement, the Irrevocable Option Agreement, the Power of Attorney, the Undertaking Letters and the Declaration Letters, executed for the purpose of establishing the variable interest entity arrangement between Huzhou Company and Wowxue, through which the financial results of Wowxue are consolidated with the financial results of Huzhou Company as “variable interest entity” (as defined in Hong Kong and International Financial Reporting Standards). The VIE business and VIE Agreements are disclosed in the circular dated 17 October 2017 and as below.

REASON FOR ENTERING INTO THE VIE AGREEMENTS

Investing in the PRC by foreign investors is primarily regulated by “外商投資產業指導目錄 (2017年修訂) (the Guidance Catalogue of Industries for Foreign Investment (2017 Revision)*)” (the “Catalogue”), which was promulgated and is amended from time to time jointly by the Ministry of Commerce of the PRC and the National Development and Reform Commission. Pursuant to the Catalogue, the value-added telecommunication services related business of Wowxue is considered as “restricted” under the categories of value-added telecommunication services. Therefore, foreign investors can only operate value-added telecommunication business in the PRC under joint ventures with the foreign portion of the total investment and hence shareholding below 50%. As Hong Kong Cybernaut, the subsidiary of the Target Company, is the foreign investor of Huzhou Company, it is not allowed to indirectly hold more than 50% equity interest in Wowxue through Huzhou Company or directly hold more than 50% equity interest in Wowxue under the PRC laws.

合約協議

截至二零一七年十二月三十一日止年度，本集團透過一系列合約安排（「可變利益實體協議」）從事本集團根據中國法律及法規分類為「受限制」業務的若干業務活動，並於二零一七年十一月二十二日收購Cybernaut Technology International Limited（「項目公司」）時進行。可變利益實體協議為湖州公司與沃學就確定可變利益實體安排而簽立的一系列協議（包括但不限於管理服務合同、股權質押協議、貸款協議、不可撤回的購股權協議、授權委託書、承諾函以及聲明函），據此，沃學之財務業績綜合入賬至湖州公司財務業績作為「可變利益實體」（定義見香港及國際財務報告準則）。可變利益實體業務及可變利益實體協議披露於日期為二零一七年十月十七日的通函並載列如下。

訂立可變利益實體協議之理由

外國投資者於中國的投資活動主要受《外商投資產業指導目錄（二零一七年修訂）》（「目錄」）所規管，該目錄由中國商務部及國家發展和改革委員會共同頒佈及不時修訂。根據目錄，沃學之增值電信服務相關業務被視為增值電信服務類別下的「受限制」業務。因此，外國投資者僅可透過外商投資總額及股權低於50%的合資企業於中國經營增值電信業務。由於目標公司之附屬公司香港賽伯樂為湖州公司之外國投資者，故根據中國法律其不得透過湖州公司間接持有沃學超過50%股權或直接持有沃學超過50%股權。

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In light of the above, Huzhou Company, Wowxue and the Registered Shareholders have entered into the VIE Agreements on 31 August 2017 (as amended by supplemental agreements dated 25 September 2017) for the Reorganisation in order to enable the financial results, the entire economic benefits and the risks of the businesses of Wowxue to flow into Huzhou Company and to enable the Project Company to have indirect control over Wowxue as contemplated under the Sale and Purchase Agreement.

The Company agrees that it would unwind the VIE Agreements as soon as the relevant laws and regulations allow the value-added telecommunications business in the PRC to be operated by foreign investors without adopting a VIE structure. However, it is uncertain at this stage when the restrictions on foreign ownership in value-added telecommunications businesses will be lifted in the PRC. Under the Irrevocable Option Agreement, the Registered Shareholders must return to Huzhou Company or its nominee any consideration the Registered Shareholders had received from Huzhou Company for the acquisition of the equity interest in Wowxue.

Up to 31 December 2017 of this report and 29 March 2018 for approval of the annual financial results, the Group has not encountered any interference or encumbrance from any governing bodies in operating its business through Wowxue under the VIE Agreements.

The PRC Legal Adviser has confirmed, among others, that (i) the use of the VIE structure and the VIE Agreements do not violate the relevant prevailing laws and regulations in the PRC; (ii) the VIE Agreements would not be deemed as concealing illegal intentions with a lawful form and void under the PRC contract law; and (iii) save for the clause providing that the arbitration tribunal may award injunctive relief or winding up orders and that the courts in Hong Kong, the Cayman Islands and the PRC may grant temporary injunctive relief or other temporary remedies, which may not be enforceable under PRC law, the VIE Agreements are enforceable under the laws of the PRC. Based on the above, the Directors believe that the VIE Agreements conferring significant control and economic benefits from Wowxue to the Target Company are enforceable under the relevant laws and regulations.

鑒於上文所述，湖州公司、沃學及登記股東已於二零一七年八月三十一日就重組訂立可變利益實體協議（經日期為二零一七年九月二十五日之補充協議修訂），以令沃學的財務業績、全部經濟利益及業務風險併入湖州公司，並助力項目公司根據買賣協議間接控制沃學。

本公司同意，當相關法律及法規容許外國投資者不透過採用可變利益實體架構於中國開展增值電信業務，即會盡快解除可變利益實體協議。然而，現階段增值電信業務外商擁有權限制何時於中國解除仍屬未知之數。根據不可撤回的購股權協議，登記股東須退還因湖州公司收購沃學股權而收取之任何代價予湖州公司或其提名人。

截至本報告日期（二零一七年十二月三十一日）及批准全年財務業績（二零一八年三月二十九日），本集團於根據可變利益實體協議透過沃學經營其業務時並無遭遇任何來自政府部門之干涉或妨礙。

中國法律顧問已確認（其中包括）(i)使用可變利益實體架構及可變利益實體協議不抵觸相關中國現行法律及法規；(ii)可變利益實體協議將不被視為中國合同法項下以合法形式掩蓋非法目的而被認為無效；及(iii)除規定仲裁庭可頒佈禁令救濟或清盤令及香港、開曼群島及中國法院可授出臨時禁令救濟或其他臨時補救辦法之條文根據中國法律或會無法強制執行外，可變利益實體協議根據中國法律可強制執行。基於上述，董事認為可變利益實體協議賦予沃學就目標公司之重大控制權及經濟利益根據相關法律及法規可強制執行。

Management Discussion and Analysis

管理層討論與分析

INFORMATION OF THE VIE AGREEMENTS

The VIE Agreements

(1) Management Services Agreement

Date : 31 August 2017

Parties : (1) Wowxue;
(2) Huzhou Company; and
(3) The Registered Shareholders.

Scope of services : Huzhou Company shall provide investment advice, planning and other business advice on the operation and technical services of Wowxue in accordance with the requirements of Wowxue. Huzhou Company shall participate and assist in the management of the project operation and complete the management consulting service in time and submit the relevant management consulting report within the time limit required by Wowxue, and provide the required technical services. Such services include but not limited to the following:

- (i) to select and facilitate the employment of qualified persons and experts in respect of the businesses of Wowxue in internet education information services and teacher qualifications, and to provide the required or appropriate training to the managers, department heads, administration staff and accounting staff and all other employees of Wowxue;

可變利益實體協議之資料

可變利益實體協議

(1) 管理服務合同

日期 : 二零一七年八月三十一日

訂約方 : (1) 沃學;
(2) 湖州公司; 及
(3) 登記股東。

服務範圍 : 湖州公司須根據沃學的要求，為沃學的經營及技術服務提供投資建議、規劃及其他商業建議。湖州公司須參與及協助項目運作管理，及時提供管理諮詢服務，並在沃學要求的期限內遞交相關管理諮詢報告，以及提供必要的技術服務。該等服務包括但不限於以下服務：

- (i) 選擇及協助僱用熟悉沃學之互聯網教育信息服務業務且具備教師資格的合資格人士及專家，以及為沃學的經理、部門主管、行政人員、會計人員及所有其他僱員提供必要或適當的培訓；

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|---|--|
| <p>(ii) provide strategic advice, from time to time, on the negotiation and signing of contract(s) which is/are required or in connection with the daily operation and business of Wowxue;</p> | <p>(ii) 不時就沃學的日常經營及業務所需或與之相關的合同的談判及簽訂提供戰略性意見；</p> |
| <p>(iii) formulate rules, regulations, internal control policies, risk control management systems, standards administration, accounting, budget, marketing, human resources and operating policies, as well as the practices which are relevant to or affecting the business of Wowxue, and assist Wowxue in the effective implementation of relevant policies and practices;</p> | <p>(iii) 制定規則、規例、內部控制政策、風險控制管理制度、標準管理辦法、會計、預算、營銷、人力資源及經營政策，以及與沃學之業務相關或影響其業務之規範，並協助沃學有效落實相關政策及規範；</p> |
| <p>(iv) to plan, prepare, as well as provide public relations services and promote activities for Wowxue and to assist Wowxue to enter into contract(s) with third parties for businesses such as internet education information services and certification of teachers' qualification;</p> | <p>(iv) 規劃、籌備及提供公關服務及提升沃學的業務量，以及協助沃學與第三方就相關業務（如互聯網教育信息服務及教師資格認定）訂立合同；</p> |
| <p>(v) from time to time or at the request of Wowxue to review and improve the operation of Wowxue;</p> | <p>(v) 不時或應沃學之要求審查及改善沃學的經營狀況；</p> |
| <p>(vi) in general, to perform all reasonable and necessary actions in relation to Wowxue's business operations in an effective and appropriate manner;</p> | <p>(vi) 一般而言，以有效及適當的方式採取與沃學之業務經營有關的所有合理及必要行動；</p> |

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	(vii) on behalf of Wowxue, to make investments related to its business scope, establish branches, subsidiaries and make decisions on merger and acquisitions;	(vii) 代表沃學作出與其業務範圍相關的投資、設立分公司及附屬公司以及作出併購決策；
	(viii) to provide Wowxue with the global market information, market research data and analysis on internet education information services and certification of teachers' qualification; and	(viii) 向沃學提供全球市場信息、市場調查數據及就互聯網教育信息服務及教師資格認定業務作出分析；及
	(ix) to provide investment advice, planning and other business advice on the operation and project investment of Wowxue, and to participate and assist in the management of project operations in accordance with the requirements of Wowxue.	(ix) 為沃學的經營及項目投資提供投資建議、規劃及其他商業建議，以及根據沃學的要求參與及協助項目運作管理。
Fee	: Wowxue shall make provisions for and pay management and consultancy fees to Huzhou Company on an annual basis, which shall be equivalent to the total income of Wowxue minus all relevant costs, expenses and taxes payable by Wowxue. If there is a loss in a given year, then no provisions for the said management and consultancy fees would be required for the year until Wowxue records a surplus.	費用 : 沃學須每年向湖州公司計提及支付管理及顧問費，費用相等於沃學之總收入減去沃學應付之所有相關成本、開支及稅項。倘沃學於某個年度錄得虧損，則於該年度毋須就上述管理及顧問費計提撥備，直至沃學產生盈餘為止。
Guarantee	: The Registered Shareholders have pledged their holding of 100% of the equity interest in Wowxue to guarantee Wowxue to fulfill its obligations under the Management Services Agreement.	擔保 : 登記股東已抵押彼等於沃學持有之100%股權，旨在為沃學履行其於管理服務合同項下之責任提供擔保。

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Term : A term of ten years from the date of signing of the Management Services Agreement. Upon the expiry of each term, Huzhou Company is entitled at its sole and absolute discretion to renew the Management Services Agreement for a further term of ten years for each renewal. Wowxue and the Registered Shareholders are not entitled to terminate the Management Services Agreement during the term of such agreement. Huzhou Company is entitled to terminate the Management Services Agreement by giving thirty days of prior notice in writing to Wowxue.

期限 : 自簽訂管理服務合同日期起計為期十年。每次屆滿後，湖州公司有權全權酌情決定將管理服務合同續期十年。沃學及登記股東在相關協議期限內無權終止管理服務合同。湖州公司有權向沃學發出三十天的事先書面通知終止管理服務合同。

(2) Irrevocable Option Agreement

Date : 31 August 2017 (as amended by a supplemental agreement dated 25 September 2017)

日期 : 二零一七年八月三十一日
(經日期為二零一七年九月二十五日之補充協議修訂)

Parties : (1) Wowxue;
(2) Huzhou Company; and
(3) The Registered Shareholders.

訂約方 : (1) 沃學;
(2) 湖州公司; 及
(3) 登記股東。

Subject Term : (i) Wowxue and the Registered Shareholders irrevocably grant the right to Huzhou Company to purchase the entire equity interest in Wowxue for no consideration or, if nil consideration for purchasing the entire equity interest in Wowxue by Huzhou Company is unacceptable by relevant local regulations or government departments, at such consideration will be determined by Huzhou Company. The Registered Shareholders must return to Huzhou Company or its nominee any consideration that the Registered Shareholders had received from Huzhou Company for the acquisition of the equity interest in Wowxue;

主要事項 : (i) 沃學及登記股東不可撤銷地向湖州公司授予一項權利，以按零代價或倘湖州公司按零代價購買沃學全部股權不被有關當地法規或政府部門所准許，則按湖州公司將予釐定之有關代價購買沃學之全部股權。登記股東須退還因湖州公司收購沃學股權而收取之任何代價予湖州公司或其提名人；

Management Discussion and Analysis 管理層討論與分析

- (ii) Huzhou Company shall also have the right at its discretion to direct Wowxue and the Registered Shareholders to transfer the equity interest in Wowxue to a third party designated or arranged by Huzhou Company at no consideration or, if nil consideration for purchasing the entire equity interest in Wowxue by a third party designated or arranged by Huzhou Company is unacceptable by relevant local regulations or government departments, at such consideration will be determined by Huzhou Company. The Registered Shareholders must return to Huzhou Company or its nominee any consideration that the Registered Shareholders had received from Huzhou Company for the acquisition of the equity interest in Wowxue;
- (iii) Huzhou Company may at any time by way of serving a notice of purchase (including by telephone, e-mail, telegraph) to Wowxue and the Registered Shareholders in order to exercise the option to purchase the equity interest in Wowxue;
- (iv) Wowxue and the Registered Shareholders shall notify Huzhou Company by way of written notice in the event of a divorce, major diseases, insolvency (including but not limited to being prosecuted), bankruptcy, dissolution or deregistration, etc., which may potentially affect their holding of equity interest in Wowxue;
- (ii) 湖州公司亦有權酌情指示沃學及登記股東按零代價轉讓沃學股權予湖州公司指定或安排之第三方或倘湖州公司指定或安排之第三方按零代價購買沃學全部股權不被有關當地法規或政府部門所准許，則按湖州公司將予釐定之有關代價向湖州公司指定或安排之第三方轉讓沃學全部股權。登記股東須退還因湖州公司收購沃學股權而收取之任何代價予湖州公司或其提名人；
- (iii) 湖州公司可隨時向沃學及登記股東發出購買通知(包括以電話、電子郵件或電報形式)，以行使購買沃學股權之購股權；
- (iv) 倘發生離婚、重大疾病、無償債能力(包括但不限於被起訴)、破產、解散或註銷登記等情況而可能對彼等於沃學所持股權產生潛在影響，沃學及登記股東須以書面通知形式告知湖州公司；

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- (v) If any Registered Shareholders by reason of divorce, insolvency, death, bankruptcy, dissolution, deregistration, etc, may lead to their equity interest in Wowxue being inherited or transferred to other third party(ies) (including but not limited to their spouse, heir, creditor, etc.), and in the event that Huzhou Company decided not to exercise the option set out in paragraphs (i) and (ii) above, the other Registered Shareholders shall exercise their right of first refusal to acquire the relevant equity interest in Wowxue such that the party who had exercised the right of first of refusal shall be subject to the obligations under the Management Services Agreement, the Irrevocable Option Agreement, the Loan Agreement and the Equity Pledge Agreement; and
- (vi) Wowxue and the Registered Shareholders have covenanted, among others, that:
- (a) without the prior written consent of Huzhou Company, they shall not sell, transfer, mortgage, dispose of by way of gift or dispose of in any other manner any equity interest in Wowxue or create any security interest in such equity interest;
- (v) 倘任何登記股東因離婚、無償債能力、死亡、破產、解散或註銷登記等原因而可能導致其於沃學之股權被繼承或轉讓予其他第三方(包括但不限於其配偶、繼承人及債權人等), 以及倘湖州公司決定不行使上文第(i)段及第(ii)段載列的購股權, 則其他登記股東須行使其購買沃學相關股權之優先購買權, 而行使優先購買權的一方須受管理服務合同、不可撤回的購股權協議、貸款協議及股權質押協議項下之責任所規限; 及
- (vi) 沃學及登記股東已契諾(其中包括):
- (a) 未經湖州公司事先書面同意, 不會以任何方式出售、轉讓、抵押、以饋贈方式處置或以任何其他方式處置於沃學之任何股權或就該等股權設立任何抵押權益;

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(b) without the prior written consent of Huzhou Company, Wowxue shall not enter into any transaction (except in the ordinary course of business) that may cause any material changes to its assets, liabilities, operations, shareholders' interests or other legal interests; and

(c) they shall not in any manner supplement or amend the articles of association of Wowxue to the extent that it may cause any material changes to the assets, liabilities, operations, shareholders' interests or other legal interests of Wowxue.

(b) 未經湖州公司事先書面同意，沃學不會進行可能導致其資產、負債、經營、股東權益或其他合法利益出現任何重大變動之任何交易（於日常業務過程中進行者除外）；及

(c) 彼等不會以任何方式補充或修訂沃學之組織章程細則，以致可能導致沃學之資產、負債、經營、股東權益或其他合法利益出現任何重大變動。

Term : The exercise period of the option shall remain in effect indefinitely as permitted by the law and/or until Huzhou Company having exercised such option.

期限 : 購股權的行使期在法律允許的期限內無限期有效及／或直至湖州公司行使相關購股權為止。

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(3) Loan Agreement

Date : 31 August 2017 (as amended by a supplemental agreement dated 25 September 2017)

Parties : (1) Huzhou Company; and
(2) The Registered Shareholders.

Subject : (i) Subject to the operational needs of Wowxue, Huzhou Company may at its discretion, from time to time, provide an interest free loan to the Registered Shareholders by way of entrusted bank loans or by other legal ways. The amount and conditions of the loan, if provided, shall be determined by Huzhou Company at its sole discretion, and such loan shall be used as the paid in capital of Wowxue.

(ii) Formal loan agreement(s), entrusted loan agreement(s) or other relevant agreement(s) shall be entered into between Huzhou Company, the Registered Shareholders, and other relevant parties according to the actual situation.

(3) 貸款協議

日期 : 二零一七年八月三十一日
(經日期為二零一七年九月二十五日之補充協議修訂)

訂約方 : (1) 湖州公司；及
(2) 登記股東。

主要事項 : (i) 根據沃學的業務需要，湖州公司可酌情以委託銀行貸款方式或以其他合法方式不時向登記股東提供免息貸款。貸款額度及條件(如有)由湖州公司全權酌情決定，且相關貸款須用作沃學之實收資本金。

(ii) 正式貸款協議、委託貸款協議或其他相關協議須由湖州公司、登記股東及其他相關訂約方根據實際情況訂立。

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Interest	: Non-interest bearing	利息	: 不計息
Term	: In the event of any of the following circumstances, the loan will expire and the Registered Shareholders shall repay the loan at the request of Huzhou Company:	期限	: 倘發生下列任何情況，貸款將到期，登記股東須按照湖州公司之要求償還貸款：
	(i) Wowxue having filed for or having been subject to bankruptcy petition, bankruptcy reorganization, bankruptcy liquidation or winding up petition; and		(i) 沃學已提交或接受破產呈請、破產重組、破產清盤或清盤呈請；及
	(ii) Huzhou Company having fully exercised its right to purchase the entire equity interest in Wowxue in accordance with the Irrevocable Option Agreement.		(ii) 湖州公司根據不可撤回的購股權協議充分行使購買沃學全部股權之權利。

(4) Equity Pledge Agreement

Date	: 31 August 2017
Parties	: (1) Wowxue; (2) Huzhou Company; and (3) The Registered Shareholders.
Subject	: The Registered Shareholders unconditionally and irrevocable agreed to pledge all the equity interest in Wowxue that they own (including any interest or dividend paid for such shares) to Huzhou Company as a security for the performance of the obligations by Wowxue and the Registered Shareholders under the Management Services Agreement.
Term	: The pledge shall remain valid until Wowxue and the Registered Shareholders unconditionally and irrevocably fulfilled all the obligations (including, but not limited to, the settlement and/or the payment of the service charge, liquidated damages (if any), etc.) under the Management Services Agreement.

(4) 股權質押協議

日期	: 二零一七年八月三十一日
訂約方	: (1) 沃學； (2) 湖州公司；及 (3) 登記股東。
主要事項	: 登記股東無條件及不可撤銷地同意將彼等於沃學擁有之全部股權（包括就該等股份支付的任何利息或股息）質押予湖州公司，作為沃學及登記股東履行於管理服務合同項下之責任之抵押品。
期限	: 質押將一直有效，直至沃學及登記股東無條件及不可撤銷地履行於管理服務合同項下之所有責任（包括但不限於結算及／或支付服務費、違約賠償金（如有）等）為止。

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(5) Power of Attorney

Date : 31 August 2017

Parties : (1) Huzhou Company; and
(2) The directors of Wowxue, the Registered Shareholders or the legal representative of Wowxue

Subject : Pursuant to the Power of Attorney, the directors of Wowxue, the Registered Shareholders and the legal representative of Wowxue have irrevocably appointed Huzhou Company as its/their attorney-in-fact to (i) exercise all the directors' rights, shareholders' rights and legal representative's rights (as the case may be) including but not limited to passing of board resolutions and shareholders' resolutions as well as the right to appoint or remove the directors, legal representative, general manager and other senior management of Wowxue; (ii) sign on their behalf all the documents necessary to give effect to the VIE Agreements; (iii) exercise all the rights and powers under the Equity Pledge Agreement and the right to deal with the assets of Wowxue; and (iv) submit documents to the competent company registration authorities of Wowxue or other relevant authorities for filing purpose. As confirmed by Huzhou Company, the authorizations under the Power of Attorney will be granted to the relevant officers/management of Huzhou Company who are third parties independent to the Registered Shareholders and their associates.

Term : From the date of the Power of Attorney to the earlier of the revocation or termination of each of the Management Services Agreement, Irrevocable Option Agreement, Loan Agreement and Equity Pledge Agreement

(5) 授權委託書

日期 : 二零一七年八月三十一日

訂約方 : (1) 湖州公司；及
(2) 沃學董事、登記股東或沃學法定代表人

主要事項 : 根據授權委託書，沃學董事、登記股東及沃學法定代表人已不可撤銷地委任湖州公司為其授權代理人，(i)行使一切董事權利、股東權利及法定代表人權利(視情況而定)，包括但不限於，通過董事會決議案、股東決議案及委任或免除沃學董事、法定代表人、總經理及其他高級經理之權利；(ii)代其簽署使可變利益實體協議生效之所有必要文件；(iii)行使股權質押協議項下之所有權利及權力以及處理沃學資產之權力；及(iv)向沃學之主管公司登記機關或其他有關機關提交文件以存檔。誠如湖州公司所確認，根據授權委託書，授權將授予湖州公司相關高級職員／管理層，彼等為獨立於登記股東及其聯繫人之第三方。

期限 : 自授權委託書日期起至管理服務合同、不可撤銷的購股權協議、貸款協議及股權質押協議各項協議被撤銷或終止之較早日期

Management Discussion and Analysis

管理層討論與分析

(6) Undertaking Letters

Date : 31 August 2017 (as amended by a supplemental letter dated 25 September 2017)

Parties : (1) Huzhou Company; and
(2) The directors of Wowxue, the Registered Shareholders and the legal representative of Wowxue

Subject : Pursuant to the Undertaking Letters, the directors of Wowxue, the Registered Shareholders and the legal representative of Wowxue, irrevocably undertake that: (i) they will act in accordance with the instructions of Huzhou Company upon the exercise of the powers of the directors of Wowxue, the power of the shareholders of Wowxue and the power of the legal representative of Wowxue respectively; and (ii) each of the directors of Wowxue, each of the Registered Shareholders of Wowxue and the legal representative of Wowxue has also undertaken not to compete with the business operating by Wowxue.

(6) 承諾函

日期 : 二零一七年八月三十一日
(經日期為二零一七年九月二十五日之補充函件修訂)

訂約方 : (1) 湖州公司; 及
(2) 沃學董事、登記股東或沃學法定代表人

主要事項 : 根據承諾函, 沃學董事、登記股東及沃學法定代表人不可撤銷地承諾: (i) 彼等於分別行使沃學董事權力、沃學股東權力及沃學法定代表人權利時將依據湖州公司之指示行事; 及 (ii) 各沃學董事、各沃學登記股東及沃學法定代表人亦已承諾不會與沃學經營之業務競爭。

Management Discussion and Analysis

管理層討論與分析

(7) Declaration Letters

Date : 31 August 2017

Parties : (1) Zhao Yingming “YM Zhao” and his spouse; and
(2) Zhao Yingyong “YY Zhao” and his spouse

Subject : pursuant to the Declaration Letters, YM Zhao and his spouse, and YY Zhao and his spouse irrevocably declare that, among other things, (i) acknowledge that all the equity interests held by YM Zhao and YY Zhao in the Wowxue do not form part of their matrimonial property and YM Zhao and YY Zhao are entitled to sign and fulfill the VIE Agreements personally; and (ii) the spouse of YM Zhao and YY Zhao undertake that if they get a divorce, they will not claim the relevant equity in the Wowxue by any way, including but not limited to the equity of distribution of profits, acquiring residual properties upon liquidation of Wowxue, investment and incorporation of branch offices and subsidiaries.

Protection of the interest and assets of Wowxue

The Management Services Agreement, Irrevocable Option Agreement, Loan Agreement, Equity Pledge Agreement, and the Undertaking Letters include a provision that each agreement is binding on the successors and permitted assignees of the respective parties. In the event of death, bankruptcy or divorce of any party of the Registered Shareholders, Huzhou Company may exercise its option under the Irrevocable Option Agreement to replace the relevant party of the Registered Shareholders, thus protecting the interest of the Group and allowing Huzhou Company to enforce its rights under the VIE Agreements against the successors and permitted assignees of the shareholders of Wowxue.

(7) 聲明函

日期 : 二零一七年八月三十一日

訂約方 : (1) 趙映明「趙映明」及其配偶；及
(2) 趙英勇「趙英勇」及其配偶

主要事項 : 根據聲明函，趙映明及其配偶以及趙英勇及其配偶不可撤銷地宣佈（其中包括）：(i)承認趙映明及趙英勇所持有之沃學全部股權並不構成彼等婚姻財產之一部分以及趙映明及趙英勇有權親自簽署及履行可變利益實體協議；及(ii)趙映明之配偶及趙英勇承諾，倘彼等離婚，彼等將不會以任何方式索要沃學相關股權，包括但不限於溢利分配之股權、沃學清盤後收購剩餘財產、投資及註冊成立分支機構及附屬公司。

保護沃學之利益及資產

管理服務合同、不可撤回的購股權協議、貸款協議、股權質押協議以及承諾函均載有一項條文，規定各協議對各自訂約方之繼承人及獲准受讓人具有約束力。在任何登記股東死亡、破產或離婚之情況下，湖州公司可行使其於不可撤回的購股權協議項下之購股權以取代相關登記股東，從而保護本集團之利益，並允許湖州公司針對沃學股東之繼承人及獲准受讓人執行其於可變利益實體協議項下之權利。

Management Discussion and Analysis

管理層討論與分析

In order to have effective control over and to safeguard the assets of Wowxue, the VIE Agreements provide that, without the prior written consent of Huzhou Company, Wowxue shall not, in any form, dispose of significant assets (including but not limited to any significant customer resources, fixed assets, trademarks, technical knowhow or other intellectual property rights and/or other equity interests or similar interests held by Wowxue), operating rights and/or dispose of all or part of its business (including sale, replacement, mortgage or disposal in any other ways), with respect to it and/or its subsidiaries (if any).

The VIE Agreements also provide that, without the prior written consent of Huzhou Company, (i) Wowxue shall not increase or decrease the registered capital or accept any investment or capital increase from the Registered Shareholders or any third parties to Wowxue or change the form of the company or make any major adjustments regarding carrying out liquidation or dissolution; or the business scope, mode, profit model, marketing strategy, business policy or customer relationship; (ii) Wowxue and/or its subsidiaries shall not enter into any partnership or joint venture or profit sharing arrangement with any third parties, or any other arrangements for the transfer of benefits or profit sharing in the form of royalties, service fees or consultancy fees; and (iii) Wowxue shall not declare or distribute dividends, dividends or any other interests to its shareholders, including the after-tax profits that Wowxue has not yet allocated before the commencement of the VIE Agreements.

Since the completion to acquire the Project Company on 22 November 2017, there were no changes in the VIE structure up to 31 December 2017. The Board will review the VIE structure regularly and determine if the Group encounters any issues in safeguarding its assets held through the VIE Agreements. If any major issues or difficulties arise in doing so, the Board will engage legal advisers and/or other professionals to assist the Group to tackle such issues or difficulties.

Financial information of Wowxue

Under the VIE Agreements, Wowxue is accounted for as a consolidated structured entity that as a subsidiary of the Group. For the year ended 31 December 2017, Wowxue recognised total revenue of RMB4,140,000; profit of RMB2,987,000 and Total assets of RMB18,584,000.

為有效控制及保護沃學之資產，可變利益實體協議規定，未經湖州公司事先書面同意，沃學不得以任何形式處置與沃學及／或其附屬公司（如有）有關之重大資產（包括但不限於沃學持有之任何重要客戶資源、固定資產、商標、技術知識或其他知識產權及／或其他股權或類似權益）、經營權及／或處置全部或部分業務（包括出售、更換、抵押或以任何其他方式處置）。

可變利益實體協議亦規定，未經湖州公司事先書面同意，(i)沃學不得增加或減少註冊資本，或允許登記股東或任何第三方向沃學增加任何投資或資本，或更改公司形式或作出任何重大調整以進行清算或解散；或對業務範圍、模式、盈利模式、營銷策略、業務政策或客戶關係作出任何重大調整；(ii)沃學及／或其附屬公司不得與任何第三方訂立任何合夥或合營或溢利攤分安排，或以特許權使用費、服務費或顧問費形式轉讓利益或攤分溢利的任何其他安排；及(iii)沃學不得向其股東宣派或派發股息、紅利或其他利益，包括沃學在訂立可變利益實體協議前尚未分配之除稅後溢利。

自於二零一七年十一月二十二日完成收購項目公司後，截至二零一七年十二月三十一日止，可變利益實體架構並無變動。董事會將定期審查可變利益實體架構，並確定本集團在透過可變利益實體協議保護其資產方面是否遇到任何問題。倘出現任何重大問題或困難，董事會將聘請法律顧問及／或其他專業人士協助本集團處理相關問題或困難。

沃學之財務資料

於可變利益實體協議下，沃學以綜合結構性實體作為本集團之附屬公司入賬。截至二零一七年十二月三十一日止年度，沃學確認總收入人民幣4,140,000元；溢利人民幣2,987,000元及資產總值人民幣18,584,000元。

Management Discussion and Analysis

管理層討論與分析

VIE Agreements confer economic benefits on Huzhou Company from Wowxue

The VIE Agreements confer upon the Group the right to enjoy all the economic benefit of Wowxue by the Management Services Agreement under which Wowxue will pay Huzhou Company the management and consultancy fees equivalent to the total income of Wowxue minus all relevant costs, expenses and taxes payable by Wowxue.

VIE Agreements confer control from Wowxue to Huzhou Company

The VIE Agreements confer upon the Group sufficient control over the board and daily operations of Wowxue. The appointment of directors of Wowxue is subject to Huzhou Company being satisfied of the director's qualification and requires the explicit consent of Huzhou Company. If Huzhou Company is dissatisfied with the performance of the director(s) of Wowxue and proposes to remove such director(s), Wowxue shall remove such person(s) as director(s) upon Huzhou Company's proposal. Also, Wowxue agreed with Huzhou Company that Wowxue will, and its shareholders will cause Wowxue to, accept proposals put forward by Huzhou Company relating to the daily operations of Wowxue and employment of staff, operate all business of Wowxue in the ordinary course of business and refrain from any action or omission that may adversely affect the business of Wowxue.

Moreover, under the Management Services Agreement, Huzhou Company will formulate rules, regulations, internal control policies, risk control management systems, standards administration, accounting, budget, marketing, human resources and operating policies, as well as the practices which relevant to or affecting the business of Wowxue, and assist Wowxue in the effective implementation of relevant policies and practices.

Furthermore, as a general housekeeping rule, Huzhou Company will have the custody of the constitutional items of Wowxue, including the company chop and seal. At the request of Huzhou Company, Wowxue will provide it with the relevant legal documents and other information on Wowxue's business operation.

可變利益實體協議向湖州公司賦予沃學之經濟利益

可變利益實體協議透過管理服務合同賦予本集團享有沃學所有經濟利益之權利，據此，沃學將向湖州公司支付管理及顧問費，費用相等於沃學之總收入減去沃學應付之所有相關成本、開支及稅項。

可變利益實體協議向湖州公司賦予沃學之控制權

可變利益實體協議向本集團授予沃學董事會及日常經營的充分控制權。沃學董事的委任須受湖州公司信納董事資歷規限及湖州公司的明確同意。倘湖州公司不滿意沃學董事的表現並建議罷免有關董事，沃學須於湖州公司提出建議後罷免有關人士的董事職務。同時，沃學向湖州公司表示同意，沃學及其股東將促使沃學接受湖州公司就沃學日常運營及僱用員工提出的建議、於日常業務過程中營運沃學的所有業務以及避免任何可能對沃學業務造成不利影響的行為或遺漏。

此外，根據管理服務合同，湖州公司將制定規則、規例、內部控制政策、風險控制管理制度、標準管理條例、會計、預算、營銷、人力資源及營運政策，以及與沃學業務有關或對其產生影響的慣例，且將協助沃學有效落實相關政策及慣例。

再者，作為一般管理規定，湖州公司將有權保管沃學的章程用品，包括公司印鑑及印章。沃學將應湖州公司要求向其提供沃學業務營運的相關法律文件及其他資料。

Management Discussion and Analysis

管理層討論與分析

RISKS AND LIMITATIONS RELATING TO THE VIE AGREEMENTS

1. Economic risks of the Company

Huzhou Company, as the primary beneficiary of Wowxue, is not obligated under any of the VIE Agreements to share the losses of Wowxue or provide financial support to Wowxue. Moreover, as a limited liability company, Wowxue is solely liable for its own debts and losses. As advised by the PRC Legal Adviser, the PRC laws and regulations do not expressly require Huzhou Company to share the losses of Wowxue or provide financial support to Wowxue.

2. Limitations in exercising the option to acquire ownership in Wowxue

In the case that Huzhou Company exercises its options to acquire all or part of the equity interest in Wowxue under the Irrevocable Option Agreement, the acquisition of the entire equity interests in Wowxue may only be conducted to the extent as permitted by the applicable PRC laws and may be subject to necessary approvals and relevant procedures under applicable PRC laws.

Further, a substantial amount of other costs (if any), expenses and time may be involved in transferring the ownership of Wowxue, which may have a material adverse impact on Huzhou Company's businesses, prospects and results of operation.

Huzhou Company may need to pay a substantial amount of enterprise income tax for the income from the ownership transfer according to the Irrevocable Option Agreement.

有關可變利益實體協議的風險及限制

1. 本公司的經濟風險

根據任何可變利益實體協議，作為沃學的主要受益人，湖州公司無義務分擔沃學的虧損或向沃學提供財務支持。此外，作為一家有限公司，沃學對其自身債務及虧損全權負責。經中國法律顧問告知，中國法律法規並未明確規定湖州公司須分擔沃學的虧損或向沃學提供財務支持。

2. 行使購股權以收購沃學擁有權的限制

倘湖州公司根據不可撤回的購股權協議行使其購股權以收購沃學的全部或部分股權，收購沃學全部股權僅可在適用中國法律准許的情況下進行，且或須根據適用中國法律規定獲得必要的批准及經由相關程序。

此外，轉讓沃學擁有權時或會涉及較大數額的其他費用（如有）、開支及時間，可能對湖州公司的業務、前景及經營業績產生重大不利影響。

根據不可撤回的購股權協議，湖州公司或需就來自擁有權轉讓的收入繳納巨額企業所得稅。

Management Discussion and Analysis

管理層討論與分析

3. Arrangements when potential conflicts of interest arise

Huzhou Company shall rely on the VIE Agreements to exercise control over and to draw the economic benefits from Wowxue. Huzhou Company may not be able to provide sufficient incentives to the Registered Shareholders for the purpose of encouraging it/them to act in the best interests of Wowxue, other than stipulating the relevant obligations in the VIE Agreements. The Registered Shareholders may breach the VIE Agreements in the event of conflicts of interest or deterioration of its/their relationship with Huzhou Company, the results of which may have a material adverse impact on Huzhou Company's business, prospects and results of operation.

It is not assured that if conflicts arise, the Registered Shareholders will act in the best interests of Huzhou Company or that the conflicts will be resolved in favour of Huzhou Company. If any of the Registered Shareholders fail to perform its obligations under the respective VIE Agreements, Huzhou Company may have to rely on legal remedies under the PRC laws through legal proceedings, which may be expensive, time-consuming and disruptive to Huzhou Company's operations and will be subject to uncertainties as discussed above.

4. Other risks relating to the VIE Agreements

Firstly, despite (i) there is currently no indication that the VIE Agreements will be interfered or objected by any PRC regulatory authorities; and (ii) the PRC Legal Adviser is of the view that the VIE Agreements do not violate any prevailing PRC laws or regulations, uncertainties still exist regarding the interpretation and application of the PRC laws and regulations especially in the area of value-added telecommunications business. For instance, the PRC regulatory authorities may issue further guidelines that impose stricter foreign ownership requirements in that area of business. Given the uncertain legal and business environment in the PRC, it is difficult to foresee whether the PRC regulatory authorities will take the same view regarding the VIE Agreements as the PRC Legal Adviser in the future.

3. 出現潛在利益衝突時之安排

湖州公司將倚賴可變利益實體協議行使控制權及自沃學抽取經濟利益。除可變利益實體協議所訂明之有關責任外，湖州公司可能無法就鼓勵登記股東以沃學之最佳利益行事而向登記股東提供足夠激勵。登記股東可能於出現利益衝突事件或其與湖州公司之關係惡化時違反可變利益實體協議，其結果可能對湖州公司之業務、前景及經營業績產生重大不利影響。

概不保證當發生衝突時，登記股東將以湖州公司之最佳利益行事或衝突將以對湖州公司有利之方式解決。倘任何登記股東未能履行其於各可變利益實體協議項下之責任，湖州公司可能須透過法律訴訟依賴中國法律下之法律補救，此可能屬昂貴、耗時及中斷湖州公司之營運，且可能面臨上文所討論之不明朗因素。

4. 有關可變利益實體協議的其他風險

首先，儘管(i)現時並無跡象顯示，任何中國監管機關將干預或反對可變利益實體協議；及(ii)中國法律顧問認為，可變利益實體協議並不違反任何現行的中國法律或法規，中國法律法規的詮釋及應用仍存在不確定性，特別是於增值電信業務領域。例如，中國監管機構可能進一步頒佈指引，對此業務範圍實施更為嚴格的外資擁有權規定。鑒於中國的法律及經營環境存在不明朗因素，難以預計中國監管機構未來會否就可變利益實體協議與中國法律顧問持有相同意見。

Management Discussion and Analysis 管理層討論與分析

On 19 January 2015, the Ministry of Commerce of the PRC published the draft PRC Foreign Investment Law (中華人民共和國外國投資法(草案徵求意見稿)) and the Explanation on the draft PRC Foreign Investment Law (關於《中華人民共和國外國投資法(草案徵求意見稿)》的說明) (collectively the “Draft Law”) pursuant to which foreign companies gaining control over domestic companies via contractual arrangement such as the VIE Agreements will be regarded as foreign investments and will be governed by the Draft Law when it is adopted and becomes law. The PRC Legal Adviser is of the view that the Draft Law is currently in consultation stage and has not yet been effective or legally binding. As there are uncertainties on the final content and interpretations of the Draft Law, there is no assurance that the VIE Agreements will comply with the Draft Law when it is adopted and becomes law.

Secondly, the VIE Agreements may not provide control as effective as direct ownership. Huzhou Company does not have any direct equity ownership in Wowxue and has relied on the VIE Agreements to effect changes in the management of Wowxue and make an impact on its business decision making, as opposed to exercising its rights directly as a shareholder. If Wowxue or its shareholders refuse to cooperate, the Company will face difficulties in effecting control over Wowxue’s operation of business through the VIE structure, which may adversely affect the Company’s business efficiency.

Thirdly, according to the Regulations on the Administration of Foreign-invested Telecommunication Enterprises (2016 Revision) (外商投資電信企業管理規定(2016修訂)) (the “FITE Regulations”), which were promulgated by the State Council of the PRC on 11 December 2001, and amended on 10 September 2008 and 6 February 2016, it requires a foreign investor who invests in a value-added telecommunications business in the PRC must possess prior experience in operating value-added telecommunications businesses and a proven track record of business operations overseas (the “Qualification Requirement”). Currently, none of the applicable PRC laws, regulations or rules provides clear guidance or interpretation on the Qualification Requirement. Despite the lack of clear guidance or interpretation on the Qualification Requirements, the Company intends to acquire the entire equity interests in the Wowxue

於二零一五年一月十九日，中國商務部頒佈《中華人民共和國外國投資法(草案徵求意見稿)》及關於《中華人民共和國外國投資法(草案徵求意見稿)》的說明(統稱「**法律草案**」)，據此，透過合約安排(如可變利益實體協議)取得內資公司控制權之外資公司將被視為外國投資，並將於法律草案獲採納及成為法律時受其規管。中國法律顧問認為，法律草案現時僅供諮詢用途，尚未生效或具有法律約束力。由於法律草案之最終內容及詮釋存在不確定因素，故無法保證可變利益實體協議將符合法律草案(倘其獲採納及成為法律)。

第二，可變利益實體協議賦予的控制權未必如直接擁有同樣有效。湖州公司並未直接擁有任何沃學股權，且倚賴可變利益實體協議以對沃學管理層實施變動及對其業務決策作出影響，而非作為股東直接行使其權利。倘沃學或其股東拒絕合作，本公司將難以透過可變利益實體架構對沃學的業務營運實施控制權，從而對本公司的業務效益造成不利影響。

第三，根據中國國務院於二零零一年十二月十一日頒佈且於二零零八年九月十日及二零一六年二月六日修訂的《外商投資電信企業管理規定(二零一六年修訂)》(「**外商投資電信企業管理規定**」)，投資中國增值電信業務的外國投資者必須擁有經營增值電信業務的經驗，且海外營業過往記錄良好(「**資質規定**」)。目前，概無適用中國法律、法規或規則就資質規定作出明確指引或詮釋。儘管資格規定欠缺清晰指引或詮釋，本公司擬於中國法律允許外國投資者在中國投資增值電信業務時收購沃學之全部股權。本集團計劃採取措施建立海外增值電信業務經營之往績記錄，力圖符合資格規定，即於未來一至三年就

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when the PRC laws allow foreign investors to invest in value-added telecommunications business in the PRC. The Group plans to take steps to build up its track record of overseas value-added telecommunications business operations in an attempt to comply with the Qualifications Requirements, i.e., to establish overseas office in Hong Kong and to register a certain number of domain names outside of the PRC for conducting operation of websites and other businesses in relation to value-added telecommunication services in Hong Kong in coming one to three years, so as to be qualified to acquire the entire equity interests in the Wowxue when the relevant PRC laws allow foreign investors to invest and to hold a majority interest in value-added telecommunications enterprises in PRC. However, there is a risk that when the restrictions on foreign ownership in value-added telecommunications businesses are lifted in the PRC, Huzhou Company may still be required to unwind the VIE Agreements before Huzhou Company's foreign investor Hong Kong Cybernaut is in a position to fully comply with the Qualification Requirement. Therefore, there is no guarantee that the steps taken will be sufficient to enable Huzhou Company to ultimately acquire the ownership in Wowxue.

Fourthly, the VIE Agreements may be subject to scrutiny by the tax authorities and additional tax may be imposed. Under the Management Services Agreement, Wowxue is required to pay Huzhou Company management and consultancy fees for the services rendered by Huzhou Company. Such service fee payments between related parties may be subject to scrutiny or challenge by the PRC tax authorities within ten years after the taxable year when such transactions are conducted.

Fifthly, the VIE Agreements are governed by the PRC laws. When a dispute arises under any of the VIE Agreements, the parties to the dispute may have to rely on legal remedies under the PRC laws. The VIE Agreements provide that dispute will be submitted to the South China International Economic and Trade Arbitration Commission (華南國際經濟貿易仲裁委員會) for arbitration to be conducted in Shenzhen. The decision of such arbitration is final and binding on the parties to the dispute.

香港增值電信服務在香港設立海外辦事處及在中國境外註冊多個域名，以經營網站及開展其他業務，從而於相關中國法律允許外國投資者在中國投資增值電信企業及持有其大部分權益時合資格收購沃學之全部股權。然而，倘中國就增值電信業務的外資擁有權作出限制，湖州公司可能仍須解除可變利益實體協議，除非湖州公司的外國投資者香港賽伯樂完全符合資質規定。因此，概不保證所採取的措施可令湖州公司最終獲得沃學的擁有權。

第四，可變利益實體協議或會受稅務機構的審查及可能被徵收額外稅項。根據管理服務合同，沃學須就湖州公司提供的服務向其支付管理及諮詢費。關連方之間的相關服務費款項或會於相關交易進行的稅務年度後十年內受到中國稅務機構的審查或質疑。

第五，可變利益實體協議受中國法律規管。倘任何可變利益實體協議出現爭議，爭議各方可能須倚賴中國法律項下的法律補救措施。可變利益實體協議規定，爭議將提呈予華南國際經濟貿易仲裁委員會，以於深圳進行仲裁。就爭議各方而言，相關仲裁決定屬最終且具約束力。

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Since the legal environment in the PRC is different from that in Hong Kong and other jurisdictions, the uncertainties in the PRC legal system could limit the ability of Huzhou Company to enforce the VIE Agreements. There is no assurance that such arbitration result will be in favour of Huzhou Company and/or that there will not be any difficulties in enforcing any arbitral awards granted, including specific performance or injunctive relief and claiming damages by Huzhou Company. As Huzhou Company may not be able to obtain sufficient remedies in a timely manner, its ability to exert effective control over Wowxue and the conduct of the value-added telecommunication business could be materially and adversely affected, and may disrupt the business of Huzhou Company and have a material adverse impact on Huzhou Company's business, prospects and results of operation.

Lastly, the VIE Agreements provide that the arbitration tribunal may award remedies over the equity interests or assets of Wowxue or injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of Wowxue. The VIE Agreements also include a clause in relation to dispute resolution among the parties where, when awaiting the formation of the arbitration tribunal or otherwise under appropriate conditions, the parties thereto may seek temporary injunctive relief or other temporary remedies from the courts in Hong Kong, Cayman Islands, the PRC and the location where the principal assets of the Company and Wowxue are located.

However, the PRC Legal Adviser is of the view that pursuant to the PRC laws, the arbitration tribunal may have no power to grant the aforementioned remedies or injunctive relief or to order the winding up of Wowxue. In addition, even though the VIE Agreements provide that overseas courts (e.g. courts in Hong Kong and Cayman Islands) shall have the power to grant certain relief or remedies, such relief or remedies may not be recognised or enforced under the PRC laws. As a result, in the event that Wowxue or the Registered Shareholders breaches the terms of the VIE Agreements, the Company may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over Wowxue could be materially and adversely affected. Huzhou Company does not maintain any insurance to cover the risks relating to the VIE Agreements.

由於中國法律環境與香港及其他司法權區不同，故此，中國法律制度的不明朗性將限制湖州公司強制執行可變利益實體協議的能力。概不保證相關仲裁結果將有利於湖州公司及／或於強制執行授出的任何仲裁裁決時（包括湖州公司的特定表現或禁令救濟及損害賠償申索）將無任何困難。由於湖州公司未必能夠及時獲得充分補救，其有效控制沃學及開展增值電信業務的能力將受到重大不利影響，且可能中斷湖州公司的業務，並對湖州公司的業務、前景及經營業績造成重大不利影響。

最後，可變利益實體協議規定，仲裁庭可就沃學之股權或資產頒佈補救措施或禁令濟助（如就經營業務或強制轉讓資產）或頒令沃學清盤。可變利益實體協議亦載有解決訂約方之間爭議之條文，據此，當等候仲裁庭成立或在其他適當情況下，相關訂約方可向香港、開曼群島、中國及本公司及沃學主要資產所在地之法院尋求臨時禁令濟助或其他臨時補救措施。

然而，中國法律顧問認為，根據中國法律，仲裁庭可能無權授出上述補救措施或禁令濟助或頒令沃學清盤。此外，即使可變利益實體協議規定海外法院（如香港及開曼群島法院）須有權授出若干濟助或補救措施，該等濟助或補救措施未必可根據中國法律予以承認或強制執行。因此，倘沃學或登記股東違反可變利益實體協議之條款，本公司未必能夠及時獲授足夠補救措施，而其對沃學施加有效控制之能力可能受到重大不利影響。湖州公司並未就有關可變利益實體協議的風險購買任何保險。

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The Board will review the VIE Structure regularly and determine if the Group encounters any issues in safeguarding its assets held through the VIE Agreements. If any major issues or difficulties arise in doing so, the Board will engage legal advisers and/or other professionals to assist the Group to tackle such issues or difficulties. Up to 31 December 2017, the Group does not maintain any insurance to cover the risks relating to the VIE Agreements.

Despite the above, as advised by the PRC legal advisers to the Company, the VIE Structure is in compliance with and, to the extent governed by the PRC laws currently in force, are enforceable under, the current PRC laws. The Company will monitor the relevant PRC laws and regulations relevant to the VIE Structure and will take all necessary actions to protect the Company's interest in the Structured Entity.

MATERIAL CHANGES IN RELATION TO THE VIE AGREEMENTS

Saved as the appointment of the director to Huzhou Company from the Group subsequent to the year ended 31 December 2017, there was no material change in the VIE Agreements and/or the circumstances under which they were adopted.

UNWINDING OF THE VIE AGREEMENT

Up to 31 December 2017, none of the VIE Agreements has been unwound as none of the restrictions that led to the adoption of VIE Agreements has been removed.

董事會將定期審查可變利益實體架構，並確定本集團在透過可變利益實體協議保護其資產方面是否遇到任何問題。倘出現任何重大問題或困難，董事會將聘請法律顧問及／或其他專業人士協助本集團處理相關問題或困難。截至二零一七年十二月三十一日，本集團並未就有關可變利益實體協議的風險購買任何保險。

儘管上文所述，據本公司中國法律顧問建議，就現行有效的中國法律所規管而言，可變利益實體架構符合現行中國法律並可根據該等法律強制執行。本公司將監測與可變利益實體架構有關的相關中國法律及法規，並將採取所有必要措施保障本公司於結構性實體的權益。

有關可變利益實體協議的重大變動

除本集團於截至二零一七年十二月三十一日止年度後向湖州公司委任董事外，可變利益實體協議及／或其獲採納的情況概無發生任何重大變動。

解除可變利益實體協議

截至二零一七年十二月三十一日，由於使可變利益實體協議獲採納的限制並無取消，故概無解除任何可變利益實體協議。

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HUMAN RESOURCES AND STAFF REMUNERATION

As at 31 December 2017, the Group had about 459 staff members employed in mainland China and Hong Kong (2016: 438). Total staff costs for the year were approximately RMB61.4 million (2016: RMB39.2 million). During the year, the Group continued to reinforce the training to its staff by providing training and study opportunities for management staff and professional technicians. In addition, the Group has provided a timely update to all staff about the latest government policies of the industry to continuously enhance the professional standard and quality of the staff.

Meanwhile, the Group has provided competitive remuneration for staff which encourages them to commit themselves and serve customers wholeheartedly. The Group operates share option scheme for the purpose to provide incentives and rewards to eligible directors and employees of the Group who contribute to the success of the Group's operations. The Group granted 80 million share options to its eligible employees during the financial year as announced on 13 January 2016. The remuneration payable to the senior management of the Company (excluding Directors and chief executive) for the year ended 31 December 2017 was determined with reference to their position, responsibilities and experience and prevailing market condition.

人力資源及員工薪酬

於二零一七年十二月三十一日，本集團於中國大陸及香港共有約459名員工（二零一六年：438名）。本年度的員工成本總額約為人民幣61,400,000元（二零一六年：人民幣39,200,000元）。年內，本集團繼續加強員工培訓工作，向管理人員和專業技術人員提供培訓及學習的機會。此外，本集團亦及時向所有員工提供政府的最新行業政策方面的資訊，不斷提高員工的專業水平及質素。

同時，本集團還向其員工提供有競爭力之薪酬，鼓勵彼等全心全意為客戶服務。本公司設有一項購股權計劃，目的是向對本集團營運的成功作出貢獻之本集團合資格董事及僱員提供獎勵及報酬。如二零一六年一月十三日公佈，於本財政年度，本集團向其合資格僱員授出80,000,000份購股權。截至二零一七年十二月三十一日止年度，應付本公司高級管理層（不包括董事及行政總裁）薪酬乃參照彼等之職位、職責及經驗以及現行市況所釐定。

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PROSPECTS

According to the International Monetary Fund (IMF), GDP growth rate in the Asia Pacific region and emerging economies are expected to hold steady in 2018, despite the geopolitical tensions, disruptive asset price shifts, stagnation and low inflation in advanced economies. The IMF has forecasted 6.8 percent growth of the Chinese economy for the year 2018. And the Chinese economy is shifting to a more sustainable pace, with economic growth to pick up elsewhere in the region. New development targets in China for 2018 are released in the China government work report during the annual sessions of the top legislative and political advisory bodies, as the country seeks economic transformation towards high-quality development. Besides, the Belt and Road Initiative from China also offers Chinese companies in different industries to establish partnership with downstream companies in related countries and regions.

In early March 2018, the Trump Administration planned to impose tariffs on the global overcapacity of steel and aluminum and these tariffs merely constituted a start on the changes of the US trade policy. Donald Trump's pledge to renew US infrastructure, coupled with the impact of import restrictions against steel from countries including China will inhibit market and cause more market fluctuation in the global economic activity. In response, China Premier, Li Keqiang has called on all countries to safeguard free trade by boosting trade liberalization and facilitating investment, in efforts to fight rising protectionism in US.

展望

根據國際貨幣基金組織(IMF)，儘管地緣政治局勢緊張、資產價格出現干擾性變動及發達經濟體經濟停滯及出現低通脹，亞太區於二零一八年的國內生產總值增長率預期將維持穩定。IMF已預期中國經濟於二零一八年將增長6.8%。而中國經濟正轉為以更具持續性的步伐發展，同時區內其他國家的增長亦預期會加速。隨著中國經濟轉型尋求高質素發展，於中國立法及政治諮詢機構年度會議中，政府工作報告已公佈中國二零一八年新發展目標。此外，中國的一帶一路倡議亦為不同行業的中國公司提供契機，以與相關國家及地區的中下游公司建立夥伴關係。

於二零一八年三月初，特朗普政府計劃對全球鋼鋁產能過剩實施關稅，而這些關稅僅是美國貿易政策變動的開始。唐納德•特朗普宣示要重建美國基礎建設及限制中國等國家進口鋼造成的影響，將在全球經濟活動中阻礙市場及使市場更加波動。因此，為對抗美國興起的保護主義，中國總理李克強呼籲全球各國透過刺激貿易自由化及促進投資保障自由貿易。

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Steel flow control product business

In 2018, the steel production growth of China is expected to slow sharply as the state-mandated factory closures and policies to protect the environment begin to bite. The China government's capacity-cutting efforts has improved the demand-supply relations and expects a further cut of ineffective steel capacity of 30 Mt this year, despite the MIIT has warned of more difficulties in further capacity reduction in the industry. In global steel production and trade, Chinese companies should play a bigger role rather than just export basic products, and utilize the Belt and Road Initiative for an expanding reach. And the China Iron and Steel Association has commented that the Belt and Road Initiative will open new channels for Chinese steel companies to go global with supports and help build a stronger presence in the global trade chain.

Our subsidiary engaged in steel flow control product manufacturing definitely need to monitor the industry-wide policies in China more closely and so are their impacts in the global market. With the government efforts as an impetus for the Chinese steel industry to upgrade and develop, our manufacturing business will continue applying upgraded technologies to meet those evolving production requirements of the steel manufacturers. Besides, we need to tighten costs and controls on those procedural measures during production; and effectively adjust marketing standpoint and reduce deficiencies in order to resume business sustainability in 2018.

鋼水控流產品業務

於二零一八年，因政令關閉工廠及實施保護環境政策，中國鋼產量增長預期將急遽減速。雖然工信部警告鋼行業在進一步降低產能上恐遇上更多困難，中國政府減少過剩產能的努力仍已改善供需平衡，預期將在本年度進一步減少30百萬噸過剩鋼產能。在全球鋼生產及貿易中，中國公司應扮演更重要角色而非僅出口基礎產品，並利用一帶一路倡議擴展觸角。中國鋼鐵工業協會認為一帶一路倡議會為中國鋼公司打開走向全球的渠道，支持及幫助這些公司在全球貿易鏈中建立強大的影響力。

我們從事製造鋼水控流產品的附屬公司將密切監察中國的行內政策及其對全球市場的影響，隨著政府推動中國鋼行業升級及發展，並繼續應用其領先科技以應付鋼廠不斷演變的生產需求。此外，我們需要在生產中降低成本並控制程序措施，並有效調整營銷角度及減少不足之處以於二零一八年恢復業務可持續性。

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Money lending business

Hong Kong government has estimated the GDP growth rate for 2018 is three to four percent. Our money lending subsidiary, TCL will have more efforts in referral business with strategic partnership via sub-mortgage arrangements, so as to maintain steady business services in an effective manner. Our loan policy will continue to adopt prudent and flexible business strategies to meet the environmental changes and property market trends accordingly. To minimize the potential credit and default risks in our mortgage loans and interest receivables, we will tighten our credit policy strictly when granting new mortgage loans or loan renewals to customers of good reference check. Our existing loan portfolio has a majority of first-mortgage property loan products, which are given to customers with good quality and sound credit history.

Meanwhile, Hong Kong economy continues to grow together with the active local investment activities, the money lending business market will still be booming, and the market competition is also intensified. The subsidiary will continue to seize business opportunities on the increasing demand for mortgage loans, promote its brand name and expand its property loan portfolio and customer base through channels with strategic partners and referrals. It will continue focusing more on the first-mortgage property loans with interest income as its revenue source from its client portfolio.

eCommerce business

The advancement in the eCommerce technology and the rising competition among online sales transactions have raised different expectations that people have when using the eCommerce platforms. However, there is no single 'one-size-fits-all' eCommerce platform solution that will work for every business.

放債業務

香港政府已估計二零一八年國民生產總值增長率為三至四個百分點。我們的放債附屬公司TCL將透過二次按揭安排，與戰略夥伴在轉介業務上投入更多心力。我們的貸款政策將繼續採用審慎及具靈活性的業務策略，並因應市場及環境轉變作出調整。為將我們的按揭貸款及應收利息的潛在信貸及違約風險減至最低，我們將於向客戶授出按揭貸款及貸款續期時收緊信貸政策，並通過向我們信用歷史及質素穩健的客戶提供更多首次按揭物業貸款產品。

同時，香港經濟繼續與當地活躍投資活動同步增長，放債業務將持續茁壯，市場競爭亦相當激烈。附屬公司將持續抓住按揭貸款需求增加的商機，透過戰略夥伴及轉介之渠道提升其品牌名聲，擴充其物業貸款組合及客戶基礎。附屬公司將繼續更專注在具利息收入之首次按揭物業貸款，作為來自其客戶組合的收入來源。

電子商務業務

電子業務科技的進步及線上銷售交易的激烈競爭，使人們在使用電子商務平台時產生不同期望，但沒有一種適用各種業務的電子商務平台解決方案。

Management Discussion and Analysis

管理層討論與分析

Our IT subsidiary engaged principally in the eCommerce business, specializing on B2C retailing through the platforms including Amazon and eBay with focus on overseas consumers in existing logistics network, will be developing new eCommerce products. These products will provide a marketplace, shopping cart channel, and inventory management that help sellers manage product listings across different sites and manage all inventory moves across different channels and build own warehouses in Middle America, East of United States and UK etc. The subsidiary management will focus more resources on these local online marketplaces in 2018, as selling on these platforms are growing fast periodically with higher gross margin. Meanwhile, in order to enhance the branding and awareness its self-hosted websites, the subsidiary will spend more efforts on search engine marketing and after sales services. It is foreseen that more and more online shoppers have strong preference to shop on local online marketplaces and the trend is vastly growing fast. Therefore, the subsidiary business is confident that an easy access to its websites can enable customers to choose their products conveniently and leads to a better return in revenue for the Group in the coming future.

This subsidiary has expanded more eCommerce business transactions through sales channels and also new platforms like Rakuten, Newegg, Walmart and Cdiscount marketplaces, and it will aim at more business growth in the non-English speaking markets, such as Western European countries, Japan and India. Presently, its self-hosted websites are getting more traffics and sales conversion with efforts putting hard in search engine marketing. Regarding to B2B segment, it has been selling second-handed mobile phones and accessories to Europe and the sales turnover is growing month by month. Other than that from the online retail trading, the subsidiary management has forecasted the sales turnover from the B2B department will be more fruitful in the coming few years. The product movements in its wholesale business have not only provided a good source of income, but also helping B2C business in the product merchandising areas. And the existing multichannel selling strategy engaged has provided the subsidiary business with returns of a more stable income in cash flow and also reduced the risk of keeping large volume of obsolete inventory.

我們的資訊科技附屬公司主要從事電子商務業務，並透過亞馬遜及eBay等平台專注於B2C零售及集中於現有物流網絡的海外消費者。該公司日後將發展新的電子商務產品，而這些產品將提供一個市場及購物手推車渠道，以及協助售賣者管理不同地點的產品組合及管理不同渠道之間的所有存貨流動的存貨管理服務，並於中美洲、美國東部及英國等地建造自己的貨倉。於二零一八年，附屬公司管理層將集中更多資源至當地線上市場，因這些平台定期增長快速且有較高利潤率。同時，為加強自營網站的品牌及名氣，附屬公司將對搜尋引擎市場及售後服務投入更多努力。該公司預期越來越多購物者偏好在當地線上市場購物且這種趨勢增長快速。因此，附屬公司業務有信心提供輕鬆訪問其網站的渠道可讓客戶方便選擇產品，使本集團在未來獲得更佳的收入。

該附屬公司已透過銷售渠道及新平台如樂天、新蛋、沃爾瑪及Cdiscount市場增加更多電子商務交易，該公司將專注於非英語市場如西歐國家、日本及印度的業務增長。目前，其自營網站獲得更多訪問量及銷售轉換並於搜尋引擎營銷上投入更多努力。就B2B業務，該公司已銷售二手手機及配件至歐洲且每月銷售營業額均取得增長。除了線上零售貿易外，附屬公司管理層預期來自B2B部門的銷售營業額會在往後幾年持續增加。其批發業務的產品變動不僅為良好收入來源，亦在產品推銷領域上對B2C業務有所貢獻。現有多渠道銷售策略為附屬公司業務帶來更穩定的現金流量收入並降低持有大量過期存貨的風險。

Management Discussion and Analysis

管理層討論與分析

Internet education service business

Online education industry in China has grown rapidly in the past few years, but research analysts believe that more business opportunities will surface as technology advances and capital pours in. China will become one of the world's most vibrant online education markets in future, as there are growing household spending power, an under supply of education resources, and the introduction of the two-child policy in the country. It is also noted that the existing market of online education business is likely to grow 20 percent annually, The Group will allocate more resources from its IT pool of education experts in China to manage the newly-acquired internet online education business and with good supervision to enhance its business growth, developments and market expansion in 2018.

Bonus Warrant Issue

On 8 December 2015, Cybernaut International Holdings Company Limited, formerly known as Sinoref Holdings Limited (the "Company") had issued a circular relating to the Bonus Warrant Issue. In early January 2016, the Company obtained from the Listing Committee of the Stock Exchange approval for the listing of and permission to deal in the Warrants and the Warrant Shares which may fall to be issued upon exercise of the subscription rights attaching to the Warrants.

A total of 513,845,600 Warrants were issued by the Company to the Shareholders pursuant to the Bonus Warrant Issue, represented by the Warrant certificates, conferring the rights in their registered form to the holders thereof to subscribe in cash for 513,845,600 Warrant Shares at an initial subscription price of HK\$0.30 per Warrant Share during the period from 13 January 2016 to 12 July 2017. The stock code of the Warrants is 1562 and the Warrants are traded in board lots of 4,000 units each. Dealings in the Warrants on the Stock Exchange commenced on 14 January 2016 and were ended on 12 July 2017. There was a total of 396,536,005 shares issued to the warrant holders on their exercising of their warrants for conversion.

互聯網教育服務業務

中國線上教育行業過去幾年來增長快速，但研究分析師相信隨著科技進步及資金投入，更多商機將會浮現。因家庭消費力增長及教育資源供應不足，以及中國引入二胎化政策，未來中國會成為全球最活躍的線上教育市場。值得注意的是現有線上教育業務市場可能將年增長20個百分點。於二零一八年，本集團會從其中國教育專家之資訊科技人才庫分配更多資源至新收購的互聯網線上教育業務，透過良好監管增進其業務增長、發展及市場擴展。

紅利發行認股權證

於二零一五年十二月八日，賽伯樂國際控股有限公司（前稱華耐控股有限公司）（「本公司」）刊發有關紅利發行認股權證的通函。於二零一六年一月初，本公司獲聯交所上市委員會批准將認股權證及於行使認股權證隨附的認購權時可能發行的認股權證股份上市及買賣。

本公司根據紅利發行認股權證向股東發行合共513,845,600份以認股權證證書代表的認股權證，以記名方式賦予其持有人權利於二零一六年一月十三日至二零一七年七月十二日期間，按初步認購價每股認股權證股份0.30港元以現金認購513,845,600股認股權證股份。認股權證之股份代號為1562，而每手買賣單位為4,000份認股權證。購股權證自二零一六年一月十四日至二零一七年七月十二日於聯交所買賣，且已於購股權證持有者行使購股權證轉換時發行396,536,005股股份。

Management Discussion and Analysis 管理層討論與分析

Looking forward, the global economy is still in satisfactory performance under the current easing monetary policy of the U.S.A. Although the US Federal Reserve is gradually raising interest rates, the pace is slow and with slight adjustment, hence the impact to the overall global economy is still minimal. The China economy is under the structural adjustment stage and expected to continue its up-going trend while remaining stable itself. And the Hong Kong economy has demonstrated a sound turnaround momentum with the property market continues to maintain a strong growth, and the retail and tourism industry has shown signs of recovery. In 2018, the Group will commit more time and resources to continuously develop its eCommerce subsidiary business to meet customers' needs in its online market and also to nurture the newly-acquired online education business. Both the China and Hong Kong economies remain stable and being strong in the financial market growth, therefore providing an objective environment for all our business segments, so our Group is prudently optimistic about the operating environments. The Group management team will devote more corporate efforts on the profitable segment growths and with change management involved to gradually restructure the underperformed or phase out the non-contributing ones.

Facing the changing market situations, the Group will continue to implement different prudent and stable operation strategies, based on the solid foundation laid down over the past years. In fact, our efforts and business improvements in recent years been recognized and have attracted various strategic investors for possible investments on our Group that we have made our announcement in May 2016. In the long run, the Group will continue making strategic choices and create commercial synergies among subsidiary businesses to develop their existing and potential growth areas and evaluate suitable investments that help generate more and stable income streams.

展望未來，全球經濟在美國寬鬆貨幣政策下仍有令人滿意的表現。雖然美國聯邦儲備局逐漸調升利率，步調緩慢且調整微小，此對整體全球經濟的影響仍相當極微。中國經濟仍在結構調整階段，預期將繼續其上升趨勢並保持穩健。香港經濟已展現轉折動力，其物業市場繼續維持強勁增長，其零售及旅遊產業已顯露復甦跡象。於二零一八年，本集團投入更多時間及資源持續發展其電子商務附屬公司業務以符合線上市場中客戶的需求，並扶植新收購線上教育業務。中國及香港經濟均維持穩定，並在金融市場保持強勁，為我們所有業務分部提供了客觀環境。因此本集團對營運環境審慎樂觀，本集團管理團隊將向發展可獲利分部投入更多企業努力，並改變管理方式以逐漸重整表現不佳分部或淘汰並無貢獻的分部。

面對不斷改變的市場環境，本集團將立於過去幾年所奠定的穩固基礎之上，繼續實施不同的謹慎而穩健的經營策略。事實上，我們近幾年的努力及業務進展已獲得認可，並吸引不同的策略投資者對本集團作出潛在投資，詳情載於我們於二零一六年五月作出的公佈當中。長遠而言，本集團將繼續作出戰略性選擇，並創造附屬公司業務之間的商業協同效益，以發展彼等現有及具增長潛力的業務範圍，並評估有助產生更多且穩定收入來源的合適投資。

Management Discussion and Analysis

管理層討論與分析

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company had complied with all the code provisions (the “Code Provisions”) as set out in the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) during the year ended 31 December 2017, except for Code Provision A.6.7 in respect of the attendance of non-executive directors and independent non-executive directors in the general meetings.

According to Code Provision A.6.7, non-executive directors and independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagements, two non-executive directors and two independent non-executive directors could not attend the 2016 annual general meeting held on 9 June 2017. However, at the 2016 annual general meeting, there were executive and independent non-executive directors present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct (the “Code of Conduct”) regarding directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, all Directors have confirmed that they had complied with the required standard set out in the Code of Conduct during the year ended 31 December 2017.

遵守企業管治常規守則

本公司於截至二零一七年十二月三十一日止年度一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則附錄十四所載之企業管治守則及企業管治報告之所有守則條文（「守則條文」），惟並無遵守守則條文第A.6.7條有關非執行董事及獨立非執行董事出席股東大會的規定。

根據守則條文第A.6.7條，非執行董事及獨立非執行董事應出席股東大會及對股東的意見有公正的瞭解。由於其他公務事宜，兩名非執行董事及兩名獨立非執行董事未能出席於二零一七年六月九日舉行之二零一六年股東週年大會。然而，於二零一六年股東週年大會上，執行及獨立非執行董事之出席足以使董事會對本公司股東的意見有公正的瞭解。

遵守上市發行人董事進行證券交易的標準守則

本公司已採納有關董事進行證券交易的操守守則（「操守守則」），其條款的嚴格程度不下於上市規則附錄十之上市發行人董事進行證券交易的標準守則所載的規定標準。經向全體董事作出具體查詢後，全體董事已確認彼等於截至二零一七年十二月三十一日止年度內一直遵守操守守則所載的規定標準。

Management Discussion and Analysis

管理層討論與分析

REVIEW OF ACCOUNTS

The Audit Committee has reviewed with the management of the Company the accounting principles and practices adopted by the Group and the consolidated financial statements for the year ended 31 December 2017.

SCOPE OF WORK OF MESSRS. ELITE PARTNERS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Elite Partners CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Elite Partners CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Elite Partners CPA Limited on the preliminary announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

審閱賬目

審核委員會已連同本公司管理層審閱本集團採納之會計原則及慣例，以及截至二零一七年十二月三十一日止年度之綜合財務報表。

開元信德會計師事務所有限公司的工作範圍

本集團的核數師開元信德會計師事務所有限公司就本集團初步公佈所載的截至二零一七年十二月三十一日止年度之綜合財務狀況表、綜合損益及其他全面收益表及有關附註公佈的數字與本集團的經審核綜合財務報表進行比較，結果與該年度經審核綜合財務報表相符。由於開元信德會計師事務所有限公司就此進行的工作不構成根據香港會計師公會頒佈的香港審計準則、香港審閱聘用準則或香港核證聘用準則而進行的核證聘用，因此開元信德會計師事務所有限公司不對本初步業績公佈發表任何核證。

購買、出售或贖回本公司上市證券

年內，本公司或其任何附屬公司並無購買、出售或贖回任何本公司上市證券。

Corporate Governance Report

企業管治報告

The Board hereby presents this Corporate Governance Report in the Group's annual report for the year ended 31 December 2017.

The Board is committed to maintaining a high standard of corporate governance and endeavours in following the code provisions ("Code Provisions") as set out in the Corporate Governance Code ("CG Code") and Corporate Governance Report, contained in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange"). The Board considers such commitment is essential for the growth of the Group and for maximising the interest of the shareholders ("Shareholders") of the Company. The Company regularly reviews its corporate governance practices to ensure that the latest development in corporate governance can be followed and observed.

CORPORATE GOVERNANCE PRACTICES

During the financial year under review, the Company had complied with all the code provisions (the "**Code Provisions**") as set out in the Corporate Governance Code and Corporate Governance Report, contained in Appendix 14 to the Listing Rules governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") during the year ended 31 December 2017, except for Code Provision A.6.7 in respect of the attendance of independent non-executive directors and other non-executive directors in the general meetings.

According to Code Provision A.6.7, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. Due to other business engagement, two independent non-executive Directors and two executive Directors could not attend the 2016 annual general meeting held on 9 June 2017. However, at the 2016 annual general meeting, executive Directors and other non-executive Directors were present to enable the Board to develop a balanced understanding of the views of the shareholders of the Company.

董事會謹此在本集團截至二零一七年十二月三十一日止年度之年報中呈列本企業管治報告。

董事會致力維持高水準之企業管治，並竭盡所能遵行香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治守則（「企業管治守則」）及企業管治報告的守則條文（「守則條文」）。董事會認為，此項承諾對本集團之發展及使本公司股東（「股東」）的利益最大化等至關重要。本公司定期檢討其企業管治常規，以確保遵行及遵守企業管治之最新發展。

企業管治常規

於回顧財政年度，本公司於截至二零一七年十二月三十一日止年度一直遵守香港聯合交易所有限公司（「聯交所」）證券上市規則附錄十四所載之企業管治守則及企業管治報告之所有守則條文（「**守則條文**」），惟並無遵守守則條文第A.6.7條有關獨立非執行董事及其他非執行董事出席股東大會的規定。

根據守則條文第A.6.7條，獨立非執行董事及其他非執行董事應出席股東大會及對股東的意見有公正的瞭解。由於其他公務事宜，兩名獨立非執行董事及兩名執行董事未能出席於二零一七年六月九日舉行之二零一六年股東週年大會。然而，於二零一六年股東週年大會上，執行董事及其他非執行董事之出席足以使董事會對本公司股東的意見有公正的瞭解。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company adopted on 7 June 2010 its securities dealing code (“Code”) regarding the dealings of securities of the Company by the Directors and senior management of the Group, on terms no less exacting than the required standard under the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

The Company, having made specific enquiry of all Directors and senior management of the Group, all the Directors and senior management of the Group have confirmed that they have complied with the required standard as set out in the Code and Appendix 10 to the Listing Rules regarding securities transactions by Directors and senior management of the Group throughout the financial year ended 31 December 2017.

BOARD OF DIRECTORS

The Board is responsible for the leadership and control of the Company and oversees the Group’s overall strategic policies. The management is delegated with the authority and responsibility by the Board for the management of the Group.

The Board composed of five executive Directors namely Mr. Zhu Min, Mr. Gao Xiang, Mr. Sin Kwok Wai Ronald, Mr. Lu Yongchao and Mr. Xu Yejun; two non-executive Directors, namely Mr. Chow Chi Wa and Ms. Yip Sum Yu; and three independent non-executive Directors, namely Mr. Tong Yiu On, Mr. Li Yik Sang and Cao Ke. The chief executive officer of the Company is Mr. Gao Xiang and the co-chief executive officer is Dr. Wang Matthew Yang. The biographical details of the Directors and the chief executive officers are set out under “Directors and senior management” on pages 80 to 91 of this annual report of the Company for the year ended 31 December 2017.

證券交易之標準守則

本公司於二零一零年六月七日就董事及本集團高級管理層進行本公司之證券交易採納一套證券交易守則（「守則」），其條款不遜於上市規則附錄十所載上市發行人董事進行證券交易的標準守則所載的要求標準。

經本公司向所有董事及本集團高級管理層個別作出查詢後，所有董事及本集團高級管理層已確認，於截至二零一七年十二月三十一日止財政年度已就董事及本集團高級管理層進行證券交易遵守守則及上市規則附錄十所載的要求標準。

董事會

董事會負責本公司的領導及控制權，並監察本集團的整體策略性政策。管理層履行董事會委託的權力及責任，藉以管理本集團。

董事會包括五名執行董事，即朱敏先生、高翔先生、冼國威先生、呂永超先生及徐葉君先生；兩名非執行董事，即周志華先生及葉芯瑜女士；及三名獨立非執行董事，即唐耀安先生、李奕生先生及曹克先生。本公司行政總裁為高翔先生，而聯席行政總裁為王陽博士。董事及行政總裁之履歷詳情載於本公司截至二零一七年十二月三十一日止年度之年報第80至91頁「董事及高級管理層」內。

Corporate Governance Report

企業管治報告

Pursuant to the articles of association of the Company, Mr. Xu Yejun and Mr. Lu Yongchao (appointed as executive Directors on 10 June 2016, and 7 April 2017 respectively) and Mr. Chow Chi Wa (appointed as a non-executive Director on 10 June 2016) shall retire at the 2017 general meeting of the Company and, being eligible, offer themselves for re-election.

The non-executive Directors were appointed for a term of one year, renewable automatically every year and eligible for re-election at the annual general meeting of the Company.

The Board meets regularly to review and determine the corporate strategies and overall strategic policies. Each of the members of the Board has full access to relevant information at the meetings. During the financial year ended 31 December 2017, the Board has convened four regular meetings at which, among other things, the following activities were conducted at such regular meetings:

- (1) approved the annual results and annual report for the financial year ended 31 December 2016 and matters to be considered at the annual general meeting of the Company;
- (2) approved the interim results and interim report for the six months ended 30 June 2017;
- (3) reviewed and approved corporate strategies of the Group for the financial year ending 31 December 2018; and
- (4) reviewed the performance and financial position of the Group.

根據本公司組織章程細則，徐葉君先生及呂永超先生（分別於二零一六年六月十日及二零一七年四月七日獲委任為執行董事）及周志華先生（於二零一六年六月十日獲委任為非執行董事）將於本公司二零一七年股東大會上退任，惟符合資格並願意膺選連任。

非執行董事獲委任的任期為一年，每年自動續期並符合資格於本公司股東週年大會上膺選連任。

董事會定期召開會議，以檢討及制定企業策略及整體策略性政策。董事會每位成員均有權取閱會議之相關資料。於截至二零一七年十二月三十一日止財政年度，董事會已召開四次定期會議，並在該等定期會議上處理（其中包括）以下事務：

- (1) 批准截至二零一六年十二月三十一日止財政年度之年度業績及年報以及於本公司股東週年大會上審議之事宜；
- (2) 批准截至二零一七年六月三十日止六個月之中期業績及中期報告；
- (3) 審閱及批准本集團於截至二零一八年十二月三十一日止財政年度之企業策略；及
- (4) 檢討本集團之表現及財務狀況。

Corporate Governance Report

企業管治報告

The Board is also responsible for determining the Company's corporate governance policies and performing corporate governance duties set out under the CG Code. Its corporate governance duties include, among others, (i) to develop and review the Company's policies and practices on corporate governance; (ii) to review and monitor the training and continuous professional development of Directors and senior management; (iii) to review and monitor the Company's policies and practices on compliance with legal or regulatory requirements; (iv) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and (v) to review the Company's disclosure in its corporate governance report.

Apart from the regular board meetings, the Board met on other occasions when a board-level decision on a particular matter was required.

Details of the Directors' attendance records at the board meetings and general meeting during the financial year ended 31 December 2017 are as follows:

Directors	Board Meetings	General Meeting
Meetings attended/held		
Executive Directors		
Mr. Zhu Min ¹	20/28	-/3
Mr. Gao Xiang ^{1,2}	20/28	1/3
Mr. Sin Kwok Wai Ronald	32/32	3/3
Mr. Lu Yongchao ¹	24/28	2/3
Mr. Xu Yejun	18/32	-/3
Non-executive Directors		
Mr. Chow Chi Wa	22/32	1/3
Ms. Yip Sum Yu	20/32	2/3
Independent non-executive Directors		
Mr. Tong Yiu On	24/32	1/3
Mr. Li Yik Sang	26/32	2/3
Mr. Cao Ke	22/32	-/3

¹ Appointed on 16 February 2017
² Resigned on 12 April 2018

董事會亦負責釐定本公司的企業管治政策及履行載於企業管治守則的企業管治職責。其企業管治職責包括(其中包括)(i)制定及檢討本公司的企業管治政策及常規；(ii)檢討及監察董事及高級管理層的培訓及持續專業發展；(iii)檢討及監察本公司在遵守法律或監管規定方面的政策及常規；(iv)制定、檢討及監察僱員及董事適用的操守準則及合規手冊(如有)；及(v)檢討本公司在其企業管治報告內的披露。

除董事會定期會議外，董事會亦在須對特定事宜作出董事會決策時召開會議。

於截至二零一七年十二月三十一日止財政年度內，董事出席董事會會議及股東大會之記錄詳情如下：

董事	董事會會議	股東大會
出席／舉行會議次數		
執行董事		
朱敏先生 ¹	20/28	-/3
高翔先生 ^{1,2}	20/28	1/3
冼國威先生	32/32	3/3
呂永超先生 ¹	24/28	2/3
徐葉君先生	18/32	-/3
非執行董事		
周志華先生	22/32	1/3
葉芷瑜女士	20/32	2/3
獨立非執行董事		
唐耀安先生	24/32	1/3
李奕生先生	26/32	2/3
曹克先生	22/32	-/3

¹ 於二零一七年二月十六日獲委任
² 於二零一八年四月十二日辭任

Corporate Governance Report

企業管治報告

Whilst the Board as a whole is to determine the corporate strategies and overall strategy policies, the executive Directors and senior management of the Company, as delegated by the Board, are responsible for implementing the determined strategies and policies and the day-to-day management of the Group's business.

Save as disclosed under the section headed "Directors and senior management" of this annual report, there is no other relationship (whether financial, business, family or other material/relevant relationships) among the members of the Board.

The Company has received from each of the independent non-executive Directors a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the independent non-executive Directors to be independent.

DIRECTORS' TRAINING

Pursuant to Code Provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the board remains informed and relevant. The Company shall be responsible for arranging suitable training for all Directors at the Company's expense.

During the year ended 31 December 2017, the Directors participated in the following trainings:

Directors

Executive Directors

Directors	Type of training
Mr. Zhu Min ¹	A, B
Mr. Gao Xiang ^{1,2}	A, B
Mr. Sin Kwok Wai Ronald	A, B
Mr. Lu Yongchao ¹	A, B
Mr. Xu Yejun	B

董事會全體負責制定企業策略及整體策略性政策，而執行董事及本公司高級管理層則獲董事會委派負責執行既定的策略及政策以及本集團業務的日常管理。

除本年報「董事及高級管理層」一節所披露外，董事會各成員之間並無任何其他關係（不論財務、業務、家族或其他重大／有關利益之關係）。

根據上市規則第3.13條，本公司已收到各獨立非執行董事有關其獨立性的書面確認。本公司認為所有獨立非執行董事均屬獨立身份。

董事培訓

根據企業管治守則的守則條文第A.6.5條，所有董事應持續參加專業的培訓計劃，增加和更新其知識和技能，以確保彼等向董事會作出知情及相關貢獻。本公司須向所有董事安排合適的培訓，費用由本公司承擔。

於截至二零一七年十二月三十一日止年度，董事參加了以下培訓：

董事

執行董事

董事	培訓類型
朱敏先生 ¹	A類、B類
高翔先生 ^{1,2}	A類、B類
冼國威先生	A類、B類
呂永超先生 ¹	A類、B類
徐葉君先生	B類

Corporate Governance Report

企業管治報告

Non-executive Directors

Mr. Chow Chi Wa

A, B

Ms. Yip Sum Yu

B

Independent non-executive Directors

Mr. Tong Yiu On

A, B

Mr. Li Yik Sang

A, B

Mr. Cao Ke

B

¹ Appointed on 16 February 2017

² Resigned on 14 April 2018

A: attending seminars and/or conferences and/or forums

B: reading newspapers, journals, Company newsletters and updates relating to the economy, general business, IT, eCommerce and steel industry or Directors' duties and responsibilities, etc.

BOARD DIVERSITY POLICY

During the year under review, the Board adopted a board diversity policy setting out the approach to achieve diversity on the Board. The Company considered diversity of Board members can be achieved through consideration of a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

非執行董事

周志華先生

A類、B類

葉芯瑜女士

B類

獨立非執行董事

唐耀安先生

A類、B類

李奕生先生

A類、B類

曹克先生

B類

¹ 於二零一七年二月十六日獲委任

² 於二零一八年四月十四日辭任

A類：參加研討會及／或會議及／或論壇

B類：閱讀與經濟、一般業務、資訊科技、電子商務及鋼鐵行業或董事之職責有關的報紙、雜誌、公司新聞稿及最新資訊等

董事會成員多元化政策

回顧年度內，董事會採用董事會成員多元化政策，該政策載列實現董事會成員多元化的方法。本公司認為董事會成員的多元化可通過考慮（包括但不限於）性別、年齡、文化及教育背景、專業經驗、技能及知識等多個方面來實現。董事會所有委任均將以任人唯賢為原則，並且在考慮候選人時以客觀條件充分估計董事會成員多元化的裨益。

甄選候選人將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。最終決定將按候選人的長處及可為董事會提供的貢獻而作出。

Corporate Governance Report

企業管治報告

NOMINATION COMMITTEE

The nomination committee of the Company (“Nomination Committee”) is currently consisted of four members, comprising one executive Director, namely Mr. Lu Yongchao (chairman) and three independent non-executive Directors, namely Mr. Tong Yiu On, Mr. Li Yik Sang and Mr. Cao Ke. It was established by the Board with effect from 27 March 2012 and its duties are clearly defined in its terms of reference which have been prepared and adopted according to the CG Code.

The Nomination Committee held two meetings during the year under review and conducted the following activities:

- (1) reviewed the structure, size and diversity of the Board; and
- (2) reviewed the retirement of Directors by rotation and the re-appointment of the retiring Directors at the 2015 annual general meeting of the Company.

Details of attendance of each member of the Nomination Committee during the financial year ended 31 December 2017 are as follows:

	Attendance
Executive Director	
Mr. Lu Yongchao (<i>Chairman</i>) ¹	2/2
Mr. Xu Yejun (<i>Ex-Chairman</i>) ²	1/1
Independent non-executive Directors	
Mr. Tong Yiu On	3/3
Mr. Li Yik Sang	3/3
Mr. Cao Ke	3/3

¹ Appointed on 16 February 2017

² Resigned on 16 February 2017

提名委員會

本公司提名委員會（「提名委員會」）目前由四名成員組成，包括一名執行董事，即呂永超先生（主席）及三名獨立非執行董事，即唐耀安先生、李奕生先生及曹克先生。提名委員會由董事會於二零一二年三月二十七日成立，其職責已在按照企業管治守則編製及採納之職權範圍中清楚界定。

提名委員會於回顧年度內舉行了兩次會議並處理以下事項：

- (1) 審查董事會結構、人數及多元化；及
- (2) 審閱於本公司二零一五年股東週年大會上輪流退任董事及重新委任退任董事。

於截至二零一七年十二月三十一日止財政年度，提名委員會每名成員之出席詳情載列如下：

	出席率
執行董事	
呂永超先生（主席） ¹	2/2
徐葉君先生（前主席） ²	1/1
獨立非執行董事	
唐耀安先生	3/3
李奕生先生	3/3
曹克先生	3/3

¹ 於二零一七年二月十六日獲委任

² 於二零一七年二月十六日辭任

REMUNERATION COMMITTEE

The remuneration committee of the Company (“Remuneration Committee”) currently comprises four members, including three independent non-executive Directors, namely Mr. Cao Ke (chairman), Mr. Tong Yiu On and Mr. Li Yik Sang, and one executive Director, namely Mr. Lu Yongchao. The Remuneration Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

The Remuneration Committee meets annually to review the remuneration policies and packages for Directors and senior management of the Company and to make recommendations to the Board on such remuneration policies and packages. No Director takes part in any discussions and decisions about his own remuneration.

Details of attendance of each member of the Remuneration Committee during the financial year ended 31 December 2017 are as follows:

	Attendance		出席率
Executive Director		執行董事	
Mr. Lu Yongchao ¹	2/2	呂永超先生 ¹	2/2
Mr. Xu Yejun ²	1/1	徐葉君先生 ²	1/1
Independent non-executive Directors		獨立非執行董事	
Mr. Cao Ke (Chairman)	3/3	曹克先生 (主席)	3/3
Mr. Tong Yiu On	3/3	唐耀安先生	3/3
Mr. Li Yik Sang	3/3	李奕生先生	3/3

¹ Appointed on 16 February 2017

² Resigned on 16 February 2017

薪酬委員會

本公司之薪酬委員會（「薪酬委員會」）目前由四名成員組成，包括三名獨立非執行董事，即曹克先生（主席）、唐耀安先生及李奕生先生以及一名執行董事，即呂永超先生。薪酬委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中清楚界定。

薪酬委員會每年舉行會議，以檢討本公司董事及高級管理層之薪酬政策及待遇，並就該等薪酬政策及待遇向董事會提出建議。各董事不會參與有關其本身薪酬之討論及決定。

於截至二零一七年十二月三十一日止財政年度，薪酬委員會每名成員之出席詳情載列如下：

¹ 於二零一七年二月十六日獲委任

² 於二零一七年二月十六日辭任

Corporate Governance Report

企業管治報告

During the financial year ended 31 December 2017, the Remuneration Committee had convened two meetings with full attendance by its members and conducted the following activities:

- (1) reviewed and approved the remuneration packages of the Directors and senior management of the Company; and
- (2) reviewed the terms of the service contracts of all the executive Directors by reference to their performance.

AUDIT COMMITTEE

The audit committee of the Company (“Audit Committee”) currently comprises three independent non-executive Directors, namely Mr. Tong Yiu On (chairman), Mr. Li Yik Sang and Mr. Cao Ke. The Audit Committee was established by the Board on 7 June 2010 and its duties are clearly defined in its written terms of reference which have been prepared and adopted according to the Code Provisions.

The Audit Committee provides an important link between the Board and the Company’s auditor in matters coming within the scope of the Group’s audit. It also reviews the annual and interim reports of the Company prior to their approval by the Board, the effectiveness of the external and internal audit and of internal controls and risk evaluation.

During the financial year under review, the Audit Committee has convened two meetings and conducted the following activities:

- (1) reviewed the annual and interim reports of the Company;
- (2) reviewed the report of internal audit department, internal controls system and financial matters of the Group in pursuance of the written terms of reference;
- (3) reviewed the audit plans and findings of the external auditor of the Company; and
- (4) made recommendation to the Board on the appointment of the external auditor.

於截至二零一七年十二月三十一日止財政年度，薪酬委員會曾召開兩次會議，全體成員均有出席，並處理以下事務：

- (1) 檢討及批准本公司董事及高級管理層之薪酬待遇；及
- (2) 參考執行董事之表現，以檢討全體執行董事之服務合約條款。

審核委員會

本公司之審核委員會（「審核委員會」）目前由三名獨立非執行董事組成，即唐耀安先生（主席）、李奕生先生及曹克先生。審核委員會由董事會於二零一零年六月七日成立，其職責已在按照守則條文編製及採納之書面職權範圍中清楚界定。

審核委員會在董事會及本公司核數師之間就本集團有關審核範圍內之事宜擔當重要聯繫。審核委員會亦在董事會批准年報及中期報告前審閱年報及中期報告、檢討外部和內部審核之有效性以及檢討內部控制及風險評估。

於回顧財政年度，審核委員會曾召開兩次會議並處理以下事務：

- (1) 審閱本公司之年報及中期報告；
- (2) 根據書面職權範圍審閱本集團內部審核部門之報告、內部控制系統及財務事宜；
- (3) 審閱本公司外聘核數師之審核計劃及結果；及
- (4) 就外聘核數師之委任事宜向董事會提出建議。

Corporate Governance Report

企業管治報告

Details of attendance of each member of the Audit Committee during the financial year ended 31 December 2017 are as follows:

於截至二零一七年十二月三十一日止財政年度，審核委員會每名成員之出席詳情如下：

	Attendance		出席率
Independent non-executive Directors		獨立非執行董事	
Mr. Tong Yiu On (<i>Chairman</i>)	2/2	唐耀安先生 (<i>主席</i>)	2/2
Mr. Li Yik Sang	2/2	李奕生先生	2/2
Mr. Cao Ke	1/2	曹克先生	1/2

There was no disagreement between the Board's and the Audit Committee's view on the selection, appointment of the external auditor.

董事會與審核委員會在外聘核數師之選擇及委任上並無意見分歧。

AUDITOR'S REMUNERATION

核數師酬金

During the financial year ended 31 December 2017, the nature of the audit and non-audit services provided by Elite Partners CPA Limited, the auditor of the Company, and the relevant fees paid/payable by the Company for such services are as follows:

於截至二零一七年十二月三十一日止財政年度，本公司核數師開元信德會計師事務所提供之審計及非審計服務之性質，以及本公司就該等服務已付／應付之有關費用如下：

Services rendered	Fee paid/payable HK\$	所提供之服務	已付／應付費用 港元
Annual audit	950,000	年度審計	950,000
Interim review	265,000	中期審閱	265,000

Corporate Governance Report

企業管治報告

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements for each financial period which gives a true and fair view of the state of affairs of the Group. In preparing the financial statements for the financial year ended 31 December 2017, the Directors have selected appropriate accounting policies and applied them consistently, and have prepared the financial statements on a historical cost basis.

The statement of the external auditor about their reporting responsibilities on the financial statements are set out in the Independent Auditor's Report on pages 115 to 124 of this annual report of the Company.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is overall responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and ensuring that the Group established and maintained appropriate and effective risk management and internal control systems.

The Audit Committee reviews the risk management and internal controls that are significant to the Group on an on-going basis. The Audit Committee would consider the adequacy of resource, qualifications and experience and training of staff and external advisor of the Group's accounting, internal audit and financial reporting function.

就財務報表承擔之責任

董事負責編製正確及公平反映每一財政期間本集團事務狀況之財務報表。在編製截至二零一七年十二月三十一日止財政年度之財務報表時，董事已選擇適當之會計政策及貫徹應用，並按歷史成本基準編製財務報表。

外聘核數師有關彼等就財務報表之申報責任之聲明已載於本公司之年報第115至124頁之獨立核數師報告內。

風險管理及內部控制

董事會全面負責評估及釐定為實現本集團戰略目標而擬採取的措施的風險性質及程度，並確保本集團建立及維護適當有效的風險管理及內部控制系統。

審核委員會持續檢討對本集團屬重大的風險管理及內部控制。審核委員會考量本集團會計、內部審核及財務匯報職能方面的資源、資歷及經驗是否充足以及對員工與外聘顧問的培訓情況。

Corporate Governance Report

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The management of the Group is responsible for designing, maintaining, implementing and monitoring of the risk management and internal control system to ensure adequate control in place to safeguard the Group's assets and stakeholder's interest.

The Group has established risk management procedures to address and handle the all significant risks associate with the business of the Group. The Board would perform annual review on any significant change of the business environment and establish procedures to response the risks result from significant change of business environment. The risk management and internal control systems are designed to mitigate the potential losses of the business.

The management would identify the risks associate with the business of the Group by considering both internal and external factors and events which include political, economic, technology, environmental, social and staff. Each of risks has been assessed and prioritized based on their relevant impact and occurrence opportunity. The relevant risk management strategy would be applied to each type of risks according to the assessment results, type of risk management strategy has been listed as follow:

- Risk retention and reduction: accept the impact of risk or undertake actions by the Group to reduce the impact of the risks;
- Risk avoidance: change business process or objective so as to avoid the risk;
- Risk sharing and diversification: diversify the effect of the risk or allocate to different location or product or market;

本集團管理層負責風險管理及內部控制系統的設計、維護、實施及監控，確保實行充分的控制，維護本集團資產及股權持有人的利益。

本集團已制訂風險管理程序，解決及處理與本集團業務有關的所有重大風險。董事會每年對業務環境出現的任何重大變化進行檢討，並制定程序以應對業務環境的重大變化帶來的風險。風險管理及內部控制系統旨在減少業務的潛在虧損。

管理層將通過考慮政治、經濟、技術、環境、社會及員工等內外因素及事件以識別與本集團業務有關的風險。各種風險均已根據其相關影響及發生機率進行評估及優先排序。根據評估結果，相關風險管理策略將適用於各類風險，風險管理策略的類型如下：

- 風險抑制及減少：本集團接受風險的影響或採取行動以減少風險的影響；
- 風險規避：改變業務流程或目標以規避風險；
- 風險分擔及多樣化：將風險的影響多元化或分配至不同位置或產品或市場；

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- Risk transfer: transfer ownership and liability to a third party. The internal control systems are designed and implemented to reduce the risks associated with the business accepted by the Group and minimise the adverse impact results from the risks. The risk management and internal control system are design to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

For the year ended 31 December 2017, the Group has engaged an external advisory firm to undertake the internal audit function to ensure the effectiveness and efficiency of the risk management and internal control system of the Group. There is no significant deficiency and weakness on the internal control system has been identified by the external advisory firm for the year ended 31 December 2017.

The Board considered that, for the year ended 31 December 2017, the risk management and internal control system and procedures of the Group, covering all material controls including financial, operational and compliance controls and risk management functions were reasonably effective and adequate.

SHAREHOLDERS' RIGHTS

Procedures for shareholders to convene an extraordinary general meeting

The following procedures for the Shareholders to convene an extraordinary general meeting ("EGM") of the Company are prepared in accordance with Article 64 of the articles of association of the Company:

- (a) one or more Shareholders ("Requisitionist(s)") holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings shall have the right, by written notice, to require an EGM to be called by the Directors for the transaction of any business specified in such requisition.

- 風險轉移：將所有權及責任轉移至第三方。設計和實施內部控制系統旨在減少與本集團接受的業務相關的風險，並儘量減少風險的不利影響。設計風險管理及內部控制系統乃為管理而非消除未能實現業務目標的風險，僅能提供合理而非絕對的保證，防止出現重大錯誤陳述或損失。

截至二零一七年十二月三十一日止年度，本集團聘請外部諮詢公司履行內部審核職能，確保本集團風險管理及內部控制系統的有效性及效率。外部諮詢公司釐定，截至二零一七年十二月三十一日止年度，內部控制系統並不存在重大缺陷與不足。

董事會認為，截至二零一七年十二月三十一日止年度，涵蓋財務、經營及合規控制以及風險管理職能所有重要控制的本集團風險管理及內部控制系統及程序屬合理有效及充分。

股東權利

股東召開股東特別大會之程序

下列股東召開本公司股東特別大會（「股東特別大會」）之程序乃根據本公司組織章程細則第64條所編製：

- (a) 於遞呈要求日期持有不少於本公司繳足股本十分之一的任何一名或多名有權於股東大會上投票的股東（「呈請人」）有權通過書面通知要求董事召開股東特別大會，以處理有關要求中指明的任何事項。

Corporate Governance Report

企業管治報告

(b) Such requisition shall be made in writing to the Board or the company secretary of the Company at the following:

Principal place of business of the Company in Hong Kong

Address: Unit 1002, Capital Centre,
151 Gloucester Road,
Wanchai, Hong Kong

Email: ir@cybernaut.com.hk

Attention: the Board of Directors/Company Secretary

Registered office of the Company

Address: Cricket Square, Hutchins Drive, P.O. Box
2681, Grand Cayman KY1-1111, Cayman
Islands

Attention: the Board of Directors/Company Secretary

(c) The EGM shall be held within two months after the deposit of such requisition.

(d) If the Directors fail to proceed to convene such meeting within twenty-one (21) days of such deposit, the Requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the Requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the Requisitionist(s) by the Company.

(b) 有關要求須以書面形式向董事會或本公司之公司秘書提出：

本公司之香港主要營業地點

地址：香港灣仔
告士打道151號
資本中心1002室

郵件：ir@cybernaut.com.hk

收件人：董事會／公司秘書

本公司之註冊辦事處

地址：Cricket Square,
Hutchins Drive, P.O.
Box 2681, Grand
Cayman KY1-1111,
Cayman Islands

收件人：董事會／公司秘書

(c) 股東特別大會將於遞呈請求後兩個月內舉行。

(d) 倘董事未能在請求遞交後二十一(21)天內召開股東特別大會，則呈請人可以同樣方式自行召開股東特別大會，而因董事未能召開該大會令呈請人產生的所有合理費用由本公司向呈請人進行償付。

Corporate Governance Report

企業管治報告

Procedures for shareholders to direct enquiries to the Company

For matters in relation to the Board, the Shareholders can contact the Company at the following:

Address: Unit 1002, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong

Email: ir@cybernaut.com.hk

Tel: (852) 3549 6353

Fax: (852) 3549 6354

Attention: the Board of Directors/Company Secretary

For share registration related matters, such as share transfer and registration, change of name or address, loss of share certificates or dividend warrants, the registered Shareholders can contact:

Hong Kong branch share registrar and transfer office

Tricor Investor Services Limited

Address: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong

Email: is-enquiries@hk.tricorglobal.com

Tel: (852) 2980 1333

Fax: (852) 2810 8185

股東向本公司直接查詢的程序

凡有關董事會的事宜，股東可按以下方式聯繫本公司：

地址：香港灣仔告士打道151號
資本中心1002室

郵件：ir@cybernaut.com.hk

電話：(852) 3549 6353

傳真：(852) 3549 6354

收件人：董事會／公司秘書

凡有關股份登記相關事宜，如股份過戶登記、更改名稱或地址、丟失股票或股息單，登記股東可按以下方式聯繫本公司：

香港股份過戶登記分處

卓佳證券登記有限公司

地址：香港皇后大道東183號合和中心22樓

郵件：is-enquiries@hk.tricorglobal.com

電話：(852) 2980 1333

傳真：(852) 2810 8185

Corporate Governance Report

企業管治報告

Procedures for shareholders to put forward proposals at shareholders' meetings

To put forward proposals at a general meeting of the Company, a Shareholder should lodge a written notice of his/her proposal ("Proposal") with his/her detailed contact information at the Company's principal place of business at Unit 1002, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong.

The request will be verified with the Company's branch share registrars in Hong Kong and upon their confirmation that the request is proper and in order, the board of directors of the Company will be asked to include the Proposal in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the Proposal raised by the Shareholder concerned at the general meeting varies according to the nature of the Proposal as follows:

- (a) Notice in writing of not less than 14 clear days and not less than 10 clear business days if the Proposal requires approval by way of an ordinary resolution of the Company in an extraordinary general meeting.
- (b) Notice in writing of not less than 21 clear days and not less than 10 clear business days if the Proposal requires approval by way of a special resolution of the Company in an extraordinary general meeting of the Company.
- (c) Notice in writing of not less than 21 clear days and not less than 20 clear business days if the Proposal requires approval by way of a special resolution or an ordinary resolution of the Company in an annual general meeting of the Company.

INVESTOR RELATIONS

There was no significant change in the Company's constitutional documents during the year ended 31 December 2017.

股東於股東大會提呈建議的程序

為於本公司股東大會上提呈建議，股東須以書面提交建議（「建議」）通知，連同詳細聯絡資料，送至本公司主要營業地點，地址為香港灣仔告士打道151號資本中心1002室。

本公司會向本公司之香港股份過戶登記分處核實該要求，於獲得股份過戶登記分處確認該要求為恰當及合乎程序後，將要求本公司董事會在股東大會的議程內加入建議。

就上述股東提出於股東大會上考慮之建議而向全體股東發出通告之通知期因建議之性質有所不同，詳情如下：

- (a) 倘建議需要通過本公司於股東特別大會上以一項普通決議案的方式批准，則該書面通知為不少於足14天及不少於足10個營業日。
- (b) 倘建議需要通過本公司於本公司股東特別大會上以一項特別決議案的方式批准，則該書面通知為不少於足21天及不少於足10個營業日。
- (c) 倘建議需要通過本公司於本公司股東週年大會上以一項特別決議案或一項普通決議案的方式批准，則該書面通知為不少於足21天及不少於足20個營業日。

投資者關係

截至二零一七年十二月三十一日止年度，本公司組織章程文件並無重大變動。

Environmental, Social and Governance Report

環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Introduction and Scope of ESG Report

This report has been prepared by the management of the Company in accordance with the requirement of the Appendix 27 Environmental, Social and Governance Reporting Guide (“ESG Guide”) set out by The Stock Exchange of Hong Kong Limited on Main Board (“Main Board Listing Rule”). The report will disclose the performance and progress for the year ended 31 December 2017. The Group understands the importance of the ESG report and is committed to making continuous improvements in corporate social responsibility into the business in order to better meet the changing needs of an advancing society. The ESG report of the Group it will present mainly policies, initiatives and performance. The ESG report of the Group has been presented into two subject areas, Environmental and Social and each subject area will have various aspects to disclose the relevant policies and the status of compliance with relevant laws and regulations as addressed by the ESG Guide.

環境、社會及管治報告

環境、社會及管治報告介紹及範圍

本報告乃由本公司管理層根據香港聯合交易所有限公司主板上市規則（「主板上市規則」）附錄27環境、社會及管治報告指引（「環境、社會及管治指引」）之規定編寫。該報告將披露本集團截至二零一七年十二月三十一日止年度的業績及進展。本集團深知環境、社會及管治報告的重要性，並致力於不斷提升企業社會責任，以更佳滿足日新月異的社會需求。本集團的環境、社會及管治報告主要介紹有關政策、措施和業績表現。本集團的環境、社會及管治報告分為兩個範疇：環境及社會，每個範疇將從多方面披露環境、社會及管治指引所提及有關政策和遵守相關法律法規的情況。

Environmental, Social and Governance Report

環境、社會及管治報告

The following will show the ESG issues that found material for the Group and the relation to the ESG Guide:

以下列示對本集團較為重要的環境、社會及管治問題，以及與環境、社會及管治指引的關係：

ESG Guide	Relevant ESG issues to the Group	環境、社會及管治指引	與本集團有關的環境、社會及管治問題
A. Environmental		A.環境	
A.1 Emissions	Carbon dioxide emission and waste management	A.1 排放物	二氧化碳排放和廢棄物管理
A.2 Use of resources	Energy and water consumption	A.2 資源使用	能源及水的消耗
A.3 Environmental and natural resources	Measures in reducing environmental impact	A.3 環境及天然資源	降低環境影響的措施
B. Social		B.社會	
B.1 Employment	Labour practices	B.1 僱傭	勞工常規
B.2 Health and safety	Workplace health and safety	B.2 健康及安全	工作環境的健康及安全
B.3 Development and training	Employee development and training	B.3 發展及培訓	僱員發展及培訓
B.4 Labour standards	Child labour and forced labor	B.4 勞工準則	童工及強制勞工
B.5 Supply chain management	Supplier management	B.5 供應鏈管理	供應商管理
B.6 Product responsibility	Product safety and quality	B.6 產品責任	產品安全及質量
B.7 Anti-corruption	Anti-corruption and money laundering	B.7 反貪污	反貪污及洗黑錢
B.8 Community investment	Community involvement	B.8 社區投資	社區參與

The Group

The Group is primarily engaged in the manufacture and sale of advanced steel flow control products, and also in the manufacture of paper converting equipment, money lending business, electronic commerce (e-commerce) and information technology (IT) solution business.

本集團

本集團主要從事製造及銷售高端鋼水控流產品以及製造紙張加工設備、放債業務、電子商務（電子商務）及資訊科技（資訊科技）解決方案業務。

Environmental, Social and Governance Report

環境、社會及管治報告

A. Environmental

A.1 Emissions

Carbon dioxide and waste management

The Group's main business source comes from manufacturing and selling advanced steel flow control products and paper converting equipment and other relating equipment. For the advanced steel flow control products, including subentry nozzle, stopper, tundish nozzle and ladle shroud. The Group will continue to strive to minimize the environmental impact of casting molten steel. The Group's main emissions comes from manufacturing therefore, it is the Group's policies to maintain the manufacture process in an efficient and effective manner. Ensured waste water is properly connected to municipal sewage system and all land waste is send to municipal solid waste management plant during production. The greenhouse gas emissions are carbon dioxide emissions from energy consumption. There are also air emissions such as metal dusts and water emissions from cooling the metal during production. Water emissions can be minimised through water filtration. The Group will continue take close observation for better alternative in material use and methods to lower emissions to water, air and land.

For the year ended 31 December 2017, Management of the Group believes the Group has complied with applicable environmental laws and regulations such as Environmental Protection of the People's Republic of China Prevention 《中華人民共和國環境保護法》, Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》 and Urban Drainage and Sewage Treatment Ordinance 《城鎮排水與污水處理條例》. The Group will continue to make assessment on the Group's air and greenhouse gas emissions to take specific measures to further reduce emissions of air, water and land waste.

A. 環境

A.1 排放物

二氧化碳排放和廢棄物管理

本集團的主要業務來源為製造及銷售高端鋼水控流產品以及紙張加工設備及其他相關設備。高端鋼水控流產品包括浸入式水口、塞棒、中間包水口及長水口。本集團將繼續努力，減少鑄鋼水對環境的影響。本集團的主要排放物來自製造業，因此本集團的政策為以具效率及效益的方式維持製造過程。本集團亦確保廢水排放與市政污水處理系統正確連接，生產過程中產生的所有廢棄物均運送至市政固體廢棄物管理廠。溫室氣體排放為能源消耗後產生的二氧化碳排放。在生產過程中，亦會排放氣體如金屬粉塵以及冷卻金屬產生的水排放。通過水過濾可以將水排放量減至最低。本集團將繼續密切關注物料使用方面更好的替代方案和降低對水、空氣和土地排放的方法。

截至二零一七年十二月三十一日止年度，本集團管理層相信本集團已遵守適用的環境法律及法規，如《中華人民共和國環境保護法》、《中華人民共和國大氣污染防治法》及《城鎮排水與污水處理條例》。本集團將繼續評估其空氣和溫室氣體的排放，以採取具體措施，進一步減少空氣、水和土地廢棄物的排放。

Environmental, Social and Governance Report

環境、社會及管治報告

For manufacturing and selling advanced steel flow control products, during the year ended 31 December 2017, air emission for nitrogen oxides (“NOx”), sulphur oxides (“SOx”) and respiratory suspended particles (“RSP”, also known as Particulate Matter (“PM”)) were about 32,039 g, 2,129 g and 2,359 g respectively, which were mainly produced as a result of company vehicles usage.

The main source of the Group’s greenhouse gas emissions is derived from direct emission from the mobile combustion sources (“Scope 1”), indirect emission from acquired electricity emissions (“Scope 2”) and other indirect emissions (“Scope 3”). The greenhouse gas of Scope 1 was generated by vehicles usage and nature gas, Scope 2 was generated by electricity usage and Scope 3 was generated by water consumption, paper used and business travel by employees. The total greenhouse gases emissions from Scope 1, Scope 2 and Scope 3 for the year ended 31 December 2017 were about 1,615,888 kg, 2,729,473 kg and 19,601 kg respectively.

There is no hazardous waste was produced and there is 150 tons non-hazardous waste was produced. The above environmental wastes, which would pollute the land, would be disposed by the Group to an independent qualified waste collection and disposal services provider.

For manufacturing and selling paper converting equipment and other relating equipment, during the year ended 31 December 2017, air emission for NOx, SOx and PM were about 97,549 g, 158 g and 4,492 g respectively, which were mainly produced as a result of company vehicles usage.

The total greenhouse gases emissions from Scope 1, Scope 2 and Scope 3 for the year ended 31 December 2017 were about 28,214 kg, 223,553 kg and 6,425 kg respectively.

For e-commerce business, during the year ended 31 December 2017, air emission for NOx, SOx and PM were about 574 g, 11 g and 42 g respectively, which were mainly produced as a result of company vehicles usage.

於截至二零一七年十二月三十一日止年度，製造及銷售高端鋼水控流產品的氮氧化物（「NOx」）、硫氧化物（「SOx」）及呼吸性懸浮粒子（「RSP」，亦稱「顆粒物」（「PM」）的氣體排放量分別約為32,039克、2,129克及2,359克，乃主要來自公司車輛使用。

本集團溫室氣體排放的主要來源為流動燃燒源的直接排放（「範圍1」）、購買電力排放的間接排放（「範圍2」）及其他間接排放（「範圍3」）。範圍1的溫室氣體乃由車輛使用及天然氣產生，範圍2的溫室氣體乃由使用電力所產生，而範圍3的溫室氣體乃由水的消耗、使用紙張及僱員差旅所產生。截至二零一七年十二月三十一日止年度，範圍1、範圍2及範圍3的溫室氣體總排放量分別約為1,615,888公斤、2,729,473公斤及19,601公斤。

本集團並無產生危險廢棄物，而非危險廢棄物為150噸。上述環境廢物將污染土地，將由本集團出售予獨立合資格廢棄物收集及處置服務供應商。

於截至二零一七年十二月三十一日止年度，製造及銷售紙張加工設備及其他相關設備的NOx、SOx及PM的氣體排放量分別約為97,549克、158克及4,492克，乃主要來自公司車輛使用。

截至二零一七年十二月三十一日止年度，範圍1、範圍2及範圍3的溫室氣體總排放量分別約為28,214公斤、223,553公斤及6,425公斤。

於截至二零一七年十二月三十一日止年度，電子商務業務的NOx、SOx及PM的氣體排放量分別約為574克、11克及42克，乃主要來自公司車輛使用。

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The total greenhouse gases emissions from Scope 1, Scope 2 and Scope 3 for the year ended 31 December 2017 were about 2,080 kg, 13,686 kg and 9,847 kg respectively.

A.2 Use of resources

Energy and water consumption

The Group has production facilities in PRC, as well as couple of offices for administrative work. The Group aims to better manage its use of resources and perform regular assessment. As part of the environmental friendly strategy, the Group implemented policies on the use of resources such as reduce errors in production to prevent waste of materials, optimal production schedule to reduce the waste and reduction of resources used during the production. The Group is also committed to promote saving and recycling culture to encourage staff to consume less resources in carrying out their daily operations. Such as reduce total paper consumption in offices by keeping electronic format copy instead of printing the documents for filing.

For manufacturing and selling advanced steel flow control products, the Group produced over 132,817 products and the following consumption data was recorded in the year ended 31 December 2017:

- electricity consumption: 3,369,720 kWh
- electricity consumption intensity: 25.37 per unit of product
- petrol consumption: 29,360 Litre
- petrol consumption intensity: 0.22 per unit of product
- natural gas consumption: 1,904,250 m³
- natural gas intensity: 14.34 per unit of product
- water consumption: 30,010 tons
- water consumption intensity: 0.23 per unit of product
- paper consumption: 437 kg
- paper consumption intensity: 0.0033 per unit of product
- packaging material used: 5,636 wooden boxes, 234 rolls of strapping bands, 5,180 kg of plastic films, 182 boxes of desiccant and 29,050 sheets of label

截至二零一七年十二月三十一日止年度，範圍1、範圍2及範圍3的溫室氣體總排放量分別約為2,080公斤、13,686公斤及9,847公斤。

A.2 資源使用

能源和水的消耗

本集團於中國擁有生產設備及數間行政辦公室。本集團以良好管理資源利用並進行定期評估為目標。作為環保戰略的一部分，本集團實施了多項資源使用的政策，如減少生產過程中的錯誤以防止材料浪費，優化生產進度以減少生產過程中的浪費和減少資源使用。本集團亦致力推廣節約及循環再利用的文化，鼓勵員工於執行日常業務中減少資源消耗，例如通過保留電子格式副本而非打印文件歸檔，以減少辦公室的紙張消耗總量。

本集團於製造及銷售高端鋼水控流產品生產超過132,817項產品，截至二零一七年十二月三十一日止年度錄得消耗數據如下：

- 電力消耗：3,369,720千瓦時
- 電力消耗密度：25.37每單位產品
- 汽油消耗：29,360公升
- 汽油消耗密度：0.22每單位產品
- 天然氣消耗：1,904,250立方公尺
- 天然氣密度：14.34每單位產品
- 水力消耗：30,010噸
- 水力消耗密度：0.23每單位產品
- 紙張消耗：437公斤
- 紙張消耗密度：0.0033每單位產品
- 已使用包裝材料：5,636個木箱、234捲打包帶、5,180公斤塑膠薄膜、182箱乾燥劑及29,050張標籤

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For manufacturing and selling paper converting equipment and other relating equipment, the Group produced 52 products and the following consumption data was recorded in the year ended 31 December 2017:

- electricity consumption: 275,991 kWh
- electricity consumption intensity: 5,308 per unit of product
- petrol consumption: 5,300 Litre
- petrol consumption intensity: 101.92 per unit of product
- diesel consumption: 5,000 Litre
- diesel consumption intensity: 96.15 per unit of product
- water consumption: 5,356 tons
- water consumption intensity: 103 per unit of product
- paper consumption: 45 kg
- paper consumption intensity: 0.87 per unit of product

For e-commerce business and IT solution business, the following consumption data was recorded in the year ended 31 December 2017:

electricity consumption: 25,344 kWh
petrol consumption: 768 Litre
water consumption: 25 tons
paper consumption: 65 kg

A.3 Environmental and natural resources

Measures in reducing environmental impact

To mitigate the impacts on the environment and natural resources, the management of the Group would evaluate and implement policies to reduce the impact, such as energy saving initiative to create value and maintain a sustainable environment. The Group will continue to seek alternative environmental friendly resources and materials to reduce the emissions of air, water and land waste.

本集團於製造及銷售紙張加工設備及其他相關設備生產52項產品，截至二零一七年十二月三十一日止年度錄得消耗數據如下：

- 電力消耗：275,991千瓦時
- 電力消耗密度：5,308每單位產品
- 汽油消耗：5,300公升
- 汽油消耗密度：101.92每單位產品
- 柴油消耗：5,000公升
- 柴油消耗密度：96.15每單位產品
- 水力消耗：5,356噸
- 水力消耗密度：103每單位產品
- 紙張消耗：45公斤
- 紙張消耗密度：0.87每單位產品

就電子商務業務及資訊科技解決方案業務而言，截至二零一七年十二月三十一日止年度錄得消耗數據如下：

電力消耗：25,344千瓦時
汽油消耗：768公升
水力消耗：25噸
紙張消耗：65公斤

A.3 環境及天然資源

降低環境影響的措施

為了降低對環境和自然資源的影響，本集團管理層會評估和實施多項政策以減輕影響，例如採取節能措施以創造價值及維持可持續的環境。本集團將繼續尋求替代環保資源及材料，以減少對空氣、水和土地的排放。

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B. Social

B.1 Employment

Labour practices

A good workplace practice is a key aspect for the employees to maintain good relationship. In PRC, the Group adopts practices and policies of Labor Law of the People's Republic of China《中華人民共和國勞動法》, Labor Contract Law of People's Republic of China《中華人民共和國勞動合同法》 in compensation and dismissal; recruitment and promotion; working hours; rest periods; equal opportunity; diversity; anti-discrimination and welfare and other benefits. The Group had adopted similar approach in other relevant jurisdictions, including Hong Kong. The Group has measures to ensure that recruitment and promotion is free from discrimination and received equal opportunities for all despite of age, gender, race, ethnic groups, sexual orientation, disability or marital status.

The Group's employee handbook was distributed to employees, with highlight important information on policies, dismissal, recruitment, promotion, leave benefits, compensation and other benefits and welfare. The employee's contracts were also signed in accordance under the guidance of the Human Resources Department/Administration Department.

B.2 Health and Safety

Workplace health and safety

To provide a safe and comfortable working environment, the Group has complied with the various regulations of relevant jurisdictions, including Labour Law of the People's Republic of China《中華人民共和國勞動法》of occupational safety and health and other applicable regulations. Workplace, including storage and offices, are equipped with fire and safety equipment to prevent outbreak of fire accident and the validity of the fire facilities have been regularly checked. During the year, the Group has reported zero work related fatalities and work injuries. The staff handbook also included sufficient policies on safety and staffs are asked to follow the safety instruction.

B. 社會

B.1 僱傭

勞工常規

良好的工作環境常規是員工保持良好關係的關鍵。在中國，本集團在賠償與解聘、招聘與晉升、工作時數、休息時間、平等機會、多元化、反歧視及福利與其他待遇方面採納《中華人民共和國勞動法》及《中華人民共和國勞動合同法》之各項規定及政策。本集團已於其他相關司法權區（包括香港）採納類似措施。本集團設有確保招聘與晉升不受歧視的措施，且無論年齡、性別、種族、族裔群體、性向、殘疾或婚姻狀況，所有員工均獲得平等機會。

本集團分發給員工的員工手冊強調有關政策、解聘、招聘、晉升、休假福利、薪酬及其他福利與待遇的重要信息。僱員合同的簽訂亦會遵照人力資源部門／行政部門的指導。

B.2 健康及安全

工作環境的健康及安全

為提供一個安全舒適的工作環境，本集團遵守相關司法權區的不同法規，包括《中華人民共和國勞動法》有關職業安全、健康及其他適用的規定。工作環境（包括倉庫及辦公室）配備消防安全設備以防止火災事故，並定期檢查消防設施的有效性。年內，本集團的傷亡及工傷事故為零。員工手冊亦包括充足的安全政策，並要求員工遵守安全指引。

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B.3 Development and Training

Employee development and training

Employees are encouraged to continue development and improve their skill set through training. The Group has various training programmes, both internal and external, to fully develop its workforce. New employees are also provided with on-board training to help faster adapt to the operations of the Group.

B.4 Labour Standards

Child labour and forced labor

There is no tolerance towards recruitment of minors and forced labour for the Group's operation. There is compliance towards Labour Contract Law of the People's Republic of China 《中華人民共和國勞動合同法》 and any individuals under legal working age and individuals without any identification documents are discharged from employment.

There is a strict recruitment procedure through Human Resource Department and upon discovery of any child labour and use of forced labour, the person will be dismissed immediately and the Board will discuss and review the discovered event to prevent it from happening again.

B.5 Supply Chain Management

Supplier management

In respect of the manufacturing segment of the Group, the Group aims to provide comprehensive solutions that meet customers' needs and establish a comprehensive vertical supply chain management system through resource integration and supplier screening and management. The major suppliers are located in China. For e-commerce business and IT solution business, the major suppliers are located in Hong Kong.

B.3 發展及培訓

僱員發展及培訓

本集團鼓勵員工透過培訓繼續發展和提升工作技能。本集團於內部及外部均會舉辦各種培訓課程，以全面發展其勞動力。新員工亦獲提供入職培訓，以幫助其盡快適應本集團的運作。

B.4 勞動準則

童工及強制勞工

本集團絕不允許就本集團營運業務招募未成年人和強制勞工。本集團遵守《中華人民共和國勞動合同法》的規定，任何未達到合法工作年齡以及沒有身份證明的個人均將解除其職務。

本集團通過人力資源部門實施嚴格的招聘程序，一旦發現任何童工及強制勞工現象，有關人員將立即被解僱，董事會亦將討論及檢討發現的事件，以防再次發生。

B.5 供應鏈管理

供應商管理

有關本集團製造分部，本集團致力於透過資源整合和供應商篩選及管理，提供滿足客戶需求的綜合解決方案，並建立全面的垂直供應鏈管理體系。本集團的主要供應商位於中國。而電子商務業務及資訊科技解決方案業務的主要供應商則位於香港。

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The objectives are to deepen the collaborative relationship with the strategic suppliers and to create competitive advantages in the value chain, thereby aim to enhance the impact on the society and environment. The Group strives to ensure that their suppliers uphold similar stance in sustainability. The Group also tended to maintain long term relationship with its suppliers for ensuring stable supply of materials or goods.

B.6 Product Responsibility

Product safety and quality

The Group ensure to produce product that is safe and meet service quality through policies such as if discovered the product has quality problem, the product can be exchanged. The Group complies with various regulations to the operation of the business in the jurisdictions that the Group operates in. For the year ended 31 December 2017, the Group did not have any product returned due to safety or health problems or any complaint received from customers. Customers' data will also be kept in confidential in order to protect consumer data and privacy and be destroyed on a timely basis. Also, the Group has complied towards the Product Quality Law of the People's Republic of China《中華人民共和國產品質量法》.

B.7 Anti-Corruption

Anti-corruption and money laundering

The Group has zero tolerance towards any corruption, fraud, money laundering, bribery and extortion. The Group has compliance towards relevant laws and regulations such as Criminal law of the People's Republic of China《中華人民共和國刑法》 and the Anti-Unfair Competition Law of the People's Republic of China《中華人民共和國反不正當競爭法》in respect of the Group's operation in China.

其目標為加強與戰略供應商的合作關係，並在價值鏈中創造競爭優勢，從而加強對社會及環境的影響。本集團致力確保其供應商於可持續性方面堅持相似立場。本集團亦傾向於與供應商保持長期關係，以確保材料或貨物的穩定供應。

B.6 產品責任

產品安全及質量

本集團通過實施倘若發現產品質量問題，客戶可選擇換貨的政策，確保生產出安全及符合服務質量要求的產品。本集團亦遵守本集團營運的司法權區之各項有關業務運營的規定。截至二零一七年十二月三十一日止年度，本集團概無收到任何由於安全或健康問題而退回的產品或客戶投訴。為保護消費者的資料及隱私，客戶資料均予以保密並及時銷毀。此外，本集團亦遵守《中華人民共和國產品質量法》的有關規定。

B.7 反貪污

反貪污及洗黑錢

本集團對貪污、敲詐、洗黑錢、賄賂和敲詐等行為持零容忍態度。就本集團於中國的營運，本集團遵守《中華人民共和國刑法》和《中華人民共和國反不正當競爭法》等相關法律法規。

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For the year ended 31 December 2017, such incident has never happened in the Group. The Group maintains a code of business integrity. The Group believes that a system with good moral integrity and anti-corruption mechanism is the cornerstone for the sustainable and healthy development for the Group. The Group has policies on anti-money laundering and counter-terrorist financing any suspicious transactions would be notified and reported to the relevant governing body by the responsible officer.

B.8 Community investment

Community involvement

The Group is committed to provide career opportunities to the locals and promote the development of the community's economy as part of the Group's sustainable development strategy. Also, the Group will try to seek opportunities to work with charity partners in the future to get involved in various community programs to contribute back to society.

截至二零一七年十二月三十一日止年度，本集團未發生此類事件。本集團維護業務誠信守則。本集團相信道德誠信及反貪機制是本集團持續健康發展的基石。本集團制訂打擊洗錢及恐怖份子資金籌集政策，任何可疑交易均會由負責人員向有關部門知會及報告。

B.8 社區投資

社區參與

作為本集團可持續發展戰略的一部分，本集團致力於為本地居民提供就業機會，促進社區經濟的發展。此外，本集團將尋求機會未來與慈善合作夥伴攜手，參與各種社區計劃，為社會做出貢獻。

Directors and Senior Management

董事及高級管理層

EXECUTIVE DIRECTORS

Mr. Zhu Min, aged 69, graduated from Zhejiang University with a master's degree in Industrial Management and received a MS degree in Engineering Economics from Stanford University as one of the first batch of overseas students sent by the PRC Government to pursue a doctoral degree in Stanford University. He co-founded Future Labs Inc. in 1991 which was later acquired by Quarterdeck Corp.. In 1996, he co-founded WebEx Communications Inc. which was successfully listed on NASDAQ in 2000 and then acquired by Cisco Systems Inc. for US\$3.2 billion in 2007.

In 2003, Mr. Zhu became the sole investment partner in China of New Enterprise Associates (NEA), a renowned U.S. based venture capital fund focusing on early- and middle-stage companies, assisting NEA to successfully invest in a group of independent innovation enterprises in China. In 2005, Mr. Zhu founded Cybnaut Investment Group, one of China's best venture capital houses in 2015 selected by Forbes. It is one of the leading private equity and venture capital fund in China.

In 2007, Mr. Zhu donated US\$10 million to set up Zhejiang University International Innovation Institute (ZII) with Zhejiang University in a drive to promote domestic technological and industrial innovations.

Mr. Zhu has many years of experience in computer, network communications and services. He is a well-known scientist in the field in the United States. In 2002, he was named by Business Week as one of the 25 most influential people in global e-commerce. In 2008 and 2009, Mr. Zhu was selected by Forbes as one of China's best venture capital investors. At the first China Public Entrepreneurship and Innovation Conference held in 2016, he was granted the title of China's Pioneer in Innovation and Entrepreneurship by virtue of his reputation in the international investment community.

Mr. Zhu is the founder and chairman of the board of Cybnaut Investment Group Limited, the Vice president of China Society for the Promotion of Science and Technology Commercialization, the founder and dean of the Zhejiang University International Innovation Institute (ZII).

At the date of this annual report, Mr. Zhu held 965,500,000 shares of the Company.

執行董事

朱敏先生，69歲，畢業於浙江大學，持有浙江大學工業管理系碩士學位並為第一批中國公派留學生到美國斯坦福大學攻讀博士學位，獲得斯坦福大學工程經濟系統碩士學位。彼於一九九一年共同創辦Future Labs Inc.及後由Quarterdeck Corp.收購。彼於一九九六年共同創辦了WebEx Communications Inc. (美國網訊) 並於二零零零年成功於納斯達克上市，於二零零七年由思科系統公司以32億美金收購。

朱先生於二零零三年成為NEA (一間美國知名早中期創業投資基金公司) 在中國之唯一投資合夥人，幫助NEA在中國成功投資了一批自主創新型企業。於二零零五年，朱先生創立了賽伯樂(中國)投資集團，賽伯樂為二零一五年《福布斯》中國最佳創業投資機構之一，為中國私募股權創投基金的領導者之一。

朱先生於二零零七年捐資1,000萬美金與浙江大學創建浙江大學國際創新研究院，致力推動國內科技與產業創新。

朱先生於電腦、網絡通訊及服務領域擁有多年經驗。彼為美國該領域上著名之科學家，於二零零二年被《商業週刊》列為全球電子商務25位最具影響力的人物之一。朱先生於二零零八年及二零零九年被《福布斯》選為中國最佳創業投資人之一。彼於國際投資界享有盛名，故於二零一六年首屆中國眾創大會上，獲得中國創新創業先鋒稱號。

朱先生為賽伯樂投資集團有限公司創始人兼董事長、中國科技產業化促進會副理事長，以及浙江大學國際創新研究院創始人兼院長。

於本年報日期，朱先生於965,500,000股本公司股份中擁有權益。

Directors and Senior Management 董事及高級管理層

Mr. Gao Xiang, aged 49, holds a bachelor's degree from the School of Economics and Management of Tsinghua University in Beijing and double master's degrees in Mathematics and Computer from the University of Wisconsin-Madison, USA. He currently serves as a senior partner of Cybertaut Investment Group and is mainly in charge of industrial investment operation and management as well as capital operation.

After graduation Mr. Gao was engaged in advanced research and development work at Microsoft Corp. (headquarters) in the United States and was one of the Office98 software main R & D members. In 1997, he established the China products e-commerce website "Chinamalls.com" in Seattle and in 1999, it was acquired by a company listed on NASDAQ.

In 2003, Mr. Gao joined Dangdang.com to serve as its vice president and to lead the website's development. He was also responsible for Dangdang.com's customer service and logistics operations. Later in 2007, he was appointed and served as the chief executive officer of Yaolan.com, and successfully transformed Yaolan.com into China's well known children education online-to-offline platform.

In 2013, Mr. Gao served as the chief executive officer and an executive director of Gome.com.cn. He was mainly responsible for designing the structure of its online-to-offline retail platform system and to remodel and personalize the existing marketing management system based on big data. He has rich experience in business management, education and Internet platform operation. Mr. Gao is currently a director of 武漢童學文化股份有限公司 (Wuhan Tong Xue Wen Hua Co. Ltd.) which is listed on the National Equities Exchange and Quotations of China.

Mr. Gao Xiang resigned as an executive Director and the chief executive office of the Company with effect from 12 April 2018.

高翔先生，49歲，持有北京清華大學經濟管理學院學士學位及持有美國威斯康辛大學麥迪遜分校數學和電腦系雙碩士學位。彼現為賽伯樂投資集團高級合夥人，主要負責產業投資營運管理及資本運作。

高先生於畢業後進入美國微軟總部從事高級研發工作，並成為Office98軟件的主要研發成員之一。彼於一九九七年於西雅圖創辦中國商品電子商務網站Chinamalls.com，該網站於一九九九年由一間在納斯達克上市的公司收購。

於二零零三年，高先生加入當當網出任副總裁，主持當當網之網站開發工作，並全面負責當當網客服物流運營等工作。其後於二零零七年入主搖籃網擔任首席執行官，將搖籃網成功打造為中國知名的兒童教育O2O平臺。

高先生於二零一三年擔任國美線上首席執行官兼執行董事，主要負責設計搭建其O2O零售平臺系統，並基於大資料對既有之管理行銷體系進行重塑及個性化。彼於企業管理、教育及互聯網平臺營運方面經驗豐富。高先生現為武漢童學文化股份有限公司（全國中小企業股份轉讓系統上市公司）董事。

高翔先生自二零一八年四月十二日起已辭任本公司執行董事及行政總裁。

Directors and Senior Management 董事及高級管理層

Mr. Sin Kwok Wai Ronald, aged 61, is the Executive Director of the Company since his appointment as an executive director on 10 October 2014. He is also the director of Time Credit Limited on 10 October 2014. Mr. Sin received his bachelor's degree in accountancy from Queensland University of Technology, Australia in 1994. Then he pursued his postgraduate studies with research and coursework at Griffith University, Australia in 1994. He obtained his master degree in business administration from the University of Southern Queensland, Australia in 2006. And, Mr. Sin started his doctorate studies at University of Wales Trinity Saint David in 2017. He is currently an associate member of HKICPA and a fellow member of the CPA Australia. Prior to joining the Company, Mr. Sin has served companies in different industries in Hong Kong, including those listed in Hong Kong and overseas. He possesses over 20 years of management experience in areas of accounting, business strategy and corporate restructuring. At the date of this annual report, Mr. Sin held 17,452,000 shares of the Company.

Mr. Lu Yongchao, aged 38, obtained a diploma in Business Administration for Real Estate Entrepreneurs in China at Sun Yat-sen University and a diploma in English at Guangdong University of Foreign Studies. Mr. Lu was a team member of Ample Luck International Capital Group Limited, a domestic well known fund management group. Mr. Lu has extensive experience in business development, market development, media management, finance and Information Technology industry and years of investment, financing and fund management history. He has rich experience in the enterprise strategic management, internet strategy, brand management, investment and financing management. He was the founder of Enjoymedia Holdings Company Limited, which was listed on the OTCBB in 2006 and was named one of the hundred most Chinese Concept corporation listed in United States. Prior to that Mr. Lu had been the Chief Executive of the online websites YESITE and ITNOW, as well as the Whirlpool Kit Department Head in China. Mr. Lu had assisted listing and financing of different enterprises while working in an investment company in China, and had served as the director of Taiwan listed corporation China Mobile Digital Group. He also had served as a director of a well-known German outdoor brand VAUDE.

冼國威先生，61歲，於二零一四年十月十日獲委任為本公司執行董事。於二零一四年十月十日，彼亦為友邦信貸有限公司之董事。冼先生於一九九四年獲授澳洲昆士蘭科技大學會計專業學士學位。隨後彼於一九九四年於澳洲格里菲斯大學研讀碩士研究課程。彼於二零零六年獲授澳洲南昆士蘭大學工商管理學碩士學位。冼先生亦於二零一七年起於威爾斯三一聖大衛大學攻讀博士學位。彼目前為香港會計師公會會員及澳洲會計師公會之資深會員。加入本公司前，冼先生已於香港不同行業之公司（包括該等於香港及海外上市之公司）任職。彼擁有超過20年會計、業務策略及企業重組方面之管理經驗。於本年報日期，冼先生持有本公司17,452,000股股份。

呂永超先生，38歲，持有中山大學中國房地產企業家工商管理課程結業證書，並於廣東外語外貿大學英語專科畢業。呂先生曾是豐祥國際資本集團有限公司（一間國內知名基金管理集團）的團隊成員。呂先生不但在商務開發、市場拓展、媒體管理、財務及資訊科技行業方面有多樣化的表現，亦累積了多年投融資及基金管理經驗。彼於企業戰略管理、互聯網策略、品牌管理、投融資管理等方面擁有十分豐富的經驗。呂先生始創Enjoymedia Holdings Company Limited，而該公司曾在二零零六年於美國場外電子交易板市場上市，曾被評選為美國一百個最有中國概念的上市公司之一。在此之前，呂先生先後在YESITE及ITNOW網站出任網站總裁，並於中國出任惠而浦套件部部門主管。後期，呂先生任職一所中國投資公司，除協助多家企業上市及融資，及出任台灣上市公司中國移動數碼集團董事外，彼亦曾出任德國知名戶外品牌沃德董事。

Directors and Senior Management 董事及高級管理層

Mr. Lu is also the directors of Eagle Pioneer Limited, Accurate Trade International Limited, China Safety Holdings Limited, Happy Way Technology Limited, Total Tycoon Limited and Great Select Global Limited. Mr. Lu resigned as an chief executive officer and appointed as an executive director of the Company with effect from 16 February 2017. At the date of this annual report, Mr. Lu held 6,100,000 shares and did not hold any share options of the Company.

Mr. Xu Yejun, aged 53, is currently the Executive Director of the Company and was appointed as our Chairman and Executive Director on 4 February 2010. He was our Group's chief executive officer from its establishment until 2 January 2015 when he resigned from such position. He is responsible for the overall strategic planning and management of our Group. Mr. Xu has extensive experience in the advanced steel flow control products industry, and has been engaging in such business for over 25 years. He is also the director of Sinoref (Hong Kong) Limited.

Mr. Xu studied in 宜興縣大浦中學 (Yixing Dapu Secondary School*) from 1979 to 1981. Mr. Xu had been trained in 洛陽耐火材料研究院 (Luoyang Institute of Refractories Research*) from 1984 to 1986. He had worked in 宜興市鎂質耐火材料廠 (Yixing Magnena Refractory Materials Factory*) from 1981 to 1983 and from 1987 to 1989, in 宜興威爾發非金屬材料有限公司 (Yixing Wellfire Nonmetal Materials Co., Ltd.) from 1990 to 1995 and in 宜興中村窯業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.*) from 1996 till the establishment of Sinoref (Yixing) in 2005. As at the date of this annual report, Mr. Xu was a director, the chairman and the legal representative of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.*), and a director of Sinoref (Hong Kong) Limited and Sinoref (BVI) Limited. Each of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.*), Sinoref (Hong Kong) Limited and Sinoref (BVI) Limited was a wholly-owned subsidiary of our Company as at the date of this annual report.

呂先生亦為Eagle Pioneer Limited、Accurate Trade International Limited、中國安產控股有限公司、創欣科技有限公司、Total Tycoon Limited及境裕環球有限公司之董事。呂先生辭任本公司行政總裁，並獲委任為本公司執行董事，自二零一七年二月十六日起生效。於本年報日期，呂先生於本公司6,100,000股股份中擁有權益，及並無持有任何購股權。

徐葉君先生，53歲，現為本公司執行董事，並於二零一零年二月四日獲委任為主席及執行董事。彼由本集團成立以來一直擔任其行政總裁，直至於二零一五年一月二日辭任該職務止。彼負責本集團整體策略規劃及管理。徐先生於先進鋼水控流產品行業擁有豐富經驗，從事有關業務逾25年。彼亦為華耐科技(香港)有限公司之董事。

徐先生自一九七九年至一九八一年於宜興縣大浦中學就讀，自一九八四年至一九八六年於洛陽耐火材料研究院接受訓練，彼於一九八一年至一九八三年及一九八七年至一九八九年在宜興市鎂質耐火材料廠工作，之後於一九九零年至一九九五年在宜興威爾發非金屬材料有限公司工作，自一九九六年起在宜興中村窯業有限公司工作，直至彼於二零零五年創立華耐(宜興)為止。截至本年報日期，徐先生為華耐國際(宜興)高級陶瓷有限公司之董事、主席及法定代表人以及華耐科技(香港)有限公司和Sinoref (BVI) Limited之董事。華耐國際(宜興)高級陶瓷有限公司、華耐科技(香港)有限公司及Sinoref (BVI) Limited於本年報日期均為本公司之全資附屬公司。

Directors and Senior Management 董事及高級管理層

For his research item 玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製 (The research and manufacture of new high quality refractory accessory materials in glass melting furnace regenerative chamber series*), Mr. Xu was awarded 中國輕工業科技進步獎 (China Light Industry Technological Advancement Award*) by 中國輕工總會 (China Light Industry Association*) in 1991, 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1995 and 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Advancement in Shanghai*) by 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 1996. Mr. Xu was also awarded 上海市科學技術進步獎 (Science and Technology Progress Awards of Shanghai) by 上海市科學技術進步獎評審委員會 (Science and Technology Progress Awards Jury, Shanghai Municipality) in 1996 in respect of 優質特異型蓄熱室格子磚系列配套產品研製 (The research and manufacture of high quality specific regenerative chambers checkers series accessory products*).

NON-EXECUTIVE DIRECTORS

Mr. Chow Chi Wa, aged 49, was appointed as our non-executive Director on 27 November 2013. He holds a master degree in Corporate Governance from the Open University of Hong Kong and a master degree in Corporate Finance from the Hong Kong Polytechnic University. He has been a executive Director of Sino Splendid Holdings Limited (Stock code: 8006) since November 2013. Mr. Chow is a certified public accountant of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He is an associate of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. He possesses extensive experience in finance and accounting.

徐先生憑著他的研究項目「玻璃熔窯蓄熱室系列配套優質耐火材料新產品研製」於一九九一年獲中國輕工總會頒發中國輕工業科技進步獎，於一九九五年獲上海市科學技術進步獎評審委員會頒發上海市科學技術進步獎，又於一九九六年獲上海市科學技術委員會出具上海市科技成果完成者證書。徐先生亦於一九九六年獲上海市科學技術進步獎評審委員會頒授上海市科學技術進步獎，以表彰他對「優質特異型蓄熱室格子磚系列配套產品研製」進行的工作。

非執行董事

周志華先生，49歲，於二零一三年十一月二十七日獲委任為本公司非執行董事。彼持有香港公開大學企業管治碩士學位及香港理工大學企業金融碩士學位。彼自二零一三年十一月起出任華泰瑞銀控股有限公司（股份代號：8006）之執行董事。彼現為香港會計師公會之註冊會計師及英國特許會計師公會資深會員。彼亦為香港特許秘書公會及特許秘書及行政人員公會會員。周先生於財務及會計方面擁有豐富經驗。

Directors and Senior Management 董事及高級管理層

Ms. Yip Sum Yu, aged 28, was appointed as our non-executive Director on 10 November 2014. She is currently a consultant of an investment company. Ms. Yip has gained valuable experience in investments and investors relations in connection with both listed and private investments. She did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

At the date of this annual report, Ms. Yip did not hold any share options of the Company.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tong Yiu On, aged 51, was appointed as our independent non-executive Director on 10 October 2014. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. Tong has served as the chief financial officer of Infinity Chemical Holdings Company Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 640)) and its executive director and company secretary since December 2011. From September 2000 to November 2008, he served as the chief financial officer and company secretary of Sinotronics Holdings Limited (currently known as Kingwell Group Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 1195)) and he concurrently acted as its executive director from December 2002 to November 2008. Prior to joining such company, he had nine years of financial management, accounting and auditing experience from various companies listed in Hong Kong and overseas and an international accounting firm.

葉芯瑜女士，28歲，於二零一四年十一月十日獲委任為本公司非執行董事。彼現時為一家投資公司的顧問。葉女士於有關上市及私人投資的投資及投資者關係方面累積寶貴經驗。彼於過去三年並無於其證券於香港或海外任何證券市場上市之上市公司擔任任何其他董事職位。

於本年報日期，葉女士並無持有本公司任何購股權。

獨立非執行董事

唐耀安先生，51歲，於二零一四年十月十日獲委任為本公司獨立非執行董事。彼為香港會計師公會（「香港會計師公會」）之執業會計師。自二零一一年十二月起，唐先生出任星謙化工控股有限公司（一家於聯交所主板上市之公司（股份代號：640））之財務總監以及執行董事兼公司秘書。彼於二零零零年九月至二零零八年十一月於華翔微電子控股有限公司（現稱京維集團有限公司，一家於聯交所主板上市之公司（股份代號：1195））擔任財務總監兼公司秘書，並於二零零二年十二月至二零零八年十一月期間同時擔任執行董事。加入該公司前，彼於香港及海外多家上市公司及一家國際會計師事務所累積9年財務管理、會計及審計經驗。

Directors and Senior Management 董事及高級管理層

Mr. Li Yik Sang, aged 43, was appointed as our independent non-executive Director on 10 October 2014. He has over 14 years of experience in auditing, finance and accounting. He has served as the chief financial officer, authorised representative and company secretary of Meike International Holdings Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 953)) from August 2009 to January 2016. Mr. Li served as an audit assistant and a semi-senior auditor in Grant Thornton from November 2000 to December 2002. He later worked as a staff accountant, senior accountant and manager in Ernst & Young from January 2003 to January 2007. He acted as the chief financial officer of China Packaging Group Company Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 572)) from January 2007 to July 2009. He also served as an independent non-executive director of China Agrotech Holdings Limited (a company listed on the Main Board of the Stock Exchange (Stock Code: 1073)) from December 2011 to June 2014. He received his bachelor's degree in commerce from the University of Queensland, Australia in December 1998. He received his master's degree in commerce (information systems) from the University of Queensland, Australia in August 2000. Mr. Li has been a member of CPA Australia since April 1999 and was granted a certificate of certified practicing accountant of CPA Australia in November 2006 and he has been a member of HKICPA since February 2007.

Mr. Cao Ke, aged 43, was appointed as our independent non-executive Director on 10 June 2015. He received his bachelor's degree in economics from Nankai University in China in 1995 and a master's degree in business administration from the University of Hawaii in USA in 2001. He possesses over 10 years of experience in financial management and over 8 years of experience in financial investment and project management. He served as Chief Financial Officer in Guangdong Esquel Textile Enterprise Co., Ltd., Jiemi Int'l Trade (shanghai) Co., Ltd. and Guangdong Qide Education Service Ltd.. Since January 2010, he served as Chief Investment Officer in Youngy Investment Holding Group Co., Limited which is a reputable investment company in the PRC. Since December 2012, he served as Supervisor in AnHua Agricultural Insurance Company Ltd and Shenzhen Huaxunark Technology Co., Limited. Mr. Cao is also the vice Chairman of the board directors for Gefeng Environmental Protection Technology Co., Ltd.

李奕生先生，43歲，於二零一四年十月十日獲委任為本公司獨立非執行董事。彼擁有超過14年之審計、財務及會計經驗。彼自二零零九年八月至二零一六年一月擔任美克國際控股有限公司（一家於聯交所主板上市之公司（股份代號：953））之首席財務官、授權代表兼公司秘書。李先生自二零零零年十一月至二零零二年十二月擔任均富會計師行核數助理及副高級核數主任。彼隨後於二零零三年一月至二零零七年一月任安永會計師事務所之會計師、高級會計師及經理。於二零零七年一月至二零零九年七月任中國包裝集團有限公司（一家於聯交所主板上市之公司（股份代號：572））之首席財務官。彼亦於二零一一年十二月至二零一四年六月任浩倫農業科技集團有限公司（一家於聯交所主板上市之公司（股份代號：1073））任職獨立非執行董事。彼於一九九八年十二月獲澳洲昆士蘭大學頒授商學學士學位，二零零零年八月獲澳洲昆士蘭大學頒授商學（信息系統）碩士學位。李先生自一九九九年四月起為澳洲會計師公會會員，於二零零六年十一月獲授澳洲會計師公會執業會計師證書，以及自二零零七年二月起為香港會計師公會會員。

曹克先生，43歲，於二零一五年六月十日獲委任為本公司獨立非執行董事。彼於一九九五年獲得中國南開大學經濟學學士學位並於二零零一年獲得美國夏威夷大學工商管理碩士學位。彼於金融管理方面擁有逾10年經驗並於金融投資及項目管理方面擁有逾8年經驗。彼曾擔任廣東溢達紡織有限公司、傑米國際貿易（上海）有限公司及廣東啓德教育服務有限公司之財務總監。自二零一零年一月起，彼擔任融捷投資控股集團有限公司（一家中國知名投資公司）之投資總監。自二零一二年十二月起，彼擔任安華農業保險股份有限公司及深圳市華訊方舟科技有限公司之監事。曹先生亦為格豐環保科技有限公司之董事會副主席。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Dr. Wang Matthew Yang (“Dr. Wang”), aged 50, joined Cybernaut International Holdings Company Limited on 12 May 2017 as Co-Chief Executive Officer of the Company. He currently serves as the President of Cybernaut Investment Group and Chief Scientist of 杭州賽智. He has been serving as senior director of IBM Global Technology Committee (one of 18 people worldwide), member of IBM American Innovation Leadership Committee, vice chairman of Center for China and Globalization (CCG), deputy director of China Big Data Expert Committee, deputy director of China National Committee of Cloud Computing Experts, council member of Council 2005 of Western Returned Scholars Association (WRSA), director of China Entrepreneurs Association, executive director of Zhejiang University Innovation Institute International (ZIII), visiting professor of Zhejiang University, Tsinghua University, China Europe International Business School and Cheung Kong Business School. He has served as IBM global vice president and general manager of China Development Laboratories (CDL). He is a holder of a doctorate degree in computer science from Vanderbilt University (范德堡大學) and a MBA degree from George Washington University (喬治華盛頓大學).

Dr. Wang joined IBM since 1998 and he was first appointed as the chief architect of IBM's global supply chain for personal computers. After that, he was subsequently appointed as the senior project director of IBM's global services department, being in charge of some projects in the aspects of electronics, automobile, petroleum and others, with the funds involved reaching several billion US Dollars. He also helped IBM to establish the outsourcing center in India.

高級管理層

王陽博士 (「王博士」)，50歲，於二零一七年五月十二日加入賽伯樂國際控股有限公司擔任聯席行政總裁，現任賽伯樂投資集團總裁及杭州賽智首席科學家。彼曾任IBM全球技術委員會資深董事（全球18人之一），IBM美國創新領導委員會委員，中國與全球化智庫CCG副主席，中國國家大數據專家委員會副主任委員，中國國家雲端計算專家委員會副主任，歐美同學會2005理事會理事，中國企業家協會理事，浙江大學國際創新研究院執行院長，浙江大學、清華大學、中歐商學院和長江商學院客座教授。彼曾任IBM全球副總裁兼中國開發中心總經理。彼擁有美國范德堡大學電腦科學博士學位及喬治華盛頓大學工商管理學碩士學位。

自一九九八年加入IBM後，王陽博士首先擔任IBM個人電腦全球供應鏈總架構師，隨後又成為IBM全球服務部高級項目總監。擔任總監期間，其負責的專案包括電子、汽車、石油等多個領域，而涉及的資金高達數十億美元。彼亦協助IBM建立了在印度的外包中心。

Directors and Senior Management 董事及高級管理層

In 2002, Dr. Wang joined the Research and Development Department in his capacity being the executive assistant to the president of IBM's Global Research and Development Center. His main job duties were to develop research in respect of technological development and strategic direction. Innovation Frontier Engineering, led by him, was a part of the national innovation plan of the U.S. and was directly initiated by the U.S. President. Since 2006, Dr. Wang was seconded to station at the headquarters of Asia Pacific region and was appointed as the general manager of IBM's Software Technical Sales. His duties were to lead more than 2000 professionals in respect of technical sales and services distributed in the Greater China, Japan, Korea, Australia, New Zealand, India and some Southeast Asia countries, being dedicated to provide the customers with various software and industrial solutions.

In 2008, Dr. Wang served as IBM global vice president and general manager of the China Development Laboratories (CDL), promoting the implementation of IBM's cooperation with the Chinese government and universities, including participation in the Seattle China-US Internet Forum, leading more than 5,000 people in Beijing, Shanghai, Taipei, Guangzhou and Shenzhen. On March 1, 2016, Dr. Wang announced its accession to Cybernaut Investment Group, which manages more than RMB60 billion M&A funds for investments in overseas assets, especially equity, and connects domestic industries. It uses technology, capital, and international methods to enhance domestic investment, industrial transformation, upgrading and development.

二零零二年，王陽博士又以IBM全球研發中心總經理行政助理的身份加入了研發部，主要負責針對科技發展戰略方向的研究。其領導的創新前沿工程，是美國國家創新計劃的一部分，並由美國總統直接發起。自二零零六年王陽博士被公司派駐亞太總部，擔任IBM軟體技術銷售總經理，領導分佈在大中華、日本、韓國、澳大利亞、紐西蘭、印度及其他東南亞國家等的2,000多名技術銷售及服務人員，致力為客戶提供各種軟件和行業的解決方案。

二零零八年，王陽博士出任IBM全球副總裁兼中國開發實驗室總經理，帶領北京、上海、臺北、廣州和深圳的5,000多人的研發團隊，推動落實IBM與中國政府、高校的合作，並包括參加在西雅圖的中美互聯網論壇。二零一六年三月一日，王陽博士宣佈加入賽伯樂投資集團，管理其600億元人民幣的收購合併基金，投資海外資產，特別是與本地工業連繫的股權投資；以科技、資本及國際化的手段提升國內產業轉型，升級及發展。

Directors and Senior Management 董事及高級管理層

Mr. Lee Yim Stephen, aged 42, is currently the director of Soaring International Limited (Soaring), which holds 100% owns equity interest of VT Zero Limited. As the director of the Soaring enterprise, he oversees the eCommerce division of the group companies, and also acts as the CEO of VT Zero Ltd. Mr. Lee was graduated with a BA (Hons) Finance from Hong Kong University in 1998. With his enthusiasm in information technology field, he joined Innaworks Ltd as development specialist from 1999 to 2001. And from 2002 to 2005, he held the position as senior developer in Tai Fook Securities Limited and Emperor Capital Group. With his years of past experience in IT sector and as software developer in the finance industry, Mr. Lee founded the eBusiness startup named VT Zero Limited in 2007. Prior to his startup business, he was a Project Manager in UBS business group. With his strong experience in software development and insight on internet shopping, Mr. Lee managed the business of VT Zero Limited to achieve an yearly turnover of HK\$10 million within the first two years. Soaring International Limited enterprise is now the wholly-owned subsidiary of Cybernaut International Holdings Company Limited, with business majoring on eCommerce of branded electronic products and second hand mobile devices.

Mr. Ng Hang Fai Calvin, aged 41, is currently the business development director of Soaring International Limited, that was founded with his partner Mr. Lee Yim Stephen in 2007. Mr. Ng was graduated with a BA (Hons) Information Systems from City University of Hong Kong in 1998. Upon graduation, he joined Hong Kong International Terminals, IT Infrastructure division and Hutchison Ports nPortals.com until he served as development specialist in Innaworks Ltd. from 2000 to 2001. He also participated the development of online securities trading platform in TaiFook Securities during the period of 2002 to 2005. Then with his years of past experience in internet application on research and development in shipping and finance industry, Mr. Ng worked as a system analyst in CCASS division of HKEx until he joined Mr. Lee Yim Stephen to start the eBusiness venture in 2007. Mr. Ng has expertise on internet marketing and always aims at exploring more online sales channels for the Soaring International Limited enterprise, in a view to reach fast growing online shoppers all over the world.

李儼先生，42歲，現為Soaring International Limited (Soaring)董事，該公司擁有VT Zero Limited之100%股權。作為Soaring企業之董事，彼負責監督集團公司的電子商務部門，亦擔任VT Zero Limited之首席執行官。李先生於一九九八年畢業於香港大學，獲得金融學(榮譽)文學士學位。於一九九九年至二零零一年，彼懷著對資訊科技領域的熱情，加入無間科技有限公司並擔任發展專家。且自二零零二年至二零零五年，彼於大福證券有限公司及英皇證券集團擔任高級開發人員一職。憑藉著過去幾年於金融業的資訊科技及軟體開發經驗，李先生於二零零七年創立電子商務初創公司(即VT Zero Limited)。於創立初創公司業務前，彼為瑞士銀行業務集團之項目經理。李先生憑藉著其對軟件開發的豐富經驗及對互聯網購物的洞察，彼管理之VT Zero Limited業務於首兩年內的年度營業額即達到10,000,000港元。Soaring International Limited現為賽伯樂國際控股有限公司之全資附屬公司，其業務主要為品牌電子產品及二手移動裝置之電子商務。

吳恒輝先生，41歲，現為Soaring International Limited業務拓展總監，該公司為吳先生與李儼先生於二零零七年共同創立。吳先生於一九九八年畢業於香港城市大學，獲得信息系統(榮譽)文學士學位。於畢業後，在彼於二零零零年至二零零一年加入無間科技有限公司並擔任發展專家前，彼曾加入香港國際貨櫃碼頭、資訊科技基礎建設部門及Hutchison Ports nPortals.com。彼亦於二零零二年至二零零五年期間，參與大福證券之網上證券交易平台開發。其後在彼與李儼先生於二零零七年共同創辦電子商務公司前，吳先生憑藉著過去幾年於航運業及金融業之研發的互聯網應用經驗，擔任香港交易所中央結算及交收系統部門之系統分析師。吳先生擁有互聯網行銷專材，為接觸全球快速增長的網上消費者，彼持續致力為Soaring International Limited開發更多網上銷售渠道。

Directors and Senior Management 董事及高級管理層

Mr. Cheung Wing Lok Tommy, aged 36, joined the Company in 2014. He is currently the director of its subsidiaries, namely 湖州賽樂弘教育科技有限公司 Huzhou Sai Le Hong Education Technology Limited (“湖州公司”, “Huzhou Company”), Time Credit Limited, Total Tycoon Limited, China Safety Holdings Limited and Happy Way Technology Limited of the Group. Mr. Cheung received his bachelor's degree in accountancy from Curtin University of Technology, Australia in 2006 and associate degree of Business Administration from HKU SPACE in 2004. He is currently a student member of HKICPA and the associate member of the CPA Australia. Prior to joining the Company, Mr. Cheung was an auditor and possessed over 7 years of experience in areas of auditing and accounting. Other than serving as subsidiaries' director, Mr. Cheung also involved in daily executive duties in the subsidiaries of the Group.

Mr. Wang Zhizhong, aged 50, is the deputy general manager and the head of our Production Department of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.*). Mr. Wang joined our Group in 2005. Mr. Wang was qualified as an assistant engineer by 無錫市人事局 (Wuxi Municipal Personnel Bureau*) in 1995. He obtained 上海市科技成果完成者證書 (Certificate for Accomplisher of Technological Achievement in Shanghai*) for each of the project named “復合結構電熔澆注空心磚研製” (Development of hollow composite fusion cast blocks*) and “大型玻璃窯上部結構用新型耐火材料品種的研究” (Research on novel refractories for super structure of glass furnace*) from 上海市科學技術委員會 (Science and Technology Commission of Shanghai Municipality) in 2000.

張永樂先生，36歲，於二零一四年加入本公司。為本集團附屬公司湖州賽樂弘教育科技有限公司（「湖州公司」）、友邦信貸有限公司、Total Tycoon Limited、中國安產控股有限公司及創欣科技有限公司之董事。張先生於二零零六年獲授澳洲科廷科技大學會計學專業學士學位及於二零零四年獲授香港大學專業進修學院工商管理學副學士學位。張先生目前為香港會計師公會學生會員及澳洲會計師公會會員。加入本集團之前，張先生是一位核數師及於核數及會計範疇擁有超過七年的經驗。除了作為附屬公司董事外，張先生職責亦包括本集團各附屬公司的行政工作。

王志中先生，50歲，為副總經理兼華耐國際（宜興）高級陶瓷有限公司生產部主管。王先生於二零零五年加入本集團。王先生於一九九五年從無錫市人事局取得助理工程師資格。彼於二零零零年就「復合結構電熔澆注空心磚研製」及「大型玻璃窯上部結構用新型耐火材料品種的研究」項目從上海市科學技術委員會各自取得上海市科技成果完成者證書。

Directors and Senior Management 董事及高級管理層

Mr. Wang worked in the production technology department in various companies including 宜興威爾發非金屬材料有限公司 (Yixing Wellfire Nonmetal Materials Co., Ltd.) and 宜興中村窑業有限公司 (Yixing Zhongcun Kiln Products Co., Ltd.*), before joining our Group in 2005. In addition, Mr. Wang, jointly with Mr. Xu and Dr. Zhang, invented the 可控制流入氣體的整體式塞棒 (Mono block Stopper with controlled gas flow) which was registered as a patent (in respect of utility) in the PRC in May 2010.

Mr. Wen Zhuowei, aged 40, joined us in 2007 as head of our Production Department and worked as head of our Purchasing Department of 華耐國際(宜興)高級陶瓷有限公司 (Sinoref International (Yixing) Co., Ltd.*) in 2013. Mr. Wen is mainly responsible for our procurement and environmental protection matters. Mr. Wen graduated from 江蘇省廣播電視大學 (Jiangsu Radio and TV University*). He worked for 江蘇耐克體育用品有限公司 (Nike Jiangsu) Sport Products Co., Limited*) as production supervisor from 2000 to 2005 and worked as shift leader in 微密科技(宜興)有限公司 (Weimi Science and Technology (Yixing) Co., Ltd*) from 2006 to 2007 prior to joining our Group.

For the purpose of this section, "" denotes unofficial English translation.*

王先生於二零零五年加入本集團前曾於多間公司的生產技術部門工作，當中包括宜興威爾發非金屬材料有限公司及宜興中村窑業有限公司。另外，王先生、徐先生與張博士共同發明可控制流入氣體的整體式塞棒，該發明於二零一零年五月在中國獲註冊為專利（有關實用新型）。

溫卓偉先生，40歲，於二零零七年加入本集團擔任華耐國際（宜興）高級陶瓷有限公司生產部主管及二零一三年兼任採購部主管。溫先生主要負責本集團採購及環保事宜。溫先生畢業於江蘇省廣播電視大學，在加入本集團之前，他曾自二零零零年至二零零五年在江蘇耐克體育用品有限公司任生產主管；二零零六年至二零零七年在微密科技（宜興）有限公司擔任生產領班。

Report of the Directors

董事會報告

The Directors are pleased to present their report and audited financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Group is primarily engaged in the manufacturing of advanced steel flow control products used in the continuous casting steel making process to protect, control and regulate the flow of molten steel, and manufacture and sale of paper converting equipment and other relating equipment, eCommerce, eCommerce solutions and related support services and selling of information technology products, money lending, as well as, provision of internet education services.

The Group's turnover is mainly derived from business activities in Mainland China. An analysis of the Group's income for the year is set out in note 7 to the financial statements.

Particulars of the Company's major subsidiaries as at 31 December 2017 are set out in note 40 to the financial statements.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 125 and 126 of this report.

The state of the Group's affairs at 31 December 2017 is set out in the consolidated statement of financial position on pages 127 to 128 of this report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2017.

The Company is not aware of any arrangement under which a shareholder of the Company has waived or agreed to waive any dividends.

FIVE YEAR FINANCIAL SUMMARY

The result, assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, are summarised on page 224 of this report.

董事謹此呈列本集團截至二零一七年十二月三十一日止年度之報告及經審核財務報表。

主要業務

本集團主要從事製造高端鋼水控流產品，該等產品用於連鑄過程以保護、控制及調節熔鋼流，以及製造及銷售紙張加工設備及其他相關設備、電子商務、電子商務解決方案及相關支援服務及銷售資訊科技產品、放債以及提供互聯網教育服務。

本集團之營業額主要來自中國大陸之業務活動。本集團年內之收入分析載於財務報表附註7。

本公司於二零一七年十二月三十一日之主要附屬公司詳情載於財務報表附註40。

業績及股息

本集團截至二零一七年十二月三十一日止年度之業績載於本報告第125及126頁之綜合損益及其他全面收益表。

本集團於二零一七年十二月三十一日之財務狀況載於本報告第127至128頁之綜合財務狀況表。

董事會不建議派付截至二零一七年十二月三十一日止年度之末期股息。

本公司並不知悉本公司股東已放棄或同意放棄任何股息之任何安排。

五年財務概要

摘錄自經審核財務報表之本集團於過去五個財政年度之業績、資產及負債概要載於本報告第224頁。

PROPERTY, PLANT AND EQUIPMENT

Details of property, plant and equipment of the Group as at 31 December 2017 are set out in note 18 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 33 to the financial statements.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the latest practicable date prior to the issue of this annual report, there was a sufficiency of public float the Company's securities as required under the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2017, neither the Company nor its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

RESERVES AND DISTRIBUTABLE RESERVES

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

The Company's reserves available for distribution to its shareholders as at 31 December 2017 was Nil (31 December 2016: Nil).

物業、廠房及設備

本集團於二零一七年十二月三十一日之物業、廠房及設備詳情載於財務報表附註18。

股本

本公司股本變動詳情載於財務報表附註33。

公眾持股量

根據本公司於緊接本年報刊發前的最後實際可行日期獲得的公開資料及據董事所知，本公司證券的公眾持股量一直充足，符合上市規則的規定水平。

購買、贖回或出售上市證券

於截至二零一七年十二月三十一日止年度，本公司及其附屬公司概無購買、贖回或出售本公司任何上市證券。

儲備及可分派儲備

本集團儲備於年內之變動詳情載於綜合權益變動表。

於二零一七年十二月三十一日，本公司可分派予股東之儲備為零（二零一六年十二月三十一日：零）。

Report of the Directors

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

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

	Percentage of the total purchases/sales accounted for
Purchases	
– the largest supplier	8%
– five largest suppliers combined	23%
Sales	
– the largest customer	less than 10%
– five largest customers combined	16%

None of the Directors, their associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued share capital) had an interest in the five largest suppliers or customers of the Group noted above.

At no time during the year under review, none of the Directors, their associates or shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) has any interest in the customers or suppliers disclosed above.

主要客戶及供應商

本集團主要客戶及供應商所佔本年度之銷售及採購額百分比如下：

	佔採購／ 銷售總額 百分比
採購	
– 最大供應商	8%
– 五大供應商合計	23%
銷售	
– 最大客戶	少於10%
– 五大客戶合計	16%

概無本公司董事、彼等之聯繫人或任何股東（就董事所知擁有本公司已發行股本5%以上者）在上述本集團五大供應商或客戶中擁有權益。

於回顧年度內任何時間，董事、彼等之聯繫人或任何股東（據董事所知擁有本公司已發行股本逾5%者）概無於上述披露之客戶或供應商中擁有任何權益。

ENVIRONMENTAL POLICIES

The Group has always kept our sustainable development that aligns with the harmonious relationship to the environment and committed to pay close attention to conserving natural resources. The Group strives to minimize our environmental impact by water-recycling initiatives, sewage treatment implementation, energy saving and wastage reduction, and encouraging recycle of office supplies and other materials. On gas emission, advanced equipments have been employed in various production procedures to recover part of the wastage particulates generated during production process and minimize the emission to the fullest extent. The Group dedicates to improving equipment efficiency and quality management in order to reduce power consumption. It also requires our factories to operate in strict compliance with the relevant environmental regulations and rules and possess all necessary permission and approval from the relevant PRC regulators.

The Group always insist on the ideology on issues of environmental protection, being conventional, safe and clean. To enhance environmental awareness and encourage daily participation among staff in the continuous improvement of environmental protection, the Group implements green office practices, such as implementing paperless practice whenever possible and engaging staff regularly on low carbon office measures.

環境政策

本集團向來維持與環境和諧共存的可持續發展，並密切注視保護天然資源。本集團透過水資源循環再用措施、落實污水處理、節能及減廢以及鼓勵循環再用辦公室用品及其他物料，致力將對環境的影響減至最低。就氣體排放而言，我們已在數個生產程序使用高端設備，以收回部分於生產工序產生的廢氣微粒及在最大範圍內減低廢氣排放。本集團致力改善設備效率及品質管理以減低能源消耗，亦要求工廠在嚴格遵守相關環保法規及規則的情況下營運，並須具備一切由相關中國監管機構所發出的必要許可及批准。

本集團一向秉持常規化、安全及潔淨等環境保護意識形態。為提升環保意識及鼓勵員工日常持續參與環保改進，本集團落實綠色辦公室措施，如在可行情況下實施無紙化作業，以及促成員工恆常地實行低碳辦公室措施。

Report of the Directors

董事會報告

KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Board recognizes that employees, customers and business partners are the keys to the sustainable development of the Group. The Group is committed to building a close and caring relationship with its employees and business partners and improving the quality of services to the customers. Employees are regarded as the most important and valuable assets of the Group. The Group ensures all staff is reasonably remunerated and its workers are provided with regular training courses on operation of different types of machinery, as well as work safety. The Group strives to motivate its employees with a clear career path and opportunities for advancement and improvement of their skills. It is committed to maintain a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creates a sustainable return. It also stays connected with its customers and suppliers and has ongoing communication with the customers and suppliers through various channels such as telephone, electronic mails and physical meetings to obtain their feedback and suggestions.

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has compliance and risk management policies and procedures, and members of the senior management are delegated with the continuing obligation to monitor adherence and compliance with all significant legal and regulatory requirements. Our Audit Committee is delegated by the Board to monitor the Group's policies and practices on compliance with legal and regulatory requirements and such policies are regularly reviewed. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time. Since the Group has subsidiaries in China and Hong Kong, the establishments and operations shall comply with relevant laws and regulations in the PRC and Hong Kong. During the year ended 31 December 2017 and up to the date of this annual report, the Group's operation has complied with all the relevant laws and regulations in the PRC and Hong Kong in all material respects.

與僱員、客戶及供應商的主要關係

董事會深明僱員、客戶及業務夥伴乃本集團達致可持續發展的要素。本集團致力與其僱員及業務夥伴建立緊密及關懷的關係，並提升向客戶提供的服務質素。僱員乃本集團最重要及最寶貴的資產。本集團確保所有員工均得到合理報酬，而工人亦定期接受操作不同類型機器及工作安全的培訓課程。本集團致力透過清晰的晉升階梯及提供提升及改善員工技能的機會激勵僱員，亦致力保持對建構激勵員工的框架至為重要的高水平企業社會管治，並對我們經營業務所在的社區作出貢獻以及創造可持續回報。本集團亦與其客戶及供應商保持聯繫，並透過電話、電子郵件及面對面會議等不同渠道保持持續溝通，以獲得彼等的反饋及建議。

遵守法律及法規

本集團設有合規及風險管理政策及程序，而高級管理層成員已獲委派監控遵從及遵守所有重大法律及監管規定的持續責任。審核委員會已獲董事會委派監控本集團遵守法律及監管規定的政策及常規之責任，而有關政策乃獲定期檢討。相關僱員及相關營運單位將不時留意適用法律、規則及法規的任何變動。由於本集團在中國及香港均設有附屬公司，故該等機構及營運均須遵守中國及香港的相關法律及法規。於截至二零一七年十二月三十一日止年度及直至本年報日期，本集團的營運已在所有重大方面遵守中國及香港的一切相關法律及法規。

Report of the Directors 董事會報告

DIRECTORS AND CHIEF EXECUTIVE

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

Executive Directors

Mr. Zhu Min¹ (Chairman)
Mr. Gao Xiang^{1,2}
Mr. Sin Kwok Wai Ronald
Mr. Lu Yongchao¹
Mr. Xu Yejun

Non-executive Directors

Mr. Chow Chi Wa
Ms. Yip Sum Yu

Independent Non-executive Directors

Mr. Tong Yiu On
Mr. Li Yik Sang
Mr. Cao Ke

Chief Executive Officer

Mr. Wang Matthew Yang³
Mr. Gao Xiang^{1,2}
Mr. Lu Yongchao⁴

- ¹ Appointed on 16 February 2017
² Resigned on 12 April 2018
³ Appointed on 12 April 2018
⁴ Resigned on 16 February 2017

DIRECTORS' PROFILES

Directors' profiles are set out on pages 80 to 86 of this report.

董事及行政總裁

於年內直至本報告日期之董事如下：

執行董事

朱敏先生¹ (主席)
高翔先生^{1,2}
冼國威先生
呂永超先生¹
徐葉君先生

非執行董事

周志華先生
葉芯瑜女士

獨立非執行董事

唐耀安先生
李奕生先生
曹克先生

行政總裁

王陽先生³
高翔先生^{1,2}
呂永超先生⁴

- ¹ 於二零一七年二月十六日獲委任
² 於二零一八年四月十二日辭任
³ 於二零一八年四月十二日獲委任
⁴ 於二零一七年二月十六日辭任

董事履歷

董事履歷載於本報告第80至86頁。

Report of the Directors

董事會報告

DIRECTORS' SERVICE CONTRACTS

Mr. Zhu Min's appointment has no fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company. His remuneration as the executive director and chairman of the Company will be determined by the remuneration committee of the Company and the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Mr. Gao Xiang's appointment has no fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company. His remuneration as the executive director and chief executive officer of the Company will be determined by the remuneration committee of the Company and the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

Mr. Sin Kwok Wai Ronald was appointed for an initial term of three years commencing from 10 October 2014 renewable automatically for a successive term of three year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Sin or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Mr. Lu Yongchao's appointment has no fixed term and is subject to retirement by rotation and re-election at the annual general meeting of the Company. His remuneration as the executive director of the Company will be determined by the remuneration committee of the Company and the Board with reference to his duties and responsibilities with the Company and the prevailing market situation.

董事服務合約

朱敏先生之委任並無固定任期，惟須於本公司股東週年大會上輪值退任及重選連任。彼作為本公司執行董事兼主席之薪酬將由本公司薪酬委員會及董事會參考朱先生於本公司之職責及責任及現行市況後釐定。

高翔先生之委任並無固定任期，惟須於本公司股東週年大會上輪值退任及重選連任。彼作為本公司執行董事兼行政總裁之薪酬將由本公司薪酬委員會及董事會參照高先生於本公司之職責及責任及現行市況而釐定。

冼國威先生之任期由二零一四年十月十日起計，初步為三年，於當時委任期屆滿後翌日起將自動更新及延長三年任期，直至由冼先生或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

呂永超先生之委任並無固定任期，惟須於本公司股東週年大會上輪值退任及重選連任。彼作為本公司執行董事之薪酬將由本公司薪酬委員及董事會參考呂先生於本公司之職責及責任及現行市況而釐定。

Report of the Directors 董事會報告

Mr. Xu Yejun, entered into a service contract with our Company pursuant to which he agreed to act as executive Directors for an initial term of three years with effect from 7 June 2010. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless either party has given at least three months' written notice of non-renewal before the expiry of the then existing term.

Mr. Chow Chi Wa, our non-executive Director was appointed for an initial term of one year commencing from 27 November 2013 renewable automatically for successive term of one year each commencing from the next day after the expiry of then current term of appointment, unless terminated by either party has given at least three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Ms. Yip Sum Yu was appointed for an initial term of one year commencing from 10 November 2014 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Ms. Yip or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

徐葉君先生已與本公司訂立服務合約，據此彼同意自二零一零年六月七日起擔任執行董事，初步為期三年。任期將於初步任期屆滿或之後每年任期屆滿時自動續期一年，直至任何一方於現行任期屆滿前向另一方發出不少於三個月之書面通知不予續期為止。

周志華先生獲委任為本公司非執行董事，彼初步委任期自二零一三年十一月二十七日起計為期一年，於當時委任期屆滿後翌日起將自動續期一年，直至由任何一方在初步任期屆滿時或其後任何時間發出至少三個月之書面通知終止為止。

葉芯瑜女士之任期自二零一四年十一月十日起計，初步為一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由葉女士或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

Report of the Directors 董事會報告

Mr. Tong Yiu On was appointed for an initial term of one year commencing from 10 October 2014 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Tong or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Mr. Li Yik Sang was appointed for an initial term of one year commencing from 10 October 2014 renewable automatically for successive term of one year each commencing from the next day after the expiry of the then current term of appointment, unless terminated by either Mr. Li or the Company giving not less than three months' notice in writing expiring at the end of the initial term or at any time thereafter.

Mr. Cao Ke, our independent non-executive Director was appointed for an initial term of three years, subject to retirement by rotation at the annual general meeting of the Company in accordance with the Company's articles of association. Mr. Cao will be entitled to a director's fee to be determined by the Board based on his anticipated effort and expertise to be exercised on the Company's affairs.

No Director proposed for re-election at the forthcoming annual general meeting has an unexpired service contract which is not determinable by the Company within one year without payment of compensation, other than normal statutory compensation.

The Company has arranged appropriate directors' and officers' liability insurance coverage for the Directors and officers of the Group to protect the Directors and officers of the Group against any potential liability arising from the Group's activities which such Directors and officers may be held liable.

唐耀安先生之任期由二零一四年十月十日起計，初步為一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由唐先生或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

李奕生先生之任期由二零一四年十月十日起計，初步為一年，於當時委任期屆滿後翌日起將自動更新及延長一年任期，直至由李先生或本公司在初步任期屆滿前或其後任何時間發出不少於三個月之書面通知終止為止。

本公司獨立非執行董事曹克先生獲委任之初始年期為三年，須根據本公司之組織章程細則於本公司股東週年大會上輪值退任。曹先生將有權享有董事袍金。董事袍金由董事會根據曹先生預期對本公司事務付出之努力及提供之專業服務而釐定。

在應屆股東週年大會上建議重選之董事概無訂有本公司不可於一年內免付賠償（一般法定賠償除外）而終止之未屆滿服務合約。

為保障本集團董事及高級職員免於負上因本集團業務活動而產生的潛在責任，本公司已為本集團董事及高級職員安排適當之董事及高級職員責任保險。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Apart from the particulars disclosed in note 37 under the heading "Related party transactions" to the financial statements, there were no other transaction, arrangement or contracts of significance in relation to the Company's business, to which the Company or any of the Company's subsidiaries was a party nor there were any other transaction, arrangement or contracts of significance in relation to the Company's business between the Company or any of the Company's subsidiaries subsisting at the end of the year or at any time during the year in which a Director or an entity connected with a Director had, whether directly or indirectly, a material interest.

No contract of significance had been entered into between the Company or any of its subsidiaries and the controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries.

No contract of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries was entered into.

DIRECTORS' INTEREST IN SHARES

As at 31 December 2017, so far as was known to the Directors of the Company, our chief executive officer of the Company had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

董事於合約之權益

除財務報表附註37「關連方交易」所披露之詳情外，於年終時或年內任何時間，本公司或其附屬公司並無訂有與本公司業務有關而董事或董事之關連實體直接或間接擁有重大權益之任何其他重大交易、安排或合約，而本公司與其附屬公司之間亦無訂有與本公司業務有關而董事或董事之關連實體直接或間接擁有重大權益之任何其他重大交易、安排或合約。

本公司或其任何附屬公司與本公司或其任何附屬公司之控股股東（定義見上市規則）之間概無訂立任何重大合約。

概無訂立本公司或其任何附屬公司之控股股東向本公司或其任何附屬公司提供服務之重大合約。

董事於股份之權益

於二零一七年十二月三十一日，就本公司董事所知，本公司行政總裁於本公司股份及相關股份中擁有須根據證券及期貨條例第336條登記於本公司存置的登記冊之權益或淡倉如下：

Report of the Directors

董事會報告

Long and short positions in the Shares and underlying Shares

於股份及相關股份之好倉及淡倉

Name of Shareholder	Nature of interest	Number of securities held (Note 1)	Interest in underlying Shares of share option (Note 1)	Approximate percentage of shareholding (%)
股東姓名	權益性質	所持證券數目 (附註1)	購股權之 相關股份權益 (附註1)	概約股權 百分比 (%)
Mr. Zhu Min 朱敏先生	Interest in a controlled corporation 受控制法團權益	944,120,000 Shares (L) 944,120,000股股份(L)	-	22.52%
Mr. Lu Yongchao 呂永超先生	Interest in a controlled corporation 受控制法團權益	6,100,000 Shares (L) 6,100,000股股份(L)	15,000,000	0.50%
Mr. Sin Kwok Wai Ronald 冼國威先生	Interest in a controlled corporation 受控制法團權益	17,452,000 Shares (L) 17,452,000 股股份(L)	-	0.42%
Ms. Yip Sum Yu 葉芯瑜女士	Interest in a controlled corporation 受控制法團權益	-	15,000,000	0.36%

Note:

1. The letter "L" denotes the person's long position in our Shares.

附註：

1. 「L」代表該人士於本公司股份之好倉。

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2017, so far as was known to the Directors of the Company, the following persons, other than the Directors and chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company, which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

主要股東之權益

於二零一七年十二月三十一日，就本公司董事所知，以下人士（本公司董事及行政總裁除外）於本公司股份及相關股份中擁有須根據證券及期貨條例第336條登記於本公司存置的登記冊之權益或淡倉如下：

Report of the Directors

董事會報告

Long and short positions in the Shares and underlying Shares 於股份及相關股份之好倉及淡倉

Name of Shareholder	Nature of interest	Number of securities held (Note 1)	Interest in underlying Shares of share option (Note 1)	Approximate percentage of shareholding (%)
股東姓名／名稱	權益性質	所持證券數目 (附註1)	購股權之 相關股份權益 (附註1)	概約股權 百分比 (%)
Ms. Lam Wai Ha	Interest in a controlled corporation	167,400,000 Shares (L)	-	3.99%
林惠霞女士	受控制法團權益	167,400,000股股份 (L)		

Notes:

附註：

1. The letter "L" denotes the person's long position in our Shares.

1. 「L」代表該人士於本公司股份之好倉。

Report of the Directors

董事會報告

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any party who, as at 31 December 2017, had interests or short positions in the shares and underlying shares of the Company, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances of general meetings of the Company or substantial shareholders as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

SHARE OPTION SCHEME

The Company operates a share option scheme (the “**Share Option Scheme**”), which was adopted on 7 June 2010 (the “**Adoption Date**”), for the purpose of providing incentives or rewards to selected eligible participants for their contribution to the Group. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for ten years from the Adoption Date.

Eligible participants of the Share Option Scheme include the following:

- (i) any employee (whether full time or part time) of the Group or any entity (the “**Invested Entity**”) in which any member of the Group holds any equity interest (including any executive director but excluding any non-executive director of the Group or any Invested Entity);

除上文所披露者外，就本公司董事及行政總裁所知，於二零一七年十二月三十一日，並無任何人士在本公司股份及相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露之權益或淡倉，或直接或間接擁有可於任何情況下在本公司或按本公司須根據證券及期貨條例第336條存置的登記冊所記錄的主要股東的股東大會上投票之任何類別股本的面值5%或以上之權益。

購股權計劃

本公司設有一項購股權計劃（「**購股權計劃**」），該計劃於二零一零年六月七日（「**採納日期**」）採納，目的是向經甄選合資格參與者提供獎勵或報酬，以表揚彼等對本集團作出之貢獻。除非另行取消或修訂，否則購股權計劃將由採納日期起一直有效，為期十年。

購股權計劃之合資格參與者包括以下人士：

- (i) 本集團或本集團任何成員公司持有股權之任何實體（「**被投資實體**」）之任何僱員（不論全職或兼職）（包括本集團或任何被投資實體的任何執行董事但不包括其任何非執行董事）；

Report of the Directors 董事會報告

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|--|--|
| (ii) any non-executive directors (including independent non-executive directors) of the Group or any Invested Entity; | (ii) 本集團或任何被投資實體之任何非執行董事（包括獨立非執行董事）； |
| (iii) any supplier of goods or services to any member of the Group or any Invested Entity; | (iii) 向本集團任何成員公司或任何被投資實體提供貨品或服務之任何供應商； |
| (iv) any customer of the Group or any Invested Entity; | (iv) 本集團或任何被投資實體之任何客戶； |
| (v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; | (v) 向本集團或任何被投資實體提供研究、開發或其他技術支持之任何人士或實體； |
| (vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity; | (vi) 本集團任何成員公司或任何被投資實體之任何股東或本集團任何成員公司或任何被投資實體所發行任何證券之持有人； |
| (vii) any adviser (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and | (vii) 就本集團或任何被投資實體的業務或業務發展之任何範疇提供意見之任何顧問（專業或其他方面）或諮詢人；及 |
| (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliances or other business arrangement to the development and growth of the Group. | (viii) 透過合作經營、業務聯盟或其他業務安排，對本集團的發展及增長作出貢獻或可能作出貢獻之任何組別或類別之參與者。 |

The maximum number of Shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised and outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

於任何12個月期間內，每名參與者因行使根據購股權計劃及本集團任何其他購股權計劃可授出的購股權（包括已行使及尚未行使的購股權）而可獲發行之股份最高數目，不得超過本公司當時之已發行股本之1%。任何進一步授出超出該上限之購股權，須經股東在股東大會上批准。

Report of the Directors 董事會報告

Share options granted to a Director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the options). In addition, where any grant of share options to a substantial shareholder or an independent non-executive Director, or to any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in excess of 0.1% of the Shares in issue and with an aggregate value (based on the closing price of the Shares at the date of the grant) in excess of HK\$5 million, in a 12-month period up to and including the date of grant, such grant of share options are subject to Shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer, upon payment of a nominal consideration of HK\$1 by the grantee. The exercise period for the share options granted is determined by the Board, whose period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the option subject to the provisions for early termination under the Share Option Scheme.

The subscription price for Shares under the Share Option Scheme shall be a price determined by the Board, but shall not be less than the highest of:

- (i) the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of the offer of the grant, which must be a trading day;
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of the offer of grant; and
- (iii) the nominal value of a Share.

向本公司董事、行政總裁或主要股東或向任何彼等各自之聯繫人(定義見上市規則)授出購股權,須事先經獨立非執行董事(不包括身為購股權承授人之獨立非執行董事)批准。此外,倘若向主要股東或獨立非執行董事或彼等各自之聯繫人授出任何購股權,將導致於截至授出日期(包括該日)止12個月期間內,有關人士因行使所有已獲授及將獲授之購股權(包括已行使、註銷及尚未行使之購股權)而獲發行及將獲發行之股份,超出已發行股份的0.1%,且總值(根據授出日期之股份收市價計算)超出500萬港元,則上述授出購股權須經股東在股東大會上批准。

授出的購股權可於授出日期起計21日內,由承授人支付象徵式代價1港元而接納。所授出購股權之行使期由董事會釐定,而該期間由所授出購股權獲接納日期開始,而無論如何不得遲於授出購股權日期後第10年屆滿,惟可根據購股權計劃的有關條文而提早終止。

根據購股權計劃認購股份之認購價將由董事會釐定,惟不得低於下列最高者:

- (i) 於授出日期(須為交易日)聯交所每日報價表所示之股份收市價;
- (ii) 於緊接授出日期前五個營業日在聯交所每日報價表所示之股份平均收市價;及
- (iii) 每股面值。

Report of the Directors

董事會報告

Since the Adoption Date and up to 31 December 2017, 200,000,000 share options has been granted by the Company, representing 4.77% of the issued share capital of the Company as at 31 December 2017.

由採納日期直至二零一七年十二月三十一日，本公司已授出200,000,000份購股權，相等於本公司於二零一七年十二月三十一日之已發行股本4.77%。

DIRECTORS' INTEREST IN SHARE OPTIONS

董事於購股權之權益

Movement of the Share Options

購股權變動

Movements of the share options which were granted under the Share Option Scheme, during the year under review were listed below in accordance with Rule 17.07 of the Listing Rules:

根據上市規則第17.07條，於回顧年間根據購股權計劃授出之購股權變動如下：

Grantee 承授人	Date of grant 授出日期	Exercise price (HK\$) 行使價 (港元)	Outstanding	Number of share option				Outstanding
			as at 1 January 2017 於二零一七年 一月一日 尚未行使	Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效	as at 31 December 2017 於二零一七年 十二月三十一日 尚未行使
Executive Director 執行董事								
Mr. Sin Kwok Wai Ronald 冼國威先生	16 March 2015 二零一五年三月十六日	0.32	15,000,000	-	(15,000,000)	-	-	-
Non-Executive Director 非執行董事								
Ms. Yip Sum Yu 葉芯瑜女士	16 March 2015 二零一五年三月十六日	0.32	15,000,000	-	-	-	-	15,000,000 (Note 1) (附註1)
Senior Management 高級管理層								
Mr. Lu Yongchao 呂永超先生	16 March 2015 二零一五年三月十六日	0.32	15,000,000	-	-	-	-	15,000,000 (Note 1) (附註1)

Report of the Directors

董事會報告

Grantee 承授人	Date of grant 授出日期	Exercise price (HK\$) 行使價 (港元)	Outstanding as at 1 January 2017 於二零一七年 一月一日 尚未行使	Number of share option 購股權數目				Outstanding as at 31 December 2017 於二零一七年 十二月三十一日 尚未行使
			Granted 已授出	Exercised 已行使	Cancelled 已註銷	Lapsed 已失效		
Employees								
僱員								
Employees	16 March 2015	0.32	75,000,000	-	-	-	-	75,000,000 (Note 1)
僱員	二零一五年三月十六日							(附註1)
	13 January 2016	0.315	80,000,000	-	-	-	-	80,000,000 (Note 2)
			(Note 2)					(附註2)
	二零一六年一月十三日		(附註2)					(附註2)
Total			200,000,000	-	(15,000,000)	-	-	(185,000,000)
總計								

Notes:

- These options should be valid for a term of three years commencing from 16 March 2015. The closing price of the Company's shares on 13 March 2015 (the trading day immediately before the date on which these options were granted) was HK\$0.248.
- These options should be valid for a term of three years commencing from 13 January 2016. The closing price of the Company's shares on 12 January 2016 (the trading day immediately before the date on which these options were granted) was HK\$0.30.

No share options were granted during the year ended 31 December 2017.

The fair value of equity-settled share options granted during the year ended 31 December 2016 was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	0.00
Expected volatility (%)	86
Risk-free interest rate (%)	1.134
Expected life of options (year)	1.50
Closing share price at grant date (HK\$)	0.3

附註：

- 該等購股權有效期為三年，自二零一五年三月十六日起生效。本公司股份於二零一五年三月十三日（緊接該等購股權授出日期前的交易日）的收市價為0.248港元。
- 該等購股權有效期為三年，自二零一六年一月十三日起生效。本公司股份於二零一六年一月十二日（緊接該等購股權授出日期前的交易日）的收市價為0.30港元。

於截至二零一七年十二月三十一日止年度，概無授出任何購股權。

於截至二零一六年十二月三十一日止年度，授出之股本結算購股權之公平值乃於授出購股權日期以「柏力克－舒爾斯」期權定價模式作出估計，並經計及所授購股權之條款及條件。下表載列所採用模式之參數：

派息率(%)	0.00
預期波幅(%)	86
無風險利率(%)	1.134
購股權之估計年期(年)	1.50
於授出日期之收市價(港元)	0.3

Report of the Directors

董事會報告

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of equity-settled share options granted and the Group recognised as in note 34, a share option expense of nil during the year ended 31 December 2017 (2016: RMB11,024,000).

EMPLOYEES' INTEREST IN SHARE OPTION SCHEME

At no time during the year ended 31 December 2017 was the Company or any of its subsidiaries a party to any arrangement to enable the employees or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in the Company or any other body corporate.

RIGHTS TO ACQUIRE COMPANY'S SECURITIES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' Interest in Shares" above, at no time during the year under review was the Company or any of its subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

CONNECTED TRANSACTIONS

Details of the related party transactions undertaken by the Group in the usual course of business are set out in note 37 to the financial statements. None of these related party transactions constitutes a discloseable connected transaction as defined under the Listing Rules.

購股權之估計年期乃根據管理層之預期釐定，並不一定標示可能出現之行使規律。預期波幅反映歷史波幅可標示未來趨勢之假設，但未必為實際結果。

授出股本結算購股權之公平值及本集團如附註34確認，於截至二零一七年十二月三十一日止年度一項購股權開支為零（二零一六年：人民幣11,024,000）。

僱員於購股權計劃之權益

於截至二零一七年十二月三十一日止年度內任何時間，本公司或其任何附屬公司概無訂立任何安排，致使僱員或彼等之配偶或18歲以下之子女可藉購入本公司或任何其他法人團體之股份而獲益。

購買本公司證券之權利

除上文「購股權計劃」及「董事於股份之權益」兩節所披露者外，於回顧年度內任何時間，本公司或其任何附屬公司或其任何同系附屬公司概無訂立任何安排，致使本公司之董事或行政總裁或彼等各自之聯繫人（定義見上市規則）有任何權利認購本公司或其相聯法團（定義見證券及期貨條例）之證券，或可藉購入本公司或任何其他法人團體之股份或債券而獲益。

關連交易

本集團在日常業務過程中進行之關連方交易詳情載於財務報表附註37。概無該等關連方交易構成上市規則所界定之須予披露關連交易。

Report of the Directors

董事會報告

CONTINUING CONNECTED TRANSACTION

On 26 July 2017 (after trading hours of the Stock Exchange), the Board announced that the Cybernaut International Holdings Company Limited “Company” (as the purchaser), Cybernaut Education Limited, a company incorporated in the BVI with limited liability, which is owned as to 90%, 5% and 5% by Mr. Zhu Min, Mr. Zhao Yingming and Mr. Zhao Yingyong respectively “the Vendor”, (as the vendor) and Mr. Zhu Min “Mr. Zhu” (as the guarantor) entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to acquire from the Vendor and the Vendor has conditionally agreed to sell to the Company the Sale Shares at the consideration of HK\$320 million which shall be settled by cash and the Promissory Notes. In addition, 湖州賽樂弘教育科技有限公司 (Huzhou Sai Le Hong Education Technology Limited) “Huzhou Company”, 京師沃學(北京)教育科技有限公司 (Capital Wowxue (Beijing) Education Technology Limited) “Wowxue” and the Registered Shareholders have entered into the VIE Agreements on 30 August 2017 (as amended by supplemental agreements dated 25 September 2017), for the Reorganisation in order to enable the financial results, the entire economic benefits and the risks of the businesses of Wowxue to flow into Huzhou Company and to enable the Cybernaut Technology International Limited “Target Company” to have indirect control over Wowxue as contemplated under the Sale and Purchase Agreement.

The Company got the approval of the Independent Shareholders for the Sale and Purchase Agreement, the VIE Agreements and the transactions at the EGM held on 16 November 2017. And on 24 October 2017, the Target Company was wholly-owned by the Vendor which was owned as to 90% by Mr. Zhu, a Director and a substantial Shareholder (as defined under the Listing Rules), and Mr. Zhu was one of the beneficial owners of Wowxue. Thus, the Vendor and Wowxue were associate of Mr. Zhu was a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the entering into of the Sale and Purchase Agreement constitutes a connected transaction and, upon Completion, the entering into of the VIE Agreements constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules, and is subject to the strict compliance with the requirements set forth under Rule 14A.52 and Rule 14A.53 of the Listing Rules.

持續關連交易

於二零一七年七月二十六日(聯交所交易時段後), 董事會宣佈賽伯樂國際控股有限公司(「本公司」)(作為買方)、Cybernaut Education Limited(一間於英屬處女群島註冊成立的公司, 朱敏先生、趙映明先生及趙英勇先生分別擁有其90%、5%及5%的股權, 「賣方」)(作為賣方)與朱敏先生(「朱先生」)(作為擔保人)訂立買賣協議, 據此, 本公司已有條件同意自賣方收購, 而賣方已有條件同意向本公司出售銷售股份, 代價為320百萬港元, 其將以現金及承兌票據結算。此外, 湖州賽樂弘教育科技有限公司(「湖州公司」)、京師沃學(北京)教育科技有限公司(「沃學」)及登記股東已於二零一七年八月三十日就重組訂立可變利益實體協議(經日期為二零一七年九月二十五日之補充協議修訂), 以令沃學的財務業績、全部經濟利益及業務風險併入湖州公司, 並助力Cybernaut Technology International Limited(「目標公司」)根據買賣協議間接控制沃學。

本公司已於二零一七年十一月十六日舉行的股東特別大會上就買賣協議、可變利益實體協議及其項下擬進行之交易取得獨立股東的批准。而於二零一七年十月二十四日, 目標公司由賣方全資擁有, 而賣方由董事及主要股東(定義見上市規則)朱先生擁有90%, 且朱先生為沃學實益擁有人之一。因此, 賣方及沃學為朱先生之聯繫人, 根據上市規則第14A章, 賣方為本公司之關連人士。故此, 根據上市規則第14A章, 訂立買賣協議亦構成關連交易及於完成後, 訂立可變利益實體協議構成本公司的持續關連交易均須嚴格遵守上市規則第14A.52條及第14A.53條所載明之規定。

Report of the Directors 董事會報告

Notwithstanding that the transactions under the VIE Agreements technically constitute continuing connected transactions for the purposes of Chapter 14A of the Listing Rules, the Directors consider that it would be unduly burdensome and impracticable, and would add unnecessary administration costs to the Company, for all transactions contemplated under the VIE Agreements to be subject to strict compliance with the requirements set forth under Rule 14A.52 and Rule 14A.53 of the Listing Rules. The Company has applied to the Stock Exchange for the Waiver and the Stock Exchange has then granted the Waiver.

PLACING AND SUBSCRIPTION OF NEW SHARES

January Placing

On 13 January 2017, the Company entered into a conditional placing agreement with a placing agent in relation to (i) the placing of a maximum of 595,600,000 new ordinary shares of the Company to not less than six independent placees at a price of HK\$0.30 per Share ("January Placing"), representing a discount of approximately 16.67% to the closing price of HK\$0.36 per Share on 13 January 2017. The Directors considered that the January Placing represent an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Accordingly, the Directors consider the January Placing is in the interests of the Company and the Shareholders as a whole.

The January Placing was completed on 2 February 2017 and a total of 595,600,000 Placing Shares were allotted and issued to the placees. The net proceeds raised per Share upon completion of the January Placing is approximately HK\$0.297 per Share. The whole amount of the net proceeds of approximately HK\$176.6 million, with HK\$100 million was used for acquisition of 100% equity interest in Cybernaut Technology International Limited and others for general working capital. Details of the January Placing was set out in the announcement of the Company dated 13 January 2017.

儘管可變利益實體協議項下的諸項交易技術上構成上市規則第14A章項下的持續關連交易，董事仍認為可變利益實體協議項下擬進行的所有交易均須嚴格遵守上市規則第14A.52條及第14A.53條所載的規定，將過於繁重、不切實際，並為本公司增加不必要的行政成本。本公司已就豁免向聯交所申請且聯交所已其後授出豁免。

配售及認購新股份

一月配售事項

於二零一七年一月十三日，本公司與配售代理訂立有條件配售協議，內容有關(i)以每股股份0.30港元之價格將本公司最多595,600,000股新普通股配售予不少於六名獨立承配人（「一月配售事項」），相當於二零一七年一月十三日收市價每股股份0.36港元折讓約16.67%。董事認為，一月配售事項乃一個為本公司籌集資金，同時能夠擴大股東基礎及本公司之資本基礎之機會。因此，董事認為，一月配售事項符合本公司及股東之整體利益。

一月配售事項已於二零一七年二月二日完成，合共595,600,000股配售股份已配發及發行予承配人。一月配售事項完成後，每股股份所籌集之款項淨額約為0.297港元。所得款項淨額之總額約100,000,000港元。176,600,000港元已用作收購 Cybernaut Technology International Limited之100%股權及其他一般營運資金。一月配售事項之詳情載於本公司日期為二零一七年一月十三日之公佈。

Report of the Directors

董事會報告

COMPETING INTERESTS

None of the Directors or the substantial shareholders of the Company and their respective associates (as defined under the Listing Rules) had any interest in a business which competes or may compete with the business of the Group or has any other conflict of interest with the Group during the year and up to the date of this report.

PRE-EMPTIVE RIGHTS

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

MANAGEMENT CONTRACTS

No contracts of significance 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, other than those are disclosed in this report.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Save as disclosed in this report, as of 31 December 2017, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

競爭權益

於年內及直至本報告日期，本公司董事或主要股東及彼等各自之聯繫人（定義見上市規則）概無在與本集團業務競爭或可能構成競爭的業務中擁有任何權益，或與本集團有任何其他利益衝突。

優先購買權

本公司組織章程細則或開曼群島法例並無有關優先購買權之條文，規定本公司須按比例向現有股東發售新股份。

管理合約

除於本報告所披露者外，年內並無訂立或存在有關本公司全部業務或其中任何重要部份的管理及行政之重大合約。

董事於競爭業務中擁有的權益

除於本報告所披露者外，截至二零一七年十二月三十一日，董事及彼等各自的聯繫人概無於與本集團從事的業務競爭或可能與之競爭的任何業務中擁有權益。

Report of the Directors

董事會報告

EMOLUMENT POLICY

The emolument policy of the employees and senior management of the Group is set by the remuneration committee of the Company on the basis of their merit, qualifications and competence.

The emoluments of the Directors are decided by the remuneration committee of the Company, having regard to market competitiveness, individual performance and achievement.

The Company has adopted a share option scheme as an incentive to among other Directors and other eligible employees of the Group. Details of the scheme are set out in note 34 to the financial statements.

CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the section headed "Corporate Governance Report" of this annual report.

CHARITABLE DONATIONS

The Group had no charitable donations during the year ended 31 December 2017.

BUSINESS REVIEW

Please refer to the section headed "Management discussion and analysis" in this annual report for a business review and the future prospects of the Company. Please refer to the notes to the financial statements in this annual report for the principal financial risks faced by the Company. Please refer to Note 41 to the financial statements in this annual report for the important events of the Company after the financial year ended 31 December 2017.

酬金政策

本集團僱員及高級管理層之酬金政策乃由本公司薪酬委員會根據有關人士之專長、資歷及能力而制訂。

董事之酬金乃由本公司薪酬委員會經考慮市場競爭力、個人表現及績效而決定。

本公司已採納購股權計劃，作為（其中包括）本集團董事及其他合資格僱員之獎勵，有關該計劃之詳情載於財務報表附註34。

企業管治

本公司企業管治常規詳情載於本年報「企業管治報告」一節。

慈善捐款

本集團於截至二零一七年十二月三十一日止年度並無慈善捐款。

業務回顧

有關本公司業務回顧及未來前景，請參閱本年報「管理層討論與分析」一節。有關本公司面對的主要財務風險，請參閱本年報內財務報表附註。有關本公司於截至二零一七年十二月三十一日止財政年度後之重要事項，請參閱本年報內財務報表附註41。

Report of the Directors

董事會報告

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group.

The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Tong Yiu On (Chairman), Mr. Li Yik Sang and Mr. Cao Ke. The Audit Committee has reviewed and discussed with the management and the external auditor for the financial reporting matters including the annual results for the year ended 31 December 2017.

AUDITOR

A resolution to re-appoint the retiring auditor, Elite Partners CPA Limited, will be proposed at the forthcoming annual general meeting.

By order of the Board

Cybernaut International Holdings Company Limited

Zhu Min

Director

Hong Kong, 29 March 2018

審核委員會

本公司已成立審核委員會，並已遵照上市規則所載規定制訂書面職權範圍，目的是檢討及監察本集團之財務申報程序及內部監控。

審核委員會成員現時包括三名獨立非執行董事，即唐耀安先生（主席）、李奕生先生及曹克先生。審核委員會已與管理層及外聘核數師一同審閱及討論財務申報事宜，包括截至二零一七年十二月三十一日止年度之全年業績。

核數師

在應屆股東週年大會上將提呈決議案，續聘退任的開元信德會計師事務所有限公司為本公司核數師。

承董事會命

賽伯樂國際控股有限公司

董事

朱敏

香港，二零一八年三月二十九日

Independent Auditor's Report 獨立核數師報告



TO THE MEMBERS OF CYBERNAUT INTERNATIONAL HOLDINGS COMPANY LIMITED (FORMERLY KNOWN AS SINOREF HOLDINGS LIMITED)

(incorporated in the Cayman Islands with limited liabilities)

OPINION

We have audited the consolidated financial statements of Cybernaut International Holdings Company Limited (formerly known as Sinoref Holdings Limited) (the “Company”) and its subsidiaries (together the “Group”) set out on pages 125 to 223, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 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 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.

致賽伯樂國際控股有限公司（前稱華耐控股有限公司）列位股東

（於開曼群島註冊成立之有限公司）

意見

本核數師（以下簡稱「我們」）已審計列載於第125至223頁賽伯樂國際控股有限公司（前稱華耐控股有限公司）（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，此綜合財務報表包括於二零一七年十二月三十一日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，其中包括主要會計政策概要。我們認為，該等綜合財務報表已根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則真實而公平地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的披露規定妥為編製。

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 are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

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

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（「香港審計準則」）進行審計。我們在該等準則下的職責於本報告中「核數師就審核綜合財務報表須承擔的責任」一節中有進一步闡述。根據香港會計師公會頒佈之《國際職業會計師道德守則》（「該守則」），我們獨立於貴集團，並已履行該守則中其他道德責任。我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對我們審計本期綜合財務報表最為重要的事項。這些事項在我們審計整體綜合財務報表及達成我們對其的意見時處理，而我們不會對這些事項提供個別的意見。

Independent Auditor's Report

獨立核數師報告

Key audit matters

關鍵審計事項

Impairment assessment of goodwill and intangible assets

商譽及無形資產減值評估

As at 31 December 2017, the Group had goodwill and intangible assets of approximately RMB428 million and RMB153 million respectively, which were allocated to three cash generating units, namely Money lending, eCommerce and Internet education services "CGUs". For the purpose of assessing impairment, the Group appointed an independent external valuer to assess the recoverable amount of the CGUs, which were determined by management based on the higher of value-in-use and fair value less costs of disposal. The valuation requires significant judgement made by management in determining the CGUs. We had identified impairment of goodwill and intangible assets as a key audit matter because significant management judgement was used to appropriately identify the CGUs and to determine the key assumptions including estimated future income, operating margins and discount rates. After the management assessment, management has concluded that there is no impairment in respect of goodwill and intangible assets.

於二零一七年十二月三十一日，貴集團之商譽及無形資產分別約人民幣428,000,000元及人民幣153,000,000元，其獲分配至三個現金產生單位，即放債、電子商務及互聯網教育服務「現金產生單位」。為評估減值，貴集團委任一名獨立外聘估值師評估現金產生單位之可收回金額，其乃由管理層根據使用價值和公平值減出售成本之較高者釐定。現金產生單位之釐定須由管理層作出重大判斷，方可完成。由於管理層的重大判斷用於適當地識別現金產生單位及釐定關鍵假設（包括估計未來收益、經營利潤及折現率），故我們將商譽及無形資產減值識別為關鍵審計事項。經管理層評估後，管理層總結概無商譽及無形資產之減值。

How the matter was addressed in our audit

我們的審計如何處理關鍵審計事項

Our audit procedures to address the impairment assessment of goodwill and intangible assets included the following:

我們處理商譽及無形資產減值評估的審計程序包括以下：

- Assessing the management's identification of CGUs based on our understanding of the Group's operation. 根據我們對貴集團經營的瞭解評估管理層對現金產生單位的識別。
- Assessing the reasonableness of the underlying cash flow projections used for the determination of the CGUs prepared by management, including but not limited to calculation methodology, assumptions, growth rate, operating margins and discount rate. 評估管理層用於釐定現金產生單位所編製的相關現金流量預測是否合理，包括但不限於計算方法、假設、成長率、經營利潤及折現率。
- Comparing the current year actual cash flows with the prior year cash flow projections to consider if the projections included assumptions that were overly optimistic. 將本年度的實際現金流量與上年的現金流量預測進行比較，以考慮預測所包含的假設是否過於樂觀。
- Testing on the accuracy and reliance of the input data used for the preparation of the cash flow projection on a sample basis. 按樣本基準測試用於編製現金流量預測的輸入數據是否準確及可靠。
- Assessing the sensitivity analysis on key assumptions being used in the cash flow project (e.g. using a range of higher discount rates and lower revenue growth rate). 評估用於現金流量預測的關鍵假設之敏感度分析（例如使用各項較高的折現率及較低的收入成長率）。

Independent Auditor's Report

獨立核數師報告

Key audit matters

關鍵審計事項

Impairment assessment of trade receivables

貿易應收款項減值評估

As at 31 December 2017, the Group had trade receivables of approximately RMB127 million, net of impairment. We had identified impairment of trade receivables as a key audit matter because significant judgements had to be made for the assessment of the recoverability for each debtor including trading history, credit history and estimated future cash flow. Management has concluded that approximately RMB20 million in respect of the impairment of trade receivables was recognised in the Group's consolidated profit or loss.

於二零一七年十二月三十一日，貴集團扣除減值後之貿易應收款項約人民幣127,000,000元。由於評估每位債務人的可收回性須作出重大判斷方可完成，包括貿易歷史、信用歷史及估計未來現金流量，故我們將貿易應收款項減值識別為關鍵審計事項。管理層總結，就貿易應收款項之減值於貴集團的綜合損益內確認約人民幣20,000,000元。

How the matter was addressed in our audit

我們的審計如何處理關鍵審計事項

Our audit procedures to address the impairment of trade receivables included the following:

我們處理貿易應收款項減值的審計程序包括以下：

- Testing the accuracy of the ageing of receivables balances on a sample basis.
按樣本基準測試應收款項餘額賬齡的準確性。
- Analysing the receivables provision focusing on any anomalies in the provisioning methodology and following up any anomalies, such as unusual payment terms, through review of customer payment history.
分析應收款項撥備，尤重撥備方法當中任何異常之處，並透過審核顧客付款歷史追蹤任何異常之處，例如異常的付款條款。
- Testing on large individual aged receivables balances, understanding the rationale for management's provisioning decisions by reference to payment patterns during the year as well as other information available.
測試單項金額較大且賬齡較長的應收款項餘額，透過參考年內的付款模式及其他現有資料瞭解管理層撥備決定之理據。
- Assessing the level of cash collected by the business after the year end of past due receivable balances to consider any additional provisioning requirements.
評估於年末之後業務從逾期應收款項餘額中收回之現金水平，以考慮是否作出任何額外撥備要求。

Independent Auditor's Report

獨立核數師報告

Key audit matters

關鍵審計事項 Impairment assessment of loan receivables 應收貸款減值評估

As at 31 December 2017, the Group had loan receivables of approximately RMB176 million. During the year ended 31 December 2017, no impairment had been provided by the Group on the loan receivables. We had identified impairment assessment of loan receivables as a key audit matter because significant management judgement had to be made for the assessment of the recoverability of the receivables. (e.g. the credit history and estimated future cash flows).

於二零一七年十二月三十一日，貴集團之應收貸款約人民幣176,000,000元。於截至二零一七年十二月三十一日止年度內，貴集團概無作出應收貸款減值撥備。由於評估該等應收款項的可回收性（例如信貸紀錄及未來現金流量之估計）須作出重大管理層判斷方可完成，故我們將應收貸款減值評估識別為關鍵審計事項。

How the matter was addressed in our audit

我們的審計如何處理關鍵審計事項

Our major audit procedures to address the management's impairment assessment of loan receivables included the following:

我們處理管理層對應收貸款的減值評估的重大審計程序包括以下：

- We discussed with management if there is any indicator of impairment of the loan receivables and accessed the reasonableness of management's assessment, in particular, those balances had been past due.
我們與管理層討論應收貸款是否出現任何減值跡象，並取得管理層評估的合理性，尤其是該等結餘已逾期。
- We tested on a sample basis on the settlement made by the borrowers during the year and their subsequent settlement with reference to the repayment schedule.
我們按樣本基準並參照還款年期對借款人於年內償還之金額及期後償還之金額作出測試。

Independent Auditor's Report

獨立核數師報告

Key audit matters

關鍵審計事項

CONTROL OF 京師沃學(北京)教育科技有限公司 (CAPITAL WOWXUE (BEIJING) EDUCATION TECHNOLOGY LIMITED *) ("WOWXUE")

對京師沃學(北京)教育科技有限公司(「沃學」)之控制權

The directors of the Company, after consulting legal opinion, are of the view that the Group has control over Wowxue (defined in note 40 to the consolidated financial statements) through the Contractual Arrangements (defined in note 40 to the consolidated financial statements) and has accounted for it as a subsidiary of the Group during the year ended 31 December 2017 despite the absence of formal legal equity interest held by the Group in Wowxue. Please see note 40 for details.

貴公司董事經諮詢法律意見後，認為 貴集團透過合約安排(定義見綜合財務報表附註40)擁有對沃學之控制權(定義見綜合財務報表附註40)，並於截至二零一七年十二月三十一日止年度將其作為 貴集團的附屬公司入賬，儘管 貴集團並未於沃學擁有正式法定股權。詳情請參見附註40。

How the matter was addressed in our audit

我們的審計如何處理關鍵審計事項

We have read the relevant agreements and other relevant documents, discussed with lawyer engaged by the Group, considered the relevant legal opinion provided by the Group and the requirements in the relevant accounting standard to determine whether the Contractual Agreements has given the Group control over Wowxue.

為釐定合約安排是否使 貴集團擁有沃學之控制權，我們已閱讀相關協議及其他相關文件、與 貴集團聘請之律師討論，並考慮 貴集團所提供之相關法律意見及相關會計準則之規定。

Independent Auditor's Report

獨立核數師報告

OTHER INFORMATION IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 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.

DIRECTORS' AND THOSE CHARGED WITH GOVERNANCE RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and such internal control as the directors determined 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 of the Company 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

本年報的其他資料

本公司董事須對其他資料負責。其他資料包括 貴公司年報內所載的資料，但不包括綜合財務報表及我們載於其中的核數師報告。我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式的保證結論。就我們對綜合財務報表的審計，我們的責任乃細閱其他資料，並在此過程中考慮其他資料與綜合財務報表或我們在審計過程中所知悉的情況是否存在重大抵觸或看似存在重大錯誤陳述。基於我們已執行的工作，倘我們認為其他資料存在重大錯誤陳述，我們須報告該事實。我們就此並無任何事項須報告。

董事及治理層就綜合財務報表須承擔的責任

本公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為就編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，本公司董事負責評估 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準，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。

治理層有責任監督 貴集團財務申報程序。

Independent Auditor's Report

獨立核數師報告

AUDITOR'S RESPONSIBILITY 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. This report is made solely to you, as a body, in accordance with the terms of our engagement, 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 HKSAAs 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 HKSAAs, 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.

核數師就審核綜合財務報表須承 擔的責任

我們的目標乃合理保證綜合財務報表整體是否不存在任何由於欺詐或錯誤而導致的重大錯誤陳述，並出具包括我們的意見的核數師報告。本報告僅根據我們獲委聘的條款向閣下全體報告，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。

合理保證乃高水平的保證，但不能保證按照香港審計準則進行的審計總能發現重大錯誤陳述。錯誤陳述可能由欺詐或錯誤引起，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者基於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。

作為根據香港審計準則進行審計其中一環，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，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出現重大錯誤陳述的風險高於未能發現因錯誤而導致出現重大錯誤陳述的風險。
- 瞭解與審計相關的內部控制，以設計在有關情況下屬適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評估董事所採用會計政策的適當性以及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的適當性作出結論，並根據所獲取的審計憑證，確定是否存在與事件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。倘我們確定存在重大不確定性，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。假若該等披露不足，則修訂我們的意見。我們的結論乃基於直至本核數師報告日期所取得的審計憑證。然而，未來事件或情況可能導致貴集團不能持續經營業務。
- 評估綜合財務報表的整體呈報方式、結構及內容（包括披露）以及綜合財務報表是否公平反映相關交易及事件。
- 就貴集團內實體或業務活動的財務資料獲取充足適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督及執行。我們為審計意見承擔全部責任。

We communicate with those charged with governance 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 those charged with governance 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.

我們與治理層溝通（其中包括）審計的計劃範圍及時間以及重大審計發現等，包括我們在審計中識別出內部控制的任何重大不足之處。

我們亦向治理層提交聲明，表明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通可能合理被認為會影響我們獨立性的所有關係及其他事項以及在適用的情況下相關的防範措施。

Independent Auditor's Report

獨立核數師報告

From the matters communicated with those charged with governance, 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.

Elite Partners CPA Limited

Certified Public Accountants

Hong Kong, 29 March 2018

Chan Wai Nam, William

Practising Certificate no. P05957

10th Floor,
8 Observatory Road,
Tsim Sha Tsui,
Kowloon,
Hong Kong

從與治理層溝通的事項中，我們確定該等對本期綜合財務報表的審計最為重要的事項，因而構成關鍵審計事項。我們在核數師報告中闡釋該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，合理預期倘於我們之報告中註明某事項造成的負面後果超過產生的公眾利益，則我們決定不應在報告中註明該事項。

開元信德會計師事務所有限公司

執業會計師

香港，二零一八年三月二十九日

陳偉楠

執業證書編號：P05957

香港
九龍
尖沙嘴
天文臺道8號
10樓

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

				2017 二零一七年	2016 二零一六年
		Notes 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	
Revenue	收入	7	364,664	357,840	
Cost of sales/service rendered	銷售成本／提供服務		(356,351)	(340,735)	
Gross profit	毛利		8,313	17,105	
Other income	其他收入	9	1,618	2,395	
Impairment loss on various assets	各項資產減值虧損	10	(24,302)	(2,012)	
Selling and distribution costs	銷售及分銷成本		(14,492)	(20,297)	
Administrative expenses	行政開支		(85,271)	(69,861)	
Other expenses	其他開支		(22,750)	(26,612)	
Equity-settled share option expenses	股本結算購股權開支		-	(11,024)	
Loss on early redemption of promissory note	提前贖回承兌票據虧損	31	-	(26,191)	
Finance costs	財務成本	11	(4,999)	(5,494)	
Loss before taxation	除稅前虧損	12	(141,883)	(141,991)	
Taxation	稅項	13	3,546	4,052	
Loss for the year	年度虧損		(138,337)	(137,939)	
Attributable to:	以下各項應佔：				
Owners of the Company	本公司擁有人		(139,058)	(138,695)	
Non-controlling interests	非控股權益		721	756	
			(138,337)	(137,939)	
Loss per share	每股虧損	17			
Basic and diluted	基本及攤薄		(RMB3.49 cents) (人民幣3.49分)	(RMB4.86 cents) (人民幣4.86分)	

The accompanying notes form an integral part of these consolidated financial statements.
隨附的財務報表附註為本綜合財務報表的組成部分。

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
LOSS FOR THE YEAR	年度虧損	(138,337)	(137,939)
OTHER COMPREHENSIVE INCOME	其他全面收益		
<i>Item that may be reclassified subsequently to profit or loss:</i>	<i>可能於其後重新分類至損益的項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務時產生的匯兌差額	(41,132)	28,213
OTHER COMPREHENSIVE INCOME FOR THE YEAR	年度其他全面收益	(41,132)	28,213
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	年度全面開支總額	(179,469)	(109,726)
Total comprehensive expense for the year attributable to:	應佔年度全面開支總額之各項如下：		
Owners of the Company	本公司擁有人	(180,161)	(110,517)
Non-controlling interests	非控股權益	692	791
		(179,469)	(109,726)

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017
於二零一七年十二月三十一日

		Notes	2017	2016
		附註	二零一七年	二零一六年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	18	13,965	12,824
Goodwill	商譽	19	427,678	327,005
Intangible assets	無形資產	20	152,974	63,309
Prepaid lease payments	預付租賃款項	21	149	254
			<u>594,766</u>	<u>403,392</u>
Current assets	流動資產			
Inventories	存貨	22	38,013	62,298
Trade receivables	貿易應收款項	23	127,374	155,229
Bills receivables	應收票據	24	3,826	12,315
Loan receivables	應收貸款	25	176,368	221,241
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項		75,838	45,920
Prepaid lease payments	預付租賃款項	21	156	156
Restricted bank deposits	受限制銀行存款	26	5,741	2,054
Bank balances and cash	銀行結餘及現金	26	193,982	40,070
			<u>621,298</u>	<u>539,283</u>
Current liabilities	流動負債			
Trade and bills payables	貿易應付款項及應付票據	27	119,746	50,949
Other payables and accruals	其他應付款項及應計費用	28	24,095	29,504
Tax liabilities	稅項負債		7,991	7,937
Bank and other borrowings	銀行及其他借貸	29	50,643	84,462
Promissory notes	承兌票據	31	185,576	-
			<u>388,051</u>	<u>172,852</u>
Net current assets	流動資產淨值		<u>233,247</u>	<u>366,431</u>
Total assets less current liabilities	資產總值減流動負債		<u>828,013</u>	<u>769,823</u>

The accompanying notes form an integral part of these consolidated financial statements.
隨附的財務報表附註為本綜合財務報表的組成部分。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2017
於二零一七年十二月三十一日

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
		Notes 附註	
Non-current liability	非流動負債		
Deferred tax liabilities	遞延稅項負債	35,883	10,243
Promissory notes	承兌票據	–	195,730
Contingent consideration	或然代價	143,143	–
		<u>179,026</u>	<u>205,973</u>
Net assets	資產淨值	<u>648,987</u>	<u>563,850</u>
Capital and reserves	資本及儲備		
Share capital	股本	355,046	266,401
Reserves	儲備	291,502	295,702
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額	<u>646,548</u>	<u>562,103</u>
Non-controlling interests	非控股權益	<u>2,439</u>	<u>1,747</u>
Total equity	權益總額	<u>648,987</u>	<u>563,850</u>

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

董事
DIRECTOR
朱敏
Zhu Min

綜合財務報表由董事會於二零一八年三月二十九日批准及授權刊發，並由以下代表簽署：

董事
DIRECTOR
冼國威
Sin Kwok Wai Ronald

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

Total equity attributable to the owners of the Company
本公司擁有人應佔權益總額

		Share	Share	Special	Statutory	Share	Warrant	Exchange	Accumulated	Non-		Total
		capital	premium	reserve	reserves	options	reserve	reserve	losses	Subtotal	controlling	
		股本	股份溢價	特別儲備	法定儲備	購股權儲備	權證儲備	匯兌儲備	累計虧損	小計	非控股權益	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
				(Note a)	(Note b)							
				(附註a)	(附註b)							
At 1 January 2016	於二零一六年一月一日	213,708	371,893	46,867	48,818	10,407	-	19,300	(162,402)	548,591	956	549,547
Loss for the year	年度虧損	-	-	-	-	-	-	-	(138,695)	(138,695)	756	(137,939)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-	-	28,178	-	28,178	35	28,213
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	-	-	28,178	(138,695)	(110,517)	791	(109,726)
Issue of share upon exercising of warrants	於行使認股權證時發行股份	33	71	-	-	-	(7)	-	-	97	-	97
Issue of shares upon placing	於配售時發行股份	34,364	21,825	-	-	-	-	-	-	56,189	-	56,189
Issue of shares	發行股份	18,296	38,423	-	-	-	-	-	-	56,719	-	56,719
Issue of warrant	發行認股權證	-	-	-	-	-	9,576	-	(9,576)	-	-	-
Equity settled share option expense	股本結算購股權開支	-	-	-	-	11,024	-	-	-	11,024	-	11,024
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	266,401	432,212	46,867	48,818	21,431	9,569	47,478	(310,673)	562,103	1,747	563,850
Loss for the year	年度虧損	-	-	-	-	-	-	-	(139,058)	(139,058)	721	(138,337)
Other comprehensive income for the year	年度其他全面收益	-	-	-	-	-	-	(41,103)	-	(41,103)	(29)	(41,132)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	-	-	(41,103)	(139,058)	(180,161)	692	(179,469)
Issue of share upon exercising of warrants	於行使認股權證時發行股份	34,567	76,523	-	-	-	(7,390)	-	-	103,700	-	103,700
Issue of shares upon placing	於配售時發行股份	52,752	103,910	-	-	-	-	-	-	156,662	-	156,662
Issue of shares upon exercising of share options	於行使購股權時發行股份	1,326	4,219	-	-	(1,301)	-	-	-	4,244	-	4,244
Expiry of warrants	認股權證屆滿	-	-	-	-	-	(2,179)	-	2,179	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	355,046	616,864	46,867	48,818	20,130	-	6,375	(447,552)	646,548	2,439	648,987

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

Notes:

- (a) Special reserve represents the difference between the nominal value of shares of the Company issued as consideration in exchange for the aggregate of the paid-up capital of the subsidiaries of the Company arising upon the corporate reorganisation to rationalise the Group's structure prior to listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").
- (b) In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), the PRC subsidiaries are required to provide for PRC statutory reserves, including enterprise expansion fund and general reserve fund, by way of appropriations from its statutory net profit (based on the PRC statutory financial statements of the PRC subsidiaries) but before dividend distributions.

All appropriations to the funds are made at the discretion of the board of directors of PRC subsidiaries. The board of directors of the PRC subsidiaries shall decide on the amounts to be appropriated based on its profitability each year.

The enterprise expansion fund may be used to increase registered capital subject to approval from the relevant PRC authorities. The general reserves fund may be used to offset accumulated losses or increase the registered capital subject to approval from the relevant PRC authorities.

附註：

- (a) 特別儲備指於本公司股份在香港聯合交易所有限公司（「聯交所」）上市前為了整頓本集團架構而進行公司重組之時，作為交換代價而發行之本公司股份的面值，與本公司附屬公司繳入資本的總額之間的差額。
- (b) 根據中華人民共和國（「中國」）有關法律及法規，中國附屬公司須從其法定溢利淨額（根據該等中國附屬公司之中國法定財務報表）於分派股息前按比例提撥資金至中國法定儲備，包括企業擴展基金及一般儲備基金。

基金之所有分配乃由該等中國附屬公司之董事會酌情決定。中國附屬公司之董事會將根據其每年盈利能力而決定將予分配之款項。

企業擴展基金可用於增加註冊資本，惟須取得相關中國部門之批准後方可作實。一般儲備基金可用於抵銷累計虧損或增加註冊股本，惟須取得相關中國部門之批准後方可作實。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Operating activities	經營活動		
Loss before taxation	除稅前虧損	(141,883)	(141,991)
Adjustments for:	就以下各項作出調整：		
Interest income on bank deposits	銀行存款之利息收入	(448)	(227)
Fair value change of contingent consideration	或然代價之公平值變動	(166)	-
Interest expenses	利息開支	4,999	5,494
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	(28)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,195	1,618
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的減值虧損	20,164	2,012
Impairment loss recognised in respect of inventory	就存貨確認的減值虧損	4,139	-
Amortisation of prepaid lease payments	預付租賃款項攤銷	105	156
Amortisation of intangible assets	無形資產攤銷	35,680	34,135
Share-based payments expenses	以股份為基礎付款開支	-	11,024
Loss on early redemption of promissory notes	提前贖回承兌票據虧損	-	26,191
Operating cash flows before movements in working capital	營運資本變動前之經營現金流量	(76,215)	(61,616)
Decrease/(Increase) in inventories	存貨減少/(增加)	19,098	(1,964)
Decrease in trade receivables	貿易應收款項減少	17,242	56,515
Decrease in bills receivables	應收票據減少	8,489	4,785
Decrease/(Increase) in loan receivables	應收貸款減少/(增加)	30,602	(157,042)
Increase in other receivables, deposits and prepayments	其他應收款項、按金及預付款項增加	(31,659)	(5,749)
Increase in trade and bills payables	貿易應付款項及應付票據增加	68,760	9,894
Decrease in other payables and accruals	其他應付款項及應計費用減少	(4,765)	(7,829)
Net cash generated from/(used in) operations	經營所得/(所用) 現金淨額	31,552	(163,006)
Income tax paid	已付所得稅	(2,185)	(5,836)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Net cash generated from/(used in) operating activities	經營活動所得／(所用) 現金淨額	29,367	(168,842)
Investing activities	投資活動		
Interest received	已收利息	448	227
Purchase of property, plant and equipment	購買物業、廠房及設備	(2,871)	(1,642)
Proceed from disposal of a property, plant and equipment	出售物業、廠房及設備所得款項	-	50
Net cash (outflow) from acquisition of subsidiaries	收購附屬公司之現金(流出)淨額	(82,820)	-
Placement of pledged bank deposits	存放已抵押銀行存款	(3,687)	(305)
Net cash used in investing activities	投資活動所用現金淨額	(88,930)	(1,670)
Financing activities	融資活動		
Proceeds from issue of shares upon placing	於配售時發行股份所得款項	156,662	56,189
Issuance of shares upon exercising of warrants	於行使認股權證時發行股份	103,700	97
Exercise of share options	行使購股權	4,244	-
Interest paid	已付利息	(1,300)	(1,105)
Repayment of bank and other borrowings	償還銀行及其他借貸	(64,101)	(361)
Proceed from bank and other borrowings	銀行及其他借貸所得款項	30,282	64,462
Net cash from financing activities	融資活動所得現金淨額	229,487	119,282
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加／(減少)淨額	169,924	(51,230)
Cash and cash equivalents at beginning of the year	年初現金及現金等值物	40,070	83,709
Effect of exchange rate changes	匯率變動的影響	(16,012)	7,591
Cash and cash equivalents at end of the year, representing bank balances and cash	年終現金及現金等值物，以銀行結餘及現金列示	193,982	40,070

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on the Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” to the annual report.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 39.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

The consolidated financial statements were approved and authorised for issue by the Board on 29 March 2018.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs (hereinafter collectively referred to as the “new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

- Amendment to HKAS 7 Disclosure Initiative;
- Amendment to HKAS 12 Recognition of Deferred Tax Assets for Unrealised losses; and
- Annual Improvements to HKFRSs, 2014-2016 Cycle

1. 一般資料

本公司在開曼群島註冊成立為獲豁免有限公司，其股份在聯交所上市。本公司之註冊辦事處及主要營業地點之地址在本年報「公司資料」一節內披露。

本公司為一家投資控股公司。本公司的附屬公司之主要業務載於附註39。

綜合財務報表以人民幣（「人民幣」）呈列，而人民幣亦為本公司之功能貨幣。

董事會已於二零一八年三月二十九日批准及授權刊發綜合財務報表。

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之新訂詮釋及對香港財務報告準則之修訂（以下統稱「新訂及經修訂香港財務報告準則」）。

- 香港會計準則第7號之修訂披露計劃；
- 香港會計準則第12號之修訂就未變現虧損確認遞延稅項資產；及
- 香港財務報告準則二零一四年至二零一六年週期之年度改進

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

The amendments to HKAS 7 require an entity to make disclosures that aim to enable users of financial statements to evaluate changes in liabilities arising from financing activities. Other than such additional disclosures, the application of the amendments has not had any material effect on the consolidated financial statements.

The amendments to HKAS 12 clarify when unrealised losses on a debt instrument measured at fair value would give rise to a deductible temporary difference and how to evaluate whether sufficient future taxable profits are available to utilise a deductible temporary difference. The application of the amendments has not had any material effect on the consolidated financial statements.

Annual improvements to HKFRSs (2014-2016 cycle) include an amendment to HKFRS 12 that clarifies that, when an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) is classified (or included in a disposal group that is classified) as held for sale in accordance with HKFRS 5 Non-current Assets held for Sale and Discontinued operations, it is not required to disclose summarised financial information for that subsidiary, joint venture or associate, as required by HKFRS 12 Disclosure of Interests in Other Entities.

The Group has not early adopted any new or revised HKFRSs that are not yet mandatorily effective for the current year.

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則第7號之修訂要求實體作出披露，以使財務報表使用者能夠評估融資活動產生的負債變動。除有關額外披露外，應用該等修訂對綜合財務報表並無任何重大影響。

香港會計準則第12號之修訂澄清當按公平值計量債務工具的未變現虧損將會產生可扣減暫時差額及評估是否有足夠的未來應課稅溢利可用作抵扣可扣減暫時差額的方法。應用該等修訂對綜合財務報表並無任何重大影響。

香港財務報告準則二零一四年至二零一六年週期之年度改進包括香港財務報告準則第12號之修訂，其澄清當實體在附屬公司、合營企業或聯營公司的權益（或其合營企業或聯營公司的權益部分）根據香港財務報告準則第5號持作出售之非流動資產及已終止經營業務被分類為持作出售（或計入分類為持作出售的出售組別），其毋須按香港財務報告準則第12號於其他實體的權益披露之要求披露該附屬公司、合營企業或聯營公司的財務資料概要。

本集團於本年度並無提早採納任何未強制生效之新訂或經修訂香港財務報告準則。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (continued)

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial Instruments ¹
HKFRS 15 and amendments to HKFRS 15	Revenue from Contracts with Customers ¹
HKFRS 16	Leases ²
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 40	Transfers of Investment Property ¹
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2014-2016 Cycle ⁴
HK(IFRIC) Interpretation 22	Foreign Currency Transactions and Advance Consideration ¹
HK(IFRIC) Interpretation 23	Uncertainty over Income Tax Treatments ²

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ Effective for annual periods beginning on or after a date to be determined
- ⁴ For those amendments that will become effective for annual periods beginning on or after 1 January 2018

2. 應用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第15號及香港財務報告準則第15號之修訂	客戶合約收入 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第2號之修訂	以股份為基礎之付款交易的分類及計量 ¹
香港財務報告準則第4號之修訂	應用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具 ¹
香港財務報告準則第10號及香港會計準則第28號之修訂	投資者與其聯營公司或合營企業之間銷售或注入資產 ³
香港會計準則第40號之修訂	轉讓投資物業 ¹
香港財務報告準則之修訂	香港財務報告準則二零一四年至二零一六年週期之年度改進 ⁴
香港（國際財務報告詮釋委員會）詮釋第22號	外幣交易及墊付代價 ¹
香港（國際財務報告詮釋委員會）詮釋第23號	所得稅處理之不確定因素 ²

- ¹ 於二零一八年一月一日或之後開始之年度期間生效
- ² 於二零一九年一月一日或之後開始之年度期間生效
- ³ 於待定日期或之後開始之年度期間生效
- ⁴ 於二零一八年一月一日或之後開始之年度期間生效

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 “Inventories” or value in use in HKAS 36 “Impairment of assets”.

3. 主要會計政策

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表包括聯交所證券上市規則及香港公司條例所規定之適用披露。

除若干金融工具按其於各申報期末的公平值計量外，綜合財務報表乃根據歷史成本基準編製。

歷史成本一般是基於就交換貨品所給予代價之公平值而釐定。

公平值為於計量日期市場參與者之間按有序交易出售一項資產將收取之價格或轉讓一項負債時將支付之價格，而不論該價格是否可直接觀察或使用另一項估值方法估計。於估計資產或負債之公平值時，本集團會考慮該等市場參與者於計量日期對資產或負債定價時所考慮之資產或負債之特點。於此等綜合財務報表中作計量及／或披露用途之公平值乃按此基準釐定，惟香港財務報告準則第2號範圍內之以股份為基礎付款交易、香港會計準則第17號範圍內之租賃交易，以及與公平值類似但並非公平值（例如香港會計準則第2號「存貨」之可變現淨值或香港會計準則第36號「資產減值」之使用價值）之計量除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. 主要會計政策 (續)

此外，就財務申報而言，公平值計量分為第一、第二或第三級別，該等級別之劃分乃根據公平值計量之輸入數據之可觀察程度及該等數據對公平值計量之整體重要性進行，該等級別載述如下：

- 第一級輸入數據指實體於計量日期就相同資產或負債於活躍市場上獲得之報價（未經調整）；
- 第二級輸入數據指就資產或負債直接或間接地可觀察之輸入數據（不包括第一級之報價）；及
- 第三級輸入數據指資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策（續）

綜合基準

綜合財務報表包括本公司以及本公司及其附屬公司所控制實體之財務報表。倘屬以下情況，則本公司取得控制權：

- 對被投資方行使權力；
- 因藉參與被投資方的業務而可獲得或有權獲得可變回報；及
- 有能力行使其權力而影響其回報。

倘事實及情況表明上文所列三項控制因素中有一項或多項改變，則本集團重新評估其是否控制被投資方。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，年內購入或出售之附屬公司之收入及開支自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止計入綜合損益及其他全面收益表內。

附屬公司之財務報表於有需要情況下作出調整，以使其會計政策與本集團會計政策一致。

所有集團內公司間資產及負債、權益、收入、支出及現金流量（與本集團成員公司間之交易有關）均於綜合賬目時全數對銷。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income taxes” and HKAS 19 “Employee benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 “Share-based payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current assets held for sale and discontinued operations” are measured in accordance with that standard.

3. 主要會計政策（續）

業務合併

收購業務時採用收購會計處理法入賬。於業務合併中轉讓之代價以公平值計量，而公平值則按本集團為換取被收購方的控制權而轉讓的資產、所招致被收購方前擁有人的負債，以及本集團發行的股本權益於收購日的公平值之和計算。與收購相關之成本一般於發生時於損益中確認。

於收購日期，所收購之可識別資產及所承擔之負債按其公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及與僱員福利安排相關之資產或負債乃分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與所訂立被收購方以股份為基礎的付款安排或本集團以股份為基礎的付款安排替代被收購方以股份為基礎的付款安排之相關負債或權益工具，乃於收購當日根據香港財務報告準則第2號「以股份為基礎的付款」計量（見下文之會計政策）；及
- 按照香港財務報告準則第5號「持作銷售之非流動資產及已終止業務」分類為持作銷售資產（或出售組別）應按該準則予以計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 主要會計政策 (續)

業務合併 (續)

商譽是按所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方股本權益之公平值(如有)之總和超出所收購之可識別資產及所承擔之負債於收購日期之淨額的部分計量。倘經過重估後,所收購之可識別資產與所承擔負債於收購日期之淨額高於所轉撥之代價、非控股權益於被收購方中所佔金額及收購方以往持有被收購方權益之公平值(如有)之總和,則差額即時於損益內確認為議價購入收益。

屬現時為擁有人權益並賦予其持有人於清盤時按比例分佔實體資產淨值的非控股權益可按公平值或按非控股權益按比例分佔之被收購方可辨識資產淨值的已確認金額初始計量。計量基準乃按逐項交易選擇。其他類型的非控股權益乃按其公平值或(倘適用)其他香港財務報告準則所指明的基準計量。

倘本集團於業務合併中轉撥之代價包括或然代價安排產生之資產或負債,則或然代價按其於收購日期之公平值計量,並計入於業務合併轉撥之代價之一部分。符合資格為計量期間調整之或然代價公平值變動將予追溯調整,並就商譽作出相應調整。計量期間調整為於「計量期間」(不可超過自收購日期起計一年)取得有關於收購日期已存在之事實及情況之額外資料所產生之調整。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 “Provisions, contingent liabilities and contingent assets”, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Contingent consideration that will be settled other than by the delivery of a fixed number of the Company's own equity instruments is accounted for as a financial liability.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

3. 主要會計政策 (續)

業務合併 (續)

不合資格為計量期間調整之或然代價公平值變動之後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算乃於權益內入賬。分類為資產或負債之或然代價會根據香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」(按適用者)於後續報告日期重新計量，而相應之盈虧乃於損益內確認。

並非通過交付固定數量之本公司自有權益工具結算之或然代價乃作為金融負債列賬。

商譽

收購一項業務產生之商譽乃按於業務收購日期所確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配至預期從合併之協同效應中獲利之本集團各現金產生單位(或現金產生單位組別)。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill (continued)

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably as follows:

Sale of goods

Revenue from sales of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;

3. 主要會計政策 (續)

商譽 (續)

已獲分配商譽之現金產生單位每年或當有跡象顯示單位可能出現減值時更頻繁測試減值。如現金產生單位之可收回金額少於其賬面值，減值虧損首先分配以減少該單位獲分配之任何商譽之賬面值，其後以單位各資產之賬面值為基準按比例分配至該單位之其他資產。商譽之任何減值虧損直接於損益中確認。就商譽確認之減值虧損於後續期間不予撥回。

於出售有關現金產生單位時，商譽之應佔金額乃計入釐定出售損益金額內。

收入確認

收入按已收取或應收取代價公平值計算，前提是經濟利益可能流入本集團，而收入及成本（如適用）可根據下列各項可靠地計算：

銷售貨品

銷售貨品之收入乃在貨品交付及貨品擁有權已轉移，並符合下列所有條件時予以確認：

- 本集團已向買家轉讓貨品擁有權之重大風險及回報；
- 本集團不再繼續涉及某程度上一般與擁有權相關之管理，而對已出售貨品亦無實質控制權；
- 收入金額能可靠地計量；

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Sale of goods (continued)

- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Service income

Service income is recognised when services are provided.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purpose, are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3. 主要會計政策 (續)

收入確認 (續)

銷售貨品 (續)

- 與交易相關之經濟利益有可能會流入本集團；及
- 就交易產生或將產生之成本能夠可靠地計量。

服務收入

服務收入於提供服務時確認。

利息收入

當經濟利益有可能流入本集團而收入金額能可靠地計量時，則會確認來自金融資產之利息收入。利息收入乃按時間基準參考未償還之本金及適用實際利率累計，實際利率指於金融資產之預期年期內將估計未來所收現金確實折現至於初始確認時之資產賬面淨值之利率。

物業、廠房及設備

物業、廠房及設備（包括持作用於生產或供應貨品或服務或作行政用途之樓宇）乃按成本減其後累計折舊及累計減值虧損（如有）於綜合財務狀況表列賬。

折舊乃按可使用年期採用直線法確認，以撇銷資產成本並扣減其剩餘價值。估計可使用年期、剩餘價值和折舊方法會於每個申報期末作檢討，並採用未來適用法對任何估計變動之影響入賬處理。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

3. 主要會計政策 (續)

物業、廠房及設備 (續)

物業、廠房及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時終止確認。出售或報廢物業、廠房及設備項目所產生之任何收益或虧損乃根據銷售所得款項與資產賬面值之間的差額釐定，並於損益中確認。

業務合併中收購的無形資產

業務合併中收購並與商譽分開確認的無形資產初步按其於收購日期的公平值確認 (被視作其成本)。

初步確認後，業務合併中收購的具有有限使用年期的無形資產根據與另外已收購無形資產相同的基準，按成本減累計攤銷及任何累計減值虧損申報。具有有限的可使用年期之無形資產攤銷於其估計使用年期內按直線法確認。

無形資產於出售時或預期使用或出售不會帶來未來經濟利益時取消確認。取消確認無形資產產生的收益及虧損以出售所得款項淨額與資產的賬面值之間的差額計量，並在資產取消確認時於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. 主要會計政策 (續)

租賃

每當租賃條款將所有權的絕大部份風險及回報轉讓予承租人，則租賃會被分類為融資租賃。所有其他租賃均被分類為經營租賃。

本集團為承租人

經營租賃付款按有關租期以直線法確認為開支，除非另有系統化基準更能代表租賃資產所耗用經濟利益之時間模式則除外。

倘若獲取租賃優惠以達成經營租賃，則有關優惠被確認為負債。優惠的合計利益以直線法確認為租賃開支之扣減。

租賃土地及樓宇

倘租約包括土地及樓宇部份，則本集團根據對各部份的擁有權所附帶之絕大部份風險及回報是否已轉讓予本集團之評估，獨立將各部份分類評估為融資或經營租賃，惟明顯兩個部份均為經營租賃則除外，而在此情況下，整份租約分類為經營租賃。具體而言，最低租賃付款（包括任何一次過預付款項）乃按土地部份及樓宇部份於租約開始時的租賃權益相對公平值比例於土地及樓宇部份之間分配。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Leasing (continued)

Leasehold land and building (continued)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Retirement benefits costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

3. 主要會計政策 (續)

租賃 (續)

租賃土地及樓宇 (續)

倘能可靠分配租賃款項，作為經營租賃入賬之租賃土地權益於綜合財務狀況表內列為「預付租賃款項」，並按直線法於租賃期內攤銷。當租賃付款不能可靠地在土地及樓宇部份之間分配時，整份租約一般分類為融資租賃，並作為物業、廠房及設備入賬。

外幣

在編製各獨立集團實體的財務報表時，以該實體功能貨幣以外的貨幣（外幣）所進行的交易按交易當日的匯率確認。於申報期末，以外幣計值的貨幣項目按當日的匯率重新換算。以外幣計值之過往成本計算之非貨幣項目不予重新換算。

貨幣項目所產生之匯兌差額於其產生期間在損益內確認。

退休福利成本

向國家管理的退休福利計劃及強制性公積金計劃所作出的付款於僱員已提供服務而有權獲得供款時確認為開支。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from “profit before tax” as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group’s current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

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

3. 主要會計政策 (續)

稅項

所得稅開支指應付即期稅項及遞延稅項之總和。

即期稅項

現時應付稅項乃按年內應課稅溢利得出。應課稅溢利有別於綜合損益及其他全面收益表中所報的「除稅前溢利」，乃由於在其他年度應課稅收入或可扣稅開支以及從未課稅或扣稅之項目所致。本集團即期稅項乃按申報期末已頒佈或已實際頒佈之稅率計算。

遞延稅項

遞延稅項乃就綜合財務報表內的資產及負債賬面值與計算應課稅溢利所採用相應稅基之間的暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產一般於可能有應課稅溢利可用於對銷可扣減暫時差額時就所有可扣減暫時差額確認。倘因交易時首次確認資產及負債而引致之暫時差額並不影響應課稅溢利或會計溢利，則不會確認該等遞延稅項資產及負債。此外，倘暫時差額乃於初步確認商譽時產生，則不確認遞延稅項負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3. 主要會計政策 (續)

稅項 (續)

遞延稅項 (續)

遞延稅項負債乃就附屬公司投資之相關應課稅暫時差額而確認，惟若本集團能夠控制暫時差額轉回及暫時差額有可能未必於可見將來轉回之情況除外。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產僅於可能有足夠應課稅溢利可以使用暫時差額之利益且預期於可見將來可以撥回時確認。

遞延稅項資產之賬面值於申報期末作檢討，並在再無可能會有足夠應課稅溢利用於收回全部或部份資產時作調減。

遞延稅項資產及負債乃按償還負債或變現資產之期間內預期適用之稅率，根據申報期末已實施或實際實施之稅率（及稅法）計算。

遞延稅項負債及資產之計量反映按照本集團預期於申報期末收回或結算其資產及負債之賬面值所依照之方式得出之稅務結果。

本年度即期及遞延稅項

即期及遞延稅項乃於損益中確認。倘即期稅項或遞延稅項乃於業務合併之初始會計處理時產生，稅務影響則會計入業務合併之會計處理內。

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綜合財務報表附註

For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted-average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Research and development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. 主要會計政策 (續)

存貨

存貨乃按成本及可變現淨值兩者中之較低值列值。存貨成本乃按加權平均法計算。可變現淨值指存貨之估計售價減所有完成所需估計成本及進行銷售所需成本。

研發成本

研究活動的開支在產生期間確認為支出。

開發活動(或內部項目開發階段)的內部產生無形資產倘及僅於以下所有各項全部均得到證明時確認：

- 完成該無形資產的技術可行性，從而使其可予使用或銷售；
- 完成及使用或出售該無形資產的意圖；
- 使用或出售該無形資產的能力；
- 該無形資產將產生未來經濟利益的方式；
- 具有充足的技術、財務及其他資源以完成開發及使用或出售該無形資產；及
- 能可靠地計量無形資產於其開發期間應佔的開支。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development costs (continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Impairment of tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

3. 主要會計政策 (續)

研發成本 (續)

內部產生無形資產的初步確認金額乃無形資產首次符合上列確認準則之日起產生的開支總額。如並無內部產生無形資產可予確認，開發開支則在其產生期間內於損益中確認。

初步確認後，內部產生無形資產將按成本減累計攤銷及累計減值虧損呈報，其基準與獨立收購的無形資產相同。

商譽以外之有形及無形資產減值

於申報期末，本集團審閱其有形資產及無形資產之賬面值，以釐定該等資產是否有任何蒙受減值虧損之跡象。倘出現任何該等跡象，將作出資產之可收回金額估計，以釐定減值虧損(如有)程度。當不可能估計個別資產之可收回金額時，本集團會估計該資產所屬現金產生單位之可收回金額。倘可識別合理及穩定的分配基準，則企業資產亦分配至個別現金產生單位，或另行分配至可識別合理及穩定的分配基準之最小組別之現金產生單位。

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截至二零一七年十二月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of tangible and intangible assets other than goodwill (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. 主要會計政策 (續)

商譽以外之有形及無形資產減值 (續)

可收回金額為公平值減出售成本與使用價值兩者之較高者。於評估使用價值時，乃使用可反映現時市場對貨幣時間值的評估及該資產特有之風險（未來現金流量之估計並無就此作調整）之稅前折現率，將估計未來現金流量折現至其現值。

倘一項資產（或現金產生單位）之可收回金額估計少於其賬面值，該資產（或現金產生單位）之賬面值將減少至其可收回金額。減值虧損即時於損益中確認。

倘減值虧損於其後撥回，該資產（或現金產生單位）之賬面值將增加至其經修訂估計可收回金額，但因此增加的賬面值不會超逾資產（或現金產生單位）於過往年度如無確認減值虧損下原應釐定之賬面值。撥回減值虧損即時於損益中確認。

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For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

3. 主要會計政策 (續)

金融工具

當集團實體成為工具合約條款的一方時，會確認金融資產及金融負債。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債直接應佔的交易成本於初步確認時加入金融資產或金融負債的公平值或從當中扣減（按適用者）。

金融資產

本集團之金融資產為貸款及應收款項。分類視乎金融資產之性質及目的而定，並於初步確認時釐定。

實際利率法

實際利率法乃計算債務工具之經攤銷成本以及分攤有關期間之利息收入之方法。實際利率乃按債務工具之預期年期或適用之較短期間內確實折現估計未來現金收款（包括構成實際利率不可或缺部份已付或已收之一切費用、交易成本及其他溢價或折讓）至初始確認時之賬面淨值之利率。

收入乃按債務工具實際利率基準確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, bills receivables, loan receivables, other receivables, restricted bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investments have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

貸款及應收款項

貸款及應收款項乃並無活躍市場報價之定額或待定付款之非衍生金融資產。貸款及應收款項(包括貿易應收款項、應收票據、應收貸款、其他應收款項、受限制銀行存款以及銀行結餘及現金)以實際利率法按攤銷成本減任何減值計量。

利息收入乃使用實際利率確認，惟確認利息影響不大的短期應收款項則除外。

金融資產減值

金融資產乃於各申報期末評估有否減值跡象。倘有客觀證據顯示因在初始確認金融資產後出現一件或多件事件而影響投資的估計未來現金流量，則金融資產會被視為出現減值。

客觀減值證據可包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，例如未能繳付或延遲償還利息或本金；或
- 借款人有可能面臨破產或財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For certain categories of financial assets, such as trade and bills receivables and loan receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets that are carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and bills receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就若干類別之金融資產(如貿易應收款項及應收票據以及應收貸款)而言,即使被評估為不會個別減值,有關資產亦會彙集一併評估減值。應收款項組合出現減值之客觀證據可包括本集團過往收款記錄以及國家或地方經濟狀況出現與應收款項未能償還相關的可觀察變動。

就按攤銷成本列賬之金融資產而言,減值虧損之金額按該項資產之賬面值與估計未來現金流量按金融資產的原實際利率折現之現值之差額確認。

除貿易應收款項及應收票據之賬面值減少會透過準備金賬目扣減外,所有金融資產之賬面值減少乃直接經由減值虧損計算。當一項應收款項被視為不可收回時,將從準備金賬目上予以撇銷。日後收回以往撇銷之款項則計入準備金賬目。準備金賬目之賬面值變化於損益內確認。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities including trade and bills payables, other payables and bank borrowing are subsequently measured at amortised cost using the effective interest method.

3. 主要會計政策 (續)

金融工具 (續)

金融資產 (續)

金融資產減值 (續)

就按攤銷成本計量之金融資產而言，倘若在往後期間，減值虧損金額減少且此減少可客觀聯繫到一項發生在減值確認後之事件，則之前確認之減值虧損將透過損益撥回，但減值撥回當日之投資賬面值不應超過假若減值不曾被確認下的已攤銷成本。

金融負債及股本工具

分類為債務或權益

由集團實體發行之債務及股本工具按所訂立之合約安排性質，以及金融負債及股本工具之定義而分類為金融負債或權益。

股本工具

股本工具為有證據顯示本集團於資產中扣減所有負債後有剩餘資產權益之任何合約。本公司發行之股本工具按所收取所得款項扣除直接發行成本確認。

金融負債

金融負債包括貿易應付款項及應付票據、其他應付款項及銀行借貸，其後以實際利率法按攤銷成本計量。

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For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, (where appropriate), a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. 主要會計政策 (續)

金融工具 (續)

金融負債及股本工具 (續)

實際利率法

實際利率法乃計算金融負債之攤銷成本及於相關期間分攤利息開支之方法。實際利率指按金融負債之預期年期或(如適用)較短期間內實際折現估計未來現金付款(包括組成實際利率不可缺少部份已付或已收之一切費用、交易成本及其他溢價或折讓)至初始確認時的賬面淨值之利率。

利息開支按實際利率法確認。

終止確認

本集團僅於從金融資產收取現金流量的合約權利到期，或轉讓金融資產及該資產所有權的絕大部份風險及回報予另一實體時終止確認金融資產。倘本集團並無轉讓或保留所有權的絕大部份風險及回報並繼續控制所轉讓資產，則本集團繼續確認其在資產中的保留權益，並確認相關負債。倘本集團保留所轉讓金融資產所有權的絕大部份風險及回報，則本集團繼續確認該金融資產，亦就已收取的所得款項確認有抵押借貸。

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綜合財務報表附註

For the year ended 31 December 2017
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3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Derecognition (continued)

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Equity-settled share-based payment transactions

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the date of grant and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained profits.

3. 主要會計政策 (續)

金融工具 (續)

終止確認 (續)

於終止確認全部金融資產時，該項資產賬面值與已收及應收代價及經已在其他全面收益中確認並在權益中累計的累積損益總和之間的差額於損益內確認。

只有當本集團之責任獲解除、取消或到期時，方會終止確認金融負債。已終止確認金融負債的賬面值與已付及應付代價之間的差額於損益中確認。

股本結算以股份為基礎付款交易

就須滿足特定歸屬條件方可授予之購股權而言，所獲服務之公平值乃參考所授購股權於授出日期之公平值釐定，並在歸屬期間以直線法列作開支，並於權益（購股權儲備）作出相應增加。

本集團於申報期末修改其對預期最終將歸屬的購股權數目之估計。修改原先估計之影響（如有）於損益確認，致使累計開支反映經修訂之估計，並對購股權儲備作出相應調整。

於購股權獲行使時，過往在購股權儲備確認的金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使時，過往在購股權儲備確認的金額將轉撥至保留溢利。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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

Useful lives of property, plant and equipment

In applying the accounting policy on property, plant and equipment with respect to depreciation, management estimates the useful lives of various categories of property, plant and equipment according to the industrial experiences over the usage of property, plant and equipment and also by reference to the relevant industrial norm. If the actual useful lives of property, plant and equipment are less than the original estimated useful lives due to changes in commercial and technological environment, such difference will impact the depreciation charge for the remaining periods.

4. 估計涉及不確定性之主要來源

於應用附註3所述之本集團會計政策時，本公司董事須對無法從其他渠道確認的資產及負債賬面值作出判斷、估計及假設。該等估計及相關假設乃基於過往經驗及其他視作相關的因素作出。實際結果或會有別於該等估計。

本公司持續檢討該等估計及相關假設。倘就會計估計作出的修訂只影響修訂估計之期間，則有關修訂會在該期間確認；倘有關修訂影響即期及未來期間，則有關修訂會在修訂期間及未來期間確認。

以下為於申報期末所作出有關未來的主要假設及估計不確定因素之其他主要來源，並具有相當風險而可能導致須於下一個財政年度就資產及負債的賬面值作出重大調整。

物業、廠房及設備的可使用年期

於應用有關物業、廠房及設備折舊的會計政策時，管理層乃根據物業、廠房及設備用途之行業經驗並參考有關行業規範來估計各類物業、廠房及設備之可使用年期。倘物業、廠房及設備的實際可使用年期因商業及技術環境改變以致少於原本估計之可使用年期，則有關差額將影響餘下期間之折舊開支。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated impairment of trade receivables

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment 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 (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment loss may arise.

Impairment of non-financial assets (other than goodwill)

The Group assesses each cash-generating unit annually to determine whether any indication of impairment exists. When an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. The carrying amount of the property, plant and equipment, intangible assets, prepaid lease payments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable in accordance with the accounting policy as disclosed in the relevant part of this section. Estimating the value in use requires the Group to estimate future cash flows from the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

4. 估計涉及不確定性之主要來源 (續)

貿易應收款項的估計減值

倘出現減值虧損的客觀證據，則本集團會考慮對未來現金流量之估計。減值虧損數額乃按資產賬面值與估計未來現金流量（不包括尚未發生之未來信貸虧損）按金融資產之原實際利率（即初始確認時用於計算之實際利率）折現的現值間之差額計算。倘實際的未來現金流量低於預期，則可能會出現重大減值虧損。

非金融資產（商譽除外）之減值

本集團每年評估各現金產生單位，以釐定是否有任何減值存在的跡象。倘存在減值跡象，則會作出可收回金額的正式估計，即被視為公平值減出售成本與使用價值的較高者。物業、廠房及設備、無形資產、預付租賃款項的賬面值會於有事件或情況變動顯示賬面值可能不能根據本節有關部分所披露的會計政策予以收回時檢討減值。估計使用價值要求本集團估計來自現金產生單位的未來現金流量以及選擇適當的折現率以計算該等現金流量的現值。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Estimated allowance of inventories

The Group makes allowance for inventories based on an assessment of the net realisable value of inventories. Allowances are applied to inventories where events or changes in circumstances indicate that the net realisable value is lower than the cost of inventories. The identification of obsolete inventories requires the use of judgment and estimates on the conditions and marketability of the inventories. Where the subsequent selling prices decline or increase in costs of completion and those necessary to make the sales, additional allowance may arise.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires management to estimate the future cash flows expected to arise from the cash-generating units and a suitable discount rate in order to calculate present value.

Control over a subsidiary

The relevant PRC laws and regulations prohibit or restrict foreign investors from owning more than 50% equity interest in PRC enterprises that are engaged in the research and provision of internet education services.

Notwithstanding the lack of formal equity ownership in 京師沃學(北京)教育科技有限公司 (Capital Wowxue (Beijing) Education Technology Limited) ("Wowxue"), the directors of the Company concluded that the Group is able to have control over Wowxue through a series of agreements with all of its registered shareholders (the "Contractual Agreements"). Specifically, the directors of the Company assessed whether or not the Group has control over Wowxue based on whether the Group has the practical ability to direct the relevant activities of Wowxue unilaterally, the rights to variable returns from its involvement with Wowxue and the ability to use its power to affect its returns. The directors of the Company, after consulting legal opinion, concluded that the Group has such ability and rights through the Contractual Agreements and hence has accounted for Wowxue as a subsidiary during the year. For details set out in note 40 to the consolidated financial statements.

4. 估計涉及不確定性之主要來源 (續)

估計存貨撥備

本集團根據對存貨可變現淨值的評估就存貨作出撥備。倘有事件或情況變動顯示可變現淨值低於存貨成本，即對存貨作出撥備。識別陳舊存貨須使用對存貨的狀況及可銷售性所作出的判斷及估計。倘其後售價下降或完成成本及作出銷售所需成本有所增加，則可能產生額外撥備。

商譽減值

釐定商譽是否減值須估計獲分配商譽之現金產生單位使用價值。計算使用價值時，管理層須估計預期可自現金產生單位產生之未來現金流量及適當折現率，從而計算現值。

附屬公司控制權

相關中國法律及法規禁止或限制外國投資者於從事互聯網教育服務的研究，並提供互聯網教育服務的中國企業擁有50%以上股權。

儘管本集團並無擁有於京師沃學(北京)教育科技有限公司(「沃學」)的正式權益，本公司董事總結本集團可透過與其所有已登記股東的一系列協議(「合約安排」)擁有對沃學的控制權。確切而言，本公司董事評估本集團是否擁有對沃學的控制權乃基於本集團是否實際擁有單方面指示沃學相關活動的能力、是否因其參與沃學之業務而有權獲得可變回報及其是否有能力行使其權力而影響其回報。本公司董事經諮詢法律意見後，總結本集團透過合約安排擁有有關能利及權利，故於年內將沃學作為附屬公司入賬。詳情載於綜合財務報表附註40。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to owners of the Company, comprising share capital, reserves and retained profits.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associate with the capital. The Group will balance its overall capital structure through payment of dividends, new share issues as well as the issue of new debt, if necessary.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial assets

Loans and receivables (including cash and cash equivalents)

Financial liabilities

Amortised cost

金融資產

貸款及應收款項（包括現金及現金等值物）

金融負債

攤銷成本

5. 資本風險管理

本集團之資本管理旨在確保本集團內實體均可持續經營，同時透過優化債務及權益之平衡，盡量為股東帶來最大回報。本集團之整體策略與往年一樣保持不變。

本集團的資本結構包括現金及現金等值物與本公司擁有人應佔權益（包括股本、儲備及保留溢利）。

本公司董事持續檢討資本結構，當中涉及考慮資本成本及與資本相關之風險。如有必要，本集團將透過支付股息、發行新股份以及發行新債務，以平衡其整體資本結構。

6. 金融工具

(a) 金融工具之類別

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
583,129	472,979
359,550	335,013

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, loan receivables, bills receivables, other receivables, restricted bank deposits, bank balances and cash, trade and bill payables, other payables, promissory notes and bank borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Currency risk

Certain transactions of the Group are denominated in Hong Kong dollars ("HKD"), Euro dollars ("EUR") and US dollars ("USD") which are other than the functional currency of the relevant group entities (i.e. RMB), which expose the Group to foreign currency risk. The Group does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

6. 金融工具 (續)

(b) 金融風險管理之目的及政策

本集團的主要金融工具包括貿易應收款項、應收貸款、應收票據、其他應收款項、受限制銀行存款、銀行結餘及現金、貿易應付款項及應付票據、其他應付款項、承兌票據及銀行借貸。此等金融工具之詳情於各自之附註披露。此等金融工具所附帶之風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。有關如何減低此等風險之政策載列如下。管理層確保適時及有效地採取適當措施以管理及監控此等風險。

市場風險

貨幣風險

本集團若干交易以港元(「港元」)、歐元(「歐元」)及美元(「美元」)計值，而港元、歐元及美元為有關集團實體的功能貨幣(即人民幣)以外的貨幣，令本集團面對外幣風險。本集團並無外幣對沖政策。然而，管理層監控外匯風險，並於有需要時考慮對沖重大外幣風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

The carrying amounts of the Group's foreign currency denominated financial assets and liabilities at the end of the reporting period are as follows:

		Assets 資產		Liabilities 負債	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
HKD	港元	403,989	279,835	222,849	283,603
EUR	歐元	3,773	283	-	-
USD	美元	167	45	-	-

The financial assets subject to foreign currency risk represent the bank balances denominated in HKD, EUR and USD, trade receivables, loan receivables and other receivables, denominated in HKD held by the Group.

The financial liabilities subject to foreign currency risk represent the trade payables, other payables, promissory notes and bank borrowings denominated in HKD held by the Group.

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

市場風險 (續)

貨幣風險 (續)

本集團於申報期末以外幣計值之金融資產及金融負債之賬面值如下：

面對外幣風險的金融資產指本集團持有並以港元、歐元及美元計值的銀行結餘，以及以港元計值的貿易應收款項、應收貸款及其他應收款項。

面對外幣風險的金融負債指本集團持有並以港元計值的貿易應付款項、其他應付款項、承兌票據及銀行借貸。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Currency risk (continued)

The following table details the Group's sensitivity to a 5% appreciation or depreciation of the HKD, EUR and USD against RMB. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rate. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rate. A (negative)/positive number indicates an increase/decrease in post-tax loss for the year where HKD, EUR and USD strengthens 5% against the RMB. For a 5% weakening of HKD, EUR and USD against RMB, there would be an equal but opposite impact on the post-tax loss for the year.

HKD	港元
EUR	歐元
USD	美元

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

市場風險 (續)

貨幣風險 (續)

下表詳列本集團對於港元、歐元及美元兌人民幣升值或貶值5%之敏感度。5%是在內部向主要管理人員匯報外幣風險時所使用之敏感比率，是管理層所評估的外幣匯率的可能變動。敏感度分析僅包括仍有效的以外幣計值的貨幣項目，並於申報期末就5%之外幣匯率變動調整其換算。(負數)/正數顯示當港元、歐元及美元兌人民幣升值5%時之年內除稅後虧損增加/減少。當港元、歐元及美元兌人民幣貶值5%時，將對年內除稅後虧損有對等但相反之影響。

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
9,057	(3,768)
8	-
2	-

管理層認為，敏感度分析並不代表內在外匯風險，因為年末時承受的風險並不反映年內面對的風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk

The Group's exposure to the risks of changes in market interest rates related primarily to the Group's loan receivables with floating interest rates.

The table set out below demonstrates the sensitivity to a reasonably possible change in interest rates in the current year, with all other variable held constant, of the Group's loss before tax (through the impact on floating rate borrowings).

2017	二零一七年
RMB	人民幣
RMB	人民幣
2016	二零一六年
RMB	人民幣
RMB	人民幣

Credit risk

As at 31 December 2017, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

市場風險 (續)

利率風險

本集團面對市場利率變動的風險主要與本集團浮動利率應收貸款有關。

下表列示於本年度所有其他變量保持不變的情況下，本集團除稅前虧損（透過浮動利率借貸之影響）對利率的合理可能變動的敏感度。

Increase/ (decrease) in basis points 基點增加/ (減少)	Decrease/ (Increase) in loss before tax 除稅前虧損 減少/(增加)
---	---

50	208
(50)	(208)
50	958
(50)	(958)

信貸風險

於二零一七年十二月三十一日，倘對手方未能履行責任，本集團面對構成本集團財務損失之最高信貸風險乃產生自於綜合財務狀況表所列各項已確認金融資產之賬面值。本集團採納之政策為僅與信譽良好之對手方進行交易，以盡量降低因違約而招致之財務損失風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

At 31 December 2017, the Group has concentration of credit risk as 9% (2016: 15%) and 36% (2016: 49%) of the total trade receivables which was due from the Group's largest customer and the five largest customers, respectively. At 31 December 2017, the Group has concentration of credit risk as 15% (2016: 45%) and 62% (2016: 84%) of the total loan receivables, which was due from the Group's largest borrower and the five largest borrowers, respectively.

6. 金融工具 (續)

(b) 金融風險管理之目的及政策 (續)

信貸風險 (續)

由於對手方乃多家獲國際評級機構授予高度信貸評級的銀行，故流動資金之信貸風險屬有限。

於二零一七年十二月三十一日，由於貿易應收款項總額之9% (二零一六年：15%) 及36% (二零一六年：49%) 分別來自本集團之最大客戶及五大客戶，因此本集團有集中信貸風險。於二零一七年十二月三十一日，由於應收貸款總額之15% (二零一六年：45%) 及62% (二零一六年：84%) 分別來自本集團之最大借貸人及五大借貸人，因此本集團有集中信貸風險。

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6. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

6. 金融工具(續)

(b) 金融風險管理之目的及政策(續)

流動資金風險

就管理流動資金風險而言，本集團監察及維持管理層認為足夠撥付本集團營運之現金及現金等值物水平，以及減低現金流量波動的影響。

下表詳列本集團之非衍生金融負債之餘下合約到期日。下表根據本集團須作出付款之最早日期之金融負債未貼現現金流量編製。

	Weighted average effective interest rate	On demand or less than 3 months	Within 1 year	More than 1 year but less than 5 years	Total undiscounted cash flows	Carrying amounts
	加權平均實際利率	按要求或少於3個月	1年內	超過1年但少於5年	未貼現現金流量總額	賬面值
	%	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	%	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at 31 December 2017	於二零一七年十二月三十一日					
Trade payables		-	119,746	-	119,746	119,746
Other payables		-	9,102	-	9,102	9,102
Bank and other borrowings	5.4	-	52,727	-	52,727	50,643
Promissory notes	2	-	188,537	-	188,537	185,576
		<u>128,848</u>	<u>241,204</u>	<u>-</u>	<u>370,112</u>	<u>365,067</u>
As at 31 December 2016	於二零一六年十二月三十一日					
Trade payables		-	50,949	-	50,949	50,949
Other payables		-	11,271	-	11,271	11,271
Bank and other borrowings	4.9	-	87,497	-	87,497	84,462
Promissory notes	2	-	-	202,733	202,733	195,730
		<u>62,220</u>	<u>87,497</u>	<u>202,733</u>	<u>352,450</u>	<u>342,412</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

6. FINANCIAL INSTRUMENTS (continued)

(c) Fair values measurements of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

7. REVENUE

An analysis of revenue is as follows:

Revenue from sales of goods	來自銷售貨品的收入
Revenue from money lending business	來自放債業務的收入
Revenue from provision of internet education services	來自提供互聯網教育服務的收入

8. OPERATING SEGMENTS

HKFRS 8 “Operating segments” requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (the executive directors) (“CODM”) in order to allocate resources to segments and to assess their performance.

6. 金融工具（續）

(c) 金融工具之公平值計量

董事認為於綜合財務報表內確認之金融資產及金融負債之賬面值與其公平值相若。

7. 收入

收入的分析如下：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
344,713	345,303
15,811	12,537
4,140	—
364,664	357,840

8. 經營分部

香港財務報告準則第8號「經營分部」要求，確認經營分部必須依從本集團個別實體之內部呈報分類作為基準；該等內部呈報分類乃定期由主要營運決策者（執行董事）（「主要營運決策者」）審視，以對各分部進行資源分配及表現評估。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

The Group's operating activities are attributable to five operating segments focusing on (i) the manufacture and sale of advanced steel flow control products; (ii) the manufacture and sale of paper converting equipment and other relating equipment, (iii) money lending; and (iv) eCommerce; and (v) internet education services. These operating segments have been identified on the basis of internal management reports prepared in accordance with accounting policies which conform to HKFRSs, that are regularly reviewed by the CODM.

The following is an analysis of the Group's revenue and results by reportable and operating segments:

Segment revenue and results

For the year ended 31 December 2017

8. 經營分部 (續)

本集團之經營活動屬於五個經營分部，專注於(i)製造及銷售高端鋼水控流產品；(ii)製造及銷售紙張加工設備及其他相關設備；(iii)放債及；(iv)電子商務；及(v)互聯網教育服務。該等經營分部乃基於符合香港財務報告準則之會計政策所編製之內部管理報告而識別，並由主要營運決策者定期檢討。

按可呈報及經營分部劃分的本集團收入及業績分析如下：

分部收入及業績

截至二零一七年十二月三十一日止年度

		Manufacture and sale of advanced steel flow control products	Manufacture and sale of paper converting equipment and other relating equipment	Money lending	eCommerce	Internet education services	Consolidated
		製造及銷售 高端鋼水 控流產品	製造及銷售 紙張加工設備 及其他 相關設備	放債	電子商務	互聯網 教育服務	綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	93,044	41,026	15,811	210,643	4,140	364,664
Gross profit/(loss)	毛利/(毛損)	(42,408)	9,702	12,096	25,089	3,834	8,313
Segment profit/(loss)	分部溢利/(虧損)	(103,793)	(5,971)	8,637	1,977	3,591	(95,559)
Unallocated corporate income	未分配公司收入						487
Staff costs (including retirement benefit scheme contributions)	員工成本(包括退休福利計劃供款)						(2,119)
Unallocated corporate expenses	未分配公司開支						(44,692)
Loss before taxation	除稅前虧損						(141,883)

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

Segment revenue and results (continued)

For the year ended 31 December 2016

		Manufacture and sale of advanced steel flow control products	Manufacture and sale of paper converting equipment and other relating equipment	Money lending	eCommerce	Consolidated
		製造及銷售 製造及銷售 高端鋼水 控流產品	紙張加工設備 及其他 相關設備	放債	電子商務	綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	149,795	34,410	12,537	161,098	357,840
Gross profit/(loss)	毛利/(毛損)	(18,968)	5,925	11,108	19,040	17,105
Segment profit/(loss)	分部溢利/(虧損)	(72,802)	(2,847)	9,053	(28,331)	(94,927)
Unallocated corporate income	未分配公司收入					616
Staff costs (including retirement benefit scheme contributions)	員工成本(包括退休福利計劃供款)					(1,868)
Unallocated corporate expenses	未分配公司開支					(45,812)
Loss before taxation	除稅前虧損					(141,991)

Segment loss represents the loss incurred by each segment include depreciation, amortisation and impairment, but without allocation of certain administration costs and other income. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

8. 經營分部 (續)

分部收入及業績 (續)

截至二零一六年十二月三十一日止年度

分部虧損指各分部產生的虧損(包括折舊、攤銷及減值),但並無分配若干行政成本及其他收入。此乃就資源分配及表現評估而向主要營運決策者報告的方法。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

Segment assets and liabilities

For the year ended 31 December 2017

8. 經營分部 (續)

分部資產及負債

截至二零一七年十二月三十一日止
年度

		Manufacture and sale of paper converting equipment and other relating equipment	Money lending	eCommerce	Internet education services	Consolidated
		製造及銷售 紙張加工設備 及其他 相關設備	放債	電子商務	互聯網 教育服務	綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
ASSETS	資產					
Segment assets	分部資產	153,441	39,166	270,347	317,547	268,263
Unallocated corporate assets	未分配公司資產					167,300
Consolidated total assets	綜合資產總值					1,216,064
LIABILITIES	負債					
Segment liabilities	分部負債	87,201	49,382	32,641	20,509	4,922
Unallocated corporate liabilities	未分配公司負債					193,399
Consolidated total liabilities	綜合負債總額					388,054

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For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

Segment assets and liabilities (continued)

For the year ended 31 December 2017 (continued)

8. 經營分部 (續)

分部資產及負債 (續)

截至二零一七年十二月三十一日止
年度 (續)

Other segment information

Amounts included in the measure of segment profit or loss or segment assets:

Addition to property, plant and equipment

Depreciation of property, plant and equipment

Interest income

Interest expense

Interest tax expense

Impairment loss recognised in respect of trade receivables

Impairment loss recognised in respect of inventories

Amortisation of prepaid lease payments

Amortisation of intangible assets

Research and development costs

其他分部資料

計量分部利潤或虧損或分部資產時計入的金額：

添置物業、廠房及設備

物業、廠房及設備折舊

利息收入

利息開支

所得稅開支

就貿易應收款項確認的減值虧損

就存貨確認的減值虧損

預付租賃款項攤銷

無形資產攤銷

研發成本

	Manufacture and sale of paper converting equipment and other relating equipment	Money lending	eCommerce	Internet education services	Others	Consolidated
	製造及銷售紙張加工設備及其他相關設備	放債	電子商務	互聯網教育服務	其他	綜合
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Addition to property, plant and equipment	205	12	672	381	-	2,873
Depreciation of property, plant and equipment	200	73	131	212	3	1,197
Interest income	-	(35)	-	-	(2)	(448)
Interest expense	6	1,087	-	-	163	1,256
Interest tax expense	-	-	1,425	395	603	2,423
Impairment loss recognised in respect of trade receivables	18,084	2,079	-	-	-	20,163
Impairment loss recognised in respect of inventories	-	4,139	-	-	-	4,139
Amortisation of prepaid lease payments	-	105	-	-	-	105
Amortisation of intangible assets	-	-	-	3,362	2,059	5,421
Research and development costs	22,750	-	-	-	-	22,750

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綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

8. 經營分部 (續)

Segment assets and liabilities (continued)

分部資產及負債 (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

		Manufacture and sale of paper converting equipment and other relating equipment 製造及銷售 紙張加工設備 及其他 相關設備	Money lending 放債	eCommerce 電子商務	Consolidated 綜合
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
ASSETS	資產				
Segment assets	分部資產	204,861	41,357	317,906	931,175
Unallocated corporate assets	未分配公司資產				11,500
Consolidated total assets	綜合資產總值				942,675
LIABILITIES	負債				
Segment liabilities	分部負債	35,110	41,925	66,050	175,196
Unallocated corporate liabilities	未分配公司負債				203,629
Consolidated total liabilities	綜合負債總額				378,825

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綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

Segment assets and liabilities (continued)

For the year ended 31 December 2016 (continued)

	Manufacture and sale of advanced steel flow control products	Manufacture of paper converting equipment and other relating equipment	Money lending	eCommerce	Others	Consolidated	
	製造及銷售高端鋼水控流產品	紙張加工設備及其他相關設備	放債	電子商務	其他	綜合	
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Other segment information	其他分部資料						
Amounts included in the measure of segment profit or loss or segment assets:	計量分部利潤或虧損或分部資產時計入的金額：						
Addition to non-current assets	非流動資產添置	1,033	400	-	-	209	1,642
Depreciation of property, plant and equipment	物業、廠房及設備折舊	98	984	6	121	409	1,618
Interest income	利息收入	-	(191)	(54)	-	(32)	(277)
Interest expense	利息開支	-	1,105	-	-	4,389	5,494
Interest tax expense	所得稅開支	-	-	1,494	666	-	2,160
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的減值虧損	1,534	478	-	-	-	2,012
Amortisation of prepaid lease payments	預付租賃款項攤銷	-	156	-	-	-	156
Amortisation of intangible assets	無形資產攤銷	-	953	-	33,182	-	34,135
Research and development costs	研發成本	26,612	-	-	-	-	26,612

8. 經營分部 (續)

分部資產及負債 (續)

截至二零一六年十二月三十一日止年度 (續)

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綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

Information about geographical areas

The following table provides an analysis of the Group's revenue by geographical market:

The People Republic of China ("PRC") (country of domicile)	中華人民共和國(「中國」) (原籍國家)
Europe	歐洲
Asia (other than the PRC and Hong Kong)	亞洲(不包括中國及香港)
North America	北美洲
Oceania	大洋洲
Hong Kong	香港

Non-current assets

Hong Kong	香港
PRC	中國

The non-current asset information above is based on the location of assets.

8. 經營分部(續)

地區資料

下表提供本集團按地區市場劃分的收入分析：

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
RMB'000 人民幣千元	RMB'000 人民幣千元
85,303	141,995
189,470	124,111
20,661	15,547
45,691	56,682
6,766	5,597
16,773	13,908
364,664	357,840

非流動資產

As at 31 December
於十二月三十一日

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
341,638	390,639
253,128	12,753
594,766	403,392

上述非流動資產的資料乃基於資產所在地。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

8. OPERATING SEGMENTS (continued)

Information about major customers

No individual customer contributed more than 10% of the Group's revenue for the year ended 31 December 2017 and 2016.

9. OTHER INCOME

Interest income on bank deposit	銀行存款的利息收入
Exchange gain	匯兌收益
Sundry income	雜項收入

10. IMPAIRMENT LOSS ON VARIOUS ASSETS

Trade receivables	貿易應收款項
Inventories	存貨

11. FINANCE COSTS

Interest charge on promissory notes	就承兌票據支付的利息
Interest charge on bank borrowing	就銀行借貸支付的利息

8. 經營分部 (續)

主要客戶資料

截至二零一七年及二零一六年十二月三十一日止年度，概無個別客戶為本集團貢獻超過10%收入。

9. 其他收入

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
448	277
600	1,153
570	965
1,618	2,395

10. 各項資產的減值虧損

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
20,163	2,012
4,139	—
24,302	2,012

11. 財務成本

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
3,699	4,389
1,300	1,105
4,999	5,494

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For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

12. LOSS BEFORE TAXATION

12. 除稅前虧損

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Loss before taxation has been arrived at after charging (crediting):	除稅前虧損經扣除(計入)下列項目後達致:		
Auditor's remuneration	核數師酬金	824	651
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的減值虧損	20,163	2,012
Impairment loss recognised in respect of inventories	就存貨確認的減值虧損	4,139	-
Amortisation of prepaid lease payments	預付租賃款項攤銷	105	156
Amortisation of other intangible assets	其他無形資產攤銷	35,680	34,135
Cost of inventories recognised as an expense	確認為開支之存貨成本	284,888	292,580
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,197	1,618
Minimum lease payments in respect of office premises	有關辦公室物業之最低租賃款項	4,061	1,490
Gain on disposal of property, plant and equipment	出售物業、廠房及設備收益	-	(28)
Net exchange gain	匯兌收益淨額	(40)	(1,153)
Research and development costs (included in other expenses)	研發成本(列入其他開支)	22,750	26,612
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
- Salaries and other benefits	- 薪金及其他福利	58,792	36,572
- Retirement benefit scheme contributions	- 退休福利計劃供款	2,588	2,606
- Share-based payments	- 以股份為基礎付款	-	11,024
		61,380	50,202
Less: Staff costs included in research and development costs	減: 計入研發成本的員工成本	(2,047)	(2,009)
		59,333	48,193

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綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

13. TAXATION

Hong Kong Profits Tax:

– Current year

PRC Enterprise Income Tax:

– Current year

Deferred tax:

– Current year

香港利得稅：

– 本年度

中國企業所得稅：

– 本年度

遞延稅項：

– 本年度

Hong Kong Profits Tax was calculated at 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong for both years.

Provision for the PRC Enterprise Income Tax was made based on the estimated taxable profits calculated in accordance with the relevant income tax laws and regulations applicable to the Company's PRC subsidiaries.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%.

Two PRC subsidiaries of the Company namely "Yixing" and "Wowxue" obtained a Chinese High-Tech Enterprise Certificate in 2015 and 2017 respectively. According to GuoShuiHan [2009] No.203, entities qualifying for the Hi-tech status could enjoy a PRC Enterprise Income Tax preferential treatment for 3 years commencing from 2015 and 2017 accordingly. As a result, these PRC subsidiaries were subject to a PRC Enterprise Income Tax of 15%.

13. 稅項

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
1,820	2,160
603	–
(5,969)	(6,212)
(3,546)	(4,052)

於兩個年度，香港利得稅乃按估計於香港產生的應課稅溢利之16.5% (二零一五年：16.5%) 計算。

中國企業所得稅撥備乃根據估計應課稅溢利 (按適用於本公司中國附屬公司之有關所得稅法律及法規計算) 作出。

根據《中國企業所得稅法》(「企業所得稅法」) 及企業所得稅法實施條例，中國附屬公司的稅率為25%。

本公司兩家中國附屬公司，即「宜興」及「沃學」，已分別於二零一五年及二零一七年獲得中國高新技術企業證書。根據國稅函[2009]第203號，符合高新技術企業資格的實體可享受自二零一五年及二零一七年起三年的中國企業所得稅優惠待遇。因此，該等中國附屬公司享受15%中國企業所得稅的待遇。

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13. TAXATION (continued)

According to a joint circular of the Ministry of Finance and State Administration of Taxation – Cai Shui 2008 No. 1, dividend distributed out of the profits of PRC entities generated after 1 January 2008 are subject to PRC Enterprise Income Tax which is withheld by the PRC entity at 5% of the dividend distributed.

At the end of the reporting period, the Group has unused tax losses of RMB465,263,000 (2016: RMB521,429,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such unused tax losses due to the unpredictability of future profit streams. All the unrecognised tax losses will expire before 2019.

The tax charge for the year can be reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

13. 稅項 (續)

根據由財政部及國家稅務總局聯合發出的通知(財稅2008第1號文件)，於二零零八年一月一日之後從中國實體的溢利中分派之股息須繳納中國企業所得稅，並由該中國實體按已分派股息的5%預扣。

於申報期末，本集團擁有未動用稅項虧損人民幣465,263,000元(二零一六年：人民幣521,429,000元)，可被日後溢利所抵銷。由於無法預測日後溢利流，故並無就該等未動用稅項虧損確認遞延稅項資產。所有未確認稅項虧損將於二零一九年之前屆滿。

年內稅項支出與綜合損益及其他全面收益表之除稅前虧損對賬如下：

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Loss before taxation	除稅前虧損	(141,883)	(141,991)
Notional tax at the applicable tax rate to losses in the tax jurisdictions concerned	於相關稅項司法權區虧損按適用稅率計的估計稅項	(21,818)	(32,560)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	8,266	6,949
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(498)	(65)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	16,473	27,836
Reversal of withholding tax on undistributed earnings	對未分派盈利之預扣稅撥回	-	(871)
Deferred tax upon revaluation of assets	資產重新估值後之遞延稅項	(5,969)	(5,341)
Taxation credit charge for the year	年內稅項抵免支出	(3,546)	(4,052)

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14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the directors and the Chief Executive, were as follows:

14. 董事及主要行政人員之酬金

已付或應付予各董事及主要行政人員之酬金如下：

		Fees	Salaries and allowances	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及津貼	退休福利計劃供款	以股份為基礎付款	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended 31 December 2017:	截至二零一七年十二月三十一日止年度：					
Executive directors:	執行董事：					
Zhu Min (note)	朱敏 (附註)	156	-	-	-	156
Gao Xiang (note)	高翔 (附註)	-	-	-	-	-
Xu Yejun	徐葉君	238	120	9	-	367
Sin Kwok Wai, Ronald	冼國威	616	-	16	-	632
Lu Yongchao (note)	呂永超 (附註)	-	-	-	-	-
Non-executive director:	非執行董事：					
Chow Chi Wa	周志華	182	-	-	-	182
Yip Sum Yu	葉芯瑜	125	-	-	-	125
Independent non-executive directors:	獨立非執行董事：					
Li Yik Sang	李奕生	104	-	-	-	104
Tong Yiu On	唐耀安	104	-	-	-	104
Cao Ke	曹克	104	-	-	-	104
		1,629	120	25	-	1,774

Note: Appointed on 16 February 2017.

附註：於二零一七年二月十六日獲委任。

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14. DIRECTORS AND CHIEF EXECUTIVE'S EMOLUMENTS (continued)

14. 董事及主要行政人員之酬金 (續)

		Fees	Salaries and allowances	Retirement benefit scheme contributions	Share-based payments	Total
		袍金	薪金及津貼	退休福利計劃供款	以股份為基礎付款	總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended 31 December 2016:	截至二零一六年十二月三十一日止年度：					
Executive directors:	執行董事：					
Xu Yejun	徐葉君	379	120	9	-	508
Sin Kwok Wai, Ronald	冼國威	541	-	15	-	556
Non-executive director:	非執行董事：					
Chow Chi Wa	周志華	205	-	-	-	205
Yip Sum Yu	葉芯瑜	123	-	-	-	123
Independent non-executive directors:	獨立非執行董事：					
Li Yik Sang	李奕生	103	-	-	-	103
Tong Yiu On	唐耀安	103	-	-	-	103
Cao Ke	曹克	103	-	-	-	103
		<u>1,557</u>	<u>120</u>	<u>24</u>	<u>-</u>	<u>1,701</u>

The performance related bonus is determined by the performance of individuals.

與表現相關之花紅乃根據個人表現釐定。

None of the directors waived any emoluments for both years.

於該兩個年度，概無董事放棄收取任何酬金。

There was no compensation paid during the financial year or receivable by directors or any employees for loss of office as a director of any member of the Group. No payment was made by the Group or receivable by directors or any employees for both years as an inducement to join or upon joining the Company.

於本財政年度內概無支付或概無董事或任何僱員因失去本集團任何成員公司的董事職位而應收的任何補償。於兩個年度，本集團概無支付或概無董事或任何僱員應收加盟本公司或加盟本公司後的獎金。

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15. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2016: two) were directors of the Company whose emoluments are included in the disclosures in note 14 above. The emoluments of the remaining three (2016: three) individuals were as follows:

Salaries and allowances	薪金及津貼
Retirement benefit scheme contributions	退休福利計劃供款
Share-based payments	以股份為基礎付款

15. 僱員酬金

在本集團五名最高薪人士當中，兩名（二零一六年：兩名）為本公司之董事，其酬金已於上文附註14中披露。餘下三名（二零一六年：三名）人士之酬金如下：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
2,403	2,345
31	31
—	—
2,434	2,376

Their emoluments were within the following bands:

Up to RMB1,000,000	最多至人民幣1,000,000元
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至 人民幣1,500,000元

彼等之酬金介乎以下範圍之內：

2017 二零一七年	2016 二零一六年
Number of employee 僱員人數	Number of employee 僱員人數
1	1
2	2

16. DIVIDENDS

No dividend was paid or proposed by the Company during the years ended 31 December 2017 and 2016, nor has any dividend been proposed since the end of the reporting period.

16. 股息

本公司並無派付或建議派付截至二零一七年及二零一六年十二月三十一日止年度之股息，且自申報期末以來亦無建議派付任何股息。

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17. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

Loss

Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share

虧損

就每股基本及攤薄虧損而言之本公司擁有人應佔年度虧損

Number of shares

Weighted average number of ordinary shares for the purpose of basic and diluted loss per share

股份數目

就計算每股基本及攤薄虧損所使用之普通股加權平均數

The calculation of diluted loss per share for each of the two years had not taken into consideration the assumed exercise of the Company's outstanding share options and warrants as they would reduce the loss per share.

17. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
(139,058)	(138,695)
Number of shares 股份數目	Number of shares 股份數目
2017 二零一七年	2016 二零一六年
'000 千股	'000 千股
3,986,969	2,853,748

計算兩個年度各年之每股攤薄虧損並無計入假設行使本公司尚未行使之購股權及權證，因其會導致每股虧損減少。

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18. PROPERTY, PLANT AND EQUIPMENT

18. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Furniture and fixtures and office equipment 傢俱及裝置及 辦公室設備 RMB'000 人民幣千元	Plant, machinery and equipment 廠房、機器及 設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2016	於二零一六年一月一日	74,297	4,520	114,009	8,614	201,440
Additions	添置	-	235	165	1,242	1,642
Disposals	出售	-	-	-	(221)	(221)
Exchange realignment	匯兌調整	681	72	-	-	753
At 31 December 2016 and at 1 January 2017	於二零一六年 十二月三十一日及 於二零一七年一月一日	74,978	4,827	114,174	9,635	203,614
Acquired through business combination	透過業務合併收購	-	145	-	-	145
Additions	添置	75	2,322	118	356	2,871
Disposals	出售	-	-	-	-	-
Exchange realignment	匯兌調整	(735)	(36)	-	-	(771)
At 31 December 2017	於二零一七年 十二月三十一日	74,318	7,258	114,292	9,991	205,859
Depreciation and impairment:	折舊及減值：					
At 1 January 2016	於二零一六年一月一日	63,545	3,980	113,223	8,537	189,285
Provided for the year	年內撥備	1,134	226	93	165	1,618
Eliminated on disposals	出售之對銷	-	-	-	(199)	(199)
Exchange realignment	匯兌調整	32	54	-	-	86
At 31 December 2016 and at 1 January 2017	於二零一六年 十二月三十一日及 於二零一七年一月一日	64,711	4,260	113,316	8,503	190,790
Provided for the year	年內撥備	410	413	24	348	1,195
Eliminated on disposals	出售之對銷	-	-	-	-	-
Exchange realignment	匯兌調整	(61)	(26)	-	(4)	(91)
At 31 December 2017	於二零一七年 十二月三十一日	65,060	4,647	113,340	8,847	191,894
Carrying values:	賬面值：					
At 31 December 2017	於二零一七年 十二月三十一日	9,258	2,611	952	1,144	13,965
At 31 December 2016	於二零一六年 十二月三十一日	10,267	567	858	1,132	12,824

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18. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 31 December 2017, certain of the Group's buildings with a net carrying value of RMB310,000 (2016: RMB389,000) were pledged to secure short-term bank borrowings.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives and after taking into account of their estimated residual value, at the following rates per annum:

Buildings	4.5% – 18%
Leasehold improvements	20% or over the lease term, whichever is shorter
Furniture and fixtures and office equipment	18%
Plant, machinery and equipment	9%
Motor vehicles	18%

The buildings are situated on land in the PRC and are held under medium term leases.

No impairment loss has been recognised during the year ended 31 December 2017 and 2016.

18. 物業、廠房及設備 (續)

於二零一七年十二月三十一日，本集團已質押若干賬面淨值為人民幣310,000元（二零一六年：人民幣389,000元）的樓宇，以取得短期銀行借貸。

上述物業、廠房及設備項目使用直線法及經考慮其估計剩餘價值後以下列年率計算於其估計可使用年期之折舊：

樓宇	4.5% – 18%
租賃物業裝修	20%或按租期， 以較短者為準
傢俱及裝置及 辦公室設備	18%
廠房、機器及 設備	9%
汽車	18%

樓宇位於中國內地，並根據中期租約持有。

於截至二零一七年及二零一六年十二月三十一日止年度，概無確認減值虧損。

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19. GOODWILL

Cost:	成本：
At 1 January	於一月一日
Acquisition of subsidiaries	收購附屬公司
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日
Accumulated impairment:	累計減值：
At 1 January	於一月一日
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日
Carrying value:	賬面值：
At 31 December	於十二月三十一日

Goodwill is allocated to the Group's cash generated units ("CGU") identified according to business segment as follows:

19. 商譽

	2017 二零一七年	2016 二零一六年
	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:		
At 1 January	374,978	351,112
Acquisition of subsidiaries	123,572	–
Exchange realignment	(25,800)	23,866
At 31 December	<u>472,750</u>	<u>374,978</u>
Accumulated impairment:		
At 1 January	47,973	45,289
Exchange realignment	(2,901)	2,684
At 31 December	<u>45,072</u>	<u>47,973</u>
Carrying value:		
At 31 December	<u>427,678</u>	<u>327,005</u>

商譽獲分配至本集團按以下業務分部辨識的現金產生單位（「現金產生單位」）：

			2017 二零一七年	2016 二零一六年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
Money lending	放債	(i)	70,580	75,895
eCommerce	電子商務	(ii)	233,526	251,110
Internet education services	互聯網教育服務	(iii)	123,572	–
			<u>427,678</u>	<u>327,005</u>

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19. GOODWILL (continued)

(i) Money lending

During the year ended 31 December 2015, the Group acquired 90% issued share capital of Time Credit Limited and goodwill of approximately RMB103,318,000 was recognised upon completion of the acquisition.

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation adopted cash flow projections covering a 5-year period, based on financial budgets approved by the management with discount rate of 16% (2015: 15.37%) per annum. Cash flows beyond the 5-year period are extrapolated with 3% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations of the market development. No impairment loss was recognised for the year ended 31 December 2016 (2015: RMB38,747,000).

(ii) eCommerce

During the year ended 31 December 2015, the Group acquired the entire issued share capital of Soaring International Holdings Limited and its subsidiaries ("Soaring International Group") and goodwill of approximately RMB229,740,000 was recognised upon completion of the acquisition.

19. 商譽 (續)

(i) 放債

於截至二零一五年十二月三十一日止年度，本集團收購了友邦信貸有限公司之90%已發行股本，並於收購完成後確認商譽約人民幣103,318,000元。

現金產生單位之可收回金額已根據使用價值計算釐定。該計算乃採用基於管理層批准的財政預算及折現率每年16%（二零一五年：15.37%）的五年期間內現金流量預測。五年期間後之現金流量乃根據3%的增長率推算。使用價值計算的其他重要假設與包括預算銷售及毛利率的現金流入／流出之估計有關。有關估計乃基於單位的過往表現及管理層對市場發展的預期得出。於截至二零一六年十二月三十一日止年度，概無確認減值虧損（二零一五年：人民幣38,747,000元）。

(ii) 電子商務

於截至二零一五年十二月三十一日止年度，本集團收購了Soaring International Holdings Limited及其附屬公司（「Soaring International集團」）之全部已發行股本，並於收購完成後確認商譽約人民幣229,740,000元。

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For the year ended 31 December 2017
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19. GOODWILL (continued)

(ii) eCommerce (continued)

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation adopted cash flow projections covering a 5-year period, based on financial budgets approved by the management with discount rate of 14.12% per annum. Cash flows beyond the 5-year period are extrapolated with 2% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations of the market development. No impairment loss has been recognised for this CGU for the year ended 31 December 2016 and 2015.

(iii) Internet education services

During the year ended 31 December 2017, the Group acquired 100% issued share capital of Cybernaut Technology International Limited and its subsidiaries and therefore goodwill of approximately RMB123,572,000 was recognised upon completion of the acquisition.

The recoverable amount of the CGU has been determined based on a value in use calculation. That calculation adopted cash flow projections covering a 5-year period, based on financial budgets approved by the management with discount rate of 16% per annum. Cash flows beyond the 5-year period are extrapolated with 3% growth rate. Other key assumptions for the value in use calculations relate to the estimation of cash inflows/outflows which include budgeted sales and gross margin. Such estimation is based on the unit's past performance and management's expectations of the market development. No impairment loss is recognised for the year ended 31 December 2017.

19. 商譽 (續)

(ii) 電子商務 (續)

現金產生單位之可收回金額已根據使用價值計算釐定。該計算乃採用基於管理層批准的財政預算及折現率每年14.12%的五年期間內現金流量預測。五年期間後之現金流量乃根據2%的增長率推算。使用價值計算的其他重要假設與包括預算銷售及毛利率的現金流入／流出之估計有關。有關估計乃基於單位的過往表現及管理層對市場發展的預期得出。截至二零一六年及二零一五年十二月三十一日止年度，概無於此現金產生單位確認減值虧損。

(iii) 互聯網教育服務

於截至二零一七年十二月三十一日止年度，本集團收購了Cybernaut Technology International Limited及其附屬公司之100%已發行股本，因此於收購完成後確認商譽約人民幣123,572,000元。

現金產生單位之可收回金額已根據使用價值計算釐定。該計算乃採用基於管理層批准的財政預算及折現率每年16%的五年期間內現金流量預測。五年期間後之現金流量乃根據3%的增長率推算。使用價值計算的其他重要假設與包括預算銷售及毛利率的現金流入／流出之估計有關。有關估計乃基於單位的過往表現及管理層對市場發展的預期得出。於截至二零一七年十二月三十一日止年度，概無確認減值虧損。

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20. INTANGIBLE ASSETS

20. 無形資產

		Technology know-how 專有技術 RMB'000 人民幣千元	Customer relationship 客戶關係 RMB'000 人民幣千元	Platform 平台 RMB'000 人民幣千元	Contract backlog 未完成合約 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost:	成本：					
At 1 January 2016	於二零一六年一月一日	99,316	10,733	-	-	110,049
Exchange realignment	匯兌調整	6,724	-	-	-	6,724
At 31 December 2016 and at 1 January 2017	於二零一六年 十二月三十一日及 於二零一七年一月一日	106,040	10,733	-	-	116,773
Arising from acquisition of subsidiaries	因收購附屬公司而產生	-	-	118,593	9,844	128,437
Exchange realignment	匯兌調整	(7,269)	-	-	-	(7,269)
At 31 December 2017	於二零一七年 十二月三十一日	98,771	10,733	118,593	9,844	237,941
Accumulated amortisation and impairment:	累計攤銷及減值：					
At 1 January 2016	於二零一六年一月一日	7,646	9,780	-	-	17,426
Provided for the year	年度撥備	33,182	953	-	-	34,135
Exchange realignment	匯兌調整	1,903	-	-	-	1,903
At 31 December 2016 and at 1 January 2017	於二零一六年 十二月三十一日及 於二零一七年一月一日	42,731	10,733	-	-	53,464
Provided for the year	年度撥備	33,621	-	1,977	82	35,680
Exchange realignment	匯兌調整	(4,177)	-	-	-	(4,177)
At 31 December 2017	於二零一七年 十二月三十一日	72,175	10,733	1,977	82	84,967
Carrying amount:	賬面值：					
At 31 December 2017	於二零一七年 十二月三十一日	26,596	-	116,616	9,762	152,974
At 31 December 2016	於二零一六年 十二月三十一日	63,309	-	-	-	63,309

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20. INTANGIBLE ASSETS (continued)

The above intangible assets have finite useful life. Such intangible assets are amortised on a straight-line basis over the following periods:

Technology know-how	3 to 10 years
Customer relationship	10 years
Platform	5 years
Contract backlog	10 years

No impairment loss has been recognised during the year ended 31 December 2017 and 2016.

21. PREPAID LEASE PAYMENTS

The Group's prepaid lease payments represent leasehold land in the PRC under medium term lease and are amortised to consolidated statement of profit or loss and other comprehensive income over the lease term of 50 years.

Analysed for reporting purposes as: 就報告而言分析如下：

Non-current asset	非流動資產
Current asset	流動資產

No impairment loss of prepaid lease payments has been recognised during the year ended 31 December 2017 and 2016.

As at 31 December 2017, certain of the Group's leasehold land with a net carrying value of RMB389,000 (2016: RMB410,000) was pledged to secure short-term bank borrowings.

20. 無形資產 (續)

上述無形資產具有有限使用年期。該等無形資產乃於以下期間按直線法攤銷：

專有技術	3至10年
客戶關係	10年
平台	5年
未完成合約	10年

於截至二零一七年及二零一六年十二月三十一日止年度，概無確認減值虧損。

21. 預付租賃款項

本集團的預付租賃款項指位於中國並根據中期租約持有之租賃土地，並按為期50年的租賃期在綜合損益及其他全面收益表中攤銷。

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
149	254
156	156
305	410

於截至二零一七年及二零一六年十二月三十一日止年度，概無確認預付租賃款項之減值虧損。

於二零一七年十二月三十一日，本集團已抵押若干賬面淨值為人民幣389,000元(二零一六年：人民幣410,000元)的租賃土地，以取得短期銀行借貸。

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22. INVENTORIES

Raw materials	原材料
Work-in-progress	在製品
Finished goods	製成品
Less: Allowance for inventories	減：存貨撥備

22. 存貨

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
10,514	12,511
12,223	17,624
19,415	33,109
42,152	63,244
(4,139)	(946)
38,013	62,298

23. TRADE RECEIVABLES

The credit period granted by the Group to certain customers is within 180 days (2016: within 180 days), while payment from other customers are due immediately when goods are delivered. The following is an aged analysis of trade receivables presented based on the goods delivery date at the end of the reporting period, which approximated the respective revenue recognition dates:

23. 貿易應收款項

本集團向若干客戶授出之信貸期為180日以內(二零一六年：180日以內)，而其他客戶須於收到貨品時即時付款。以下為於申報期末根據貨品交付日期(與各自的收入確認日期相近)呈列之貿易應收款項賬齡分析：

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
181 days to within 1 year	181日至1年以內

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
28,140	24,950
7,932	13,831
5,564	13,617
10,094	13,552
34,043	17,443
41,601	71,836
127,374	155,229

At 31 December 2017, included in the Group's trade receivables balances are debtors with aggregate carrying amount of RMB82,185,000 (2016: RMB110,720,000), which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

於二零一七年十二月三十一日，本集團之貿易應收款項結餘包括賬面總值為人民幣82,185,000元(二零一六年：人民幣110,720,000元)之應收債項，其於申報期末已逾期，惟本集團並未作出減值虧損撥備。本集團並無就此等結餘持有任何抵押品。

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23. TRADE RECEIVABLES (continued)

Aging of trade receivables which are past due but not impaired:

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
181 days to within 1 year	181日至1年以內

The Group has not provided for certain trade receivables which are past due but not impaired because the directors of the Company consider that those receivables are recoverable based on the good payment record of the customers and long established trading history with these customers. The Group does not hold any collateral over these balances.

Movement in the allowance for doubtful debts:

At beginning of the year	於年初
Impairment loss recognised in respect of trade receivables	就貿易應收款項確認的減值虧損
At end of the year	於年末

23. 貿易應收款項 (續)

已逾期惟未減值之貿易應收款項之賬齡如下：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
14,095	9,126
7,151	8,083
2,391	7,956
2,336	7,724
14,611	5,995
41,601	71,836
82,185	110,720

本集團並無就若干已逾期惟未減值之貿易應收款項作出撥備，乃由於本公司董事根據客戶之良好付款記錄及與該等客戶的長期交易往來歷史認為該等應收款項可收回。本集團並無就此等結餘持有任何抵押品。

呆賬撥備之變動：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
48,031	46,019
20,163	2,012
68,194	48,031

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23. TRADE RECEIVABLES (continued)

Allowance on doubtful debts of RMB20,163,000 (2016: RMB2,012,000) recognised during the year ended 31 December 2017 was based on estimated irrecoverable amounts by reference to the creditability of individual customers, past default experience, subsequent settlement and payment history of the customers. Full provision has been made for individual trade receivables aged over one year with no subsequent settlement as historical evidence shows that such receivables are generally not recoverable, or individual trade receivables which has been in severe financial difficulties.

At 31 December 2017, included in the trade receivables, there was no any amount denominated in HKD (2016: RMB10,210,000 were denominated in HKD). All the trade receivables are denominated in RMB.

24. BILLS RECEIVABLES

The aged analysis of bills receivables presented based on the goods delivery date at the end of the reporting period are analysed as follows:

0 – 90 days	0至90日
91 – 120 days	91至120日
121 – 180 days	121至180日
Over 180 days	180日以上

23. 貿易應收款項 (續)

於截至二零一七年十二月三十一日止年度確認的呆賬撥備人民幣20,163,000元(二零一六年: 人民幣2,012,000元)乃基於經參考個別客戶的信用、客戶的過往違約記錄、其後結算及支付歷史而估計不可收回金額。已就賬齡超過一年及並無其後結算的個別貿易應收款項(因為歷史證據顯示該等應收款項一般不可收回)或已處於嚴重財政困難的個別貿易應收款項作出全面撥備。

於二零一七年十二月三十一日, 貿易應收款項無任何款項以港元計值(二零一六年: 以港元計值的款項人民幣10,210,000元)。所有貿易應收款項均以人民幣計值。

24. 應收票據

於申報期末, 根據貨品交付日期呈列之應收票據賬齡分析如下:

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
3,162	3,458
–	–
664	1,510
–	7,347
3,826	12,315

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24. BILLS RECEIVABLES (continued)

At 31 December 2017, the carrying value of bills receivables include bills endorsed to suppliers on a full recourse basis that are not yet due amounting to RMB3,825,916 (2016: RMB4,968,000). As the Group has not transferred the significant risks and rewards relating to these bills receivables, it continues to recognise the full carrying amount of the bills receivables as assets in the consolidated financial statements. The associated trade payables secured over the bills endorsed to the suppliers which were not yet due at the end of the reporting period are recognised as current liabilities in the consolidated statement of financial position.

Bills receivables endorsed to suppliers with full recourse:	按全面追索基準向供應商背書的應收票據：
Carrying amount of transferred assets	已轉讓資產之賬面值
Carrying amount of associated liabilities	相關負債之賬面值
Net position	持倉淨額

All the bills receivables are denominated in RMB.

The maturity dates of endorsed bills were less than six months from the end of the reporting period.

24. 應收票據 (續)

於二零一七年十二月三十一日，應收票據的賬面值包括按全面追索基準向供應商背書票據而尚未到期的款項人民幣3,825,916元（二零一六年：人民幣4,968,000元）。由於本集團尚未轉讓有關該等應收票據的重大風險及回報，故本集團繼續於綜合財務報表中確認應收票據的全數賬面值為資產。有關向供應商背書的票據（於申報期末尚未到期）的已保證相關貿易應付款項於綜合財務狀況表中被確認為流動負債。

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
3,826	4,968
(3,826)	(4,968)
—	—

所有應收票據均以人民幣計值。

背書票據之到期日均少於自申報期末起計六個月。

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25. LOAN RECEIVABLES

The Group's loan receivables arose from the money lending business during the year.

Loan receivables carrying interest, and with credit periods, mutually agreed between the contracting parties. Loan receivables are secured by properties and personal guarantees by the debtors/certain individuals. Overdue balances are reviewed regularly and handled closely by senior management.

The loan receivables at the end of the reporting period are analysed by the remaining period to contractual maturity date as follows:

Within 3 months	3個月內
3 months to 1 year	3個月至1年

The interest rate was fixed at the contract date. The average effective interest rate was at 5.25% to 24% per annum as at 31 December 2017 and 2016.

The loan receivables were neither past due nor impaired relate to certain debtors for whom there was no recent history of default.

25. 應收貸款

年內，本集團的應收貸款乃由放債業務產生。

應收貸款帶息及具有信貸期，乃經訂約方互相協定。應收貸款以物業及債務人／若干個別人士的個人擔保為抵押。高級管理層定期審視及密切跟進逾期欠款。

申報期末之應收貸款按距合約到期日之剩餘期限分析如下：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
109,623	121,965
66,745	99,276
176,368	221,241

利率已於合約日期固定。於二零一七年及二零一六年十二月三十一日，平均實際年利率為5.25%至24%。

應收貸款並未逾期或減值，且與若干最近並無拖欠還款記錄的債務人有關。

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26. BANK BALANCES AND CASH/RESTRICTED BANK DEPOSITS

Restricted bank deposits represents deposits of RMB5,741,000 (2016: RMB2,054,000) which have been pledged to banks to secure bills payables. The pledged deposits are not available for use in the Group's daily operation.

At 31 December 2017, included in the bank balances and cash was RMB188,600,000 (2016: RMB37,617,000) that was denominated in HKD and RMB33,000 (2016: RMB45,000) that was denominated in USD. All the remaining bank balances and cash are denominated in RMB.

27. TRADE AND BILLS PAYABLES

The following is an aged analysis of trade and bills payables presented based on the goods receipt date at the end of the reporting period.

0 – 30 days	0至30日
31 – 60 days	31至60日
61 – 90 days	61至90日
Over 90 days	90日以上

26. 銀行結餘及現金／受限制銀行存款

受限制銀行存款乃指已質押予銀行以取得應付票據的存款人民幣5,741,000元（二零一六年：人民幣2,054,000元）。已質押存款不可供本集團於日常業務中使用。

於二零一七年十二月三十一日，計入銀行結餘及現金的金額人民幣188,600,000元（二零一六年：人民幣37,617,000元）乃以港元計值，而人民幣33,000元（二零一六年：人民幣45,000元）則以美元計值。所有餘下銀行結餘及現金均以人民幣計值。

27. 貿易應付款項及應付票據

以下為貿易應付款項及應付票據於申報期末根據收取貨品日期呈列之賬齡分析。

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
28,745	23,821
8,576	7,530
4,698	5,184
77,727	14,414
119,746	50,949

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27. TRADE AND BILLS PAYABLES (continued)

The credit period granted by the suppliers to the Group was within 30 days.

At 31 December 2017, included in the trade payables was RMB3,826,000 (2016: RMB4,968,000) secured over bills receivables endorsed to suppliers that were not yet due for payment.

The carrying amounts of the trade payables at the end of the reporting period are denominated in RMB.

28. OTHER PAYABLES AND ACCRUALS

Other payables	其他應付款項
Receipt in advance	預收款項
Accrued sales commission	應計銷售佣金
Accrued professional fees	應計專業費用
Accrued staff costs	應計員工成本
Other tax payables	其他應付稅項
Amount due to a director (note)	應付一名董事款項 (附註)

Note: Amount due to a director is unsecured, interest-free and repayable on demand.

27. 貿易應付款項及應付票據 (續)

供應商向本集團授出之信貸期為30日內。

於二零一七年十二月三十一日，計入貿易應付款項的金額中包括向供應商背書的應收票據（尚未到期還款）的已保證款項人民幣3,826,000元（二零一六年：人民幣4,968,000元）。

於申報期末，貿易應付款項之賬面值均以人民幣計值。

28. 其他應付款項及應計費用

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
6,102	11,271
1,853	2,296
5,251	8,848
—	681
6,809	4,915
1,080	1,493
3,000	—
24,095	29,504

附註：應付一名董事款項未經抵押、免息及須按要求償還。

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29. BANK AND OTHER BORROWINGS

The bank borrowings of RMB19,000,000 (2016: RMB20,000,000) were secured by the Group's leasehold land and building with a net carrying value of RMB305,000 (2016: RMB410,000) and RMB389,000 (2016: RMB389,000) respectively at the end of the reporting period and repayable within one year.

The other borrowings of approximately RMB31,643,000 (2016: RMB 64,462,000) were due to independent third parties. The amounts were unsecured and repayable within one year.

The interest rate of the other borrowings amount was 6% per annum.

29. 銀行及其他借貸

於申報期末，銀行借貸人民幣19,000,000元（二零一六年：人民幣20,000,000元）乃以本集團賬面淨值分別為人民幣305,000元（二零一六年：人民幣410,000元）及人民幣389,000元（二零一六年：人民幣389,000元）之租賃土地及樓宇作抵押，並須於一年內償還。

其他借貸約人民幣31,643,000元（二零一六年：人民幣64,462,000元）應給予獨立第三方，該等金額未經抵押並須於一年內償還。

其他借貸金額的年利率為6%。

30. DEFERRED TAX LIABILITIES

30. 遞延稅項負債

		Undistributed earnings of the PRC subsidiary 中國附屬公司 之未分派盈利 RMB'000 人民幣千元	Revaluation of assets 資產 重新估值 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	871	14,804	15,675
Credit for the year	年內抵免	(871)	(5,341)	(6,212)
Exchange realignment	匯兌調整	-	780	780
		<hr/>	<hr/>	<hr/>
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日 及二零一七年一月一日	-	10,243	10,243
Arising on acquisition of Cybernaut Technology International Group	收購Cybernaut Technology International集團產生	-	32,109	32,109
Credit for the year	年內抵免	-	(5,969)	(5,969)
Exchange realignment	匯兌調整	-	(500)	(500)
		<hr/>	<hr/>	<hr/>
At 31 December 2017	於二零一七年十二月三十一日	-	35,883	35,883

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31. PROMISSORY NOTES

At 1 January	於一月一日
Accrued interest charged	應計已收取利息
Loss on early redemption	提前贖回虧損
Settlement by issuance of shares	以發行股份清償
Exchange realignment	匯兌調整
At 31 December	於十二月三十一日

Notes:

- (i) On 23 March 2015, the Company issued promissory notes for an aggregate principal amount of HK\$33,000,000 at 3% interest per annum (the "PN 1") upon completion of the acquisition of Time Credit Limited to Ms. Lam Wai Ha, an independent third party not connected to the Group. The PN 1 is due on the second anniversary of the date of issue.

The fair value of PN 1 was approximately to their principal amount calculated at the effective interest rate of 2.994% per annum. The PN 1 is classified as non-current liabilities and are carried at amortised cost until settlement on due date.

On 14 November 2016, the Company early redeemed the PN 1 in full by way of issuing 207,400,000 ordinary shares of the Company at the price of HK\$0.166. The fair value of the said ordinary shares at the date of issuance was approximately HK\$56,720,000 (based on market price of HK\$0.31). Accordingly, loss on early redemption of promissory notes of approximately HK\$26,191,000 has been recognised during the year ended 31 December 2016.

- (ii) On 9 November 2015, the Company issued promissory notes for an aggregate principal amount of HK\$213,600,000 at 2% interest per annum (the "PN 2") upon completion of the acquisition of Soaring International Holdings Limited to Mr. Lee Yim and Mr. Ng Hang Fai Calvin, independent third parties not connected to the Group. The PN 2 are due on the third anniversary of the date of issue.

The fair value of PN 2 was approximately to their principal amount calculated at the effective interest rate of 2% per annum. The PN 2 is classified as non-current liabilities and are carried at amortised cost until settlement on due date.

31. 承兌票據

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
195,730	207,737
3,700	4,389
-	26,191
-	(56,720)
(13,854)	14,133
185,576	195,730

附註：

- (i) 於二零一五年三月二十三日，本公司於完成收購友邦信貸有限公司後向與本集團並無關連的獨立第三方林惠霞女士按年利率3%發行本金總額33,000,000港元的承兌票據（「承兌票據1」）。承兌票據1於發行日期起計第二年到期。

承兌票據1的公平值約相等於其本金額，乃按2.994%的實際年利率計算。承兌票據1乃分類為非流動負債及直至於到期日清償前按攤銷成本列賬。

於二零一六年十一月十四日，本公司透過按每股0.166港元之價格發行本公司207,400,000股普通股提前全額贖回承兌票據1。該等普通股於發行日期之公平值約為56,720,000港元（以市場價格每股0.31港元為基準）。因此，於截至二零一六年十二月三十一日止年度，已確認提前贖回承兌票據虧損約26,191,000港元。

- (ii) 於二零一五年十一月九日，本公司於完成收購Soaring International Holdings Limited後向與本集團並無關連的獨立第三方李儼先生及吳恒輝先生按年利率2%發行本金總額213,600,000港元的承兌票據（「承兌票據2」）。承兌票據2於發行日期起計第三年到期。

承兌票據2的公平值約相等於其本金額，乃按2%的實際年利率計算。承兌票據2乃分類為非流動負債及直至於到期日清償前按攤銷成本列賬。

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32. CONTINGENT CONSIDERATION

On 26 July 2017, the Company entered into the Share Purchase Agreement (the “SPA”) with Cybernaut Education Limited, a company which is owned as to 90% by Mr. Zhu Ming, an executive director and a substantial shareholder of the Company, (the “Vendor”). Pursuant to the SPA, the consideration will be subject to adjust based on the net profit after tax generating from operating activities (the “Net Profit”) of the Cybernaut Technology International Limited and its subsidiaries as shown in the audited consolidated financial statements for:

- (i) the Net Profit for the six-month period ending 30 June 2018 shall not be less than HK\$7.5 million;
- (ii) the Net Profit for the six-month period ending 31 December 2018 shall not be less than HK\$7.5 million;
- (iii) the Net Profit for the six-month period ending 30 June 2019 shall not be less than HK\$9 million; and
- (iv) the Net Profit for the six-month period ending 31 December 2018 shall not be less than HK\$9 million.

The fair value of the contingent consideration was determined by an independent professional valuer not connected with the Group based on Binomial Option Pricing Model. The fair value as at 31 December 2017 was RMB143,143,000.

32. 或然代價

於二零一七年七月二十六日，本公司與 Cybernaut Education Limited（一家由本公司執行董事及主要股東朱敏先生持有90%之公司）（「賣方」）訂立購股協議（「購股協議」）。根據購股協議，代價須基於Cybernaut Technology International Limited及其附屬公司之經審核綜合財務報表所示之來自經營活動之稅後淨溢利（「淨溢利」）予以調整：

- (i) 於截至二零一八年六月三十日止六個月期間之淨溢利不得少於7,500,000港元；
- (ii) 於截至二零一八年十二月三十一日止六個月期間之淨溢利不得少於7,500,000港元；
- (iii) 於截至二零一九年六月三十日止六個月期間之淨溢利不得少於9,000,000港元；及
- (iv) 於截至二零一八年十二月三十一日止六個月期間之淨溢利不得少於9,000,000港元。

或然代價公平值乃由與本集團無關連之獨立專業估值師按二項式期權定價模式所釐定。於二零一七年十二月三十一日之公平值為人民幣143,143,000元。

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33. SHARE CAPITAL

33. 股本

		Number of shares at HK\$0.10 per share 每股面值0.10 港元之股份數目	Amount 金額 HK\$'000 千港元
	Note 附註	'000 千股	
Authorised:	法定：		
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、 二零一六年十二月三十一日、 二零一七年一月一日及 二零一七年十二月三十一日	20,000,000	2,000,000
Issued and fully paid:	已發行及繳足：		
As at 1 January 2016	於二零一六年一月一日	2,569,228	256,923
Issue of shares upon exercising of warrants	於行使認股權證時 發行股份 (a)	384	38
Issue of shares on 16 May 2016	於二零一六年五月十六日 發行股份 (b)	409,000	40,900
Issue of shares on 14 November 2016	於二零一六年十一月十四日 發行股份 (c)	207,400	20,740
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	3,186,012	318,601
Placing of shares	股份配售 (d)	595,600	59,560
Issue of shares upon exercising of warrants	於行使認股權證時發行股份 (e)	396,536	39,654
Issue of shares upon exercising of share option	於行使購股權時發行股份 (f)	15,000	1,500
At 31 December 2017	於二零一七年十二月三十一日	4,193,148	419,315
Shown in the consolidated financial statements	於綜合財務報表所示		
At 31 December 2016	於二零一六年十二月三十一日	RMB'000 equivalent 人民幣千元等值	266,401
At 31 December 2017	於二零一七年十二月三十一日	RMB'000 equivalent 人民幣千元等值	355,046

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For the year ended 31 December 2017
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33. SHARE CAPITAL (continued)

Notes:

- (a) During the year ended 31 December 2016, 80,000, 12,000, 800 and 291,200 shares were issued upon exercising of warrants on 27 January 2016, 30 March 2016, 30 March 2016 and 7 April 2016 respectively. The net proceed of approximately HK\$0.1 million was used for general working capital.
- (b) On 16 May 2016, pursuant to the placing and subscription agreement dated 20 April 2016, 409,000,000 ordinary shares of HK\$0.10 each were allotted and issued at HK\$0.166 per share to not less than six placees. The net proceed of approximately HK\$66.78 million was used for general working capital.
- (c) On 14 November 2016, the company early redeemed the PN 1 in full by way of issuing 207,400,000 ordinary shares of the Company at the price of HK\$0.166. The fair value of the said ordinary shares at the date of issuance was approximately HK\$56,720,000 (based on market price of HK\$0.31). As such, loss on early redemption of promissory notes of approximately HK\$26,191,000 has been recognised during the year ended 31 December 2016.
- (d) On 13 January 2017, pursuant to the placing and subscription agreement dated 13 January 2017, 595,600,000 ordinary shares of HK\$0.10 each were allotted and issued at HK\$0.30 per share. The net proceed of approximately HK\$176,600,000 was used for general working capital and funds to finance future investment.
- (e) During the year ended 31 December 2017, total 396,536,000 shares were issued upon exercising of warrants. The net proceed of approximately HK\$118,961,000 was used for general working capital.
- (f) On 15 May 2017, share options were exercised to subscribe for 15,000,000 ordinary shares in the Company at a consideration of HK\$4,800,000.

33. 股本 (續)

附註：

- (a) 於截至二零一六年十二月三十一日止年度，於行使認股權證時分別於二零一六年一月二十七日、二零一六年三月三十日、二零一六年三月三十日及二零一六年四月七日發行80,000股、12,000股、800股及291,200股股份。所得款項淨額約100,000港元已用作一般營運資金。
- (b) 於二零一六年五月十六日，根據日期為二零一六年四月二十日之配售及認購協議，按每股0.166港元之價格配發及發行409,000,000股每股面值0.10港元之普通股予不少於六名承配人。所得款項淨額約66,780,000港元已用作一般營運資金。
- (c) 於二零一六年十一月十四日，本公司透過按每股0.166港元之價格發行本公司207,400,000股普通股，以提前全額贖回承兌票據1。該等普通股於發行日期之公平值約56,720,000港元（根據市場價格每股0.31港元）。因此，於截至二零一六年十二月三十一日止年度，已確認提前贖回承兌票據虧損約26,191,000港元。
- (d) 於二零一七年一月十三日，根據日期為二零一七年一月十三日之配售及認購協議，已按每股0.30港元配發及發行每股面值0.10港元之595,600,000股普通股。所得款項淨額約176,600,000港元已用作本集團一般營運資金及為本集團日後的投資提供資金。
- (e) 於截至二零一七年十二月三十一日止年度，於行使認股權證時發行合共396,536,000股股份。所得款項淨額約118,961,000港元已用作一般營運資金。
- (f) 於二零一七年五月十五日，購股權已獲行使，以認購本公司15,000,000股普通股，代價為4,800,000港元。

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34. SHARE-BASED PAYMENT TRANSACTIONS

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 7 June 2010 for the primary purpose of providing incentives to directors and eligible employees, and will expire on 6 June 2020. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors (excluding non-executive directors) of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2015, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 120,000,000, representing 7.66% of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 20 days from the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from 1 year from the date of grant of the share option to the 10th anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

34. 以股份為基礎付款交易

本公司根據於二零一零年六月七日通過之決議案採納購股權計劃（「該計劃」），主要目的是向董事及合資格僱員提供獎勵，而該計劃將於二零二零年六月六日屆滿。根據該計劃，本公司董事會可向合資格僱員（包括本公司及其附屬公司的董事，不包括非執行董事）授出購股權，以認購本公司股份。

於二零一五年十二月三十一日，根據該計劃已授出而尚未行使之購股權所涉及之股份數目為120,000,000股，相等於本公司於該日已發行股份之7.66%。在未經本公司股東事先批准的情況下，根據該計劃可能授出的購股權所涉及之股份總數不得超過本公司於任何時間已發行股份之10%。在未經本公司股東事先批准的情況下，任何個別人士於任何一年內獲授及可獲授之購股權所涉及之已發行及將予發行股份數目不得超過本公司於任何時間已發行股份之1%。

獲授購股權人士須於授出日期起計20日內就每份購股權支付1港元，以接納購股權。購股權可於授出購股權日期起計一年直至授出日期之十週年止任何時間行使。行使價由本公司董事釐定，且將不會低於以下最高者：(i)本公司股份於授出日期之收市價；(ii)股份於緊接授出日期前五個營業日之平均收市價；及(iii)本公司股份面值。

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34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

34. 以股份為基礎付款交易 (續)

2017

二零一七年

Date of grant	Vesting period	Exercisable period	Exercise price	Number of share options				Balance at 31.12.2017
				Granted	Exercised	Lapsed	Balance at 1.1.2017	
授出日期	歸屬期	行使期	行使價	於二零一七年一月一日之結餘	於年內授出	於年內行使	於年內失效	於二零一七年十二月三十一日之結餘
16 March 2015	Nil	16 March 2015 to 15 March 2018	HK\$0.32	120,000,000	-	15,000,000	-	105,000,000
二零一五年三月十六日	無	二零一五年三月十六日至二零一八年三月十五日	0.32港元					
13 January 2016	Nil	13 January 2016 to 12 January 2019	HK\$0.315	80,000,000	-	-	-	80,000,000
二零一六年一月十三日	無	二零一六年一月十三日至二零一九年一月十二日	0.315港元					
				<u>200,000,000</u>	<u>-</u>	<u>15,000,000</u>	<u>-</u>	<u>185,000,000</u>
								Exercisable at 31 December 2017
								可於二零一七年十二月三十一日行使
								<u>185,000,000</u>
								Weighted average exercise price
								加權平均行使價
								<u>HK\$0.318</u>
								<u>0.318港元</u>

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34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

34. 以股份為基礎付款交易 (續)

2016

二零一六年

Date of grant	Vesting period	Exercisable period	Exercise price	Number of share options				Balance at 31.12.2016 於二零一六年十二月三十一日之結餘
				Balance at 1.1.2016 於二零一六年一月一日之結餘	Granted	Exercised	Lapsed	
授出日期	歸屬期	行使期	行使價	購股權數目				
16 March 2015	Nil	16 March 2015 to 15 March 2018	HK\$0.32	120,000,000	-	-	-	120,000,000
二零一五年三月十六日	無	二零一五年三月十六日至二零一八年三月十五日	0.32港元					
13 January 2016	Nil	13 January 2016 to 12 January 2019	HK\$0.315	-	80,000,000	-	-	80,000,000
二零一六年一月十三日	無	二零一六年一月十三日至二零一十九年一月十二日	0.315港元					
				120,000,000	80,000,000	-	-	200,000,000
Exercisable at 31 December 2016 可於二零一六年十二月三十一日行使								200,000,000
Weighted average exercise price 加權平均行使價								HK\$0.318 0.318港元

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34. SHARE-BASED PAYMENT TRANSACTIONS (continued)

The fair value of equity-settled share options granted during the year ended 31 December 2016 was estimated as at the date of grant, using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Dividend yield (%)	派息率(%)	0.00
Expected volatility (%)	預期波幅(%)	86
Risk-free interest rate (%)	無風險利率(%)	1.134
Expected life of options (year)	購股權之預期年期(年)	1.5
Closing share price at grant date (HK\$)	於授出日期之收市價(港元)	0.3

The expected life of the options is based on management expectation and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

The fair value of equity-settled share options granted during the year was approximately RMB11,024,000 of which the Group recognised a share option expense of approximately RMB11,024,000 during the year ended 31 December 2016.

At the end of the reporting period, the Company had 200,000,000 share options outstanding under the share option scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 200,000,000 additional ordinary shares in the Company and additional share capital of approximately HK\$20,000,000 and share premium of approximately HK\$42,400,000 (before issue expenses).

34. 以股份為基礎付款交易(續)

於截至二零一六年十二月三十一日止年度，已授出之股本結算購股權之公平值乃於授出日期以柏力克－舒爾斯期權定價模式作出估計，並經計及所授購股權之條款及條件。下表載列所採用模式之參數：

2016
二零一六年

購股權之預期年期乃根據管理層預期釐定，不一定表示可能出現之行使規律。預期波幅反映歷史波幅可表示未來趨勢之假設，亦未必為實際結果。

年內已授出股本結算購股權之公平值為約人民幣11,024,000元，其中本集團於截至二零一六年十二月三十一日止年度確認一項購股權開支約人民幣11,024,000元。

於申報期末，本公司於購股權計劃項下擁有200,000,000份未獲行使購股權。於本公司現時資本結構下，一旦未獲行使的購股權獲全面行使，將令本公司須發行額外200,000,000股普通股及額外股本約20,000,000港元及股份溢價約42,400,000港元(未經扣除發行開支)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
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35. OPERATING LEASES

At 31 December 2017, the Group had commitment for minimum lease payment under non-cancellable operating leases which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)

35. 經營租賃

於二零一七年十二月三十一日，本集團根據不可撤銷經營租賃有以下最低租賃付款之承擔，其到期情況如下：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
4,720	910
3,393	212
8,113	1,122

36. RETIREMENT BENEFIT PLANS

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for all qualifying Hong Kong employees. The assets of the scheme are held separately from those of the Group, in funds under the control of trustees. Mandatory benefits are provided under the MPF Scheme. The Group contributes the lower of 5% of the relevant payroll costs and HK\$1,500 per employee to the MPF Scheme.

Employees of subsidiaries in the PRC are members of the state-sponsored pension schemes operated by the PRC government. The subsidiaries are required to contribute a certain percentage of their payroll to the pension scheme to fund the benefits. The only obligation of the Group with respect to the state-sponsored pension schemes is to make the required contributions.

The total contribution to the retirement benefit schemes charged to the consolidated statement of profit or loss and other comprehensive income is RMB2,384,000 (2016: RMB2,606,000).

36. 退休福利計劃

本集團為所有合資格香港僱員設有強制性公積金計劃（「強積金計劃」）。此計劃之資產乃與本集團其他資產分開管理，存放於受託人控制之基金。強制性福利根據強積金計劃提供。本集團為每位僱員按有關薪金的5%及1,500港元中之較低者向強積金計劃供款。

中國附屬公司之僱員已參加中國政府營運之國家贊助退休金計劃。該等附屬公司須按僱員薪金的某個百分比向退休金計劃供款，為此項福利撥付資金。本集團就此等國家贊助退休金計劃之唯一義務乃作出規定供款。

已於綜合損益及其他全面收益表扣除之退休福利計劃總供款為人民幣2,384,000元（二零一六年：人民幣2,606,000元）。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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37. RELATED PARTY TRANSACTIONS

Save as disclosed in elsewhere to the consolidated financial statements, the Group have the following related party transactions.

37. 關連方交易

除於綜合財務報表其他部分披露者外，本集團訂有以下關連方交易。

Name of related party 關連方姓名	Relationship 關係	Nature of transaction/balance 交易性質／結餘	2017	2016
			二零一七年	二零一六年
			RMB'000 人民幣千元	RMB'000 人民幣千元
Yip Sum Yu 葉芯瑜	Non-executive Director 非執行董事	Loan interest received 已收貸款利息	–	26
Lu Yongchao 呂永超	Executive Director 執行董事	Loan interest received 已收貸款利息	33	159
		Loan receivable 應收貸款	2,456	2,641
Sin Kwok Wai Ronald 冼國威	Executive Director 執行董事	Loan receivable 應收貸款	1,665	–

Note: The interest rate of the loan was 6% per year. In the opinion of the directors, the transactions between the Group and the related party were conducted in the ordinary course of business.

附註：貸款的年利率為6%。董事認為，本集團與關連方之交易乃於日常業務過程中進行。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
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37. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

The remuneration of directors and other members of key management for both years was as follows:

Short-term benefits	短期福利
Retirement benefit scheme contributions	退休福利計劃供款

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

38. ACQUISITION OF SUBSIDIARIES

Cybernaut Technology International Limited and its subsidiaries ("Cybernaut Technology Group")

On 26 July 2017, the Company entered into a sale and purchase agreement with Cybernaut Education Limited, a company which is owned as to 90% by Mr. Zhu Min, an executive director and a substantial shareholder of the Company, (the "Vendor"), for the acquisition of 100% equity interest in Cybernaut Technology International Limited, an investment holding company whose subsidiaries are principally engaged in internet education services, at an aggregate consideration of approximately HK\$272,093,000. The acquisition was completed on 22 November 2017.

37. 關連方交易 (續)

主要管理人員薪酬

董事及其他主要管理層成員於兩個年度之薪酬如下：

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
4,152	1,877
56	35
4,208	1,912

董事及主要行政人員之酬金乃由薪酬委員會參考個人表現及市場趨勢而釐定。

38. 收購附屬公司

Cybernaut Technology International Limited 及其附屬公司 (「Cybernaut Technology集團」)

於二零一七年七月二十六日，本公司與Cybernaut Education Limited (一家由本公司執行董事及主要股東朱敏先生持有90%之公司) (「賣方」) 訂立買賣協議，以總代價約272,093,000港元收購Cybernaut Technology International Limited (一家投資控股公司，其附屬公司主要從事提供互聯網教育服務) 之100%股權。該收購事項已於二零一七年十一月二十二日完成。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
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38. ACQUISITION OF SUBSIDIARIES (continued)

Cybernaut Technology International Limited and its subsidiaries (“Cybernaut Technology Group”) (continued)

The fair value of the identifiable assets and liabilities of Cybernaut Technology Group at the date of acquisition was as follows:

38. 收購附屬公司 (續)

Cybernaut Technology International Limited 及其附屬公司 (「Cybernaut Technology集團」) (續)

Cybernaut Technology集團於收購日期之可識別資產及負債之公平值如下：

		Fair Value
		公平值
		RMB'000
		人民幣千元
Property, plant and equipment	物業、廠房及設備	145
Intangible assets	無形資產	128,437
Trade receivables	貿易應收款項	9,966
Prepayment, deposits and other receivables	預付款、按金及其他應收款項	61
Cash and cash equivalent	現金及現金等值物	1,811
Trade payables	貿易應付款項	(1,069)
Accruals and other payables	應計費用及其他應付款項	(36)
Tax liabilities	稅項負債	(503)
Deferred tax liabilities	遞延稅項負債	(32,109)
		<hr/>
		106,703
Goodwill on acquisition	收購時產生的商譽	123,572
		<hr/>
		230,275
		<hr/>
Consideration satisfied by:	代價以下列各項清償：	
Cash	現金	84,631
Contingent consideration – Promissory notes	或然代價 – 承兌票據	145,644
		<hr/>
		230,275
		<hr/> <hr/>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

38. ACQUISITION OF SUBSIDIARIES (continued)

Cybernaut Technology International Limited and its subsidiaries (“Cybernaut Technology Group”) (continued)

During the year ended 31 December 2017, Cybernaut Technology Group contributed approximately RMB4,140,000 to the Group’s revenue and approximately RMB2,987,000 to the Group’s results in aggregate for the period from the date of acquisition to 31 December 2017.

If the acquisition of the Cybernaut Technology Group had been completed on 1 January 2017, the Group’s revenue for the year ended 31 December 2017 would have been approximately RMB379,006,000 and loss for the year ended 31 December 2017 would have been RMB128,972,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2017, nor is it intended to be a projection of future results.

38. 收購附屬公司（續）

Cybernaut Technology International Limited 及其附屬公司（「Cybernaut Technology集團」）（續）

於截至二零一七年十二月三十一日止年度，Cybernaut Technology集團於自收購日期起至二零一七年十二月三十一日止期間，合共分別為本集團貢獻收入及業績約人民幣4,140,000元及約人民幣2,987,000元。

倘收購Cybernaut Technology集團於二零一七年一月一日完成，本集團於截至二零一七年十二月三十一日止年度之收入應為約人民幣379,006,000元，而於截至二零一七年十二月三十一日止年度之虧損應為人民幣128,972,000元。此備考資料僅供說明用途，不一定為假若收購於二零一七年一月一日完成之情況下本集團實際所得收入及經營業績之指標，亦不擬以此作為日後業績之預測。

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綜合財務報表附註

For the year ended 31 December 2017
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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

39. 本公司財務狀況表

(a) Financial information of the statement of financial position of the Company

(a) 本公司財務狀況表之財務資料

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	551,645	321,361
		<u>551,645</u>	<u>321,361</u>
Current assets	流動資產		
Loan receivables	應收貸款	3,747	-
Prepayments	預付款項	589	260
Bank balances	銀行結餘	4,850	930
		<u>9,186</u>	<u>1,190</u>
Current liability	流動負債		
Other payables and accruals	其他應付款項及應計費用	2,202	2,028
Promissory notes	承兌票據	185,576	-
		<u>187,778</u>	<u>2,028</u>

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

39. 本公司財務狀況表 (續)

		2017 二零一七年	2016 二零一六年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Net current (liabilities)/assets	流動(負債)/資產淨值	(178,592)	(838)
Total assets less current liability	資產總值減流動負債	373,053	320,523
Non-current liability	非流動負債		
Promissory notes	承兌票據	-	195,730
Contingent consideration	或然代價	143,143	-
Net assets	資產淨值	229,910	124,793
Capital and reserves	資本及儲備		
Share capital	股本	355,046	266,401
Reserves	儲備	(125,136)	(141,608)
Total equity	權益總額	229,910	124,793

Approved and authorised for issue by the board of directors on 29 March 2018 and are signed on its behalf by:

董事會於二零一八年三月二十九日批准及授權刊發，並由以下代表簽署：

DIRECTOR

董事

Zhu Min

朱敏

DIRECTOR

董事

Sin Kwok Wai Ronald

冼國威

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綜合財務報表附註

For the year ended 31 December 2017
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39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

39. 本公司財務狀況表 (續)

(b) Movement of capital and reserves of the Company

(b) 本公司資本及儲備變動

		Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Share options reserve 購股權儲備 RMB'000 人民幣千元	Warrant reserve 認股權證儲備 RMB'000 人民幣千元	Exchange reserve 匯兌儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	213,708	371,893	10,407	-	807	(468,836)	127,979
Loss for the year	年內虧損	-	-	-	-	-	(135,540)	(135,540)
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	8,325	-	8,325
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	8,325	(135,540)	(127,215)
Issue of shares upon exercising of warrants	於行使認股權證時發行股份	33	71	-	(7)	-	-	97
Issue of shares upon placing	於配售時發行股份	34,364	21,825	-	-	-	-	56,189
Issue of shares	發行股份	18,296	38,423	-	-	-	-	56,719
Issue of warrant	發行認股權證	-	-	-	9,576	-	(9,576)	-
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	-	-	11,024	-	-	-	11,024
At 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	266,401	432,212	21,431	9,569	9,132	(613,952)	124,793
Loss for the year	年內虧損	-	-	-	-	-	(138,842)	(138,842)
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	(20,647)	-	(20,647)
Total comprehensive expense for the year	年度全面開支總額	-	-	-	-	(20,647)	(138,842)	(159,489)
Issue of shares upon exercising of warrants	於行使認股權證時發行股份	34,567	76,523	-	(7,390)	-	-	103,700
Issue of shares upon placing	於配售時發行股份	52,752	103,910	-	-	-	-	156,662
Recognition of equity settled share-based payments	確認股本結算以股份為基礎付款	1,326	4,219	(1,301)	-	-	-	4,244
Fund raised by way of exercise of warrants	行使認股權證籌得資金	-	-	-	(2,179)	-	2,179	-
At 31 December 2017	於二零一七年十二月三十一日	355,046	616,864	20,130	-	(11,515)	(750,615)	229,910

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40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

40. 本公司附屬公司詳情

Name of subsidiary 附屬公司名稱	Place and date of incorporation/establishment and operations 註冊成立/ 成立及營運地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司持有的 所有權權益比例		Principal activities 主要業務
			2017 二零一七年	2016 二零一六年	
Soaring International Holdings Limited	The British Virgin Islands 5 March 2015 英屬處女群島 二零一五年三月五日	US\$2 2美元	100%	100%	Investment holding 投資控股
VT Zero Limited	Hong Kong 24 January 2007 香港 二零零七年一月二十四日	HK\$10,000 10,000港元	100%	100%	eCommerce 電子商務
劃時零距電子(深圳)有限公司	The PRC 25 February 2011 中國 二零一一年二月二十五日	RMB500,000 人民幣500,000元	100%	100%	eCommerce 電子商務
Time Credit Limited 友邦信貸有限公司	Hong Kong 30 December 2011 香港 二零一一年十二月三十日	HK\$2,000,000 2,000,000港元	90%	90%	Money lending 放債
Accura Machinery & Manufacturing (Taicang) Co., Ltd. 雅高機械(太倉)有限公司	The PRC 23 February 2004 中國 二零零四年二月二十三日	RMB26,639,440 人民幣26,639,440元	100%	100%	Manufacture and sale of paper converting equipment and other relating equipment 製造及銷售紙張加工設備及其他相關設備
Accurate Trade International Limited	The British Virgin Islands 18 November 2013 英屬處女群島 二零一三年十一月十八日	US\$1 1美元	100%	100%	Investment holding 投資控股
China Safety Holdings Limited 中國安產控股有限公司	Hong Kong 7 April 2014 香港 二零一四年四月七日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Eagle Pioneer Limited	The British Virgin Islands 12 March 2014 英屬處女群島 二零一四年三月十二日	US\$1 1美元	100%	100%	Investment holding 投資控股

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綜合財務報表附註

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40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

40. 本公司附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place and date of incorporation/establishment and operations 註冊成立/ 成立及營運地點及日期	Issued and fully paid share capital/ registered capital 已發行及繳足股本/ 註冊資本	Proportion of ownership interest held by the Company 本公司持有的 所有權權益比例		Principal activities 主要業務
			2017 二零一七年	2016 二零一六年	
Great Select Global Limited 境裕環球有限公司	Hong Kong 18 November 2013 香港 二零一三年十一月十八日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Sinoref (BVI) Limited	The British Virgin Islands 12 January 2010 英屬處女群島 二零一零年一月十二日	US\$2 2美元	100%	100%	Investment holding 投資控股
Sinoref (Hong Kong) Limited 華耐科技(香港)有限公司	Hong Kong 17 February 2010 香港 二零一零年二月十七日	HK\$1 1港元	100%	100%	Investment holding 投資控股
Sinoref Yixing [#] 華耐宜興 [#]	The PRC 20 July 2005 中國 二零零五年七月二十日	RMB151,716,600 人民幣151,716,600元	100%	100%	Manufacture and sale of advanced steel flow control products 製造及銷售高端鋼水控流產品
Cybernaut Technology International Limited	The British Virgin Islands 17 January 2017 英屬處女群島 二零一七年一月十七日	US\$0.01 0.01美元	note (i) 附註(i)	-	Investment holding 投資控股
Hong Kong Cybernaut Technology Limited 香港賽伯樂科技有限公司	Hong Kong 27 February 2017 香港 二零一七年二月二十七日	HK\$10,000 10,000港元	note (i) 附註(i)	-	Investment holding 投資控股
Huzhou Sai Le Hong Education Technology Limited ("Huzhou") 湖州賽樂弘教育科技有限公司(「湖州」)	The PRC 23 March 2017 中國 二零一七年三月二十三日	HK\$10,000,000 10,000,000港元	note (i) 附註(i)	-	Investment holding 投資控股
Capital Wowxue (Beijing) Education Technology Limited ("Wowxue") 京師沃學(北京)教育科技有限公司(「沃學」)	The PRC 15 March 2012 中國 二零一二年三月十五日	RMB4,000,000 人民幣4,000,000元	note (i) 附註(i)	-	Provision of internet education services 提供互聯網教育服務

[#] Wholly-foreign owned enterprise registered in the PRC.

[#] 於中國註冊之外商獨資企業。

None of the subsidiaries had issued any debt securities at the end of the year.

年末概無附屬公司發行任何債務證券。

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40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

NOTE (I)

CONTRACTUAL AGREEMENTS

Particulars and main business of Wowxue

京師沃學(北京)教育科技有限公司 (Capital Wowxue (Beijing) Education Technology Limited) (“Wowxue”) is a limited liability company established under the laws of the PRC and is principally engaged in the research and provision of internet education services.

Wowxue is owned as to 40%, 20%, 20% and 20% by 賽伯樂投資集團有限公司 (Cybernaut Investment Group Limited), 賽伯樂智庫(北京)國際生態科學研究院 (Cybernaut Think Tank (Beijing) International Ecological Science Research Institute), Mr. Zhao Yingming and Mr. Zhao Yingyong respectively (the “Registered Shareholders”). On 31 August 2017, 湖州賽樂弘教育科技有限公司 (Huzhou Sai Le Hong Education Technology Limited), being a wholly-owned subsidiary of the Group (the “Huzhou Company”), Wowxue and the Registered Shareholders entered into a series of agreements (the “Contractual Arrangements”). Supplementary agreements were further entered into on 25 September 2017.

40. 本公司附屬公司詳情(續)

附註(i)

合約安排

沃學的詳情及主要業務

京師沃學(北京)教育科技有限公司(「沃學」)為一家根據中國法律成立之有限公司,主要從事互聯網教育服務的研究,並提供互聯網教育服務。

沃學分別由賽伯樂投資集團有限公司、賽伯樂智庫(北京)國際生態科學研究院、趙映明先生及趙英勇先生(「登記股東」)擁有40%、20%、20%及20%股權。於二零一七年八月三十一日,本集團全資附屬公司湖州賽樂弘教育科技有限公司(「湖州公司」)、沃學與登記股東訂立一系列協議(「合約安排」),並於二零一七年九月二十五日進一步訂立補充協議。

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綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Major terms of the structured contracts

Irrecoverable option agreement

Huzhou Company, Wowxue and the Registered Shareholders entered into an irrevocable exclusive option agreement (the "Option Agreement") whereby the Registered Shareholders granted an exclusive option to Huzhou Company to acquire the entire equity interest in Wowxue held by the Registered Shareholders, under which Huzhou Company shall have the right to require the Registered Shareholders to transfer their equity interest in Wowxue on demand to Huzhou Company or its designated entity or individual, at nil consideration. The Option Agreement does not have a defined exercisable period and the Option Agreement will expire when the relevant law and regulation in the PRC allows foreign investment in Wowxue or when Huzhou Company or its designated party exercises the option to acquire Wowxue.

Pursuant to the Option Agreement, each of the Registered Shareholders and Wowxue has given undertakings that it shall perform certain acts or refrain from performing certain other acts unless the prior written consent of Huzhou Company has been obtained.

40. 本公司附屬公司詳情 (續)

結構性合約的主要條款

不可撤銷的購股權協議

湖州公司、沃學及登記股東訂立一份不可撤銷獨家購股權協議（「購股權協議」），據此登記股東向湖州公司授出獨家購股權，以收購由登記股東持有之沃學全部股權。根據該協議，湖州公司將有權要求登記股東按需求向湖州公司或其指定實體或個人以零代價轉讓彼等於沃學的股權。購股權協議並無界定行使期間，購股權協議將於相關中國法律及法規准許外資投入沃學或於湖州公司或其指定人士行使購股權以收購沃學時到期。

根據購股權協議，各登記股東及沃學分別承諾將作出若干行動或不作出若干其他行動，除非取得湖州公司之事前書面同意。

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綜合財務報表附註

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截至二零一七年十二月三十一日止年度

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Major terms of the structured contracts (continued)

Service Agreement

Huzhou Company and Wowxue entered into an exclusive Service Agreement (the "Service Agreement") pursuant to which Huzhou Company shall serve as the service provider to Wowxue, to provide investment advice, planning and other business advice on the operation and technical services of Wowxue in accordance with the requirements of Wowxue.

In consideration of the provision of the abovementioned services by Huzhou Company, Wowxue agrees to pay to Huzhou Company fees on an annual basis. Fees payable to Huzhou Company by Wowxue will be equivalent to the total income of Wowxue minus all relevant costs, expenses and taxes payable by Wowxue. If there is a loss in a given year, then no provisions for the said management and consultancy fees would be required for the year until Wowxue records a surplus.

In addition, Huzhou Company shall have the right to obtain and review the business data, financial information and other information relevant to the operations and business of Wowxue.

The Service Agreement has a term of ten years from the date of signing the Service Agreement. Upon the expiry of each term, Huzhou Company is entitled at its sole and absolute discretion to renew the Service Agreement for a further term of ten years for each renewal.

40. 本公司附屬公司詳情 (續)

結構性合約的主要條款 (續)

服務協議

湖州公司與沃學訂立一份獨家服務協議(「服務協議」)，據此湖州公司將擔任沃學的服務供應商，根據沃學的要求，為沃學的營運及技術服務提供投資建議、規劃及其他商業建議。

就湖州公司提供上述服務而言，沃學同意每年向湖州公司支付費用。沃學應付湖州公司之費用相等於沃學之總收入減去沃學應付之所有相關成本、開支及稅項。倘沃學於某個年度錄得虧損，則於該年度毋須就上述管理及顧問費計提撥備，直至沃學產生盈餘為止。

此外，湖州公司將有權取得及審閱業務數據、財務資料及有關沃學營運及業務的其他資料。

服務協議之年限為自簽立服務協議之日起計十年。於各年限到期時，湖州公司有權按其唯一酌情權進一步重續服務協議，每次重續以十年為限。

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綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Equity pledge agreement

Huzhou Company, Wowxue and the Registered Shareholders entered into an equity pledge agreement (the "Equity Pledge Agreement") pursuant to which the Registered Shareholders unconditionally and irrevocably agreed to pledge all the equity interest in Wowxue that they own (including any interest or dividend paid for such shares) to Huzhou Company as a security for the performance of the obligations by Wowxue and the Registered Shareholders under the Service Agreement.

The Equity Pledge Agreement became effective from the date when the agreement was entered into and shall remain valid until Wowxue and the Registered Shareholders unconditionally and irrevocably fulfilled all the obligations (including, but not limited to, the settlement and/or the payment of the service charge, liquidated damages (if any), etc.) under the Service Agreement.

Power of attorney

The Registered Shareholders executed an irrevocable power of attorney which enables Huzhou Company to exercise all the powers of the shareholders of Wowxue.

Pursuant to the Power of Attorney, the directors of Wowxue, the Registered Shareholders and the legal representative of Wowxue have irrevocably appointed Huzhou Company as its/their attorney-in-fact to (i) exercise all the directors' rights, shareholders' rights and legal representative's rights (as the case may be) including but not limited to passing of board resolutions and shareholders' resolutions as well as the right to appoint or remove the directors, legal representative, general manager and other senior management of Wowxue; (ii) sign on their behalf all the documents necessary to give effect to the Contractual Arrangement; (iii) exercise all the rights and powers under the Equity Pledge Agreement and the right to deal with the assets of Wowxue; and (iv) submit documents to the competent company registration authorities of Wowxue or other relevant authorities for filing purpose.

40. 本公司附屬公司詳情 (續)

股權質押協議

湖州公司、沃學及登記股東訂立一份股權質押協議(「股權質押協議」)，據此登記股東無條件及不可撤銷地同意將彼等於沃學擁有之全部股權(包括就該等股份支付的任何利息或股息)質押予湖州公司，作為沃學及登記股東履行於服務合約項下之責任之抵押品。

股權質押協議於協議訂立日期起生效，並將維持有效，直至沃學及登記股東無條件及不可撤銷地履行服務合約項下之所有責任(包括但不限於償還及／或支付服務費用、違約賠償金(如有)等)為止。

授權委託書

登記股東已簽立不可撤銷的授權委託書，使湖州公司能夠行使沃學股東的所有權力。

根據授權委託書，沃學董事、登記股東及沃學法定代表人已不可撤銷地委任湖州公司為其授權代理人，(i) 行使一切董事權利、股東權利及法定代表人權利(視情況而定)，包括但不限於通過董事會決議案及股東決議案以及委任或免除沃學董事、法定代表人、總經理及其他高級管理人員之權利；(ii) 代其簽署使合約安排生效之所有必要文件；(iii) 行使股權質押協議項下之所有權利及權力以及處理沃學資產之權利；及(iv) 向沃學之主管公司登記機關或其他有關機關提交文件以備案。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Equity pledge agreement (continued)

Power of attorney (continued)

The terms of the Power of Attorney became effective from the date of the Power of Attorney to the earlier of the revocation or termination of each of the Service Agreement, Irrevocable Option Agreement, Loan Agreement and Equity Pledge Agreement.

The directors of the Company, after consulting legal opinion, are of the view that the terms of the Contractual Arrangements have in substance enabled Huzhou Company to have power over Wowxue, rights to variable returns from its involvement with Wowxue, and has the ability to use its power to affect its returns, despite the absence of formal legal equity interest held by the Group in Wowxue. Accordingly, Wowxue is accounted for as a consolidated structured entity as a subsidiary of the Group.

The revenue, profit, total assets and total liabilities of Wowxue included in the consolidated financial statements are set out below:

Revenue	收入
Profit	溢利
Total assets	資產總值
Total liabilities	負債總額

40. 本公司附屬公司詳情 (續)

股權質押協議 (續)

授權委託書 (續)

授權委託書之年期自授權委託書日期起生效至服務合約、不可撤銷的購股權協議、貸款協議及股權質押協議各項協議被撤銷或終止之較早日期為止。

本公司董事經諮詢法律意見後，認為合約安排之條款實質上使湖州公司擁有對沃學之權力、因其參與沃學之業務而有權獲得可變回報及有能力行使其權力而影響其回報，儘管本集團並無擁有沃學的正式權益。因此，本集團將沃學以綜合結構性實體作為其附屬公司入賬。

於綜合財務報表入賬之沃學之收入、溢利、資產總值及負債總額載列如下：

2017 二零一七年
RMB'000 人民幣千元
4,140
2,987
18,584
4,922

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綜合財務報表附註

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截至二零一七年十二月三十一日止年度

40. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

NOTE (ii)

MATERIAL NON-CONTROLLING INTERESTS

The following information relating to non-wholly owned subsidiary that have material non-controlling interests (“NCI”).

The summarised financial information represents amounts before intercompany eliminations.

Time Credit Limited

At 31 December	於十二月三十一日
Non-current assets	非流動資產
Current assets	流動資產
Current liabilities	流動負債
Net assets	資產淨值
Carrying amount of NCI	非控股權益之賬面值
Year ended 31 December	截至十二月三十一日止年度
Revenue	收入
Cost of sales	銷售成本
Other income	其他收入
Expenses	開支
Profit for the year	年內溢利
Profit attributable to NCI	非控股權益應佔溢利
Net cash flow (used in) from Operating activities	(用於)／來自經營活動之現金流量淨額
Investing activities	投資活動
Financing activities	融資活動

40. 本公司附屬公司詳情 (續)

附註(ii)

重大非控股權益

以下資料有關於其中擁有重大非控股權益(「非控股權益」)的非全資附屬公司。

該概述財務資料表示公司間對銷前的金額。

友邦信貸有限公司

2017 二零一七年	2016 二零一六年
RMB'000 人民幣千元	RMB'000 人民幣千元
559	13
56,354	84,691
(32,641)	(66,050)
24,272	18,654
1,653	1,865
15,811	12,537
(3,715)	(1,428)
30	56
(4,914)	(3,605)
7,212	7,560
722	756
14,009	(36,390)
(672)	—
—	—

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

41. EVENTS AFTER THE REPORTING PERIOD

During February and March 2018, a total number of 101,968,000 ordinary shares of the Company were repurchased and cancelled.

42. MAJOR NON-CASH TRANSACTION

As disclosed in note 31 of the consolidated financial statements, during the year ended 31 December 2016, the Company early redeemed a promissory note with principal amount of HK\$30,000,000 in full by way of issuing 207,400,000 ordinary shares of the Company at the price of HK\$ 0.166.

41. 報告期後事項

於二零一八年二月及三月期間，已購回及註銷總數為101,968,000股之本公司普通股。

42. 主要非現金交易

誠如綜合財務報表附註31所披露，於截至二零一六年十二月三十一日止年度，本公司透過按每股0.166港元之價格發行本公司207,400,000股普通股，以提前悉數贖回本金額為30,000,000港元之承兌票據。

Summary of Results, Assets and Liabilities

業績、資產及負債概要

Results of the Group for the year ended 31 December

本集團截至十二月三十一日止年度之業績

		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Turnover	營業額	186,436	240,916	288,942	357,840	364,664
Loss and total comprehensive expense for the year attributable to owners of the Company	本公司擁有人應佔年內虧損及全面開支總額	(56,776)	(173,702)	(271,432)	(138,695)	(139,058)
Loss per share (RMB)	每股虧損 (人民幣)					
- Basic	- 基本	(0.05)	(0.12)	(0.14)	(0.05)	(0.03)
- Diluted	- 攤薄	(0.05)	(0.12)	(0.14)	(0.05)	(0.03)

Assets and liabilities of the Group at 31 December

本集團於十二月三十一日之資產及負債

		2013	2014	2015	2016	2017
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	資產總值	628,753	631,485	875,968	942,675	1,216,064
Less: Total liabilities	減：負債總額	(65,416)	(104,937)	(326,421)	(378,825)	(567,077)
Total net assets	總資產淨值	563,337	526,548	(549,547)	563,850	648,987



賽伯樂國際控股

賽伯樂國際控股有限公司

Cybernaut International Holdings Company Limited