

2017 年報

Annual Report



神州控股
DC Holdings

Digital China Holdings Limited

神州數碼控股有限公司

(Incorporated in Bermuda with Limited Liability 於百慕達註冊成立之有限公司)
Stock Code 股份代號: 00861



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Company Profile

公司簡介

Digital China Holdings Limited ("DC Holdings") was founded in 2000 and listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 00861.HK) in 2001.

DC Holdings adheres to the mission of "Digitised China" and keeps in pace with the market development. It makes persistent efforts to drive innovation and development through business transformation and upgrading. Established 17 years ago, the Group completed the transformation from a leading IT products distributor in China to a leading integrated IT services provider, an informatization expert and the most influential Sm@rt City expert in China. Since then, it has implemented the transformation towards a leading "Cloud + Big Data" services provider in China.

The Group leverages Cloud Computing, Big Data and AI technology to serve outstanding domestic enterprises in different sectors. DC Holdings has been well prepared for the development in various core industries and sectors, including Sm@rt City, Sm@rt Healthcare, Sm@rt Agriculture, Sm@rt Manufacturing, Sm@rt Finance, New Logistics and so on.

神州數碼控股有限公司(以下簡稱「神州控股」)於二零零零年成立，於二零零一年在香港聯合交易所有限公司主板上市(股份代號：00861.HK)。

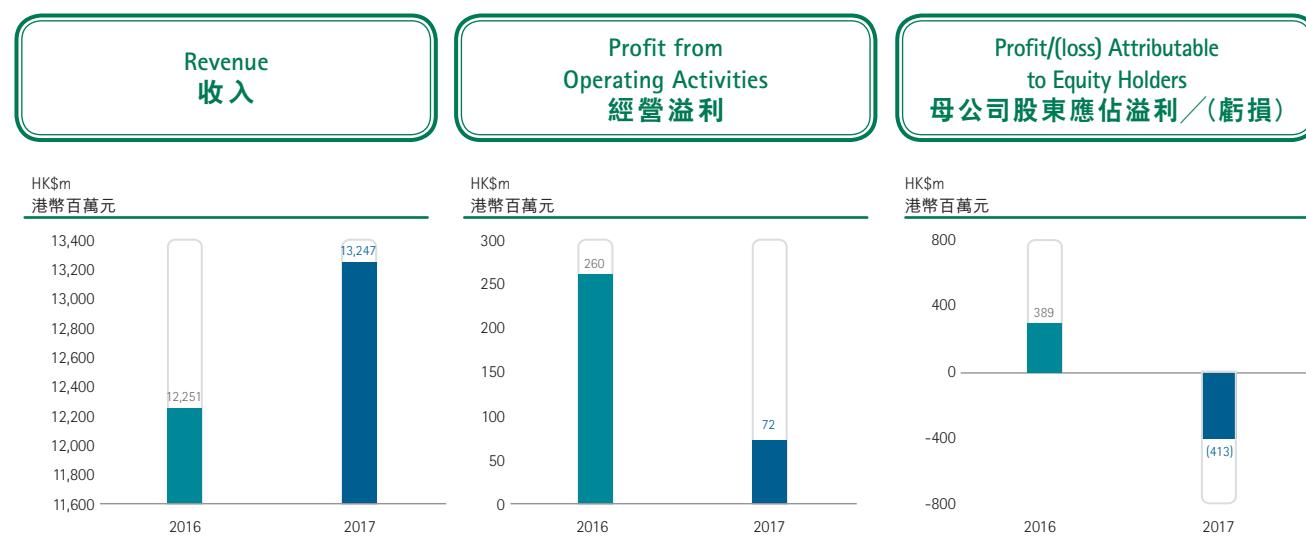
神州控股始終秉承「數字中國」之理想，緊跟時代發展步伐，不斷通過轉型升級尋求創新發展。創立十七年來，在完成從中國IT產品分銷的龍頭企業轉型成為中國領先的整合IT服務商、信息化專家和中國最具影響力的智慧城市專家之後，再一次向數字化轉型之路邁進，致力於成為中國領先的雲+大數據服務商。

作為一間以雲計算、大數據、人工智能為依托，為中國社會各個行業賦能的優秀企業，目前神州控股在智慧城市、智慧醫療、智慧農業、智能製造、智慧金融、新物流等核心優勢行業和領域已完成相關佈局。

Financial Highlights

財務摘要

	2017 二零一七 HK\$m 港幣百萬元	2016 二零一六 HK\$m 港幣百萬元
For the Year		
Revenue	13,247	12,251*
Profit from Operating Activities	72	260*
Profit/(loss) Attributable to Equity Holders	(413)	389
Earnings per Share (HK cents)	(29.21)	34.74
Dividends per Share (HK cents)	—	—
At Year-end		
Total Assets	27,916	23,716
Shareholders' Funds	9,110	7,169
Financial Ratio		
Return on Equity (%)	(4.53)	5.43
Interest Cover (times)	0.79	4.45
Current Ratio (times)	1.11	1.24
Total Interest Bearing Debts	0.87	1.07
to Shareholders' Funds Ratio (times)		



* Due to the completion of the disposal of the traditional distribution business, the revenue and profit from operating activities include continuing operations only

由於傳統分銷業務出售交易完成，表格中收入及經營溢利僅只包括持續經營業務

战略合作签约仪式



Significant Events

大事回顧

2017 FEB

15-FEB Signing ceremony of strategic cooperation agreement between Digital China Holdings and Panzhihua People's Government for the joint development of the Mango Big Data Centre.

23-FEB Successful signing ceremony for Digital China Holdings' investment in MapABC signifying vigorous commencement of Digital China Holdings' venture fund operations to drive developments in smart transportation.

27-FEB The "Zhuminsheng (築民生) Platform" jointly developed by Guiyang Municipal Government and Digital China Holdings came online in a successful launch.

APR

1-APR In April, Board Chairman Guo Wei and officers in charge of segments covering the "12 New Strategies" attended China (Shenzhen) IT Summit 2017.

26-APR Digital China Holdings announced completion of the acquisition of FORD STAR PACIFIC LIMITED.

27-APR Signing ceremony for the preparation of the establishment of China Healthcare Big Data Technology Development Group Ltd. (中國健康醫療大數據科技發展集團公司) was held at of the State Council Guesthouse No. 2 in Beijing.

MAY

8-MAY In May, DCITS announced its participation in the investment and development of the Tianjin Quantum Communication Industrial Park and a range of important projects, which would involve close cooperation with Binhai New District to expedite the industrialization of quantum communication technologies.

17-MAY The "Shuchuangyi (數創易) Platform", a venture business-friendly project jointly developed by Digital China Holdings and Guiyang Municipal Government officially came online.

25-MAY Strategic cooperation agreement signed with Guizhou Provincial People's Government at the opening ceremony of the International Big Data Industry Expo 2017 held in China.

二零一七年 二月

二月十五日 神州控股和攀枝花市人民政府舉行戰略合作簽約儀式，約定共建芒果大數據中心。

二月二十三日 神州控股投資北京圖盟科技有限公司簽約會成功舉行。標誌神州控股創投基金開啟強勁步伐，推動智慧交通領域。

二月二十七日 由貴陽市政府與神州控股共同打造的「築民生」平臺成功上線。

四月

四月一日 四月，董事局主席郭為及十二大新戰略板塊負責人出席2017中國(深圳)IT領袖峰會。

四月二十六日 神州控股公告完成收購FORD STAR PACIFIC LIMITED。

四月二十七日 「中國健康醫療大數據科技發展集團公司」籌備簽約儀式在北京國務院第二招待所舉行。

五月

五月八日 五月，神州信息參與天津量子通信產業基地及系列重要項目的投資建設，將與濱海新區深入合作，加速量子通信技術產業化。

五月十七日 神州控股與貴陽市政府共同打造的惠創工程「數創易」平臺正式上線發表。

五月二十五日 在2017中國國際大數據產業博覽會召開儀式上，與貴州省人民政府簽署戰略合作協議。

Significant Events

大事回顧

JUN

6-JUN

In June, a strategic cooperation framework agreement with Chinese Supply and Marketing Group Limited was signed, whereby the two parties would enter into full cooperation in areas such as agricultural land rights trading, socialization services for agricultural village, agricultural finance, agricultural e-commerce and Big Data for three agricultural aspects.

8-JUN

"Chuangkongjian" (創空間), a three-tier incubation platform built by our Innovation Centre, was launched in Digital China Tower, Suzhou Street, Beijing.

JUL

10-JUL

In July, Premier Li Keqiang visited "Three Agriculturals Big Data Company" under Digital China Holdings during his inspection trip to the Yangling Agricultural Hi-tech Industrial Demonstration Zone in Shanxi and gave strong commendation to key reports delivered by Board Chairman Guo Wei.

29-JUL

The Healthcare Big Data Oncology Specialist Committee and Steering Committee of the Alliance for the Prevention of Chronic Diseases under Chinese Health Information Association were officially established.

AUG

15-AUG

In August, an official strategic cooperation agreement was entered into with Yunnan Provincial People's Government.

22-AUG

A strategic cooperation agreement was signed with Qinhuangdao Economic and Technological Development Zone Administration Committee to confirm Digital China Holdings as the principal of implementation for the "Qinhuangdao Information Security Township" project.

29-AUG

The "Smart Integrated Software Inter-operational Platform Featuring Mature Smart Technologies" submitted by DCITS was approved for 2017 project funding under the key national R&D initiative of "Key Redirection to Cloud Computing and Big Data" of the Ministry of Science and Technology.

六月

六月六日

六月，與中國供銷集團簽署戰略合作框架協議，雙方將在農村產權流轉交易、農村社會化服務、農村金融、農村電子商務及三農大數據等業務領域展開全面合作。

六月八日

創新中心精心打造的三級孵化平台「創空間」於北京蘇州街神州數碼大廈啟用。

七月

七月十日

七月，李克強總理考察陝西楊凌農業高技術產業示範區，來到神州控股旗下「三農大數據」公司聽取了董事局主席郭為的重要匯報並給予高度評價。

七月二十九日

中國衛生信息學會健康醫療大數據腫瘤專業委員會暨慢病防治聯盟指導委員會正式成立。

八月

八月十五日

八月，與雲南省人民政府正式達成戰略合作。

八月二十二日

與秦皇島經濟技術開發區管理委員會簽署戰略合作協議，落實神州控股作為「秦皇島信息安全小鎮」項目的實施主體。

八月二十九日

神州信息申報的「面向智慧成熟的智能化集成化軟件互操作平台」項目得到科技部國家重點研發計劃「雲計算和大數據」重點轉向2017年項目批出經費。

SEPT

- 12-SEPT In September, the Mango Big Data Platform, the first Big Data platform for a single agricultural product, was officially launched.
- 15-SEPT A commissioning ceremony was held for the "International Collaboration Project on Smart Innovations in City Services", a three-sided cooperation with MIT Connection Science and Human Dynamics Laboratory and the Economic and Resource Management Academy of Beijing Normal University.
- 20-SEPT Digital China Holdings held a company strategy presentation at Digital China Technology Plaza following the successful completion of its rights issue, which were significantly oversubscribed in an indication of market confidence in the strategic transformation of Digital China Holdings.

OCT

- 12-OCT DCITS's branch company in the agricultural segment entered into agreements with Luochuan County People's Government and Mei County People's Government, respectively, in respect of the joint development of China (Shaanxi) Apple Big Data Centre and China (Shaanxi) Actinidia Big Data Centre

NOV

- Digital China Sm@rt City participated in the editing and formulation of 3 important national standards of the Standardization Administration of China.
- 7-NOV iSESOL launched i5OS at the 19th China International Industry Fair and received enthusiastic response from participants.
- 10-NOV Vice Premier Wang Yang inspected DCITS's pavilion featuring smart agriculture at the first edition of the New Agricultural Venture and New Technological Innovation Expo.
- 26-NOV Digital China Holdings entered into a strategic cooperation framework agreement with Fushun Municipal People's Government in relation to novel smart city development.

九月

- 九月十二日 九月，全國首個農業單品大數據平台 - 芒果大數據平台正式發佈。

九月十五日

與麻省理工學院連接科學(MIT Connection Science)及人類動力學實驗室(Human Dynamics Laboratory)、北師大經濟與資源管理研究院三方聯合，共同啟動了「城市智慧創新國際聯合項目」，並召開了啟動儀式。

九月二十日

神州控股供股融資圓滿完成暨戰略推介會在數碼科技廣場成功舉行。此次供股融資圓滿完成並獲得大幅度的超額申請，顯示市場對神州控股戰略轉型充滿信心。

十月

- 十月十二日 神州信息農業板塊公司分別與洛川縣人民政府和眉縣人民政府簽署協議，共建中國(陝西)蘋果大數據中心和中國(陝西)獼猴桃大數據中心。

十一月

- 十一月七日 智慧神州參與了國家標準委的其中三項重要國家標準的參編制定。
- 十一月十日 汪洋副總理在首屆新農民新技術創業創新博覽會期間，來到神州信息智慧農業板塊展廳視察。
- 十一月二十六日 神州控股與撫順市人民政府簽署了關於新型智慧城市建設的戰略合作框架協議。

Significant Events 大事回顧

DEC

19-DEC

In December, a signing ceremony was held in connection with the joint venture project with Tianjin Zhongxin Ecological City Administration Committee, during which cooperation agreements relating to the investment in and construction of a Big Data Industry Park (comprising the Healthcare Big Data Centre, Three Agriculturals Big Data Centre and a showcase zone for novel smart city operation) at a selected site in Zhongxin Tianjin Ecological City Park were signed.

27-DEC

Mr. Yu Ziping (余梓平先生) and Mr. Peng Jing (彭晶先生) were appointed as non-executive directors of the Company upon the nomination of Guangzhou City Infrastructure Investment Group Limited (廣州市建設投資集團有限公司) ("GZ Infrastructure"), the largest shareholder of Digital China Holdings.

十二月

十二月十九日

十二月，與天津市中新生態城管委會舉行合作項目簽約儀式，為中新天津生態城選址投資建設大數據產業園(健康醫療大數據中心、三農大數據中心以及新型智慧城市運營示範區)等項目簽署了合作協議。

十二月二十七日 神州控股的最大股東廣州市城市建设投資集團有限公司(簡稱「廣州城投」)推薦的余梓平先生及彭晶先生獲委任為本公司非執行董事。

2018 JAN

11-JAN

At the first launch of Guangzhou Tower Forum on the Future City entitled "Digital China and the Future City" held in Guangzhou, Digital China Holdings announced the founding of Guangzhou Sm@rt City Planning and Research Institute in association with Guangzhou City Infrastructure Investment Group Limited and relevant entities. As a top-level "think-tank" in smart city research, the institute will provide authoritative support to the implementation of the national Big Data industry strategy and the planning of paths for future city development in accordance with the development strategies for Guangzhou's IAB industry, leveraging the enabling effect and driving force of smart technologies and novel smart industry chain.

Digital China Holdings has entered into a strategic cooperation agreement with GZ Infrastructure and GRG Banking Equipment Co., Ltd.* (廣州廣電運通金融電子股份有限公司), whereby members of the management of GZ Infrastructure have joined the board of directors of Digital China Holdings, bringing together resources derived from industry players, academia, research institutes and users and linking up fragmented projects in the city to create an integrated Sm@rt City development module across different industries and sectors.

二零一八年 一月

一月十一日

在廣州舉辦的「數字中國•未來城市」首屆廣州塔未來城市論壇上，神州控股宣佈與廣州市城市建設投資集團有限公司及相關單位，成立了廣州智慧城市規劃研究院。作為智慧城市頂級「學術智庫」，研究院將圍繞廣州IAB產業發展方略，深入把握與運用智能技術及新型智能產業鏈的使能效應和帶動作用，為國家大數據產業戰略的實施以及未來城市發展路徑的規劃提供權威支持。

神州控股與廣州城投集團及廣州廣電運通金融電子股份有限公司簽署戰略合作協議，匯集了產、學、研、用等各方資源，串聯城市零散項目，打造跨產業、跨領域的智慧城市發展綜合模板。

Awards 獎項



10

Business Group: Holding Company 本部名稱：控股層面

Date of award

(year/month)

獲獎時間(年/月) Name of award

獎項名稱

Awarding authority

頒發機構

2017/4	Top 100 HK Listed Companies	香港上市公司百強	qq.com, FINET.HK	騰訊網、財華社
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2017/8	Top 50 Big Data Corporations in China	中國大數據企業50強	Ministry of Industry and Information Technology ("MIIT") Big Data Research Institute	工信部大數據產業研究院
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2017/12	Leading Government Big Data Service Providers in China 2017	2017中國政府大數據領軍企業	MIIT, China Center of Information Industry Development	工業和信息化部指導、 中國電子信息產業發展研究院
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2017/12	Top 10 Software and Information Service Enterprises in China 2017	2017中國軟件和信息服務業十大領軍企業	MIIT, China Center of Information Industry Development	工業和信息化部指導、 中國電子信息產業發展研究院
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Business Group: DCITS

本部名稱：神州數碼信息服務

Date of award

(year/month)

獲獎時間(年／月) Name of award

獎項名稱

Awarding authority

頒發機構

2017/6	Top Level Certificate of ITSS Cloud Computing Servicing Ability Assessment (Class II)	ITSS雲計算服務能力測評最高等級證書(二級)	Chinese Electronics Standardization Association Information Technology Service Standards Sub-Association	中國電子工業標準化技術協會信息技術服務分會
2017/8	Top 50 Big Data Corporations in China	中國大數據企業50強	MIIT Big Data Research Institute	工信部大數據產業研究院

Business Group: Sm@rt City Service Group

本部名稱：智慧城市

Date of award

(year/month)

獲獎時間(年／月) Name of award

獎項名稱

Awarding authority

頒發機構

2017/12	Best Big Data Service Providers	大數據最佳服務提供商	Xinhuanet, Chinese Academy for ICT, Chinese Academy of Social Sciences ("CASS") Center for Informatization Study	新華網、中國信息通信研究院、中國社科院信息化研究中心
2017/12	Exemplary Cases in Big Data Application: "Platform for Operational Monitoring and Coordinated Modulation of City Services – Langfang Plant" and "Zhuminsheng – Guiyang Big Data People's Livelihood Project" were named among the "Top 100 Big Data Cases 2017"	大數據應用案例：「城市運行監測及協同調度平台 – 廊坊大廠」和「築民生 – 貴陽大數據民生工程」，被納入「2017大數據案例TOP100」	Xinhuanet, Chinese Academy for ICT, CASS Center for Informatization Study	新華網、中國信息通信研究院、中國社科院信息化研究中心

Business Group: Supply Chain Management

本部名稱：供應鏈

Date of award

(year/month)

獲獎時間(年／月) Name of award

獎項名稱

Awarding authority

頒發機構

2017/12	Exemplary Entity in Smart Logistics Services in China 2017 Award	2017年度中國智慧物流服務示範單位大獎	China Electronic Commerce Logistics Industry Alliance	中國電商物流產業聯盟
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Chairman's Statement

主席報告

THE WORLD IS ENTERING INTO A NEW ERA OF SMART APPLICATIONS BUILT AROUND BIG DATA TECHNOLOGIES. DIGITAL CHINA HOLDINGS IS, ON THE BACK OF ITS CAPABILITIES IN CLOUD COMPUTING, BIG DATA AND ARTIFICIAL INTELLIGENCE ("AI"), MAKING TREMENDOUS PROGRESS IN IMPORTANT SECTORS SUCH AS SM@RT HEALTHCARE, SM@RT AGRICULTURE, SMART MANUFACTURING, SM@RT FINANCE. WE ARE WELL-POSITIONED TO BUILD APPLICATION SCENARIOS FOR THE FUTURE SMART ERA AND REALISE THE DREAM OF "DIGITAL CHINA", LEVERAGING OUR ADVANCED POSITION IN CONCEPT, STRATEGY AND TECHNOLOGY, EXPERIENCE IN INDUSTRY INFORMATISATION BUILT OVER DECADES AND UNIQUE COMPETITIVE EDGE IN BIG DATA TECHNOLOGIES.

Dear Shareholders of Digital China Holdings,

Year 2017 has been a year of full implementation of the new strategy and innovative businesses of Digital China Holdings. Developments in new technologies such as Cloud Computing, Big Data and Internet of Things ("IOT") are pointing towards unprecedented explosive growth, as virtually all technological innovations currently seen in the market are based on Cloud Computing, while Big Data is driving integration and innovation in different industries. The latest onrush of rapid development and applications of IT technologies has created further demand and market opportunities for innovation, ushering in a stage of speedy development for the IT industry. In a steadfast effort to transform into a Cloud and Big Data service provider, Digital China Holdings has been increasing its investment in new businesses built on innovative models with aid of financial resources, in order to make vigorous advances and stay ahead of the game in market development. Since the disposal of its Distribution and Systems Business and transformation into an Internet-focused company two years ago, Digital China Holdings has forged a solid foundation in the Internet business, providing enabling services to facilitate empowerment for sectors such as Government, Modern Agriculture, Smart Manufacturing, Sm@rt City Management and Healthcare on the back of its core capabilities in Cloud Computing and Big Data. For the year under review, we have achieved breakthroughs in various degrees across all business segments. On every front and in every battleground, we have lived up to our corporate culture of responsibility, passion and innovation, in a consistent effort to fulfill the mission of building a "Digital China".

邁進以大數據為核心的智能時代，神州控股以雲計算、大數據、人工智能為依托，在智慧醫療、智慧農業、智能製造、智慧金融、新物流等重點領域實現快速發展；憑藉在理念、戰略、技術、實踐上的全面領先，以及行業信息化數十年積累和大數據技術上的獨特競爭優勢，構建未來智能時代的應用場景，實現「數字中國」之理想。

致各位尊敬的神州控股股東：

二零一七年是神州控股戰略和創新業務全面落實的一年。雲計算、大數據、物聯網等新技術正逐步迎來空前的爆炸式增長。當前市場上幾乎所有的技術創新都是基於雲計算的支持展開，大數據也正驅動各產業的融合創新，新一輪IT技術的快速發展和應用，帶來了更多創新需求和市場空間，也推動了整個信息技術產業進入高速發展期。神州控股堅定不移地向雲及大數據服務商轉型，通過創新業務模式，借助資本的力量加大對新業務的投入，搶佔市場先機，勇往直前。自兩年前神州控股出售分銷和系統業務後並轉型成為一間專注互聯網服務的公司後，神州控股已在互聯網業務上打下堅實的基礎。以雲計算和大數據為戰略核心，為政府、現代農業、智能製造、智慧城市管理、醫療健康等行業進行賦能。本年我們在各經營領域取得不同程度的突破。每一條戰線，每一個戰場，都在踐行著責任、激情、創新的文化理念，都在踐行著數字中國的使命和理想。

Mr. GUO Wei

郭為先生



The most valuable products in the future society would be the cloud platform that integrates all kinds of services, and the massive data generated through such services. On the back of its technological strengths in Cloud Computing, Big Data and quantum communication, Digital China Holdings will continue to lead in and drive China's informatisation process in support of the "Digital China" mission by resorting to business models which are product-oriented, platform-based and driven by smart applications.

As the building of cloud computing infrastructure continues to gain pace in the financial, telecommunications, government and corporation and agricultural sectors, there has been a general need for industry clients to optimise and upgrade their data centres. In this connection, our Systems Integration Business has reported positive business development, having seized market opportunities presented by national information and cyber security developments on the back of enhanced planning for the "adaptable" architecture of the industry data centre and improved abilities to deliver system integration and facilitate cloud deployment for distributed and centralised business architectures.

Data resources have become increasingly important. In the future, whoever in possession of data resources will be in the driving seat in the next cycle of competition. And that is exactly what we have: Big Data resources across different industries developed over years of providing services to large sectors, such as those in relation to, among others, agriculture, taxation, industry and commerce, customs and finance, giving us a solid background in historical and technical resources. As a Big Data service provider, what Digital China Holdings does is to identify data and put them to sophisticated applications, and to facilitate empowerment in sectors such as Smart City, Precision Medicine, Modern Agriculture and Smart Manufacturing and in-depth application of Cloud and Big Data technologies in all sectors, leveraging Big Data and the Internet on the back of its unique strengths forged through traditional businesses.

未來社會最有價值的是融合服務的雲平臺，以及通過服務產生的海量數據。神州控股依托雲計算、大數據、量子通信等技術，以產品化、平台化、智能化的模式，繼續引領和推動中國信息化進程，支撐數字中國的使命。

雲計算基礎設施在金融、電信、政企、農業等行業加速普及，行業用戶數據中心普遍存在優化升級的需求。我們的集成解決方案業務，加大行業數據中心「敏感」架構規劃及集成交付能力，提升分佈式和集中式業務架構的雲端部署服務能力，把握國家信息與網絡安全建設等市場機遇，獲得良好發展。

數據資源越來越重要。未來，誰擁有數據源，誰將在下一輪競爭佔據領先優勢。我們恰恰是在過去的發展中，利用大型行業的長期積累，擁有了很多行業大數據的資源，涉及農業、稅務、工商、海關、金融等，歷史積澱和技術資源深厚。作為大數據服務商，神州控股所做的是挖掘深度應用數據，並將發揮自身在傳統業務上的獨特優勢，擁抱大數據和互聯網，在智慧城市、精準醫療、現代農業、智能製造領域發揮賦能作用，將雲和大數據技術滲透到各個領域。

In line with the national Big Data strategy, Digital China Holdings has further enhanced innovative applications of deep-web data in the finance, telecommunications, taxation and agriculture sectors and implemented Big Data business ideas such as software-defined, data-driven approach, platform support, value-added services, and smart application-based operation. Big Data products such as data integration platform and Big Data infrastructure platform have been launched to facilitate integration of industry chains and service innovation. In the financial sector, we have offered support to cross-sector innovation and intelligentisation of banks and other financial institutions. In the taxation sector, we have supported the collation and analysis of national taxation and upgrade of visualised management, sharing taxation related data with a number of ministries and commissions. In the communications sector, the Company's Big Data services have supported operators to make vigorous use of data assets and provided extensive Big Data solutions to users in key sectors such as public security, government and judiciary and tourism. In the agriculture sector, the Company has built an agricultural data chain through agricultural village management service, agricultural production service and agricultural trade service, using data analysis and forecasts to assist in predictions of natural conditions and rendering powerful support for the development of precision agriculture and agricultural modernisation.

The Company has been making strong efforts to drive the development of quantum communication as one of its important strategic businesses, underpinned by its full participation in the construction of the national quantum communication truck route and provision of related services in support of the nation's strategic requirements and sustainable development. In this connection, the "Beijing-Shanghai Communication Route" project, a quantum encrypted communication network constructed with the support of the Company, has successfully passed the national inspection and acceptance procedures. In the future, we will look into the possibility of developing peripheral products relating to the application of quantum communication.

Our Sm@rt City Business has realised intelligentisation of Big Data at the deep-web level thanks to our technological advances, resulting new opportunities as well as challenges for the development of Sm@rt City. Digital China Holdings will explore a cross-sector ecosphere featuring a high level of integration of technology, finance, urban infrastructure construction, culture and trade through the building of a module for smart construction of urban infrastructure facilities, as it grows from a provider of Sm@rt City construction capabilities into a developer of Sm@rt City ecospheres.

順應國家大數據戰略，神州控股進一步在金融、電信、稅務、農業等行業進行深網數據的應用創新，落實軟件定義、數據驅動、平台支撐、服務增值、智能主導的大數據業務理念，推出應用層及數據層的數據融合平台、大數據基礎平台等大數據產品，促進行業的產業鏈融合和服務創新。在金融領域，支持銀行等金融機構跨界創新，智能化發展；在稅務領域，支撐國家稅收數據的匯集、分析及可視化管理升級，並與多部委實現涉稅數據的交互共享；在通信領域，公司大數據服務支撐運營商盤活數據資產，為公安、政法、旅遊等重點行業用戶提供豐富的大數據解決方案；在農業領域，公司通過農村管理服務、農業生產服務、農業交易服務建立農業產業數據鏈，利用數據分析和預測助力「知天」，有力地支撐精準農業發展，推動農業現代化。

公司將量子通信作為重要的戰略業務之一大力推進和發展，全面參與國家量子通信骨幹網的建設及服務，支持國家戰略需求和可持續發展。公司支持建設的量子保密通信「京滬幹線」項目也順利通過國家驗收。未來，我們會研究在量子通信使用範疇邊開發一些使用商品。

智慧城市業務在技術發展的推動下，實現大數據深網層面的智能化改造，這也為智慧城市的發展提供新的挑戰和機遇。神州控股將通過打造一個城市基礎設施智能化建設的模版，探尋一種科技與金融、城市基礎建設、文化、商貿高度融合的跨界生態，從智慧城市建設的能力提供者向智慧城市的生態構建者邁進。

The Sm@rt City Business of Digital China Holdings has been focused on deploying cloud-based open city data platforms on top of its existing model of city services. Aided by Yanyun (燕雲) DaaS, an exclusive deep-web data extraction technology, our Sm@rt City Business has effectively ended the isolated information islands and orchestrated inter-connection and communication of information. By now we have developed business models for the operation of resources, scenarios and platforms on the basis of Big Data services and the API platform to provide government and corporate clients with products for the integration and convergence of API government information resources, micro-service solutions and platform construction and operation. Currently, data service products for industrial operation, economic operation, defined poverty aid, citizen credit, transportation and education have been developed in a move to commercialise our technological achievements in multiple sectors through different approaches.

Digital China Holdings has enhanced its strategic cooperation with Guangzhou City Infrastructure Investment Group Limited (廣州市建設投資集團有限公司) ("GZ Infrastructure"), which is set to drive the development of the Sm@rt City and Big Data sectors with positive synergies generated through more effective combination of the advanced technologies of Digital China Holdings and the city construction operations of GZ Infrastructure. Guangzhou Sm@rt City Planning and Research Institute, a research facility jointly established by Digital China Holdings and GZ Infrastructure in Guangzhou, will focus on methodologies and tactics for the development of new-generation IT, AI and bio-medicine, leveraging fully the enabling effect and driving force of smart technologies and novel smart industry chain. The two companies will also work together to launch an online rental platform and smart water supply solution designed for affordable housing under relevant government policies.

神州控股智慧城市業務在原有的城市服務模式上，著力佈局基於雲環境的城市數據開放平台。智慧城市業務以燕雲DaaS深網數據挖掘的數據採集技術，打破信息孤島，實現信息互聯互通。如今我們已經推出了以大數據服務、API平台為基礎的資源運營、場景運營以及平台運營的商業模式，為政府及企業客戶提供API政府信息資源整合接口產品、微服務解決方案、平台建設及運營等服務，目前已形成工業運行、經濟運行、精準扶貧、城市信用、交通、教育等行業的多項數據服務產品，多途徑多方面實現商業化。

神州控股與廣州市建設投資集團有限公司(下稱「廣州城投」)深化戰略合作，我們的智慧城市技術與廣州城投的城市建設更有效的結合能產生良好的協同效應，推動智慧城市和大數據產業的發展。神州控股與廣州城投在廣州成立的廣州智慧城市規劃研究院將圍繞新一代信息技術、人工智能、生物醫藥產業發展方略，運用智能技術及新型智能產業鏈的使能效應和帶動作用。雙方還將合作推出政策性保障用房的線上租賃平台和智慧水務解決方案。

Our Supply Chain Business has reported rapid growth under the smart logistics development model of "Warehouse + Technology + Data". Big Data forecast as a crucial factor for the success of a logistics system, we have completed the in-house development of Xdata logistics Big Data products and a visualisation platform and incorporated such technologies and Big Data smart applications into our principal operations. During the year, we adopted the "Human + Robot" model for the first time and advanced the consolidation of a number of complicated orders through the application of Big Data technologies, achieving maximum synergy between the efficient labour of robots and flexibility of manual input to "reduce physical input, optimise product selection and minimise errors" by assigning tasks to robots via the cloud-based server. Supported by Big Data technologies, cloud-based servers and robots, our Supply Chain Business have reported stellar results for the November 11th marketing campaign and received the "Golden Eagle Award" in the "Cainiao Outstanding Partners Award 2017". While achieving progress for the long term in e-Commerce logistics, we have also made a breakthrough in cooperation on the manufacturers' end in connection with B2B logistics, teaming up with Huawei and Honor in the e-Commerce retail business to pursue mutual success. The opening of our warehouse in Mandalay, Myanmar, meanwhile, represents an investigative attempt of our Logistics Business at overseas expansion in tandem with the national "Belt and Road" strategy.

In connection with Precision Medicine, we have completed our deployment in Healthcare Big Data after years of build-up efforts, including preparations for the establishment of China Healthcare Big Data Technology Development Group Ltd. (中國健康醫療大數據科技發展集團公司) and Digital China Health, and transformed a technology R&D project into a business model. After two years of development, we introduce our first world-leading product in Precision Medicine which has been deployed at Fudan Children's Hospital. This means that the idea of empowering the healthcare industry with Big Data is no longer a dream, but has been put to realistic implementation. Today, we have not only assembled a young, international team comprising top-notch experts from China, Israel and the United States for our Healthcare Big Data operations, but have also won approval among industry players to position ourselves as pioneers in the development of Healthy China as we carry on with our incessant effort to help China reach advanced world standards in cancer survival rate. Through Digital China Health and China Healthcare Big Data Technology Development Group Ltd. (中國健康醫療大數據科技發展集團公司), we hope to serve China and all Chinese people in connection with healthcare, medical treatment and insurance through the development of "One Network, One Database".

供應鏈業務在「倉+科技+數據」的智慧物流發展模式下，取得了快速增長。大數據的預測將成為整個物流系統的成敗關鍵，我們自主研發了Xdata的物流大數據產品和可視化平台，並將這些科技和大數據智能應用在一線業務當中。本年，我們首次採用「人機共舞」模式，通過大數據技術將多種複雜訂單提前聚合，通過雲端服務器，將任務下發給機器人，最大限度的協同機器人的「跑腿」作用以及人工的機動靈活，實現「路少跑、貨好揀、錯少出」。在大數據技術、雲端服務器和機器人的支持下，供應鏈業務在雙十一期間成績斐然，榮獲二零一七年度菜鳥網絡優秀合作夥伴大獎「金鷹獎」。在電商物流取得長遠業務進展的同時，B2B物流方面成功實現廠商端合作的突破，電商零售業務與華為、榮耀共創輝煌。緬甸曼德勒倉庫的開倉更標誌了物流業務的沿著國家「一帶一路」戰略向海外拓展的探索和嘗試。

在精準醫療領域，我們經過多年的積累，完成了對醫療大數據的佈局，包括籌備中國健康醫療大數據科技發展集團有限公司、神州醫療公司的創建，從一個科研項目演變成一個業務模式。經過兩年的努力，我們終於迎來了第一個全球領先的精準醫療產品，並已經部署在復旦兒科醫院，這標誌著我們用大數據賦能醫療行業已經不是夢想而是開始付諸實踐。直到今天，我們不僅聚集了一支具有國際水平的年輕的醫療大數據團隊，擁有來自中國、以色列和美國的一流專家，我們也獲得了業界的認可，成為健康中國的排頭兵，為實現中國腫瘤病治癒率達到世界先進水平而不懈努力。透過神州醫療及中國健康醫療大數據科技發展集團有限公司，我們希望通過建立「一網一庫」的方式，為中國，為全社會，在醫療領域，在治療領域，在保險領域裡面為老百姓服務。

In Modern Agriculture, we have built a platform based on Big Data, where we consolidate and analyse fragmented agricultural resources, made available through the transactions of agricultural land, with the aid of information technologies such as Cloud Computing and Big Data. By standardising agricultural trading services with regulated and more efficient processes, we have contributed to the aim of adding to value to these agricultural resources. We have developed a complete Big Data chain for the "Three Agricultural Aspects (Business, Land and Farmers)" targeted at the agricultural village market, forming a consolidated business ecosphere and strategic position for the "Three Agricultural Aspects" underpinned by "One Network, One Database and Three Services". By providing agricultural village management service, agricultural production service and agricultural trade service, we have facilitated connections between people and administrators, between people and production means, and between people and services for agricultural villages. In July 2017, Premier Li Keqiang commended the foresight of our development of Big Data for the three agricultural aspects following a visit to "Three Agricultural Big Data Company" under Digital China Holdings during his inspection trip to the Yangling Agricultural Hi-tech Industrial Demonstration Zone in Shaanxi. Digital China Agriculture has emerged as a stronghold in the agricultural informatisation of China, bringing benefits to growers and consumers alike and empowering the modernisation of agriculture in China.

"Digital China" is a name by which our Company is identified and our mission expressed. Over 18 years since its incorporation, Digital China Holdings has consistently lived up to its mission, venturing from product distribution to software service and from software service to Big Data and Cloud. At a study session organised by the CPC Central Politburo in December 2017, General Secretary Xi Jinping stressed the importance of "stepping up with the building of the digital China to better serve the nation's economic and social development and improvements to people's life by: driving and implementation the national Big Data strategy, accelerating the upgrade of data infrastructure, promoting the consolidation and open sharing of data, and ensuring data security". The monumental call has reaffirmed our faith and determination, for we are none other than the implementers of "Digital China".

在現代農業領域，我們依托大數據打造一個平台，以農村土地流轉為切入點，用雲計算、大數據等信息技術將分散農業資源進行整合分析，讓農業交易服務標準化、流程化、高效化，才能激活農村各類資源的價值。我們已經搭建起完整的「三農大數據」生態鏈。面向農村市場，形成了「一網一庫三大服務」的三農聚合生態和戰略定位，通過農村管理服務、農業生產服務、農業交易服務，幫助農村實現了人與管理者的連接、人與生產要素的連接，和人與服務的連接。二零一七年七月，李克強總理考察陝西楊凌農業高新技術產業示範區，來到神州控股旗下「三農大數據」公司考察，對神州控股旗下三農大數據的前瞻性佈局給予高度評價。神州農業成為了中國農業信息化領域的一支中堅力量，為耕者謀利，為食者造福，賦能中國農業現代化。

「數字中國」既是我們的名字，更是我們的使命。神州控股成立迄今的十八年來，從代理分銷到軟件服務，再到今天的大數據和雲，我們一直都在踐行著我們的使命。二零一七年十二月，中共中央政治局開了一場集體學習會議。在這個學習會議當中，總書記習近平強調「推動實施國家大數據戰略，加快完善數據基礎設施，推進數據整合開放共享，保證數據安全，加快建設數字中國，更好服務我國經濟社會發展和人民生活改善」。面對這些偉大號召，我們更加堅定了信心和決心，因為我們正是「數字中國」的實踐者。

Chairman's Statement

主席報告

In 2018, "Digital China" will remain a beacon that lights up our way forward, as we continue to carry out our mission in answer to the great call of President Xi. We will be engaged in unequivocal implementation of our strategic goals, namely, to facilitate empowerment for sm@rt city management, manufacturing, agriculture, healthcare, finance and industrial and commercial enterprises through digitalisation. In adherence to our original aspiration and objective, we will strive for competitive edge in Cloud Computing and Big Data and enhance our own technologies consistently, so as to grab opportunities presented by the Big Data industrialisation that worth thousands of billions, following the development of a digital China.

On behalf of the board of directors, I would like to express gratitude to our investors for their support of the Company's transformation, and to our staff for their relentless effort to achieve the goals of the Company.

展望二零一八年，「數字中國」是我們前進的燈塔，踐行習主席的偉大號召是我們的使命和責任。我們要更加明確以數字化實踐為智慧城市管理、製造業、農業、醫療、金融和各工商企業賦能的戰略目標。我們將繼續不忘初心，在雲計算，大數據等領域取得領先優勢，不斷提升自身技術，務求抓住數字中國所帶來的一場萬億大數據工業化革命。

在此，我謹代表董事會，感謝投資人對神州控股轉型的支持，並感謝全體員工為公司目標達成所做出的不懈努力。

Management Discussion and Analysis 管理層研討與分析

Digital China Holdings continued the transition from a traditional IT service provider to an innovative Big Data service provider in 2017 in accordance with its "Cloud Computing + Big Data" strategy. On the back of massive data depositories built up over the years, Digital China Holdings achieved strategic breakthroughs in selected business segments and swift improvements in operational efficiency following ongoing optimisation in operational management and business processes. We continued to provide enabling services to sectors such as government, modern agriculture, sm@rt manufacturing, Sm@rt City management and healthcare through our capital- and technology-driven operations underpinned by "Cloud Computing + Big Data".

1.1 SUCCESSFUL COMPLETION OF RIGHTS ISSUE EXPEDITING DEVELOPMENT OF HEALTHCARE BIG DATA; FULL COOPERATION WITH GZ INFRASTRUCTURE DRIVING SM@RT CITY BUSINESS

In September 2017, the Company completed a rights issue and raised funds of approximately HK\$1.34 billion. Underpinning market confidence in the strategic transformation of Digital China Holdings, the successful completion of the rights issue with substantial oversubscription has strengthened the Group's resolve to advance the development of new businesses such as Precision Medicine and Sm@rt City. Approximately 59% of the net proceeds from the rights issue will be applied to fund investment in China Healthcare Big Data Technology Development Group Ltd. (中國健康醫療大數據科技發展集團公司) ("Healthcare Big Data Group"). As the primary directions in the development of China's medical sector under national policies, Precision Medicine and Healthcare Big Data will become the Group's core business segments in the future. The rights issue exercise has provided Digital China Holdings with financial resources to step up with developments in the Healthcare Big Data sector. The proposed Healthcare Big Data Group, to be formed as a joint venture by a host of well-known Central Government-owned Enterprises, state-owned enterprises listed companies and the Chinese Academy of Sciences, is set to become one of the national leagues in the Healthcare Big Data sector.

二零一七年，神州控股遵循「雲計算+大數據」的戰略，從傳統IT服務提供商向著創新型大數據服務商轉型。建基於多年的數據積累，神州控股在一些業務上取得戰略性的突破，在經營管理、業務流程等方面持續優化，運營效率快速提升。神州控股堅持以雲計算和大數據為支撐，持續以資本和技術為驅動，對政府、現代農業、智能製造業、智慧城市管理、醫療健康等行業進行賦能。

1.1 神州控股成功完成供股融資 加快佈局醫療大數據板塊，與廣州市建設投資集團有限公司全面合作 推進智慧城市業務

二零一七年九月，本公司成功完成供股籌集資金約港幣13.4億元。此次供股融資圓滿完成並獲得大幅度的超額申請，顯示市場對神州控股戰略轉型充滿信心，也堅定集團加快發展精準醫療及智慧城市等新業務的決心。供股所得款項當中淨額約59%的資金計劃用於投資中國健康醫療大數據科技發展集團有限公司。在國家政策的推動下，精準醫療、健康醫療大數據是中國醫療發展的主要方向，也是集團未來的核心業務之一。這次供股融資將為神州控股提供資金，加快佈局健康醫療大數據板塊。我們攜手中國科學院並牽頭多家知名央企、國企及上市公司擬籌劃成立的中國健康醫療大數據科技發展集團有限公司，是健康醫療大數據領域的國家隊之一。

Management Discussion and Analysis

管理層研討與分析

Digital China Holdings, as the first company in China to embark on the Sm@rt City business, has been enhancing its cooperation with strategic partner Guangzhou City Infrastructure Investment Group Limited (廣州市城市建設投資集團有限公司) ("GZ Infrastructure"), a major player in the Guangzhou's infrastructure and Sm@rt City construction. Cooperation between the two companies will facilitate more effective combination of the advanced technologies of Digital China Holdings and the city construction operations of GZ Infrastructure will provide a genuine model of technology assisting city development, and the partnership is expected to generate positive synergies to drive the development of the Sm@rt City and Big Data sectors. Digital China Holdings will continue to implement strategic transformation and innovative development in a vigorous manner and step up with strategic transformation through multilateral cooperation, so as to develop new niches for profit growth and drive sustainable, healthy business development for more lucrative shareholders' return.

For the year of 2017, the Continuing Operations reported revenue of HK\$13.247 billion, representing year-on-year growth of HK\$996 million or 8.12%, compared to HK\$12.251 billion for the corresponding period of last financial year, reflecting all-rounded revenue growth for IT Services, Supply Chain and New Business. Gross profit increased to HK\$2,665 million by HK\$161 million or 6.45%, as compared to HK\$2,504 million for the corresponding period of last financial year. Gross profit margin was 20.12%, down 0.32% from 20.44% last financial year. Loss from Continuing Operations attributable to the shareholders of the parent company amounted to HK\$413 million, down 142.5% or increase HK\$243 million, from HK\$170 million for the corresponding period of last financial year. The results were affected by one-off, non-cash expenses, including the expenses arising from the grant of share options and restricted share units and the impairment of wealth management financial products. Excluding the above-mentioned one-off expenses, the recurring profit from Continuing Operations attributable to the shareholders of the parent company amounted to HK\$122 million, up 196.68% from last financial year.

神州控股與戰略合作夥伴廣州市城市建設投資集團有限公司(下稱「廣州城投」)正在不斷強化合作關係。廣州城投是廣州市基礎設施和智慧城市建設的主力軍，神州控股是在中國率先開展智慧城市業務的領軍企業。兩家公司的合作可以將神州控股的先進技術與廣州城投的城市建設更有效的結合，真正意義上打造科技助力城市發展的典範。相信雙方的合作能產生良好的協同效應，推動智慧城市和大數據產業的發展。神州控股將繼續積極落實戰略轉型和創新發展，通過與多方合作，加快戰略轉型的步伐，建立新的盈利增長點，推動業務的持續健康發展，為股東創造更大的回報。

受益於IT服務、供應鏈和新業務與期內的營業額全面增長帶動，持續經營業務於二零一七財年實現營業收入港幣132.47億元，較上財年同期的港幣122.51億元增加港幣9.96億元，增長8.12%。毛利額為港幣26.65億元，較上財年同期的港幣25.04億元增加港幣1.61億元，同比增長6.45%。毛利率為20.12%，較上年同期的20.44%減少0.32個百分點。於二零一七財年本集團持續經營業務累計實現母公司股東應佔虧損港幣4.13億元，較上財年同期的虧損港幣1.70億元增加港幣2.43億元，下降142.5%，扣除因期內授出購股權及受限制股份而產生的股份支付開支(一次性非現金項目)以及理財產品風險撥備的影響，本財年持續經營業務累計實現母公司股東應佔溢利港幣1.22億元，較上年同期相比增長196.68%。

1.2 FIRM FOOTHOLDS IN CLOUD COMPUTING AND BIG DATA EMPOWERING GOVERNMENT, MODERN AGRICULTURE, SM@RT MANUFACTURING, SM@RT CITY MANAGEMENT AND HEALTHCARE SECTORS

With the advancement of our new strategy, we have leaped forward from an industry IT service provider to an industry operator through innovations in business model developed on the back of Cloud Computing and Big Data technologies, in relation to the core sectors where we claim a competitive edge.

The concept of Sm@rt City was first introduced in China by Digital China Holdings in 2010. Today, our Sm@rt City solutions cover more than 120 Chinese cities, while our city service platforms have been signed up by more than 40 cities/districts and in operation in more than 30 cities covering over more than 100 million residents. As the first mover in Sm@rt City, Digital China Holdings has grown into an undisputable leader of the sector. In 2017, our Sm@rt City was focused on deploying cloud-based open city data platforms on top of its existing model of city services. In cooperation with Peking University, we have developed and invested in Yanfeng (燕風) DaaS and Yanyun (燕雲) IaaS, exclusive deep-web data extraction technologies by Beijing Internetwork Corporation Limited* (北京因特睿軟件有限公司). The application of the new technologies has significantly accelerated the progress of various data sharing processes, including those in relation to government data, effectively breaking the isolation of individual information systems and orchestrating a substantial leap forward in our ability to extract and analyze data. On this basis, we have launched respective business models for the operation of resources, scenarios and platforms, providing government and corporate clients with products for the integration and convergence of API government information resources, micro-service solutions and platform construction and operation. Currently, data service products for industrial operation, economic operation, defined poverty aid, citizen credit, transportation and education have been developed in a move to commercialise our technological achievements in multiple sectors through different approaches. We have also propositioned a model for the empowerment of Chinese manufacturers through Big Data applications. In November 2017, we worked with Shenyang Machine Tools to launch the i5 new-generation smart machine tool operating system, which gave rise to the iSESOL industrial cloud platform. By facilitating production capacity trade, customised manufacturing and regional coordination, iSESOL has contributed to the creation of a brand new, socialised business ecosphere for the manufacturing sector.

1.2 立足雲計算、大數據，對政府、現代農業、智能製造、智慧城市管理、醫療健康等行業進行賦能

隨著新戰略的推進，我們在核心優勢行業，正立足雲計算和大數據技術，通過創新業務模式，實現了從行業 IT 服務商到行業運營商的跨越。

二零一零年，神州控股在中國首次提出智慧城市發展理念。時至今日，我們的智慧城市解決方案已覆蓋全中國一百二十多個城市，我們的城市服務平台簽約已達四十多個城市／地區，並且已經在三十多個城市開展運營，覆蓋常住人口超過一億人。神州控股從智慧城市領域的創導者，成為了無可爭議的智慧城市領軍企業。二零一七年智慧城市業務在原有的城市服務模式上，著力佈局基於雲環境的城市數據開放平台。我們與北京大學合作研發並投資了北京因特睿軟件有限公司的獨家深網數據開採技術 – 燕風 DaaS 和燕雲 IaaS。新技術的應用極大地加快了包括政府數據在內的各類數據開放共用進程，打破了信息孤島壁壘，使得我們的數據採集和分析能力有了質的飛躍。以此為基礎，我們推出了資源運營、場景運營以及平台運營的商業模式，為政府及企業客戶提供 API 政府信息資源整合接口產品、微服務解決方案、平台建設及運營等服務，目前已形成工業運行、經濟運行、精準扶貧、城市信用、交通、教育等行業的數據服務產品，多途徑多方面實現商業化。中國製造業如何用大數據賦能，我們提出了一套模式。我們和瀋陽機床合作，二零一七年十一月份發佈了 i5 新一代智能機床作業系統，催生了 iSESOL 工業雲平臺。iSESOL 實現產能交易，個性化定制以及區域協同，打造了一個全新社會化的製造生態系統。

With the rapid penetration of new technologies and service models, such as mobile Internet, Big Data and Cloud Computing, into various segments of the medical sector, the development and application of Healthcare Big Data as an important, fundamental form of strategic resources of the nation will promise enormous commercial and social value. On the back of its unrivaled ability in cancer data analysis in the domestic market, Digital China Health is developing China's largest oncologic data centre and oncology Big Data platform in cooperation with the Chinese Academy of Sciences, on the basis of which comprehensive tumor data services will be provided. In future, the new Healthcare Big Data Group is expected to consolidate the strengths of its member companies to drive collective innovation through capital investments. It has plans to build experimental national medical care Big Data centers and industrial parks in major cities, eventually forming a Healthcare Big Data service regime that will drive the development of elementary Healthcare Big Data for the nation.

隨著移動互聯網、大數據、雲計算等新興技術與新服務模式快速滲透到醫療領域各個環節，健康醫療大數據作為國家重要的基礎性戰略資源，其發展和應用將帶來巨大的商業及社會價值。神州醫療憑藉國內首屈一指的癌症數據分析能力，正與中國科學院開展全面合作，建設中國最大的腫瘤數據中心及腫瘤大數據平台，並以此為基礎提供全方位的腫瘤數據服務。未來，預計新成立的中國健康醫療大數據科技發展集團有限公司將整合成員公司的優勢資源，以資本為紐帶，聯合創新，在主要城市逐一開展試點，投資運營國家健康醫療大數據中心及產業園區，構建健康醫療大數據服務體系，推動國家基礎性健康醫療大數據建設。

The Group has been making strong efforts to drive the development of quantum communication as one of its important strategic businesses, underpinned by its full participation in the construction of the national quantum communication route and provision of related services in support of the nation's strategic requirements and sustainable development. In 2017, the Group entered into a series of strategic cooperation in active involvement in the construction of the quantum communication industrial park in Tianjin, as well as standard formulation and operating services in relation to quantum communication networks. The "Beijing-Shanghai Communication Route" project, a quantum encrypted communication network constructed with the support of the Company, has fulfilled the national inspection and acceptance procedures and completed connection with the ground station of the "Mozi" experimental quantum satellite, signifying initial success for a Space-Earth wide-area quantum communication network. Towards the end of the year, the Company made further progress in driving the industrialisation of quantum encrypted communication technologies in China, as it secured a tender for the "Wuhan-Hefei Communication Route" project, the second quantum encrypted communication network to be constructed by the nation as a key project, following the "Beijing-Shanghai Communication Route" project.

集團將量子通信作為重要的戰略業務之一大力推進和發展，全面參與國家量子通信骨幹網的建設及服務，支援國家戰略需求和可持續發展。二零一七年，本集團簽署系列戰略合作，積極參與天津量子通信產業基地建設，以及量子通信網絡的標準制定和運營服務。公司支援建設的量子保密通信「京滬幹線」項目也順利通過國家驗收，實現與「墨子號」量子科學實驗衛星與地面站的連接，星地一體的廣域量子通信網絡初見成效。年底，公司再中標量子保密通信「武合幹線」項目，「武合幹線」是「京滬幹線」之後國家重點建設的第二條量子保密通信幹線工程，集團在推動我國量子保密通信技術產業化方面又取得重要進展。

2.1 IT SERVICE BUSINESS (DCITS): LEADING IT SERVICE PROVIDER IN CHINA'S IT INDUSTRY SPECIALISED IN PROPRIETARY SOFTWARE SERVICES, CLOUD COMPUTING AND BIG DATA ANALYSIS, WITH EMPHASIS ON CUSTOMISED CLOUD PLATFORM SERVICES FOR THE AGRICULTURAL, FINANCIAL AND TAXATION SECTORS ON THE BACK OF ITS STRENGTHS IN THESE INDUSTRIES

DCITS (IT Services Business) continued to enhance its business value in 2017, making strong efforts in the development of strategic businesses such as sm@rt maintenance, sm@rt agriculture, quantum communication and financial technology as it provided solid support for the sustainable development of the Company. DCITS reported turnover of HK\$9.415 billion for the year, representing an increase of HK\$206 million or 2.24%, compared to HK\$9.209 billion for the corresponding period of last financial year. Gross profit margin increased by 1.50 percentage points to 20.60%, as compared to 19.10% for the corresponding period of last financial year, reflecting the increase in revenue from Technical Services coupled with the decrease in revenue from the Systems Integration Business and Financial Specialised Equipment Business, which commanded lower gross profit margins, as a percentage of the total revenue of DCITS. Profit of DCITS attributable to shareholders of the parent company for the year rose HK\$85 million or 31.23%, on a year-on-year basis, to HK\$359 million, up from HK\$274 million for the corresponding period of last financial year. Excluding the one-off, non-cash expenses arising from the grant of share options and restricted share units, profit of DCITS attributable to shareholders of the parent company for the year amounted to HK\$376 million, representing a year-on-year growth of 32.68%.

2.1 神州信息：IT服務業務（神州信息）：中國信息技術產業最重要的IT服務商，專注自有軟件、服務、雲計算及大數據分析等業務，依託行業優勢重點打造農業、金融、稅務等行業專有雲服務

二零一七年，神州信息（IT服務業務）繼續提升業務價值，大力推進智能運維、智慧農業、量子通信及金融科技等戰略業務的發展，為公司的可持續健康增長提供支撐。神州信息本年實現營業收入港幣94.15億元，與上財年同期的港幣92.09億元增加港幣2.06億元，同比增長2.24%。技術服務收入在神州信息整體業務收入中佔比增加，而較低毛利率的系統集成業務、金融專用設備相關業務所佔份額下降，致使毛利率較上年同期的19.10%增加1.50個百分點，為20.60%；本財年神州信息實現歸屬於母公司股東淨利潤為港幣3.59億元，較上年同期的港幣2.74億元增加港幣0.85億元，同比增長31.23%。扣除因期內授出購股權及受限制股份而產生的股份支付開支（非現金項目）的影響，本財年神州信息歸屬於母公司股東淨利潤為港幣3.76億元，同比增長32.68%。

2.1.1 Technical Services and Application Software Development (including Cloud services)

In 2017, our Technical Services Business reported rapid development towards cloudification, platform-based operation and intelligentisation with the formation of an integrated smart maintenance service platform – "銳行交付寶", which was capable of providing a full range of IT smart management services comprising centralised maintenance APP, maintenance Big Data analysis, maintenance automation management, service process management, network and business performance analysis, IT infrastructure control and asset allocation management. During the reporting period, the Group's Technical Services Business reported revenue of HK\$3.021 billion for the financial year under review, representing a robust growth of 17.38% on a year-on-year basis. Gross profit margin increased by 2.33 percentage points to 24.75%. Our smart maintenance platform provided services to over 1,000 large-scale industry clients, while acquiring 1,528 new smart maintenance projects in 2017. Having been widely applied in banking, securities, telecommunications and government and corporate services, the automated maintenance platform of DCITS further tapped the military industry and aerospace sectors in 2017. DCITS have signed up Xiamen International Bank, Anhui Mobile, Zhejiang Mobile and Shanxi Mobile for its automated testing services and China Electric Power Research Institute for its smart data centre SDC and cloud maintenance service. In the communication network service sector, DCITS has identified further values in communication data with its Deeplan Big Data platform and formed examples for application in the public security, government and judiciary sectors supporting risk management functions such as warning and preventive control.

2.1.1 技術服務和應用軟件發展 (包括雲服務)

二零一七年，技術服務業務向雲化、平台化和智能化快速發展，形成一體化智能運維服務平台 – 「銳行交付寶」，可提供統一運維 APP、運維大數據分析、運維自動化管理、服務流程管理、網絡及業務性能分析、IT基礎設施監控、資產配置管理等全週期的 IT智能管理服務。報告期內，本集團技術服務業務實現收入港幣30.21億元，較去年同期增長17.38%；業務毛利率達到24.75%，較去年同期提高2.33個百分點。智能運維平台年服務行業大客戶超1,000家，二零一七年新增智慧運維服務項目1,528個。神州信息的自動化運維平台廣泛應用於銀行、證券、電信、政企等行業，二零一七年又成功進入軍工及航天領域；神州信息的自動化測試服務新簽廈門國際銀行、安徽移動、浙江移動、山西移動等客戶；神州信息的智慧數據中心 SDC及雲運維服務，也成功簽約中國電力科學研究院。在通信網絡服務領域，神州信息的 Deeplan大數據平台深度挖掘通信數據價值，在公安、政法等行業形成應用示範，支援預警防控等風險管理。

Application Software Development (including Cloud services) reported revenue of HK\$1.019 billion, down 1.85% on a year-on-year basis. Gross profit margin expanded 4.06 percentage points to 37.51%, benefitting primarily from the product technology upgrades and extended competitive edge of DCITS since recent years. During the reporting period, DCITS signed up 11 banks in the financial sector after winning tenders to provide core banking business systems, of which new-generation distributed core banking systems accounted for 60%. Elsewhere, DCITS continued to lead in the innovation of financial technologies as it signed up 18 financial institutions for corporate service bus systems, 8 banks for smart network outlet systems and 3 banks for Internet finance platforms after winning the relevant tenders. On the back of strengths afforded by its "Financial and Taxation Administration Information System Phase III" administration and decision-making platform, DCITS was assigned a number of projects in the taxation sector in support of China's tax collection reforms and data-sharing service, involving, among others, decision support, external information exchange, horizontal integration of the financial, taxation, treasury and banking networks, and electronic tax payment.

應用軟件發展(包括雲服務)方面，業務實現收入港幣10.19億元，較去年同期減少1.85%；業務毛利率達到37.51%，較去年同期提高4.06個百分點，主要受益於神州信息近年的產品技術升級和優勢擴大。報告期內，神州信息在金融行業中標及簽約11家銀行核心業務系統，其中，新一代分散式銀行核心系統佔比超六成。此外，神州信息還中標及簽約18家金融機構的企業服務總線系統、8家銀行的智能網點系統及3家銀行互聯網金融平台，引領金融科技創新。在稅務行業，憑藉「金稅三期」管理決策平台的優勢，承建決策支援、外部信息交換、財稅庫銀橫向聯網電子繳稅等項目，支撐我國稅收改革與數據共用服務。

Management Discussion and Analysis

管理層研討與分析

2.1.2 Agricultural Informatisation

During the reporting period, the Agricultural Informatisation Business of DCITS reported revenue of HK\$275 million, representing a 15.25% decline on a year-on-year basis. Gross profit margin declined 4.01 percentage points to 52.75%. DCITS made vigorous efforts to drive the implementation of the "One Network, One Data Base and Three Services" model in sm@rt agriculture, leveraging its strengths in IT technology support, industrial integration and value-added services to assist in China's latest reform and revitalisation strategy for the agriculture sector and agricultural villages. Regarding agricultural Big Data, DCITS has undertaken the construction of a national-level farmland rights registration data integration and database, while the "Big Data Command Module for Agricultural Sector, Agricultural Villages and Agricultural Workers" developed by DCITS has commenced operation in Yangling Agricultural Hi-tech Industrial Demonstration Zone in Shaanxi. We have enhanced the marketing of agricultural technologies and standalone Big Data applications, which has been commended by visiting Central Government leaders. In connection with the agricultural IOT business, the application and promotion of sm@rt irrigation and integrated irrigation and fertilisation products in sm@rt industrial parks has been enhanced to drive large-scale implementation, while Sichuan Provincial Agricultural Science Academy and Luoning County, Henan have been signed up for joint venture projects.

2.1.2 農業信息化

報告期內，神州信息農業信息化業務實現收入港幣2.75億元，較去年同期減少15.25%；業務毛利率達到52.75%，較去年同期下降4.01個百分點。神州信息大力推進智慧農業「一網一庫三服務」的落地發展，發揮IT技術支撐、產業融合、服務增值的優勢，助力我國農業農村的新一輪改革發展和鄉村振興戰略。在農業大數據方面，神州信息承建國家級農村土地確權數據集成建庫項目，神州信息研發的「三農大數據指揮艙」在陝西楊凌示範落地，加強農業技術及單品大數據應用推廣，並獲得國家領導的參觀認可。神州信息農業物聯網業務加強了智慧灌溉、水肥一體化產品在農業智能園區的應用推廣，推動規模化落地，成功簽約四川省農科院、河南洛寧等項目合作。

2.1.3 Systems Integration Business

Our Systems Integration Business enhanced planning for the "adaptable" architecture of the industry data centre and improved its ability to deliver system integration and facilitate cloud deployment for distributed and centralised business architecture to seize market opportunities presented by national information and cyber security developments. The Group's systems integration business reported revenue of HK\$4.741 billion for the financial year under review, representing a year-on-year decline of 1.77%. Overall gross profit margin expanded by 1.13 percentage points to 10.68%. DCITS played a full part in driving the progress of the industrialisation quantum communication technologies, as it further undertook the construction of the "Wuhan-Hefei Communication Route", the second quantum encrypted communication trunk route in China, following the completion and delivery of the "Beijing-Shanghai Communication Route", to support cyber security development in the government and finance sectors. Moreover, DCITS has also successfully signed up large projects such as the data centre of the Industrial and Commercial Bank of China and the China online payment and clearing platform while providing specialised services to Alibaba and Ching Export and Import Bank, in a further testimony to our competitive edge in experience and expertise.

2.1.3 集成解決方案

集成解決方案業務加大行業數據中心「敏態」架構規劃及集成交付能力，提升分佈式和集中式業務架構的雲端部署服務能力，把握國家信息與網絡安全建設等市場機遇。本集團的集成解決方案業務實現收入港幣47.41億元，較去年同期減少1.77%；業務毛利率達到10.68%，較去年同期提升1.13個百分點。神州信息全面參與和推進量子通信技術產業化進程，繼完成量子保密通信「京滬幹線」項目的建設和驗收後，進一步承建我國第二條量子保密通信幹線工程——武合幹線，支援政務、金融等領域的網絡安全發展。此外，神州信息還成功簽約中國工商銀行數據中心、中國網絡支付清算平台等大型建設項目，並為阿里巴巴、中國進出口銀行等客戶提供專業服務，進一步體現了行業積累及專業服務優勢。

2.2 SUPPLY CHAIN MANAGEMENT BUSINESS: LEADING SUPPLY CHAIN MANAGEMENT BRAND IN CHINA WITH EXTENSIVE LOGISTIC NETWORK AND COMPREHENSIVE AFTER- SALE MAINTENANCE CAPABILITY. DEVELOPMENT OF B2C SERVICES AND INTERNET-BASED O2O SELF-BRANDED MAINTENANCE SERVICES ON THE BACK OF THE SAAS-BASED "INTERMEDIARY PLATFORM" INTEGRATED E-COMMERCE SERVICE MODEL

Year 2017 was a crucial year for the strategic deployment of our Supply Chain Management Business, as it continued to focus on developing major customers in various sectors in order to swiftly expand its sales and market shares. Against the backdrop of a rapidly developing third-party logistics industry, positive growth momentum was sustained as we reported continuous business expansion as a whole. For the financial year under review, the Supply Chain Management Business recorded overall turnover of approximately HK\$2.885 billion for current financial year under review, an increased by HK\$633 million or 28.11% as compared to the overall turnover of HK\$2.252 billion for the corresponding period of last financial year. The three principal branches of the Supply Chain Management Business, namely, e-Commerce Supply Chain services, Logistics and Maintenance, accounted for 45.85%, 47.87% and 6.28%, respectively, of the revenue from this business segment. The gross profit margin is approximately 12.90% for the period, dropping by 3.03 percentage points from 15.93% for the corresponding period of last financial year. This is attributable primarily to the rapid expansion in scale of the lower margin e-Commerce Supply Chain Service business. During the year under review, the Supply Chain Management Business reported stellar results in its strategic cooperation with Cainiao Network following enhanced efforts on all fronts. On a year-on-year basis, B2C daily handling volume and the handling volume on November 11th marketing campaign rose 83% and 93%, respectively. The full-year target of the supply chain management business has been achieved.

2.2 供應鏈管理業務：中國領先的供應鏈管理品牌，擁有遍佈全國的物流和完善的維修網絡和能力。憑藉基於 SAAS的「中台」電商綜合服務模式，全面發展B2C服務，並積極拓展基於互聯網 O2O的自有維修服務

二零一七年是供應鏈業務戰略部署的關鍵一年，神州控股供應鏈業務持續專注行業大客戶投入及培養，快速擴大銷售規模和市場佔有率。在第三方物流業迅速發展的行業背景下，整體業務持續拓展，維持良好增長勢頭。本財年供應鏈服務業務實現營業收入港幣28.85億元，較上財年同期的港幣22.52億元增加港幣6.33億元，同比增長28.11%。供應鏈業務中，電商供應鏈服務、物流和維修三大業務全年營業額佔比分別為45.85%、47.87%和6.28%。毛利率為12.90%，較上財年同期的15.93%下降3.03個百分點，主要有電商供應鏈低毛利率且規模快速增長的影響。本年供應鏈業務全面強化與菜鸟網絡的戰略合作，成績斐然。全年B2C日單量同比增長83%；雙11單量同比增長93%。供應鏈已經達到預期目標。

During the financial year under review, the Supply Chain Management Business increased its strategic investment in the B2C business, in a bid to enhance business value through rapid deployment. Segment results declined to a loss of HK\$54.85 million from HK\$37.85 million profit in the last financial year, representing a profit reduction of HK\$92.70 million. Excluding the one-off, non-cash expenses arising from the grant of share options and restricted share units, segment results declined by HK\$68.03 million or 149.88% from the last financial year. This was attributable mainly to rapid growth in the scale of our e-Commerce Supply Chain Service following strategic investments. In the future, our Supply Chain Management Business will pursue a model for healthy, sustainable development, seeking to enhance market shares and business value by accelerating market expansion and business deployment with the aid of capital derived from industrial and financial sources.

2.2.1 e-Commerce Supply Chain Business

Riding on strong market and customer approval for the "intermediary platform" business model, our e-Commerce Supply Chain Business continued to enhance business cooperation with three major manufacturers, namely, Huawei, Honor and Dell and reported turnover year-on-year growth of 47.8%, on a year-on-year basis, as it actively explored servicing opportunities in categories such as luxury glasses, luggage bags and handset accessories.

2.2.2 Logistics Services

In view of the rapid development of third-party logistics, the Company proposed the "Warehouse + Technology + Data" model for smart logistics development to create a new logistics business ecosystem under the new era for retail, as it stepped up with the development of a nationwide e-commerce warehouse network to build warehouses in Wuxi, Chengdu, Huizhou, Dongguan, Tianjin, Shijiazhuang, Haining, Hefei, Luoyang and Yichang, in addition to its existing warehouses in Beijing, Shanghai, Guangzhou, Shenzhen and Wuhan. Sectors covered have expanded to include baby care, cosmetics, homeware, small domestic appliances, 3C, Tmall supermarket, cross-border purchases and 1st.1688.com. We have signed up the first batch of logistics service mega-market strategic partners in Alibaba Cainiao Network, as well as renowned brand names including Three Squirrels, Bestore, Li-Ning and Darlie as new customers. As a core strategic partner in Alibaba Cainiao Network, we have reported stellar results for the November 11th marketing campaign and received the "Golden Eagle Award" in the "Cainiao Outstanding Partners Award 2017". In the meantime, we have provided WMS warehouse management system, TMS transportation and distribution management system, OMS

本財年供應鏈管理業務加大在 B2C 業務上的戰略投入，迅速佈局提升業務價值。分部業績為虧損港幣 5,485 萬元，較上年同期的分部溢利港幣 3,785 萬元減少港幣 9,270 萬元，扣除因期內授出購股權及受限制股份而產生的股份支付開支(非現金項目)的影響，供應鏈本財年分部業績同比減少港幣 6,803 萬元，同比下降 149.88%，主要是由於電商供應鏈業務戰略投入，其規模快速增長所致。未來供應鏈服務將追求持續健康的發展模式，引入產業和金融資本，加速市場拓展和業務佈局，提升市場佔有率和業務價值。

2.2.1 電商供應鏈業務

電商供應鏈的「中台綜合服務模式」獲得市場和客戶認可，與華為、榮耀和戴爾三大廠商的業務合作持續深化，營業額快速增長 47.8%，積極拓展奢飾品眼鏡、箱包、手機配件等領域服務機會。

2.2.2 物流業務

在第三方物流快速發展的大背景下，公司提出「倉+科技+數據」的智慧物流發展模式，打造新零售時代下的新物流生態。加快全國化電商倉儲覆蓋佈局，在北京、上海、廣州、深圳、武漢以往的倉庫之外，更是在無錫、成都、惠州、東莞、天津、石家莊、海寧、合肥、洛陽、宜昌等多地開倉。行業拓展到母嬰、美妝、家居、小家電、3C、貓超、跨境、零售通等眾多品類，簽約菜鳥首批物流服務大市場戰略合作夥伴，引進新簽約三隻松鼠、良品鋪子、李寧、黑人牙膏等知名品牌客戶。作為阿里旗下菜鳥網絡的核心戰略合作夥伴，雙 11 期間成績斐然，榮獲二零一七年度菜鳥優秀合作夥伴大獎「金鷹

order management system and Big Data application services to customers in persistent adherence to the principle of staying atop in technology. In accordance with customers' requirements, we have developed a customised visualization big screen to facilitate visibility, manageability and controllability of all stages in the logistics business. Leveraging AI technologies, we pioneered in the application of the "Human + Robot" smart logistics solution developed by our in-house team and realised a "Human + Robot" work mode at the warehouse during major marketing and promotion seasons to facilitate efficiency improvements in warehouse operation. Industry-wise, we have been named for the "Exemplary Entity in Smart Logistics Services in China 2017 Award" by China e-Commerce Industrial Alliance. In the logistics B2B sector, we have cemented our leading position in handset logistics with vigorous business developments in the handset, auto accessories and IT sectors, while undertaking logistics services for multiple destinations and categories within the Xiaomi ecosphere in ongoing cooperation with the three leading telecommunications carriers. We have also signed up Smartisan, BYD and Epson for B2B logistics services.

獎」。堅持科技領先的發展方向，為客戶提供WMS倉庫管理系統、TMS運配管理系統、OMS訂單管理系統，以及大數據應用服務。根據客戶需求，開發定制化的可視化大屏報表，做到物流業務環節的可視、可管、可控。利用人工智能技術，率先應用自主研發的「人機共舞」智慧物流方案，實現倉庫「人機共舞」，在大促期間有效提升倉儲運作效能，在業內榮獲中國電商物流產業聯盟頒發的「二零一七年度中國智慧物流服務示範單位」獎項。在物流B2B領域，圍繞手機、汽配、IT等領域積極業務佈局，穩固在手機物流領域領先的市場地位，與三大運營商持續深度合作，承接小米生態的多地全品類物流服務業務，簽約錘子手機、比亞迪返件、愛普生等B2B物流服務業務。

2.2.3 Maintenance Services

As a leading original manufacturer maintenance service provider, our Maintenance Services Business has continued to enhance its capability to service multiple manufacturers and signed up Huawei to serve as the latter's PC after-sales maintenance provider in China, while introducing authorised maintenance services for new product types such as robots and smart equipment. The allocation of our nationwide service network has been enhanced with the establishment of a number of new service stations in Kunming, Quanzhou and Xining. Meanwhile, new customers in the hotel sector have been developed on the back of our nationwide network of service stations with a strong focus on meeting the equipment maintenance requirements of corporations with nationwide business chains, signing up Marriott Hotel Group, Kempinski and Shangri-La for equipment maintenance services. On top of developing shop services at the service stations, we have also optimised the management of our on-site services to enhance customer experience and service quality.

2.2.3 維修業務

作為領先的原廠維修服務商，持續拓展多廠商服務能力，簽約華為中國區PC售後維修服務商，引入智能機器人、智能設備等新品類授權維修服務。完善全國覆蓋服務網絡佈局，新建昆明、泉州、西寧等多家維修站。圍繞全國連鎖企業設備維修需求，發揮全國店面網絡優勢，拓展酒店行業客戶，簽約萬豪酒店集團、凱賓斯基、香格里拉等酒店設備維保服務。在發展維修店面服務的同時，優化上門服務管理，提升客戶體驗和服務品質。

2.3 NEW BUSINESS: EXPLORING OPPORTUNITIES IN "INTERNET+" SECTORS SUCH AS SM@RT CITY, PRECISION MEDICINE AND SM@RT MANUFACTURING TO FOSTER STRATEGIC NEW BUSINESS GROWTH NICHE ON THE BASIS OF CORE CLOUD COMPUTING AND BIG DATA TECHNOLOGIES

Revenue from the Group's New Business rose to HK\$947 million from HK\$791 million for the corresponding period of last financial year, representing an increase of HK\$156 million or 19.77% on a year-on-year basis. Gross profit margin dropped 11.38 percentage points to 37.39% as compared to 48.77% for the corresponding period of last financial year. The sustained revenue growth reflects ongoing stable development of the Sm@rt City business of "Internet + citizen services".

2.3.1 Sm@rt City Business

From the year 2010 to year 2016, Digital China Holdings completed the first-stage development of Sm@rt City. Under the "Cloud + Big Data" strategic deployment, the Sm@rt City Business of Digital China Holdings has begun a new stage of development, whereby we have been growing from a provider of Sm@rt City construction capabilities into a developer of Sm@rt City ecospheres. Digital China Holdings held core editorships for three of the four national Sm@rt City standards announced by the Government in 2017, while several others in which we have leading roles are expected to be announced next year, as we continue to stay atop as an industry expert. On top of Digital China Holdings our existing "Smart Government+" comprising "Internet + Government" and "Big Data + Government", Yanyun (燕雲) Daas has come into operation and a "city operating system" has been designed based on Big Data, API technologies and novel business models, whereby a cross-sector ecosphere featuring a high level of integration of technology, finance, urban infrastructure construction, culture and trade has been developed through the building of a module for smart construction of urban infrastructure facilities.

2.3 新業務：以雲計算和大數據為技術核心，在智慧城市、精準醫療和智能製造等核心「互聯網+」領域拓展業務方向，培育戰略性新業務增長點

本集團之新業務累計實現營業收入港幣9.47億元，較上財年同期的港幣7.91億元增加港幣1.56億元，同比增長19.77%。毛利率為37.39%，與上財年同期的48.77%下降11.38個百分點。收入增長反映了智慧城市「互聯網+市民服務」業務繼續穩步拓展。

2.3.1 智慧城市業務

從二零一零年到二零一六年，神州控股完成了智慧城市第一階段的發展。在雲+大數據戰略佈局下，神州控股智慧城市業務進入新的發展階段，已經從智慧城市建設的能力提供者向智慧城市的生態構建者邁進。二零一七年，在國家發佈的四項智慧城市國家標準中，神州控股核心參編三項，還有幾項牽頭標準預計明年發佈，持續領先行業專家地位。神州控股在原有的以互聯網+政務、大數據+政務所構成的「智慧政務+」業務基礎上，基於大數據、API技術及新的商業模式，經營燕雲Daas，設計「城市操作系統」，通過打造城市基礎設施智慧化建設的範本，構建一種科技與金融、城市基礎建設、文化、商貿高度融合的跨界生態。

Management Discussion and Analysis

管理層研討與分析

Digital China Holdings has entered into a strategic cooperation agreement with GZ Infrastructure and GRG Banking Equipment Co., Ltd.* (廣州廣電運通金融電子股份有限公司), whereby members of the management of GZ Infrastructure have joined the board of directors of Digital China Holdings. This alliance of forces for the joint development of Sm@rt City in Guangzhou will provide a genuine model of technology assisting city development. Digital China Holdings and GZ Infrastructure have jointly established the Guangzhou Sm@rt City Planning and Research Institute, bringing together resources derived from industry players, academia, research institutes and users and linking up fragmented projects in the city to create an integrated Sm@rt City development module across different industries and sectors. In connection with the large-scale public housing rental operation in Guangzhou undertaken by GZ Infrastructure, and Digital China Holdings plans to introduce advanced technologies such as face recognition, artificial intelligence, geographic information, 3D technologies to the project so that tenants can experience housing with more security, precision and convenience.

Digital China Holdings will drive the development of Sm@rt City in Hong Kong in active response to the "Hong Kong Smart City Blueprint" published by the Hong Kong Government. During the year, Digital China Holdings continued to work with the Hong Kong Government and The Hong Kong University of Science and Technology, facilitating Sm@rt City research projects in relation to environment, transportation, finance and other aspects.

神州控股與廣州城投及廣州廣電運通金融電子股份有限公司簽署戰略合作協議，廣州城投管理層加入神州控股董事會，這一強強聯合建設廣州智慧城市將成為真正意義上科技助力城市發展的典範。神州控股和廣州城投聯合成立廣州智慧城市規劃研究院，彙集了產、學、研、用等各方資源，串聯城市零散項目，打造跨產業、跨領域的智慧城市發展綜合模板。城投承接了大規模的廣州市公房租賃的工作，神州控股計劃將先進科技如人臉識別、人工智能、地理信息、3D技術等融入進來，為使用者提供更安全、精準、便捷的住房體驗。

神州控股將會積極回應香港政府發表的《香港智慧城市藍圖》，推動香港智慧城市發展。本年神州控股繼續與香港政府及香港科技大學合作，推動有關環境、交通、金融等各方面的智慧城市技術研究項目。

2.3.2 Financial Services Business

As an important segment underpinning Digital China Holdings' strategy, our Financial Services Business provides a broad range of financial services, such as micro-credit, commercial factoring and financial leasing, to corporate customers of the Company's various business segments with a persistent emphasis on risk control, in a full effort to drive the implementation of the new strategy. In 2017, the Company enhanced risk control with a special focus on risk evaluation and collection of repayments in connection with existing loans, taking the initiative to scale down outstanding loans. In further elucidation of its strategy, the Financial Services Business has affirmed the new strategy of developing into a smart financial service provider by fostering new dynamics underpinned by core capabilities in resource integration, product design platform operation and risk control. In the future, we will continue to build a new business profile comprising the four segments of credit business, finance management, asset management and wealth management, in a move to serve the macro business ecosphere of Digital China Holdings with an integrated micro ecosphere of smart financial businesses.

Apart from the financial institution business, we are also engaged in the business of wealth management financial product investments. As stated by Ernst & Young in the section headed "Basis for Qualified Opinion", the Group had due but were not recovered the investment products with an aggregate principal amounts of approximately HK\$2,603,057,000 (before impairment) and their related interest receivables of approximately HK\$123,391,000. Such investment products have been purchased from an affiliate to a state-owned large-scale financial institution. The Group is currently negotiating with the issuer of the wealth management financial products in respect of the recovery of the amount receivables. We have out of prudence made an impairment provision of approximately HK\$227,941,000 about the wealth management financial products. The Company has also conducted an analysis on the impact of the investment on the Group's financial conditions, and concluded that the Group has sufficient liquidity and solvency. Coupled with the fact that approximately 54% (or approximately 70% excluding the ratio of secured loans of DCITS as an independently listed A share company in China) of the Group's borrowings as at 31 December 2017 were secured borrowings, there is considerable assurance for the solvency of the Group as a borrower. Hence, the investment will not have a material impact on the Group's ability to continue as a going concern.

2.3.2 金融服務業務

金融服務作為神州控股戰略的重要支撐，始終堅持風險控制為核心，為本公司各業務板塊的企業客戶提供小額貸款、商業保理及融資租賃等多元化金融服務，全面助力新戰略落地。二零一七年，本公司加強了風險監控，專注現有貸款池的風險評估和回收，主動收縮了放貸規模。金融服務業務將會進一步明晰戰略，確立了致力於成為智慧金融服務運營商的新戰略，通過培育以資源整合、產品設計、平台運營及風險管控為核心能力的新動能，未來持續打造信貸業務、融資管理、資產管理及財富管理四位一體的業務新格局，以智慧金融小生態融合服務神州控股大生態。

除金融機構業務以外，我們亦有理財產品投資業務，誠如安永會計師事務所於「保留意見的基礎」中所述，本集團有本金額合共為約港幣2,603,057,000元（減值前）及應收相關利息約港幣123,391,000元已經到期但尚未收回。該等理財產品系向國有大型金融機構旗下公司購買，本集團正與理財產品的發行人就應收款項的回收進行磋商，出於謹慎考慮，我們已針對該筆理財產品計提約港幣227,941,000元減值準備。本公司亦已就有關投資事項對本集團的財務狀況的影響作出分析，本集團有足夠的資金流動性及還款能力，且於二零一七年十二月三十一日，本集團貸款中約54%為抵押貸款（若剔除中國A股獨立上市公司「神州信息」，抵押貸款的比例約為70%），對本集團作為借款方的償債能力已有較高保障，因此，該投資事項對本集團的持續經營能力不會造成重大影響。

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2.3.3 Self-incubating Business

In the sector of Precision Medicine, Digital China Health, an innovative enterprise founded by Digital China Holdings through more than 10 years of incubation, has built an unrivaled ability in cancer data analysis in the domestic market on the back of its strong R&D team, technologies developed over the years and cooperation with reputable international as well as domestic academia and research institutions. Digital China Health is currently engaged in a comprehensive cooperation with the National Cancer Center to construct the largest nationwide oncologic data centre and oncology Big Data platform in China. The oncologic data centre has been connected to 17 provincial oncology hospitals collecting more than 4 million sets of clinical, imaging and genetic oncology data, and has entered into comprehensive strategic cooperation agreements with a number of well-known pharmaceutical manufacturer, medical equipment supplier and insurance institutions. Digital China Health has entered into a consensus for cooperation with Congenica, an international renowned international genomic research and diagnostic company to engage in cooperation at a sophisticated level in connection with effective and accurate analyses of clinical and genomic data. In the future, Digital China Health will continue to seek innovation in the R&D and clinical applications of frontier technologies in three core segments, namely, Healthcare Big Data, medical cloud services and healthcare informatisation, in a bid to contribute to the implementation of the "Healthy China" strategy.

2.4 MANAGEMENT OUTLOOK

Year 2017 has been a year of full implementation of new strategies and businesses Digital China Holdings. In retrospect, Digital China Holdings has always pursued reform and innovation in significant proportions and with utmost determination calling for courageous sacrifices. From the channel business comprising mainly IT products distribution at the time of our IPO, we had shifted to the software services business featuring mainly IT solutions, before taking on the Big Data and Cloud Computing service businesses built upon the Sm@rt City. We have steered through every new turn on the back of the vigorous involvement of our staff, the diligent implementation of our management team and the understanding and support of the market and the investors, which have allowed us to swiftly move ahead of others and expand our new businesses with increased financial resources derived from the capital market.

2.3.3 自主創新業務

在精準醫療領域，神州控股孵化超過10年的創新企業神州醫療憑藉強大的研發團隊，憑藉多年的技術積累，以及與國內外知名院校和研究機構的合作，建立了國內首屈一指的癌症數據分析能力。神州醫療正與中國國家癌症中心開展全面合作，建設覆蓋全國的最大的腫瘤數據中心及腫瘤大數據平台。腫瘤數據中心已連接十七家省級腫瘤醫院，收集了四百多萬份包含臨床、影像和基因的腫瘤數據，並與多家知名製藥廠商、醫療設備商和保險機構達成了全面戰略合作協議。神州醫療與國際知名基因組研發和診斷企業康劍尼科(Congenica)，達成合作共識，雙方將就臨床數據和基因組數據的有效、準確分析展開深入合作。未來，神州醫療將圍繞健康醫療大數據、醫療雲服務、醫療衛生信息化三大核心板塊的前沿技術研發和臨床應用拓展不斷創新，為「健康中國」戰略的實現貢獻自己的力量。

2.4 管理層展望

二零一七年就是神州控股戰略和創辦新業務全面落實的一年。回顧公司的發展歷程，神州控股人每次都以「壯士斷腕」的心態，大幅度進行改革與創新：從上市之初的以IT產品分銷為主的管道業務，到以IT解決方案為主的軟件業務，再到以智慧城市為核心的大數據及雲計算服務業務。每一次的改革都離不開員工的積極參與、管理團隊的勤勉執行，以及外部資本和市場的理解與支持，從而借助資本的力量加大對新業務的投入，快速搶佔先機，擴大業務規模。

Global economic recovery in general coupled with new opportunities presented by the economic transformation and upgrade of China have given rise to robust, technology-driven innovations across the board, where new business formats and models are emerging in quick succession, presenting us with challenges as well as opportunities. We firmly believe that Digital China Holdings will continue to advance against all odds on the way of its transformation to a Cloud and Big Data service provider and deliver lucrative rewards to the shareholders, given the depth of its technological strengths, its extensive presence in different sectors and its solid network of Sm@rt City operations.

QUALIFIED OPINION ON THE FINANCIAL STATEMENTS

The independent auditor of the Company, Ernst & Young (the "Auditor") provided a qualified opinion (the "Qualified Opinion") on the recoverable amounts in respect of certain wealth management financial products (the "Investment"), with an aggregate principal amount of approximately HK\$2,603,057,000 (before impairment) and related interest receivables of approximately HK\$123,391,000 (together, the "Receivables") recorded in the Group's consolidated statement of financial position as at 31 December 2017 as available-for-sale investments (non-current) and prepayments, deposits and other receivables (non-current), respectively. The Receivables were due for repayment during the year ended 31 December 2017 but have not been settled. The Group has performed an assessment on the recoverability of the Receivables and has made an impairment provision of approximately HK\$227,941,000 (the "Impairment Provision") against the Receivables, which was recorded as "other expenses" in the Group's consolidated statement of profit or loss for the year ended 31 December 2017.

The Investment is managed by its investment manager (the "Investment Manager") with underlying investments in projects, debts and equity in private entities (the "Underlying Assets"), for which land and properties (the "Pledged Properties") are pledged to secure certain of debts and equity under the Underlying Assets. In determining the recoverable amounts of the Receivables (the "Recoverable Amounts") and the Impairment Provision, the Group made references to (a) the principal amount of the Investment as at 31 December 2017; (b) a market value valuation report of the Pledged Properties carried out by an independent valuer engaged by the Investment Manager providing that the market value of the Pledged Properties covers a substantial part of the principal amount of the Investment; and (c) a legal opinion by a PRC counsel engaged by the Group stating that, from the PRC laws perspectives, there are no material obstacles in realising the Pledged Properties based on the pre-requisites and assumptions in such legal opinion; and (d) the ongoing progress of the Group's discussions with the Investment Manager on the settlement plan in relation to the Receivables (the "Settlement Plan"). The Group then assessed the risks and uncertainty associated with recovering the Receivables and believes that it

全球經濟同步復蘇，我國經濟轉型升級也迎來新的發展機遇，科技驅動各行各業的創新蓬勃發展，各種新業態、新模式競相湧現，機會和挑戰並存。我們堅信，憑藉多年的技術積累，廣泛的行業覆蓋，以及智慧城市的扎實佈局，神州控股將在向雲及大數據服務商的轉型道路上繼續披荊斬棘，勇往直前，為股東帶來更加豐厚的回報。

財務報表之保留意見

本公司之獨立核數師安永會計師事務所（「核數師」）對若干理財產品（「該宗投資」）之可收回金額給予保留意見（「保留意見」），有關理財產品的本金總額合計為約港幣2,603,057,000元（減值前）及應收相關利息約港幣123,391,000元（統稱「應收款項」），已分別於二零一七年十二月三十一日的本集團綜合財務狀況表中列為可供出售之投資（非流動）及預付款項、按金及其他應收款項（非流動）。截至二零一七年十二月三十一日止年度，該等應收款項已到期償還但尚未結算。本集團已對應收款項進行可收回性的評估及已計提減值撥備約港幣227,941,000元（「減值撥備」），並已於截至二零一七年十二月三十一日止年度的本集團綜合損益表中列為「其他費用」。

該宗投資由其投資管理人（「投資管理人」）管理，投資內容包括項目、私人機構債務和權益（「標的資產」），其中標的資產內若干債務和權益，以土地及物業（「抵押財產」）作為抵押。釐定應收款項的可收回金額（「可收回金額」）及減值撥備時，本集團參照了：(a)於二零一七年十二月三十一日該宗投資的本金金額；(b)投資管理人委託獨立估值師對抵押財產作出的市值估值報告，報告指出抵押財產的市值足以覆蓋該宗投資本金金額的大部分；及(c)本集團委託的中國律師從中國法律角度出具的法律意見，內容聲明基於該法律意見所載先決條件及假設，變現抵押財產並無重大障礙；及(d)本集團與投資管理人進行商討應收款項解決方案（「解決方案」）的持續進展。本集團對收回應收款項的相關風險與不

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would reach a Settlement Plan with the Investment Manager. On such basis and the information currently available to the Group, the Group formed the view that the Impairment Provision amount of approximately 9% to the principal amount of the Investment (or approximately HK\$227.9 million), and the corresponding estimated Recoverable Amounts, are considered to be appropriate for the 2017 financial year of the Group.

The Auditor is of the view that it has not been able to obtain sufficient audit evidence that it considered necessary to assess the Recoverable Amounts and the Impairment Provision, despite the Company has taken steps to provide the Auditor with the relevant information that are currently available to the Group. The Group understands that given (a) no agreement has been entered between the Group and the Investment Manager in relation to the Settlement Plan; and (b) no information is currently available to analyze and assess the liquidated value of the Underlying Assets of the Investment (the "Liquidated Value") and the possible Recoverable Amounts from liquidating the Underlying Assets, the Auditor was unable to analyze and assess the Liquidated Value for the purpose of concluding on the appropriateness of the Recoverable Amounts and the Impairment Provision. However, the Group is not in position to provide the Liquidated Value because (i) the Group is not in control of the liquidation process of the Investment in the PRC, and the Group has only been able to obtain such related information from the Investment Manager; and (ii) the Group understands that the Liquidated Value would only be assessed and available after all the relevant creditors have filed a declaration of their rights, but the liquidation process of the Investment has not reached such stage yet.

Given the Auditor does not have a specific position or definite view as to the appropriateness of the Recoverable Amounts and the Impairment Provision due to insufficient audit evidence, the Group understands that the Auditor would maintain the same view on insufficiency of audit evidence regardless of the specific amount of the Impairment Provision as assessed by the Group. Therefore, the Group's position on the amount of the Impairment Provision does not conflict with the Auditor's position as to the insufficiency of audit evidence.

The Company has taken the following steps in parallel towards the purpose of removing the Qualified Opinion in its future financial reports:

- a) the Group has been in active discussion with the Investment Manager on the Settlement Plan, and both parties have devised certain preliminary resolutions that are subject to internal approval of the Investment Manager. The Group and the Investment Manager have also exchanged successive drafts of the settlement agreement in relation to the Settlement Plan and are progressively reaching consensus on certain essential terms and conditions. Once such settlement agreement is reached, the Company would then be in position to provide further audit evidences to the Auditor to facilitate its assessment of the Recoverable Amounts and the Impairment Provision; and

確定因素作出了評估，並相信本集團將會與投資管理人達成解決方案。在前述及本集團目前所得信息的基礎上，本集團認為計提減值撥備相當於該宗投資本金金額約9%（或約港幣227.9百萬元），以及相應的估計可收回金額，對於本集團二零一七財政年度是適當的。

儘管本公司已採取步驟，提供本集團現時所獲得的相關信息予核數師，惟核數師仍然認為，其未獲得他們認為必要的充分的審計證據以評估可收回金額及減值撥備。本集團理解，基於若干原因：(a) 本集團仍未與投資管理人達成有關解決方案；及 (b) 現時並無信息可供分析及評估該宗投資標的資產的清算價值（「清算價值」）及清算標的資產可能獲得的可收回金額，核數師無法分析及評估清算價值，以就可收回金額的適當性及減值撥備作出結論。然而，基於以下原因，本集團無法提供清算價值：(i) 該宗投資在中國的清算流程，非由本集團控制，本集團僅能從投資管理人取得該等相關信息；及(ii)據本集團了解，必須待所有相關債權人提呈權利聲明後，才能對清算價值作出評估及提供有關評值，而該宗投資的清算流程尚未進入上述階段。

基於核數師對可收回金額及減值撥備之適當性並無特定立場或具體意見，本集團了解到無論本集團評估減值撥備具體金額如何，核數師仍將維持相同意見，即核數證據不充分。因此，本集團對減值撥備金額的立場與核數師認為核數證據不充分的立場，並無抵觸。

本公司已同步採取下列步驟，以達到在未來財務報告移除保留意見的目標：

- a) 本集團一直與投資管理人就解決方案進行積極商討，而雙方已訂出若干初步解決辦法，惟須經投資管理人的內部審批。本集團與投資管理人亦就有關解決方案的解決協議交換了多份後續修訂稿，並就解決方案若干必要條款條件逐步達成共識。待達成解決協議後，本公司即可向核數師提供進一步核數證據，以便核數師評估可收回金額及減值撥備；及

- b) the Group has been liaising with the Investment Manager to consider options to expedite the realisation of the Underlying Assets or, if necessary, the Pledged Properties to facilitate the recovery of the Receivables and ascertain the Recoverable Amounts.

The Group has continued to explore other solutions to resolve the Qualified Opinion, but has yet to enter into any definitive arrangement to address the issue. Given (i) the finalisation and entry into of the Settlement Plan are dependent on the considerations and approval by the management and board of directors of the Investment Manager over which the Group has not control; and (ii) the Underlying Assets are under the control of the Investment Manager, so that the Group has no direct control over the timing and process on the realisation of the Underlying Assets or, if necessary, the Pledged Properties in connection with the Settlement Plan, so the Company will timely publish further announcements to update the Shareholders and potential investors on the progress of reaching the Settlement Plan or recovering the Receivables by other means.

The consolidated financial statements of the Group for the year ended 31 December 2017 as set out in this annual report, which includes the Qualified Opinion, have been carefully reviewed and approved by the audit committee of the Company (the "Audit Committee"). The aforementioned Group's position concerning the Recoverable Amounts and the Impairment Provision as well as the proposed actions to be taken by the Group to address the Qualified Opinion have been reviewed and agreed by all the members of the Audit Committee. All members of the Audit Committee understood the Qualified Opinion (including its basis) and that the Auditor is unable to obtain sufficient audit evidence to assess the Recoverable Amounts and the Impairment Provision.

CAPITAL EXPENDITURE, LIQUIDITY AND FINANCIAL RESOURCES

Except for the rights issue raised during the year ended 31 December 2017, the Group mainly finances its operations with internally generated cash flows, bank borrowings and banking facilities.

The Group had total assets of HK\$27,916 million at 31 December 2017 which were financed by total liabilities of HK\$15,121 million, non-controlling interests of HK\$3,685 million and equity attributable to equity holders of the parent of HK\$9,110 million. The Group's current ratio at 31 December 2017 was 1.11 as compared to 1.24 at 31 December 2016.

During the year ended 31 December 2017, capital expenditure of HK\$975 million was mainly incurred for the acquisition of properties, office equipment and IT infrastructure facilities.

- b) 本集團一直與投資管理人保持聯繫，考慮加快套現標的資產、或在必要情況下加快套現抵押財產的各種途徑，以促使收回應收款項，從而確定可收回金額。

本集團一直繼續探討其他解決保留意見的方法，惟尚未就解決有關問題訂立任何確定性的安排。基於(i)解決方案的敲定及訂立須經投資管理人的管理層和董事會審議批准，非本集團所能控制；及(ii)標的資產由投資管理人控制，本集團無法直接控制就解決方案套現標的資產、或在必要情況下套現抵押資產的時間與流程。本公司將及時發布進一步公告，就達成解決方案或以其他方式收回應收款項的進度，向股東和準投資者提供更新信息。

對於本年報內本集團截至二零一七年十二月三十一日止年度的綜合財務報表，包括保留意見，已經本公司審核委員會（「審核委員會」）仔細審議後批准。上文所述的本集團對可收回金額及減值撥備的立場，以及本集團建議為應對保留意見關注事宜而採取的行動，均經審核委員會全體成員審議同意。審核委員會全體成員均理解保留意見（包括其根據），並認為核數師未能獲得足夠的審計證據以評估可收回金額及減值撥備。

資本開支、流動資金及財務資源

除於截至二零一七年十二月三十一日止年度內籌集供股外，本集團主要以內部資源、銀行貸款及銀行信貸應付其營運所需資金。

於二零一七年十二月三十一日，本集團擁有總資產港幣27,916百萬元，而資金來源為總負債港幣15,121百萬元，非控股權益港幣3,685百萬元及母公司股東應佔權益港幣9,110百萬元。於二零一七年十二月三十一日，本集團之流動比率為1.11，而於二零一六年十二月三十一日為1.24。

於截至二零一七年十二月三十一日止年度內，主要用於購置房屋、辦公室設備及IT基礎設施建設而產生的資本開支為港幣975百萬元。

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As at 31 December 2017, the Group's continuing operations had cash and bank balances of HK\$3,892 million, of which about HK\$3,252 million of cash and cash equivalents were denominated in Renminbi.

The aggregate borrowings from continuing operations of the Group as a ratio of equity attributable to equity holders of the parent was 0.87 at 31 December 2017 as compared to 1.07 at 31 December 2016. The computation of the said ratio was based on the total interest-bearing bank and other borrowings of HK\$7,881 million (31 December 2016: HK\$7,665 million) and equity attributable to equity holders of the parent of HK\$9,110 million (31 December 2016: HK\$7,169 million).

At 31 December 2017, the denomination of the interest-bearing bank and other borrowings of the Group was shown as follows:

於二零一七年十二月三十一日，本集團持續經營業務有現金及銀行結餘港幣3,892百萬元，當中有約港幣3,252百萬元現金及現金等價物乃以人民幣計值。

於二零一七年十二月三十一日，本集團持續經營業務的有關貸款總額佔母公司股東應佔權益之比率為0.87，而於二零一六年十二月三十一日為1.07。上述比率按附息銀行及其他貸款總額港幣7,881百萬元(二零一六年十二月三十一日：港幣7,665百萬元)及母公司股東應佔權益港幣9,110百萬元(二零一六年十二月三十一日：港幣7,169百萬元)計算。

於二零一七年十二月三十一日，本集團的附息銀行及其他貸款的借款單位如下：

		Denominated in United States dollars 以美元 計值 HK\$'000 港幣千元	Denominated in Renminbi 以人民幣 計值 HK\$'000 港幣千元	Denominated in Hong Kong dollars 以港幣元 計值 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Current	流動				
Interest-bearing bank borrowings, unsecured	附息銀行貸款，無抵押	439,508	2,061,908	247,525	2,748,941
Interest-bearing bank borrowings, secured	附息銀行貸款，有抵押	–	2,311,398	–	2,311,398
Corporate bond	公司債券	–	236,642	–	236,642
		439,508	4,609,948	247,525	5,296,981
Non-current	非流動				
Interest-bearing bank borrowings, unsecured	附息銀行貸款，無抵押	–	76,909	–	76,909
Interest-bearing bank borrowings, secured	附息銀行貸款，有抵押	–	1,911,650	–	1,911,650
Corporate bond	公司債券	–	595,390	–	595,390
		–	2,583,949	–	2,583,949
Total	總計	439,508	7,193,897	247,525	7,880,930

Certain of the Group's bank borrowings of:

1. HK\$2,147 million extended by financial institutions to certain subsidiaries of the Group were secured by mortgages over the Group's buildings, investment properties, land use right and properties under development with an aggregate carrying amount of HK\$4,181 million at 31 December 2017;
2. HK\$2,070 million extended by financial institutions to certain subsidiaries of the Group were secured by pledge of 229,820,000 issued shares of Digital China Information Service Company Ltd. (神州數碼信息服務股份有限公司) ("DCITS"), a non-wholly-owned subsidiary of the Company, directly held by a wholly-owned subsidiary of the Company, with an aggregate carrying amount of HK\$3,195 million at 31 December 2017; and
3. HK\$6 million extended by financial institutions to a non-wholly-owned subsidiary of the Group were secured by mortgages over a building of a non-controlling shareholder at 31 December 2017.

Included in the Group's current and non-current bank borrowings of HK\$499 million and HK\$1,989 million respectively represented the long term loans which are repayable from the year 2018 to year 2027. All of the Group's bank borrowings were charged at floating interest rates except for the loan balances with an aggregate amount of HK\$2,136 million which were charged at fixed interest rates as at 31 December 2017.

In May 2016, Digital China Software Limited* (神州數碼軟件有限公司) ("DC Software"), a wholly-owned subsidiary of the Company, obtained the relevant approval for issuing the medium-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB700 million. In September 2016, DC Software issued the first tranche of the medium-term notes of 2016 with a total principle amount of RMB500 million (equivalent to approximately HK\$591 million) with a maturity period of 5 years (with the investors' option to sell back the notes after the end of the third year from the issuance date) and at an interest rate of 4.9% per annum. The proceeds thereof were to be used for repaying the bank loans of the Group.

本集團之若干銀行貸款：

1. 港幣2,147百萬元是由金融機構授予本集團之若干附屬公司，並以於二零一七年十二月三十一日其總賬面價值港幣4,181百萬元位於中國大陸之樓宇、投資物業、預付土地租金及在建物業作為抵押；
2. 港幣2,070百萬元是由金融機構授予本集團之若干附屬公司，並以於二零一七年十二月三十一日本公司非全資擁有附屬公司神州數碼信息服務股份有限公司(直接由本公司全資擁有附屬公司持有)('神州信息')之已發行股份229,820,000股其總賬面價值港幣3,195百萬元作為質押；及
3. 港幣6百萬元是由金融機構授予本集團之非全資擁有附屬公司，並以於二零一七年十二月三十一日非控股股東之樓宇作為抵押。

包括於本集團之流動及非流動銀行貸款分別港幣499百萬元及港幣1,989百萬元為長期貸款須於二零一八年至二零二七年償還。於二零一七年十二月三十一日，除總額為港幣2,136百萬元的貸款結餘按固定利率計息外，本集團之全部銀行貸款乃按浮動利率計息。

於二零一六年五月，本公司之全資擁有附屬公司神州數碼軟件有限公司('神碼軟件')取得中國銀行間市場交易商協會發行本金總額最多為人民幣7億元之中期票據的相關批准。於二零一六年九月，神碼軟件發行二零一六年度第一期中期票據，本金總額為人民幣5億元(相等於約港幣591百萬元)，期限為五年(附有投資者於發行日期的第三年末擁有選擇權回售其票據)，年利率為4.9%，該發行所得款項主要用作償還本集團的銀行貸款。

Management Discussion and Analysis

管理層研討與分析

In January 2017, DC Software, a wholly-owned subsidiary of the Company, obtained the relevant approval for issuing the short-term notes in the national inter-bank market in the PRC with a maximum principal amount of RMB1,500 million. In July 2017, DC Software issued the second tranche of the short-term notes of 2017 with a total principle amount of RMB200 million (equivalent to approximately HK\$237 million) with a maturity period of 270 days and at an interest rate of 5.7% per annum. The proceeds thereof were to be used for repaying the bank loans of the Group.

Pursuant to the "Capital Contribution and Shareholders' Agreement of Shenzhou Lingyun (Beijing) Technology Co., Ltd.", upon fulfillment of the condition pertaining to an undertaking regarding business results, investors subscribing for shares with new capital contributions shall provide, according to their capital contribution ratios, loans with a total amount of RMB33 million in the form of convertible bonds to Shenzhou Lingyun (Beijing) Technology Co., Ltd.* (神州靈雲(北京)科技有限公司) (a subsidiary of DCITS, which is in turn a non-wholly-owned subsidiary of the Company) ("Shenzhou Lingyun"). In the year 2017, the investors provided the first tranche of convertible bond loans in the amount of RMB16 million, comprising RMB12.80 million provided by DCITS and RMB3.20 million (equivalent to approximately HK\$4 million) provided by the remaining investors. Subject to the fulfillment of the undertaking regarding Shenzhou Lingyun's the business results for the years 2016 to 2020 in full, the investors have agreed to convert the full amount of the convertible bond loans into investments in Shenzhou Lingyun, which shall be credited, upon conversion, to Shenzhou Lingyun's capital reserve. In the event that the business result undertaking is not fulfilled, Shenzhou Lingyun shall repay the aforesaid convertible bond loans within 30 days upon receipt of notices from the investors.

The total bank available credit facilities from the Group at 31 December 2017 amounted to HK\$12,771 million, of which HK\$3,982 million were in long term loan facilities, HK\$3,182 million were in trade lines and HK\$5,607 million were in short-term and revolving money market facilities. At 31 December 2017, the facility drawn down from Group was HK\$2,931 million in long term loan facilities, HK\$1,180 million in trade lines and HK\$2,409 million in short-term and revolving money market facilities.

Under the normal course of business, the Group has issued performance bonds to some customers for potential claims of non-performance in order to satisfy the specific requirements of these customers. As no material claims had been made by the customers under such performance bonds in the past, the management considers that the possibility of realisation of any actual material liabilities arising from such performance bonds is remote.

於二零一七年一月，本公司之全資擁有附屬公司神碼軟件取得中國銀行間市場交易商協會發行本金總額最多為人民幣15億元之超短期融資券的相關批准。於二零一七年七月，神碼軟件發行二零一七年度第二期超短期融資券，本金總額為人民幣2億元(相等於約港幣237百萬元)，期限為270日，年利率為5.7%，該發行所得款項主要用作償還本集團的貸款。

根據《神州靈雲(北京)科技有限公司出資及股東協議》，在滿足相關業績承諾條件後，新增資入股的投資人按照其出資比例向神州靈雲(北京)科技有限公司(為本公司非全資擁有附屬公司神州信息之附屬公司之一)('神州靈雲')提供共計人民幣3,300萬元可轉債借款。二零一七年投資人提供第一筆可轉債借款人民幣1,600萬元，其中神州信息提供人民幣1,280萬元，其餘投資人提供320萬元人民幣(相等於約港幣4百萬元)。在神州靈雲的二零一六年至二零二零年業績承諾全部得到滿足的前提下，投資人同意將可轉債借款全部轉換為對神州靈雲的投資，轉換後的投資均計入神州靈雲的資本公積。如業績承諾未得到滿足，由神州靈雲在收到投資人的通知後30天內予以償還上述可轉債借款。

本集團於二零一七年十二月三十一日之可動用銀行總信用額為港幣12,771百萬元，當中包括港幣3,982百萬元之長期貸款額度，港幣3,182百萬元之貿易信用額度及港幣5,607百萬元之短期及循環現金透支。於二零一七年十二月三十一日，本集團已動用之長期貸款額度為港幣2,931百萬元，貿易信用額度為港幣1,180百萬元及短期及循環現金透支為港幣2,409百萬元。

在一般業務範圍內，本集團為滿足若干客戶之個別要求，會就未能履約之潛在索償向該等客戶提供履約保證。由於過去並無客戶就履約保證作出任何重大索償，故管理層認為因履約保證而產生任何實際重大負債之可能性不大。

CONTINGENT LIABILITIES

- (a) The Group provided guarantee in favour of one financial institution for certain asset-backed securities issued by a joint venture, Chongqing Digital China HC Microfinance Co. Ltd.* (重慶神州數碼慧聰小額貸款有限公司), with an aggregate amount of approximately HK\$205,878,000 as at 31 December 2017.
- (b) On 14 November 2017, 太極計算機股份有限公司 filed a lawsuit with Haidian District People's Court in Beijing to demand for the payment of an aggregate amount of RMB5,548,000, comprising RMB4,627,000 in settlement for overdue fees, RMB761,000 in default penalty relating to equipment payments and RMB160,000 in default penalty relating to construction work payments, together with litigation costs by Digital China Rongxin Software Limited* (神州數碼融信軟件有限公司) (one of the subsidiaries of DCITS, a non-wholly-owned subsidiary of the Company) ("DC Rongxin"), on the grounds that the contracting amounts payable by DC Rongxin had been partially overdue and outstanding.
- (c) On 14 July 2017, 大唐軟件技術股份有限公司 filed a lawsuit with the Shangdi Court of Haidian District People's Court in Beijing to demand for the payment of an aggregate amount of RMB3,105,000, comprising RMB2,349,000 in procurement costs relating to purchase orders, RMB204,000 in compensation for loss of profit otherwise available and RMB552,000 in compensation for loss arising from fund appropriation, together with litigation costs by Digital China Systems Integration Services Limited* (神州數碼系統集成服務有限公司) (one of the subsidiaries of DCITS, a non-wholly-owned subsidiary of the Company) ("DCSIS"), on the grounds that DCSIS had failed to honour payment of contract amounts as stipulated.

While the outcomes of such litigations or other legal procedures have yet to be determined, the management believes that, any responsibility arising on the part of the Group as a defendant in the aforesaid cases (b) and (c) will not have any material adverse impact on the financial conditions or operating results of the Group.

或然負債

- (a) 於二零一七年十二月三十一日，本集團為一間合營企業重慶神州數碼慧聰小額貸款有限公司向一間金融機構提供發行若干資產支持證券之保證，總金額約港幣205,878,000元。
- (b) 於二零一七年十一月十四日，太極計算機股份有限公司向北京市海淀區人民法院提起訴訟，以神州數碼融信軟件有限公司(為本公司非全資擁有附屬公司神州信息之附屬公司之一)('神碼融信')部分承擔合同款項尚未支付為由，要求神碼融信支付欠款人民幣4,627,000元，承擔設備款違約金人民幣761,000元，承擔施工款違約金人民幣160,000元，共計人民幣5,548,000元，並承擔訴訟費。
- (c) 於二零一七年七月十四日，大唐軟件技術股份有限公司向北京市海淀區人民法院上地法庭發起訴訟，就神州數碼系統集成服務有限公司(為本公司非全資擁有附屬公司神州信息之附屬公司之一)('神碼系統')未按約定支付合同款為由，要求神碼系統賠償其訂單採購成本人民幣2,349,000元，賠償可得利益損失人民幣204,000元，賠償資金佔用損失人民幣552,000元，共計人民幣3,105,000元，並承擔訴訟費。

本集團作為上述(b)及(c)點訴訟事項的被告人，盡管目前未決定該等訴訟或其他法律程序的結果，本集團管理層相信，所產生的任何責任將不會對本集團的財務狀況或經營業績構成重大不利影響。

Management Discussion and Analysis

管理層研討與分析

CAPITAL COMMITMENT

At 31 December 2017, the Group had the following capital commitments:

	HK\$'000 港幣千元
Land and buildings	192,807
Capital contributions payable to joint ventures	41,412
Capital contribution payable to an associate	6,232
Capital contributions payable to available-for-sale investments	181,031
	421,482

HUMAN RESOURCES

At 31 December 2017, the Group had approximately 12,000 (31 December 2016: approximately 10,500) full-time employees. The majority of these employees work in the PRC. The Group's continuing operations offers remuneration packages in line with industry practice. Employees' remuneration includes basic salaries and bonuses. With the increase in the total number of staff to cope with its business requirements, the Group's continuing operations has recorded a 31% increase in staff costs to approximately HK\$2,615 million for the year ended 31 December 2017 as compared to approximately HK\$1,997 million for the corresponding period of the last financial year. In order to attract and retain a high caliber of capable and motivated workforce, the Company offers share-based incentive schemes to staff based on the individual performance and the achievements of the Company's targets. The Group's continuing operations is committed to providing its staff with various in-house and external training and development programs.

資本承擔

於二零一七年十二月三十一日，本集團作出以下資本承擔：

人力資源

於二零一七年十二月三十一日，本集團持續經營業務約有全職僱員12,000名（二零一六年十二月三十一日：約10,500名）。該等僱員大部份均於中國受僱。本集團持續經營業務按照行業慣例提供酬金福利予僱員。僱員酬金包括基本薪金及花紅。為配合業務需求而增聘僱員，導致本集團持續經營業務於截至二零一七年十二月三十一日止年度之僱員成本錄得約港幣2,615百萬元，比截至二零一六年十二月三十一日止年度約港幣1,997百萬元上升31%。為吸納及挽留優秀積極之僱員，本公司按個人表現及所達到之本公司目標，向僱員提供股權激勵計劃。本集團亦同時致力為僱員提供多項內部及外部培訓與發展計劃。

Directors and Company Secretary 董事及公司秘書

BIOGRAPHICAL DETAILS OF DIRECTORS

董事之簡歷

Executive Directors 執行董事

Mr. GUO Wei

郭為先生



Mr. GUO Wei, aged 55, is the Chairman and an Executive Director of the Group and is responsible for the strategic development and management of the Group. Mr. Guo had been the Vice Chairman, the President and the Chief Executive Officer of the Group since February 2001 and was appointed as the Chairman of the Board of the Company in December 2007. He is also a Director of certain subsidiaries and associates of the Company. Mr. Guo obtained a Master's Degree from the Graduate School of the Chinese Academy of Science (formerly known as Graduate School of the University of Science and Technology of China) in 1988. He joined the Legend group in 1988 and was once an Executive Director and Senior Vice President. Mr. Guo was awarded such major prizes included China's Top Ten Outstanding Youths (2002), 求是傑出青年成果轉化獎 (Practical and Outstanding Youth of Achievement) (2002) by the China Association for Science and Technology, China's Top Ten Outstanding Youths in Technology Innovation (1998), Future Economic Leader of China (2003), and the First Annual China Young Entrepreneurs Creative Management Golden Honour (2005). He was also selected as the 50 Most Powerful Businesspeople in China by Fortune Magazine (Chinese version) in 2011 and 2012.

Mr. Guo is currently the Chairman of Digital China Information Service Company Ltd. and the Chairman and Acting President of Digital China Group Co., Ltd. (formerly known as Shenzhen Shenxin Taifeng Group Co., Ltd.) (all listed on The Shenzhen Stock Exchange). In addition, he is a Director of Kosalaki Investments Limited which is a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance and is also a director of Value Global Investments Limited. Mr. Guo was a Non-executive Director of HC International, Inc. (listed on the Main Board of The Stock Exchange of Hong Kong Limited), an Independent Director of Shanghai Pudong Development Bank Co., Ltd. (listed on The Shanghai Stock Exchange), a Director of DigiWin Software Co., Ltd. (listed on the ChiNext of The Shenzhen Stock Exchange) and an Independent Non-executive Director of China Southern Airlines Company Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited, The Shanghai Stock Exchange and The New York Stock Exchange). Besides, Mr. Guo is currently a member of the 4th Advisory Committee for State Informatization. He was a Standing Committee Member of the 12th National Committee of the Chinese People's Political Consultative Conference, the Chairman of Beijing Informatization Association and the Chairman of the 6th Council of China Non-Governmental Science Technology Entrepreneurs Association. He has over 30 years of experience in business strategy development and business management.

郭為先生，五十五歲，為本集團之主席兼執行董事，負責本集團之策略發展及管理。自二零零一年二月起，郭先生曾擔任本集團副主席兼總裁及首席執行官，其後於二零零七年十二月獲委任為本公司董事會主席。彼亦為本公司若干附屬公司及聯營公司之董事。郭先生於一九八八年獲得中國科學院研究生院(前稱中國科學技術大學研究生院)之管理碩士學位。彼於一九八八年加入聯想集團，並曾任聯想集團執行董事及高級副總裁。郭先生曾榮獲中國十大傑出青年稱號(二零零二年度)、中國科協「求是傑出青年成果轉化獎」(二零零二年度)、中國十大傑出青年科技創新獎(一九九八年度)、中國未來經濟領袖(二零零三年度)及首屆中國青年企業家管理創新金獎(二零零五年度)等重要獎項。彼亦獲《財富》中文版評為二零一一年及二零一二年中國最具影響力的五十位商界領袖之一。

郭先生現為神州數碼信息服務股份有限公司之董事長及神州數碼集團股份有限公司(前稱為深圳市深信泰豐(集團)股份有限公司)(全部於深圳證券交易所上市)之董事長及代理總裁。此外，彼為Kosalaki Investments Limited(按證券及期貨條例第XV部所述屬本公司的主要股東)的董事，以及為Value Global Investments Limited之董事。郭先生曾任慧聰集團有限公司(前稱慧聰網有限公司，於香港聯合交易所有限公司主板上市)之非執行董事，上海浦東發展銀行股份有限公司(於上海證券交易所上市)的獨立董事、鼎捷軟件股份有限公司(於深圳證券交易所創業板上市)之董事，以及中國南方航空股份有限公司(於香港聯合交易所有限公司主板、上海證券交易所及紐約證券交易所上市)之獨立非執行董事。此外，郭先生現擔任國家信息化專家諮詢委員會第四屆委員會委員。彼亦曾擔任中國人民政治協商會議第十二屆全國委員會委員、北京信息化協會會長及中國民營科技實業家協會第六屆理事會理事長。彼在業務策略發展及業務管理方面擁有逾三十年的經驗。

Directors and Company Secretary 董事及公司秘書

Mr. LIN Yang

林楊先生



Mr. LIN Yang, aged 51, is the Chief Executive Officer and an Executive Director of the Group and is responsible for the overall business management of the Group. He is also a Director of certain subsidiaries of the Company. Mr. Lin graduated in 1988 with a Bachelor's Degree in Computing Communications from the Xidian University and in 2005 with a Master's Degree in Business Administration from Cheung Kong Graduate School of Business. Mr. Lin is currently the Vice Chairman of Digital China Information Service Company Ltd. (listed on The Shenzhen Stock Exchange). He was previously the Executive Vice President and the President of the Group and was appointed as the Chief Executive Officer of the Group in April 2011. He joined the Legend group in 1990 and has over 27 years of management experience in distribution business. Mr. Lin was awarded the Lifetime Achievement Award by the IT Channel Elite Panel in 2001 and recognised as the Most Influential Figure in IT Distribution of 20 Years in 2005. In 2013, he was also selected as one of the Leaders of the Year 2012 of the China Information Industry and Top-10 Annual Icons of the Year 2012 of Zhongguancun. Besides, Mr. Lin was the Director of IT Channel Profession Council, under the MIIT (Ministry of Industry and Information Technology).

林楊先生，五十一歲，為本集團之首席執行官兼執行董事，負責本集團之整體業務營運管理。彼亦為本公司若干附屬公司之董事。林先生於一九八八年畢業於西安電子科技大學，獲得計算機通訊學士學位，並於二零零五年畢業於長江商學院，獲得工商管理碩士學位。林先生現為神州數碼信息服務股份有限公司（於深圳證券交易所上市）之副董事長。彼曾任本集團之常務副總裁及總裁，其後於二零一一年四月獲委任為本集團之首席執行官。彼於一九九零年加入聯想集團，並於分銷業務管理方面擁有逾二十七年之經驗。林先生於二零零一年榮獲首屆中國IT渠道精英評選終身成就獎，及於二零零五年榮獲中國IT分銷二十年影響力人物。彼亦於二零一三年榮獲二零一二年中國信息產業年度領袖人物和二零一二年中關村十大年度人物殊榮。此外，林先生曾擔任中國工業和信息化部中國信息產業商會IT渠道專業委員會理事長。

Non-executive Directors
非執行董事

Mr. YU Ziping

余梓平先生



Mr. YU Ziping, aged 46, was appointed as a Non-executive Director of the Company with effect from 27 December 2017. Mr. Yu currently serves as the General Manager of Guangzhou Environment Energy CCI Capital Ltd. ("GEE"), the Chairman of Guangzhou Wisdom City Science and Technology Development Co., Ltd. (a joint venture of the Company and GEE), a director of Guangzhou Chengtou Runze Technology Co., Ltd. and Guangzhou Chengtou Information Technology Co., Ltd., and the Legal Representative and General Manager of Guangzhou Wisdom Shipping Marketing Data Services Ltd., and is also a member of the Investment Committee of GZ Investment Group. Mr. Yu graduated from Northeastern University in 1994 with a Bachelor's Degree in Engineering and graduated from Jinan University in 2003 with MBA Degree. He obtained architect qualification in 2000.

Mr. Yu had worked at several large state-owned enterprises and multinational joint ventures. During the period, he was responsible for the formation of companies, port shipping, urban infrastructure construction and investment operation and management, as well as the development of new industries and other business. In recent years, mainly focused on the wisdom city and big data business. He was the Commercial Manager of Business Development Department at Guangzhou Container Terminal Co., Ltd. from 2001 to 2003. He was the Manager of Investment Management Department, Plan Purchasing and Contract Management Department and Business Management Department at Guangzhou University City Investment & Management Co., Ltd. from 2003 to 2010.

余梓平先生，四十六歲，於二零一七年十二月二十七日獲委任為本公司之非執行董事。余先生現為廣州市城投環境能源投資管理有限公司（「城投環境能源」）總經理、廣州城投智慧城市科技發展有限公司（為本公司及城投環境能源之聯營公司）董事長、廣州城投潤澤科技有限公司及廣州城投信息科技有限公司之董事及廣州智慧航運數據服務有限公司法定代表人兼總經理，並擔任廣州城投集團投資委員會成員。余先生於一九九四年在東北大學獲得工學學士學位，並於二零零三年在暨南大學獲得工商管理碩士學位，彼於二零零零年獲取工程師資格。

余先生曾服務於多家大型國有企業集團及跨國企業的合資公司。期間彼具體負責組建多家公司，從事港口航運，城市基礎設施建設與投資運營管理，以及新興產業的發展等多方面業務。近年主要聚焦於智慧城市與大數據業務。彼於二零零一年至二零零三年期間，在廣州集裝箱碼頭有限公司業務發展部任部門綜合主管兼商務主管。彼於二零零三年至二零一零年期間，在廣州大學城投資經營管理有限公司擔任投資管理部經理、計劃合同採購部經理及經營管理部經理等職務。

Directors and Company Secretary

董事及公司秘書

Mr. PENG Jing

彭晶先生



Mr. PENG Jing, aged 31, was appointed as a Non-executive Director of the Company with effect from 27 December 2017. Mr. Peng serves as the general manager assistant of Guangzhou City Investment Co., Ltd., the chairman and general manager of Guangzhou City Investment Micro Loan Co., Ltd., and the supervisor of Guangzhou City Jiapeng Investment Fund Management Co., Ltd.. Mr. Peng received a Bachelor's Degree in literature from Guangzhou University in 2008 and received a Master's Degree in business administration from Guangdong University of Finance and Economics in 2017.

Mr. Peng has served several large listed financial institutions and state-owned conglomerates, and has had nearly 10 years' experience on financial investment and financing experience since 2008. During the period, he was responsible for bank credit, trade finance, international business and corporate financial investment. He has established several companies to invest in funds, finance lease, small loans, urban infrastructure construction and investment operation management, as well as the development of emerging industries. In recent years, he has focused on financial investment and financing, participated in the establishment of big data funds and construction funds, and participated in the relevant investment projects of the group's smart cities.

彭晶先生，三十一歲，於二零一七年十二月二十七日獲委任為本公司之非執行董事。彭先生現為廣州市城投投資有限公司總經理助理、廣州市城投小額貸款有限公司董事兼總經理及廣州城投佳朋產業投資基金管理有限公司監事。彭先生於二零零八年在廣州大學獲得文學學士學位，並於二零一七年在廣東財經大學獲得工商管理碩士學位。

彭先生曾服務於多家大型上市金融機構及國有企業集團，彼於二零零八年至今有近十年金融投融資經驗。期間彼具體負責銀行信貸、貿易融資、國際業務及公司金融投資業務等。彼具體負責組建多家公司，從事基金投資、融資租賃、小額貸款、城市基礎設施建設與投資運營管理，以及新興產業的發展等多方面業務。近年主要聚焦於金融投融資、參與組建大數據基金、建設基金，全程參與集團智慧城市相關投資項目。

Independent Non-executive Directors
獨立非執行董事

Mr. WONG Man Chung, Francis

黃文宗先生



Mr. WONG Man Chung, Francis, aged 53, is an Independent Non-executive Director of the Company. He holds a Master's Degree in Management conferred by Guangzhou Jinan University, the People's Republic of China. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, the Hong Kong Institute of Certified Public Accountants, The Institute of Chartered Accountants in England and Wales and The Society of Chinese Accountants and Auditors, and a Certified Tax Advisor of the Taxation Institute of Hong Kong. He is a Certified Public Accountant (Practising) and has over 30 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring and liquidation, family trust and wealth management. Mr. Wong joined the Company in August 2006. Previously, Mr. Wong worked for KPMG, an international accounting firm, for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. Wong has the appropriate professional qualifications, accounting and related financial management expertise as required under Rule 3.10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Mr. Wong is currently an Independent Non-executive Director, the Chairman of the Audit Committee and the Remuneration Committee as well as a member of the Nomination Committee of China Oriental Group Company Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited); an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee of Wai Kee Holdings Limited, Integrated Waste Solutions Group Holdings Limited and Greenheart Group Limited (all listed on the Main Board of The Stock Exchange of Hong Kong Limited); an Independent Non-executive Director and a member of the Strategy and Investment Committee of GCL-Poly Energy Holdings Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited); an Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Remuneration Committee of Hilong Holding Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited); Independent Non-executive Director and the Chairman of the Audit Committee of Kunming Dianchi Water Treatment Co., Ltd. (listed on the Main Board of The Stock Exchange of Hong Kong Limited); and Independent Non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee of China New Higher Education Group Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited). With effect from 3 April 2018, Mr. Wong was redesignated as a Non-executive Chairman and Non-executive Director of Union Alpha C.P.A. Limited (who was the Managing Director) and Union Alpha CAAP Certified Public Accountants Limited (who was a Director), both being professional accounting firms, in order to devote more time on his role of independent non-executive directors of listed companies and charity works. Mr. Wong is a Founding Director and member of Francis M C Wong Charitable Foundation Limited, a charitable institution.

黃文宗先生，五十三歲，為本公司之獨立非執行董事。彼持有中國廣州暨南大學管理學碩士學位。黃先生為英國特許公認會計師公會資深會員、香港會計師公會資深執業會員、英格蘭及韋爾斯特許會計師公會與香港華人會計師公會資深會員以及香港稅務學會之註冊稅務師。彼為一名資深執業會計師，於審計、稅務、公司內部監控及管治、企業收購及財務顧問、企業重組及清算、家族信託以及財富管理方面積累逾三十年經驗。黃先生於二零零六年八月加入本公司。在此之前，黃先生曾於畢馬威(一間國際性會計師事務所)工作逾六年，並於香港中央結算有限公司工作兩年。黃先生具有香港聯合交易所有限公司證券上市規則第3.10條所要求具備之適當專業資格、會計及相關財務管理專長。

黃先生現為中國東方集團控股有限公司(於香港聯合交易所有限公司主板上市)之獨立非執行董事、審核委員會及薪酬委員會主席以及提名委員會成員；為惠記集團有限公司、綜合環保集團有限公司及綠心集團有限公司(全部於香港聯合交易所有限公司主板上市)之獨立非執行董事、審核委員會主席以及提名委員會及薪酬委員會成員；為保利協鑫能源控股有限公司(於香港聯合交易所有限公司主板上市)之獨立非執行董事及策略及投資委員會成員；為海隆控股有限公司(於香港聯合交易所有限公司主板上市)之獨立非執行董事、審核委員會主席及薪酬委員會成員；為昆明滇池水務股份有限公司(於香港聯合交易所有限公司主板上市)之獨立非執行董事及審核委員會主席；以及為中國新高教集團有限公司(於香港聯合交易所有限公司主板上市)之獨立非執行董事、審核委員會主席及提名委員會成員。自二零一八年四月三日起，黃先生調任為才匯會計師事務所有限公司(前任董事總經理)及中審亞太才匯(香港)會計師事務所有限公司(前任董事)之非執行主席及非執行董事，以便投入更多時間在上市公司獨立非執行董事的職務及處理慈善工作。黃先生現為黃文宗慈善基金有限公司之創辦董事及成員。

Directors and Company Secretary 董事及公司秘書

Ms. NI Hong (Hope)

倪虹小姐



Ms. NI Hong (Hope), aged 45, is an Independent Non-executive Director of the Company. Ms. Ni received her J.D. Degree from the University of Pennsylvania Law School and her Bachelor's Degree in Applied Economics and Business Management from Cornell University. Ms. Ni joined the Company in September 2010. Currently, Ms. Ni is an Executive Director and the Chief Investment Officer of Cogobuy Group (listed on the Main Board of The Stock Exchange of Hong Kong Limited). Ms. Ni has been the Chairman of Inspire Capital since 2009. From August 2004 to January 2008, Ms. Ni served as the Chief Financial Officer and Director for Viewtran Group, Inc. ("Viewtran"), and subsequently served as its Vice Chairman until early 2009. Prior to joining Viewtran, Ms. Ni spent six years as a Practicing Attorney at Skadden, Arps, Slate, Meagher & Flom LLP in New York and Hong Kong, specializing in corporate finance. Prior to that, Ms. Ni worked at Merrill Lynch's investment banking division in New York.

倪虹小姐，四十五歲，為本公司之獨立非執行董事。倪小姐於賓夕法尼亞大學法律學院取得法律博士學位及於康奈爾大學取得應用經濟及商業管理學士學位。倪小姐於二零一零年九月加入本公司。倪小姐現任科通芯城集團(於香港聯合交易所有限公司主板上市)的執行董事及首席投資官。倪小姐自二零零九年起擔任啟迪資本的董事長。倪小姐於二零零四年八月至二零零八年一月曾任Viewtran Group, Inc.('Viewtran')的首席財務官及董事，後擔任該公司的董事局副主席直至二零零九年初。加入Viewtran前，倪小姐曾於紐約及香港的世達律師事務所擔任專門負責企業融資的執業律師長達六年。在此之前，倪小姐於紐約美林(Merrill Lynch)的投資銀行部門工作。

Ms. Ni is currently serving as an Independent Director and acting as the Chairman of the Audit Committee as well as a member of the Compensation and Nomination Committee at JA Solar Holdings, Co. Ltd., a NASDAQ-listed company (NASDAQ: JASO) and an Independent Director, the Chairman of the Audit Committee and a member of the Compensation Committee of ATA Inc., a NASDAQ-listed company (NASDAQ: ATAI). Ms. Ni is a Director of ATA Online (Beijing) Education Technology Co., Ltd. (delisted from the National Equities Exchange and Quotations System of China (also known as the New Third Board) on 11 October 2017). Ms. Ni was an Independent Director at KongZhong Corporation, a formerly NASDAQ-listed company (NASDAQ: KZ).

倪小姐現擔任晶澳控股(JA Solar Holdings, Co. Ltd.) (一家於美國納斯達克證券交易所上市的公司 (NASDAQ代號 : JASO)) 的獨立董事、審核委員會主席、以及薪酬及提名委員會成員，及擔任ATA Inc. (一家於美國納斯達克證券交易所上市的公司 (NASDAQ代號 : ATAI)) 的獨立董事、審核委員會主席及薪酬委員會成員。倪小姐是全美在線(北京)教育科技股份有限公司(於二零一七年十月十一日在中國全國中小企業股份轉讓系統(又名新三板)終止掛牌的公司)的董事。倪小姐曾擔任空中網公司(KongZhong Corporation) (一家曾於美國納斯達克證券交易所上市的公司 (NASDAQ代號 : KZ)) 的獨立董事。



Dr. LIU Yun, John

劉允博士

Dr. LIU Yun, John, aged 54, has been an Independent Non-executive Director of the Company since 25 March 2014. Dr. Liu currently is the Vice President and Chief Operating Officer of Wanda Internet Technology Group. He was an Independent Non-Executive Director of ARM Holdings Plc. (listed on the London Stock Exchange) from December 2014 to September 2016. He was also a Senior Vice President of Greater China Field Division of Conservation International from June 2016 to September 2016. He was the Chief Business Officer of Qihoo 360 Technology Co. Ltd. from January 2014 to August 2015. Prior to that, he held senior positions in various renowned companies in the communication or networking or software arena as follows: Corporate Vice President and Head of Greater China of Google Inc. from 2008 to 2013; Chief Executive Officer, China Operations of SK Telecom Co., Ltd. from 2002 to 2007; General Manager, Greater China of FreeMarkets Inc. from 2000 to 2002; Chief Executive Officer, China Operations of SITA Communication from 1999 to 2000; General Manager, Telecommunication Group of The Lion Group from 1997 to 1999 and Country Director, Greater China of Singapore Telecommunications Limited from 1994 to 1997.

Dr. Liu graduated from Beijing Normal University with a Bachelor's Degree in Mathematics in 1983 and obtained his Ph.D in Telecommunications Network Management from Technical University of Denmark in 1997. In 2011, Dr. Liu undertook a Senior Executive Program of Harvard Business School.

劉允博士，五十四歲，自二零一四年三月二十五日起擔任本公司之獨立非執行董事。劉博士現為萬達網絡科技集團副總裁兼首席運營官。彼於二零一四年十二月至二零一六年九月擔任ARM Holdings Plc. (於倫敦證券交易所上市)的獨立非執行董事。彼亦於二零一六年六月至九月為保護國際基金會之全球高級副總裁暨大中華區首席代表。彼於二零一四年一月至二零一五年八月期間擔任奇虎360科技有限公司首席商務官一職。在此之前，彼曾效力下列多間從事通信或網絡或軟件範疇業務的知名公司，擔任高級管理職務：谷歌(Google)全球副總裁兼大中華區總裁(二零零八年至二零一三年)；SK電信(SK Telecom Co., Ltd.)中國區首席執行官(二零零二年至二零零七年)；FreeMarkets Inc.大中華區總經理(二零零零年至二零零二年)；國際航空電信集團(SITA Communication)中國區首席執行官(一九九九年至二零零零年)；金獅集團(The Lion Group)電信部總經理(一九九七年至一九九九年)以及新加坡電信公司(Singapore Telecommunications Limited)大中華區業務發展總監(一九九四年至一九九七年)。

劉博士於一九八三年畢業於北京師範大學，獲授數學學士學位，並於一九九七年獲丹麥理工大學頒授電信網絡管理博士學位。於二零一一年，劉博士修讀哈佛商學院的高級行政人員課程。

Directors and Company Secretary 董事及公司秘書

Ms. YAN Xiaoyan

嚴曉燕女士



Ms. YAN Xiaoyan, aged 66, was appointed as an Independent Non-executive Director of the Company with effect from 27 May 2014. Ms. Yan has served in the financial sector for about 40 years. She has taken up senior positions at The People's Bank of China and Industrial and Commercial Bank of China and served as a Director and a Vice President of Bank of Beijing (listed on The Shanghai Stock Exchange) since 1996 and appointed as the President and the Vice Chairperson since 2002 and 2010 respectively. Ms. Yan was also the President of the 6th Executive Committee of Beijing Banking Association. She was also the Chairperson of Bank of Beijing Consumer Finance Company, an Advisor to The People's Government of Beijing Municipality, the Vice President of the Listed Companies Association of Beijing, the Assistant Secretary General of the China Volunteer Service Federation and the Vice Director General and Secretary General of the China Volunteer Service Foundation. Ms. Yan is a female financial entrepreneur with outstanding acumen and leadership rarely seen in the banking sector.

Ms. Yan is a senior economist, holding a Master's Degree in Economics from Southwestern University of Finance and Economics and a Master's Degree in Management from Xiamen University. She is a tutor to graduate students and visiting professor at the Central University of Finance and Economics, a school-level part-time professor at Xi'an Jiaotong University and an instructor at the post-doctorate research station of Bank of Beijing.

嚴曉燕女士，六十六歲，於二零一四年五月二十七日獲委任為本公司之獨立非執行董事。嚴女士有約四十年的金融從業經歷，彼曾在中國人民銀行及中國工商銀行擔任過高級領導職務，並自一九九六年於北京銀行（於上海證券交易所上市）擔任董事及副行長職務，並分別於二零零二年及二零一零年擔任行長及副董事長職務。嚴女士亦曾擔任北京市銀行業協會第六屆理事會會長。彼亦曾任北銀消費金融公司董事長，曾兼任北京市人民政府參事、北京上市公司協會副理事長、中國志願服務聯合會副秘書長及中國志願服務基金會副理事長兼秘書長等職務。嚴女士是銀行業鮮見的富有卓越專業智慧和領導力的女金融企業家。

嚴女士為高級經濟師，取得西南財經大學經濟學碩士及廈門大學管理學碩士，彼是中央財經大學研究生導師及客座教授，西安交通大學校級兼職教授及北京銀行博士後科研工作站指導教師。

Mr. LAI Daniel

賴錫璋先生



Mr. LAI Daniel, BBS, JP, aged 71, was appointed as an Independent Non-executive Director of the Company with effect from 15 October 2015. He is a seasoned Information Technology professional with over 40 years' experience in Hong Kong, Mainland, and Australia. He is a graduate of The Hong Kong Polytechnic University ("PolyU") and Griffith University with a Master's Degree in Technology Management. He is a Distinguished Fellow of Hong Kong Computer Society, a Fellow of The Hong Kong Institution of Engineers, and a Fellow of The Hong Kong Institute of Directors.

Mr. Lai is a Director of Digital Technology and Consultancy Company Limited, Pearl River Delta IT Cooperation and Exchange Centre, Hong Kong Quality Assurance Agency and Hong Kong Computer Society Foundation Limited. He is a Visiting Lecturer at PolyU and was the Professor of Practice (Computing) in the Department of Computing, PolyU from 19 September 2015 to 18 September 2017. He was also the Interim Vice President (Administration) of PolyU from 19 March 2015 until 18 September 2015. Mr. Lai was the Government Chief Information Officer of the Hong Kong SAR Government (the "Government") from January 2012 to January 2015. Prior to joining the Government, Mr. Lai was the Head of IT at MTR Corporation Limited from 1999 to 2011 and held senior managerial positions in IT field at The Hong Kong Jockey Club in Hong Kong and Australia between 1978 and 1999.

賴錫璋先生, BBS, JP, 七十一歲, 於二零一五年十月十五日獲委任為本公司獨立非執行董事。彼是一位資深資訊科技專才, 在香港、內地及澳洲累積逾四十年資訊科技經驗。彼畢業於香港理工大學(「理大」), 並於格里菲斯大學取得科技管理碩士學位。彼是香港電腦學會傑出院士、香港工程師學會院士及香港董事學會資深會員。

賴先生為數碼科技顧問有限公司、珠三角科技合作與交流中心、香港品質保證局及香港電腦學會基金有限公司之董事。彼為理大客座講師, 並於二零一五年九月十九日至二零一七年九月十八日期間擔任理大電子計算學系應用教授。彼亦於二零一五年三月十九日至二零一五年九月十八日期間出任理大暫任副校長(行政)。賴先生於二零一二年一月至二零一五年一月期間出任香港特別行政區政府(「政府」)資訊科技總監。在加入政府之前, 賴先生於一九九九年至二零一一年期間出任香港鐵路有限公司資訊科技主管, 並於一九七八年至一九九九年期間, 任職於香港賽馬會及在香港及澳洲擔任多個資訊科技管理要職。

Directors and Company Secretary 董事及公司秘書

Mr. Lai was an Independent Non-executive Director of Tradelink Electronic Commerce Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited) from 20 May 2011 to 1 January 2012. He was also a Director and an Alternate Director of Hong Kong Cyberport Management Company Limited (wholly-owned by the Government) respectively, and a Director of Hong Kong Internet Registration Corporation Limited, Hong Kong Domain Name Registration Company Limited, E-Business Solutions Limited, Hong Kong Quality Assurance Agency, MTR Information Solutions Company Limited, PolyU Research Limited, PolyU Enterprise Plus Limited, PolyU Enterprise Limited, and PolyU Technology and Consultancy Company Limited.

Mr. Lai contributed significantly in promoting the application of IT in Hong Kong and the region. He has held many positions in public services and higher education institutions including President of Hong Kong Computer Society, President of Asian Pacific Information and Communications Technology Confederation, Chairman of PolyU's Department of Computing Advisory Committee, Chairman of Computer Science Departmental Advisory Committee of City University of Hong Kong, and also Adjunct Professor of the Graduate University of Chinese Academy of Sciences and the Zhongshan Institute of the University of Electronic Science and Technology of China.

In recognition of his contribution to the development and promotion of IT, Mr. Lai was awarded the Bronze Bauhinia Star in 2004. He was appointed a Justice of Peace in 2001. He has received numerous local, regional and international awards for his achievements.

於二零一一年五月二十日至二零一二年一月一日期間，賴先生擔任貿易通電子貿易有限公司(於香港聯合交易所有限公司主板上市)之獨立非執行董事，彼亦曾分別擔任香港數碼港管理有限公司(由政府全資擁有)之董事及替任董事，以及香港互聯網註冊管理有限公司、香港域名註冊有限公司、易新科技有限公司、香港質量保證局、港鐵信息系統有限公司、理大科研有限公司、新理大企業有限公司、理大企業有限公司及理大科技及顧問有限公司之董事。

賴先生對推動香港及區內的資訊科技應用曾作出重大貢獻。彼曾於公營服務機構及高等教育院校擔任多個職務，包括：香港電腦學會會長、亞太資訊及通訊科技聯盟主席、理大電子計算學系顧問委員會主席、香港城市大學電腦科學系顧問委員會主席，以及中國科學院大學研究生院和電子科技大學中山學院客席教授。

賴先生於二零零四年獲頒銅紫荊星章(BBS)，以表彰其對資訊科技發展及推廣方面之貢獻。彼於二零零一年獲委任為太平紳士(JP)，及曾獲多項本地、區域及國際獎項。

Company Secretary
公司秘書

Mr. WONG Chi Keung

王自強先生



Mr. WONG Chi Keung, aged 51, is the Company Secretary of the Company. Mr. Wong is mainly responsible for the financial reporting and listing issues of the Group. Mr. Wong graduated from The University of Hong Kong with a Bachelor's Degree in Social Sciences and is a fellow member of the Association of Chartered Certified Accountants and an associate of the Hong Kong Institute of Certified Public Accountants. Mr. Wong is currently a Non-executive Director and a member of the Remuneration Committee of HC International, Inc. (listed on the Main Board of The Stock Exchange of Hong Kong Limited). Previously, Mr. Wong worked for Ernst & Young, an international accounting firm, for 6 years. Mr. Wong has over 28 years of experience in financial management and corporate administration.

王自強先生，五十一歲，本公司之公司秘書。王先生專責處理本集團之財務申報工作及上市事務。王先生畢業於香港大學，持有社會科學學士學位，並為英國特許公認會計師公會資深會員及香港會計師公會會員。彼現為慧聰集團有限公司(於香港聯合交易所有限公司主板上市)之非執行董事及薪酬委員會成員。在此之前，王先生曾於安永會計師事務所(一間國際性會計師事務所)工作六年。王先生於財務管理及企業行政擁有逾28年經驗。

Corporate Governance Report

企業管治報告

The Group is committed to promote the highest standards of corporate governance so as to enhance its transparency, accountability and corporate value to the shareholders.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles, code provisions and certain recommended best practices set out in the "Corporate Governance Code and Corporate Governance Report" (the "Code") and contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

During the year ended 31 December 2017 (the "Reporting Period"), the Company has complied with the code provisions set out in the Code throughout the Reporting Period, except the following deviations from certain code provisions with considered reasons as given below:

Code Provision A.4.1 stipulates that non-executive directors should be appointed for a specific term, subject to re-election.

All of the Non-executive Directors of the Company were not appointed for any specific term. Since all Directors (save for the Chairman of the Board or the Managing Director) are subject to retirement by rotation at each annual general meeting in accordance with the bye-laws of the Company (the "Bye-Laws") and shall be eligible for re-election. The Board considers that the retirement of Directors by rotation at each annual general meeting in accordance with the Bye-Laws has given the shareholders of the Company the right to approve the continuation of the service of the Directors.

Code Provision A.4.2 stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Under the Bye-Laws, at each annual general meeting one-third of the Directors for the time being or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office, the Chairman of the Board or the Managing Director shall not, whilst holding such office, be subject to retirement by rotation. Therefore, Mr. GUO Wei, the Chairman of the Board, shall not be subject to retirement by rotation. Given the existing number of Directors of the Company, not less than one-third of the Directors are subject to retirement by rotation at each annual general meeting, by which each Director (other than the Chairman of the Board) will retire by rotation once every three years at the minimum.

本集團致力推行最高標準之企業管治，藉此提高對股東之透明度、問責性及企業價值。

企業管治常規

本公司之企業管治常規乃建基於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《企業管治守則》及《企業管治報告》(「守則」)所載之原則、守則條文及若干建議最佳常規。

於截至二零一七年十二月三十一日止年度(「報告期」)內，本公司除於以下守則條文有所偏離外，已於整個報告期遵守守則內所載之守則條文，經過審慎考慮的理由提供如下：

守則條文第A.4.1條規定，非執行董事的委任應有指定任期，並須接受重新選舉。

本公司所有非執行董事並無任何特定任期。由於所有董事(董事會主席或董事總經理除外)均須按本公司之公司細則(「公司細則」)之規定於每屆股東週年大會上輪流退任並符合資格可膺選連任。董事會認為按公司細則，董事於每屆股東週年大會上輪流退任之規定，已賦予本公司股東權利對董事服務之延續作出批准。

守則條文第A.4.2條規定，每名董事(包括有指定任期的董事)應輪流退任，至少每三年一次。

根據公司細則，於每屆股東週年大會上，時任董事數目的三分之一(若董事數目並非三或三之倍數，則以最接近三分之一為準)須告退，惟董事會主席或董事總經理在職期間毋須輪流退任。因此，董事會主席郭為先生毋須輪流退任。鑑於本公司現有董事之數目，不少於三分之一董事須於每屆股東週年大會上輪流退任，從而使每名董事(董事會主席除外)最少每三年輪流退任一次。

Code Provision A.5.1 stipulates that company should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

The Company does not establish a Nomination Committee at present. The Company considers that the setting up of a Nomination Committee may not be necessary as the Board has the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as addition to the Board according to the Bye-Laws, therefore, the Board has been able to assume the responsibilities of a Nomination Committee. The Board will identify and assess whether the candidate has the balanced composition of skills and experience appropriate for the requirements of the businesses of the Company and suitably qualified to become board members.

Code Provision D.1.4 stipulates that directors should clearly understand delegation arrangements in place. Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment.

The Company has not entered into any written letters of appointment with its Non-executive Director or any Independent Non-executive Directors. However, the Board recognizes that (i) the relevant Directors have already been subject to the laws and regulations applicable to directors of a company listed on the Stock Exchange, including the Listing Rules as well as the fiduciary duties to act in the best interests of the Company and its shareholders; (ii) all of them are well established in their professions and have held directorships in other listed companies; and (iii) the current arrangement has been adopted by the Company for years and has proved to be effective. Therefore, the Board considers that the relevant Directors are able to carry out their duties in a responsible and effective manner under the current arrangement.

守則條文第A.5.1條規定，公司應設立提名委員會，由董事會主席或獨立非執行董事擔任主席，成員須以獨立非執行董事佔大多數。

本公司現時並未設立提名委員會。本公司認為成立提名委員會未必是必須的，因按公司細則，董事會有權不時及隨時委任任何人士出任董事，以填補臨時空缺或作為董事會之增補，因此，董事會已能承擔提名委員會的職責。董事會將物色及評估候選人是否具備均衡技能和經驗的組合，以配合本公司業務所需，以及擁有合適資格可擔任董事會成員。

守則條文第D.1.4條規定，董事應清楚瞭解現行的授權安排。公司應有正式的董事委任書，訂明有關委任的主要條款及條件。

本公司並無與非執行董事或任何獨立非執行董事訂立任何書面委任書。然而，董事會認為(i)有關董事已遵守適用於在聯交所上市的公司之董事的法規，包括上市規則，以及受信責任作決策以符合本公司及其股東的最佳利益；(ii)彼等已具備良好專業，並於其他上市公司擔任董事職務；及(iii)現時的安排已獲本公司採用多年並行之有效。因此，董事會認為，有關董事於現時的安排下都能負責任及有效地履行其職責。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct for Directors' securities transactions. Having made specific enquiry with the Directors, all of the Directors confirmed that they have complied with the required standard as set out in the Model Code throughout the Reporting Period.

BOARD OF DIRECTORS

Composition

As at the end of the Reporting Period, the Board comprised nine Directors, including two Executive Directors, two Non-executive Directors and five Independent Non-executive Directors. During the Reporting Period, two Executive Directors were resigned and two additional Non-executive Directors were appointed. To the best knowledge of the Company, the Board members have no financial, business, family or other material/relevant relationships with each other.

Biographical details of the Directors are set out under the heading "Directors and Company Secretary" on pages 43 to 53 of this annual report.

Role and Function

The Board takes responsibility for the formulation of the overall strategy and the leadership and control of the Group such as the Group's long term objectives and strategies, the approval of the Group's corporate and capital structure, financial reporting and controls, internal controls and risk management, material contracts, communication with the shareholders, the Board membership and other appointments, remuneration of Directors and other key senior management, delegation of authority to Board committees and corporate governance matters.

During the Reporting Period, two general meetings were held, the Board held four regular Board meetings at approximately quarterly intervals and three ad hoc Board meetings where the Directors attended the Board meetings either in person or by means of electronic communication.

董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則（「標準守則」）作為本公司董事進行證券交易之行為守則。經本公司向董事作出具體查詢後，全體董事均確認，彼等於報告期內一直遵守標準守則所規定之標準。

董事會

組成

於報告期末，董事會由九名董事組成，當中包括兩名執行董事、兩名非執行董事及五名獨立非執行董事。於報告期內，兩名執行董事辭任，以及額外委任了兩名非執行董事。以本公司所知悉，董事會成員彼此並無任何財務、業務、家族或其他重大／相關之關係。

各董事之簡歷載於本年報第43頁至第53頁標題為「董事及公司秘書」。

角色及職能

董事會負責制定本集團之整體策略、以及領導及監控本集團，例如本集團之長遠目標及策略、批准本集團之企業及資本架構、財務申報及監控、內部監控及風險管理、重大合約、與股東的溝通、董事會成員及其他委任事項、董事及其他重要高級管理人員之薪酬、各董事委員會之授權及企業管治等事務。

於報告期內，已舉行兩次股東大會、四次定期董事會會議（大約每季度一次）以及三次董事會特別會議，董事均親身或以電子通訊方式出席董事會會議。

Appointments and Re-election

The Board is empowered under the Bye-Laws to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Only the qualified candidates will be proposed to the Board for consideration and the selection criteria are mainly based on the assessment of their professional qualifications, experience and their possible contribution to the Group.

Independent Non-executive Directors

Pursuant to Rules 3.10(1) and 3.10(2) of the Listing Rules, the Company has appointed five Independent Non-executive Directors, one of whom has appropriate professional qualifications or accounting or related financial management expertise.

Each of the Independent Non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all the Independent Non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and considers that they are independent.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer of the Group are segregated, which are held by Mr. GUO Wei and Mr. LIN Yang respectively. Mr. GUO is responsible for the strategic development and management of the Group whereas Mr. LIN is responsible for the overall business management of the Group.

AUDIT COMMITTEE

The Audit Committee was established in 2001 with specific written terms of reference. The Audit Committee comprises three members and all of them are Independent Non-executive Directors. The Audit Committee is currently chaired by Mr. WONG Man Chung, Francis (who possesses the appropriate professional qualification or accounting or related financial management expertise), with Ms. NI Hong (Hope) and Mr. LAI Daniel, BBS, JP as members.

The latest Terms of Reference for Audit Committee is available on the websites of the Stock Exchange and the Company respectively.

委任及重選

董事會根據公司細則所賦予之權力委任任何人士出任董事，以填補董事會之臨時空缺或作為新增成員。只有合資格候選人才會被建議予董事會以作考慮，而甄選之標準乃主要按彼等之專業資格、經驗及彼等對本集團有可能作出的貢獻作為評估。

獨立非執行董事

根據上市規則第3.10(1)條及第3.10(2)條，本公司已委任五名獨立非執行董事，其中一名具備合適之專業資格或會計或相關財務管理專業知識。

每名獨立非執行董事已根據上市規則第3.13條之規定，各自就其獨立性作出年度確認。本公司認為，全體獨立非執行董事均符合上市規則第3.13條所載之獨立指引，且視彼等為獨立人士。

主席及首席執行官

本集團之主席職務及首席執行官職務已作出區分，分別由郭為先生和林楊先生擔任。郭先生負責本集團之策略發展及管理，而林先生負責本集團之整體業務營運管理。

審核委員會

審核委員會於二零零一年成立，並備有明確書面職權範圍。審核委員會有三名成員及全體成員均為獨立非執行董事。審核委員會現時由黃文宗先生擔任主席（彼具備適當的專業資格，或具備適當的會計或相關的財務管理專長）、倪虹小姐及賴錫璋先生，BBS, JP擔任成員。

最新的審核委員會職權範圍現已分別上載聯交所及本公司網站。

Corporate Governance Report

企業管治報告

The Audit Committee is responsible for, among others, the following:

- i. monitoring the integrity of the financial statements of the Group;
- ii. reviewing the Group's financial controls, risk management and internal control systems;
- iii. reviewing the Group's financial and accounting policies and practices;
- iv. reviewing and monitoring the effectiveness of the Group's internal audit function and ensuring coordination between the internal and external auditor; and
- v. performing the Group's corporate governance function delegated by the Board.

Corporate Governance Function

Under the Terms of Reference for Audit Committee now in place, the Audit Committee has been delegated by the Board to perform the following corporate governance function:

- i. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- 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 and 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 compliance with the Code and the disclosure in this Report as set out under Appendix 14 of the Listing Rules.

During the Reporting Period, the Audit Committee held two regular meetings and one ad hoc meeting where the members attended either in person or by means of electronic communication.

審核委員會負責(其中包括)以下:

- i. 監察本集團財務報表之完整性;
- ii. 檢討本集團財務監控、風險管理及內部監控系統;
- iii. 檢討本集團財務和會計政策及實務;
- iv. 檢討及監察本集團內部審核功能;並確保內部和外聘核數師的工作得到協調;及
- v. 履行獲董事會授權之企業管治職能。

企業管治職能

於現有審核委員會職權範圍下,審核委員會獲董事會授權履行以下企業管治職能:

- i. 制定及檢討本公司的企業管治政策及常規,並向董事會提出建議;
- ii. 檢討及監察董事及高級管理人員的培訓及持續專業發展;
- iii. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規;
- iv. 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有);及
- v. 檢討本公司遵守根據上市規則附錄十四編製的守則的情況及在本報告內的披露。

於報告期內,審核委員會舉行兩次定期會議以及一次特別會議,成員均親身或以電子通訊方式出席。

For the Reporting Period, the Audit Committee has reviewed with senior management and the Auditor of the Company their respective audit findings, the accounting principles and practices adopted by the Group, legal and regulatory compliance, and discussed auditing, internal control, risk management and financial reporting matters. The Board has, through the Audit Committee, conducted regular reviews on the effectiveness of the internal control system of the Group and discussed matters related to corporate governance function during the Reporting Period.

The Audit Committee has no disagreement with the Board on the selection, appointment, resignation or dismissal of the Auditor of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee was established on 31 August 2006 with specific written terms of reference. The Remuneration Committee comprises three members and all of them are Independent Non-executive Directors. The Remuneration Committee is currently chaired by Dr. LIU Yun, John, with Mr. WONG Man Chung, Francis and Mr. LAI Daniel, *BBS, JP* as members.

The latest Terms of Reference for Remuneration Committee is available on the websites of the Stock Exchange and the Company respectively.

The Remuneration Committee is responsible for, among others, the following:

- i. making recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; and
- ii. making recommendations to the Board on the remuneration packages of individual executive directors and senior management, which includes benefits in kind, pension rights and compensation payments and on the remuneration of Non-executive Director.

During the Reporting Period, the Remuneration Committee held two meetings where the members attended either in person or by means of electronic communication to review and recommend the remuneration of executive directors.

Details of the Directors' emoluments for the Reporting Period are set out in note 8 to the financial statements.

在報告期，審核委員會已與本公司高級管理人員及核數師審閱彼等各自之審核結果、本集團採納之會計原則及實務、法律及監管合規事務，並研討有關審核、內部監控、風險管理及財務申報等事宜。董事會已透過審核委員會定期檢討本集團於報告期內內部監控系統之成效以及討論有關企業管治職能的事項。

就本公司核數師之甄選、聘任、辭任及解聘，審核委員會與董事會並無意見分歧。

薪酬委員會

薪酬委員會於二零零六年八月三十一日成立，並備有明確書面職權範圍。薪酬委員會由三名成員組成，全體成員均為獨立非執行董事。薪酬委員會現由劉允博士擔任主席，黃文宗先生及賴錫璋先生，*BBS, JP*擔任成員。

最新的薪酬委員會職權範圍現已分別上載聯交所及本公司網站。

薪酬委員會負責(其中包括)以下：

- i. 就本公司董事及高級管理人員的全體薪酬政策及架構，及設立正規而具透明度的程序以制訂薪酬政策，向董事會提出建議；及
- ii. 就個別執行董事及高級管理人員的薪酬待遇，包括非金錢利益、退休金權利及賠償金額，以及就非執行董事的薪酬向董事會提出建議。

於報告期內，薪酬委員會舉行兩次會議，成員均親身或以電子通訊方式出席，以審閱及建議執行董事之薪酬。

在報告期，董事酬金之詳細資料載於財務報表附註8。

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DIRECTOR'S ATTENDANCE RECORDS AT MEETINGS

The attendance of each Director at the following meetings during the Reporting Period is set out below:

Board members 董事會成員	Committee members 委員會成員		Number of meetings attended/held 出席/舉行會議次數					
	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Board Meeting 董事會		Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Annual General Meeting 股東週年大會	Special General Meeting 股東特別大會
			Regular 定期	Ad Hoc 特別				
Executive Directors	執行董事							
Mr. GUO Wei (Chairman)	郭為先生(主席)	–	–	3/4	3/3	N/A 不適用	N/A 不適用	1/1 1/1
Mr. LIN Yang (Chief Executive Officer)	林楊先生(首席執行官)	–	–	3/4	3/3	N/A 不適用	N/A 不適用	0/1 1/1
Non-executive Directors	非執行董事							
Mr. YU Ziping (appointed as Director on 27 December 2017)	余梓平先生(於二零一七年十二月二十七日獲委任為董事)	–	–	0/0 (附註1)	0/0 (附註1)	N/A 不適用	N/A 不適用	0/0 (附註1) (附註1)
Mr. PENG Jing (appointed as Director on 27 December 2017)	彭晶先生(於二零一七年十二月二十七日獲委任為董事)	–	–	0/0 (附註1)	0/0 (附註1)	N/A 不適用	N/A 不適用	0/0 (附註1) (附註1)
Independent Non-executive Directors	獨立非執行董事							
Mr. WONG Man Chung, Francis	黃文宗先生	Chairman 主席	Member 成員	4/4	2/3	3/3	2/2	1/1 1/1
Ms. NI Hong (Hope)	倪虹小姐	Member 成員	–	3/4	3/3	3/3	N/A 不適用	0/1 1/1
Dr. LIU Yun, John	劉允博士	–	Chairman 主席	4/4	0/3	N/A 不適用	1/2	1/1 0/1
Ms. YAN Xiaoyan	嚴曉燕女士	–	–	4/4	2/3	N/A 不適用	N/A 不適用	0/1 0/1
Mr. LAI Daniel, BBS, JP	賴錫璋先生, BBS, JP	Member 成員	Member 成員	4/4	3/3	3/3	2/2	1/1 1/1

Notes:

- As Mr. YU Ziping and Mr. PENG Jing were appointed as Non-executive Directors of the Company with effect from the conclusion of the special general meeting of the Company held on 27 December 2017, their attendance were stated by reference to the number of the Board Meeting and general meetings held during their tenure.
- Mr. WANG Xinhui resigned as an Executive Director and President of the Company on 21 July 2017. Mr. WANG's attendance at the respective meetings during the Reporting Period and by reference to the number of the relevant meetings held during his tenure were as follows: Regular Board Meeting (2/2), Ad hoc Board Meeting (1/2) and Annual General Meeting (0/1).
- Mr. Denis Shing Fai YIP resigned as an Executive Director, Chief Executive Officer and President of the Company on 16 November 2017. Mr. YIP's attendance at the respective meetings during the Reporting Period and by reference to the number of the relevant meetings held during his tenure were as follows: Regular Board Meeting (2/2).

董事出席會議記錄

於報告期內，各董事出席以下會議之記錄載列如下：

附註:

- 由於余梓平先生及彭晶先生於二零一七年十二月二十七日舉行之股東特別大會結束之時起獲委任為本公司非執行董事，故彼之出席率乃按彼在任期間舉行的董事會會議及股東會議數目計算。
- 王新輝先生於二零一七年七月二十一日辭任本公司之執行董事兼總裁職務。王先生於報告期內及其任期期間舉行之相關會議出席記錄如下：定期董事會(2/2)、特別董事會(1/2)及股東週年大會(0/1)。
- 葉成輝先生於二零一七年十一月十六日辭任本公司之執行董事、首席執行官及總裁職務。葉先生於報告期內及其任期期間舉行之相關會議出席記錄如下：定期董事會(2/2)。

DIRECTOR INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Newly appointed Directors will receive comprehensive induction on appointment to ensure understanding of the directors' responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company also organizes and arranges seminars for and/or provides relevant reading materials to Directors to help ensure they are apprised of the roles, functions and duties of being a director of a listed company and the development of their knowledge on the regulatory updates whenever necessary or appropriate.

During the Reporting Period and up to the date of this annual report, the Company has provided training materials for all the then Directors to keep them abreast of the latest development of legal, regulatory and corporate governance. The Company has received the records of training from all those Directors.

BOARD DIVERSITY POLICY

The Company is committed to promoting diversity among the Board and has adopted a board diversity policy (the "Board Diversity Policy") effective on 20 August 2013. The Board Diversity Policy outlines the Board's commitment to fostering a corporate culture that embraces diversity and, in particular, focuses on its composition.

The Company recognising and embracing the benefits of having a diverse Board values increasing diversity at Board level which is perceived to be an essential element in achieving a sustainable and balanced development of the Company. In determining the Board composition that best suits the Company, a wide spectrum of aspects, including but not limited to gender, age, ethnicity and cultural background, skills, regional and industry experience, professional experience, length of service and other qualities of directors will be considered. All Board appointments shall be made on the basis of meritocracy and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

董事就職培訓及持續專業發展

新任董事將會接獲一份有關委任的綜合資料，藉此可確保其瞭解在上市規則及相關監管規定下之董事職責和義務。

董事會獲鼓勵參與持續專業發展以發展和更新其知識和技能。本公司亦會在需要或適當的時候組織及安排研討會及／或提供相關閱讀資料予董事，藉以確保他們瞭解作為一間上市公司董事之角色、職能及責任，以及發展其對必要或適用之監管規則的最新知識。

於報告期內及直至本年報的日期，本公司已提供培訓材料給當時的所有董事，讓其緊貼法例、監管規則以及企業管治的最新發展。本公司亦已收到所有該等董事之培訓記錄。

董事會成員多元化政策

本公司致力促進董事會成員多元化，及已採納董事會成員多元化政策（「董事會成員多元化政策」）並自二零一三年八月二十日起生效。董事會成員多元化政策表述董事會對培養多元化的企業文化之承擔，尤其專注董事會成員組合。

本公司明白並深信提升董事會多元化可獲得多元董事會價值的裨益，而多元的董事會價值實為達致本公司可持續平衡發展的必要元素。在釐定最切合本公司需要的董事會成員組合時，會考慮多個方面的因素，包括但不限於性別、年齡、種族及文化背景、技能、地區及行業經驗、專業經驗、服務任期及董事的其他特質。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

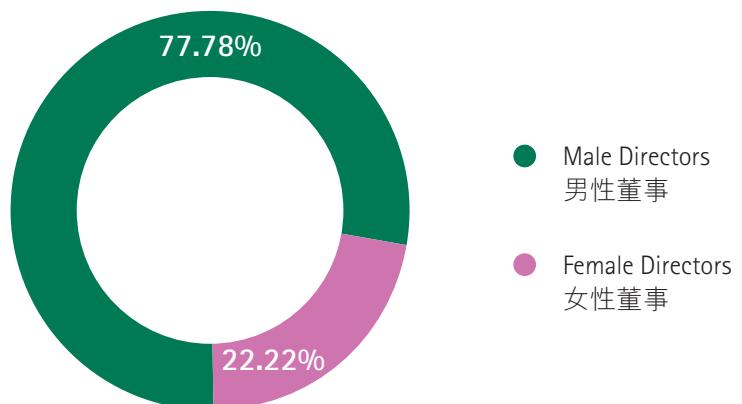
Corporate Governance Report

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As at the end of the Reporting Period, the diversity of the Board is shown in the following graphic illustrations. Out of the nine Directors comprising the Board, two of them are women. Two of the nine Directors are Non-executive Directors and five of them are Independent Non-executive Directors, thereby promoting critical review and control of the management process. The Board is also characterised by significant diversity, whether considered in terms of age, cultural and educational background, professional expertise and skills. The Board endeavours to steer forward and ensure that the Board has a balance of skills, experience and diversity of aspects appropriate to the requirements of the Company's business.

Diversity of the Board as at the end of the Reporting Period

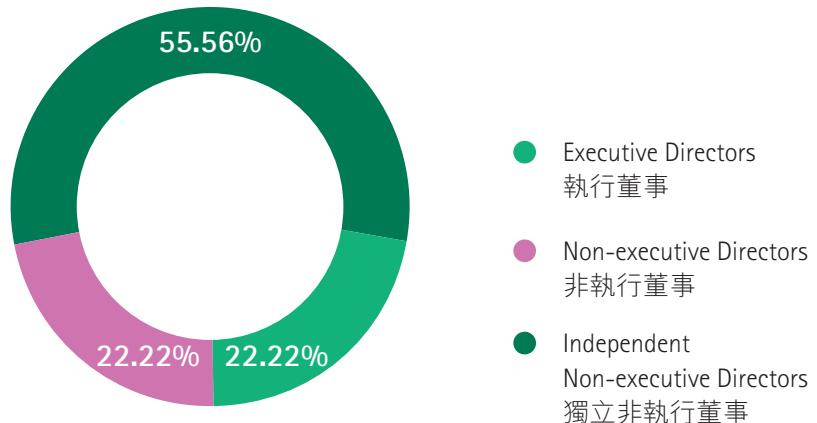
Gender 性別



於報告期末，董事會成員多元化的情況闡述如下圖，董事會九名董事組成之中，其中兩名為女性；九名董事之中兩名為非執行董事，五名為獨立非執行董事，藉以作出批判檢討及監控管理過程。就年齡、文化、教育背景、專業知識及技能方面而言，董事會均屬相當多元化。董事會致力引領向前，並確信董事會成員就適合本公司業務所需之技能、經驗和多元化方面取得平衡。

於報告期末之董事會成員多元化狀況

Role 角色



REMUNERATION OF AUDITOR

For the Reporting Period, remuneration to Auditor of the Company was approximately HK\$4,405,000 for audit services and approximately HK\$1,490,000 for non-audit services (HK\$150,000 on agreed-upon procedures on interim results, HK\$178,000 on review relating to the financial statements of offering and issuance of Taiwan Depositary Receipts, HK\$1,162,000 on agreed-upon procedures relating to the rights issue).

RISK MANAGEMENT AND INTERNAL CONTROL

1. Risk Management and Internal Control Notions

An effective and adequate risk management and internal control system is important for ensuring the realisation of the Group's strategic objectives. The risk management and internal control system should uphold the effective conduct of business activities, guarantee the truthfulness and fairness of accounting records, ensure the Group's compliance with relevant laws, regulations and policies, and safeguard the assets and interests of the shareholders of the Company.

2. Features and Effectiveness of Risk Management and Internal Control

The Board acknowledges its responsibility to establish and maintain the Group's risk management and internal control systems and to review their effectiveness, for the purpose of safeguarding the investments of shareholders and the assets of the Group. Such systems are designed to manage, but not to remove, the risk of failure to achieve business objectives, provide reasonable (but not absolute) assurance for freedom from material misstatements or losses, and manage, but not eliminate, risks associated with the operating systems and the risk of material errors in the objectives of the Group. Such responsibility is primarily performed by the Audit Committee, which conducts at least once annually, on behalf of the Board, reviews on whether the Group's risk management and internal control systems in respect of risk handling, financial accounting and reporting are effective on an ongoing basis, whether its operations are effective and efficient, and whether pertinent laws and regulations have been complied with and risk management functions have been fulfilled. The Audit Committee also monitors risks associated with the Group's accounting, internal audit, finance, staff qualifications and experience, operations and compliance. The Board also understands its overall responsibility for internal control, financial control and risk management, and reviews from time to time its effectiveness in this regard.

核數師酬金

於報告期，本公司核數師之核數服務酬金約港幣4,405,000元及非核數服務酬金約港幣1,490,000元(審閱中期業績之協定程序為港幣150,000元及審閱有關發放、發行台灣存託憑證的財務報表為港幣178,000元及供股項目之協定程序為港幣1,162,000元)。

風險管理及內部監控

1、風險管理及內部監控理念

足夠及有效的風險管理及內部監控系統是實現本集團戰略目標的重要保障。風險管理及內部監控系統應保障業務活動的有效進行、會計記錄的真實和公允，保障本集團遵守有關的法律、法規及政策，以及保障公司股東的資產和權益安全。

2、風險管理及內部監控的特點及成效

董事會承認有責任設立、維持及檢討本集團風險管理及內部監控系統的有效程度，以保障股東的投資及本集團的資產。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證，並管理而非杜絕運作系統及導致本集團目標出現嚴重失誤的風險。此責任主要由審核委員會履行，其代表董事會每年就本集團對處理風險與財務會計及報告的風險管理及內部監控系統是否持續有效、營運是否有效及富有效率、有否遵守有關法規和風險管理職能等方面進行每年至少一次的檢討，並監控本集團會計、內部審核、財務、員工資歷及經驗、營運、合規的風險。董事會亦明白其對內部監控、財務控制及風險管理之整體責任，並會不時檢討其效能。

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On behalf of the Board, the Audit Committee continuously reviews the risk management and internal control system. The review procedures include, but are not limited to, listening to the reports delivered by, among others, the business management teams, the Internal Audit Department, the Legal Department and the external auditors, reviewing the various work reports and key indicator information, as well as discussing material risks with the senior management team.

For the year 2017, the Board is of the opinion that the Group's risk management and internal control system was both effective and adequate. Besides, the Board believes that the Group's accounting and financial reporting functions were performed by sufficient staff who were suitably qualified and experienced and who had received proper training and been adequately developed. The Board also believes that sufficient resources were allocated to the Group's internal audit function, which was performed by sufficiently qualified and experienced staff and for which the training programmes and budget were sufficient.

RISK MANAGEMENT

1. Three-tier protection for risk management

In order to ensure the effectiveness of the risk management and internal control system, the Group has adopted a three-tier protection model and, under the supervision and guidance of the Board, established the organisational structure for risk management and internal control. The Company's actual circumstances are also taken into account regarding the annual optimisation and refinement of the structure.

- First line of protection – operations and management: Mainly composed of the Group's functional and business departments at various levels, it is responsible for the day-to-day operations and management, and for the design and execution of the relevant control measures for countering risks.

審核委員會代表董事會持續檢討風險管理及內部監控系統。檢討的程序包括(但不限於)聽取業務管理團隊、內部審計部、法務部以及外聘核數師等的報告，審閱各項工作報告和關鍵指標資訊，以及與高級管理團隊討論重大風險。

就二零一七年度而言，董事會認為本集團的風險管理及內部監控系統有效而充足。另外，董事會相信，本集團的會計及財務報告職能已由足夠的且具有適當資歷及經驗的員工履行，且該員工已接受合適而充分的培訓及發展。董事會亦相信，本集團的內部審核職能已獲足夠的資源，其員工資歷及經驗、培訓計劃及預算等亦均為足夠。

風險管理

1、風險管理的三道防線

為保障風險管理及內部監控系統的有效性，本集團採用了三道防線模型，在董事會的監督和指導下，建立了風險管理及內部監控組織架構，並每年結合本公司的實際情況進行優化及完善。

- 第一道防線 – 運營及管理：主要由本集團各層級職能及業務部門構成，負責日常運營和管理，並負責設計和執行相關控制措施以應對風險。

- Second line of protection – risk management: Mainly composed of the respective risk management departments of the Business Groups, it is responsible for planning and carrying out the construction of the risk management and internal control system and, in accordance with the requirements of the risk management system, for organising, directing, coordinating and implementing the collection of risk-related information, risk identification, risk assessment and measures countering material risks at the respective Business Groups. As such, the second line of protection assists the first line of protection in establishing and refining the risk management and internal control system.
- Third line of protection – independent protection: Mainly composed of the Group's Internal Audit Department, it is responsible for supervising and assessing the risk management tasks of the Group, thereby ensuring the effectiveness of the risk management and internal control system.

2. Procedures for Identifying, Assessing and Managing Material Risks

Below is an outline of the procedures employed by the Group for identifying, assessing and managing its material risks:

- **Risk identification and assessment:** Risks that may have a potential impact on the business and operations of the Group's various Business Units are identified, and a risk database is established and continuously updated; the assessment criteria that have been reviewed and approved by the management are used in the assessment of identified risks, during which the likelihood of their occurrence and their impact on the business are taken into account;
- **Risk-countering:** Through the comparison of risk assessment outcomes, risks are ranked by priority, and risk management strategies and internal control procedures are determined for preventing, avoiding or reducing risks;

- 第二道防線 – 風險管理：主要由各業務集團風險管理職能部門構成，負責規劃並開展風險管理及內部監控系統的建設工作，按照風險管理制度要求組織、指導、協調及落實各業務集團的風險信息收集、風險識別、風險評估、重要風險應對實施等工作，協助第一道防線建立和完善其風險管理及內部監控系統。
- 第三道防線 – 獨立保障：主要由本集團內部審計部構成，負責對本集團風險管理工作進行監督和評價，保障風險管理及內部監控系統的有效性。

2、用於識別、評估及管理重要風險的程序

本集團用於識別、評估及管理重要風險的程序簡介如下：

- **風險識別與評估：**識別可能對本集團各業務單元業務和營運構成潛在影響的風險，建立並不斷更新風險信息庫；使用管理層審閱通過的評估標準，評估已識別的風險，評估時考慮風險發生的可能性及對業務的影響；
- **風險應對：**通過比較風險評估結果，排列風險優先次序，及釐定風險管理策略及內部監控程序，以防止、避免或降低風險；

- **Risk monitoring and reporting:** Relevant risks are monitored on an ongoing and regular basis, and appropriate internal control procedures are guaranteed to be in place; in the event of any material change, the risk management policies and internal control procedures would be amended; and the risk monitoring results are reported to the Audit Committee and the management on a regular basis.

3. Material Risks of the Group and Response Measures

During the year of 2017, the Group identified and assessed its material risks by means of the aforesaid risk management processes.

With the constant changes in the scale, scope of operations and complexity of its businesses as well as in the external environment, the Group's risk profile may be subject to change. A brief account is given below of the material risks that are currently faced by the Group, of the changes in the material risks compared with the previous year and the reasons for such changes, and of the risk-countering measures that have been implemented.

The following table shows the top three material risks of the Group in 2017:

Rank	Risk
1	Risk of loss of talent
2	Remuneration and benefit package risk
3	Risk of reserve of talents

- **風險監察及匯報：**持續並定期監察有關風險，以及確保設有適當的內部監控程序；於出現任何重大變動時，修訂風險管理政策及內部監控程序；及向審核委員會和管理層定期匯報風險監察的結果。

3、本集團的重要風險及應對策略

二零一七年度，本集團通過上述風險管理流程識別和評估出本集團的重要風險。

隨著業務規模、經營範圍、複雜程度以及外部環境的不斷變化，本集團的風險狀況可能會發生改變。下文扼要地列示本集團現時面對的重要風險、與上年相比重要風險發生變化的情況及原因、及已實施的風險應對措施。

二零一七年度，本集團排名前三的重要風險如下表所示：

序號	風險
1	人才流失風險
2	薪酬與福利風險
3	人才儲備風險

Compared with the year 2016, each of these 3 risks became more significant for the Group in 2017. Due to the effect of such factors as external market competition and internal strategic adjustments, in the year of 2017, the Group made adjustments to its organisational structure and businesses while taking into account its actual business needs, and the optimisation of some of its personnel led to an increased workforce mobility. In addition, since the investments and mergers or acquisitions conducted by the Group involved new business areas, its reserve of talents and remuneration and incentive regime had yet to be improved. All these factors mean that talent-related risks have occupied a more significant position among the Group's operational risks.

In order to counter, prevent and control these risks, in addition to continuously refining the talent-related systems and processes relating to staff selection, engagement, development and retention in the course of its day-to-day management, the Group based upon its strategic choices, established a dynamic talent resources database that was realised through a sound supportive strategy, paid great attention to the identification, development and retention of its strategic key personnel, and enhanced the core competitive advantages of the talent within the organisation. Besides, the Group stepped up its efforts in relation to the active rotation of duties, thereby allowing its management cadres to develop a comprehensive skill set and expanding the room for talent development.

Besides, the Group has strengthened the risk control according to the choices of wealth management financial products. In the past, when choosing those wealth management financial products without risk-ranking by financial institutions, the Group will require for insurances or guarantees. In the year of 2017, when identifying a guarantor, the Group has further straightened the assessment requirements for the guarantee ability of the guarantor, and has also improved the procedures of signing various important document letters in person.

The Audit Committee assisted the Board in monitoring the Group's overall risk profile, and reviewed the changes in the nature and severity of the Group's material risks. The Audit Committee is of the opinion that the management took suitable measures for countering and managing the key risks such that they were maintained at levels acceptable to the Board.

與二零一六年相比，二零一七年這三項風險在本集團的重要性程度均有所上升。受外部市場競爭、內部戰略調整等因素的影響，二零一七年本集團結合業務實際需要進行了組織結構和業務調整，部分人員優化使得人員流動性增加；此外，由於投資併購涉及新的業務領域，人才儲備和薪酬激勵體系尚待完善；這些因素都使得本集團運營風險中人才相關的風險重要性程度增加。

為了應對和防控這些風險，除持續完善日常管理中人才相關的選、用、育、留等制度流程外，本集團基於戰略選擇，建立完善支撐戰略達成的動態人才資源庫，重點關注戰略關鍵人才的識別、培養並保留，提升組織的人才核心競爭優勢；同時加大主動輪崗的力度，培養管理幹部的復合能力，拓展人才發展空間。

此外，本集團針對理財產品的選擇加強了風險控制。過去，對於金融機構無風險評級的理財產品，本集團在選擇時要求有保險或擔保；二零一七年度，在確定擔保方時，本集團進一步嚴格了對擔保方擔保能力的審查要求，且對於一些重要函件完善了面簽流程。

審核委員會協助董事會監察本集團整體的風險狀況，並檢討了本集團重要風險的性質及嚴重程度的轉變。審核委員會認為管理層已採取適當的措施以應對及管理關鍵風險至董事會可接受的風險水平。

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Based on the findings of the review described above, the Board confirms, and the management has also confirmed to the Board, that the risk management and internal control system of the Group (in all material aspects including financial control, operational control and compliance control) is efficient and adequate, and has been in compliance with the provisions on risk management and internal control contained in the "Corporate Governance Code" through the year and as at the date of this report.

INTERNAL CONTROL

1. Internal Control System

The Group has consistently focused on the construction of its internal control system. The management of the Group is responsible for designing, implementing, and maintaining the effectiveness of, its internal control system. The Board and the Audit Committee are responsible for exercising supervision and regulation over the appropriateness and effective implementation of the internal control measures introduced by the management.

The Group's internal control system delineates the parties' management responsibilities, authorisations and approvals in relation to key actions, and lays down specific written policies and procedures regarding material business processes. The communication of such system to the staff also makes up an important component thereof. The Group's policies covering its financial, legal and operational aspects represent the management standards in relation to its various business processes, and are to be strictly implemented by each of its staff members.

The Board establishes and maintains a good internal control system through the following principal procedures:

- Establishing a reasonable and effective organization structure with clear functions, responsibilities and authority;

根據上述檢討的結果，董事會確定而管理層亦向董事會確定，本集團的風險管理及內部監控系統(在所有重要的監控方面，包括財務監控、運作監控及合規監控)有效及足夠，且本年度及直至本報告書日期止，均有遵守《企業管治守則》的風險管理及內部監控條文。

內部監控

1. 內部監控系統

本集團一貫重視內部監控系統的建設。本集團管理層負責設計、實施和維持內部監控系統的有效性，董事會及審核委員會負責監督及監管管理層推行的內部監控措施是否適當，以及是否得到有效的執行。

本集團的內部監控系統就關鍵行動清晰界定各方的管理職責、授權和審批，就重要業務流程制定明確的書面政策和程序，並向員工傳達也是內部監控系統的重要環節。本集團政策是各業務流程的管理標準，涵蓋財務、法務、運營等各方面，所有員工均須嚴格執行。

董事會透過以下主要程序設立及維持良好的內部監控系統：

- 設立合理有效的組織架構，並訂明清晰的功能、職責及權限；

- Laying down stringent procedures for budget preparation and budget management; formulating business plans and financial budgets annually; rationally adjusting the organisation structure based on business planning; ensuring the effective operation of the organisation; reviewing the implementation of budgets and making reasonable adjustment based on the latest conditions;
- The Internal Audit Department – independently assessing the comprehensibility and effectiveness of the monitoring of principal business, reporting its principal findings, with recommendations, to the Audit Committee on a half-yearly basis; and
- The Auditor – making a "Management Proposal" in its audit of annual results, recommending ways to address some internal management areas which are correspondingly weak; the management making serious reviews, and making and submitting improvement proposals to the Audit Committee.

2. Annual assessment of internal control

During the reporting period, the Internal Audit Department adopted a risk benchmarking approach focused on key processes and controls and reported the findings of internal audit to the Audit Committee on a semi-annual basis. Through the Audit Committee, the Board of Directors reviewed the effectiveness of the Group's internal control system. The internal control system covers all material controls, including financial, operational and compliance controls, risk management functions and the adequacy of resources, staff qualifications and experience, training programmes and budgets in relation to the accounting and financial reporting functions of the Group. During the year of 2017, the Internal Audit Department did not identify any significant deficiency in internal control.

- 嚴格的預算制定及預算管理程序，每年制定業務規劃及財務預算，並根據業務規劃合理調整組織架構，確保組織有效運行，檢討預算執行情況，並根據最新情況進行合理調整；
- 內部審計部 – 獨立評估主要業務監控之完備性及效能，每半年度向審核委員會匯報主要發現及建議；及
- 核數師 – 在每年業績審核中提出「管理建議書」，針對內部管理之相對薄弱環節提出若干管理建議，管理層會認真檢討，並向審核委員會提呈改進方案。

2. 年度內部監控評估

在報告期內，內部審計部採納了專注於主要流程及監控的風險基準方法，並每半年度向審核委員會匯報內部審計結果。董事會透過審核委員會檢討本集團內部監控系統之效能。內部監控系統涵蓋所有重大監控事項，包括財務、營運及遵守法規事宜、風險管理功能以及在本集團的會計及財務匯報職能方面，員工的資源、資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否足夠。於二零一七年度內，內部審計部並沒有發現重大內部監控缺失。

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DISCLOSURES OF INSIDE INFORMATION

The Company's management assesses the likely impact of any unexpected and significant event that may impact the price of the Shares or their trading volume and decides whether the relevant information is considered inside information and needs to be disclosed as soon as reasonably practicable pursuant to Rules 13.09 and 13.10 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. The Board is responsible for approving and authorizing the Directors to issue certain announcements and/or circulars.

DIRECTORS' AND AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the financial statements of the Group which give a true and fair view of the state of affairs of the Company and of the Group on a going concern basis in accordance with the statutory requirements and applicable accounting standards.

The statement of the Auditor of the Company about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 111 to 119 of this annual report.

COMMUNICATION WITH SHAREHOLDERS

The Board is committed to maintaining an on-going dialogue with Shareholders and the investment community.

One of the principal channels of communication with the Shareholders is the annual general meeting and all corporate communications of the Company, including but not limited to interim reports, annual reports, notices of meeting, announcements, circulars and other relevant Company's information are available on the Company's website www.dcholdings.com.hk.

The Company has adopted a Shareholders Communication Policy to handle enquiries put to the Board.

The Company believes that communicating with Shareholders through its website is an efficient way of delivering information in a timely and convenient manner. Information on the Company's website will be continuously reviewed and updated to ensure that information is current, or appropriately dated and archived.

內幕消息的披露

本公司管理層負責評估任何不可預計重大事件可能對股份價格或成交量的影響，並決定有關資料是否視為內幕資料，而須根據《上市規則》第13.09條及13.10條和證券及期貨條例第XIVA部的內幕資料條文在合理可行情況下盡快披露。董事會負責批准本公司授權其董事刊發若干公告及/或通函。

董事及核數師就財務報表承擔之責任

董事確認彼等須負責依照法定要求及適用會計準則，按持續經營基準編製真實公平反映本公司及本集團財務狀況之本集團財務報表。

本公司核數師就本集團財務報表所作之申報責任聲明載列於本年報第111頁至第119頁之獨立核數師報告內。

與股東的溝通

董事會致力維持與股東和投資者保持對話。

本公司股東週年大會是與股東溝通的其中一個主要方式，而所有本公司之企業通訊，包括但不限於中期報告、年報、會議通告、公告、通函及其他相關的公司資料已上載於本公司網站 www.dcholdings.com.hk。

本公司已制定股東通訊政策，以處理股東向董事會提出之查詢。

本公司相信，通過公司網站與股東溝通是及時快捷傳達資訊的有效途徑。本公司將會不時審閱和更新公司網站資訊，確保資訊合時，或已適當註明日期及歸檔。

SHAREHOLDERS' RIGHTS

The Company recognises the rights of Shareholders and encourages Shareholders to participate in general meetings or to appoint proxies to attend and vote at meetings for and on their behalf if they are unable to attend the meeting. The general meeting provides an important opportunity for Shareholders to express their view to the Board and management and to exercise Shareholders' rights. Under the Bye-Laws, Shareholders have the rights to convene a special general meeting and put forward agenda items for consideration by Shareholders. The latest Bye-Laws has been uploaded onto the websites of the Company and the Stock Exchange respectively.

Shareholders are encouraged to use their attendance at meetings to ask questions about or comment on the results, operations, strategy, corporate governance and/or management of the Group. The Board members, in particular, either the Chairmen or members of the Board committees, appropriate management executives, external auditor and legal advisers shall be available at general meetings to answer questions from Shareholders.

股東權利

本公司重視股東權利，並鼓勵股東參與股東大會，或若未能出席，委託委任代表代其出席及於會上投票。股東大會提供重要機會予股東向董事會及管理層表達意見，並行使股東權利。根據公司細則，股東有權召開股東特別大會，並提呈議程事項予股東考慮。最新的公司細則已分別上載於本公司及聯交所網站。

本公司歡迎股東利用出席股東大會的機會，就本集團的業績、營運、戰略、企業管治及／或管理提出問題或給予意見。董事會成員，特別是董事委員會主席或成員、合適的管理行政人員、外部核數師及法律顧問均會出席股東大會，以回答股東問題。

Environmental, Social and Governance Report

環境、社會及管治報告

I. ABOUT THIS REPORT

The Environmental, Social and Governance Report of Digital China Holdings Limited (hereinafter referred to as this "Report"), prepared in accordance with the "Environmental, Social and Governance Reporting Guide" issued by The Stock Exchange of Hong Kong Limited, is aimed at explaining our policies, work and deliverables achieved during the year in environmental, social and governance matters to our stakeholders. Digital China Holdings Limited (hereinafter referred to as the "Group" or "DC Holdings") identifies relevant key performance indicators and disclosures based on its strategies and market trends. These mainly include environmental protection, talent development, quality assurance, protection of customers' privacy, preservation and protection of intellectual property rights, anti-corruption, and social charity. Unless otherwise stated, the details contained in this Report pertain to all subsidiaries of DC Holdings.

The Board is responsible for assessing and determining the Group's risks relating to the environment, society and governance, and for ensuring that the Group has put in place a suitable and effective risk management and internal control system with regard to these areas, and for the Group's strategies and reporting in relation to its environmental, social and governance matters. In 2017, the Group's risk management and internal control system with regard to environmental, social and governance matters was functioning effectively. The environmental, social and governance reporting team is composed of personnel from various relevant departments of the Group, and is responsible for the annual collection and organization of relevant information for the purposes of compiling and composing this Report.

一、關於本報告

《神州數碼控股有限公司之環境、社會及管治報告》(以下簡稱「本報告」)乃根據香港聯合交易所有限公司《環境、社會及管治報告指引》而編製，旨在向廣大的利益相關方群體闡述我們的環境、社會及管治政策、年內的工作及成果。神州數碼控股有限公司(以下簡稱「本集團」或「神州控股」)根據公司策略及市場趨勢識別相關的關鍵績效指標及披露事項，主要包括環境保護、人才培養、確保質量、保護客戶隱私、維護及保障知識產權、反貪腐、社會公益等。除非特別註明，本報告所載內容涵蓋所有神州控股的附屬公司。

董事會負責評估及釐定本集團有關環境、社會及管治的風險，並確保本集團已設立合適及有效的環境、社會及管治風險管理及內部監控系統，對本集團的環境、社會及管治策略及匯報負責。2017年，本集團環境、社會及管治風險管理及內部監控系統運行有效。環境、社會及管治報告小組由本集團各相關部門人員構成，每年負責收集整理相關信息，匯總編撰本報告。

II. ABOUT DC HOLDINGS

DC Holdings was incorporated in 2000 by way of a spin-off from the former Legend Group and listed on the Main Board of The Stock Exchange of Hong Kong Limited in 2001 (Stock Code: 00861.HK). At DC Holdings, we seek technologically-driven innovations in work and daily life as part of our broader scheme to build a digitalised China, as well as the provision of advanced and practical IT applications to users, in tandem with our mission of benefiting the nation with business achievements. DC Holdings and its subsidiaries had 12,025 employees as at 31 December 2017.

In the present era characterised by the accelerated integration of the physical and virtual worlds, DC Holdings is engaged in proactive innovation and has been realising rapid development centred on such key areas as Sm@rt City, Sm@rt Agriculture, Sm@rt Medical Care, Sm@rt Manufacturing, financial services and supply chain, with the support of such technologies as cloud computing, Big Data and artificial intelligence. With its comprehensive leading position in terms of its notions, strategies, technologies and practices, and leveraging on its several decades of experience in industrial informatization and its unique competitive advantages in Big Data technology, DC Holdings has constructed the application setting with regard to the future smart era, and has become a capital-driven company that is decidedly engaged in innovation on the basis of technological advancement.

Over the past 16 years since its listing, in a persistent effort to fulfil its ambition pertaining to the "Digitalised China", DC Holdings has first risen as a leader in the distribution of IT products in China and later evolved into a leading integrated IT services provider and Sm@rt City expert in China.

As an important promoter of the development of Sm@rt City in China, as well as a leading enterprise in the IT service sector, we are well aware of the profound impact that DC Holdings has on the nation and her people. That's why we always seek long-term value for the community and the natural environment in the process of our ongoing innovation. As the employer of some of China's very best talents in advanced technologies, we must ensure safety, health and development opportunities for our employees. As a corporate citizen, we devote our efforts to education for the younger generation, aid for the underprivileged and the drive for social progress in our commitment to the cause of charity.

二、關於神州控股

神州控股2000年由原聯想集團分拆而誕生，2001年在香港聯合交易所有限公司主板上市(股份代號：00861.HK)。神州控股一直秉承「產業報國」之理想，以科技驅動工作與生活的創新，推進數字中國進程；為用戶提供先進、適用的信息技術應用。神州控股及其附屬公司，截至2017年12月31日有12,025名員工。

在物理世界與虛擬世界加速融合的今天，神州控股主動變革，以雲計算、大數據、人工智能為依托，在智慧城市、智慧農業、智慧醫療、智能製造、金融服務、供應鏈等重點領域實現快速發展；憑藉在理念、戰略、技術、實踐上的全面領先，以及行業信息化數十年積累和大數據技術上的獨特競爭優勢，構建未來智能時代的應用場景；通過技術創新和資本驅動，成為一家百分之百創新的公司。

上市十六年間，神州控股始終堅持「數字中國」之理想，實現了從中國IT產品分銷的龍頭，到中國領先的整合IT服務商和智慧城市專家的跨越。

作為中國智慧城市發展的重要推動者，以及IT服務行業的領先企業，我們深明神州控股正在為國家和人民帶來舉足輕重的影響，因此我們在持續創新的過程當中，必定會考慮如何為社會和自然環境帶來長遠價值。作為中國頂尖科技人才的僱主，我們必須要為我們的員工提供安全健康保障以及不斷發展的機會。作為企業公民，我們亦熱心公益，並透過對下一代的教育和扶危濟困行動，推動社會的進步。

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環境、社會及管治報告

Going forward, DC Holdings will constantly pursue breakthroughs and innovations for bridging the digital divide, keeping itself abreast of the latest developments and in furtherance of our mission of benefiting the nation with business achievements. Through a trillion-worth Big Data revolution of industrialisation that is to be bolstered by its "Digitalised China" conviction, DC Holdings will strive to become China's leading cloud + Big Data services provider and contribute to the magnificent realisation of the "Two 100-year Goals" for the Chinese nation.

III. INVOLVING STAKEHOLDERS

DC Holdings persists in maintaining sound communications with stakeholders through different channels to achieve mutual understanding. The views of stakeholders provide an important reference that helps us to fulfil our social responsibility diligently and implement solid corporate governance. Our ability to pursue sustainable development will be enhanced as a result.

Investors/shareholders

We communicate with our investors and shareholders primarily through the following to understand their views on the Company's development and to inform them about the future developments of the Company:

- Annual general meetings
- Annual reports, financial statements and announcements
- Our company website

Customers and the public

We communicate with our customers primarily through the following to understand how they view and rate the Company's products and services and to explain the Company's commitment in matters such as quality assurance for products and services and customer information security:

- Customer service hotline
- Customer opinion survey
- WeChat account

未來，神州控股將繼續秉承「產業報國」之理念，緊跟時代發展，不斷突破創新，跨越數字鴻溝，通過「數字中國」引領一場萬億級大數據工業化革命，努力成為中國領先的雲十大數據服務商，助力實現中華民族「兩個一百年」的偉大夢想。

三、利益相關方參與

神州控股一直以來堅持通過各種渠道和利益相關方進行良好的溝通，以達至彼此了解的目的。同時，利益相關方的意見對於我們積極履行社會責任和實施良好管治有重要的參考意義，有助於我們增強自身的可持續發展能力。

投資者／股東

我們主要通過以下途徑和我們的投資者、股東進行溝通，了解他們對公司發展的意見，以及傳達有關公司未來發展的動向：

- 股東週年大會
- 年報、財務報表及公告
- 公司官方網站

客戶及社會大眾

我們主要通過以下途徑和我們的客戶進行溝通，了解他們對公司產品和服務的看法和評價，傳達公司對於產品服務質素保障、客戶信息安全等方面的承諾：

- 客戶服務熱線
- 客戶意見調查表
- 微信公號

Staff

We communicate with our employees primarily through the following to understand their views on the Company's policies on staff benefits and work environment, to give them a better understanding of the Company's developments, and to foster harmony at work:

- Staff training
- Staff recreational and sporting activities
- Internal email system
- Intranet of the Company
- Staff performance evaluation

Community

We communicate with the communities where we operate primarily through the following to understand their views on our operations in such communities and to ensure that such operations are able to exert positive effects on the communities:

- Our company website
- WeChat account
- Media reports

IV. ENVIRONMENT

We at DC Holdings are clearly aware of the challenges facing the natural environment to which humanity is subject. In our commitment to protecting the environment and implementing a stringent policy for environmental protection, we undertake to reduce the environmental impact of our business operations and comply strictly with pertinent local laws and regulations, in order to lead by example in the practice of environmental protection.

In light of DC Holdings' business nature, we are of the opinion that the Group is not involved with any harmful waste or any large quantity of harmless waste and does not make any significant use of water resources or packaging materials, and that accordingly it would exert no significant impact on the natural environment and natural resources. We affect the environment primarily through the consumption of power and fuel, as well as carbon emissions arising indirectly from the business trips of our staff.

員工

我們主要通過以下途徑和我們的員工進行溝通，了解他們對公司的員工福利政策、工作環境等方面意見，並讓他們更了解公司的動向，營造和諧的工作氛圍：

- 員工培訓
- 員工文體活動
- 內部電子郵件系統
- 公司內部網絡
- 員工績效評估

社區

我們主要通過以下途徑和我們所在的社區進行溝通，了解他們對我們在社區中運營的意見，同時保證自身的運營能夠為社區帶來正面效應：

- 公司網站
- 微信公號
- 媒體報道

四、環境

作為神州控股，我們清楚人類所處的周邊自然環境正面臨不同的挑戰。為致力於環境保護並執行嚴格的環境保護政策，我們承諾減輕企業營運過程中所產生的環境影響，並且嚴格遵守當地及當地社區的法律法規，以身作則實踐環境保護的理念。

基於神州控股的業務性質，我們認為本集團並不涉及有害或大量無害廢棄物，同時，也未大量使用水資源或包裝材料，對自然環境及天然資源不會帶來重大影響。我們的環境影響主要來自用電、燃油使用，以及差旅所牽涉的間接碳排放。

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To fulfil the environmental responsibilities of DC Holdings, we pledge to:

- Comply strictly with national and relevant local laws and regulations;
- Establish and improve our internal policy for environmental protection and system for environmental supervision and management;
- Protect natural resources, assess the potential environmental risk and impact of our commercial activities, and reduce the negative environmental impact of our operations in a systematic manner;
- Provide employees with training in legal and other knowledge pertaining to environmental protection;
- Keep record of and monitor greenhouse gas emissions generated in our business operations and make plans to reduce such emissions in relative terms on a year-on-year basis;
- Sort and separate wastes generated in the production and operation of the Company, reduce the generation of wastes and increase the percentage of recycling of materials (such as consumable materials used in production and packaging);
- Reduce energy consumption at venues of operation through effective measures.

In 2017, through the refined management of energy consumption and the effective control of equipment and facilities, the Group consistently implemented its initiatives for energy conservation and consumption reduction while ensuring the continuance of its operations. For instance, compared with 2016, the annual aggregate amount of the energy costs (for water, power and steam) in respect of Digital China Technology Plaza of Beijing (where the Group's headquarters office is located) experienced a diminution of RMB670,000 or approximately 5%, representing its first-ever negative growth.

Meanwhile, the Company was dedicated to enhancing its at-source management for energy conservation, and contributed to the abatement of environmental pollution at the society level. The Company also encouraged its staff to adopt such IT-based workplace tools as cloud-powered video conference systems in order to reduce unnecessary business trips, thereby lessening carbon emissions.

為了履行神州控股的環境責任，我們承諾：

- 嚴格遵守國家及營運地點的環境法律法規；
- 建立並完善企業內部的環境保護政策以及環境監督管理系統；
- 保護自然資源，評估企業的商業行為所帶來的潛在環境風險及影響，並有計劃地降低業務營運對環境的負面影響；
- 對員工進行環境保護相關的法律及知識培訓；
- 對企業營運過程中所產生的溫室氣體排放進行記錄和監管，並制定計劃逐年減少相對排放；
- 對企業生產和營運過程中所產生的廢棄物進行分類處理，減少廢棄物並提高物料（如用於生產及包裝的耗材）的回收再用比例；
- 通過有效的措施減少營運地點的能源消耗。

2017年，通過精細化能耗管理、設備設施的有效管控，在保障公司運營的前提下，本集團持續推動節能降耗工作。例如，本集團位於北京數碼科技廣場總部辦事處之能源費用全年總金額（水、電、蒸汽）與2016年相比節省人民幣67萬元降低率約5%，首次實現了負增長。

同時，公司致力強化源頭節能管理，助力社會減少環境污染，並鼓勵員工使用雲會議視頻系統等信息化辦公方式，來減少不必要的商務出行，從而降低碳排放。

Below is an account of the Group's consumption profile in 2017 for power and fuel, i.e. the major forms of energy consumed by it:

(I) Power consumption

DC Holdings and its subsidiaries own or lease more than 60 offices, 97 warehouses and a large-scale data centre in Mainland China and Hong Kong, consuming 14,327 MWh of electricity during the year and involving carbon emissions of 13,464 tonnes. This represents a year-on-year increase of 68 tonnes or 0.5% compared with the 13,396 tonnes for 2016 and is mainly attributable to the growth in the storage business volume, reflected by the fact that the number of warehouses in 2017 increased by 17 compared with 2016.

(II) Fuel consumption

DC Holdings owns a large logistic truck fleet that enables us to provide quality logistics services to our customers. Some offices also own limousines for use by senior management. During the year, the vehicle fleet of DC Holdings consumed 184 kL of petrol and 116 kL of diesel, involving carbon emissions of 733 tonnes. This represents a year-on-year decrease of 123 tonnes or 14.37% compared with the 856 tonnes for 2016, and is mainly attributable to the decrease in the number of transportation trucks on the vehicle fleet, which translated into a reduction in diesel consumption.

Note:

The data relating to carbon emissions is estimated by reference to the "Greenhouse Gas Protocol – Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development. The conversion factors for carbon emissions involved in power consumption are based on the "2016 Baseline Emission Factors for Regional Power Grids in China (Consultative Draft)" issued by the Division on Climate Change under the National Development and Reform Commission. The conversion factors for carbon emissions involved in fuel consumption are based on applicable coefficients set out in the "2006 IPCC (Intergovernmental Panel on Climate Change) Guidelines for National Greenhouse Gas Inventories".

本集團於2017年之主要能耗電力和
燃油的使用情況如下：

(一) 電力使用

神州控股及附屬公司在中國內地、香港等地擁有或租用超過60個辦公室，97個倉庫，以及一個主要數據中心。年內總用電量為14,327百萬瓦時，所牽涉碳排放為13,464噸，同比2016年的13,396噸，上升了68噸，上升率0.5%。主要原因是倉儲業務量的增加，體現在2017年倉庫數量較2016年增加了17個。

(二) 燃油使用

神州控股屬下擁有大型物流車隊，能夠為客戶提供優質的物流服務，而部分辦公室亦擁有車隊供高層人員出行之用。年內神州控股車隊使用汽油184千升，柴油116千升，所牽涉碳排放為733噸，同比2016年的856噸，下降了123噸，下降率14.37%。主要原因是車隊減少了運輸卡車的數量，降低了柴油使用量。

附註：

碳排放數據乃參照世界資源研究所及世界可持續發展工商理事會發佈之《溫室氣體核算體系 – 企業核算與報告標準》推算。用電牽涉之碳排放轉換因子來源為國家發展和改革委員會應對氣候變化司公佈的《2016年中國區域電網基準排放因子(徵求意見稿)》。燃油使用牽涉之碳排放轉換因子來源為《2006年IPCC(政府間氣候變化專門委員會)國家溫室氣體清單指南》中所載的適用系數。

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V. EMPLOYMENT

DC Holdings enters into labour protection contracts with its staff in strict compliance with the requirements of the Labour Law and other pertinent laws and regulations.

Regarding welfare and benefits, the Group makes contributions to social insurance funds, including pension, medical, unemployment, work injury and maternity funds, and the housing provident fund for the benefit of its employees in accordance with the requirements of the national policies. The Group also maintains life insurance, traffic accident insurance and supplementary medical insurance for the benefit of its staff. A free annual medical check-up for employees is arranged by the Company. In addition, employees with satisfactory performance are entitled to discretionary annual bonuses subject to the Company's business results. In addition to such annual leave as is provided for under the national policies, employees are entitled to marriage leave, maternity leave and bereavement leave. Male employees are entitled to 15 days of paternity leave, while female employees can, during their breastfeeding period, take time off for 2 breastfeeding sessions each day.

五、僱傭

神州控股嚴格依照《勞動法》和相關法律法規的要求與員工簽訂勞動保障合同。

在福利方面，本集團按照國家政策要求，為員工上繳養老、醫療、失業、工傷及生育等社會保險及住房公積金，亦統一為員工投保人壽保險、交通意外險、補充醫療保險等。公司每年為員工組織一次免費身體檢查。此外，公司設有年度獎金，並根據經營業績情況發放予表現良好的員工。除國家政策規定的年假外，員工享有婚假、產假、喪假等等。男性員工享有十五天陪產假；女員工哺乳期期間，每天享有兩次哺乳時間。

We consider the recruitment, training, promotion, transfer, remuneration, benefits or termination of an employee strictly without regard to factors such as age, gender, health status, marital status, family status, race, colour, nationality, religion, political affiliation and sexual orientation. To retain high-calibre staff for the benefit of the Company's ongoing development, we will grant commendations or rewards based on the contributions, performance and skills of employees.

With a strong emphasis on the cultural activities of staff, DC Holdings sees the organisation and enhancement of staff recreational and sporting activities as an important component contributing to the building of our corporate culture. For this reason, staff swimming and badminton clubs have been formed, and a variety of recreational and sporting activities such as staff family outing day, health week, national badminton and basketball tournaments as well as festive parties are being held. These activities have enriched the off-hour time of staff and provided an opportunity for employees from different business units to mingle and interact. They are also a ready cure for the relief of work pressure.

在招聘、培訓、晉升、調職、薪酬、福利、終止合約等方面，我們不會受員工的年齡、性別、身體健康、婚姻狀況、家庭崗位、種族、膚色、國籍、宗教、政治聯繫和性取向等因素影響。為了挽留優秀人才，推動公司的持續發展，公司會按僱員的貢獻、工作表現和技能而嘉許或獎勵。

神州控股注重員工文化活動，把開展、豐富員工文體活動作為輔助公司文化建設的重要組成部分，成立了員工游泳、羽毛球健身俱樂部，開展了員工戶外家庭日、健康周、全國羽毛球賽、籃球賽、聯歡會等豐富多彩的文體活動。這些活動的開展，不僅豐富了員工的業餘生活，為各業務單元及員工搭建了交流、分享的平台，而且還成為員工釋放、緩解壓力的一種有效途徑。



Company's staff family outing day, 2017
公司2017年員工戶外家庭日活動

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Company's national badminton day (Beijing region), 2017
公司2017年全國羽毛球日北京賽區現場



Company's basketball tournament, 2017
2017年公司籃球錦標賽

Christmas flash mob organised by the Company's
cloud choir, 2017
公司雲合唱團2017聖誕快閃活動

In addition, to help employees meet pressing financial needs and support employees suffering from critical illnesses, DC Holdings has established a "Staff Mutual Aid Foundation". With the strong support and participation of employees, the foundation registered 6,180 members and received membership fees of RMB742,000 in 2017. Eight cases of financial compensation and eight cases of staff aid were completed with the payment of RMB673,000 in compensation.

另外，為了切實解決員工的燃眉之急，及時送去公司對罹患重疾員工的支持與關愛，神州控股成立了「員工互助基金會」。在員工的大力支持與參與下，2017年員工互助基金入會人數6,180人，收取會費人民幣74.2萬元，審議通過員工理賠申請8例，完成救助員工8例，理賠人民幣67.3萬元。

Staff headcount

As at the end of 2017, DC Holdings had 12,025 employees, analysed by gender, age, profession and academic qualifications as follows:

Category	劃分標準	Male 男	Female 女	Total 總人數	Percentage 佔比
By age					
Below 30	30歲以下	5,141	1,654	6,795	56.51%
30-50	30-50歲	3,630	1,471	5,101	42.42%
Above 50	50歲以上	105	24	129	1.07%
Total	合計	8,876	3,149	12,025	100.00%
By profession					
Technical staff	技術人員	7,072	1,531	8,603	71.54%
Sales staff	銷售人員	828	309	1,137	9.46%
Finance, administration and management staff	財務、行政、管理人員	456	1,094	1,550	12.89%
Other servicing staff	其他服務人員	520	215	735	6.11%
Total	合計	8,876	3,149	12,025	100.00%
By academic qualifications					
Doctorate degree	博士	15	4	19	0.16%
Master's degree	碩士	412	309	721	6.00%
Bachelor's degree	本科	5,302	2,053	7,355	61.16%
Tertiary college or below	大專及以下	3,147	783	3,930	32.68%
Total	合計	8,876	3,149	12,025	100.00%

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Staff turnover rate

The staff turnover rate of DC Holdings for 2017 is indicated as follows:

Category	劃分標準	Turnover rate 流失率
By profession		
Technical staff	技術人員	39.02%
Sales staff	銷售人員	30.78%
Finance, administration and management staff	財務、行政、管理人員	28.21%
Other servicing staff	其他服務人員	21.98%
Total	合計	35.74%

Remark: The staff turnover rate for 2017 increased by approximately 10 percentage points from 25.11% for 2016. In particular, the staff turnover rate of Digital China Information Service Company Ltd., a subsidiary of DC Holdings, increased by approximately 8 percentage points (mainly attributable to the higher attrition rate arising from the strategic, business and efficiency changes in the new joint venture), while that of other business units accounted for approximately 2 percentage points (mainly attributable to the higher "passive" attrition rate arising from Sm@rt City, financial services, organisational structure adjustments relating to the controlling stake function, as well as personnel optimisation).

流失率

2017年，神州控股員工流失率如下所示：

*備註：*2017年，員工流失率較2016年的25.11%上升約10個百分點，其中神州控股旗下的神州數碼信息服務股份有限公司員工流失率增加約8個百分點(主要原因：新的合資公司由於戰略、業務、效能方面的變化導致離職率較高)；其他業務單元約佔2個百分點(主要原因：智慧城市、金融服務、控股職能組織結構調整和人員優化導致的被動離職較多)。

VI. SAFETY AND HEALTH

The day-to-day operations of DC Holdings largely involve computer applications and desk work conducted in the office. While such activities do not involve significant risks against occupational safety and health, we are nevertheless committed to the protection of the occupational health and safety of employees, and have formulated an occupational health and safety policy with a high level of operability, with a view to giving effective protection to staff health and safety. Only by enhancing and safeguarding the occupational health and safety of employees can we effectively increase our production efficiency and achieve mutual success for both the Company and the staff. We comply strictly with the laws and regulations pertaining to occupational health and safety at the place of business. At our work premises, requisite health and safety guides are provided to all staff, while regulations and measures for the administration of contingencies in occupational health and safety have also been formulated. Employees are provided with clean washroom facilities, drinking water, clean facilities for food preparation and storage and clean tableware. Through the overall transformation of the new ventilation and air purification system in buildings, the PM2.5 value has been controlled at all times at less than 10 in every corner of our office premises. This means that even when the prevailing outdoor PM value stands at dangerous levels, our entire workforce can still enjoy premium air quality, which represents a strong protection for their physical health. Our administration department is responsible for organising daytime and night-time security, maintenance of firefighting equipment and first-aid kits, and fire drills in relation to Digital China Technology Plaza of Beijing. No work-related fatal casualty of DC Holdings staff was reported during the year of 2017, nor was any loss of work days resulting from workplace accident recorded.

六、安全與健康

神州控股的日常業務以辦公室內計算機應用和文書工作為主，此等活動並無重大職業安全及健康風險。雖然如此，我們仍致力於保障員工的職業健康與安全，並制定具有實際操作意義的職業健康與安全政策，有效保障員工的健康與安全。只有提高和保障員工的職業健康與安全水平，才能有效提高生產率，從而達到企業與員工的雙贏。我們嚴格遵守營運地點有關於職業健康與安全的相關法律法規；在工作場所為員工提供必要的健康與安全指引；制定職業安全與健康應急管理條例及辦法；並為員工提供乾淨的衛生間設施、飲用水、清潔的食物預備存儲設施和用餐用具。通過大廈新風淨化系統整體改造，辦公室各個角落每時每刻將PM2.5控制至10以內，即使室外PM值爆表時，室內依然呼吸到超優質空氣，為全體員工身體健康提供有力保障。行政部負責統籌北京數碼科技廣場的日、夜間保安，消防設備和急救設備的維護，以及火警演練。2017年內，神州控股並無員工因工作而死亡，亦未有記錄任何因工作間意外而導致的工作日數的損失。

VII. DEVELOPMENT AND TRAINING

As an enterprise that always strives for innovation, DC Holdings ensures that adequate resources are set aside each year for staff training. Our training pyramid has been designed on a bottom-up basis to match our employees' career development paths within the Company. All training courses are aimed at enhancing the competence of employees for the jobs they undertake at different stages of their career, as well as facilitating their upward movement. Different training sessions are provided to staff at different levels. Induction training for new employees focuses on the current business status, strategic objectives, history and culture of the Company, while trainees also learn to appreciate the importance of team work. The business departments design and organise specific business training according to their needs. The online learning centre provides general training that effectively helps employees to enhance their competence and performance in work and improve their professional aptitude in general. The Company also sponsors selected staff to enrol in training for specialised skills, management skills or examinations for professional qualifications provided by external training organisations.

Analysed by ranking, the average training hours received by each employee as recorded in our HR training system are set out as follows:

President and Vice President	8.45 hours
Senior Manager to General Manager	10.69 hours
Manager	5.99 hours
General staff	7.74 hours

Note: The figures stated above reflect internal skills and management training organised by the HR Department only, but exclude external training, specialised training provided by individual departments and seminars hosted by guest speakers.

七、發展與培訓

作為一家力求創新的企業，神州控股每年均確保投放充分的資源為員工提供各項培訓。我們的培訓體系設計與員工在公司的職業發展路徑相匹配，由低到高大致形成一個穩固的金字塔結構。所有培訓課程設計的宗旨都是幫助員工在相應的發展階段能更加勝任崗位的要求，並能更好更快地向上發展，整個課程體系針對不同層級有不同的培訓課程與之對應。所有新進員工會接受「入模子培訓」，讓新進員工了解公司的業務現狀及戰略目標、發展歷程和企業文化，體會團隊協作的重要性等。各事業部按其需要設計並開展業務專業類培訓。在線學習中心提供的通用性培訓能夠有效幫助員工提高工作能力和工作效率、提升職業化素養。另外公司亦會委派並資助員工參加外部培訓機構提供的專業技能培訓、管理技能培訓或專業認證考試等。

按職級劃分，HR培訓系統記錄的每名僱員平均接受培訓時數如下：

總裁及副總裁	8.45小時
高級經理至總經理	10.69小時
經理	5.99小時
一般員工	7.74小時

*備註：*以上數據僅包括公司內部HR組織的技能和管理培訓，不包含外部培訓、部門內部專業培訓、以及嘉賓演講等講座形式的培訓。

Analysed by gender, the average training hours received by each employee are set out as follows:

Male	8.17 hours
Female	7.30 hours

Analysed by training content and business department, the average training hours received by each employee as recorded in our HR training system are set out as follows:

Management training	0.77 hour
Corporate culture	4.40 hours
General skills	0.33 hour
Specialised skills	2.36 hours

VIII. QUALITY ASSURANCE

DC Holdings provides customers with integrated IT services, total supply chain solutions and services and other services, mainly on the basis of IT solutions. In each of our business segments, we have formulated a specific system to ensure that our service standards exceed customers' expectations.

Instant Logistics is a subsidiary through which DC Holdings operates its supply chain business. Based on our proprietary Digital China Gold Storage logistics software, Instant Logistics provides clients with supply chain-related integrated services covering management, storage and transportation. Clients can track their goods in transit via the website of Instant Logistics (<http://www.itl.cn/>) or, through the 400 service hotline, make enquiries and file complaints with Instant Logistics personnel on a real-time basis. In the event that a complaint is received by the hotline staff, it would be resolved within 48 hours by a supervisory staff member of Instant Logistics who shall closely track the matter. To ensure the quality of its services, Instant Logistics provides training to its staff in relation to the handling of complaints and responses to customer enquiries. Approximately 80% of Instant Logistics' transportation services are provided by outsourced truck fleets. To ensure the service quality of these outsourced fleets, such as safe and timely deliveries, Instant Logistics maintains close liaison with the fleet operators and evaluates drivers' performance on a regular basis.

按性別劃分，每名僱員平均接受培訓時數如下：

男	8.17小時
女	7.30小時

按培訓內容和業務分部劃分，HR培訓系統記錄的僱員平均接受培訓時數如下：

管理培訓	0.77小時
企業文化	4.40小時
通用技能	0.33小時
專業培訓	2.36小時

八、確保質量

神州控股為客戶提供以IT解決方案為主的整合IT服務、整體供應鏈解決方案和服務及其他服務。在每一個業務板塊，我們都有特定的體系確保服務的水平超越客戶的期望。

科捷物流是營運神州控股供應鏈服務業務的附屬公司，基於自主研發的神州金庫物流軟件，為客戶提供管理、倉儲、運輸等與供應鏈相關的整合服務。客戶可以透過科捷物流的網站(<http://www.itl.cn/>)上自助查詢貨物在途信息，亦可以通過400服務熱線，實時和科捷人員查詢貨物情況和投訴。倘服務熱線人員收到投訴，科捷的主管監督會實時跟進並在48小時內解決。科捷物流會為員工提供處理投訴、響應客戶查詢等培訓，確保服務質量。科捷物流的運輸服務約有八成依託外包運輸車隊，為確保外包車隊的服務質量，包括依時送達及安全送達等，科捷物流和車隊承運商保持緊密溝通，並定期對司機的表現進行評核。

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Regarding the provision of information services, Digital China Information Service Company Ltd. ("DCITS"), a subsidiary of DC Holdings, has, in line with its customer-oriented service philosophy, built a service support regime from the customers' business point of view and an end-to-end quality management regime on the basis of the ISO9001 quality management system and the ISO20000 service management regime through a combination of the ITSS information technology service standards and its experience over the years, utilising the ITIL and PMBOK knowledge regimes.

In line with its objectives of prioritising quality and customer satisfaction, DCITS places a strong emphasis on the provision of quality services to its customers and is dedicated to fulfilling its service pledge to all customers. As such, it has established the Service Management Department, an independent supervisory body, to carry out the responsibilities of constructing the quality system, managing the delivery process, exercising control over the process, and managing customer satisfaction. It strives to reflect customers' opinions and expose issues in internal delivery management in a timely and accurate manner, comprehensively analyse the deficiencies in the implementation of designed regimes for service and product delivery, and drive improvements in processes and capabilities in a vigorous manner, thereby offering support and protection for the development of core corporate competitiveness.

在提供信息服務方面，神州控股旗下之神州數碼信息服務股份有限公司(以下簡稱「神州信息」)基於以客戶為中心的服務理念，在ISO9001質量管理體系和ISO20000服務管理體系基礎上，運用ITIL和PMBOK知識體系，將ITSS信息技術服務標準與多年實踐積累相結合，搭建了匹配客戶業務視角的服務支持體系與貫穿交付全過程的質量管理體系。

秉承質量為先、滿意至上的質量目標，神州信息非常重視向客戶提供高質量的服務，並致力於達成對所有客戶的服務承諾，建立了第三方監管部門－服務管理部，肩負著質量體系建設、交付流程管理、過程執行監控與客戶滿意度管理的職責，力求及時準確地把客戶意見與內部交付管理問題揭示出來，全面分析服務產品和交付體系設計實施中的缺陷，積極推進流程與能力改進，為企業核心競爭力建設提供了支撐和保障作用。

Through the exploration of various methods and management innovation over the years, and by making best use of its own value, DCITS has gradually refined and strengthened both the breadth and depth of its quality management, and enhanced its "stickiness" with regard to businesses and customers. Quality management has also gradually shifted away from a single, result-oriented reasoning model, towards the construction of an enquiry-based tracking mechanism coupled with an issue management approach that features quantitative benchmarking and professional quality audit. This represents a shift of focus towards the management of the delivery process, and the move from defensive quality improvement to an aggressive approach centred on service experience. Focused on benchmark management, satisfaction management, as well as the design and continuous improvement of capability management, the model has evolved into a quality management system at the organisational level and project level that allows for quantifiable quality measurements. In the Class I compliance evaluation relating to the sophistication of ITSS operational maintenance capability, experts have unanimously recognised the quality management system for its quantitative results and controllable process.

The TOP payment system, an internally developed integrated support platform for the support and maintenance service regime and delivery process management, embodies the practice and experience of DCITS in the IT service sector over the years as well as various industry standards and theories. Its functions include providing full-cycle management over the entire delivery business process and support process, and translating the pledge to customers into quantifiable benchmarks for the full cycle of IT services from project start-up to project completion. Process control points and result indicators are established to facilitate real-time monitoring of the operational status and to achieve quality control throughout the process.

通過多年來方法摸索和管理創新，不斷挖掘自身價值，逐步完善和強化了質量管理廣度和深度，增強了與業務和客戶的黏合度。質量管理也逐漸從單一的結果式問題推導模式，向交付過程管理滲透，量化指標設計和專業質量審計，構建聯動問題管理與質詢式跟蹤機制，從防禦性的質量改進向進攻性服務體驗探索，圍繞指標管理、滿意度管理、能力管理的設計與持續改進，形成組織級和項目級質量管理體系，實現可量化的質量度量。在ITSS運行維護能力成熟度一級符合性評估中，結果量化和過程可控的質量管理體系，受到了專家們的一致認可。

自主研發的支撐運維服務體系和交付過程管理的綜合支持平台 – 交付寶系統，結合了神州信息在IT服務領域多年來的實踐與經驗，以及多項標準理論基礎。功能覆蓋交付全部業務流程和支持流程的全生命週期管理，將對客戶的承諾轉化為可量化指標，貫穿於項目啟動到項目結束的IT服務全生命週期，設置過程監控點和結果指標，實時監測運作狀態，實現全流程質量控制。

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While exercising stringent control over the quality of delivery, DCITS is even more concerned about customers' level of satisfaction with services as well as each and every comment and suggestion. The Service Management Department, a supervisory and executive body at the organisational level that is independent from the delivery team, has been formed for conducting customer satisfaction surveys, through which feedback and relevant data are collected, on the Department's own initiative, from customers on an objective and equitable basis in connection with the various parts of the business process. DCITS communicates with customers through various channels, such as its service hotline, website and customer-end APP, which allow it to record every customer enquiry or complaint in a systematic manner. It has also established a sound benchmarking system for satisfaction evaluation and a satisfaction management system, in which tools are employed for the performance of such functions as satisfaction surveying, results computation, and the management of underperforming areas requiring improvement. The assessment results based upon benchmark data and the evaluation results regarding customer satisfaction are both taken into account for drawing up an analysis and summary of the relevant issues. This is then passed on to the delivery department for improving on the shortcomings, and to the product department for optimising the design of services in light of customers' needs.

神州信息嚴格控制交付質量的同時，更關注客戶對服務的滿意程度和每一個意見與建議。由獨立於交付團隊第三方監控部門 – 服務管理部，作為客戶滿意度調查的組織級執行部門，客觀、公正地採集客戶反饋數據，主動徵求客戶對業務流程各環節的意見，收集客戶反饋。向客戶提供了服務熱線、門戶網站、APP客戶端等多種渠道，可系統化記錄每一宗客戶求助和投訴個案，建立了完備的滿意度評價指標體系和滿意度管理制度，將滿意度調查、結果統計、低分改進管理等功能通過工具實現，結合指標數據的評測結果和客戶滿意度的評價結果，分析總結問題，推進交付部門改進短板，推進產品部門根據客戶需求優化服務設計。

In order to adapt to the rapid expansion in scale of the services business and ensure the stable enhancement of service quality, and in a bid to realise its objectives of "quick response, rational coordination, commands for decision-making, and effective protection", in 2017 DCITS designed and developed the SOC master command centre platform – a Big Data decision-making platform with a high level of visibility – with the support of vast data from the TOP payment system. Integrating various technology tools and information resources, the SOC command centre is composed of such functions as service desk, resources deployment, tactical command, data collection and presentation, and discussions for decision-making. The platform can perform highly-visible internal functions relating to tactical command, while demonstrating corporate image in various areas externally for the enhancement of brand image. Through such means as WeChat, GPS positioning, dynamic data analysis and data mining, and the display of commands on large screens, front-office implementation personnel are allowed to make quick responses and perform mobile processing in respect of business matters; whereas back-office management staff can dynamically acquaint themselves with the real-time status of personnel and spare part resources, perform real-time tracking of event distribution and health status, and intelligently identify and troubleshoot key business issues, while having access to the fulfilment status of operational indicators and trend analysis in respect of different periods. Leveraging on modern information technology, Internet technology, GPS technology and multimedia technologies, the platform enables the rational coordination and deployment of available resources in the vicinity and a quick connection between the site in question and the command centre, thereby effectively discontinuing any crisis and responding to contingencies. This can effectively secure the realisation of SLAs while quickly restoring customers' business systems.

為了適應服務業務快速規模擴張，保障服務質量穩步提升，實現「快速響應、科學統籌、決策指揮、有效保障」的目標，在交付寶系統海量數據支撐的前提下2017年設計開發了大數據可視化決策平台 – SOC總控指揮中心平台。SOC指揮中心集服務台、資源調度、作戰指揮、數據收集與呈現、決策參謀等功能於一身，融合了多種科技手段和信息資源。對內可滿足作戰指揮的可視化功能，對外提供多種場景的形像展示、提升品牌形象。通過微信、GPS定位、動態數據分析和數據挖掘、大屏展示指揮等方式手段，實現了前端實施人員對業務的快速響應和移動處理，後端管理人員動態掌握人員和備件資源的實時情況、對事件分佈與健康狀態的實時跟蹤、以及對業務中重點問題的智能發現與消除，展現不同時期的運作指標達成情況和趨勢分析。利用現代信息技術、互聯網技術、GPS技術及多媒體技術等，科學統籌調用附近可用資源，快速聯通現場與指揮中心，實現有效的阻斷危機和應對突發事件，有效保障SLA達成，快速恢復客戶業務系統。

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DCITS is also committed to the development of China's information service industry. It is one of the earliest participants in the ITSS standard formulation project of the Ministry of Industry and Information Technology ("MIIT"), contributing the results of its innovative business ventures to the formulation of industry standards. On the other hand, we have also leveraged advanced concepts of the standards to facilitate our internal system optimisation and capacity development. DCITS has been designated by the MIIT as a corporate member of the highest grade in the "National IT Service Standard Work Group" and has served as the first executive president of the branch ITSS association with full involvement in the formulation, pilot test, and promotion of the National IT Service Standards. ITSS are being gradually implemented by IT service enterprises to facilitate comparisons among enterprises with regard to servicing ability and service quality. In 2017, the technology service business of DCITS continued to strengthen its advantages in standardisation and commercialisation, and enhanced its development in data analysis and smart operational maintenance. It was also given the "Smart Operational Maintenance Innovation Award" for 2017 based on the assessments made by experts from the business and technology departments of the top three telecommunications operators, scientific research institutions in the industry, and third-party institutional experts. This came as an industry-wide recognition of DCITS's persistent focus on smart operational maintenance services, its continuous R&D dedication to this field, as well as its noteworthy innovation achievements.

IX. PROTECTION OF CUSTOMER PRIVACY

Private customer information required to be kept confidential is involved in the course of operation of DC Holdings, including the private information of both individual customers and corporate customers.

神州信息亦致力於推動中國信息服務行業的發展，最早參與到工信部ITSS標準工作中，將企業的實踐創新貢獻於標準研製，同時導入標準的先進理念，幫助企業增強體系優化和能力建設。神州信息被工信部指定為「國家IT服務標準工作組」級別最高的企業成員，成為ITSS分會第一屆執行會長單位，全程參與國家IT服務標準的擬定、試點與推廣工作。ITSS正被陸續應用在IT服務企業中，使企業與企業間在服務能力和服務質量上有可比性。2017年，神州信息技術服務業務繼續鞏固在標準化、產品化的優勢，加強數據分析和智能運維的發展，並榮獲由三大電信運營商業務與技術部門的專家、業內科研機構及第三方機構專家評定的2017年度「智能運維服務創新獎」，是業內對公司長期以來專注智能化運維服務，在持續研發投入並取得重大創新的肯定。

九、保障客戶隱私

神州控股營運過程中會涉及到需要保密的客戶隱私信息，包括個人客戶隱私信息和機構客戶隱私信息。

As of now, the subsidiaries of DC Holdings have operated Sm@rt City platforms in numerous cities. Local citizens will provide personal information such as names, identity card numbers and social security numbers to our subsidiaries for verification purposes when they open user accounts. Moreover, Instant Logistics and e-commerce websites of the supply chain business of DC Holdings also receive personal information provided by the customers when they place orders, such as the names, contact methods and delivery addresses of the recipients.

At the same time, in the course of its business cooperation with corporate clients, DC Holdings would also request such clients to provide information such as corporate financial information, information relating to business development, bank account and business licence details, and the identifications of legal representatives or guarantors.

The aforesaid private information of customers is only accessible by staff members duly authorized by the Company, who have signed a confidentiality agreement with DC Holdings obliging them to maintain and protect the confidentiality of customer information. We pledge to all customers of the Company that we will respect and protect the privacy of customer information. We have adopted exacting standards for information security and confidentiality to protect the privacy of customer information, and have taken measures to ensure strict compliance with such standards by our employees.

X. PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

Innovation is one of the underlying values of DC Holdings. All solutions supplied by us are the results of the hard work of the sizeable R&D team of DC Holdings and its partners. As at 31 December 2017, DC Holdings owned 508 software authorship rights and product technology patents with proprietary intellectual property rights. During the financial year, we refined our management system for advocating innovation, and constructed a platform for intellectual property rights management which enables the online management and maintenance of such rights.

迄今，神州控股的附屬公司已在多個城市營運智慧城市平台。當地市民在開通戶口的時候，會向我們的附屬公司提供名字、身份證號碼和社保卡號碼等個人資料以作實名認證用途。此外，神州控股供應鏈業務中的科捷物流和電商業務網站中，客戶在下單時會自行提供收件人的名字、聯繫方式、送貨地址等個人資料。

同時，神州控股在與機構客戶合作的過程中，也會要求客戶提供諸如企業財務信息、業務發展信息、銀行賬戶信息、營業執照信息、法定代表人或擔保人身份證件等信息。

對於以上客戶隱私信息，我們只授權有訪問權限的員工查看，這些員工均和神州控股簽署有保密協議，必須維持和保護客戶信息的保密性。尊重和保護客戶資料隱私權是我們對公司所有客戶的承諾。為了保障客戶資料隱私，公司有嚴格的安全和保密準則，同時，公司亦會確保公司職員嚴格遵守有關的安全和保密準則。

十、維護及保障知識產權

創新是神州控股的價值觀之一，所有我們所提供的解決方案都是神州控股龐大的研發團隊以及合作夥伴辛勤的成果。截至2017年12月31日，神州控股擁有508項自主知識產權的軟件著作權及產品技術專利。新財年我們完善了管理制度，鼓勵創新；搭建了知識產權管理平臺，實現知識產權線上管理維護。

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At the same time, we also hold the results of innovation of third parties in high regard and have zero tolerance for infringement of third-party intellectual property rights on the part of our employees during the R&D process. During the year, no litigation was brought by other companies against DC Holdings in connection with intellectual property rights.

XI. ANTI-CORRUPTION

DC Holdings believes that the qualities of fairness, honesty and integrity represent some of the most important business assets of the Company. It is our policy that employees are prohibited from soliciting gains from customers, contractors, suppliers or other business associates of the Company. All employees receive anti-corruption training in the form of a lecture held once a year. Educational materials and case studies are also available on our intranet.

The Company has incorporated the management of integrity risk into its business processes, continuously refining its risk prevention and control mechanism. Through the rationalisation and screening of risk points, it has strengthened supervisory and control measures to reduce the chances and possibilities for corruption or malpractice that may be made available by its systems and processes. Besides, in the course of routine audits such as those in relation to processes and business results, the Company's internal audit function identifies the presence of any malpractice or corruption by examining the reasonableness and compliance of business processes.

Business associates or employees of the Company may report corruption of DC Holdings staff via dcaudit@dcholdings.com on a named or anonymous basis. The Internal Audit Department will conduct investigations on the reported matters, while the information of the whistleblower will be kept strictly confidential. An employee who is confirmed to have received kickbacks or other gains in any form is subject to summary dismissal.

同時，我們非常尊重其他機構的創新成果，絕不容忍任何員工在研發過程中有侵犯他人知識產權的情況出現。本年內並沒有任何法人對神州控股就知識產權問題上提出訴訟。

十一、反貪腐

神州控股深信公平、誠實、廉潔是公司重要的商業資產。我們的政策規定員工不得向客戶、承辦商、供貨商或其他與公司業務有關的人士索取任何利益。所有員工每年均會接受一次課堂形式的反腐敗培訓。內網上也有相關的宣傳和示例。

公司將廉潔風險管理嵌入業務流程中，不斷完善風險防控機制，通過梳理排查風險點，加強監督和管控措施，從制度流程上減少貪污、舞弊的機會及可能；同時，內部審計在流程審計、業績審計等常規審計中，通過檢查業務流程的合理性、合規性，檢查有無舞弊、貪腐。

當公司合作夥伴、公司內部員工發現神州控股人員存在腐敗貪污等行為，均可以通過舉報信箱：[\(dcaudit@dcholdings.com\)](mailto:(dcaudit@dcholdings.com))進行實名或匿名舉報。內部審計部會就舉報事項展開調查，舉報人信息會被嚴格保密。如有員工被確認收受任何形式的回扣或其它利益，將被立即解僱。

XII. COMMUNITY INVOLVEMENT

As a member of the community, DC Holdings is closely associated with social developments. Our sustainable development is only possible if there is harmony and order in the social environment. In this connection, the Digital China Charity Foundation has been set up by the Company and its staff since the listing of DC Holdings. Our donations in cash or in kind to post-quake disaster relief, education funds and poverty aid during the past period of more than a decade amount to RMB17,719,700, underlining the positive energy of our corporate culture and our commitment to social responsibility. In 2017, the Digital China Charity Foundation was mainly involved in the following community welfare campaigns:

(I) Poverty aid through education assistance

Since 2002, DC Holdings has organised its staff to raise donations for the construction of 10 Hope Schools in nine provinces including Sichuan, Hubei and Hebei. We have continued to monitor the progress of DC Hope Schools for the past 16 years through a long-term mechanism for the operation and maintenance of DC Hope Schools developed under the leadership of the CPC Branch Committee of DC Holdings. In 2017, we completed the following tasks regarding the maintenance of and visits to Hope Schools:

十二、社區參與

神州控股作為社會中的一員，與社會發展緊密聯繫在一起，社會環境和諧、有序，才有利於企業的可持續發展。自公司上市開始，公司及員工發起成立了神州控股愛心基金會，十餘年來在抗震救災、教育扶貧和扶危濟困等社會公益活動中累計對外捐贈善款和物資價值為人民幣1,771.97萬元，彰顯出公司企業文化的正能量和對社會責任的擔當。2017年，神州控股愛心基金會踐行的社會公益活動主要包括：

(一) 教育扶貧

自2002年開始，神州控股公司帶領員工共同籌集善款，先後在四川、湖北、河北等九省建立了10所希望小學，並持續關注神州控股希望小學的發展，至今已經維護十六年，並在神州控股分黨委的領導下，建立了神州控股希望小學維護工作的長效運維機制，2017年在希望小學維護及探訪方面進行了以下之工作：

DC Holdings Zhengzhou Cigudong Hope School

On 11 June 2017, staff members of DC Holdings, bringing with them all the love of caring families and the entire workforce, arrived at DC Holdings Zhengzhou Cigudong Hope School located in Yiyang County, Luoyang City. A series of activities were organised, nicely combining the elements of family day, children's day and caring campaign. These allowed children from both cities and rural regions to gather special life experiences, and to gain a deeper understanding as to how they should feel, share and cherish love. Staff members of DC Holdings and the principal of the Hope School jointly presided at the donation ceremony, where the children were given donations in the form of sporting equipment and an array of catering and sporting items. It was hoped that they, while pursuing their studies diligently, would also recognise the importance of practising sports regularly. Holding the donations and taking in all the love and care from generous members of the society, the children were all beaming with joy and excitement.

神州控股鄭州次古洞希望小學

2017年6月11日，神州控股人帶著愛心家庭和所有同事滿滿的愛，來到了洛陽市宜陽縣神州數碼鄭州次古洞希望小學，一系列的活動環節將家庭日、兒童節、愛心活動三者完美結合，讓城裡和山區的孩子們有了不一樣的生活體驗，讓孩子們都更加學會感受愛、分享愛、珍惜愛！神州控股人和希望小學校長共同開啟了捐贈儀式，為孩子們帶來了愛心體育器械、愛心餐廳及一系列體育用品，希望孩子們在認真學習的同時，也要加強鍛煉身體。手中傳遞著的是捐贈物品，指尖流動著的卻是片片愛心，懷抱著充滿愛意的禮物，孩子們臉上綻放出無比燦爛的笑容！



Activities at the Hope School, 2017
2017希望小學現場活動留影

(II) Aid for the underprivileged

The CPC members and staff of DC Holdings have been making strong endeavours to help underprivileged members of the society with compassion. Our actions in 2017 included the following:

Care for Tai Yang Village

Located in Zhaoquanying Town of Shunyi District in Beijing, Tai Yang Village is a non-profit-making institution officially registered with relevant government authorities. Ms. Zhang Shuqin, founder of "Tai Yang Village", has been entrusted by prison inmates to take care of their minor children. As the free basic childcare services and the protection of basic rights offered to these children are supported by public donations, certain CPC members and staff of DC Holdings have been actively involved in this charity initiative since 2008 to protect these innocent children and foster social harmony and stability in a proactive move to assume their share of social responsibility, caring for these children and sending daily items and learning kits to them to improve life at Tai Yang Village. The activities for the care of Tai Yang Village conducted in 2017 are as follows:

(二) 扶危濟困

為了給社會上困難的人員奉獻一份自己的愛心，神州控股的黨員和員工一直在努力。2017年在扶危濟困方面有以下行動：

關愛太陽村

北京市太陽村位於順義區趙全營鎮，是經過政府有關部門正式註冊的非營利性機構。「太陽村」的創始人張淑琴女士接受服刑人員的委託，無償照顧他們無人撫養的未成年子女，依靠社會的支持，為孩子提供生存、生活及基本權益保障。為主動分擔社會責任，保護無辜的兒童，促進社會穩定及和諧，神州控股的部分黨員和員工自2008年起，一直踴躍參與這一社會公益活動，為他們帶去各種各樣的生活學習用品，關心、幫助太陽村的生活困難。以下是2017年關愛太陽村活動：

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



The "Care for Tai Yang Village" programme of DC Holdings, 2017
2017年神州控股關愛太陽村活動

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Visiting and honouring veteran soldiers

In 2010, certain employees of DC Holdings set up the Taierzhuang Veteran Soldiers' Fund aiming to provide long-term financial assistance to 38 veteran soldiers living in Taierzhuang for the rest of their lives. The Fund is operated on an annual basis, whereby funds are raised each year. In 2017, through the Fund, the staff of DC Holdings financed cash and physical donations on a monthly basis to these warriors who fought against the Japanese forces.

榮軍慰問

自2010年起，神州控股部分員工成立了台兒莊地區榮軍慰問基金，以台兒莊地區尚健在的38名抗日老兵為幫扶對象，計劃堅持長期資助，直到老人們離世。基金運作按照年為週期，每年募集一批基金。2017年，神州控股的員工通過榮軍慰問基金按月向這些抗日英雄們資助了捐款和慰問品。

Report of the Directors 董事會報告

The Directors of the Company have pleasure in presenting their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements.

RESULTS AND DIVIDENDS

The Group's result for the year ended 31 December 2017 and the Group's financial position at that date are set out in the financial statements on pages 120 to 313 of this annual report.

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

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2017 is set out in the section headed "Management Discussion and Analysis" on pages 19 to 42 of this annual report. Description of the risks and uncertainties facing the Company can be found throughout this annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years is set out on page 318 this annual report. The five-year financial summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group and the Company during the year ended 31 December 2017 are set out in note 14 to the financial statements.

INVESTMENT PROPERTIES

Details of movements in the investment properties of the Group during the year ended 31 December 2017 are set out in note 15 to the financial statements.

SHARE CAPITAL

Details of movements, together with the reasons therefor, in the share capital of the Company during the year ended 31 December 2017 are set out in note 34 to the financial statements.

本公司董事欣然提呈彼等之報告連同本公司及其附屬公司(「本集團」)截至二零一七年十二月三十一日止年度之經審核綜合財務報表。

主要業務

本公司乃一間投資控股公司。主要附屬公司之主要業務詳情載於本財務報表附註1。

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以及於該日期本集團之財務狀況載於本年報第120頁至第313頁之財務報表內。

董事會不建議就截至二零一七年十二月三十一日止年度派發末期股息。

業務審視

本集團截至二零一七年十二月三十一日止年度之業務審視載於本年報第19頁至第42頁標題為「管理層研討與分析」內。本公司面對的風險及不明朗因素之描述可於本年報不同部份找到。

五年財務摘要

本集團於過去五個財政年度之業績以及資產、負債與非控股權益概要載於本年報第318頁。五年財務摘要並不構成經審核財務報表的一部份。

物業、廠房及設備

於截至二零一七年十二月三十一日止年度期間內本集團及本公司物業、廠房及設備之變動詳情載於本財務報表附註14。

投資物業

於截至二零一七年十二月三十一日止年度期間內本集團投資物業之變動詳情載於本財務報表附註15。

股本

於截至二零一七年十二月三十一日止年度期間內本公司股本之變動詳情連同有關理由載於本財務報表附註34。

DISTRIBUTABLE RESERVES

At 31 December 2017, the Company's reserves available for distribution, calculated in accordance with the Companies Act of Bermuda, amounted to HK\$727,459,000. In addition, the Company's share premium account, in the amount of HK\$4,665,095,000, may be distributed in the form of fully paid bonus shares.

INCREASE IN AUTHORISED SHARE CAPITAL

During the year ended 31 December 2017, the authorised share capital of the Company was increased from HK\$200,000,000 divided into 2,000,000,000 shares of HK\$0.10 each to HK\$250,000,000 divided into 2,500,000,000 shares by the creation of an additional 500,000,000 new shares of HK\$0.10 each.

Details of the increase in authorised share capital were set out in the circular of the Company dated 4 December 2017 and the announcement of the Company dated 27 December 2017.

RIGHTS ISSUE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY FOUR SHARES

During the year ended 31 December 2017, the Company had raised an approximately HK\$1.34 billion, before expenses, by way of a rights issue of 335,452,395 rights shares to the qualifying shareholders at the subscription price of HK\$4 per rights share on the basis of one rights share for every four shares. The net proceeds of the rights issue were intended to be used for (i) financing an investment in an entity in China relating to the development and application of big data analysis in the healthcare industry or any other potential investments and acquisition as and when any suitable opportunity is identified; (ii) repayment of debt and interest expenses; and (iii) general working capital for the Group.

Details of the rights issue were set out in the announcements of the Company dated 21 July 2017 and 15 September 2017 respectively and the prospectus dated 23 August 2017.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-Laws or the laws of Bermuda although there are no restrictions against such rights under the laws of Bermuda.

可分派儲備

於二零一七年十二月三十一日，根據百慕達公司法計算，本公司之可分派儲備金額為港幣727,459,000元。此外，本公司之股份溢價賬為港幣4,665,095,000元，可供以繳足紅利股份之方式分派。

增加法定股本

於截至二零一七年十二月三十一日止年度期間內，本公司之法定股本因額外增設500,000,000股每股面值港幣0.10元之新股份，已由港幣200,000,000元(分為2,000,000,000股每股面值港幣0.10元之股份)增加至港幣250,000,000元(分為2,500,000,000股股份)。

有關增加法定股本之詳情載列於本公司日期為二零一七年十二月四日之通函及本公司日期為二零一七年十二月二十七日之公告。

按每持有四股股份獲發一股供股股份之基準進行供股

於截至二零一七年十二月三十一日止年度期間內，本公司按每持有四股股份獲發一股供股股份的基準及以每股供股股份港幣4元的認購價，進行335,452,395股供股股份之供股，籌集約港幣13.4億元(扣除開支前)。供股所得款項淨額用作(i)為投資一家於中國從事開發及應用健康醫療行業大數據分析的實體公司進行融資，或確定任何其他潛在的投資及任何可能合適的收購機會；(ii)償還債務及利息費用；及(iii)本集團一般營運資金。

有關供股之詳情分別列載於本公司日期為二零一七年七月二十一日和二零一七年九月十五日之公告及二零一七年八月二十三日之供股章程。

優先購股權

根據公司細則或百慕達法例並無有關優先購股權之條文，惟百慕達法例並無對該等權利有所限制。

PERMITTED INDEMNITY PROVISION

As permitted by the Bye-laws of the Company, every Director shall be indemnified out of the Company's assets against any liability incurred by the Director, to the extent permitted by Bermuda law. Such permitted indemnity provision has been in force throughout the financial year and is currently in force at the time of approval of this report. The Company has arranged appropriate directors' and officers' liability coverage for the directors and officers of the Group.

DIRECTORS

The Directors of the Company during the year ended 31 December 2017 and up to the date of this report were:

Executive Directors

Mr. GUO Wei (*Chairman*)

Mr. LIN Yang (*Chief Executive Officer*)

Mr. WANG Xinhui (*President*) (*Note 1*)

Mr. Denis Shing Fai YIP (*Chief Executive Officer and President*) (*Note 2*)

Non-executive Directors

Mr. YU Ziping (*Note 3*)

Mr. PENG Jing (*Note 3*)

Independent Non-executive Directors

Mr. WONG Man Chung, Francis

Ms. NI Hong (Hope)

Dr. LIU Yun, John

Ms. YAN Xiaoyan

Mr. LAI Daniel, BBS, JP

Notes:

1. Mr. WANG Xinhui was appointed as an Executive Director of the Company with effect from 12 January 2017. On 21 July 2017, Mr. WANG resigned as an Executive Director and the President of the Company due to other work allocation by the Group.
2. Mr. Denis Shing Fai YIP was appointed as a Chief Executive Officer of the Company since 1 May 2017 and was also appointed as an Executive Director and President of the Company with effect from 21 July 2017. On 16 November 2017, Mr. YIP resigned as an Executive Director, the Chief Executive Officer and the President of the Company due to his other personal engagements.
3. Mr. YU Ziping and Mr. PENG Jing were appointed as Non-executive Directors of the Company with effect from the conclusion of the special general meeting of the Company held on 27 December 2017.

獲准許之彌償條文

本公司之公司細則允許每位董事可在百慕達法律允許的範圍內，獲得從本公司於其資產中補償所有責任。該等獲准許之彌償條文於財政年度內及至批准本報告時仍為有效。本公司已安排適當的董事及高級職員責任保險予本集團之董事及高級職員。

董事

於截至二零一七年十二月三十一日止年度期間內及截至本報告日期止之本公司董事為：

執行董事

郭為先生(主席)

林楊先生(首席執行官)

王新輝先生(總裁)(附註1)

葉成輝先生(首席執行官兼總裁)(附註2)

非執行董事

余梓平先生(附註3)

彭晶先生(附註3)

獨立非執行董事

黃文宗先生

倪虹小姐

劉允博士

嚴曉燕女士

賴錫璋先生, BBS, JP

附註：

1. 王新輝先生自二零一七年一月十二日起獲委任為本公司之執行董事。於二零一七年七月二十一日，王先生因本集團的其他工作安排而辭任本公司執行董事及總裁的職務。
2. 葉成輝先生自二零一七年五月一日獲委任為本公司之首席執行官，並自二零一七年七月二十一日起獲委任為本公司之執行董事兼總裁。於二零一七年十一月十六日，葉先生因其個人其他安排辭任本公司之執行董事、首席執行官兼總裁。
3. 余梓平先生及彭晶先生自本公司於二零一七年十二月二十七日舉行之股東特別大會結束之時起獲委任為本公司之非執行董事。

Report of the Directors

董事會報告

In accordance with Bye-Law 99 of the Bye-Laws, Mr. LIN Yang, Dr. LIU Yun, John and Mr. LAI Daniel, *BBS, JP* will retire from office by rotation. In accordance with Bye-Law 102(A) of the Bye-Laws, Mr. YU Ziping and Mr. PENG Jing who were appointed as a director with effect from the conclusion of the special general meeting of the Company held on 27 December 2017 will hold office until the forthcoming annual general meeting of the Company. Mr. LAI Daniel, *BBS, JP* has informed the Company that he will not offer himself for re-election and accordingly will retire as director after the conclusion of the forthcoming annual general meeting of the Company. Saved for Mr. LAI Daniel, *BBS, JP*, the other retiring directors, being eligible, will offer themselves for re-election at the forthcoming annual general meeting of the Company.

DISCLOSURE OF DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Changes in the information of Directors required to be disclosed under Rule 13.51B(1) of the Listing Rules are set out below:

Name of Director	Details of Changes	董事名稱	變更詳情
Mr. GUO Wei	<ul style="list-style-type: none">Retired as an Independent Non-executive Director of China Southern Airlines Company Limited (listed on the Main Board of The Stock Exchange of Hong Kong Limited, The Shanghai Stock Exchange and The New York Stock Exchange)Ceased to be a Standing Committee Member of the 12th National Committee of the Chinese People's Political Consultative Conference	郭為先生	<ul style="list-style-type: none">退任中國南方航空公司(於聯交所主板、上海證券交易所及紐約證券交易所上市的公司)之獨立非執行董事於中國人民政治協商會議第十二屆全國委員會委員之任期屆滿
Mr. YU Ziping	<ul style="list-style-type: none">Appointed as a Non-executive Director of the Company with effect from the conclusion of the special general meeting of the Company held on 27 December 2017Appointed as a Director of Guangzhou Chengtou Information Technology Co., Ltd.	余梓平先生	<ul style="list-style-type: none">獲委任為本公司非執行董事，自2017年12月27日舉行之股東特別大會結束之時起生效獲委任為廣州城投信息科技有限公司之董事
Mr. PENG Jing	<ul style="list-style-type: none">Appointed as a Non-executive Director of the Company with effect from the conclusion of the special general meeting of the Company held on 27 December 2017	彭晶先生	<ul style="list-style-type: none">獲委任為本公司非執行董事，自2017年12月27日舉行之股東特別大會結束之時起生效
Mr. Denis Shing Fai YIP	<ul style="list-style-type: none">Resigned as an Executive Director, the Chief Executive Officer and the President of the Company	葉成輝先生	<ul style="list-style-type: none">葉先生辭任為本公司執行董事、首席執行官及總裁

根據公司細則第99條，林楊先生、劉允博士及賴錫璋先生，*BBS, JP*將輪流退任。根據公司細則第102(A)條，余梓平先生及彭晶先生於二零一七年十二月二十七日舉行之股東特別大會結束之時起獲委任為董事之任期將至本公司應屆股東週年大會。賴錫璋先生，*BBS, JP*已知會本公司將不會參與重選連任，並因此將於股東週年大會結束時退任為董事。除賴錫璋先生，*BBS, JP*外，其他退任董事均合資格並願意於本公司應屆股東週年大會上膺選連任。

根據上市規則第13.51B(1)條之 董事資料披露

根據上市規則第13.51B(1)條規定須予披露董事資料之變更如下：

Name of Director	Details of Changes	董事名稱	變更詳情
Mr. WONG Man Chung, Francis	<ul style="list-style-type: none"> Re-designated as a Non-Executive Chairman and Non-executive Director of Union Alpha CPA Limited (who was the Managing Director) and Union Alpha CAAP CPA Limited (who was a Director) 	黃文宗先生	<ul style="list-style-type: none"> 調任為才匯會計師事務所有限公司(前任董事總經理)及中審亞太才匯(香港)會計師事務所有限公司(前任董事)之非執行主席及非執行董事
Ms. NI Hong (Hope)	<ul style="list-style-type: none"> Resigned as an Independent Director of KongZhong Corporation, formerly a Nasdaq-listed company 	倪虹小姐	<ul style="list-style-type: none"> 辭任空中網公司(KongZhong Corporation),一家曾於美國納斯達克證券交易所上市公司)之獨立董事
Mr. Daniel LAI, BBS, JP	<ul style="list-style-type: none"> Ceased to be the Professor of Practice (Computing) in the Department of Computing of The Hong Kong Polytechnic University Became a Visiting Lecturer of The Hong Kong Polytechnic University Appointed as a Director of Hong Kong Quality Assurance Agency and Hong Kong Computer Society Foundation Limited 	賴錫璋先生, BBS, JP	<ul style="list-style-type: none"> 不再擔任香港理工大學電子計算學系應用教授 獲委任為香港理工大學客座講師 獲委任為香港品質保證局及香港電腦學會基金有限公司之董事

DIRECTORS' SERVICE AGREEMENTS

Each of the Executive Directors of the Company entered into a service agreement with the Company which shall continue in force unless and until terminated by (i) either the Company or the Director serving on each other of not less than three months' notice; or (ii) his retirement as a Director without being re-elected as a Director by the Shareholders of the Company in an annual general meeting in accordance with the Bye-Laws; or (iii) in the event of the Director's default under the terms of the said service agreement.

Save as disclosed above, none of the Directors of the Company proposed for re-election at the forthcoming annual general meeting of the Company has a service agreement with the Company which is not determinable by the Company within one year without payment of compensation (other than the statutory compensation).

MANAGEMENT CONTRACTS

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

董事之服務協議

本公司每位執行董事均與本公司訂立一份服務協議，並持續有效至(i)任何一方向對方發出不少於三個月之通知；或(ii)按公司細則告退其董事職務，而並未在股東週年大會中獲本公司股東重選連任；或(iii)董事違反服務協議內之條款。

除上文所披露者外，擬於本公司即將舉行之股東週年大會上膺選連任之本公司董事概無與本公司訂立不可於一年內終止而毋須支付賠償(法定賠償除外)之服務協議。

管理合約

於年度內，本公司並無訂立或存有任何有關於整體或部分主要業務的管理及行政合約。

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT

Save as disclosed under the section headed "Connected Transaction" of this report, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director of the Company or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at 31 December 2017 or at any time during the year ended 31 December 2017.

SHARE OPTION SCHEMES

The Company operates two share option schemes. One of the share option schemes was adopted on 18 July 2002 (the "2002 Share Option Scheme") and the other share option scheme was adopted on 15 August 2011 (the "2011 Share Option Scheme"), each with life span of ten years. The 2002 Share Option Scheme was expired on 18 July 2012. Following 18 July 2012, no further share options can be granted under the 2002 Share Option Scheme and the share options granted under the 2002 Share Option Scheme are exercisable pursuant to the terms of the 2002 Share Option Scheme.

On 27 December 2017, the refreshment of the scheme mandate limit under the 2011 Share Option Scheme was approved by the shareholders of the Company at a special general meeting of the Company by way of an ordinary resolution. Based on 1,677,261,976 shares in issue of the Company as at the date of passing the ordinary resolution, the Company is allowed to grant further options under the 2011 Share Option Scheme for subscription of up to a maximum of 167,726,197 shares, representing 10% of the shares in issue of the Company as at the date of passing the ordinary resolution.

Details of the 2002 Share Option Scheme and the 2011 Share Option Scheme as well as movements in the share options during the year ended 31 December 2017 are set out in note 35(a) to the financial statements.

董事於交易、安排或合約之權益

除於本報告標題為「關連交易」內所披露者外，本公司或其任何附屬公司於二零一七年十二月三十一日或截至二零一七年十二月三十一日止年度期間之任何時間內，概無訂立任何重大交易、安排或合約，致令本公司之董事或與董事有關連之實體直接或間接獲得重大利益。

購股權計劃

本公司有兩個購股權計劃。其中一個購股權計劃於二零零二年七月十八日採納（「二零零二年購股權計劃」），另一個購股權計劃於二零一一年八月十五日採納（「二零一一年購股權計劃」），各有效期為十年。二零零二年購股權計劃已於二零一二年七月十八日屆滿，於二零一二年七月十八日後，不可再根據二零零二年購股權計劃授出任何購股權，而根據二零零二年購股權計劃授出的購股權可根據二零零二年購股權計劃之條款予以行使。

於二零一七年十二月二十七日，根據二零一一年購股權計劃項下之更新授權限額於本公司股東特別大會獲本公司股東通過為一項普通決議案。於通過普通決議案當日，本公司已發行股份為1,677,261,976股，本公司已獲准根據二零一一年購股權計劃項下進一步授出可認購最多167,726,197股股份之購股權，佔通過普通決議案當日本公司已發行股份10%。

二零零二年購股權計劃及二零一一年購股權計劃之詳情，以及於截至二零一七年十二月三十一日止年度期間內之購股權變動之詳情載列於本財務報表附註35(a)。

RESTRICTED SHARE AWARD SCHEME

The Company adopted a restricted share award scheme (the "RSA Scheme") on 28 March 2011 for the purpose of rewarding and motivating, among others, Directors (including executive and non-executive) and employees of the Company and its subsidiaries (the "Participants") with the shares of the Company. Details of the RSA Scheme are set out in note 35(b) to the financial statements.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the sections headed "Share Option Schemes" and "Restricted Share Award Scheme" of this report, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the sections headed "Share Option Schemes" and "Restricted Share Award Scheme" of this report, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors or chief executives or any of their spouse or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

受限制股份獎勵計劃

本公司於二零一一年三月二十八日採納了一項受限制股份獎勵計劃(「受限制股份獎勵計劃」)，其目的在於給予本公司之股份以獎勵及激勵(其中包括)本公司及其附屬公司的董事(包括執行及非執行)及員工(「參與者」)。受限制股份獎勵計劃詳情載列於本財務報表附註35(b)。

股票掛鈎協議

除於本報告標題為「購股權計劃」及「受限制股份獎勵計劃」內所披露者外，並無於年度內訂立或於年末時存有任何股票掛鈎協議。

董事獲取股份或債權證之權利

除於本報告標題為「購股權計劃」及「受限制股份獎勵計劃」內所披露者外，本公司或其任何附屬公司於年度內概無參與任何安排，使各董事或行政總裁或任何其配偶及其18歲以下之子女得以藉購入本公司或其他公司之股份或債權證而獲益。

Report of the Directors

董事會報告

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

At 31 December 2017, the interests and short positions of each Director and chief executive of the Company and their associates in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive were taken or deemed to have taken under such provisions of the SFO), or which were required to be and are recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company (the "Model Code") were as follows:

董事及行政總裁於股份、相關股份及債權證中之權益及淡倉

於二零一七年十二月三十一日，本公司各董事及行政總裁及彼等之聯繫人於本公司及其任何相聯法團(定義見證券及期貨條例第XV部(「證券及期貨條例」))之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司(「聯交所」)之權益及淡倉(包括於證券及期貨條例之有關條文下董事及行政總裁擁有或被視作擁有之權益及淡倉)，或須記入及已記入本公司根據證券及期貨條例第XV部第352條存置之登記冊內，或根據本公司採納之上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所之權益及淡倉如下：

Name of Directors	Capacity	Personal interests	Corporate interests	outstanding share options	Total	Approximate percentage of aggregate interests (%)
			尚未行使之購股權數目	(Note 1)	(Note 5)	佔合共權益之概約百分比(%)
GUO Wei	Beneficial owner and interests of a controlled corporation	94,328,707 (Note 2)(附註2)	86,767,857 (Note 3)(附註3)	13,116,974	194,213,538	11.58
郭為	實益擁有人及受控法團之權益					
LIN Yang	Beneficial owner	3,571,734	-	13,116,974	16,688,708	0.99
林楊	實益擁有人			(Note 4)(附註4)		
LAI Daniel, BBS, JP	Beneficial owner	5,028	-	-	5,028	0.00
賴錫璋, BBS, JP	實益擁有人					

Notes:

- All of the interests disclosed herein represent long position in the shares of the Company.
- These 86,767,857 shares of the Company were beneficially held by Kosalaki Investments Limited ("KIL"), of which Mr. GUO Wei is the controlling shareholder and also a director of KIL, therefore, Mr. GUO Wei was deemed to be interested in such shares in which KIL was interested.

附註:

- 本文所披露之全部權益，全為本公司股份之好倉。
- 該等86,767,857股本公司股份由Kosalaki Investments Limited(「KIL」)實益持有，而郭為先生為KIL的控股股東及董事，因此郭為先生被視作擁有該等由KIL所持有之股份權益。

3. On 25 January 2017, 12,500,000 share options were granted to Mr. GUO Wei. These share options are exercisable from 25 January 2017 to 24 January 2025 at an exercise price of HK\$6.71 per share for subscription of ordinary shares of the Company. With effect from 28 December 2017, upon the refreshment of the scheme mandate limit under the share option scheme adopted by the company on 15 August 2011 which was approved by the shareholders at the special general meeting held on 27 December 2017, the share options granted to Mr. GUO has been adjusted from 12,500,000 to 13,116,974 and the exercise price of each share option has been adjusted from HK\$6.710 to HK\$6.394 as a result of rights issue.
4. On 25 January 2017, 12,500,000 share options were granted to Mr. LIN Yang. These share options are exercisable from 25 January 2017 to 24 January 2025 at an exercise price of HK\$6.71 per share for subscription of ordinary shares of the Company. With effect from 28 December 2017, upon the refreshment of the scheme mandate limit under the share option scheme adopted by the company on 15 August 2011 which was approved by the shareholders at the special general meeting held on 27 December 2017, the share options granted to Mr. LIN has been adjusted from 12,500,000 to 13,116,974 and the exercise price of each share option has been adjusted from HK\$6.710 to HK\$6.394 as a result of rights issue.
5. The approximate percentage of interests is based on the aggregate nominal value of the shares/underlying shares comprising the interests held as a percentage of the aggregate nominal value of all the issued share capital of the Company of the same class immediately after the relevant event and as recorded in the register maintained under Section 352 of the SFO.

Save as disclosed above, at 31 December 2017, none of the Directors and chief executive of the Company or their associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and chief executive were taken or deemed to have taken under such provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of Part XV of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

3. 於二零一七年一月二十五日授出12,500,000股購股權予郭為先生。購股權之行使期為二零一七年一月二十五日至二零二五年一月二十四日，行使價每股港幣6.71元以認購本公司普通股股份。自二零一七年十二月二十八日起，於本公司在二零一七年十二月二十七日舉行的股東特別大會上批准有關更新本公司在二零一一年八月十五日採納之購股權計劃項下的計劃授權限額後，因供股，授予郭先生的購股權已由12,500,000股調整至13,116,974股，而每股購股權的行使價已由港幣6.710元調整至港幣6.394元。
4. 於二零一七年一月二十五日授出12,500,000股購股權予林楊先生。購股權之行使期為二零一七年一月二十五日至二零二五年一月二十四日，行使價每股港幣6.71元以認購本公司普通股股份。自二零一七年十二月二十八日起，於本公司在二零一七年十二月二十七日舉行的股東特別大會上批准有關更新本公司在二零一一年八月十五日採納之購股權計劃項下的計劃授權限額後，因供股，授予林先生的購股權已由12,500,000股調整至13,116,974股，而每股購股權的行使價已由港幣6.710元調整至港幣6.394元。
5. 權益概約百分比乃根據股份／相關股份（組成所持權益）總面值佔本公司緊接有關事項完成後之同類全部已發行股本總面值之百分比計算，並已根據證券及期貨條例第352條規定記錄在名冊中。

除上文所披露者外，於二零一七年十二月三十一日，本公司之董事及行政總裁或彼等之聯繫人概無於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份或債權證中，擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例之有關條文下董事及行政總裁擁有或被視作擁有之權益或淡倉），或擁有須記入本公司根據證券及期貨條例第XV部第352條存置之登記冊，或根據標準守則須知會本公司及聯交所之權益或淡倉。

Report of the Directors

董事會報告

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

At 31 December 2017, to the best knowledge of the Directors, the following persons, not being a Director or chief executive of the Company, had the following interests and short positions in the shares and underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO:

Name 名稱	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Approximate percentage of aggregate interests (%) (Note 7) 佔合共權益之 概約百分比 (%) (附註7)
Kosalaki Investments Limited (Note 2)(附註2)	Beneficial owner 實益擁有人	86,767,857	5.17
Dragon City International Investment Limited	Beneficial owner 實益擁有人	150,070,000 (Note 3)(附註3)	11.18
YIP Chi Yu (Note 3) 葉志如(附註3)	Interests of a controlled corporation/Interest of spouse 受控法團之權益／配偶權益	150,070,000/1,860	11.18
HUANG Shaokang (Note 3) 黃少康(附註3)	Beneficial owner/Interest of spouse 實益擁有人／配偶權益	1,860/150,070,000	11.18
Guangzhou City Infrastructure Investment Group Limited* ("GZ Infrastructure") (廣州市建設投資集團 有限公司) (「廣州城市建設」)	Interests of a controlled corporation 受控法團之權益	407,813,928 (Note 4)(附註4)	24.31
Guangzhou City Investment Co., Ltd.* ("GZ Investment") (廣州市城投投資有限公司) (「廣州投資」)	Interests of a controlled corporation 受控法團之權益	407,813,928 (Note 4)(附註4)	24.31
Guangzhou City Investment Jiapeng Industry Investment Fund Management Co., Ltd.* ("GZ Jiapeng") (廣州城投佳朋產業投資基金管理有限公司) (「廣州佳朋」)	Interests of a controlled corporation 受控法團之權益	375,284,000 (Note 4)(附註4)	22.37

* For identifications purpose only

主要股東於股份及相關股份之 權益及淡倉

於二零一七年十二月三十一日，就董事所知，以下人士(並非本公司董事或行政總裁)於本公司股份及相關股份中擁有以下須根據證券及期貨條例第XV部第2及第3分部披露予本公司，或須根據證券及期貨條例第XV部第336條下存置之登記冊所記錄之以下權益及淡倉：

Report of the Directors
董事會報告

Name 名稱	Capacity 身份	Number of shares (Note 1) 股份數目 (附註1)	Approximate percentage of aggregate interests (%) (Note 7) 佔合共權益之 概約百分比 (%) (附註7)
Guangzhou City Investment Jiazi Investment Partnership (Limited Partnership)* ("GZ Jiazi") (廣州城投甲子投資合夥企業(有限合夥)) (「廣州甲子」)	Beneficial owner 實益擁有人	375,284,000 (Note 4)(附註4)	22.37
GRG Banking Equipment Co., Ltd.* (廣州廣電通金融電子股份有限公司)	Beneficial owner 實益擁有人	197,888,000 (Note 5)(附註5)	15.58
Guangzhou Radio Group Co., Ltd.* (廣州無線電集團有限公司)	Interests of a controlled corporation 受控法團之權益	197,888,000 (Note 5)(附註5)	15.58
Allianz SE	Interests of controlled corporations 受控法團之權益	90,628,000 (Note 6)(附註6)	6.75

Notes:

1. All of the interests disclosed herein represent long position in the shares of the Company.
2. KIL is controlled by Mr. GUO Wei who is a director of the Company and KIL.
3. Out of the 150,071,860 shares of the Company in aggregate, 150,070,000 shares were held by Dragon City International Investment Limited, which is controlled by Ms. YIP Chi Yu, and 1,860 shares were held by Mr. HUANG Shaokang, a spouse of Ms. YIP Chi Yu.
4. Out of these 407,813,928 shares of the Company in aggregate, 375,284,000 shares were held by GZ Jiazi and 32,529,928 shares were held by Suitong Hong Kong Company Limited* (穗通(香港)有限公司) ("Suitong HK"). GZ Jiazi is owned as to 99.96% by GZ Investment and 0.04% by GZ Jiapeng, which GZ Jiapeng is in turn wholly-owned by GZ Investment, which in turn, is owned as to 80.00% by GZ Infrastructure. Suitong HK is wholly-owned by GZ Investment. GZ Infrastructure is deemed to be interested in 407,813,928 shares of the Company.
5. These 197,888,000 shares of the Company were beneficially held by GRG Banking Equipment Co., Ltd.* (廣州廣電通金融電子股份有限公司) (listed on The Shenzhen Stock Exchange), in which Guangzhou Radio Group Co., Ltd.* (廣州無線電集團有限公司) is a 52.52% controlling shareholder.

附註:

1. 本文所披露之全部權益，全為本公司股份之
好倉。
2. KIL由郭為先生控制，而郭為先生亦為本公司
及KIL之董事。
3. 於合共150,071,860股本公司股份當中，
150,070,000股股份由Dragon City International
Investment Limited持有，其由葉志如女士所控
制，而1,860股股份則由黃少康先生持有，彼
為葉志如女士的配偶。
4. 於合共407,813,928股本公司股份當中，
375,284,000股股份由廣州甲子持有，32,529,928
股股份由穗通(香港)有限公司(「穗通香港」)
持有。廣州甲子由廣州投資擁有99.96%權益
及由廣州佳朋擁有0.04%權益，而廣州佳朋則
由廣州投資全資擁有，廣州投資則由廣州城
市建設擁有80.00%權益。穗通香港由廣州投
資全資擁有。廣州城市建設被視為持有
407,813,928股本公司股份的權益。
5. 該等197,888,000股本公司股份由廣州廣電通
金融電子股份有限公司(於深圳證券交易所
上市)實益持有，廣州無線電集團有限公司
為持有該公司52.52%的控股股東。

* For identifications purpose only

* 僅供識別

6. Out of these 90,628,000 shares of the Company in aggregate, 1,447,000 shares were held by Allianz Global Investors Taiwan Ltd. and 89,181,000 shares were held by Allianz Global Investors Asia Pacific Limited. All of the aforementioned companies were indirectly controlled by Allianz SE.
7. The approximate percentage of interests is based on the aggregate nominal value of the shares/underlying shares comprising the interests held as a percentage of the aggregate nominal value of all the issued share capital of the Company of the same class immediately after the relevant event and as recorded in the register maintained under Section 336 of the SFO.

Save as disclosed above, at 31 December 2017, the Company had not been notified by any persons who had interests or short positions in shares or underlying shares of the Company which were required to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept under Section 336 of Part XV of the SFO.

6. 該等合共90,628,000股本公司股份由Allianz Global Investors Taiwan Ltd.持有1,447,000股及Allianz Global Investors Asia Pacific Limited持有89,181,000股。上述公司皆由Allianz SE間接所控制。

7. 權益概約百分比乃根據股份／相關股份(組成所持權益)總面值佔本公司緊接有關事項完成後之同類全部已發行股本總面值之百分比計算，並已根據證券及期貨條例第336條規定記錄在名冊中。

除上文所披露者外，於二零一七年十二月三十一日，概無任何人士曾知會本公司於本公司之股份或相關股份中，擁有須根據證券及期貨條例第XV部第2及第3分部披露及須根據證券及期貨條例第XV部第336條須予各備存的登記冊所載之權益或淡倉。

DONATIONS

During the year ended 31 December 2017, the Group made donation of HK\$56,000 (for the year ended 31 December 2016: HK\$2,368,000).

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MAJOR CUSTOMERS AND SUPPLIERS

The aggregate percentage of revenue attributable to the Group's five largest customers was less than 30% (for the year ended 31 December 2016: less than 30%) of the Group's total revenue for the year ended 31 December 2017.

The aggregate percentage of purchases attributable to the Group's five largest suppliers was approximately 37% (for the year ended 31 December 2016: approximately 26%) of the Group's total purchases and the percentage of purchases attributable to the Group's largest supplier was approximately 12% (for the year ended 31 December 2016: approximately 10%) for the year ended 31 December 2017.

During the year ended 31 December 2017, none of the Directors, any of their close associates or shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest major customers or five largest suppliers.

捐款

於截至二零一七年十二月三十一日止年度期間內，本集團之捐款為港幣56,000元(截至二零一六年十二月三十一日止年度：港幣2,368,000元)。

主要客戶及供應商

截至二零一七年十二月三十一日止年度來自本集團五大客戶合共之收入佔本集團總收入之百分比少於30%(截至二零一六年十二月三十一日止年度：少於30%)。

截至二零一七年十二月三十一日止年度來自本集團五大供應商合共之採購額佔本集團採購總額之百分比約為37%(截至二零一六年十二月三十一日止年度：約26%)，及來自本集團最大供應商之採購額所佔百分比約為12%(截至二零一六年十二月三十一日止年度：約10%)。

於截至二零一七年十二月三十一日止年度內，概無董事、任何彼等之緊密聯繫人或股東(據董事所知擁有本公司已發行股本超過5%者)在本集團五大客戶或五大供應商中擁有任何實益權益。

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

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

CONNECTED TRANSACTION

During the year ended 31 December 2017, the Group had the following connected transaction which is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the transaction is as follows:

On 5 September 2016, the Company entered into a subscription agreement (the "Subscription Agreement") with the subscribers ("Subscribers") pursuant to which the Subscribers have conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 99,391,000 subscription shares at the subscription price of HK\$5.53 per subscription share for an aggregate amount of HK\$549,632,230 ("Subscription"). Each of Mr. GUO Wei, Mr. LIN Yang, the other connected subscribers ("Other Connected Subscribers") and Great Dynamic Management (PTC) Limited were the Subscribers.

Each of Mr. GUO Wei and Mr. LIN Yang is a Director and is therefore a connected person of the Company. Each of the Other Connected Subscribers is a director of a subsidiary/certain subsidiaries of the Company and is therefore also a connected person of the Company. Accordingly, the Subscription by the connected subscribers who are connected persons of the Company constitutes a connected transaction for the Company pursuant to Chapter 14A of the Listing Rules. The Company had obtained the Independent Shareholders' approval for the Subscription at the special general meeting held on 25 October 2016.

On 18 January 2017, the Company announced that the conditions to the Subscription Agreement were fulfilled and the Subscription Completion took place.

Details of the transaction have been disclosed in the Company's announcements dated 5 September 2016, 25 October 2016 and 18 January 2017 and circular dated 30 September 2016.

購買、出售或贖回本公司之上市證券

於截至二零一七年十二月三十一日止年度期間內，本公司及其任何附屬公司概無購買、出售或贖回任何本公司之上市證券。

關連交易

於截至二零一七年十二月三十一日止年度期間內，本集團有下列之關連交易，交易須遵守上市規則第14A章有關申報、公告及獨立股東之批准的規定。交易詳情如下：

於二零一六年九月五日，本公司已與該等認購人（「該等認購人」）訂立認購協議（「認購協議」），據此，該等認購人已有條件同意認購，而本公司已有條件同意發行99,391,000股認購股份，認購價為每股認購股份港幣5.53元，總金額為港幣549,632,230元（「認購事項」）。郭為先生、林楊先生、其他關連認購人（「其他關連認購人」）及Great Dynamic Management (PTC) Limited各自為該等認購人。

郭為先生、林楊先生各自為董事，因此為本公司之關連人士。其他關連認購人各自為本公司一間附屬公司／若干附屬公司之董事，故亦為本公司之關連人士。因此，由關連認購人（其為本公司之關連人士）作出之認購事項根據上市規則第14A章構成本公司之關連交易。本公司已於其在二零一六年十月二十五日舉行的股東特別大會上已取得獨立股東批准認購事項。

於二零一七年一月十八日，本公司公佈認購協議的所有條件經已達成，而認購事項完成亦已落實。

交易詳情已披露於本公司日期為二零一六年九月五日、二零一六年十月二十五日及二零一七年一月十八日之公告及日期為二零一六年九月三十日之通函內。

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* 僅供識別

Report of the Directors

董事會報告

AUDITOR

The consolidated financial statements for the year ended 31 December 2017 of the Group were audited by Ernst & Young.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float during the year ended 31 December 2017 and up to the date of this report as required under the Listing Rules.

核數師

本集團截至二零一七年十二月三十一日止年度之綜合財務報表已由安永會計師事務所審核。

足夠公眾持股量

根據本公司現有公開資料，以及在各董事的認知範圍內，本公司於截至二零一七年十二月三十一日止年度期間內及截至本報告日期止仍維持上市規則要求下的足夠公眾持股量。

ON BEHALF OF THE BOARD
GUO Wei
Chairman

Hong Kong, 28 March 2018

代表董事會
郭為
主席

香港，二零一八年三月二十八日

Independent Auditor's Report

獨立核數師報告



To the shareholders of Digital China Holdings Limited
(Incorporated in Bermuda with limited liability)

QUALIFIED OPINION

We have audited the consolidated financial statements of Digital China Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 120 to 313, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, the consolidated statement of 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, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, 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 ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

As disclosed in note 21 to the consolidated financial statements, there are certain wealth management financial products with an aggregate principal amount of approximately HK\$2,603,057,000 (before impairment) and their related interest receivables of approximately HK\$123,391,000 recorded in the Group's consolidated statement of financial position as at 31 December 2017 as available-for-sale investments (non-current) and prepayments, deposits and other receivables (non-current), respectively. The related interest income recorded as revenue in the Group's consolidated statement of profit or loss for the year ended 31 December 2017 is approximately HK\$117,642,000. The principal amounts of these wealth management financial products and the related interest receivables (collectively the "Receivables") were due for repayment during the year ended 31 December 2017, but have not yet been settled. The Group is in discussion with the counterparties on the settlement plan, but no conclusion has been reached as at the date of this report. The Group has performed an assessment on the recoverability of the Receivables and has made an impairment provision of approximately HK\$227,941,000 against the Receivables, which

致神州數碼控股有限公司股東
(於百慕達註冊成立之有限公司)

保留意見

我們已審核神州數碼控股有限公司(「貴公司」)及其附屬公司(「貴集團」)載於第120頁至第313頁的綜合財務報表，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，與截至該日止年度的綜合損益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及財務報表附註(包括主要會計政策概要)。

我們認為，除於我們報告的「保留意見的基礎」一節所述事項可能產生的影響外，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》(「香港財務報告準則」)真實而公允地反映 貴集團於二零一七年十二月三十一日的綜合財政狀況及截至該日止年度的綜合財政表現和綜合現金流量，並已遵照《香港公司條例》之披露規定妥善編製。

保留意見的基礎

誠如綜合財務報表的附註21所披露，貴集團有若干理財產品，本金總額合計為約港幣2,603,057,000元(減值前)及應收相關利息約港幣123,391,000元，已分別於二零一七年十二月三十一日的 貴集團綜合財務狀況表中列為可供出售之投資(非流動)及預付款項、按金及其他應收款項(非流動)。相關利息收入約港幣117,642,000元已列為於截至二零一七年十二月三十一日止年度內的綜合損益表中列為收入。截至二零一七年十二月三十一日止年度，該等理財產品的本金及應收相關利息(統稱「應收款項」)已到期償還但尚未結算。 貴集團與對方磋商解決方案，但截至於本報告日期止並未達成結論。 貴集團已對應收款項進行可收回性的評估及已計提減值撥備約

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was recorded as "other expenses" in the Group's consolidated statement of profit or loss for the year ended 31 December 2017. We have not been able to obtain sufficient audit evidence we consider necessary to assess the recoverable amounts of the Receivables and accordingly the adequacy of the impairment provision as at 31 December 2017. Any adjustment found to be necessary to the impairment provision and accordingly the carrying amount of the Receivables as at 31 December 2017 would affect the Group's net assets as at 31 December 2017 and the Group's loss for the year then ended and the related note disclosures to the consolidated financial statements.

港幣227,941,000元，並已於截至二零一七年十二月三十一日止年度的 貴集團綜合損益表中列為「其他費用淨額」。我們未能獲得我們認為必要的足夠的審計證據，以讓我們評估於二零一七年十二月三十一日的應收款項可收回金額及相關減值撥備是否足夠。任何對於二零一七年十二月三十一日減值撥備及相關應收款項的賬面值作出必要的調整，將對貴集團於二零一七年十二月三十一日的資產淨值及 貴集團截至該日止年度的虧損及相關財務報表附註披露產生影響。

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

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在我們報告「核數師對綜合財務報表審計的責任」部分中作進一步闡述。根據香港會計師公會的「專業會計師道德守則」(「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計保留意見提供基礎。

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. In addition to the matters described in the Basis for qualified opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

關鍵審計事項是我們根據職業判斷，認為對本期綜合財務報表審計最為重要的事項。這些事項的應對以對綜合財務報表整體進行審計並形成審計意見為背景，我們不對這些事項單獨發表意見。除於我們報告「保留意見的基礎」一節所述事項外，我們已釐定下述事項為於我們報告中予以傳達的關鍵審計事項。我們對下述每一事項在審計中是如何應對的描述也以此為背景。

我們已經履行了本報告「核數師對綜合財務報表審計的責任」部分闡述的責任，包括與這些關鍵審計事項相關的責任。相應地，我們的審計工作包括執行為應對評估的綜合財務報表重大錯報風險而設計的審計程序。我們執行審計程序的結果，包括應對下述關鍵審計事項所執行的程序，為綜合財務報表整體發表審計意見提供了基礎。

Key audit matter

Impairment assessment of goodwill

As at 31 December 2017, the carrying amount of the Group's goodwill was approximately HK\$2,346,218,000, which is subject to annual impairment test. Impairment provision is required when the recoverable amounts of the cash-generating units ("CGUs") to which the goodwill is allocated are lower than the respective carrying values of the respective CGUs.

The calculation of the recoverable amounts of these CGUs involved significant management's estimation, subjective assumptions and judgements, such as expected future cash flows from the CGUs, annual growth rate of revenue, budgeted gross margins and discount rate, and is particularly sensitive due to business and market volatility, and uncertain economic outlook.

Relevant disclosures are included in notes 2.4, 3, and 17 to the consolidated financial statements.

How our audit addressed the key audit matter

We performed the following audit procedures on the impairment testing of goodwill, among others:

- reviewed the forecasted cash flows through enquiry with management and by reference to the historical performance and business plans of the relevant CGUs. We compared the forecasts with actual operating results and considered external industry analysis;
- involved our valuation specialists to assess the methodologies and significant assumptions used by management in the impairment testing; and
- assessed the adequacy of disclosures in relation to the goodwill of the Group, including cash-generating units for impairment testing and assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill.

關鍵審計事項

商譽減值評估

於二零一七年十二月三十一日，貴集團收購附屬公司產生的商譽賬面值約為港幣2,346,218,000元，其應予每年進行減值測試。當測試發現分攤商譽的現金產生單位（「現金產生單位」）的可收回金額小於現金產生單位的賬面值時，應計提商譽減值準備。

對現金產生單位可收回金額的計算涉及管理層重要估計，主觀假設及判斷，例如現金產生單位的預計未來現金流量、收入的年增長率、預算毛利率以及折現率。這些係數對業務及市場波動性及經濟前景的不確定性尤為敏感。

相關披露請見綜合財務報表的附註2.4、3及17。

我們的審計如何處理關鍵審計事項

我們對商譽減值測試執行以下審計程序（其中包括）：

- 通過詢問管理層，且參考相關現金產生單位的往期表現和商業計劃，來審閱預測現金流量。同時，我們將預測數據與實際營運業績進行比較，並且參考外部行業分析；
- 請評估專家來幫助評估商譽減值測試中管理層應用的相關方法及重大假設；及
- 評估 貴集團商譽相關信息披露的充分性，包括減值測試的現金產生單位，及管理層就進行商譽減值測試預測現金流量所依據的假設。

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Key audit matter

Impairment assessment for accounts and bills receivables

As at 31 December 2017, the carrying amount of the Group's accounts and bills receivables before provision was approximately HK\$5,688,512,000. Management is required to assess whether a provision for impairment is required in respect of those accounts and bills receivables that might not be fully collectable. The impairment assessment for accounts and bills receivables involved significant management's judgements, taking into account various factors, including the aging of these receivables, the current creditworthiness and the past collection history of the customers, existence of disputes, and any other available information. As at 31 December 2017, the impairment provision recorded for accounts and bills receivables was approximately HK\$450,847,000.

Relevant disclosures are included in notes 2.4, 3 and 27 to the consolidated financial statements.

How our audit addressed the key audit matter

We performed the following audit procedures on the impairment assessment of accounts and bills receivables, among others:

- obtained an understanding of and assessed management's processes and controls relating to the monitoring of accounts and bills receivables to identify credit risk;
- obtained an understanding of and reviewed management's impairment assessment for accounts and bills receivables and assessed management's judgements on the recoverability of accounts and bills receivables;
- tested the aging report of accounts and bills receivables; and
- checked the receipts of cash after the reporting period and the underlying documents supporting the recoverability of the outstanding balances.

我們的審計如何處理關鍵審計事項

我們對應收賬款及應收票據的減值評估執行以下審計程序(其中包括)：

- 了解及評估管理層對應收賬款及應收票據和識別信貸風險監控的相關程序及控制；
- 了解及審閱管理層進行應收賬款及應收票據減值評估，以及評估管理層對應收賬款及應收票據的可回收程度的判斷；
- 測試應收賬款及應收票據的賬齡報告；及
- 檢查報告期後收款的現金收據及支持尚欠結餘的可回收程度的相關文件。

關鍵審計事項

應收賬款及應收票據的減值評估

於二零一七年十二月三十一日， 賁集團應收賬款及應收票據(不包括減值撥備)的賬面值約為港幣5,688,512,000元。管理層需要就這些未必可悉數收回的應收賬款及應收票據評估是否需要進行減值撥備。應收賬款及應收票據的減值評估涉及重大管理層判斷，需要考慮該等賬款的賬齡，客戶信譽及過往回款歷史，是否存在糾紛，和其他相關信息。於二零一七年十二月三十一日，應收賬款及應收票據的減值撥備約為港幣450,847,000元。

相關披露請見綜合財務報表附註2.4、3及27。

Key audit matter

Recognition of contract revenue

The Group's revenue from fixed price contracts in technical service business and application software development business is recognised using the percentage of completion ("POC") method, measured by reference to the proportion of work completed to date to the estimated total work of the relevant contract. Provision is made for foreseeable losses as soon as they are anticipated by management.

The recognition of contract revenue requires management's estimates and revision of the estimates which involves estimation uncertainty, in particular with respect to estimating the POC, the contract revenue, total budget costs of the relevant contract and costs to complete for each contract as the contract progresses, as well as the assessment of the remaining contingencies and a foreseeable loss that a contract is or could be facing until completion. In addition, as these contracts sometimes span a number of reporting periods, significant changes in the estimate of the POC, the contract revenue, total budget costs of the relevant contracts and costs to complete for each contract could result in material amounts of revenue being recorded in the incorrect period.

Relevant disclosures are included in notes 2.4, 3, 5 and 29 to the consolidated financial statements.

關鍵審計事項

合約收入的確認

貴集團收入來自技術服務業務及應用軟件發展業務固定價值合約的收入使用完工百分比法(「完工百分比法」)來確認入賬，即按截至目前之完工部份佔合約總價值之比例計量。管理層一旦預計有可預見虧損時將即時作出撥備。

對合約收入的確認需要管理層進行估計，而修訂這些估計存在相當的不確定性，特別是對完工百分比、合約收入、隨各項目進度確認的相關合約總預算成本及各合約預計剩餘成本，以及在直至完工時對合約正在或可能發生的剩餘或有成本及可預見虧損的評估。另外，由於該等合約有時會橫跨多個會計期間，對相關合約的完工百分比、合約收入、總預算成本、各合約預計剩餘成本估計的改變，可能導致在錯誤的期間確認金額重大的收入。

相關披露請見綜合財務報表的附註2.4、3、5及29。

How our audit addressed the key audit matter

We performed the following audit procedures on the recognition of contract revenue, among others:

- tested management's controls relating to revenue recognition, including the determination of total budget costs, estimated costs to completion, the POC, the timing of revenue recognition and the identification of contract losses; and
- evaluated management's assumptions and estimates in relation to revenue recognition, including total budget costs and forecast costs to complete and the determination of POC. We reviewed selected contracts, obtained an understanding of the contract terms and recalculated the revenue and costs incurred based on the percentage of completion.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for qualified opinion* section above, we were unable to obtain sufficient appropriate evidence we consider necessary to assess the recoverable amounts of the Receivables as at 31 December 2017, as well as the amount of impairment provision and the amount of related interest income for the year ended 31 December 2017. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

包括在年報中的其他信息

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

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中了解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們認為其他信息存在重大錯報，我們需要報告該事實。基於上述「保留意見的基礎」一節所述，我們未能獲得足夠合適的審計證據，以讓我們考慮所需評估於二零一七年十二月三十一日的應收款項可收回金額，以及減值撥備金額及截至二零一七年十二月三十一日止年度內的相關利息收入金額。因此，我們無法斷定其他信息在這事項是否存在重大錯報。

董事就綜合財務報表須承擔的責任

貴公司董事有責任遵照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，編製真實而公允的綜合財務報表；及落實彼等認為必須的內部監控，以使綜合財務報表不存在由於舞弊或錯誤而導致的重大錯報。

在編製綜合財務報表時，貴集團董事負責評估 貴集團的持續經營能力，披露與持續經營相關的事項（如適用），並運用持續經營假設，除非計劃進行清算、終止運營或別無其他現實的選擇。

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

貴公司董事由審核委員會協助監督 貴集團的財務報告過程。

核數師對綜合財務報表審計的責任

我們的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們的報告依據百慕達一九八一年《公司法》第九十條僅為全體股東編製，而並不可作其他目的。我們概不就本報告的內容對其他任何人士負責或承擔責任。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計總能發現重大錯誤陳述。錯誤陳述可以由舞弊或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

作為根據《香港審計準則》進行審計的一部分，在審計過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

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

- 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.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當修訂意見。我們的結論是基於直至核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否公允反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ng Siu Ki Ricky.

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

出具本獨立核數師報告的審計項目合夥人是吳紹祺。

Ernst & Young
Certified Public Accountants
22/F CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

28 March 2018

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

二零一八年三月二十八日

Consolidated Statement of Profit or Loss

綜合損益表

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

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
CONTINUING OPERATIONS	持續經營業務			
REVENUE	收入	5	13,246,571	12,251,359
Cost of sales and services	銷售及服務成本		(10,581,271)	(9,747,655)
Gross profit	毛利		2,665,300	2,503,704
Other income and gains	其他收入及收益	5	467,591	273,402
Selling and distribution expenses	銷售及分銷費用		(1,233,956)	(1,168,468)
Administrative expenses	行政費用		(763,065)	(465,941)
Other expenses, net	其他費用淨額		(1,064,160)	(883,017)
Finance costs	融資成本	7	(230,542)	(196,989)
Share of profits and losses of:	應佔下列公司之溢利及虧損：			
Joint ventures	合營企業		65,160	39,247
Associates	聯營公司		45,855	35,775
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	持續經營業務之除稅前 溢利／(虧損)	6	(47,817)	137,713
Income tax expense	所得稅費用	10	(143,584)	(148,743)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS	持續經營業務之本年度虧損		(191,401)	(11,030)
DISCONTINUED OPERATION	非持續經營業務			
Profit for the year from a discontinued operation	非持續經營業務之本年度溢利	11	—	559,623
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)		(191,401)	548,593
Attributable to:	歸屬於：			
Equity holders of the parent	母公司股東權益		(413,006)	389,314
Non-controlling interests	非控股權益		221,605	159,279
			(191,401)	548,593
EARNINGS/(LOSS) PER SHARE	母公司普通股東應佔 每股盈利／(虧損)			
ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT		13		
Basic	基本			
– For profit/(loss) for the year	– 本年度溢利／(虧損)		HK cents (29.21) 港仙	HK cents 34.74 港仙
– For loss from continuing operations	– 持續經營業務虧損		HK cents (29.21) 港仙	HK cents (15.20) 港仙
Diluted	攤薄			
– For profit/(loss) for the year	– 本年度溢利／(虧損)		HK cents (29.21) 港仙	HK cents 34.74 港仙
– For loss from continuing operations	– 持續經營業務虧損		HK cents (29.21) 港仙	HK cents (15.19) 港仙

Consolidated Statement of Comprehensive Income 綜合全面收益表

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 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
PROFIT/(LOSS) FOR THE YEAR	本年度溢利／(虧損)	(191,401)	548,593
OTHER COMPREHENSIVE INCOME/(LOSS)	其他全面收益／(虧損)		
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	其後可能重新分類至損益之 其他全面收益／(虧損)：		
Available-for-sale investments:	可供出售之投資：		
Changes in fair value	公平價值變動	(4,089)	(14,472)
Reclassification adjustments	包括於綜合損益表之 for losses/(gains) included in the consolidated statement of profit or loss		
重新分類調整			
虧損／(收益)			
– impairment losses	– 減值虧損	–	3,599
– gain on disposal	– 出售收益	(3,261)	–
Exchange differences:	匯兌差額：	(7,350)	(10,873)
Exchange differences on translation of foreign operations	海外業務換算之匯兌差額	387,499	(321,936)
Reclassification adjustments for foreign operations disposed of during the year	於本年度內出售海外業務之 重新分類調整	–	(45,348)
Share of other comprehensive income/ (loss) of associates	應佔聯營公司之其他全面 收益／(虧損)	387,499	(367,284)
Net other comprehensive profit/(loss) to be reclassified to profit or loss in subsequent periods	其後可能重新分類至損益之 其他全面收益／(虧損)淨額	(31,715)	5,525
		348,434	(372,632)

Consolidated Statement of Comprehensive Income 綜合全面收益表

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

		Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:	其後不可能重新分類至損益之 其他全面收益／(虧損):			
Gain on property revaluation	物業估值收益	14	32,065	601,807
Income tax effect	所得稅影響		(8,017)	(150,452)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods	其後不可能重新分類至損益之 其他全面收益淨額		24,048	451,355
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	經扣除稅後的本年度其他全面 收益		372,482	78,723
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	本年度全面收益總額		181,081	627,316
Attributable to:	歸屬於:			
Equity holders of the parent	母公司股東權益		(232,755)	609,428
Non-controlling interests	非控股權益		413,836	17,888
			181,081	627,316

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2017 二零一七年十二月三十一日

	Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
NON-CURRENT ASSETS		非流動資產	
Property, plant and equipment	14	1,167,160	1,088,555
Investment properties	15	4,102,327	3,046,367
Prepaid land premiums	16	69,279	67,937
Goodwill	17	2,346,218	2,195,376
Other intangible assets	18	181,387	152,043
Investments in joint ventures	19	228,639	1,008,013
Investments in associates	20	2,637,304	1,629,520
Available-for-sale investments	21	3,314,809	952,239
Finance lease receivables	22	113,493	327,865
Accounts receivable	27	23,428	131,528
Prepayments, deposits and other receivables	28	123,391	—
Deferred tax assets	23	102,354	68,176
Total non-current assets		14,409,789	10,667,619
CURRENT ASSETS		流動資產	
Inventories	24	1,221,410	788,146
Properties under development	25	260,504	242,517
Completed properties held for sale	26	45,006	193,073
Accounts and bills receivables	27	5,214,237	3,872,087
Prepayments, deposits and other receivables	28	1,944,876	1,952,932
Available-for-sale investments	21	585,719	2,856,415
Finance lease receivables	22	341,735	386,264
Restricted bank balances	30	107,989	58,910
Cash and cash equivalents	30	3,784,296	2,698,158
Total current assets		13,505,772	13,048,502
CURRENT LIABILITIES		流動負債	
Accounts and bills payables	31	3,217,547	2,124,347
Other payables and accruals	32	3,560,919	3,072,125
Tax payables		145,081	97,137
Interest-bearing bank and other borrowings	33	5,296,981	5,199,014
Total current liabilities		12,220,528	10,492,623
NET CURRENT ASSETS		流動資產淨值	1,285,244
			2,555,879

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2017 二零一七年十二月三十一日

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		15,695,033	13,223,498
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank and other borrowings	附息銀行及其他貸款	33	2,583,949	2,465,874
Deferred tax liabilities	遞延稅項負債	23	273,112	247,522
Deferred income	遞延收入		43,098	38,189
Total non-current liabilities	總非流動負債		2,900,159	2,751,585
Net assets	資產淨值		12,794,874	10,471,913
EQUITY	權益			
Equity attributable to equity holders of the parent	母公司股東應佔權益			
Issued capital	已發行股本	34	167,726	123,466
Reserves	儲備	36	8,942,059	7,045,121
Non-controlling interests	非控股權益		9,109,785	7,168,587
Total equity	權益總額		3,685,089	3,303,326
			12,794,874	10,471,913

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Consolidated Statement of Changes in Equity

綜合權益變動表

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

Attributable to equity holders of the parent 母公司股東應佔												
	Issued capital	Share premium account	Capital reserve	Employee share-based compensation reserve	Asset revaluation reserve*	Available-for-sale investment revaluation reserve	Reserve funds	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity
Notes	已發行股本 HK\$'000	股份溢價賬 HK\$'000	資本儲備 HK\$'000	股票基金 HK\$'000	僱員薪酬儲備 HK\$'000	資產估值儲備 HK\$'000	可供出售之投資之估值儲備 HK\$'000	匯兌波動儲備 HK\$'000	保留溢利 HK\$'000	總計 HK\$'000	非控股權益 HK\$'000	權益總額 HK\$'000
附註	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2016	於二零一六年一月一日	109,637	2,080,480	1,498,902	(302,457)	30,305	4,669	36,481	647,594	126,690	4,640,266	8,872,567
Profit for the year	本年度溢利	—	—	—	—	—	—	—	—	—	389,314	389,314
Other comprehensive income/(loss) for the year:	本年度其他全面收益/(虧損):										159,279	548,593
Available-for-sale investments:	可供出售之投資:											
– Changes in fair value	– 公平價值變動	—	—	—	—	—	(14,472)	—	—	—	(14,472)	—
– Impairment loss	– 減值虧損	—	—	—	—	—	3,599	—	—	—	3,599	—
Exchange differences on translation of foreign operations	海外業務換算之匯兌差額	—	—	—	—	—	—	—	(179,179)	—	(179,179)	(142,757) (321,936)
Reclassification adjustments for foreign operations disposed of during the year	於本年度內出售海外業務之重新分類調整	—	—	—	—	—	—	—	(45,348)	—	(45,348)	— (45,348)
Share of other comprehensive income of associates	應佔聯營公司之其他全面收益	—	—	—	—	—	—	—	118	—	4,159	1,366 5,525
Gain on property revaluation, net of tax	經扣除稅後的物業估值收益	—	—	—	—	451,355	—	—	—	—	451,355	— 451,355
Total comprehensive income/(loss) for the year	本年度全面收益/(虧損)	—	—	—	—	451,355	(6,832)	—	(224,409)	389,314	609,428	17,888 627,316
Issue of new shares	發行新股份	34	13,612	697,786	—	—	—	—	—	—	711,398	— 711,398
Exercise of share options	行使購股權	34	217	16,568	—	(3,998)	—	—	—	—	12,787	— 12,787
Share-based payment expenses for share issued at discount	發行折讓股份之以股份支付之費用	34, 35	—	43,658	—	—	—	—	—	—	43,658	6,077 49,735
Share issue expenses	發行股份費用	34	—	(1,819)	—	—	—	—	—	—	(1,819)	— (1,819)
Capital contribution from non-controlling shareholders of subsidiaries	附屬公司非控股股東之出資	—	—	—	—	—	—	—	—	—	—	17,087 17,087
Deemed partial disposal of subsidiaries	視同部分出售多間附屬公司	—	—	435,885	—	—	—	—	—	—	435,885	834,725 1,270,610
Acquisition of subsidiaries	收購附屬公司	38	—	—	—	—	—	—	—	—	—	51,522 51,522
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	(381,197)	—	381,197	—	—	—
Special dividend	特別股息	—	—	—	—	—	—	—	(3,515,317)	(3,515,317)	—	(3,515,317)
Dividends paid to non-controlling shareholders	給予非控股股東之已付股息	—	—	—	—	—	—	—	—	—	(45,723)	(45,723)
Transfer to reserve funds	轉撥至儲備基金	—	—	—	—	—	—	44,474	—	(44,474)	—	—
At 31 December 2016	於二零一六年十二月三十一日	123,466	2,836,673	1,934,787	(302,457)	26,307	456,024	29,649	310,871	(97,719)	1,850,986	7,168,587 3,303,326 10,471,913

Consolidated Statement of Changes in Equity

綜合權益變動表

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

Attributable to equity holders of the parent 母公司股東應佔															Non-controlling interests		Total equity	
Notes 附註	Share capital			Employee share-based compensation			Asset revaluation			Available-for-sale investment			Exchange reserve			Non-controlling interests		Total equity
	Issued capital	Share premium account	Capital reserve	Employee share trust	share-based compensation	reserve	Asset revaluation	reserve*	可供出售之投資之 資產	可供出售之投資之 估值儲備*	Reserve funds	Exchange fluctuation reserve	Retained profits	Total	Non-controlling interests	Total equity		
	已發行 股本	股份 溢價賬	資本儲備	僱員 股票基金	付僱員之 酬金儲備	以股份支 付僱員之 酬金儲備*	資產 估值儲備*	可供出售 之投資之 估值儲備	匯兌波動 儲備	匯備基金	儲備	保留溢利	總計	非控股 權益	權益總額			
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元			
At 1 January 2017	於二零一七年一月一日	123,466	2,836,673	1,934,787	(302,457)	26,307	456,024	29,649	310,871	(97,719)	1,850,986	7,168,587	3,303,326	10,471,913				
Profit/(loss) for the year	本年度溢利/(虧損)	–	–	–	–	–	–	–	–	–	(413,006)	(413,006)	221,605	(191,401)				
Other comprehensive income/(loss) for the year:	本年度其他全面收益/(虧損):	–	–	–	–	–	–	–	–	–	–	–	–	–	–			
Available-for-sale investments:	可供出售之投資:	–	–	–	–	–	–	(4,089)	–	–	–	–	(4,089)	–	(4,089)			
– Changes in fair value	– 公平價值變動	–	–	–	–	–	–	(4,089)	–	–	–	–	–	–	(4,089)			
– Gain on disposal	– 出售收益	–	–	–	–	–	–	(3,261)	–	–	–	–	(3,261)	–	(3,261)			
Exchange differences on translation of foreign operations	海外業務換算之匯兌差額	–	–	–	–	–	–	–	–	195,575	–	195,575	191,924	387,499				
Share of other comprehensive income/(loss) of associates	應佔聯營公司之其他全面收益/(虧損)	–	–	–	–	–	–	(38,628)	–	6,606	–	(32,022)	307	(31,715)				
Gain on property revaluation, net of tax	經扣除稅後的物業估值收益	–	–	–	–	–	24,048	–	–	–	–	24,048	–	24,048				
Total comprehensive income/(loss) for the year	本年度全面收益/(虧損)	–	–	–	–	–	24,048	(45,978)	–	202,181	(413,006)	(232,755)	413,836	181,081				
Issue of new shares	發行新股份	34	10,715	526,882	–	–	–	–	–	–	–	–	537,597	–	537,597			
Rights issue	供股	34	33,545	1,308,264	–	–	–	–	–	–	–	–	1,341,809	–	1,341,809			
Share issue expenses	發行股份費用	34	–	(6,724)	–	–	–	–	–	–	–	–	(6,724)	–	(6,724)			
Share-based compensation	以股份支付之酬金	35	–	–	–	–	307,506	–	–	–	–	–	307,506	10,561	318,067			
Vesting of shares under the restricted share award scheme	依受限制股份獎勵計劃的歸屬股份	–	–	–	282,310	(282,310)	–	–	–	–	–	–	–	–	–			
Contribution to employee share trusts	僱員股票基金供款	–	–	–	(1,424)	–	–	–	–	–	–	–	(1,424)	–	(1,424)			
Capital contribution from non-controlling shareholders of subsidiaries	附屬公司非控股股東之出資	–	–	–	–	–	–	–	–	–	–	–	–	–	–			
Acquisition of non-controlling interests	收購非控股權益	–	–	(4,811)	–	–	–	–	–	–	–	(4,811)	(13,420)	(18,231)				
Dividends paid to non-controlling shareholders	給予非控股股東之已付股息	–	–	–	–	–	–	–	–	–	–	–	(56,003)	(56,003)				
Transfer to reserve funds	轉撥至儲備基金	–	–	–	–	–	–	82,426	–	(82,426)	–	–	–	–				
At 31 December 2017	於二零一七年十二月三十一日	167,726	4,665,095*	1,929,976*	(21,571)*	51,503*	480,072*	(16,329)*	393,297*	104,462*	1,355,554*	9,109,785	3,685,089	12,794,874				

* The asset revaluation reserve arose from the gains on property revaluation as a result of the change in use from owner-occupied properties to investment properties.

* 資產估值儲備產生於自有物業之使用變動至投資物業之物業估值收益。

* These reserve accounts comprise the consolidated reserves of HK\$8,942,059,000 (2016: HK\$7,045,121,000) in the consolidated statement of financial position.

* 該等儲備賬已包括於綜合財務狀況表中之綜合儲備為港幣8,942,059,000元(二零一六年:港幣7,045,121,000元)。

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
CASH FLOWS FROM OPERATING ACTIVITIES		經營活動的現金流量	
Profit/(loss) before tax:		除稅前溢利／(虧損):	
From continuing operations		來自持續經營業務	(47,817) 137,713
From the discontinued operation	11	來自非持續經營業務	— 78,439
Adjustments for:		經調整:	
Finance costs		融資成本	230,542 280,765
Share of profits and losses of joint ventures and associates		應佔合營企業及聯營公司之溢利及虧損	(111,015) (75,291)
Interest income		利息收入	(21,526) (16,762)
Dividend income from available-for-sale investments	5	可供出售之投資之股息收入	(17,289) (8,710)
Loss on disposal of items of property, plant and equipment	5	出售物業、廠房及設備之虧損	2,742 4,756
Fair value gains on investment properties, net	5	投資物業之公平價值收益	(53,086) (134,888)
Gain on disposal of the equity interests in joint ventures	5	出售多間合營企業權益之收益	(102,394) (72)
Gain on disposal of the equity interest in an associate	5	出售一間聯營公司權益之收益	(2,795) —
Gain/(loss) on deemed partial disposal of the equity interests in associates	5, 6	視同出售多間聯營公司部分權益之(收益)／虧損	(42,046) 33,740
Gain on disposal of available-for-sale investments	5	出售可供出售之投資之收益	(31,138) (26,420)
Depreciation		折舊	142,947 97,029
Amortisation of prepaid land premiums	6	預付土地租金攤銷	1,755 2,601
Amortisation of other intangible assets		其他無形資產攤銷	31,853 15,797
Provisions for and write-off of obsolete inventories		陳舊存貨撥備及撇銷	50,311 83,267
Impairment of accounts and bills receivables		應收賬款及應收票據減值	135,580 148,742
Impairment of finance lease receivables	6	應收融資租賃款項減值	522 20,102
Impairment of available-for-sale investments	6	可供出售之投資減值	239,773 3,599
Share-based payment expenses for shares issued at discount	6	發行折讓股份之以股份支付費用	— 49,735
Share-based compensation	6	以股份支付之酬金	318,067 —
			724,986 694,142

Consolidated Statement of Cash Flows

綜合現金流量表

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 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Decrease/(increase) in inventories	存貨減少／(增加)	(397,937)	155,336
Decrease in completed properties held for sale	持作銷售用途的竣工物業減少	160,613	96,082
Additions to properties under development	添置在建物業	(1,285)	(78,002)
Increase in accounts and bills receivables	應收賬款及應收票據增加	(1,369,630)	(138,951)
Decrease/(increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項減少／(增加)	(156,653)	280,814
Decrease/(increase) in finance lease receivables	應收融資租賃款項減少／(增加)	258,379	(362,528)
Increase in derivative financial instruments	衍生金融工具增加	—	(67,101)
Increase/(decrease) in accounts and bills payables	應付賬款及應付票據增加／(減少)	1,093,200	(517,039)
Increase in other payables and accruals	其他應付款項及預提費用增加	657,370	38,856
Decrease/(increase) in restricted bank balances	受限制銀行結餘減少／(增加)	(49,079)	10,744
Effect of foreign exchange rate changes, net	匯兌變動之影響淨額	70,906	32,923
Cash generated from operations	經營所得之現金	990,870	145,276
Interest received	已收利息	17,008	19,728
Hong Kong profits tax paid	已繳付香港利得稅	(165)	—
Mainland China income tax paid	已繳付中國大陸所得稅	(111,231)	(129,459)
Net cash flows from operating activities	經營活動所得現金流量淨額	896,482	35,545

Consolidated Statement of Cash Flows
綜合現金流量表

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

	Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
CASH FLOWS FROM INVESTING ACTIVITIES		投資活動的現金流量	
Purchases of items of property, plant and equipment		購入物業、廠房及設備	(571,987) (231,503)
Additions to investment properties		添置投資物業	(628) (78,103)
Proceeds from disposal of items of property, plant and equipment		出售物業、廠房及設備之所得款項	1,483 1,113
Additions to other intangible assets		添置其他無形資產	(49,982) (59,048)
Acquisition of subsidiaries	38	收購附屬公司	(170,278) (496,693)
Disposal of subsidiaries	11, 39	出售附屬公司	— 1,891,334
Proceeds from disposal of investment in a joint venture		出售一間合營企業投資之所得款項	— 22,841
Proceeds from disposal of investment in an associate		出售一間聯營公司投資之所得款項	11,597 —
Proceeds from disposal of available-for-sale investments		出售可供出售之投資之所得款項	142,257 105,798
Dividends received from an joint venture		收取一間合營企業之股息	4,077 4,534
Dividends received from associates		收取多間聯營公司之股息	17,555 4,875
Dividends received from available-for-sale investments		收取可供出售之投資之股息	16,540 8,710
Investments in joint ventures		於合營企業之投資	(20,800) (68,892)
Investments in associates		於聯營公司之投資	(98,896) (8,215)
Investments in available-for-sale investments		可供出售之投資	(263,784) (2,151,889)
Decrease in other receivables		其他應收款項減少	— 217,753
Net cash flows used in investing activities		投資活動所用現金流量淨額	(982,846) (837,385)

Consolidated Statement of Cash Flows

綜合現金流量表

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

	Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
CASH FLOWS FROM FINANCING ACTIVITIES		融資活動的現金流量	
Proceeds from issue of new ordinary shares	34	發行新普通股之所得款項	711,398
Exercise of share options	34	行使購股權	12,787
New bank borrowings		新增銀行貸款	14,858,212
Repayment of bank borrowings		償還銀行貸款	(14,309,093)
Proceeds from issue of corporate bonds		發行公司債券之所得款項	774,997
Repayment of corporate bonds		償還公司債券	–
Interest paid		已付利息	(280,765)
Dividends paid		已付股息	(3,515,317)
Dividends paid to non-controlling shareholders		給予非控股股東之已付股息	(45,723)
Acquisition of non-controlling interests		收購非控股權益	–
Contribution from non-controlling shareholders of subsidiaries		附屬公司非控股股東之出資	17,087
Deemed partial disposal of subsidiaries		視同部分出售多間附屬公司	632,663
Net cash flows from/(used in) financing activities		融資活動所得／(所用) 現金流量淨額	1,046,345 (1,143,754)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		現金及現金等價物增加／(減少)淨額	959,981 (1,945,594)
Cash and cash equivalents at beginning of year		年度初之現金及現金等價物	2,698,158 4,738,228
Effect of foreign exchange rate changes, net		匯兌變動之影響淨額	126,157 (94,476)
CASH AND CASH EQUIVALENTS AT END OF YEAR		年度末之現金及現金等價物	3,784,296 2,698,158
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		現金及現金等價物之結餘分析	
Cash and bank balances	30	現金及銀行結餘	3,735,784 2,654,980
Non-pledged time deposits	30	無抵押定期存款	48,512 43,178
Cash and cash equivalents as stated in the consolidated statement of financial position and the consolidated statement of the cash flows		於綜合財務狀況表及 綜合現金流量表所載之 現金及現金等價物	3,784,296 2,698,158

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

Digital China Holdings Limited (the "Company") is a limited liability company incorporated in Bermuda. The head office and principal place of business of the Company is located at Suite 2008, 20/F., Devon House, Taikoo Place, 979 King's Road, Quarry Bay, Hong Kong.

During the year, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- provision of information technology ("IT") services, including systems integration, technical service, application software development, agricultural informatisation, sale of financial specified equipment, etc.
- provision of supply chain services, including e-commerce supply chain services, logistics services, maintenance services, etc.
- provision of all-encompassing Sm@rt City services (including internet based integrated IT platform construction and operation) and institutional financial services (including micro-credit loan, leasing, factoring, etc.)

1. 公司及集團資料

Digital China Holdings Limited (神州數碼控股有限公司) (「本公司」)乃一間於百慕達註冊成立之有限公司。本公司之總辦事處及主要營業地點位於香港鰂魚涌英皇道979號太古坊德宏大廈20樓2008室。

於本年度內，本公司及其附屬公司 (統稱「本集團」)從事以下主要業務：

- 提供資訊科技(「IT」)服務，包括系統集成、技術服務、應用軟件開發、農業信息化、銷售金融專用設備等
- 提供供應鏈服務，包括電商供應鏈服務、物流服務、維保服務等
- 提供全方位的智慧城市運營服務(包括基於互聯網全方位IT平台建設及運營)及機構性金融服務(包括小貸、租賃、保理等)

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記 及業務地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比	Principal activities 主要業務	
				Direct 直接	Indirect 間接
Digital China (BVI) Limited 神州數碼有限公司	British Virgin Islands 英屬維爾京群島	US\$5,125 5,125美元	100	—	Investment holding 投資控股
Digital China Limited 神州數碼有限公司	Hong Kong 香港	HK\$2 港幣2元	—	100	Investment holding 投資控股
E-Olympic International Limited 神州數碼網絡有限公司*	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Holding of trademarks 持有商標
Digital China Networks, Ltd. 神州數碼網絡有限公司^	British Virgin Islands 英屬維爾京群島	US\$10,000,000 10,000,000美元	—	100	Investment holding 投資控股
Grace Glory Enterprises Limited 輝煌企業有限公司	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding 投資控股
Instant Technology Logistics Limited* 深圳科捷物流有限公司	PRC/Mainland China 中國/中國大陸	RMB100,000,000 人民幣100,000,000元	—	100	Provision of logistics services 提供物流服務
Talent Gain Developments Limited 神州數碼有限公司	British Virgin Islands 英屬維爾京群島	US\$1 1美元	—	100	Investment holding 投資控股
Power Gateway Limited 神州數碼軟件有限公司*	British Virgin Islands 英屬維爾京群島	US\$100 100美元	—	100	Investment holding 投資控股
Digital China Software Limited** 神州數碼軟件有限公司*	PRC/Mainland China 中國/中國大陸	US\$200,000,000 200,000,000美元	—	100	Investment holding 投資控股

1. 公司及集團資料(續)

有關附屬公司之資料

本公司之主要附屬公司詳情如下：

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1. CORPORATE AND GROUP INFORMATION
(CONTINUED)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記 及業務地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比	Principal activities 主要業務	
				Direct 直接	Indirect 間接
Digital China Xi'an Industrial Co., Limited ⁺ 西安神州數碼實業有限公司	PRC/Mainland China 中國／中國大陸	RMB800,000,000 人民幣800,000,000元	—	100	Development and construction of Science and Technology Park 科技產業園的開發及建設
Digital China (Nanjing) Information and Technology Park Limited ⁺ 神州數碼(南京)信息科技有限公司	PRC/Mainland China 中國／中國大陸	HK\$367,000,000 港幣367,000,000元	—	100	Development and construction of Science and Technology Park 科技產業園的開發及建設
Tianjin Digital China Financing Lease Co., Ltd. ⁺ 天津神州數碼融資租賃有限公司	PRC/Mainland China 中國／中國大陸	US\$30,000,000 30,000,000美元	—	100	Finance lease business 融資租賃業務
Cellular Investments Limited 鴻健投資有限公司	Hong Kong 香港	HK\$1 港幣1元	—	100	Investment holding 投資控股
Digital China Sm@rt City (Chongqing) Operations Services Limited ⁺ 智慧神州(重慶)運營服務有限公司	PRC/Mainland China 中國／中國大陸	RMB200,000,000 人民幣200,000,000元	—	100	Operation of Sm@rt City Platform 智慧城市平台運營
Beijing Internware Company Limited ⁺ 北京因特睿軟件有限公司	PRC/Mainland China 中國／中國大陸	RMB23,076,924 人民幣23,076,924元	—	60	Data integration and management software sales 數據集成及管理軟件銷售
Digital China Information Service Company Ltd. ("DCITS") 神州數碼信息服務股份有限公司 〔神州信息〕	PRC/Mainland China 中國／中國大陸	RMB963,431,273 人民幣963,431,273元	—	40.43*	Systems integration services, application software development, maintenance and outsourcing, consultancy and training services 系統集成服務、應用軟件開發、保養及外包服務、諮詢及培訓服務

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

1. 公司及集團資料(續)

有關附屬公司之資料(續)

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記 及業務地點	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity attributable to the Company 本公司應佔權益百分比	Principal activities 主要業務	
				Direct 直接	Indirect 間接
Digital China Jinxin Technology Co., Ltd. ⁺ 神州數碼金信科技股份有限公司	PRC/Mainland China 中國／中國大陸	RMB200,000,000 人民幣200,000,000元	—	40.43**	Sales of financial specialised equipment 金融專用設備銷售
Beijing Zhongnong Xinda Information Technology Limited ⁺ 北京中農信達信息技術有限公司	PRC/Mainland China 中國／中國大陸	RMB5,000,000 人民幣5,000,000元	—	40.43**	Surveying service software sales 測繪服務軟件銷售
Digital China Advanced Systems Limited 神州數碼集成系統有限公司	Hong Kong 香港	HK\$531,750,000 港幣531,750,000元	—	40.43**	Systems integration services 系統集成服務
Nanjing Howso Technology Co., Ltd. ⁺ ("Howso Technology") 南京華蘇科技有限公司 (「華蘇科技」)	PRC/Mainland China 中國／中國大陸	RMB102,340,000 人民幣102,340,000元	—	40.39***	Network optimisation services 網絡優化服務

⁺ The English names of these companies are direct transliterations of their Chinese registered names.

⁺ 該等公司之英文名稱及直譯自註冊登記之中文名稱。

[^] The Company name is the trade name but not the original name of the Company.

[^] 該公司之中文名稱乃貿易名稱，並非其正式名稱。

^{*} Registered as wholly-foreign-owned enterprises under PRC law.

^{*} 根據中國法律註冊登記為全外資企業。

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1. CORPORATE AND GROUP INFORMATION (CONTINUED)

Information about subsidiaries (Continued)

- * Digital China Information Service Company Ltd., a Shenzhen listed company, is accounted for as a subsidiary of the Group even though the Group has only a 40.43% equity interest in this company based on the factors explained in notes 3 and 37 to the financial statements.
- ** These companies are wholly-owned subsidiaries of Digital China Information Service Company Ltd. and, accordingly, are accounted for as subsidiaries by virtue of the Company's control over them.
- *** Howso Technology is 99.90%-owned subsidiary of Digital China Information Service Company Ltd. and, accordingly, is accounted for as a subsidiary by virtue of the Company's control over it.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Except for Digital China Limited, Cellular Investments Limited and Digital China Advanced Systems Limited, the statutory audits for the above subsidiaries were not performed by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

1. 公司及集團資料(續)

有關附屬公司之資料(續)

- * 神州數碼信息服務股份有限公司為深圳上市公司，雖本集團只擁有該公司的40.43%股權，惟根據此財務報表附註3及37解釋之因素，因此該公司乃作為本集團的附屬公司。
- ** 該等公司為神州數碼信息服務股份有限公司的全資擁有附屬公司，因此，鑑於本公司對該等公司之控制權，該等公司乃作為附屬公司入賬。
- *** 華蘇科技為神州數碼信息服務股份有限公司擁有99.90%之附屬公司，因此，鑑於本公司對該公司之控制權，該公司乃作為附屬公司入賬。

董事認為上表所載之本公司附屬公司對本集團本年度之業績有重大影響或佔本集團資產淨值之重大部份。董事認為倘列出其他附屬公司資料，將使篇幅過於冗長。

除神州數碼有限公司、鴻健投資有限公司及神州數碼集成系統有限公司外，上述附屬公司並非由香港安永會計師事務所或安永會計師事務所其他全球網絡成員所審核。

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties and certain equity investments which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

2.1 呈報基準

此等財務報表乃按照由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（「香港財務報告準則」）（當中包括香港財務報告準則、香港會計準則（「香港會計準則」）及其詮釋）、香港公認會計原則及香港公司條例之披露規定而編製。此等財務報表乃按照歷史成本原則編製，惟投資物業及若干權益性投資乃按照公平價值計算。此等財務報表以港幣元列示，而除另有說明外，所有價值均調整至最接近之千位數。

綜合基準

此綜合財務報表包括本集團截至二零一七年十二月三十一日止年度的財務報表。附屬公司為本公司直接或間接控制的實體（包括結構性實體）。當本集團承擔或有權通過參與投資對象的業務獲得可變回報，以及有能力透過對投資對象的權力（即賦予本集團現有能力主導投資對象相關活動的既存權利）而影響該等回報時，則獲得控制權。

倘本公司直接或間接擁有少於投資對象大多數的投票或類似權利，則本集團於評估其是否擁有對投資對象的權力時，會考慮一切相關事實及情況，包括：

- (a) 與投資對像其他投票持有人的合約安排；
- (b) 其他合約安排所產生的權利；及
- (c) 本集團的投票權及潛在投票權。

31 December 2017 二零一七年十二月三十一日

2.1 BASIS OF PREPARATION (CONTINUED)

Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 呈報基準(續)

綜合基準(續)

附屬公司的財務報表乃就與本公司相同的報告期間採納一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起綜合入賬，並會繼續綜合入賬，直至該等控制權終止之時為止。

即使會導致非控股權益出現虧損結餘，損益及其他全面收益之各組成部份仍會歸屬於本集團之母公司擁有人及非控股權益。所有本集團系內公司間之資產及負債、權益、收入、費用，以及本集團成員公司間交易有關之現金流量，均於綜合賬目時全數抵銷。

倘事實與狀況顯示三項控制權因素中有一種或以上出現變動，則本集團將重新評估其是否仍控制該投資對象。於附屬公司所有權權益的變動(並未喪失控制權)於入賬時列作權益交易。

倘本集團失去對一間附屬公司之控制權，則會終止確認(i)該附屬公司之資產(包括商譽)及負債、(ii)任何非控股權益之賬面值及(iii)計入權益的累計匯兌差額；及確認(i)所收代價之公平價值、(ii)任何獲保留投資之公平價值及(iii)損益賬中任何因此產生之盈餘或虧損。倘本集團直接出售相關資產或負債，先前已於其他全面收益內確認之本集團應佔部份將重新分類為損益或保留溢利(如適用)，及按相同基準規定計算。

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7 *Disclosure Initiative*

Amendments to HKAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*

Amendments to HKFRS 12 *Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12 included in Annual improvements to HKFRSs 2014–2016 Cycle*

2.2 會計政策及披露之變動

本集團編製本年度財務報表時首次採納以下經修訂香港財務報告準則。

修訂之香港會計準則第7號	披露動議
修訂之香港會計準則第12號	就未變現虧損確認遞延稅項資產
香港財務報告準則二零一四年至二零一六年	其他實體權益之披露：對香港財務報告準則第12號範圍之澄清
改善所載修訂之香港財務報告準則第12號	改進所載修訂之香港財務報告準則第12號

上述各項香港財務報告準則之修訂並無對財務報表造成重大財務影響。

各項修訂的性質及影響說明如下：

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements.

The nature and the impact of the amendments are described below:

- (a) Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. Disclosure of the changes in liabilities arising from financing activities is provided in note 40 to the financial statements.

- (a) 修訂之香港會計準則第7號要求實體作出披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金流量產生的變動。於此財務報表附註40內已提供融資活動所產生的負債變動之披露。

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (b) Amendments to HKAS 12 clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have had no impact on the financial position or performance of the Group as the Group has no deductible temporary differences or assets that are in the scope of the amendments.
- (c) Amendments to HKFRS 12 clarify that the disclosure requirements in HKFRS 12, other than those disclosure requirements in paragraphs B10 to B16 of HKFRS 12, apply to 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 that is classified as held for sale or included in a disposal group classified as held for sale. The amendments have had no impact on the Group's financial statements as the Group do not have subsidiaries classified as a disposal group held for sale as at 31 December 2017 and so no additional information is required to be disclosed.

2.2 會計政策及披露之變動 (續)

- (b) 雖然修訂之香港會計準則第12號釐清實體於評估是否有應課稅溢利可用作抵扣可扣減暫時差異時，需要考慮稅務法例是否對於可扣減暫時性差異轉回時可用作抵扣的應課稅溢利的來源有所限制。此外，該等修訂就實體應如何釐定未來應課稅溢利提供指引，並解釋應課稅溢利可包括收回超過賬面值的部分資產的情況。因本集團並沒有在該等修訂範圍內可扣減的暫時性差異，該等修訂對本集團的財務狀況及表現並無影響。
- (c) 修訂之香港財務報告準則第12號釐清香港財務報告準則第12號之披露規定(香港財務報告準則第12號第B10至B16段之披露規定除外)適用於實體於附屬公司、合營企業或聯營公司的權益，或其於分類為持作出售或列於分類為持作出售的出售組別的合營企業或聯營公司的權益。因於二零一七年十二月三十一日本集團並無附屬公司分類為持作出售之出售組別及無額外資料需要被披露，該等修訂對本集團的財務報表並無影響。

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions¹</i>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts¹</i>
HKFRS 9	<i>Financial Instruments¹</i>
Amendment to HKFRS 9	<i>Prepayment Features with Negative Compensation²</i>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture⁴</i>
HKFRS 15	<i>Revenue from Contracts with Customers¹</i>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers¹</i>
HKFRS 16	<i>Leases²</i>
HKFRS 17	<i>Insurance Contracts³</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures²</i>
Amendments to HKAS 40	<i>Transfers of Investment Property¹</i>
HK(IFRIC)-Int 22	<i>Foreign Currency Transaction and Advance Consideration¹</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments²</i>
<i>Annual Improvements 2014-2016 Cycle</i>	Amendments to HKFRS 1 and HKAS 28 ¹
<i>Annual Improvements 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23 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 1 January 2021

⁴ Not mandatory effective date yet determined but available for adoption

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並無於此等財務報表內採用以下已頒佈但尚未生效之新頒佈及經修訂之香港財務報告準則。

修訂之香港財務報告	以股份為基礎付款交易的分類及 準則第2號 計量 ¹
修訂之香港財務報告	與香港財務報告準則第4號 準則第4號 保險合約一併應用的香港財務 報告準則第9號金融工具 ¹
香港財務報告準則	金融工具 ¹ 第9號
修訂之香港財務報告	具有負補償的提前還款特性 報告準則第9號
修訂之香港財務報告	投資者與其聯營公司或合營企業 準則第10號及香港 之間的資產出售或貢獻 ⁴ 會計準則第28號 (二零一一年)
香港財務報告準則	客戶合約收入 ¹ 第15號
修訂之香港財務報告	對香港財務報告準則第15號來自 準則第15號 客戶合約收入的澄清 ¹
香港財務報告準則	租賃 ² 第16號
香港財務報告準則	保險合約 ³ 第17號
修訂之香港會計準則	於聯營公司或合營企業之長期 第28號 權益 ²
修訂之香港會計準則	投資物業的轉撥 ¹ 第40號
香港(國際財務報告 詮釋委員會) -	外幣交易及預付代價 ¹
香港(國際財務報告 詮釋委員會) -	詮釋第22號
香港(國際財務報告 詮釋委員會) -	所得稅處理之不確定性 ²
二零一四年至 二零一六年週期之 年度改進	修訂之香港財務報告準則第1號 及香港會計準則第28號 ¹
二零一五年至 二零一七年週期之 年度改進	修訂之香港財務報告準則第3號 號、香港財務報告準則第11號、 香港會計準則第12號及香港 會計準則第23號 ²

¹ 於二零一八年一月一日起或之後開始之年度期間生效

² 於二零一九年一月一日起或之後開始之年度期間生效

³ 於二零二一年一月一日起或之後開始之年度期間生效

⁴ 並未釐定強制性生效日期，但可採納

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Further information about those HKFRSs that are expected to be applicable to the Group is described below. Of those standards, HKFRS 9 and HKFRS 15 will be applicable for the Group's financial year ending 31 December 2018. Whilst management has performed a detailed assessment of the estimated impacts of these standards, that assessment is based on the information currently available to the Group, including expectations of the application of transitional provision options and policy choices. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Group at the time of applying the standards and the transitional provisions and policy options finally adopted.

The HKICPA issued amendments to HKFRS 2 in August 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet an employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group will adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

預期將適用於本集團之該等香港財務報告準則之進一步資料如下。於該等準則中，香港財務報告準則第9號及香港財務報告準則第15號將適用於本集團截至二零一八年十二月三十一日止財政年度。管理層已詳細評估該等準則之預計影響，惟評估乃按本集團現有資料(包括預期應用過渡性條文選擇及選擇政策)作出。採納後的實際影響可能與下述者有別，視乎本集團於應用該等準則及過渡性條文以及最終選用的政策時所得額外合理及輔助資料而定。

香港會計師公會於二零一六年八月頒佈的修訂之香港財務報告準則第2號闡述三大範疇：歸屬條件對計量以現金結算以股份為基礎付款交易的影響；為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)的分類；以及對以股份為基礎付款交易的條款及條件作出令其分類由現金結算變為權益結算的修訂時的會計處理方法。該等修訂明確說明計量以權益結算以股份為基礎付款時歸屬條件的入賬方法亦適用於以現金結算以股份為基礎付款。該等修訂引入一個例外情況，在符合若干條件時，為僱員履行與以股份為基礎付款的稅務責任而預扣若干金額的以股份為基礎付款交易(附有淨額結算特質)，將整項分類為以股本結算以股份為基礎付款交易。此外，該等修訂明確說明，倘以現金結算以股份為基礎付款交易的條款及條件有所修訂，令其成為以權益結算以股份為基礎付款交易，該交易自修訂日期起作為以權益結算的交易入賬。採納後，實體無需重述前期，惟倘實體選擇採納所有上述三個主要範疇之修訂並符合其他標準，則可以進行回溯性調整運用。本集團會自二零一八年一月一日起採納該等修訂。該等修訂預期不會對本集團財務報表產生任何重大影響。

Notes to Financial Statements

財務報表附註

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Material equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團會自二零一八年一月一日起採納香港財務報告準則第9號。本集團將不會重列比較資料並且將確認會影響二零一八年一月一日期初權益結餘的任何過渡性調整。於二零一七年，本集團已評估採納香港財務報告準則第9號之影響。涉及分類及計量以及減值規定的預期影響概述如下：

(a) 分類及計量

本集團預期採納香港財務報告準則第9號不會對其金融資產的分類及計量造成重大影響。本集團預期繼續按公平價值計量現時按公平價值持有的所有金融資產。由於該等投資擬於可見未來仍然持有，且本集團預期選擇於其他全面收益呈列公平價值變動，現時持作出售的若干重要股權投資將以按公平價值計入其他全面收益的方式計量。該等投資終止確認時，於其他全面收益表列賬的股權投資收益及虧損不得重新計入損益。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the impairment of trade and other receivables.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

(b) 減值

香港財務報告準則第9號規定，按攤銷成本或公平價值計入其他全面收益的債務工具、應收租賃款項、貸款承諾及並非根據香港財務報告準則第9號按公平價值計入損益的財務擔保合約的減值，須按十二個月基準或可使用年期基準以預期信貸虧損模型入賬。本集團將應用簡化方法，並將根據所有其應收貿易賬款餘下年期內的所有現金差額現值而估計的可使用年期預期虧損入賬。此外，本集團將採用一般方法，並將根據其他應收款項於未來十二個月內可能發生的違約事件估計的十二個月預期信貸虧損入賬。本集團預期採納香港財務報告準則第9號將對應收貿易賬款及其他應收款項之減值無重大影響。

修訂之香港財務報告準則第10號及香港會計準則第28號(二零一一年)針對香港財務報告準則第10號及香港會計準則第28號(二零一一年)之間有關投資者與其聯營公司或合營企業之間的資產出售或注資兩者規定的不一致性。該等修訂規定，當投資者與其聯營公司或合營企業之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及不構成一項業務的資產時，由該交易產生的收益或虧損於該投資者的損益內確認，惟僅以不相關投資者於該聯營公司或合營企業的權益為限。該等修訂即將應用。香港會計師公會已於二零一六年一月剔除修訂之香港財務報告準則第10號及香港會計準則第28號(二零一一年)以往強制生效日期，而新的強制生效日期將於對聯營或合營公司的會計作更廣泛的審查一事完成後予以釐定，然而，該準則可於現時應用。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HKFRS 15, issued in July 2014, establishes a new five-step model account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract assets and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licenses of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in HKFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of HKFRS 15 will not be material and changes in accounting policies, as further explained below, will have no material impact on the Group's financial statements from 2018 onwards. During 2017, the Group has performed a detailed assessment on the impact of the adoption of HKFRS 15.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於二零一四年七月頒佈的香港財務報告準則第15號，建立全新的五步模式，將應用於自客戶合約產生的收入。根據香港財務報告準則第15號，收入確認的金額按能反映實體預期就向客戶轉讓貨物或服務而有權換取的代價金額確認。香港財務報告準則第15號的原則為計量及確認收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括劃分收入總額有關履行責任的資料、合約資產及負債賬目各期間結餘的變動以及主要判斷及估計。該準則將取代香港財務報告準則項下所有現時收入確認的規定。於初次應用該準則時，須全面追溯應用或部分追溯應用。於二零一六年六月，香港會計師公會頒佈修訂之香港財務報告準則第15號解釋採納該等準則的不同實施問題，包括識別履約責任，主人與代理人及知識產權許可有關的應用指引，以及準則採納的過渡。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時能更加一致地應用及降低應用有關準則的成本及複雜性。本集團計劃採納香港財務報告準則第15號之過渡性條文，以確認初始採納之累計影響為對於二零一八年一月一日之期初保留盈利結餘之調整。此外，本集團計劃僅對尚未於二零一八年一月一日前完成之合約應用該等新規定。本集團預期於初始採納香港財務報告準則第15號後於二零一八年一月一日作出之過渡性調整將並不重大，並且，誠如下文進一步闡釋，會計政策之預期變動將不會對本集團自二零一八年起之財務報表造成重大影響。於二零一七年內，本集團已就採納香港財務報告準則第15號之影響進行詳盡評估。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

The Group's principal activities consist of provision of IT services, supply chain services, internet based integrated IT platform construction and operation services and institutional financial services. The expected impacts arising from the adoption of HKFRS 15 on the Group are summarised as follows:

(a) Contracts with multiple performance obligations

The Group provide systems integration, technical service, application software development, and internet based integrated IT platform construction and operation service to customers. Certain contracts of these services comprise a variety of performance obligations including, but not limited to, delivery of goods and provision of services including transportation, development, installation, training and maintenance. HKFRS 15 requires the Group to evaluate the separability of the multiple performance obligations based on whether they are "distinct", and allocate the transaction price to each performance obligation in the contract on a relative stand-alone selling price basis. The Group does not expect that the adoption of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised based on the existing business model and contract terms of the Group as at 31 December 2017.

(b) Contracts with significant financing component

The Group provide IT services and internet based integrated IT platform construction and operation services to customers. For contract where the period between the payment by the customer and the transfer of the promised service exceeds one year, the transaction price is adjusted for the effects of a significant financing component. The transaction price is determined by discounting the amount of promised consideration. The Group uses the same discount rate that it would use if it were to enter into a separate financing transaction with the customer. The discount rate reflects the credit characteristics of the borrower in the arrangement. The significant financing component will be recognised as deferred revenue and to be amortised over the contract period and the corresponding amount is yet to be finalised. The Group does not expect that the adoption of HKFRS 15 will have a significant impact on the amount of revenue from provision of IT services and internet based integrated IT platform construction and operation services.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

本集團之主要業務包括提供IT服務、供應鏈服務、基於互聯網全方位IT平台建設及運營服務以及機構性金融服務。採納香港財務報告準則第15號預期對本集團造成之影響概述如下：

(a) 具有多項履約責任之合約

本集團向客戶提供系統集成、技術服務、應用軟件開發及基於互聯網全方位IT平台建設及運營服務。該等服務之若干合約包括各式各樣的履約責任，包括但不限於交付貨品及提供服務，包括運輸、開發、安裝、培訓及維護。香港財務報告準則第15號規定本集團按照多項履約責任是否「不同」而評核其是否可予區分，並按相對獨立售價基準向合約中各項履約責任分配交易價格。本集團預期採納香港財務報告準則第15號將不會對按照本集團於二零一七年十二月三十一日之現行業務模式及合約條款確認收入之時間及金額造成重大影響。

(b) 具有重大融資部分之合約

本集團向客戶提供IT服務及基於互聯網全方位IT平台建設及運營服務。就客戶付款與轉移已承諾服務之間為期超過一年之合約而言，交易價格乃就重大融資部分之影響調整。交易價格乃藉折現已承諾代價金額而釐定。本集團使用倘其與客戶訂立獨立融資交易所使用之相同折現率。該折現率反映安排中借款人之信貸特性。重大融資部分將會確認為遞延收入，並將於合約期間內攤銷，而相應金額仍有待落實。本集團預期採納香港財務報告準則第15號將不會對來自提供IT服務及基於互聯網全方位IT平台建設及運營服務之收入金額造成重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

(c) Presentation and disclosure

The presentation and disclosure requirements in HKFRS 15 are more detailed than those under the current HKAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in HKFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made on determining the transaction prices of those contracts that include variable consideration, how the transaction prices have been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling price of each performance obligation. In addition, as required by HKFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

HKFRS 16, issued in May 2016, replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and

2.3 已頒佈但尚未生效之香港財務報告準則(續)

(c) 呈列及披露

香港財務報告準則第15號之呈列及披露規定相較現行香港會計準則第18號較為詳盡。呈列規定較現行常規出現重大變動，並將會大幅增加本集團財務報表所需之披露資料數量。香港財務報告準則第15號內之大部分披露規定均屬新增，且本集團已評估部分有關披露規定之影響將屬重大。尤其是，本集團預期財務報表附註將會因披露就釐定該等包含可變代價之合約之交易價格所作出之判斷、如何分配交易價格至履約責任以及就估計各履約責任之獨立售價所作出之假設而有所擴充。此外，按照香港財務報告準則第15號之規定，本集團會將自客戶合約確認之收入分為不同類別，以描述經濟因素如何影響收入及現金流量的性質、金額、時間及不確定性。其亦將披露有關分類收入披露資料與就各呈報分部披露之收入資料之間的關係之資料。

於二零一六年五月頒佈的香港財務報告準則第16號，取代香港會計準則第17號租賃、香港(國際財務報告詮釋委員會) – 詮釋第4號釐定安排是否包括租賃、香港(準則詮釋委員會) – 詮釋第15號經營租賃 – 優惠及香港(準則詮釋委員會) – 詮釋第27號評估涉及租賃法律形式交易的實質。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免 – 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債(即租賃負債)及代表可使用相關資產的權利為資產(即有使用權資產)。除非有使用權資產符合香港會計準則第40號投資物業的定義或涉及應用重估模型的物業、廠

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Leasees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 on 1 January 2019 and is currently assessing the impact of HKFRS 16 upon adoption and is and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 42(b) to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately HK\$259,077,000. Upon adoption of HKAS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

房及設備類別，有使用權資產其後按成本值減累計折舊及任何耗蝕虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。出租人可選擇以全面追溯應用或部分追溯應用方式應用該準則。本集團預期自二零一九年一月一日起採納香港財務報告準則第16號。本集團現正評估採納香港財務報告準則後的影響，且正考慮會否選擇利用現有可行權宜方式，以及將會採用的過渡方式及寬免。誠如財務報表附註42(b)所披露，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應付的未來最低租金總額約為港幣259,077,000元。採納香港會計準則第16號後，當中所列部分金額或需確認為新有使用權資產及租賃負債。然而，本集團需作進一步分析，以確定將予確認的新有使用權資產及租賃負債，包括但不限於涉及低價值資產租賃及短期租賃的金額、所選其他可行權宜方式及寬免以及採用該準則日期前訂立的新租賃。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

Amendments to HKAS 40, issued in April 2017, clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to the changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at the date that it first applies the amendments and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application is only permitted if it is possible without the use of hindsight. The Group expects to adopt the amendments prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

HK(IFRIC)-Int 22, issued in June 2017, provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於二零一七年四月頒佈的修訂之香港會計準則第40號，是為釐清當投資物業(由包括在建物業發展中物業)轉入或轉出時，該等修訂訂明用途變更將包括該物業是否符合或不再符合投資物業定義的評估；及物業用途已變更的輔助證明。該等修訂應於改變用途發生時或於實體首次應用該等修訂時的年度報表時段開始時期後應用。實體應重新評估於首次應用該等修訂時所持有的物業分類；及如適用應重分類物業以反映該日所存在的情況。當不需使用事後資料時，追溯應用才可被應用。本集團預期該等修訂於二零一八年一月一日或以後開始的年度期間生效。本集團預期該等修訂將不會對本集團的財務報表有重大影響。

於二零一七年六月頒佈的香港(國際財務報告詮釋委員會)－詮釋第22號，就如何於應用香港會計準則第21號於實體以外幣收取或支付預付代價並確認非貨幣資產或責任之情況釐定交易日期提供指引。該詮釋澄清為確定初始確認相關資產、使用費用或收益(或其部分)時所使用匯率目的之交易日期乃為實體初始確認非貨幣性資產(如預付款項)或由預付代價之支付或收取產生之非貨幣負債(如遞延收入)之日期。倘確認有關項目有多項預付款項或預收款項，則實體必須確定每項預付款項或預收款項之交易日期。實體可以全面回溯基準或以事前基礎應用該詮釋，由實體首次應用詮釋之報告期開始時起或實體首次應用詮釋之報告期之財務報表內呈列作為比較資料所提供之前一報告期開始時起。本集團預期將於二零一八年一月一日起事前採納該詮釋。該等修訂預期不會對本集團財務報表造成重大影響。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HK(IFRIC)-Int 23, issued in July 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

於二零一七年七月頒佈的香港(國際財務報告詮釋委員會)－詮釋第23號，闡述當處理稅務涉及影響應用香港會計準則第12號之不確定性(俗稱「不確定稅務狀況」)時之(即期及遞延)所得稅之會計處理。該詮釋不適用於香港會計準則第12號範圍以外之稅項或徵費，亦不具體包括與不確定稅務處理相關之利息及罰款之規定。該註釋具體針對(i)實體是否分開考慮不確定稅務處理；(ii)主體對稅務機關審查稅務處理所作假設；(iii)實體如何釐定應課稅利潤或稅項虧損、稅基、未動用稅項虧損、未動用稅項抵免及稅率；及(iv)實體如何考慮事實及情況之變化。該詮釋應以全面回溯並不使用後見之明或連同應用之累積影響(作為初次應用之日期之期初股本之調整項目)回溯地回溯地應用，並無須重述比較資料。本集團預期將於二零一九年一月一日起事前採納該等詮釋。該等修訂預期不會對本集團財務報表造成重大影響。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 主要會計政策概要

於聯營公司及合營企業之投資

聯營公司指本集團在其中持有一般不少於20%股本投票權的長期權益、並且能對其行使重大影響力的實體。重大影響力指參與投資對象財政和營運決策的權力，非指對於該等決策的控制或共同控制權。

合營企業指對安排擁有共同控制權的合營方對合營企業的淨資產擁有權利的共同安排。共同控制權指通過訂立合同議定共用對安排的控制權，只有在相關活動的決策需要共用控制權各方一致同意的情況下，此項權利才會存在。

本集團於聯營公司及合營企業之投資乃根據權益會計法按本集團應佔淨資產減任何減值虧損於綜合財務狀況表列賬。

對於可能存在不一致的會計政策已作出調整，以使其一致。

本集團應佔聯營公司及合營企業的收購後業績及其他全面收益，分別計入綜合損益表及或綜合其他全面收益表。此外，倘若聯營公司或合營企業權益直接確認變更，本集團在適用情況下，在綜合權益變動表確認本集團對任何變更的應佔部分。本集團與其聯營公司或合營企業之間的交易而產生的未實現損益在本集團的於聯營公司或合營企業之投資中抵銷，除非未實現虧損提供證明所轉讓資產出現減值外。於收購聯營公司或合營企業所產生之商譽將列為本集團的於聯營公司或合營企業之投資之一部份。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates and joint ventures (Continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair value of assets transferred by the Group, liabilities assumed 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at the fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

2.4 主要會計政策概要(續)

於聯營公司及合營企業之投資(續)

倘於聯營公司之投資成為於合營企業之投資，反之亦然，則保留權益不重新計量。該投資仍繼續採用權益法列賬。在所有其他情況下，直至失去在聯營公司的重大影響力或在合營企業的共同控制權，本集團需按公平價值計量及確認其任何保留投資。在直至失去在重大影響力或共同控制權的聯營公司及合營企業之賬面值及保留投資之公平價值之間的任何差異，以及出售之款項均確認為收益或虧損。

當聯營公司及合營企業投資列為持有出售時，入賬需遵照香港財務報告準則第5號持作出售非流動資產及非持續經營業務處理。

業務合併及商譽

業務合併乃按購買法入賬。轉讓之代價乃按收購日期之公平價值計量，該公平價值為本集團轉讓之資產於收購日期之公平價值、本集團自被收購方之前任擁有人承擔之負債，及本集團發行以換取被收購方控制權之股權之總和。於各業務合併中，本集團選擇是否以公平價值或按比例分佔被收購方可識別淨資產，計算於被收購方屬現時擁有權權益並賦予其持有人權利於清盤時按比例分佔淨資產之非控股權益。非控股權益之所有其他部份乃按公平價值計量。收購所產生之相關成本乃列為開支。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

當本集團收購業務時，須根據合約條款、收購日期之經濟環境及相關條件對涉及之金融資產及承擔之金融負債進行評估，併合理分類及確認，其中包括將內嵌式衍生工具與被收購方之主合約分開。

倘業務合併分階段進行，先前持有之股權乃收購日期之公平價值重新計量，而由此產生之收益或虧損於損益內確認。

由收購方將予轉讓之任何或然代價於收購日期按公平價值確認。分類為金融工具一項資產或負債之或然代價乃按公平價值計量，而公平價值變動於損益確認。分類為權益之或然代價並無重新計量，而其後結算計入權益內。

商譽初時按成本值計量，即已轉讓總代價、已確認非控股權益及本集團先前由持有的被收購方股權的公平價值總額，超逾與所收購可識別資產淨值及所承擔負債的差額。倘總代價及其他項目低於所收購資產淨值的公平價值，於評估後其差額將確認於損益為議價收購收益。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

2.4 主要會計政策概要(續)

業務合併及商譽(續)

於初步確認後，商譽乃以成本值減任何累計減值虧損計量。每年均會測試商譽是否出現減值，或倘有事件或情況變動顯示賬面值可能減值時，則作出更頻密的審閱。本集團於每年十二月三十一日就其商譽進行減值測試。就減值測試而言，於業務合併收購的商譽將自收購日期起，分配至預期受惠於合併的協同效益的本集團各現金產生單位或一組現金產生單位，不論本集團的其他資產或負債是否獲分配至該等單位或該組單位。

減值乃以評估與商譽有關的現金產生單位(一組現金產生單位)的可收回款額而釐定。倘現金產生單位(一組現金產生單位)的可收回款額低於賬面值，則會確認減值虧損。就商譽確認的減值虧損不可於其後期間撥回。

倘商譽已予分配至現金產生單位(或一組現金產生單位)的一部分而該單位的部分業務被出售，則與被出售業務有關的商譽會於釐定出售業務盈虧時計入該業務的賬面值內。在此情況下出售的商譽乃根據被出售業務的相關價值及所保留的部分現金產生單位來計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement

The Group measures its investment properties and certain equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要(續)

公平價值計量

本集團於各報告期末對其投資物業及若干權益投資的公平價值作出計量。公平價值為於計量日期市場參與者間進行的有序交易中出售資產所收取或轉移負債支付的價格。公平價值計量，乃基於出售資產或轉移負債的交易於資產或負債的主要市場進行，或在未有主要市場的情況下，則於資產或負債的最有利市場進行的假設。主要或最有利市場必須為本集團可進入的市場。資產或負債的公平價值乃基於市場參與者為資產或負債定價時所採用的假設計量，並假設市場參與者乃依照其最佳經濟利益行事。

非金融資產的公平價值計量需考慮市場參與者透過以最大限度使用該資產達致最佳用途、或透過將資產售予將以最大限度使用該資產達致最佳用途的另一名市場參與者而產生經濟利益的能力。

本集團使用適用於不同情況且具備足夠可用數據以計量公平價值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | |
|---------|---|
| Level 1 | – based on quoted prices (unadjusted) in active market for identical assets or liabilities |
| Level 2 | – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lower level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要(續)

公平價值計量(續)

於財務報表計量或披露的公平價值的所有資產及負債，均根據對公平價值計量整體而言屬重大的最低級別輸入數據在下述公平價值等級進行分類：

- | | |
|-----|---|
| 等級一 | – 基於相同資產或負債在活躍市場的報價(未經調整) |
| 等級二 | – 基於可獲得可直接或間接觀察得到的公平價值計量相關最低級別輸入數據的估值方法 |
| 等級三 | – 基於無法觀察得到公平價值計量相關最低級別輸入數據的估值方法 |

就經常於財務報表確認的資產與負債而言，本集團於各報告期末時，根據與整體公平價值計量相關的最低級別輸入數據，重新評估分類，釐定等級中各個級別間是否出現轉移。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, properties under development, completed properties held for sale, deferred tax assets, financial assets, investment properties and a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expenses categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises.

2.4 主要會計政策概要(續)

非金融資產減值

倘若出現任何減值跡象，或當有需要每年為一項資產(存貨、在建物業、持作銷售用途的竣工物業、遞延稅項資產、金融資產、投資物業及持作出售之出售集團除外)進行減值測試，則會估計資產之可收回款額。除非資產產生之現金流量大部份不能獨立於其他資產或多項資產所產生之現金流量(在此情況下，可收回款額按資產所屬之現金產生單位釐定)，則資產之可收回款額為資產或現金產生單位之使用價值或其公平價值減出售成本(以較高者為準)，並按個別資產釐定。

僅當資產賬面值超過其可收回款額時，方會確認減值虧損。於評估使用價值時，估計日後現金流量按反映當時市場評估之貨幣時間價值及資產特定風險之稅前折現率折現至現值。減值虧損乃於產生期間內自損益表中與已減值資產功能一致的開支類別內扣除。

於每個報告期末均會進行評估，以確定是否有跡象顯示過往確認之減值虧損不再存在或可能已經減少。倘出現任何該等跡象，將對可收回款額作出估計。除商譽外，僅於釐定資產之可收回款額之估計出現變動時，該資產於先前已確認之減值虧損方可撥回，惟數額不得超過有關資產於過往年度在無確認減值虧損之情況下而釐定之賬面值(扣除任何折舊／攤銷)。撥回減值虧損之數額乃計入其產生期間之損益表內。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person,

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or a parent of the Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

2.4 主要會計政策概要(續)

關連人士

如屬以下情況，任何一方即被視為本集團之關連人士：

(a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：

(i) 控制或共同控制本集團；

(ii) 對本集團有重大影響力；或

(iii) 為本集團或本集團母公司之關鍵管理人員；

或

(b) 倘符合下列條件，即該實體與本集團有關連：

(i) 該實體與本集團屬同一集團之成員公司；

(ii) 一實體為另一實體(或其他實體之母公司、附屬公司或同系附屬公司)之聯營公司或合營企業；

(iii) 該實體與本集團為同一第三方之合營企業；

(iv) 一實體為第三方實體之合營企業，而其他實體為第三方實體之聯營公司；

(v) 該實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related parties (Continued)

(b) (Continued)

- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the assets as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 主要會計政策概要(續)

關連人士(續)

(b) (續)

- (vi) 該實體受(a)所識別人士控制或受共同控制；及
- (vii) 於(a)(i)所識別人士對該實體有重大影響力或屬該實體(或該實體之母公司)之關鍵管理人員；及
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供關鍵管理人員服務。

物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備乃按成本值減累計折舊及任何減值虧損列賬。物業、廠房及設備之成本值包括其購買價及使其達致運作狀態及地點作擬定用途所付出之任何直接成本。

物業、廠房及設備項目投產後所涉及之維修及保養等開支，一般於產生期間自損益表扣除。倘符合確認標準，主要檢查之開支於資產賬面值中資本化為重置成本。倘物業、廠房及設備之重要部份須不時更換，則本集團將該等部份確認為具有特定使用年期之個別資產並相應對其計提折舊。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

If a property occupied by the Group as an owner-occupied property becomes an investment property, any difference at that date between the carrying amount and the fair value of the property up to the date of change in use is accounted for as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Land and buildings	Over the lease terms or 2% to 5%, whichever is shorter
Leasehold improvements	Over the lease terms or 20% to 33%, whichever is shorter
Fixtures and office equipment	10% to 33%
Motor vehicles	10% to 20%

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

當由本集團佔用作自用物業成為投資物業時，賬面值與物業於改變用途當日之公平價值之間的差額計入資產估值儲備之變動。倘儲備總額不足以彌補個別資產之虧絀，則超出虧絀部分將自損益表扣除，而其後任何重估增值最多按先前所扣虧絀之上限計入損益表。資產重估儲備變動至保留溢利的年度轉撥乃按重估資產之賬面值與該資產之成本值折舊間之差額而作出。於出售重估資產時，就先前估值變現之資產重估儲備有關部份將撥入保留溢利作為儲備變動。

折舊乃以直線法按每項物業、廠房及設備之預計可使用年期撇銷其成本值至其剩餘價值計算。所採用之主要折舊年率如下：

租賃土地及樓宇	按租約期間或2%至5%(以較短者為準)
租賃裝修	按租約期間或20%至33%(以較短者為準)
裝置及辦公室設備	10%至33%
汽車	10%至20%

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment and depreciation (Continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要(續)

物業、廠房及設備及折舊(續)

倘物業、廠房及設備項目各部份之可使用年期並不相同，則該項目各部份之成本值或估值將按合理基準分配，而每部份將作個別折舊。

剩餘價值、可使用年期及折舊方法至少於每個財政年度末檢討，在適當情況下加以調整。

當物業、廠房及設備項目包括初步確認之任何重要部份已被出售或估計其使用或出售日後不再產生經濟利益時，則將不再獲確認。於資產不獲確認年度在損益表確認之任何出售或報廢盈虧，乃有關資產之出售所得款項淨額與賬面值間之差額。

在建工程指興建中或安裝中之樓宇及其他固定資產，乃按成本值減任何減值虧損列賬，惟不計提折舊。成本值包括於興建期間內直接建築成本。在建工程於竣工及投用時重新分類為適當之物業、廠房及設備或投資物業類別。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment properties

Investment property comprises completed property and property under construction or re-development. Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment and depreciation" up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under "Property, plant and equipment and depreciation" above. For a transfer from inventories to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

For a transfer from properties under development or completed properties held for sale to investment properties, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the statement of profit or loss.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2.4 主要會計政策概要(續)

投資物業

投資物業包含已完成物業及在建中或重建中物業。投資物業指土地及樓宇權益(包括於物業經營租約之租約權益，且在其他方面符合投資物業定義)，持有作賺取租金收入及／或作資本增值，而非作生產或提供產品或服務之用，或作行政用途；或於日常業務過程中用作銷售者。有關物業首先按成本值(包括交易成本)計量。於初步確認後，投資物業將按公平價值呈列，以反映於報告期末之市況。

投資物業之公平價值變動所產生之盈虧，乃計入其產生年度之損益表內。

將投資物業報廢或出售所產生之任何盈虧，乃於報廢或出售年度之損益表內確認。

倘由本集團佔用作自用物業成為投資物業時，本集團會根據「物業、廠房及設備及折舊」一節所載政策對該物業於改變用途當日作會計處理，以及賬面值與物業之公平價值之間的差額會根據上文「物業、廠房及設備及折舊」一節所載政策計入為一項重估。於存貨轉撥至投資物業時，該當日物業之公平價值與其過去之賬面值之間的差額於損益表確認。

在建物業或持作銷售用途的竣工工作業轉撥為投資物業時，該投資物業於轉撥日的公平價值與先前賬面值價值之差額於損益表予以確認。

無形資產(商譽除外)

獨立收購之無形資產乃於初步確認時按成本值計量。該業務合併中收購之無形資產成本值為於收購日期之公平價值。無形資產之可使用年期分為有限期及無限期。有限可使用年期之無形資產乃後續在其經濟可使用年期內攤銷，並在有跡象顯示該無形資產可能減值時估計減值金額。有限可使用年期之無形資產之攤銷期及攤銷方法最少於每個財政年度末檢討一次。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (other than goodwill) (Continued)

Patents and licences

Purchased patents and licences are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of five years.

Research and development costs

All research costs are charged to the statement of profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over commercial lives of the underlying products not exceeding five years, commencing from the date when the products are put into commercial production.

Systems software

Purchased systems software is stated at cost less accumulated amortisation and any accumulated impairment losses, and is amortised on the straight-line basis over its estimated useful life of ten years.

2.4 主要會計政策概要(續)

無形資產(商譽除外)(續)

專利權及許可證權

購買的專利權及許可證權乃按成本值減任何減值虧損列賬，並按五年預計可使用年期以直線法攤銷。

研究及開發成本

所有研究成本均於產生時自損益表扣除。

開發新產品計劃之開支僅會於符合以下條件下方會資本化及遞延計算：本集團可顯示無形資產為技術上可完成，使其可供使用或出售、有完成之意向及有能力使用或出售有關資產、有關資產如何在日後產生經濟利益、有足夠資源來完成計劃及有能力可靠計算開發期間之開支。不符合上述條件之產品開發開支均於產生時列作開支。

遞延開發成本乃按成本值減任何減值虧損列賬，並根據有關產品之商業壽命(自有關產品投入商業生產之日起計不超過五年)按直線法攤銷。

系統軟件

系統軟件乃按成本值減累計攤銷及任何累計減值虧損列賬，並按直線法在十年之估計可使用年期內攤銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the lessee, other than legal title, are accounted for as finance leases. When the Group is a lessor under finance leases, an amount representing the minimum lease payment receivables and initial direct costs is included in the statement of financial position as a finance lease receivable. The difference between the sum of the minimum lease payment receivables together with initial direct costs and their present value would be recognised as unearned finance income. Unearned finance income is recognised over the period of the lease using the effective interest rate method.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land premiums under operating leases are initially stated at the cost and subsequently recognised on the straight-line basis over the lease terms.

Properties under development

Properties under development are intended to be held for sale after completion.

Properties under development are stated at the lower of cost and net realisable value and comprise land costs, construction costs, borrowing costs, professional fees and other costs directly attributable to such properties incurred during the development period.

Properties under development are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond the normal operating cycle. On completion, the properties are transferred to completed properties held for sale.

2.4 主要會計政策概要(續)

租賃

實質上資產擁有權之絕大部分報酬及風險(法定業權除外)轉移至本集團之租賃列作融資租賃。倘本集團作為融資租賃出租人時，應收最低租賃款額與初始直接成本之款項於財務狀況表列作應收融資租賃款項。應收最低租賃款額及初始直接成本及與其現值之差額確認為未實現融資收益。未實現融資收入在租賃期內採用實際利率法確認。

資產擁有權之絕大部份報酬及風險仍歸於出租人之租賃列作經營租賃。倘本集團為出租人，則本集團根據經營租賃所出租之資產計入非流動資產，而經營租賃下之應收租金則按照租期以直線法計入於損益表內。倘本集團為承租人，則扣除自出租人收取之任何獎勵後之經營租賃下之應付租金按照租期以直線法於損益表內扣除。

經營租賃下之預付土地租賃付款於初步確認時按成本值列賬，而隨後於租期內按直線法確認。

在建物業

在建物業擬於完成後作為持作出售項目。

在建物業按成本與可變現淨值之較低者列賬，包括土地成本、建設成本、借貸成本、專業費及於開發期間產生之有關物業直接應佔之其他成本。

在建物業分類為流動資產，除非相關物業開發項目的建設期預期完工時間超過正常作業週期。於完工時，有關物業轉撥至持作出售之竣工物業。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Completed properties held for sale

Completed properties held for sale are stated at lower of cost and net realisable value. Cost is determined by an apportionment of the total land and buildings costs attributable to unsold properties. Net realisable value is estimated by the directors based on the prevailing market prices, on an individual property basis.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 主要會計政策概要(續)

持作銷售用途的竣工物業

持作銷售用途的竣工物業按成本及可變現淨值的較低者列賬。成本按照未售物業在土地及樓宇的總成本中所佔比例釐定。可變現淨值乃由董事按個別物業根據現行市價估計。

投資及其他金融資產

初步確認及計量

於初步確認時，金融資產分類為按公平價值計入損益之金融資產、貸款及應收款項及可供出售之金融投資，或於有效對沖中被指定為對沖工具之衍生品(如適用)。本集團於初步確認時釐定其金融資產之分類。金融資產於初步確認時以公平價值加購買金融資產時應佔的交易成本計量，按公平價值計入損益之金融資產則除外。

所有一般買賣之金融資產概於交易日(即本集團承諾購買該資產之日期)確認。一般買賣乃指按照一般市場規定或慣例在一定期間內交付資產之金融資產買賣。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by HKAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as other expenses in the statement of profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in the statement of profit or loss. The loss arising from impairment is recognised in the statement of profit or loss in other expenses for receivables.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

後續計量

金融資產之後續計量取決於彼等之分類，如下：

按公平價值計入損益之金融資產

按公平價值計入損益之金融資產包括持作買賣的金融資產。如果購買金融資產的目的是近期出售，則將金融資產分類為持作買賣。衍生品也歸類為持作買賣的金融資產，除非為香港會計準則第39號中定義的被指定為有效對沖工具之衍生品。

按公平價值計入損益之金融資產於財務狀況表中按公平價值列賬，而公平價值之正數變動淨額呈列為其他收入及收益，公平價值之負數變動淨額則於損益表呈列為其他費用。該等公平價值變動之淨額不包括該等金融資產所賺取之任何股息或利息，該等股息或利息乃根據下文「收入確認」所載列之政策予以確認。

貸款及應收款項

貸款及應收款項為具有固定或可確定款額，但並無在活躍市場報價之非衍生金融資產。於初步計量後，該等資產其後用實際利率方法以攤銷成本減任何減值撥備計量。計算攤銷成本時，將考慮任何收購折讓或溢價，並計入屬於實際利率不可分割部份之費用或成本。實際利率攤銷包括於損益表的其他收入及收益內。減值產生之虧損乃於損益表確認為其他費用。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in the statement of profit or loss in other income and gains, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to the statement of profit or loss in other expenses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in the statement of profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售之金融投資

可供出售之金融投資為上市及非上市權益性投資及債務證券之非衍生性金融資產。分類為可供出售之權益性投資指既未被分類為持作買賣亦未指定按公平價值計入損益之權益性投資。此類債務證券擬無限期持有，可因應流動資金需求或市況變動而予以出售。

於初步確認後，可供出售之金融投資後續按公平價值計量，其未變現盈虧於可供出售之投資估值儲備中確認為其他全面收益，直至該投資終止確認，則累計盈虧於損益表確認為其他收入及收益，或直至確定投資出現減值，則累計盈虧由可供出售之投資估值儲備重新分類至損益表中之其他費用。持有可供出售之金融投資所賺取之利息及股息可分別呈報為利息收入及股息收入，並根據下文所載「收入確認」之政策於損益表內確認為其他收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and other financial assets (Continued)

Available-for-sale financial investments (Continued)

When the fair value of unlisted equity investments and wealth management financial products cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to the statement of profit or loss.

2.4 主要會計政策概要(續)

投資及其他金融資產(續)

可供出售之金融投資(續)

當非上市權益性投資及金融產品之公平價值由於(a)合理公平價值估計範圍之變動對該投資而言屬重大或(b)上述範圍內之各種估計概率無法合理評估及使用作估算公平價值，因而無法可靠計算時，該等投資則按成本值減任何減值虧損列賬。

本集團會評估近期將其可供出售之金融資產出售之能力及意向是否仍適當。於罕見之情況下，當本集團因市場不活躍而無法買賣該等金融資產，僅當本集團有意及有能力持有該等資產至可見將來或至到期日時則本集團可選擇將該等金融資產重新分類。

就自可供出售類別重新分類之金融資產而言，重新分類日期之公平值價賬面值為其新攤銷成本，及先前已於權益中確認之該資產任何盈虧乃採用實際利率按該投資之餘下年期於損益中攤銷。新攤銷成本與到期金額間之任何差額亦採用實際利率按該資產之餘下年期予以攤銷。倘若該資產後續被釐定出現減值，則於權益中記錄之金額重新分類至損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the assets. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred assets to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 主要會計政策概要(續)

終止確認金融資產

金融資產(或倘適用，一項金融資產之一部份或一組同類金融資產之一部份)在下列情況下則最初終止確認(即由本集團之綜合財務狀況表中移除)：

- 收取該項資產所得現金流量之權利經已屆滿；或
- 本集團已轉讓其收取該項資產所得現金流量之權利，或根據一項「通過」安排，在未有嚴重延緩協力廠商之情況下，已就有關權利全數承擔支付已收取現金流量之責任，並(a)本集團已轉讓該項資產之絕大部份風險及回報；或(b)本集團並無轉讓或保留該項資產絕大部份風險及回報，但已轉讓該項資產之控制權。

當本集團已轉讓其收取一項資產所得現金流量之權利或訂立一項通過安排，本集團會評估是否已保留該項資產之擁有權之風險及回報以及其程度。當並無轉讓或保留該項資產絕大部份風險及回報，且並無轉讓該項資產之控制權，本集團持續該項轉讓資產將確認入賬，惟以本集團須持續參與為限。於該情況下，本集團亦確認一項相關負債。已轉讓之資產及相關負債乃按反映本集團已保留權利及責任之基準計量。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the assets in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

2.4 主要會計政策概要(續)

金融資產減值

本集團於各報告期末評估是否有客觀跡象顯示一項金融資產或一組金融資產出現減值。倘於初步確認該資產後發生一項或多項事件，且對可合理估計之金融資產或該組金融資產估計未來現金流量產生影響時，才出現減值。減值證據可包括債務人或一組債務人正經歷重大財務困難、拖欠或拖延利息或本息付款、彼等可能會破產或其他財務組織及可觀察數據顯示估計未來現金流量有可計量之減少(例如與拖欠有關之延遲或經濟狀況之變動)。

以攤銷成本值列賬之金融資產就按攤銷成本列賬之金融資產而言，本集團首先會評估個別重大金融資產中是否存在個別減值，或整體評估並非個別重大之金融資產中是否存在減值客觀證據。倘若本集團釐定個別被評估之金融資產中並不存在減值客觀證據，則無論重大與否，其包括一組具有類似信貸風險特徵之金融資產中之資產，並對彼等進行整體減值評估。被個別評估減值且就此減值虧損被或繼續被確認之資產並不包含於整體減值評估。

任何已識別的減值金額按資產的賬面值與估算未來的現金流量(不包括尚未產生的未來信貸損失)的現值之間差額計算。估計未來現金流量之現值以該項金融資產之原有實際利率(即初步確認時計算之實際利率)折現。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Financial assets carried at amortised cost (Continued)

The carrying amount of the assets is reduced through the use of an allowance account and the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in the statement of profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.4 主要會計政策概要(續)

金融資產減值(續)

以攤銷成本值列賬之金融資產(續)

有關資產之賬面值通過使用備抵賬目作出抵減，而有關減值金額於損益表中確認。利息收入於經扣減之賬面值中持續產生，並採用計算減值虧損時用以折現未來現金流量之利率累算。貸款及應收款項連同任何相關撥備在對未來收回再無實際預期及所有抵押品已變現或已轉移至本集團時撇銷。

於隨後期間，倘若估計減值虧損之數額因確認減值後發生之事件而增加或減少，則先前確認之減值虧損可通過調整備抵賬目而增加或減少。倘若撇銷於後來收回，則收回金額計入於損益表內之其他費用。

以成本值列賬之資產

倘有客觀跡象顯示，因無法可靠計量公平價值而未按公平價值列賬之非上市股權工具出現減值虧損，或與該等上市股權工具有關並須以支付該等工具結算之衍生資產出現減值虧損，則虧損金額按該資產之賬面值與預期未來現金流量之現值(按類似金融資產之現行市場回報率折現)之差額入賬。該等資產之減值虧損不予撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of profit or loss, is removed from other comprehensive income and recognised in the statement of profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through the statement of profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要(續)

金融資產減值(續)

可供出售之金融投資

就可供出售之金融投資而言，本集團於每一報告期間末評估是否有客觀證據表明投資或一組投資出現減值。

倘可供出售資產出現減值，則成本值(已扣減任何本金付款及攤銷)與當時公平價值之差額，於扣減任何先前於收益內表確認之減值虧損後，自其他全面收益轉撥至損益表內確認。

就分類為可供出售之股權投資而言，客觀證據將包括投資之公平價值大幅或長期低於其成本值。評估是否屬於「大幅」時，乃與該投資之原成本值比較；而評估是否屬「長期」時，則以公平價值低於其原成本值之期間長短為據。倘有證據顯示出現減值，則按收購成本與當前公平價值之差異並扣除任何先前就該投資於損益表內確認之減值虧損計算之累計虧損，將自其他全面收益轉撥至損益表內確認。分類為可供出售之權益工具之減值虧損不會通過損益表撥回。已計減值後之公平價值之增加直接計入其他全面收益。

釐定何為「大幅」或「長期」須進行判斷。在作出此判斷時，本集團評估(其中包括)一項投資的公平價值低於其成本值的時長或程度。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (Continued)

Available-for-sale financial investments (Continued)

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through the statement of profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include accounts and other payables and interest-bearing bank and other borrowings.

2.4 主要會計政策概要(續)

金融資產減值(續)

可供出售之金融投資(續)

就分類為可供出售之債務工具而言，減值乃以與按攤銷成本列賬之金融資產相同之準則評估。然而，就減值記錄入賬之金額乃按攤銷成本與現時公平價值間之差額計算之累計虧損(減先前就該項投資於損益表確認之任何減值虧損)。未來利息收入乃按資產之經削減賬面值計算，並以於計算減值虧損時用於折現未來現金流量之利率繼續累計。利息收入乃作為部分財務收入入賬。倘債務工具公平價值增加可客觀地與在損益表確認減值虧損後發生之事件相連繫，則債務工具之減值虧損將透過損益表撥回。

金融負債

初步確認及計量

於初步確認時，金融負債分類為按公平價值計入損益之金融負債、貸款及借貸或分類為指定作有效對沖之對沖工具之衍生品(倘適用)。本集團於初步確認時釐定其金融負債分類。

所有金融負債於初步確認時以公平價值計算，及倘為貸款及借貸則須扣除直接應佔交易成本。

本集團之金融負債包括應付及其他賬款及附息銀行及其他貸款。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities (Continued)

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because that specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

Convertible bonds

The component of convertible bonds that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs. On issuance of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long term liability on the amortised cost basis until extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in shareholders' equity, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible bonds based on the allocation of proceeds to the liability and equity components when the instruments are first recognised.

2.4 主要會計政策概要(續)

金融負債(續)

後續計量

金融負債之後續計量取決於彼等之分類如下：

貸款及借貸

於初步確認後，附息銀行及其他貸款後續以實際利率法按攤銷成本計量。若貼現之影響並不重大，則按成本值計量。有關盈虧於負債終止確認時及透過實際利率攤銷程式於損益表內確認。

攤銷成本於計算時已考慮收購事項任何折讓或溢價及屬實際利率不可或缺一部份之費用或成本後計算。實際利率攤銷計入損益表之融資成本內。

財務擔保合約

本集團發出的財務擔保合約為需要支付款項予持有人的合約，以補償持有人因指定債務人未能於到期日按照一項債務工具的條款付款而產生的損失。一份財務擔保合同初步按公平價值並對發出該擔保直接應佔之交易成本進行調整後確認為負債。於初步確認後，本集團按以下兩者中之較高者計量財務擔保合約：(i)於報告期末履行現有義務所需開支之最佳估計金額；及(ii)初步確認之金額減(倘適用)累計攤銷。

可換股債券

展示負債特性之可換股債券部分會於財務狀況表內確認為負債(扣除交易成本)。於發行可換股債券時，負債部分之公平價值乃使用等同非可換股債券之市場利率釐定，而該金額會按攤銷成本基準作為長期負債列賬，直至於兌換或贖回時取消為止。所得款項餘額乃分配至於股東權益內確認及計入之換股權(扣除交易成本)。換股權之賬面值不會於後續年度重新計量。交易成本乃按於首次確認工具時對負債及權益部分作出之所得款項分配，於可換股債券之負債及權益部分之間分攤。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to the statement of profit or loss.

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sales, issue or cancellation of the Group's own equity instruments.

2.4 主要會計政策概要(續)

終止確認金融負債

倘金融負債之義務已履行、取消或屆滿，即終止確認金融負債。

由同一貸款人改以顯著不同條款取代之現有金融負債，或現有負債條款經大幅修訂，則有關轉換或修訂會被視作終止確認原來負債及確認新負債，而有關賬面值間之差異於損益表內確認。

抵銷金融工具

當且僅當現時存在一項可依法強制執行之權利可抵銷已確認之金額，且亦有意以淨額結算或同時變現資產及償付負債之情況下，金融資產與金融負債可相互抵銷，而其淨額列入財務狀況表。

衍生金融工具及對沖會計

初步確認及後續計量

本集團使用衍生金融工具如遠期貨幣合約以對沖其匯率風險。該等衍生金融工具在衍生合約達成時按公平價值進行初步確認，後續則按公平價值重新計量。倘衍生品之公平價值為正數，則以資產列賬，而倘公平價值為負數則以負債列賬。

衍生品公平價值變動所產生之任何盈虧直接計入於損益表內。

庫存股份

本公司或本集團及持有自有權益工具(庫存股份)直接成本於權益中確認。本集團購買、出售、發行或註銷自有權益工具所得虧損不得計入損益表。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs and returns, discounted to their present values as appropriate.

2.4 主要會計政策概要(續)

存貨

存貨乃按成本值及可變現淨值兩者之較低者入賬，成本值乃按加權平均法釐定。可變現淨值則按預計售價減任何完成及出售時所產生之估計成本釐定。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物指手頭現金及活期存款，以及可隨時兌換為已知數額現金而無重大價值變動風險，且一般於取得後三個月內到期之短期高度可變現投資，惟須扣除於要求時償還並為本集團現金管理主要部份之銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行結存，其中包括定期存款及性質與現金類似而無限制用途之資產。

撥備

當因過往事件導致現有法律或推定責任，而日後可能須動用資源履行有關責任，且有關責任所涉數額能可靠估計，則須確認撥備。

當折現的影響重大時，就撥備確認的金額乃指預計在日後履行責任時所需開支於報告期末的現值。由於時間過去導致折現值的金額有所增加，會包括於損益表的融資成本內。

本集團對若干產品提供產品保修而作出的撥備，乃按銷量及過去的維修及退貨情況確認，並在適當的情況下折現至其現值。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.4 主要會計政策概要(續)

所得稅

所得稅包括本期稅項及遞延稅項。涉及於損益以外確認之項目之所得稅於損益以外確認，即於其他全面收益或直接於權益中確認。

流動稅項資產及負債以預期由稅務機關退稅或付給稅務機關之金額計量，基於截至報告期末已執行或實質上已執行之稅率(及稅務法例)，並考慮及本集團經營業務所在國家通行之詮釋及慣例。

遞延稅項乃使用負債法，就於報告期末稅項資產及負債之稅基與其就財務申報目的之賬面值間之所有暫時性差異作出撥備。

遞延稅項負債乃就所有應課稅暫時性差異確認，惟下列者除外：

- 當遞延稅項負債因初步確認商譽或一項交易(並非業務合併)之資產或負債所產生，且於交易進行時並不影響會計溢利及應課稅溢利或虧損；及
- 就於附屬公司、聯營公司及合營企業之投資之應課稅暫時性差異而言，暫時性差異之撥回時間可予控制，且暫時性差異將不會於可見將來撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax (Continued)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right exists to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 主要會計政策概要(續)

所得稅(續)

遞延稅項資產會就所有應扣減暫時性差異、承前未動用稅項資產及任何未動用稅項虧損而加以確認。確認遞延稅項資產限於將來可能有應課稅溢利以抵銷應扣減暫時性差異、可利用承前未動用稅項資產及未動用稅項虧損之情況，惟下列者除外：

- 當遞延稅項資產與初步確認一項交易(並非業務合併)之資產或負債所產生之應扣減暫時性差異有關，且於交易進行時並不影響會計溢利及應課稅溢利或虧損；及
- 就於附屬公司、聯營公司及合營企業之投資之應扣減暫時性差異而言，遞延稅項資產只會在暫時性差異可能於可見將來撥回，及於日後將有可與暫時性差異抵銷之應課稅溢利之情況下，方會確認列賬。

遞延稅項資產之賬面值會於每個報告期末檢討，並減至不再可能有足夠應課稅溢利令全部或部份遞延稅項資產得以動用為止；未確認之遞延稅項資產會於每個報告期末重估，並於可能有足夠應課稅溢利令全部或部份遞延稅項資產得以收回時確認。

遞延稅項資產及負債以預期適用於資產變現或負債清還期間之稅率衡量，根據於報告期末已制定或實際上已制定之稅率(及稅務法例)計算。

僅當本集團有可合法執行權利可將即期稅項資產與即期稅項負債抵銷，且遞延稅項資產與遞延稅項負債與同一稅務當局對同一課稅實體或不同課稅實體於各未來期間預期有大額遞延稅項負債或資產需要結算或清償時，擬按淨額基準結算即期稅務負債及資產或同時變現資產及結算負債之所得稅相關，則遞延稅項資產與遞延稅項負債可予抵銷。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from contract revenue, on the percentage of completion basis, as further explained in the accounting policy for "Contract accounting" below;
- (c) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for "Contracts for services" below;
- (d) from the sale of properties, when the significant risks and rewards of ownership have been transferred to the buyer, which is when the construction work has been completed and the properties have been delivered to the buyer. Deposits and instalments received in respect of properties sold prior to the date of revenue recognition are included in the consolidated statement of financial position under current liabilities;

2.4 主要會計政策概要(續)

政府補貼

倘有合理把握可獲得政府補貼及符合所有附帶條件後，政府補貼乃按公平價值確認。當補貼涉及開支項目，則會於擬用補償的成本支銷的期間有系統地確認為收入。

倘補貼涉及一項資產，則公平價值計入遞延收入賬項，並就有關資產之預期可使用年期內每年按等同金額轉撥至損益表。

收入確認

收入於經濟效益將可能流入本集團及能可靠地計算收入時方按以下基準確認：

- (a) 銷售貨物所得收入乃於所有權之重大風險及回報已轉讓予買方時確認，惟本集團並無參與一般與擁有權有關之管理，亦無售出貨物之有效控制權；
- (b) 合約收入按完工百分比之基準確認，詳情見下文「合約會計」之會計政策；
- (c) 提供服務之收入按完成百分比之基準確認，詳請見下文「服務合約」之會計政策；
- (d) 銷售物業於擁有權的重大風險及回報已轉讓予買家，即於建造工程已完成及物業已交付買家。於收入確認日期前就已售物業所收取的按金及分期付款計入綜合財務狀況表的流動負債項下；

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (Continued)

- (e) rental income, on a time proportion basis over the lease terms;
- (f) finance lease income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the net investment of the finance lease or a shorter period, when appropriate, to the net carrying amount of the net investment of the finance lease;
- (g) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (h) dividend income, when the shareholders' right to receive payment has been established.

Contract accounting

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise equipment and material costs, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price contracts is recognised using the percentage of completion method, measured by reference to the proportion of work completed to date to the estimated total work of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

2.4 主要會計政策概要(續)

收入確認(續)

- (e) 租金收入按以租約年期之時間比例入賬；
- (f) 融資租賃收入按應計基準採用實際利率法，以融資租賃的投資淨額在預計可使用年期期間或更短期間(如適用)估計在日後收取的現金貼現至融資租賃投資淨值的賬面淨值之實際利率確認；
- (g) 利息收入按應計基準採用實際利率法，以將金融工具年期內預期取得之未來現金收入確切地貼現至金融工具賬面淨值之貼現率確認；及
- (h) 股息收入以確立股東可收到該款項的權利為基礎。

合約會計

合約收入包括已訂約之合約價值及適當之更改訂單款、賠償款及獎金。合約成本包括設備及物料成本、分包成本、直接勞工成本及適當比例之非固定和固定費用。

來自固定價值合約之收入使用完工百分比法來確認入賬，而完工百分比則按截至目前之完工部份佔有關合約之估計整項工作之比例計量。

管理層一旦預期有可預見虧損時，將對該等虧損即時作出撥備。倘截至目前之合約成本加已確認溢利減已確認虧損超出進度款額時，超出部份列為應收合約客戶款。倘進度款額超出截至目前之合約成本加已確認溢利減已確認虧損數額時，超出部份列為應付合約客戶款。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

2.4 主要會計政策概要(續)

服務合約

提供服務之合約收入包括協定合約金額。提供服務之成本包括勞工成本及直接參與提供服務人士之其他成本及應佔日常費用。

提供服務之收入按交易完成百分比確認，惟完成之營業收入、產生之成本及估計成本須可靠地計量。完成之百分比參考截至目前產生之成本與交易產生之總成本之比較計算。倘合約之結果無法可靠地計算，則所確認收入僅以合資格收回之開支為限。

管理層一旦預期有可預見虧損時，將對該等虧損即時作出撥備。倘截至目前產生之合約成本加已確認溢利減已確認虧損超出進度額款金額時，超出部份列為應收合約客戶款項。倘進度額款超出截至目前產生之合約成本加已確認溢利減已確認虧損時，超出部份列為付合約客戶款項。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity-settled awards

The Company operates two share option schemes for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments. Further details of the share option schemes are given in note 35(a) to the financial statements.

The Company operates a restricted share award scheme (the "RSA Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. An employee share trust is established and administered by an independent trustee and is funded by the Group's cash contributions. The considerations paid (including any related transaction costs) by the Company to purchase shares of the Company for the RSA Scheme are deducted from equity as an employee share trust. The administrator of the employee share trust purchases the Company's shares in the open market as award shares to employees upon vesting. Upon vesting of the award shares, the corresponding amount in the employee share-based compensation reserve will be transferred to the employee share trust. Further details of the RSA Scheme are given in note 35(b) to the financial statements.

The cost of equity-settled awards with employees for grants after 7 November 2002 is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 35 to the financial statements.

The cost of equity-settled awards is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled awards at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 主要會計政策概要(續)

以股份支付獎勵

本公司實施兩個購股權計劃，以對本集團業務成功作出貢獻之合資格參與者提供激勵與獎勵。本集團僱員(包括董事)以股份支付之方式收取報酬，據此，僱員提供服務作為收取權益工具之代價。購股權計劃之進一步詳情此財務報表附註35(a)。

本公司為了向對本集團業務之成功作出貢獻之合資格參與者提供獎勵及回報而運作受限制股份獎勵計劃(「受限制股份獎勵計劃」)。成立僱員股票基金並由獨立託管人管理，由本集團以現金供款。本公司支付的代價(包括所有相關交易費用)為購入本公司股份作受限制股份獎勵計劃，並於權益項下僱員股票基金內扣除。僱員股票基金託管人於公開市場購買本公司股份作為日後歸屬僱員的獎勵股份。于歸屬獎勵股份時，以股份支付僱員之酬金儲備的相應金額將轉撥至僱員股票基金。受限制股份獎勵計劃之進一步詳情載於此財務報表附註35(b)。

於二零零二年十一月七日後因授出而與僱員進行之以股份支付獎勵之成本，乃參照授出日期之公平價值而計算。公平價值由外聘估值師採用二項式模式確定，進一步詳情載於此財務報表附註35。

以股份支付獎勵之成本在績效及／或服務條件獲得履行之期間，連同相關權益增加一併於僱員部分開支確認。在歸屬日期前，每個報告期未確認之以股份支付獎勵之累計開支，反映歸屬期已到期部份及本集團對最終將會歸屬之權益工具數目之最準確估計。在某一期間內在損益表內之扣除或進賬，乃反映累計開支於期初與期末確認時之變動。

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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity-settled awards (Continued)

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.4 主要會計政策概要(續)

以股份支付獎勵(續)

釐定獎勵的授出日期公平價值並不考慮及服務及非市場表現條件，惟能達成該等條件的可能性則被評定為將最終將歸屬為本集團權益工具數目的最佳估計的一部分。市場表現條件反映於授出日期公平價值內。附帶於獎勵中但並無相關服務要求的任何其他條件視為非歸屬條件。除非有另外的服務及／或表現條件，否則反映非歸屬條件的獎勵公平價值將即時予以支銷。

最終因未能達成非市場績效及／或服務條件而並無歸屬之獎勵，不會確認開支。倘獎勵包括市場或非歸屬條件交易於達成所有其他績效／或服務條件時視為歸屬，不論有否市場或非歸屬條件。

倘若以股份支付之獎勵之條款有所變更，且倘若符合獎勵之原有條款，則起碼要按照未修改條款之情況確認開支。此外，倘若按變更日期計量，任何變更導致以股份支付之總公平價值有所增加，或對僱員帶來其他利益，則應就該等變更確認開支。

倘若以股份支付之獎勵被註銷，應被視為已於註銷日期歸屬，任何尚未就獎勵確認之開支均應立刻確認。此包括未能達成本集團或僱員控制範圍內非歸屬條件之任何獎勵。然而，若授予新獎勵以代替已註銷之獎勵，並於授出日期指定為替代獎勵，則已註銷之獎勵及新獎勵均應被視為原獎勵之變更，一如前段所述。

尚未行使購股權之攤薄效應影響列作計算每股盈利的額外股份攤薄。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, the capitalisation rates ranging from 5% to 6% have been applied to the expenditure on the individual assets.

2.4 主要會計政策概要(續)

退休金計劃

根據強制性公積金計劃條例，本集團為合資格參與定額供款強制性公積金退休福利計劃(「強積金計劃」)之僱員營辦該計劃。供款乃按僱員基本薪金百分比計算，並於根據強積金計劃規定應付時於損益表中扣除。強積金計劃之資產以獨立管理基金形式持有，與本集團其他資金分開管理。本集團之僱主供款於向強積金計劃供款時，即全數撥歸僱員。

本集團於中國大陸經營業務之附屬公司之僱員須參與由中國當地地方政府營辦之中央退休金計劃。供款乃根據參與僱員之薪金百分比計算，並於根據中央退休金計劃規定應付時自損益表中扣除。

借貸成本

收購、興建或生產須經過頗長時間方可用作擬定用途或銷售之合資格資產直接應佔之借貸成本，乃資本化為該等資產之部份成本。倘若該等資產實質上達到其預定可使用或可銷售狀態，則停止將該等借貸成本資本化。特定借貸於等候用於購置合資格資產前用作臨時投資，其投資所得收入乃從資本化之借貸成本中扣除。所有其他借貸成本乃於其產生期間確認為開支。借貸成本包括實體就借貸資金所發生之利息及其他成本。

當資金大致已借入及用作取得合資格資產時，個別資產之開支乃按界乎於5%至6%的資本化比率計算。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to the statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on retranslation of a non-monetary item measured at the fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要(續)

股息

末期股息於股東大會上獲得股東批准後即會確認為負債。

外幣

此等財務報表以港幣元列示，即本公司之功能貨幣。本集團內各公司各自決定其功能貨幣，其財務報表項目均以所定功能貨幣計算。本集團內各公司入賬之外幣交易在初步確認時按交易日各自之功能貨幣匯率記賬。以外幣為計價單位之貨幣資產及負債，按有關功能貨幣於報告期末之匯率再換算。結算或換算貨幣項目產生之匯兌差額均於損益表確認。

結算或換算貨幣項目產生之差額均於損益表確認，惟本集團就海外業務之投資淨額指定為對沖部分的貨幣項目則除外。該等項目將於其他全面收益中確認，直至出售投資淨額為止，屆時累計金額將重新分類至損益表。該等貨幣項目資產的匯兌差額所應佔之稅項開支及抵免亦於其他全面收益中記錄入賬。

按歷史成本計量並以外幣列值之非貨幣項目，採用初步交易日期之匯率換算。按公平價值計量並以外幣列值之非貨幣項目，則採用釐定公平價值日期之匯率換算。重新換算非貨幣項目所產生之收益或虧損及按與確認該項目公平價值變動之盈虧之處理方法一致(即於其他全面收益或損益確認公平價值盈虧之項目之匯兌差額，亦分別於其他全面收益或損益確認)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (Continued)

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the weighted average exchange rates for the reporting period.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.4 主要會計政策概要(續)

外幣(續)

若干海外附屬公司、合營企業及聯營公司之功能貨幣並非港幣元。於報告期末，該等公司之資產及負債會按報告期間末適用之匯率換算為港幣元，而該等公司之損益表則會按該報告期之加權平均匯率換算為港幣元。

由此引致之匯兌差額確認於其他全面收益並於匯兌波動儲備累計。出售海外業務時，有關該海外業務之其他全面收益成份在損益表內確認。

收購海外業務產生之任何商譽及就收購產生之資產及負債賬面值作出的任何公平價值調整將視為海外業務資產及負債處理及按市匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流量會按現金流量產生當日之適用匯率換算為港幣元。海外附屬公司年中經常產生之現金流量會按該年度之加權平均匯率換算為港幣元。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determined whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

3. 重大會計判斷及估計

編製本集團財務報表需要管理層就影響收入、開支、資產及負債之呈報金額，及其隨附披露以及或然負債之披露作出判斷、估計及假設。該等假設及估計之不明朗因素可能導致需要對未來資產或負債之賬面值作出重大調整。

判斷

於應用本集團之會計政策過程中，除涉及估計者外，管理層已作出以下對此財務報表所確認金額構成最重大影響之判斷：

投資物業與自用物業之劃分

本集團釐定一項物業是否符合投資物業之條件，並於作出有關判斷過程中制定有關標準。投資物業乃指持有以賺取租金或資本增值或兼具上述兩者之物業。因此，本集團會考慮物業能否獨立於本集團持有之其他物業而帶來現金流入。部份物業包括持有以賺取租金或資本增值之部份及持作生產或供應貨物或服務或行政用途之部份。倘該等部份可獨立出售或以融資租賃獨立出租，本集團會將該等部份獨立入賬。倘該等部份無法獨立出售，則該物業僅在持作生產或供應貨物或服務或行政用途之部份微不足道之情況下，方會列作投資物業。作出判斷時會個別考量各項物業，以釐定配套設施是否足以令物業未能符合投資物業之條件。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Withholding tax arising from the distribution of dividends
The Group's determination, as to whether to accrue withholding taxes arising from the distributions of dividends by certain subsidiaries according to the relevant tax rules enacted in the jurisdictions, is subject to judgement on the plan of the distributions of dividends.

Deferred taxation on investment properties

For the purposes of measuring deferred tax liabilities arising from investment properties that are measured using the fair value model, the management of the Group has reviewed the Group's investment properties and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time. Therefore, in determining the Group's deferred taxation on investment properties, the directors have determined that the presumption that investment properties measured using the fair value model are recovered through sale is rebutted.

Accordingly, the Group recognises deferred tax in respect of the changes in fair value of the investment properties based on management's best estimate assuming future tax consequences through usage of such properties of rental purpose, rather than through sale. The final tax outcome could be different from the deferred tax liabilities recognised in the consolidated financial statements should the investment properties are subsequently disposed of by the Group, rather than all of the economic benefits embodied in the investment properties are consumed substantially by leasing over time. In the event the investment properties are being disposed of, the Group may be liable to higher tax upon disposal considering the impact of corporate income tax ("CIT") and land appreciation tax ("LAT").

3. 重大會計判斷及估計(續)

判斷(續)

分派股息所產生之預扣稅
本集團就決定是否依照司法管轄區制定之有關稅務規則計算若干附屬公司分派股息所產生之預扣稅時，須對分派股息之計劃作出判斷。

投資物業的遞延稅項

就計量使用公平價值模式計量的投資物業所產生的遞延稅項負債而言，本集團管理層已審閱本集團的投資物業，並認為本集團在一種商業模式下持有投資物業，該商業模式的目的乃為隨時間推移消耗絕大部分包含在投資物業內的全部經濟利益。因此，在釐定本集團投資物業的遞延稅項時，董事已決定推翻透過銷售收回使用公平價值模式計量之投資物業之假設。

因此，本集團根據管理層的最佳估計確認該等投資物業公平價值變動之遞延稅項，假設未來稅務結果乃透過將該等物業用作租賃用途而非出售引致。倘投資物業隨後由本集團出售而非以租賃方式隨時間推移消耗絕大部分包含在投資物業內的經濟利益，則最終的稅務結果將有別於綜合財務報表中確認的遞延稅項負債。若投資物業被出售，鑑於企業所得稅(「企業所得稅」)及土地增值稅(「土地增值稅」)之影響，本集團在出售時可能要承擔較高稅項。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Consolidation of entities in which the Group holds less than a majority of voting rights

The Group considers that it controls DCITS even though it owns less than 50% of the voting rights. This is because the Group is the single largest shareholder of DCITS with a 40.43% (2016: 40.43%) equity interest. Although the Group does not own a majority of the equity interests in DCITS, taking into account the Group's power to participate in the operational and financial activities of DCITS, distribution of key shareholders and their beneficial shareholders as well as historical voting patterns, and the existence of any contractual arrangement among the shareholders and/or their beneficial shareholders, if any, the directors of the Company are of the view that the equity holdings in DCITS are dispersed in a way that other shareholders have not organised and the practical risk to organise their holdings to outvote the Group in the shareholders' meetings of DCITS is remote so that the Group can still exercise more voting power than the minority shareholders. Therefore, the directors of the Company are of the view that the Company has de facto control over DCITS.

3. 重大會計判斷及估計(續)

判斷(續)

合併本集團持有投票權少於大多數的實體

本集團認為，儘管本集團擁有神州信息投票權少於50%，本集團仍對其擁有控制權，理由是本集團是神州信息的單一最大股東，持有40.43% (二零一六年：40.43%) 股權。雖然本集團並不是擁有神州信息之大多數股權，考慮到本集團參與於神州信息之營運及財務活動之權力、關鍵股東及彼等之實益股東的分布及過去的投票模式，以及關鍵股東及／或彼等之受益股東之間存在任何合約安排(如有)，本公司董事認為，神州信息的持股狀況是分散的及彼等控制權組織通過本集團於神州信息股東會議之決議的實際風險較少，因而本集團仍可以行使比少數股東更多的投票權。因此，本公司董事認為本公司對神州信息擁有實質性的控制權。

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Judgements (Continued)

Recognition of employee benefit expense for equity-settled awards compensation costs

The Company operates two share option schemes and the RSA Scheme for the purpose of providing incentives and rewards to employees. The fair values of these equity-settled awards were valued by an external valuer using the binomial model. These valuations require the Company to make estimates about certain key inputs, including the dividend yield, expected volatility, risk-free interest rate and expected life of options, and hence they are subject to uncertainty.

Besides, the grant of share options and restricted share units ("RSUs") is conditional upon the satisfaction of specified vesting conditions, including service periods and performance conditions linked to financial performance measure. Judgement is required to take into account the vesting conditions and adjust the number of RSUs and share options included in the measurement of share-based compensation costs.

The cumulative expense recognised for these equity-settled rewards at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

3. 重大會計判斷及估計(續)

判斷(續)

就以股份支付獎勵報酬成本確認僱員福利開支

本公司有兩個購股權計劃及受限制股份獎勵計劃，其目的在於激勵及獎勵僱員。該等以股份支付獎勵之公平價值乃由外聘估值師透過使用二項式模式進行估值。該等估值要求本公司對若干主要輸入數據作出估計，包括股息收益率、預期波幅、無風險利率及購股權預期年期，因此彼等具有不確定性。

此外，授出購股權及受限制股份（「受限制股份」）的條件是滿足所訂的歸屬條件，包括服務期及與財務表現計量掛鉤之表現條件。在考慮歸屬條件及調整以股份支付之酬金成本計量所包括之受限制股份數目及購股權時，本公司須作出判斷。

於各報告期末直至歸屬日期就以股份支付獎勵所確認之累計開支反映歸屬期屆滿情況，以及本集團對最終歸屬之權益工具數目的最佳估計情況。於某一期間的損益表內扣除或計入之金額為於該期間期初及期末時確認累計開支的變動。最終未有歸屬之獎勵之開支不予確認。

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty

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, are described below.

Impairment assessment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2017 was HK\$2,346,218,000 (2016: HK\$2,195,376,000). Further details are given in note 17 to the financial statements.

Revaluation of investment properties

As disclosed in note 15 to the financial statements, certain investment properties including completed investment properties and investment properties under construction are revalued at the end of the reporting period on an open market, existing use basis by independent professional valuers. These valuations were based on certain assumptions, which are subject to uncertainty and might materially differ from the actual results. In making the judgement, information about current prices in an active market for similar properties is considered and assumptions that are mainly based on market conditions existing at the end of the reporting period are used. The carrying amount of investment properties measured at fair value at 31 December 2017 was HK\$4,102,327,000 (2016: HK\$3,046,367,000). The significant methods and assumptions used by valuers in estimating the fair value of investment properties are set out in note 15 to the financial statements.

Investment properties under construction are measured based on estimates prepared by independent real estate valuation experts, except where such values cannot be reliably determined.

3. 重大會計判斷及估計(續)

不明朗因素估計

下文描述於報告期末有關未來之主要假設及不明朗因素估計之其他主要來源，該等因素有重大風險可能導致於未來財政年度須對資產及負債之賬面值作出重大調整。

商譽減值評估

本集團至少每年一次釐定商譽是否出現減值，就此須對獲分配商譽之現金產生單位之使用價值作出估計。在估計使用價值時，本集團須估計預期現金產生單位未來產生之現金流入，以及選擇合適之貼現率以計算該等現金流入之現值。於二零一七年十二月三十一日的商譽賬面值為港幣2,346,218,000元(二零一六年：港幣2,195,376,000元)。進一步詳情載於此財務報表附註17。

投資物業估值

誠如此財務報表附註15所披露，若干投資物業包括已完成投資物業及在建投資物業。由獨立專業估值師於報告期末按公開市場及現行用途基準重估。該等價值乃根據若干假設進行，而該等假設存在不明朗因素，並可能大幅異於實際結果。於作出判斷時會考慮類似物業在活躍市場中之現行價格資料，並會主要使用於報告期末當日現行市況之假設。於二零一七年十二月三十一日以公平價值計量的投資物業賬面值為港幣4,102,327,000元(二零一六年：港幣3,046,367,000元)。估值師於估計投資物業公平價值所用之重要方法及假設載於此財務報表附註15。

在建投資物業乃根據由獨立房地產估值專家編製的估值來計量，惟非該估值不可以可靠釐定。

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Impairment assessment for accounts and bills receivables
The policy for impairment assessment for accounts and bills receivables of the Group is based on the evaluation of collectability and ageing analysis of accounts and bills receivables and on the judgement of management. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required. Net impairment of accounts and bills receivables of HK\$135,580,000 (2016: HK\$70,720,000) was recognised in the consolidated statement of profit and loss for the year. The carrying amount of accounts and bills receivables as at 31 December 2017 was HK\$5,237,665,000 (2016: HK\$4,003,615,000).

Recognition of contract revenue

The Group recognises revenue according to the percentage of completion of individual contracts. The stage of completion is estimated by reference to the proportion of work completed to date to the estimated total work of the relevant contracts, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in these contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs for each contract as the contract progresses. Where the actual contract revenue is less than estimated or the actual contract costs are more than estimated, a foreseeable loss may arise.

3. 重大會計判斷及估計(續)

不明朗因素估計(續)

應收賬款及應收票據減值評估
本集團之應收賬款及應收票據減值評估政策乃以應收賬款及應收票據可收回性評估及賬齡分析以及管理層之判斷為依據。在評估該等應收賬款及應收票據能否最終變現之過程中須作大量判斷，包括每位客戶之現時信譽及過往收款記錄。倘本集團客戶之財務狀況會惡化，導致其付款能力受損，則可能須作出額外減值。本年度內應收賬款及應收票據減值淨額為港幣135,580,000元(二零一六年：港幣70,720,000元)已在綜合損益表確認。於二零一七年十二月三十一日，應收賬款及應收票據賬面值為港幣5,237,665,000元(二零一六年：港幣4,003,615,000元)。

合約收入的確認

本集團根據個別合約的完工百分比確認收入。管理層按截至目前之完工部份佔有關合約之估計整項工作之比例估計完工百分比，以及估計有關合約收入。鑑於合約中所進行活動性質，進行活動之日及活動完成之日通常會歸入不同的會計期間。故此，本集團會隨著合約進度檢討及修訂各合約的合約收入及合約成本估計。倘實際合約收入小於估計或實際合約成本多於估計，則產生可預見之虧損。

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31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Provision for obsolete inventories

Management reviews the ageing analysis of inventories of the Group and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sales. Management estimates the net realisable value for such inventories based primarily on the latest invoice prices and current market conditions. A considerable amount of judgement is required in assessing the ultimate realisation of these inventories. If the market conditions were to change, resulting in a change in provision for obsolete items, the difference will be recorded in the period it is identified. Provisions for and write-off of obsolete inventories of HK\$50,311,000 (2016: HK\$10,238,000) was recognised in the consolidated statement of profit or loss for the year. The carrying amount of inventories as at 31 December 2017 was HK\$1,221,410,000 (2016: HK\$788,146,000).

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

3. 重大會計判斷及估計(續)

不明朗因素估計(續)

陳舊存貨撥備

管理層會審閱本集團存貨之賬齡分析，並就確定不再適合用作出售之陳舊及滯銷存貨項目計提撥備。管理層主要依據最近期之發票價格及現行市況，估計該等存貨之可變現淨值。在評估該等存貨能否最終變現之過程中須作大量判斷。倘市況會改變，導致其陳舊項目計提撥備改變，則將記錄該期間辨認之差額。本年度內陳舊存貨撥備及撇銷為港幣50,311,000元(二零一六年：港幣10,238,000元)已在綜合損益表確認。於二零一七年十二月三十一日，存貨的賬面值為港幣1,221,410,000元(二零一六年：港幣788,146,000元)。

非金融資產減值(商譽除外)

本集團於每個報告期末評估所有非金融資產有否出現任何減值跡象。非金融資產於有跡象表明其賬面值不可收回時進行減值測試。當某一資產或現金產生單位的賬面值超出其可收回款額(即其公平價值減其出售成本與其使用價值之較高者)時，即存在減值。於計算公平價值減出售成本時，須依據類似資產的具約束力公平銷售交易提供的數據或可予觀察的市價扣減處置該資產所增加的成本。若需計算使用價值，則管理層須估計資產或現金產生單位的預期未來現金流量，以及須選擇合適的折現率，以計算該等現金流量的現值。

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Recognition and allocation of construction costs on properties under development

Development costs of properties are recorded as properties under development during the construction stage and will be transferred to completed properties held for sale upon completion. Apportionment of these costs will be recognised in the statement of profit or loss upon the recognition of the sale of the properties. Before the final settlement of the development costs and other costs relating to the sale of the properties, these costs are accrued by the Group based on management's best estimate.

When developing properties, the Group may divide the development projects into phases. Specific costs directly related to the development of a phase are recorded as the costs of such phase. Costs that are common to phases are allocated to individual phases based on the estimated saleable area of the entire project.

Where the final settlement of costs and the related cost allocation is different from the initial estimates, any increase or decrease in the development costs and other costs would affect the profit or loss in future years.

3. 重大會計判斷及估計(續)

不明朗因素估計(續)

確認及分配在建物業建築成本

物業開發成本於建築階段記錄為在建物業及將於完工後轉撥至待出售之竣工物業。該等成本之分攤將於確認物業出售時於損益表確認。於最終結算開發成本及與物業銷售有關之其他成本前，該等成本由本集團按管理層的最佳估計預提。

當開發物業時，本集團可能將開發項目分階段進行。與某階段開發直接相關之特定成本記錄為該階段成本。各階段共有之成本乃根據整個項目之估計可出售面積而分配至個別項目階段。

倘最終結算成本及相關成本分配與最初估計不同，則開發成本及其他成本的增減會影響未來年度的損益。

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財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Recognition of share-based payment expenses for shares issued at discount

During the year ended 31 December 2016, the Company entered into a subscription agreement with the Company's directors, other employees of the Group and a trust company who held issued shares on behalf of certain management of the Group to issue shares at discount to the then market price of the Company's shares for the purpose to provide them with incentives and rewards for their services rendered to the Group. The difference between the total fair values of the share issued at discount and the total consideration received by the Group is accounted for as share-based payment expenses.

The fair value of these shares issued at discount were valued by an external valuer, taking into account the terms and conditions of these shares as stipulated in the subscription agreement upon which the shares were issued. These valuations require the Company to make estimates about certain key inputs, in particular the liquidity discounts resulting from the lock-up periods of these shares, and hence they are subject to uncertainty.

3. 重大會計判斷及估計(續)

不明朗因素估計(續)

確認按折讓價發行之股份的以股份為基礎支付費用

於截至二零一六年十二月三十一日止年度內，本公司與本公司董事、本集團其他僱員及為本集團若干管理層成員持有認購股份的信託公司訂立認購協議，按本公司股份當時市價之折讓價發行，以向彼等為服務本集團而提供激勵及獎勵。按折讓價發行之股份之總公平價值與本集團收取之總代價差額將計入以股份支付之費用。

該等按折讓價發行之股份由外聘估值師進行估值，並考慮到該等股份按照發行股份時認購協議規定的條款和條件。該等估值要求本公司對若干重要輸入數據進行估算，特別是該等股份在該禁售期間產生之流動性折現，因此它們具不確定性。

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Deferred tax

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. Certain entities of the Group were recognised as "High New Technology Enterprises" in Mainland China and entitled to a preferential corporate income tax rate of 15% for a three-year period. Howso Technology was recognized as "Key Software Enterprise" in national programming and entitled to a preferential corporate income tax rate of 10% for a period from 1 January 2016 to 31 December 2017. Digital China Information System (Yangzhou) Limited+ was recognized as "小型微利企業" in preferential corporate income tax and entitled to a preferential corporate income tax rate of 20% for a period from 1 January 2017 to 31 December 2019. Nanjing Howso Software Co., Ltd.+ was recognized as "小型微利企業" in preferential corporate income tax and entitled to a preferential corporate income tax rate of 20% for a period from 1 January 2016 to 31 December 2017. The tax regulations call for a renewal process after the expiry. For the measurement of deferred tax assets and liabilities, judgement is required to determine whether these entities will continue to meet the criteria of "High New Technology Enterprises" and estimate the tax rates expected to be applied. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised based upon the likely timing and amounts of future taxable profits together with future tax planning strategies. The carrying amounts of deferred tax assets and deferred tax liabilities at 31 December 2017 were HK\$102,354,000 (2016: HK\$68,176,000) and HK\$273,112,000 (2016: HK\$247,522,000), respectively. The amount of unrecognised tax losses and certain deductible temporary differences at 31 December 2017 was HK\$957,019,000 (2016: HK\$550,907,000). Further details are given in note 23 to the financial statements.

+ The English names of these companies are direct transliterations of their Chinese registered names.

3. 重大會計判斷及估計(續)

不明朗因素估計(續)

遞延稅項

遞延稅項以報告期末已頒佈或實質上已頒佈之稅率(及稅務法例)釐定。該等稅率(及稅務法例)預期適用於有關遞延稅項資產變現或遞延稅項負債清還之期間。本集團若干公司於中國大陸獲確認為「高新技術企業」及享有該三年期15%的企業所得稅優惠稅率。華蘇科技被認定為國家佈局內重點軟件企業及享受二零一六年一月一日至二零一七年十二月三十一日的10%的企業所得稅優惠稅率。神州數碼信息系統(揚州)有限公司被認定享受所得稅優惠政策的小型微利企業及享受二零一七年一月一日至二零一九年十二月三十一日的20%的企業所得稅優惠稅率。南京華蘇軟件有限公司被認定享受所得稅優惠政策的小型微利企業及享受二零一六年一月一日至二零一七年十二月三十一日的20%的企業所得稅優惠稅率。稅務條例規定三年期屆滿後須辦理覆審手續。就計量遞延稅項資產及負債而言，須作出判斷以釐定該等公司是否繼續達到「高新技術企業」標準及估計預期將採用的稅率。遞延稅項資產惟僅限於可能有應課稅溢利以對銷暫時差額時才予確認。管理層須根據可能出現未來應課稅溢利的時間及數額連同未來稅務計劃策略作出重大判斷。於二零一七年十二月三十一日，遞延稅項資產及遞延稅項負債之賬面值分別為港幣102,354,000元(二零一六年：港幣68,176,000元)及港幣273,112,000元(二零一六年：港幣247,522,000元)。於二零一七年十二月三十一日，未確認稅項虧損及若干可扣減暫時性差額為港幣957,019,000元(二零一六年：港幣550,907,000元)。進一步詳情載於此財務報表附註23。

+ 該等公司之英文名稱及直譯自註冊登記之中文名稱。

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

CIT

The Group is subject to CIT in various regions. As a result of the fact that certain matters relating to the CIT have not been confirmed by the local tax bureaus, objective estimates and judgements based on currently enacted tax laws, regulations and other related policies are required in determining the provision for CIT. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the CIT and tax provisions in the period in which the differences realise.

LAT

The Group is subject to LAT in the PRC. The provision for LAT is based on management's best estimates according to its understanding of the requirements set forth in the relevant PRC tax laws and regulations. The actual LAT liabilities are subject to the determination by the tax authorities upon the completion of the property development projects. The Group has not finalised its LAT calculations and payments with the tax authorities for certain property development projects. The final outcome could be different from the amounts that were initially recorded, and any differences will impact the LAT expenses and the related provision in the period in which the differences realise.

3. 重大會計判斷及估計(續)

不明朗因素估計(續)

企業所得稅

本集團在多個區域需繳納企業所得稅。由於有關企業所得稅的若干事項未被當地稅務局確認，因此須根據現時已頒佈稅務法例、法規及其他相關政策作出客觀估計和判斷，以確定需為企業所得稅計提之撥備。如果該等事項的最終稅務結果不同於原來所記錄的金額，差額將影響差額實現期間的企業所得稅及稅項撥備。

土地增值稅

本集團須繳納中國土地增值稅。土地增值稅的撥備是管理層根據對有關中國稅務法例及法規所載的要求的理解，作出的最佳估計。實際土地增值稅負債於物業開發項目竣工後由稅務機關釐定。本集團尚未與稅務局就若干物業開發項目敲定其土地增值稅的計算方法及款項。最終結果可能有別於初次記錄的款額，任何差異將在所實現的期間影響土地增值稅開支及相關撥備。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

Estimation uncertainty (Continued)

Impairment of available-for-sale financial assets

The Group classifies certain assets as available-for-sale and recognises movements of its fair value in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in the statement of profit or loss. The Group also recognises unlisted equity investments as available-for-sale and states them at cost less impairment. Losses arising from the impairment of such investments should be recognised in the statement of profit or loss. Impairment of available-for-sale financial assets of HK\$239,773,000 (2016: HK\$3,599,000) was recognised in the consolidated statement of profit or loss for the year. The aggregate carrying amount of available-for-sale financial assets measured at cost less impairment is HK\$3,802,088,000 (2016: HK\$3,636,199,000), of which HK\$3,216,369,000 (2016: HK\$779,784,000) and HK\$585,719,000 (2016: HK\$2,856,415,000) were included in non-current assets and current assets, respectively, at 31 December 2017.

3. 重大會計判斷及估計(續)

不明朗因素估計(續)

可供出售之金融資產減值

本集團將若干資產分類為可供出售資產，並於權益中確認其公平價值變動。倘公平價值減少，管理層就價值之減少作出假設，以確定是否需要於損益表中確認減值。本集團亦將非上市權益投資確認為可供出售資產，並按成本值扣除減值列賬。因該等投資減值而產生之虧損將於損益表確認。本年度內可供出售之金融資產減值金額為港幣239,773,000元(二零一六年：港幣3,599,000元)已在綜合損益表確認。於二零一七年十二月三十一日，按成本值扣除減值計算的可供出售之金融資產的賬面值合共為港幣3,802,088,000元(二零一六年：港幣3,636,199,000元)，當中包括於非流動資產及流動資產分別為港幣3,216,369,000元(二零一六年：港幣779,784,000元)及港幣585,719,000元(二零一六年：港幣2,856,415,000元)。

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4. OPERATING SEGMENT INFORMATION

Segment information of the three continuing business groups are summarised as follows:

- (a) the "DCITS" segment: Leading IT service provider in China's IT industry specialised in proprietary software, services, Cloud Computing and Big Data analysis persisting with the strategy of integrating Sm@rt City and Sm@rt Agriculture;
- (b) the "Supply Chain Management Strategy Unit" segment: Operating through Instant Logistics to provide comprehensive intermediary and backstage logistics services for corporate customers, e-commerce platforms, branded service providers and individuals, while actively exploring Internet-based self-branded maintenance services; and
- (c) the "New Business" segment: Including the "Sm@rt City Service Group" which is the provision of all-encompassing Sm@rt City services for city administrators, enterprises and citizens based on "one centre and three platforms" (the urban information management centre, the integrated citizen service platform, the integrated enterprise service platform and the integrated city administration platform); and the "Financial Service Strategy Unit" which is the provision of financial services, such as financing, factoring, leasing, guarantee, etc., to internal departments as well as third party customers.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment results is evaluated based on the reportable segment profit, which is a measure of adjusted profit/(loss) before tax. The adjusted profit/(loss) before tax is measured consistently with the Group's profit/(loss) before tax except that interest income, finance costs, share of profits and losses of joint ventures and associates, unallocated corporate income and gains and unallocated corporate expenses are excluded from such measurement.

4. 經營分部資料

三個持續經營業務集團之經營分部概述如下：

- (a) 「神州數碼信息服務股份有限公司」分部：中國信息技術產業最重要的IT服務商，專注自有軟件、服務、雲計算及大數據分析等業務，堅持智慧城市與智慧農村相融合的發展戰略；
- (b) 「供應鏈管理戰略本部」分部：基於科捷品牌，發展面向企業客戶、電子商務平台、品牌服務商以及個人用戶的、全面中後臺物流服務，並積極拓展基於互聯網的自有維修服務；及
- (c) 「新業務」分部：包括「智慧城市服務集團」即以「一中心三平台」(指城市信息資源管理中心、市民融合服務平台、企業融合服務平台和城市融合管理平台)為切入點，為城市管理者、企業和市民提供全方位的智慧城市運營服務；和「金融戰略服務本部」即面向公司內部及外部客戶提供包括融資、保理、租賃、擔保等金融服務。

管理層會分別獨立監察本集團經營分部之業績，以就資源分配及表現評估方面作出決定。分部業績根據呈報分部溢利而評估，即經調整的除稅前溢利/(虧損)。除利息收入、融資成本、應佔合營企業及聯營公司之溢利及虧損、未分類公司收入及收益及未分類公司開支外，調整的除稅前溢利/(虧損)一貫基於本集團之除稅前溢利/(虧損)核算。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

Segment assets exclude deferred tax assets, cash and cash equivalents, investments in joint ventures, investments in associates, available-for-sale investments and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude tax payables, interest-bearing bank and other borrowings, deferred tax liabilities and other unallocated corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's operating segments for the years ended 31 December 2017 and 2016.

4. 經營分部資料(續)

分部資產不包括於集團層面進行管理的遞延稅項資產、現金及現金等價物、於合營企業之投資、於聯營公司之投資、可供出售之投資及其他未分類公司資產。

分部負債不包括於集團層面進行管理的應繳稅項、附息銀行及其他貸款、遞延稅項負債及其他未分類公司負債。

分部之間之銷售及轉撥乃參考以現行市場價格銷售予第三方之銷售價格而進行。

下表呈列本集團截至二零一七年及二零一六年十二月三十一日止年度經營分部之收入、溢利/(虧損)及若干資產、負債及費用資料。

		DCITS		Supply Chain Services		New Business		Total continuing operations	
		神州數碼信息服務股份有限公司		供應鏈管理戰略本部		新業務		持續經營業務總計	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Segment revenue:	分部收入：								
Sales to external customers	銷售予對外客戶	9,414,513	9,208,612	2,884,828	2,251,883	947,230	790,864	13,246,571	12,251,359
Segment gross profit	分部毛利	1,939,110	1,759,148	372,018	358,832	354,172	385,724	2,665,300	2,503,704
Segment results	分部業績	521,527	418,402	(54,850)	37,848	(142,160)	127,498	324,517	583,748
Interest income, other unallocated income and gains	利息收入、其他未分類收入及收益	14,856	8,256					96,765	45,168
Unallocated expenses	未分類開支	—	—					(349,572)	(369,236)
Finance costs	融資成本	(95,832)	(65,758)					(230,542)	(196,989)
Share of profits and losses of:	應佔下列公司之溢利及虧損：								
Joint ventures	合營企業	(190)	(3,058)					65,180	39,247
Associates	聯營公司	12,854	8,345					45,855	35,775
Profit/(loss) before tax	除稅前溢利/(虧損)	453,215	366,187					(47,817)	137,713
Income tax expense	所得稅費用	(76,152)	(78,102)					(143,584)	(148,743)
Profit/(loss) for the year	本年度溢利/(虧損)	377,063	288,085					(191,401)	(11,030)

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料(續)

		DCITS		Supply Chain Services		New Business		Total continuing operations	
		神州數碼信息服務股份 有限公司		供應鏈管理戰略本部		新業務		持續經營業務總計	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
						(Restated) (重列)	(Restated) (重列)		
Assets and liabilities	資產及負債								
Segment assets	分部資產	11,720,784	9,588,737	1,178,759	750,536	6,324,256	5,492,994	19,223,799	15,832,267
Investments in joint ventures	於合營企業之投資	19,130	23,000					228,639	1,008,013
Investments in associates	於聯營公司之投資	435,971	421,752					2,637,304	1,629,520
Available-for-sale investments	可供出售之投資	715,054	515,699					3,900,528	3,808,654
Unallocated assets	未分類資產	—	—					1,925,291	1,437,667
Total assets	總資產	12,890,939	10,549,188					27,915,561	23,716,121
Segment liabilities	分部負債	6,817,379	5,334,727	1,240,155	675,017	426,354	587,515	8,483,888	6,597,259
Unallocated liabilities	未分類負債	—	—					6,636,799	6,646,949
Total liabilities	總負債	6,817,379	5,334,727					15,120,687	13,244,208

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

4. 經營分部資料(續)

		DCITS		Supply Chain Services		New Business		Total continuing operations	
		神州數碼信息服務股份 有限公司		供應鏈管理戰略本部		新業務		持續經營業務總計	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Other segment information:	其他分部資料：								
Depreciation of property, plant and equipments	物業、廠房及設備之折舊	82,182	41,520	24,874	20,129	35,252	23,671	142,308	85,320
Unallocated amounts	未分類總計	—	—	—	—	—	—	639	516
								142,947	85,836
Amortisation of prepaid land premium	預付土地租金攤銷	750	549	—	—	1,005	2,052	1,755	2,601
Amortisation of other intangible assets	其他無形資產攤銷	31,853	14,601	—	—	—	—	31,853	14,601
Capital expenditure*	資本開支*	116,035	815,190	69,577	40,877	788,298	66,777	973,910	922,844
Unallocated amounts	未分類總計	—	—	—	—	—	—	1,301	533
								975,211	923,377
Impairment of accounts and bills receivables	應收賬款及應收票據減值	34,999	63,413	130	1,691	100,451	5,616	135,580	70,720
Provision/(reversal of provisions) for and write-off of obsolete inventories	陳舊存貨撥備／(撥備撥回)及撇銷	50,803	11,113	(482)	(885)	(10)	10	50,311	10,238
Impairment of finance lease receivables	應收融資租賃款項減值	—	—	—	—	522	20,102	522	20,102
Impairment of available-for-sale investments	可供出售之投資減值	—	—	—	—	227,941	—	239,773	3,599

* Capital expenditure consists of additions to property, plant and equipment, prepaid land premiums, investment properties and other intangible assets including assets from the acquisition of subsidiaries.

* 資本開支包括物業、廠房及設備、預付土地租金、投資物業及其他無形資產(包括由收購附屬公司之資產)之添置。

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4. OPERATING SEGMENT INFORMATION (CONTINUED)

Geographical information

Since over 90% of the Group's revenue from external customers is generated in Mainland China and over 90% of the non-current assets of the Group (except for investments in associates) are located in Mainland China, no geographic information is presented.

Information about major customers

During the years ended 31 December 2017 and 2016, there was no revenue derived from transactions with a single external customer which individually amounted to 10% of the Group's revenue.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods and properties sold, after allowances for returns and trade discounts; an appropriate of contract revenue; gross rental income received and receivable from investment properties; and the value of services rendered to customers, net of value-added tax and government surcharges.

An analysis of revenue, other income and gains from continuing operations is as follows:

Revenue	收入	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Systems integration business	系統集成業務	4,740,997	4,826,370
Technical service business	技術服務業務	3,021,107	2,573,861
Logistics business	物流業務	1,380,844	1,124,853
Application software development business	應用軟件發展業務	1,019,050	1,038,270
E-commerce supply chain services business	電商供應鏈服務業務	1,322,742	894,943
Agricultural informatisation business	農業信息化業務	274,829	324,289
Financial specified equipment business	金融專用設備相關業務	357,878	445,822
Financial services business	金融服務業務	257,391	364,783
Others	其他	871,733	658,168
		13,246,571	12,251,359

4. 經營分部資料(續)

地區資料

由於本集團來自對外客戶之收入超過90%於中國大陸產生且本集團(除於聯營公司之投資外)超過90%非流動資產位於中國大陸，故並無呈列地區資料。

主要客戶資料

於截至二零一七年及二零一六年十二月三十一日止年度，本集團概無任何源自與個別對外客戶交易之收入佔本集團之收入10%以上。

5. 收入、其他收入及收益

收入指出售貨品及物業之發票淨值(扣除退貨與貿易折扣)；適當部分之合約收入；從投資物業已收取及應收取之租金收入；以及向客戶提供服務之價值(扣除增值稅及政府徵費)。

持續經營業務之其他收入及收益之分析如下：

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5. REVENUE, OTHER INCOME AND GAINS
(CONTINUED)

5. 收入、其他收入及收益
(續)

		Note 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Other income	其他收入			
Government grants ⁺	政府補貼*		74,245	60,102
Interest income	利息收入		21,526	14,165
Income from wealth management financial products	理財產品收入		33,621	21,159
Dividend income from available-for-sale investments	可供出售之投資之股息收入		17,289	8,710
Others	其他		5,133	7,883
			151,814	112,019
Gains	收益			
Fair value gains on investment properties, net	投資物業之公平價值收益	15	53,086	134,888
Gain on disposal of the equity interests in joint ventures	出售多間合營企業權益之收益		102,394	72
Gain on disposal of the equity interest in an associate	出售一間聯營公司權益之收益		2,795	—
Gain on deemed partial disposal of the equity interests in associates	視同出售多間聯營公司部分權益之收益		42,046	—
Gain on disposal of available-for-sale investments	出售可供出售之投資之收益		31,138	26,420
Foreign exchange differences, net	外匯淨差額		79,751	—
Others	其他		4,567	3
			315,777	161,383
			467,591	273,402

⁺ Various government grants have been received for the sale of self-developed software products approved by the tax authority in the People's Republic of China ("PRC"), the development of software products in Mainland China, and the investments in specific provinces in Mainland China. Government grants for which related expenditure has not yet been undertaken are included in deferred income (non-current portion) and other payables and accruals (current portion) in the statement of financial position, respectively. There are no unfulfilled conditions or contingencies relating to the government grants recognised in the statement of profit or loss.

已就銷售中華人民共和國（「中國」）稅務部門認可之自行開發軟件、於中國大陸開發軟件及於中國大陸特定省份進行投資而收取若干政府補貼。政府補貼尚未進行之相關開支會分別包括在財務狀況表的遞延收入（非流動部分）及其他應付款項及預提費用（流動部分）內。有關於損益表確認之政府補貼概無未達成之條件或然事項。

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財務報表附註

31 December 2017 二零一七年十二月三十一日

6. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax from continuing operations is arrived at after charging/(crediting):

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Cost of inventories sold	售出存貨之成本		6,065,408	5,719,147
Auditor's remuneration	核數師酬金		4,405	3,322
Depreciation	折舊		142,947	85,836
Amortisation of prepaid land premiums	預付土地租金攤銷	16	1,755	2,601
Research and development costs*	研究及開發成本*		588,051	519,965
Amortisation of other intangible assets*	其他無形資產攤銷*	18	31,853	14,601
Minimum lease payments under operating leases in respect of land and buildings	土地及樓宇之最低經營租賃租金		146,656	129,891
Provisions for and write-off of obsolete inventories*	陳舊存貨撥備及撇銷*		50,311	10,238
Impairment of accounts and bills receivables*	應收賬款及應收票據減值*	27	135,580	70,720
Impairment of finance lease receivables*	應收融資租賃款項減值*	22	522	20,102
Impairment of available-for-sale investments*	可供出售之投資減值*	21	239,773	3,599
Loss/(gain) on deemed partial disposal of the equity interest in associates*	視作出售多間聯營公司部分權益之虧損/(收益)*		(42,046)	33,740
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備之虧損		2,742	4,588
Foreign exchange differences, net*	外匯淨差額*		(79,751)	163,198
Employee benefit expense (including directors' remuneration (note 8)):	僱員福利開支(包括董事酬金(附註8)):			
Wages and salaries	工資及薪金		1,792,656	1,512,017
Share-based payment expenses for shares issued at discount	發行折讓股份之以股份支付費用		—	49,735
Share-based compensation	以股份支付之酬金		318,067	—
Pension scheme contributions**	退休金計劃供款**		188,929	206,655
Other benefits	其他福利		315,832	228,928
			2,615,484	1,997,335
Direct operating expenses (including repairs and maintenance) arising on rental-earning investment properties	為賺取租金的投資物業的直接營運費用(包括維修和保養)		31,209	25,098

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6. PROFIT/(LOSS) BEFORE TAX (CONTINUED)

- * The amortisation of certain other intangible assets, the provisions for and write-off of obsolete inventories, the impairment of accounts and bills receivables, the impairment of finance lease receivables, the impairment of available-for-sale investments, the loss on deemed partial disposal of the equity interest in an associate, research and development costs and foreign exchange loss, net are included in "Other expenses, net" in the consolidated statement of profit or loss.
- ** At 31 December 2017, the Group had no material forfeited contributions available to reduce its contributions to the pension schemes in future years (2016: Nil).

7. FINANCE COSTS

An analysis of finance costs from continuing operations is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Interest on bank borrowings	銀行貸款利息	178,073	181,850
Interest on corporate bonds	公司債券利息	44,771	11,645
Interest on discounted bills	已貼現票據利息	7,698	15,716
Less: Interest capitalised	減：資本化利息	—	(12,222)
		230,542	196,989

6. 除稅前溢利／(虧損)(續)

- * 若干其他無形資產攤銷、陳舊存貨撥備及撤銷、應收賬款及應收票據減值、應收融資租賃款項減值、可供出售之投資減值、視作出售一間聯營公司部分權益之虧損、研究及開發成本及外匯淨虧損已計入綜合損益表中之「其他費用淨額」內。
- ** 於二零一七年十二月三十一日，本集團並無重大可供扣減未來年度之退休金計劃供款之被沒收供款(二零一六年：無)。

7. 融資成本

持續經營業務之融資成本之分析如下：

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8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION

Directors' and chief executives' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及行政總裁酬金

於本年度內之董事及行政總裁酬金，乃根據香港聯合交易所有限公司證券上市規則（「上市規則」）、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司（披露董事利益資料）規例第2部，披露如下：

	Group 本集團	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Fees	袍金	1,200	1,500
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	15,391	12,095
Performance related bonuses	表現相關之花紅	—	7,010
Share-based compensation (<i>note</i>)	以股份支付之酬金（附註）	166,379	29,231
Pension scheme contributions	退休金計劃供款	437	125
		182,207	48,461
		183,407	49,961

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8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Mr. WONG Man Chung, Francis	300	300
Ms. NI Hong (Hope)	300	300
Dr. LIU Yun, John	300	300
Ms. YAN Xiaoyan (<i>note</i>)	—	—
Mr. LAI Daniel, BBS, JP	300	300
Mr. ONG Ka Lueng, Peter ¹	—	150
	1,200	1,350

¹ Retired on 30 June 2016

Note: Ms. YAN Xiaoyan waived her entitlements to director's fee during the term of her tenure. The amount of director's fee being waived during the year was HK\$300,000 (2016: HK\$300,000).

Saved as disclosed above, there were no other emoluments payable to the independent non-executive directors during the year (2016: Nil).

8. 董事及行政總裁酬金(續)

(a) 獨立非執行董事

於本年度內已支付予獨立非執行董事之袍金如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Mr. WONG Man Chung, Francis	300	300
Ms. NI Hong (Hope)	300	300
Dr. LIU Yun, John	300	300
Ms. YAN Xiaoyan (<i>note</i>)	—	—
Mr. LAI Daniel, BBS, JP	300	300
Mr. ONG Ka Lueng, Peter ¹	—	150
	1,200	1,350

¹ 於二零一六年六月三十日退任

*附註：*嚴曉燕女士放棄其就任董事期間領取董事袍金之權利，於本年度內被放棄的董事袍金為港幣300,000元(於二零一六：港幣300,000元)。

除上文所披露者外，於本年度內並無支付予獨立非執行董事任何其他酬金(二零一六年：無)。

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8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executives

8. 董事及行政總裁酬金(續)

(b) 執行董事、非執行董事及行政總裁

		Salaries, allowances and benefits	Performance related bonuses	Share-based compensation	Pension scheme contributions	Total remuneration	
	Fees in kind						
	薪金、津貼 及實物福利	表現相關 之花紅	以股份支付 之酬金	退休金計劃 供款	酬金總額 HK\$'000		
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元		
				(Note) (附註)			
2017	二零一七年						
Executive directors:	執行董事:						
Mr. GUO Wei	郭為先生	—	7,420	—	111,591	58	119,069
Mr. LIN Yang*	林楊先生*	—	3,729	—	27,394	58	31,181
Mr. Denis Shing Fai YIP* ¹	葉成輝先生* ¹	—	3,013	—	—	292	3,305
Mr. WANG Xinhui ²	王新輝先生 ²	—	1,229	—	27,394	29	28,652
		—	15,391	—	166,379	437	182,207
Non-executive directors:	非執行董事:						
Mr. YU Ziping ³	余梓平先生 ³	—	—	—	—	—	—
Mr. PENG Jing ³	彭晶先生 ³	—	—	—	—	—	—
		—	—	—	—	—	—
		—	15,391	—	166,379	437	182,207

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8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executives (Continued)

8. 董事及行政總裁酬金(續)

(b) 執行董事、非執行董事及行政總裁(續)

	Fees 薪金 港\$'000 港幣千元	Salaries, allowances and benefits in kind 薪金、津貼 及實物福利	Performance related bonuses 表現相關 之花紅	Share-based compensation 以股份支付 之酬金	Pension scheme contributions 退休金計劃 供款	Pension Total remuneration 退休金總額						
						HK\$'000 港幣千元	HK\$'000 港幣千元					
<i>(Note) (附註)</i>												
2016 二零一六年												
Executive directors:		執行董事:										
Mr. GUO Wei	—	郭為先生	—	7,622	4,673	28,752	56					
Mr. LIN Yang*	—	林楊先生*	—	3,828	2,337	479	56					
Mr. YAN Guorong ⁴	—	閻國榮先生 ⁴	—	645	—	—	13					
	—		—	12,095	7,010	29,231	125					
							48,461					
Non-executive director:		非執行董事:										
Mr. Andrew Y. YAN ⁵	150	閻焱先生 ⁵	—	—	—	—	150					
	150		—	12,095	7,010	29,231	125					
							48,611					

¹ Appointed on 21 July 2017 and resigned on 16 November 2017

¹ 於二零一七年七月二十一日獲委任及於二零一七年十一月十六日辭任

² Appointed on 12 January 2017 and resigned on 21 July 2017

² 於二零一七年一月十二日獲委任及於二零一七年七月二十一日辭任

³ Appointed on 27 December 2017

³ 於二零一七年十二月二十七日獲委任

⁴ Resigned on 8 March 2016

⁴ 於二零一六年三月八日辭任

⁵ Resigned on 1 July 2016

⁵ 於二零一六年七月一日辭任

* Mr. LIN Yang and Mr. Denis Shing Fai YIP are also the chief executives of the Company.

* 林楊先生及葉成輝先生亦為本公司的行政總裁。

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8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executives (Continued)

There was no arrangement under which a director or a chief executive waived or agreed to waive any remuneration during the year.

Notes: (i) During the year, certain directors of the Company were granted share options and RSUs, in respect of their services to the Group, under the share option schemes and the RSA scheme of the Company, respectively, further details of which are set out in note 35 to the financial statements. The fair values of these options and RSUs, which have been recognised in the statement of profit or loss over the vesting period in which the performance and/or service conditions are fulfilled, were determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors' remuneration disclosures.

The cumulative expense recognised for these equity-settled rewards at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest.

8. 董事及行政總裁酬金(續)

(b) 執行董事、非執行董事及行政總裁(續)

於本年度內，董事或行政總裁併無訂立放棄或同意放棄任何酬金之安排。

附註：(i) 於本年度內，本公司若干董事因彼等為本集團提供服務而分別根據本公司購股權計劃及受限制股份獎勵計劃獲授購股權及受限制股份，有關進一步詳情載於此財務報表附註35。該等購股權及受限制股份之公平價值乃於授出日期釐定，並已於達成表現及／或服務的歸屬期內在損益表內確認，而計入本年度財務報表之金額已載入上述董事酬金資料中。

於各報告期末直至歸屬日期就以股份支付獎勵所確認之累計開支反映歸屬期間屆滿情況，以及本集團對最終歸屬之權益工具數目的最佳估計情況。於某一期間的損益表內扣除或計入之金額為於該等期間期初及期末時確認累計開支的變動。最終未有歸屬之獎勵之開支不予確認。

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8. DIRECTORS' AND CHIEF EXECUTIVES' REMUNERATION (CONTINUED)

(b) Executive directors, non-executive directors and the chief executives (Continued)

Notes: (Continued)

(ii) During the year ended 31 December 2016, ordinary shares of the Company were issued at discount to Mr. GUO Wei and Mr. LIN Yang under the Subscription Agreement (as define in note 34(c)) for their services rendered to the Group, further details of which are set out in note 34(c) to the financial statements. During the year ended 31 December 2016, the share-based payment expenses relating to the shares issued at discount to Mr. GUO Wei and Mr. LIN Yang were approximately HK\$28,752,000 and HK\$479,000, respectively.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2016: two) directors and chief executive, detail of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2016: three) highest paid employees who are neither a director nor chief executive of the Company for the year are as follows:

8. 董事及行政總裁酬金(續)

(b) 執行董事、非執行董事及行政總裁(續)

附註: (續)

(ii) 於截至二零一六年十二月三十一日止年度內，本公司根據認購協議(其定義於附註34(c))已按折讓價發行本公司普通股給予郭為先生及林楊先生以彼等為本集團提供服務，進一步詳情載於此財務報表附註34(c)。於截至二零一六年十二月三十一日止年度內，有關按折讓價發行股份給予郭為先生及林楊先生之以股份支付費用分別約為港幣28,752,000元及港幣479,000元。

9. 五位最高薪酬僱員

於本年度內之五位最高薪酬僱員包括三名(二零一六年：兩名)董事及行政總裁，彼等之酬金詳情載於上文附註8內。本年度餘下兩名(二零一六年：三名)最高薪酬僱員(並非本公司的董事或行政總裁)之酬金詳情載述如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Salaries, allowances and benefits in kind	3,047	4,484
Performance related bonuses	412	5,549
Share-based compensation (<i>note</i>)	49,100	6,497
Pension scheme contributions	113	110
	52,672	16,640

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9. FIVE HIGHEST PAID EMPLOYEES (CONTINUED)

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2017 二零一七年	2016 二零一六年
HK\$2,000,001 to HK\$2,500,000	港幣2,000,001元至港幣2,500,000元	—
HK\$6,500,001 to HK\$7,000,000	港幣6,500,001元至港幣7,000,000元	—
HK\$7,500,001 to HK\$8,000,000	港幣7,500,001元至港幣8,000,000元	—
HK\$20,500,001 to HK\$21,000,000	港幣20,500,001元至港幣21,000,000元	1
HK\$31,500,001 to HK\$32,000,000	港幣31,500,001元至港幣32,000,000元	1
		2
		3

Notes: (i)

During the year, certain non-director and non-chief executive highest paid employees were granted share options and RSUs, in respect of their services to the Group, under the share option schemes and the RSA scheme of the Company, respectively, further details of which are set out in note 35 to the financial statements. The fair values of these options and RSUs, which have been recognised in the statement of profit or loss over the vesting period in which the performance and/or service conditions are fulfilled, were determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive, highest paid employees' remuneration disclosures.

附註: (i)

於本年度內，若干最高薪酬非董事及非行政總裁僱員因彼等為本集團提供服務而分別根據本公司購股權計劃及受限制股份獎勵計劃獲授購股權及受限制股份，有關進一步詳情載於此財務報表附註35。該等購股權及受限制股份之公平價值乃於授出日期釐定，並已於達成表現及／或服務的歸屬期內在損益表內確認，而計入本年度財務報表之金額已載入上述最高薪酬非董事及非行政總裁僱員酬金資料中。

(ii)

During the year ended 31 December 2016, ordinary shares of the Company were issued at discount to two non-director and non-chief executive highest paid employees under the Subscription Agreement (as defined in note 34(c)) for their services rendered to the Group, further details of which are set out in note 34(c) to the financial statements. During the year ended 31 December 2016, the share-based payment expenses relating to the shares issued at discount to non-director and non-chief executive highest paid employees were approximately HK\$6,497,000 in aggregate.

(ii)

於截至二零一六年十二月三十一日止年度內，本公司根據認購協議(其定義於附註34(c))已按折讓價發行本公司普通股給予兩名最高薪酬非董事及非行政總裁僱員以彼等為本集團提供服務，進一步詳情載於此財務報表附註34(c)。於截至二零一六年十二月三十一日止年度內，有關按折讓價發行股份給予兩名最高薪酬非董事及非行政總裁僱員之股份支付費用合計約為港幣6,497,000元。

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10. INCOME TAX EXPENSE

10. 所得稅費用

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current – Mainland China	本期 – 中國大陸	
CIT	企業所得稅	
Charge for the year	本年度支出	110,320
Underprovision in prior years	以前年度少提	4,991
LAT	土地增值税	12,212
		127,523
Current – Hong Kong	本期 – 香港	
Charge for the year	本年度支出	17
Underprovision in prior years	以前年度少提	–
		17
Deferred (note 23)	遞延 (附註23)	21,203
Total tax charge for the year	本年度稅項支出合計	148,743
		143,584

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10. INCOME TAX EXPENSE (CONTINUED)

- (a) PRC CIT represents tax charged on the estimated assessable profits arising in Mainland China. In general, the Group's subsidiaries operating in Mainland China are subject to the PRC CIT rate of 25% except for certain subsidiaries which are entitled to preferential tax rates.
- (b) PRC LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of the land value, being the proceeds from sales of properties less deductible expenditures including amortisation of land use rights, borrowing costs and all property development expenditures.
- (c) During the year ended 31 December 2017, Hong Kong profits tax had been provided at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits arising in Hong Kong. Taxes on profit assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.
- (d) The share of tax charge attributable to joint ventures of HK\$19,510,000 (2016: HK\$21,457,000) and the share of tax charge attributable to associates of HK\$35,087,000 (2016: HK\$22,069,000) of the continuing operations of the Group are included in "Share of profits and losses of joint ventures" and "Share of profits and losses of associates", respectively, in the consolidated statement of profit or loss.

10.所得稅費用(續)

- (a) 中國企業所得稅指於中國大陸產生之估計應課稅溢利所徵收之稅項。除若干附屬公司享有稅務優惠外，本集團在中國大陸營運的附屬公司一般須繳納中國企業所得稅之稅率為25%。
- (b) 中國土地增值稅就土地增值按累進稅率介乎30%至60%徵收，即物業銷售所得款項減可扣除開支(包括土地使用權攤銷、借貸成本及全部物業開發開支)。
- (c) 截至二零一七年十二月三十一日止年度內，香港利得稅乃按在香港產生之估計應課稅溢利按16.5% (二零一六年：16.5%)之稅率計算。其他地區的應繳利得稅已按本集團經營業務所在國家的適用稅率計算。
- (d) 本集團持續經營業務應佔合營企業之稅項支出為港幣19,510,000元 (二零一六年：港幣21,457,000元) 及應佔聯營公司之稅項支出為港幣35,087,000元 (二零一六年：港幣22,069,000元)，已分別計入於綜合損益表中之「應佔合營企業之溢利及虧損」及「應佔聯營公司之溢利及虧損」內。

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10. INCOME TAX EXPENSE (CONTINUED)

A reconciliation of the tax expense applicable to profit/(loss) before tax from continuing operations at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit/(loss) before tax from continuing operations	持續經營業務之除稅前溢利／(虧損)	(47,817)	137,713
Tax at the applicable tax rate	按適用稅率計算之稅項	(11,954)	34,428
Lower tax rates for specific provinces or local authority	特定省份或地方機關給予之較低稅率	(51,331)	(57,503)
Adjustments in respect of current tax of previous periods	有關以前年度稅項之調整	4,913	4,991
Profits and losses attributable to joint ventures and associates	合營企業及聯營公司之應佔溢利及虧損	(27,754)	(18,756)
Tax effect of unused tax losses not recognised	未確認之未動用稅項虧損之稅務影響	46,502	73,860
Income not subject to tax	無須課稅之收入	(6,097)	(22,543)
Expenses not deductible to tax	不可扣稅之開支	193,070	123,588
Tax losses utilised from previous periods	利用過往期間之稅項虧損	(8,202)	(1,534)
Effect of withholding tax at 10% on the dividend income	按股息收入的10%代扣所得稅之影響	953	—
LAT	土地增值稅	3,484	12,212
Tax charge at the Group's effective rate	按本集團實際稅率計算之稅項支出	143,584	148,743

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11. DISCONTINUED OPERATION

On 7 August 2015, the Company published an announcement in relation to its proposed disposal of the subsidiaries engaged in the distribution business (namely, "Digital China Group") to Shenzhen Shenxin Taifeng Group Co., Ltd.* ("Shenxin Taifeng"), the details of which have been set out in the circular of the Company dated on 9 August 2015. Following the completion of the transaction, the entities engaged in the distribution business will cease to be the Company's subsidiaries. The disposal of Digital China Group was approved by the shareholders of the Company at the special general meeting held on 26 August 2015 and the approval from PRC regulatory authorities was received by Shenxin Taifeng on 18 December 2015. Digital China Group was classified as a disposal group held for sale and as a discontinued operation, and accordingly the distribution business is no longer included in the note for the continuing segment information. The disposal of Digital China Group has been completed on 28 March 2016.

11. 非持續經營業務

於二零一五年八月七日，本公司發佈公告，本公司擬出售下屬的從事分銷業務的公司(指「神州數碼集團」)予深圳市深信泰豐(集團)股份有限公司(「深信泰豐」)，有關詳情已載於二零一五年八月九日的通函中。完成此交易後，從事分銷業務的企業將不再為本公司的附屬公司。出售神州數碼集團已於二零一五年八月二十六日舉行的股東特別大會上獲得本公司股東批准及於二零一五年十二月十八日深信泰豐收到中國監管機構之批准。神州數碼集團被分類為持有出售集團及非持續經營業務，因此分銷業務不再包含在持經營分部資料的持續經營業務附註中。出售神州數碼集團已於二零一六年三月二十八日完成。

* The English name of the Company is a direct transliteration of its registered Chinese name.

* 該公司之英文名稱乃直譯自註冊登記之中文名稱。

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11. DISCONTINUED OPERATION (CONTINUED)

The net assets of Digital China Group disposed of as at the date of disposal were as follows:

11. 非持續經營業務（續）

於出售日期，出售神州數碼集團的資產淨值概述如下：

		HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	370,011
Investment in an associate	於聯營公司之投資	43,668
Available-for-sale investments	可供出售之投資	75,464
Deferred tax assets	遞延稅項資產	309,768
Inventories	存貨	5,803,416
Accounts and bills receivables	應收賬款及應收票據	6,084,877
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	3,314,765
Derivative financial instruments	衍生金融工具	2,954
Cash and cash equivalents	現金及現金等價物	2,534,688
Accounts and bills payables	應付賬款及應付票據	(5,621,913)
Other payables and accruals	其他應付款項及預提費用	(1,805,219)
Tax payables	應繳稅項	(122,669)
Interest-bearing bank borrowings	附息銀行貸款	(6,818,296)
Deferred tax liabilities	遞延稅項負債	(198,175)
		3,927,339
Exchange fluctuation reserve	匯兌波動儲備	(45,348)
		3,927,991
Gain on disposal of subsidiaries	出售多間附屬公司之收益	842,047
Tax and expenses	稅項及費用	(344,016)
Gain on disposal of subsidiaries, net of tax and expenses	經扣除稅項及費用後出售多間附屬公司之收益	498,031
		4,426,022
Satisfied by cash	支付於現金	4,426,022

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11. DISCONTINUED OPERATION (CONTINUED)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

	HK\$'000 港幣千元
Cash consideration	4,426,022
Cash and cash equivalents disposed of	(2,534,688)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	1,891,334

The results of Digital China Group contributed to the Group, which are only from transactions with counterparties external to the Group and do not necessarily represent the activities of the operation as individual entities, are presented below:

11. 非持續經營業務（續）

出售多間附屬公司之現金及現金等價物流入淨額之分析如下：

	2016* 二零一六年* HK\$'000 港幣千元
Revenue	12,913,654
Cost of sales	(12,189,837)
Gross profit	723,817
Other income and gains	92,573
Expenses	(654,444)
Finance costs	(83,776)
Share of profits and losses of a joint venture and an associate	應佔合營企業及聯營公司之溢利及虧損 269
Profit before tax from the discontinued operation	非持續經營業務之除稅前溢利 78,439
Income tax	所得稅費用 (16,847)
	61,592
Gain on disposal of subsidiaries, net of tax and expenses	經扣除稅項及費用後出售附屬公司之 收益 498,031
Profit for the year from the discontinued operation	非持續經營業務之本年度溢利 559,623

* These numbers represent the activities of Digital China Group contributed to the Group in current year prior to its disposal.	* 該等數字代表貢獻予本集團之神州數碼集團出售日期之前的本年度該等活動。

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11. DISCONTINUED OPERATION (CONTINUED)

The net cash flows incurred by Digital China Group are as follows:

	2016*
Operating activities	二零一六年*
Investing activities	HK\$'000
Financing activities	港幣千元
Net cash inflow	(189,081)
	1,190,356
	62,789
	1,064,064

Earnings per share:

Basic, from the discontinued operation	基本，來自非持續經營業務	HK cents 49.94港仙
Diluted, from the discontinued operation	攤薄，來自非持續經營業務	HK cents 49.93港仙

* These numbers represent the activities of Digital China Group contributed to the Group in current year prior to its disposal.

11. 非持續經營業務（續）

由神州數碼集團產生之現金流量淨額如下：

* 該等數字代表貢獻予本集團之神州數碼集團出售日期之前的本年度該等活動。

The calculation of basic and diluted earnings per share from the discontinued operation are based on:

來自非持續經營業務之每股基本及攤薄盈利乃根據以下數據計算：

	2016
Profit attributable to ordinary equity holders of parent from the discontinued operation	二零一六年
Weighted average number of ordinary shares in issue less shares held under the RSA scheme during the year used in the basic earnings per share calculation (note 13)	來自非持續經營業務之母公司 普通股股東應佔溢利 用於計算每股基本盈利之本年度 已發行普通股減在受限制股份 獎勵計劃下所持股份之加權 平均數(附註13)
Weighted average number of ordinary shares during the year used in the diluted earnings per share calculation (note 13)	港幣559,623,000元 1,120,671,262 1,120,712,935

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12. DIVIDENDS

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Special dividend – Nil (2016: HK\$3.20 per ordinary share)	特別股息 – 無 (二零一六年： 每股普通股港幣3.20元)	3,515,317
Proposed final dividend	擬派末期股息	–
		3,515,317

Upon the completion of the disposal of Digital China Group, the Company declared and paid a special cash dividend of HK\$3.20 per share to shareholders of the Company for the year ended 31 December 2016.

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

13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of the basic earnings/(loss) per share amount is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue less shares held under the RSA Scheme of 1,414,003,454 (2016: 1,120,671,262) during the year.

The calculations of the diluted earnings/(loss) per share amount for the year is based on the profit/(loss) for the year attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue less shares held under the RSA scheme during the year, as used in the basic earnings/(loss) per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all the dilutive potential ordinary shares related to the Group's share-based incentive schemes into ordinary shares.

12. 股息

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Special dividend – Nil (2016: HK\$3.20 per ordinary share)	特別股息 – 無 (二零一六年： 每股普通股港幣3.20元)	3,515,317
Proposed final dividend	擬派末期股息	–
		3,515,317

完成出售神州數碼集團後，本公司截至二零一六年十二月三十一日止年度宣派及支付每股港幣3.20元的特別現金股息給予本公司股東。

董事會不建議就截至二零一七年十二月三十一日止年度派發末期股息(二零一六年：無)。

13. 母公司普通股股東應佔每股盈利/(虧損)

每股基本盈利/(虧損)乃按本年度之母公司普通股股東應佔溢利/(虧損)，以及於本年度內已發行減在受限制股份獎勵計劃下所持股份之普通股加權平均數1,414,003,454股(二零一六年：1,120,671,262股)計算。

本年度之每股攤薄盈利/(虧損)乃按本年度之母公司普通股股東應佔溢利/(虧損)。用於該計算的普通股加權平均數為於本年度內之已發行普通股減在受限制股份獎勵計劃下所持股份(亦是用於計算每股基本盈利/(虧損))，並加假設有關本集團之股權激勵計劃之所有可潛在攤薄的普通股被視為獲行使時已無償發行普通股之加權平均數。

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13. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (CONTINUED)

The calculations of basic and diluted earnings/(loss) per share are based on:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Earnings/(loss)	盈利/(虧損)	
Profit/(loss) attributable to ordinary equity holders of the parent, used in the basic and diluted earnings/(loss) per share calculation:	用於計算每股基本及攤薄盈利/(虧損)之母公司普通股股東應佔溢利/(虧損):	
From continuing operations	來自持續經營業務	(413,006)
From the discontinued operation	來自非持續經營業務	—
		559,623
		(413,006)
		389,314
Shares	股份	
Weighted average number of ordinary shares in issue less shares held under the RSA scheme during the year, used in the basic earnings/(loss) per share calculation	用於計算每股基本盈利/(虧損)之本年度已發行普通股減在受限制股份獎勵計劃下所持股份之加權平均數	1,414,003,454
Effect of dilution – weighted average number of ordinary shares:	攤薄影響 – 普通股之加權平均數:	—
Share-based incentive schemes	股權激勵計劃	41,673
Weighted average number of ordinary shares during the year used in the diluted earnings/(loss) per share calculation	用於計算每股攤薄盈利/(虧損)之本年度普通股之加權平均數	1,414,003,454
		1,120,712,935

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

	Buildings	Leasehold improvements	Fixtures and office equipment 裝置及辦公室設備		Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
			樓宇 HK\$'000 港幣千元	租賃裝修 HK\$'000 港幣千元			
31 December 2017			二零一七年十二月三十一日				
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：				
Cost	764,958	120,497	480,601	18,583	131,726	1,516,365	
Accumulated depreciation	(48,366)	(84,055)	(282,188)	(13,201)	—	(427,810)	
Net carrying amount	716,592	36,442	198,413	5,382	131,726	1,088,555	
At 1 January 2017, net of accumulated depreciation			於二零一七年一月一日，扣除累計折舊				
Additions	716,592	36,442	198,413	5,382	131,726	1,088,555	
Disposals	738,020	47,921	124,233	1,217	984	912,375	
Surplus on revaluation upon the transfer to investment properties	—	(69)	(2,926)	(1,116)	(114)	(4,225)	
Transfers	32,065	—	—	—	—	32,065	
Transfer to investment properties (note 15)	—	873	131,073	—	(131,946)	—	
Depreciation provided during the year (note 6)	(819,852)	—	—	—	—	(819,852)	
Exchange realignment	(31,315)	(19,658)	(90,449)	(1,525)	—	(142,947)	
	76,987	2,692	17,142	281	4,087	101,189	
At 31 December 2017, net of accumulated depreciation			於二零一七年十二月三十一日，扣除累計折舊				
	712,497	68,201	377,486	4,239	4,737	1,167,160	
At 31 December 2017:			於二零一七年十二月三十一日：				
Cost	779,438	174,011	729,887	16,774	4,737	1,704,847	
Accumulated depreciation	(66,941)	(105,810)	(352,401)	(12,535)	—	(537,687)	
Net carrying amount	712,497	68,201	377,486	4,239	4,737	1,167,160	

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14. PROPERTY, PLANT AND EQUIPMENT
(CONTINUED)

14. 物業、廠房及設備(續)

	Buildings	Leasehold improvements	Fixtures and office equipment 裝置及 辦公室設備		Motor vehicles	Construction in progress	Total
			樓宇 HK\$'000 港幣千元	租賃裝修 HK\$'000 港幣千元			
31 December 2016							
At 1 January 2016:							
Cost		於二零一六年一月一日： 成本值	631,389	119,025	500,721	17,342	11,734
Accumulated depreciation		累計折舊	(73,952)	(96,938)	(304,464)	(12,021)	–
Net carrying amount		賬面淨值	557,437	22,087	196,257	5,321	11,734
At 1 January 2016, net of accumulated depreciation							
Additions		於二零一六年一月一日， 扣除累計折舊	557,437	22,087	196,257	5,321	11,734
Acquisition of subsidiaries (note 38)		添置	–	29,258	74,722	1,543	571,686
Disposals		收購多間附屬公司(附註38)	30,436	315	7,831	454	–
Surplus on revaluation upon the transfer to investment properties		出售	–	(102)	(5,407)	(40)	(5,549)
Transfers		於轉撥至投資物業時產生之 評估增值	601,807	–	–	–	601,807
Transfer to investment properties (note 15)		轉撥	418,239	–	425	–	(418,664)
Depreciation provided during the year (note 6)		轉撥至投資物業(附註15)	(853,531)	(3,118)	(908)	–	(857,557)
Exchange realignment		本年度折舊(附註6)	(11,149)	(10,816)	(62,312)	(1,559)	–
		匯兌調整	(26,647)	(1,182)	(12,195)	(337)	(33,030)
At 31 December 2016, net of accumulated depreciation		於二零一六年十二月三十一日， 扣除累計折舊	716,592	36,442	198,413	5,382	131,726
At 31 December 2016:							
Cost		於二零一六年十二月三十一日： 成本值	764,958	120,497	480,601	18,583	131,726
Accumulated depreciation		累計折舊	(48,366)	(84,055)	(282,188)	(13,201)	–
Net carrying amount		賬面淨值	716,592	36,442	198,413	5,382	131,726
At 31 December 2017, the Group's property, plant and equipment with a carrying value of HK\$175,186,000 (2016: HK\$173,097,000) were pledged to secure certain bank loans of the Group (note 33(a)).							

於二零一七年十二月三十一日，本集團賬面值為港幣175,186,000元(二零一六年：港幣173,097,000元)之物業、廠房及設備已予以抵押，作為本集團獲得若干銀行貸款之擔保(附註33(a))。

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財務報表附註

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15. INVESTMENT PROPERTIES

15. 投資物業

	The Group 本集團					
	2017 二零一七年			2016 二零一六年		
	Completed investment properties 已完成 投資物業	under construction 在建 投資物業	Total HK\$'000 港幣千元	Completed investment properties 已完成 投資物業	under construction 在建 投資物業	Total HK\$'000 港幣千元
Carrying amount at 1 January	於一月一日之賬面值	2,881,176	165,191	3,046,367	1,890,510	232,739
Additions	添置	12,226	628	12,854	33,263	23,876
Transfer from owner-occupied properties/prepaid land premium	轉撥自自有物業／預付土地租金	821,663	—	821,663	932,396	—
Transfer to completed properties held for sale	轉撥至待作銷售用途的竣工物業	(39,384)	—	(39,384)	—	—
Transfers	轉撥	—	—	—	90,338	(90,338)
Net gain from a fair value adjustment recognised in profit or loss	按公平價值調整之淨收益 確認為損益	54,082	(996)	53,086	123,352	11,536
Exchange realignment	匯兌調整	196,372	11,369	207,741	(188,683)	(12,622)
Carrying amount at 31 December	於十二月三十一日之賬面值	3,926,135	176,192	4,102,327	2,881,176	165,191
						3,046,367

The Group's investment properties are situated in Mainland China and are held under medium term leases.

The directors of the Company have determined that the investment properties consist of one class of asset, commercial properties, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 December 2017 based on valuations performed by Savills Valuation and Professional Services Limited and Valuelink Asset Appraisal (Beijing) Co., Ltd., independent professionally qualified valuers, at HK\$4,102,327,000 (2016: HK\$3,046,367,000) on an open market, existing use basis. Each year, the Group's management decides to appoint which external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management have discussions with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

Certain investment properties are leased to third parties under operating leases, further summary details of which are included in note 42(a) to the financial statements.

本集團之投資物業均位於中國大陸，並以中期租約持有。

本公司董事根據各物業之性質、特點及風險斷定投資物業包括一類型之資產，即商業物業。本集團之投資物業於二零一七年十二月三十一日基於由獨立專業合資格估值師第一太平戴維斯估值及專業服務有限公司及藍策(北京)資產評估有限公司之估值乃按公開市場及現行用途基準履行重估為港幣4,102,327,000元(二零一六年：港幣3,046,367,000元)。每年本集團之管理層決定委任外部估值師來負責本集團物業之外部估值。選擇標準包括市場知識、聲譽、獨立性以及專業水準是否得以維持。於每年一次就年度財務報告進行估值時，本集團之管理層已與估值師就估值假設及估值結果進行討論。

若干投資物業按經營租賃租予第三方，其進一步概要詳情載於此財務報表附註42(a)。

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15. INVESTMENT PROPERTIES (CONTINUED)

At 31 December 2017, the Group has not yet obtained the real estate ownership certificates for the Group's investment properties with a net carrying amount of HK\$369,204,000 (2016: HK\$371,411,000) from the relevant government authorities. The directors of the Company consider that the relevant real estate ownership certificates will be obtained in the near future.

At 31 December 2017, the Group's investment properties with a carrying value of HK\$3,799,829,000 (2016: HK\$1,875,703,000) were pledged to secure certain bank loans of the Group (note 33(a)).

Further particulars of the Group's investment properties are included on pages 314 to 316.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

Fair value measurement as at 31 December 2017 using 於二零一七年十二月三十一日 公平價值計量使用				
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
在活動市場 的報價 (等級一) HK\$'000 港幣千元	重大可觀察 到的因素 (等級二) HK\$'000 港幣千元	重大不可觀察 到的因素 (等級三) HK\$'000 港幣千元		總計 HK\$'000 港幣千元
Recurring fair value measurement for: Commercial properties	—	—	4,102,327	4,102,327

15. 投資物業（續）

於二零一七年十二月三十一日，本集團尚未自相關政府機構就本集團賬面淨值港幣369,204,000元（二零一六年：港幣371,411,000元）之投資物業取得房地產所有權證。本公司董事認為將會於近期取得相關房地產之所有權。

於二零一七年十二月三十一日，本集團賬面值為港幣3,799,829,000元（二零一六年：港幣1,875,703,000元）之投資物業已予以抵押，作為本集團獲得若干銀行貸款之擔保（附註33(a)）。

本集團投資物業之進一步詳情包括於第314頁至第316頁內。

公平價值等級

下表列示本集團之投資物業的公平價值計量等級：

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (Continued)

15. 投資物業(續)

公平價值等級(續)

Fair value measurement
as at 31 December 2016 using
於二零一六年十二月三十一日
公平價值計量使用

Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
在活動市場 的報價 (等級一)	重大可觀察 到的因素 (等級二)	重大不可觀察 到的因素 (等級三)	總計
HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元

Recurring fair value measurement for: 循環公平價值計量於：
Commercial properties 商業物業 - - 3,046,367 3,046,367

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2016: Nil).

於本年度內，於等級一及等級二之間概無轉換公平價值計量，而於等級三亦無轉入或轉出(二零一六年：無)。

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (Continued)

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

		Commercial properties 商業物業 HK\$'000 港幣千元
Carrying amount at 1 January 2016	於二零一六年一月一日之賬面值	2,123,249
Additions	添置	57,139
Transfer from owner-occupied properties/prepaid land premium	轉撥自自用物業／預付土地租金	932,396
Net gain from a fair value adjustment recognised in other gains in profit or loss	按公平價值調整之淨收益確認為損益 之其他收益	134,888
Exchange realignment	匯兌調整	(201,305)
Carrying amount 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之賬面值	3,046,367
Additions	添置	12,854
Transfer from owner-occupied properties/prepaid land premium	轉撥自自用物業／預付土地租金	821,663
Transfer to completed properties held for sale	轉撥至持作銷售用途的峻工物業	(39,384)
Net gain from a fair value adjustment recognised in other gains in profit or loss	按公平價值調整之淨收益確認為損益 之其他收益	53,086
Exchange realignment	匯兌調整	207,741
Carrying amount at 31 December 2017	於二零一七年十二月三十一日之賬面值	4,102,327

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (Continued)

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

Valuation techniques 評估方法	Significant unobservable inputs 重大不可觀察到的因素	Range or weighted average 界乎或加權平均	
		2017 二零一七年	2016 二零一六年
Commercial properties 商業物業	Discounted method cash flow 貼現現金流量法	Estimated rental value (per s.q.m. and per month) 預估租金價值(每平方米及每月) Long term vacancy rate 長期空置率 Discount rate 貼現率	From 17 to 383 由17至383 From 4% to 15% 由4%至15% From 5.5% to 7.5% 由5.5%至7.5%
Commercial properties 商業物業	Hypothetical development method 假設發展法	Unit rate (per s.q.m.) (HK\$) 單位費率(每平方米)(港幣元) Construction costs (per s.q.m.) (HK\$) 建築成本(每平方米)(港幣元) Other costs and expenses/construction costs 其他成本及開支/建築成本 Discount rate 貼現率	From 9,466 to 13,015 由9,466至13,015 From 4,370 to 5,050 由4,370至5,050 From 17.76% to 22.85% 由17.76%至22.85% 4.75% 4.75%

The Group has determined that the highest and best use of the commercial properties at the measurement date would be to convert those properties for residential purposes. For strategic reasons, the properties are not being used in this manner.

Under the discounted cash flow method, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset.

15. 投資物業(續)

公平價值等級(續)

以下為概述投資物業的評估之評估方法及重要因素：

Range or weighted average 界乎或加權平均	2017 二零一七年	2016 二零一六年
From 17 to 383 由17至383	From 12 to 371 由12至371	From 5% to 15% 由5%至15%
From 4% to 15% 由4%至15%	From 5% to 15% 由5%至15%	From 6% to 8% 由6%至8%
From 5.5% to 7.5% 由5.5%至7.5%	From 6% to 8% 由6%至8%	From 6% to 8% 由6%至8%
From 9,466 to 13,015 由9,466至13,015	From 8,857 to 12,179 由8,857至12,179	From 4,370 to 5,050 由4,370至5,050
From 4,370 to 5,050 由4,370至5,050	From 4,089 to 4,725 由4,089至4,725	From 17.76% to 22.85% 由17.76%至22.85%
From 17.76% to 22.85% 由17.76%至22.85%	From 15.66% to 18.04% 由15.66%至18.04%	4.75% 4.75%
4.75%	4.75%	4.75%

本集團已確定該等商業物業於測量日期之最高及最佳用途將轉換為作住宅用途之該等物業。出於策略原因，物業並無以該方式使用。

根據貼現現金流量法，公平價值乃採用假設有關所有權的利益及負債超過資產之壽命進行估計。該方法涉及對物業權益之一連串現金流量之預測。市場衍生之貼現率適用於預測現金流量以便確立與資產有關之收益流之現值。

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15. INVESTMENT PROPERTIES (CONTINUED)

Fair value hierarchy (Continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related re-letting, redevelopment and refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

In the case of investment property under construction, estimates of capital outlays and construction cost, development costs, and anticipated sales income are estimated to arrive at a series of net cash flows that are then discounted over the projected development and marketing periods. Specific development risks such as planning, zoning, licences, and building permits are separately valued.

A significant increase/(decrease) in the estimated rental value and the market rent growth rate per annum in isolation would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the long term vacancy rate and the discount rate in isolation would result in a significant decrease/(increase) in the fair value of the investment properties. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum and the discount rate and an opposite change in the long term vacancy rate.

15. 投資物業（續）

公平價值等級（續）

現金流量之持續時間及流入和流出的具體時間乃由諸如租金檢討、租約續租及相關續租、重建及翻新等事件決定。適當之持續時間受市場行為（為物業類別的一個特性）所影響。定期現金流量按總收入扣除空置、不可收回開支、收賬損失、租賃優惠、維修費用、代理和佣金費用及其他經營和管理開支。該一連串定期經營收入淨額，連同預計於預測期終結時之終端價值估計金額，貼現至現值。

就在建投資物業而言，估計資本支出及建築成本、開發成本，以及預期銷售收入估計於一連串現金流量於預測開發及營銷期間折現後達致。具體開發風險，如規劃、分區、許可證及施工執照乃分開估值。

預估租賃價值及市場租金年增長率單獨大幅增加／（減少）將導致投資物業的公平價值大幅增加／（減少）。長期空置率及貼現率單獨大幅增加／（減少）將導致投資物業之公平價值大幅減少／（增加）。一般而言，就預估租賃價值作出的假設的變動會導致租金年增長及貼現率出現類似方向變動及導致長期空置率出現反向變化。

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16. PREPAID LAND PREMIUMS

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Carrying amount at 1 January	於一月一日之賬面值	72,274	120,352
Additions	添置	—	36,630
Transfers to investment properties (note 15)	轉撥至投資物業(附註15)	(1,811)	(74,839)
Amortisation during the year (note 6)	本年度攤銷(附註6)	(1,755)	(2,601)
Exchange realignment	匯兌調整	4,927	(7,268)
Carrying amount at 31 December	於十二月三十一日之賬面值	73,635	72,274
Current portion included in prepayments, deposits and other receivables	流動部分包括在預付款項、按金及其他應收款項	(4,356)	(4,337)
Non-current portion	非流動部份	69,279	67,937

As at 31 December 2017, the Group's prepaid land premiums with a carrying value of HK\$33,164,000 (2016: HK\$23,073,000) were pledged to secure certain bank loans of the Group (note 33(a)).

於二零一七年十二月三十一日，本集團賬面值為港幣33,164,000元(二零一六年：港幣23,073,000元)之預付土地租金已予以抵押，作為本集團獲得若干銀行貸款之擔保(附註33(a))。

16. 預付土地租金

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17. GOODWILL

The amount of goodwill capitalised as an asset, arising from the acquisition of subsidiaries, was as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At 1 January:	於一月一日：		
Cost	成本值	2,195,376	1,228,452
Accumulated impairment	累計減值	—	(12,476)
Net carrying amount	賬面淨值	2,195,376	1,215,976
Cost at 1 January, net of accumulated impairment	於一月一日之成本值，扣除累計減值	2,195,376	1,215,976
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	—	1,073,696
Exchange realignment	匯兌調整	150,842	(94,296)
Cost at 31 December, net of accumulated impairment	於十二月三十一日之成本值，扣除累計減值	2,346,218	2,195,376
At 31 December:	於十二月三十一日：		
Cost	成本值	2,346,218	2,195,376
Accumulated impairment	累計減值	—	—
Net carrying amount	賬面淨值	2,346,218	2,195,376

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17. GOODWILL (CONTINUED)

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Industry application software and solutions cash-generating unit;
- Rural information services cash-generating unit;
- Mobile network optimisation and big data services for communications cash-generating unit;
- Data integration and management software sales cash-generating unit; and
- Agricultural internet of things services cash-generating unit.

Industry application software and solutions cash-generating unit

The recoverable amount of the industry application software and solutions cash-generating unit is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 14% (2016: 15%) and cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2016: 3%).

Rural information services cash-generating unit

The recoverable amount of the rural information services cash-generating unit is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 14% (2016: 15%) and cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2016: 3%).

17. 商譽(續)

商譽減值測試

透過業務合併收購之商譽已按以下現金產生單位分配，以進行減值測試：

- 行業應用軟件及解決方案現金產生單位；
- 農村信息服務現金產生單位；
- 移動網絡優化及通信大數據服務現金產生單位；
- 數據集成及管理軟件銷售現金產生單位；及
- 農業物聯網服務現金產生單位。

行業應用軟件及解決方案現金產生單位

行業應用軟件及解決方案現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算預測之現金流量計算。預測現金流量所使用之貼現率為14% (二零一六年：15%) 及採用超過五年期3% (二零一六年：3%) 增長率推斷現金流量。

農村信息服務現金產生單位

農村信息服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算預測之現金流量計算。預測現金流量所使用之貼現率為14% (二零一六年：15%) 及採用超過五年期3% (二零一六年：3%) 增長率推斷現金流量。

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17. GOODWILL (CONTINUED)

Impairment testing of goodwill (Continued)

Mobile network optimisation and big data services for communications cash-generating unit

The recoverable amount of the mobile network optimisation and big data services for communications cash-generating unit is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 14% (2016: 13.5%) and cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2016: 3%).

Data integration and management software sales cash-generating unit

The recoverable amount of the data integration and management software sales cash-generating unit is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 16% (2016: 16.5%) and cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2016: 3%).

Agricultural internet of things services cash-generating unit

The recoverable amount of the agricultural internet of things services cash-generating unit is determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to cash flow projections is 18.5% (2016: 20%) and cash flows beyond the five-year period are extrapolated using a growth rate of 3% (2016: 3%).

17. 商譽(續)

商譽減值測試(續)

移動網絡優化及通信大數據服務現金產生單位

移動網絡優化及通信大數據服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算預測之現金流量計算。預測現金流量所使用之貼現率為14% (二零一六年：13.5%) 及採用超過五年期3% (二零一六年：3%) 增長率推斷現金流量。

數據集成及管理軟件銷售現金產生單位

數據集成及管理軟件銷售現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算預測之現金流量計算。預測現金流量所使用之貼現率為16% (二零一六年：16.5%) 及採用超過五年期3% (二零一六年：3%) 增長率推斷現金流量。

農業物聯網服務現金產生單位

農業物聯網服務現金產生單位之可收回值乃根據使用價值釐定，而使用價值乃採用根據高級管理層批准之五年期財務預算預測之現金流量計算。預測現金流量所使用之貼現率為18.5% (二零一六年：20%) 及採用超過五年期3% (二零一六年：3%) 增長率推斷現金流量。

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17. GOODWILL (CONTINUED)

Impairment testing of goodwill (Continued)

The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Industrial application software and solutions	行業應用軟件及解決方案	229,153	214,421
Rural information services	農村信息服務	977,543	914,696
Mobile network optimisation and big data services for communications	移動網絡優化及通信大數據服務	1,032,203	965,841
Data integration and management software sales	數據集成及管理軟件銷售	83,863	78,470
Agricultural internet of things services	農業物聯網服務	23,456	21,948
Total	合計	2,346,218	2,195,376

Key assumptions were used in the value in use calculation of the industry application software and solutions cash-generating unit, the rural information services cash-generating unit, the mobile network optimisation and big data services for communications cash-generating unit, the data integration and management software sales cash-generating unit and the agricultural internet of things services cash generating unit for the years ended 31 December 2017 and 2016.

17. 商譽(續)

商譽減值測試(續)

以下為分配至各現金產生單位之商譽賬面值：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Industrial application software and solutions	行業應用軟件及解決方案	229,153	214,421
Rural information services	農村信息服務	977,543	914,696
Mobile network optimisation and big data services for communications	移動網絡優化及通信大數據服務	1,032,203	965,841
Data integration and management software sales	數據集成及管理軟件銷售	83,863	78,470
Agricultural internet of things services	農業物聯網服務	23,456	21,948
Total	合計	2,346,218	2,195,376

於截至二零一七年及二零一六年十二月三十一日止年度內，計算行業應用軟件及解決方案現金產生單位、農村信息服務現金產生單位、移動網絡優化及通信大數據服務現金產生單位、數據集成及管理軟件銷售現金產生單位及農業物聯網服務現金產生單位之使用價值時曾作出重要假設。

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17. GOODWILL (CONTINUED)

Impairment testing of goodwill (Continued)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rate – The discount rate used is after tax and reflects specific risks relating to the cash-generating unit.

The values assigned to the key assumptions on market development of the industry application software and solutions cash-generating unit, the rural information services cash-generating unit, the mobile network optimisation and big data services for communications cash-generating unit, the data integration and management software sales cash-generating unit and the agriculture internet of things services cash generating unit, and discounts rates are consistent with external information sources.

17. 商譽(續)

商譽減值測試(續)

下文載述管理層就進行商譽減值測試預測現金流量所依據之各項主要假設：

預算毛利率 – 預算毛利率價值之釐定基準為緊接預算年度前一個年度所取得之平均毛利率，預計有效性改善之增加及預計市場發展。

貼現率 – 所採用之貼現率為除稅後貼現率，且反映有關單位所涉及之特定風險。

主要假設的於行業應用軟件及解決方案現金產生單位、農村信息服務現金產生單位、移動網絡優化及通信大數據服務現金產生單位、數據集成及管理軟件銷售現金產生單位及農村物聯網服務現金產生單位的市場發展之數值，以及貼現率與外部資料來源一致。

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18. OTHER INTANGIBLE ASSETS

18. 其他無形資產

		Deferred Patents and licences	development costs	Systems software	Total
		專利權及 許可證權	遞延開發 成本	系統軟件	總計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
31 December 2017	二零一七年十二月三十一日				
At 1 January 2017:	於二零一七年一月一日：				
Cost	成本值	23,975	32,564	124,874	181,413
Accumulated amortisation and impairment	累計攤銷及減值	(12,208)	—	(17,162)	(29,370)
Net carrying amount	賬面淨值	11,767	32,564	107,712	152,043
Cost at 1 January 2017, net of accumulated amortisation and impairment	於二零一七年一月一日之成本值，扣減累計攤銷及減值	11,767	32,564	107,712	152,043
Additions	添置	4,712	15,592	29,678	49,982
Amortisation provided during the year (note 6)	本年度攤銷(附註6)	(4,921)	—	(26,932)	(31,853)
Exchange realignment	匯兌調整	744	2,559	7,912	11,215
At 31 December 2017	於二零一七年十二月三十一日	12,302	50,715	118,370	181,387
At 31 December 2017:	於二零一七年十二月三十一日：				
Cost	成本值	30,433	50,715	164,641	245,789
Accumulated amortisation and impairment	累計攤銷及減值	(18,131)	—	(46,271)	(64,402)
Net carrying amount	賬面淨值	12,302	50,715	118,370	181,387

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18. OTHER INTANGIBLE ASSETS (CONTINUED)

18. 其他無形資產(續)

		Patents and licences 專利權及 許可證權	Deferred development 遞延開發 成本	Systems software 系統軟件	Total HK\$'000 港幣千元
31 December 2016					
At 1 January 2016:	於二零一六年一月一日：				
Cost	成本值	19,554	30,738	71,898	122,190
Accumulated amortisation and impairment	累計攤銷及減值	(5,077)	(4,383)	(54,345)	(63,805)
Net carrying amount	賬面淨值	14,477	26,355	17,553	58,385
Cost at 1 January 2016, net of accumulated amortisation and impairment	於二零一六年一月一日之成本值，扣減累計攤銷及減值				
Additions	添置	14,477	26,355	17,553	58,385
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	2,048	9,462	46,392	57,902
Amortisation provided during the year	本年度攤銷	499	—	54,962	55,461
Exchange realignment	匯兌調整	(4,281)	—	(10,320)	(14,601)
At 31 December 2016	於二零一六年十二月三十一日	(976)	(3,253)	(875)	(5,104)
At 31 December 2016:	於二零一六年十二月三十一日：				
Cost	成本值	23,975	32,564	124,874	181,413
Accumulated amortisation and impairment	累計攤銷及減值	(12,208)	—	(17,162)	(29,370)
Net carrying amount	賬面淨值	11,767	32,564	107,712	152,043

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19. INVESTMENTS IN JOINT VENTURES

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Share of net assets	190,776	991,219
Goodwill on acquisition	37,863	16,794
	228,639	1,008,013

The details of the Group's loans to joint ventures included in the Group's prepayments, deposits and other receivables are disclosed in note 28 to the financial statements. In the opinion of the directors, these loans are not considered as part of the Group's net investments in these joint ventures.

The details of the Group's accounts receivable balances due from joint ventures are disclosed in note 27 to the financial statements.

All the joint ventures have been accounted for using the equity method in these financial statements.

On 25 October 2017, Digital China Investments Limited⁺ ("DCI"), a wholly-owned subsidiary of the Group, entered into the equity transfer agreement with Beijing Huicong Internet Information Technology Co., Ltd.⁺ ("Beijing Huicong"), a wholly-owned subsidiary of HC International, Inc., pursuant to which DCI agreed to transfer the 30% equity interest in Chongqing Digital Chinac HC Microfinance Co. Ltd.⁺ ("Chongqing Microfinance") to Beijing Huicong. The disposal of Chongqing Microfinance has been completed on 15 November 2017. Upon completion of the disposal, the Group held the equity interest in Chongqing Microfinance reduced from 60% to 30%, accordingly, Chongqing Microfinance is accounted for as an associate of the Group. Further details of the transaction has been set out in the Company's announcements dated on 19 May 2017 and 15 Nov 2017.

19. 於合營企業之投資

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Share of net assets	190,776	991,219
Goodwill on acquisition	37,863	16,794
	228,639	1,008,013

本集團包括在本集團之預付款項、按金及其他應收款項之向合營企業提供之貸款的詳情披露於此財務報表附註28。董事認為，該等貸款不會考慮為本集團於該等合營企業淨投資的一部分。

本集團應收多間合營企業之應收賬款結餘的詳情披露於此財務報表附註27。

所有合營企業均已按權益法於此財務報表列賬。

於二零一七年十月二十五日，本集團之全資擁有附屬公司神州投資有限公司（「神州投資」）與慧聰集團有限公司（前稱為「慧聰網有限公司」）之全資擁有附屬公司北京慧聰互聯信息技術有限公司（「北京慧聰」）簽立股權轉讓協議，神州投資同意向北京慧聰轉讓重慶神州數碼慧聰小額貸款有限公司（「重慶小貸」）之30%股權。出售重慶小貸已於二零一七年十一月十五日完成。直至完成該出售後，本集團持有重慶小貸之股權由60%降低至30%，因此，重慶小貸乃作為本集團之聯營公司。該交易之進一步詳情已載於本公司日期為二零一七年五月十九日及二零一七年十一月十五日之公告內。

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19. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table illustrates the summarised financial information in respect of Chongqing Microfinance, which is the Group's material joint venture as at 31 December 2016, adjusted for any differences in accounting policies.

	2016 二零一六年 HK\$'000 港幣千元
Revenue	234,385
Profit for the year	80,438
Total comprehensive income for the year	80,438

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Aggregate carrying amount of the Group's investments in the joint ventures	228,639	187,176
Share of the joint ventures' profit/(loss) for the year	24,722	(9,016)
Share of the joint ventures' total comprehensive income/(loss) for the year	24,722	(9,016)

* The English names of these companies are direct transliterations of their Chinese registered names.

* 該等公司之英文名稱及直譯自註冊登記之中文名稱。

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20. INVESTMENTS IN ASSOCIATES

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Share of net assets	應佔資產淨值	2,110,299	1,128,307
Goodwill on acquisition	因收購產生之商譽	527,005	501,213
		2,637,304	1,629,520
Analysed into:	分析如下：		
Unlisted shares	非上市股份	699,913	197,232
Shares listed in Hong Kong	於香港上市之股份	1,410,455	918,942
Shares listed in Mainland China	於中國大陸上市之股份	526,936	513,346
		2,637,304	1,629,520

The Group's trading balances with associates are disclosed in notes 27 and 31 to the financial statements, respectively.

本集團與多間聯營公司之貿易結餘分別披露於此財務報表附註27及31。

Particulars of the material associates are as follows:

主要聯營公司之詳情如下：

Name 名稱	Place of incorporation/ registration and business 註冊成立/登記 及業務地點	Particular of issued share capital registered capital 持有已發行 股本/註冊 資本詳情	Percentage of ownership interest attributable to the Group 本集團應佔 所有權權益 百分比	Principal activities 主要業務
DigiWin Software Co., Ltd. ("DWS")**	PRC/Mainland China	RMB264,709,943	10.98 [#]	Provision of ERP software and related services 提供ERP軟件及有關服務
鼎捷軟件股份有限公司(「鼎捷軟件」)**	中國／中國大陸	人民幣264,709,943元		
HC International, Inc. ("HCI")***	Cayman Islands/ Mainland China	HK\$108,532,371	23.37	Provision of B-to-B e-commerce services 經營網上交易平台
慧聰集團有限公司(「慧聰集團」)***	開曼群島／中國大陸	港幣108,532,371元		

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20. INVESTMENTS IN ASSOCIATES (CONTINUED)

- * DWS is accounted for as an associate of the Group as the Group is able to exercise significant influence over DWS because the Group hold more than 20% of the voting power of DWS through a non-wholly-owned subsidiary and a wholly-owned subsidiary.
- ^ Not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.
- * Listed on the ChiNext of The Shenzhen Stock Exchange. The total market value of the Group's listed shares as at 31 December 2017 was HK\$994,068,000.
- ** Listed on the Main Board of The Stock Exchange of Hong Kong Limited. The total market value of the Group's listed shares as at 31 December 2017 was HK\$1,453,540,000.

The Group's investments in the associates are held through the subsidiaries of the Company.

All the associates have been accounted for using the equity method in these financial statements.

20. 於聯營公司之投資（續）

- * 鼎捷軟件通過一間非全資擁有附屬公司及一間全資擁有附屬公司擁有鼎捷軟件超過20%的表決權，對鼎捷軟件具有重大影響，因此鼎捷軟件乃作為本集團的聯營公司。
- ^ 非由香港安永會計師事務所或安永會計師事務所其他全球網絡成員所審核。
- * 於深圳聯交所創業板上市。於二零一七年十二月三十一日，本集團上市股份之市值總額為港幣994,068,000元。
- ** 於香港聯合交易所有限公司主板上市。於二零一七年十二月三十一日，本集團上市股份之市值總額為港幣1,453,540,000元。

本集團於聯營公司之投資乃全部透過本公司之附屬公司持有。

所有聯營公司均已按權益法於此財務報表列賬。

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20. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the summarised financial information in respect of DWS and HCI adjusted for any differences in accounting policies:

20. 於聯營公司之投資(續)

下表列示鼎捷軟件及慧聰集團經調整計政策差異之財務資料概要：

		DWS		HCI	
		鼎捷軟件	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	慧聰集團
Current assets	流動資產	1,243,181	1,083,131	3,399,159	2,743,974
Non-current assets	非流動資產	1,098,011	890,018	5,249,562	4,134,028
Current liabilities	流動負債	(873,549)	(666,858)	(1,531,443)	(2,698,235)
Non-current liabilities	非流動負債	(4,283)	(3,135)	(1,873,148)	(605,769)
Net assets	資產淨值	1,463,360	1,303,156	5,244,130	3,573,998
Less: Non-controlling interests	減：非控股權益	17,670	9,903	950,153	309,283
Net assets attributable to shareholders of the associates	聯營公司股東應佔之資產淨值	1,445,690	1,293,253	4,293,977	3,264,715
Net assets, excluding goodwill of the associate	資產淨值，不包括聯營公司商譽	1,463,360	1,303,156	3,660,159	2,390,482
Revenue	收入	1,436,826	1,332,834	4,241,553	2,289,506
Profit for the year	本年度溢利	76,399	49,698	363,511	351,532
Other comprehensive income/(loss)	其他全面收益/(虧損)	(13,326)	22,252	(102,619)	(67,060)
Total comprehensive income for the year	本年度全面收益總額	63,073	71,950	260,892	284,472

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20. INVESTMENTS IN ASSOCIATES (CONTINUED)

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Aggregate carrying amount of the Group's investments in the associates	本集團於聯營公司之投資的賬面值合計	281,363	197,232
Share of the associates' loss for the year	應佔聯營公司之本年度虧損	(34,767)	(8,126)
Share of the associates' total comprehensive loss for the year	應佔聯營公司之本年度全面虧損總額	(34,767)	(8,126)

21. AVAILABLE-FOR-SALE INVESTMENTS

20. 於聯營公司之投資(續)

下表列示本集團聯營公司(非個別重大)之財務資料合計:

21. 可供出售之投資

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current	流動			
Wealth management financial products, at cost	理財產品，按成本值	(a)	585,719	2,856,415
Non-current	非流動			
Wealth management financial products	理財產品	(a)	2,366,416	—
Listed equity investments, at fair value	上市權益投資，按公平價值	(b)	98,440	172,455
Unlisted equity investments	非上市權益投資	(b)	849,953	779,784
			3,314,809	952,239

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21. AVAILABLE-FOR-SALE INVESTMENTS (CONTINUED)

Notes:

(a) Wealth management financial products have original maturity from one months to one year or have no fixed term maturities (2016: three months to one year) when acquired. Included in the above balances there are certain wealth management financial products with an aggregate principal amount of HK\$2,603,057,000 (before deducting the impairment loss) which were purchased from an affiliate to a state-owned financial institution during the year ended 31 December 2016. These wealth management financial products were due for repayment during the year ended 31 December 2017 but have not yet been settled. The Group is in discussion with the counterparties on the settlement plan, but no conclusion has been reached as at the date on which these financial statements were approved. During the year, an impairment provision of HK\$227,941,000 (2016: Nil) was made against these wealth management financial products and recorded in the results of the "New Business" segment based on the Group's provision policy. In addition, these wealth management financial products were reclassified to non-current assets for current year's presentation considering the existence of uncertainties to recover these balances within twelve months after the reporting period.

(b) The investments consist of investments in equity securities which were designated as available-for-sale financial assets and have no fixed maturity date or coupon rate.

During the year, an impairment of HK\$11,832,000 (2016: Nil) was recognised for an available-for-sale investment with a carrying amount of HK\$33,972,000 (before deducting the impairment loss), because there are objective evidences indicating that such investment was impaired. During the year ended 31 December 2016, there was a significant decline in the market value of certain listed equity investments during the year. The directors consider that such a decline indicates that the listed equity investments have been impaired and an impairment loss of HK\$3,599,000, which included a reclassification from other comprehensive income of HK\$3,599,000, has been recognised in the statement of profit or loss for the year then ended.

The Group's unlisted equity investments and wealth management financial products are measured at cost less impairment. The directors consider that fair values of these investments cannot be measured reliably because the probabilities of various estimates within the range cannot be reasonably assessed and used in estimating fair values.

21. 可供出售之投資(續)

附註:

(a) 理財金融產品購入時的原有期限為一個月至一年或可隨時贖回(二零一六年:三個月至一年)。上列結餘包括截至二零一六年十二月三十一日止年度內,向國有金融機構旗下公司購買的若干理財金融產品,本金總額合計港幣2,603,057,000元(扣除減值虧損前)。有關理財金融產品於截至二零一七年十二月三十一日止年度內已到期償還但尚未結算。本集團正與對方磋商解決方案,截至批准此財務報表日期為止尚未達成結論。於本年度內就上述理財金融產品作出減值撥備港幣227,941,000元(二零一六年:無),遵照本集團的撥備政策,記錄於「新業務」分部業績內。此外,鑑於未能確定可於報告期後十二個月內收回上述結餘,在本年度呈報中,該等理財金融產品已重新列為非流動資產。

(b) 該等投資包括被指定為可供出售金融資產,並且沒有固定到期日或息率之權益證券投資。

本年度內,因有客觀證據表示該投資已減值,已計提該可供出售之投資減值港幣11,832,000元(二零一六年:無),其賬面值為港幣33,972,000元(未扣減減值虧損前)。於截至二零一六年十二月三十一日止年度內,若干上市權益投資於該期間之市場價值大幅下跌。董事認為該下跌顯示上市權益投資已減值及減值虧損為港幣3,599,000元,此包括來自其他全面收益港幣3,599,000元之重新分類,已於該年度損益表確認。

本集團之非上市權益投資及理財產品按成本值減減值列賬。董事認為,由於有關範圍內各項估計之概率無法合理評估及用以估算公平價值,故無法可靠計算非上市權益投資之公平價值。

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22. FINANCE LEASE RECEIVABLES

22. 應收融資租賃款項

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Finance lease receivables	應收融資租賃款項	479,944	736,803
Impairment	減值	(24,716)	(22,674)
		455,228	714,129
Non-current	非流動		
Finance lease – gross receivables	應收融資租賃 – 原款項	113,493	352,532
Unearned finance income	未實現融資收入	–	(24,667)
		113,493	327,865
Current	流動		
Finance lease – gross receivables	應收融資租賃 – 原款項	389,932	443,613
Unearned finance income	未實現融資收入	(48,197)	(57,349)
		341,735	386,264

An aged analysis of the finance lease receivables, as at the end of the reporting period, is as follows:

於報告期末，應收融資租賃款項之賬齡分析如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Finance lease receivables:	應收融資租賃款項：		
Due within one year	一年以內到期	365,304	400,454
Due in one to two years	一至二年到期	112,578	222,198
Due in two to three years	二至三年到期	2,062	114,151
		479,944	736,803

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22. FINANCE LEASE RECEIVABLES (CONTINUED)

The movement in provision for impairment of finance lease receivables are as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At the beginning of year	於本年度初	22,674	4,272
Impairment losses recognised (note 6)	確認之減值虧損(附註6)	522	20,102
Exchange realignment	匯兌調整	1,520	(1,700)
At the end of the year	於本年度末	24,716	22,674

The Group provides finance leasing services on certain equipment in Mainland China. These leases are classified as finance leases and have remaining lease terms ranging from one to three years.

22. 應收融資租賃款項(續)

應收融資租賃款之減值撥備之變動如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At the beginning of year	於本年度初	22,674	4,272
Impairment losses recognised (note 6)	確認之減值虧損(附註6)	522	20,102
Exchange realignment	匯兌調整	1,520	(1,700)
At the end of the year	於本年度末	24,716	22,674

本集團於中國大陸就若干設備提供融資租賃服務。該等租賃已分類為融資租賃，且尚餘介乎一至三年之租期。

	Minimum lease payments 最低租賃付款額	Present value of minimum lease payments 最低租賃付款項現值			
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Net finance lease receivables:	應收融資租賃款項淨值：				
Due with one year	一年以內到期	389,932	443,613	341,735	386,264
Due in one to two years	一至二年到期	111,452	234,296	111,452	214,856
Due in two to three years	二至三年到期	2,041	118,236	2,041	113,009
		503,425	796,145	455,228	714,129
Less: unearned finance income	減：未實現融資收入	(48,197)	(82,016)		
Present value of minimum lease payments	最低租賃付款額現值	455,228	714,129		

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23. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

Deferred tax assets

At 1 January 2017
Deferred tax credited to the statement of profit or loss during the year
Exchange realignment

於二零一七年一月一日
本年度內在損益表中計入之
遞延稅項
匯兌調整

Gross deferred tax assets at 31 December 2017

於二零一七年十二月三十一日
之遞延稅項資產總額

23. 遲延稅項

遞延稅項資產及負債於本年度內之
變動如下：

遞延稅項資產

2017 二零一七年			
Asset provisions 資產撥備	Others HK\$'000 港幣千元	Total HK\$'000 港幣千元	
49,840	34,460	84,300	
19,715	14,441	34,156	
4,623	2,736	7,359	
74,178	51,637	125,815	

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23. DEFERRED TAX (CONTINUED)

Deferred tax liabilities

23. 遲延稅項(續)

遞延稅項負債

		2017 二零一七年			
		Revaluation of properties	Purchase rebates receivables 採購折扣 應收款項	Others	Total
		物業估值 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	總計 HK\$'000 港幣千元
At 1 January 2017	於二零一七年一月一日	249,807	3,395	10,444	263,646
Deferred tax charged/(credited) to the statement of profit or loss during the year	本年度內在損益表中扣除／(計入)之遞延稅項	10,489	(2,342)	(1,348)	6,799
Deferred tax charged to the statement of change in equity during the year	本年度內在權益變動表中扣除之遞延稅項	8,017	—	—	8,017
Exchange realignment	匯兌調整	17,057	375	679	18,111
Gross deferred tax liabilities at 31 December 2017	於二零一七年十二月三十一日之遞延稅項負債總額	285,370	1,428	9,775	296,573
Net deferred tax credited to the statement of profit or loss during the year	本年度內在損益表中計入之遞延稅項淨額				(27,357)
Net deferred tax liabilities at 31 December 2017	於二零一七年十二月三十一日之遞延稅項負債淨額				(170,758)

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23. DEFERRED TAX (CONTINUED)

Deferred tax assets

23. 遲延稅項(續)

遞延稅項資產

		2016 二零一六年			
	Losses available for offsetting against future taxable profits 可用於抵銷 未來應課稅 溢利之虧損	Asset provisions 資產撥備	Sales rebates payables 銷售折扣 應付款項	Others	Total
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 January 2016	於二零一六年一月一日	1,281	165,978	157,095	55,209
Deferred tax credited/(charged) to the statement of profit or loss during the year	本年度內在損益表中計入／ (扣除)之遞延稅項	40,853	48,573	23,314	(4,178)
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	–	1,525	–	–
Disposal of the discontinued operation	出售非持續經營業務	(42,137)	(162,211)	(180,772)	(14,476)
Exchange realignment	匯兌調整	3	(4,025)	363	(2,095)
Gross deferred tax assets at 31 December 2016	於二零一六年十二月三十一日之 遞延稅項資產總額	–	49,840	–	34,460
					84,300

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23. DEFERRED TAX (CONTINUED)

Deferred tax liabilities

23. 遲延稅項(續)

遞延稅項負債

		2016 二零一六年					
		Unrealised loss from intragroup transactions 集團內 交易產生之 未實現虧損	Revaluation of properties 物業估值	Purchase rebates receivables 應收款項	Withholding tax 預扣稅	Others 其他	Total HK\$'000 港幣千元
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	港幣千元
At 1 January 2016	於二零一六年一月一日	74,793	79,549	48,330	93,539	2,172	298,383
Deferred tax charged/(credited) the statement of profit or loss during the year	本年度內在損益表中扣除/(計入) 之遞延稅項	(7,391)	33,379	44,777	36,800	(1,472)	106,093
Deferred tax charged to the statement of change in equity during the year	本年度內在權益變動表中扣除 之遞延稅項	–	150,452	–	–	–	150,452
Acquisition of subsidiaries (note 38)	收購附屬公司(附註38)	–	–	–	–	9,877	9,877
Disposal of the discontinued operation	出售非持續經營業務	(67,595)	–	(89,828)	(130,580)	–	(288,003)
Exchange realignment	匯兌調整	193	(13,573)	116	241	(133)	(13,156)
Gross deferred tax liabilities at 31 December 2016		於二零一六年十二月三十一日之 遞延稅項負債總額					
		–	249,807	3,395	–	10,444	263,646
Net deferred tax credited to the statement of profit or loss during the year		本年度內在損益表中計入之 遞延稅項淨額					
		–	–	–	–	–	(2,469)
Net deferred tax liabilities at 31 December 2016		於二零一六年十二月三十一日之 遞延稅項負債淨額					
		–	–	–	–	–	(179,346)

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23. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (Continued)

For presentation purpose, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group as at the end of the reporting period for financial reporting purposes and deferred tax charged/(credited) to the consolidated statement of profit or loss during the year:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	在綜合財務狀況表中確認之遞延稅項資產淨額	102,354
Net deferred tax liabilities recognised in the consolidated statement of financial position	在綜合財務狀況表中確認之遞延稅項負債淨額	(273,112)
		(170,758)
Net deferred tax charged to the consolidated statement of profit or loss from continuing operations (note 10)	持續經營業務在綜合損益表中扣除之遞延稅項淨額 (附註10)	(27,357)
Net deferred tax credited to the consolidated statement of profit or loss from the discontinued operation	非持續經營業務在綜合損益表中計入之遞延稅項淨額	—
Net deferred tax credited to the consolidated statement of profit or loss during the year	本年度內在綜合損益表中計入之遞延稅項淨額	(27,357)
		(2,469)

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23. DEFERRED TAX (CONTINUED)

Deferred tax liabilities (Continued)

The Group's tax losses arising in Mainland China of HK\$786,255,000 (2016: HK\$508,090,000) which are due to expire within five years for offsetting against future taxable profits of the subsidiaries in which the losses arose, have not been recognised as deferred tax assets. These tax losses and certain deductible temporary differences of HK\$170,764,000 (2016: HK\$42,817,000) have not been recognised as deferred tax assets since they have arisen in subsidiaries that have been making losses for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement has become effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

At 31 December 2017, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Mainland China for which deferred tax liabilities have not been recognised totalled HK\$32,319,000 at 31 December 2017 (2016: HK\$29,053,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

23. 遲延稅項(續)

遞延稅項負債(續)

本集團來自中國大陸之稅項虧損為港幣786,255,000元(二零一六年：港幣508,090,000元)，可用於抵銷產生虧損之附屬公司之未來應課稅溢利，惟將於五年內屆滿，並未確認為遞延稅項資產。由於此等稅項虧損及若干可扣減暫時性差額為港幣170,764,000元(二零一六年：港幣42,817,000元)乃來自產生虧損一段時間之附屬公司，故並未確認為遞延稅項資產，以及並無考慮將來可能有應課稅溢利以抵銷可動用稅項虧損。

根據中國企業所得稅法，中國大陸之外國投資企業向外國投資者分派股息，需按10%之稅率徵收預扣稅。該規定於二零零八年一月一日起已生效並適用於二零零七年十二月三十一日之後產生之盈利。倘若中國大陸與外國投資者之稅務管轄區有簽訂相關稅務協議，所運用之預扣稅率可予降低。本集團之適用稅率為5%或10%。故本集團須就有關彼等位於中國大陸之附屬公司由二零零八年一月一日起產生之盈利所分派予之股息繳納有關預扣稅。

於二零一七年十二月三十一日，就本集團位於中國大陸之附屬公司應課稅未匯出盈利之應付預扣稅而言，並未確認任何遞延稅項。董事認為，在可見將來，該等附屬公司將不會分派該盈利。於二零一七年十二月三十一日，與於中國大陸之附屬公司之投資有關之暫時性差異總額(其未確認任何遞延稅項負債)為港幣32,319,000元(二零一六年：港幣29,053,000元)。

本公司向股東支付之股息，不會附有所得稅後果。

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24. INVENTORIES

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trading stock 貿易存貨	1,221,410	788,146

25. PROPERTIES UNDER DEVELOPMENT

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At 1 January 於一月一日	242,517	437,788
Additions 添置	1,285	50,815
Transfers to completed properties 轉撥至持作銷售用途的 held for sale 竣工物業	—	(226,218)
Exchange realignment 汇兌調整	16,702	(19,868)
At 31 December 於十二月三十一日	260,504	242,517

The Group's properties under development are situated in Mainland China and stated at cost.

At 31 December 2017, the Group's properties under development with a carrying value of HK\$172,578,000 (2016: Nil) were pledge to secure certain bank loans of the Group (note 33(a)).

Further particulars of the Group's properties under development are included on page 317.

24. 存貨

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Trading stock 貿易存貨	1,221,410	788,146

25. 在建物業

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At 1 January 於一月一日	242,517	437,788
Additions 添置	1,285	50,815
Transfers to completed properties 轉撥至持作銷售用途的 held for sale 竣工物業	—	(226,218)
Exchange realignment 汇兌調整	16,702	(19,868)
At 31 December 於十二月三十一日	260,504	242,517

本集團之在建物業均位於中國大陸，並以成本值列賬。

於二零一七年十二月三十一日，本集團賬面值為港幣172,578,000元(二零一六年：無)之在建物業已予以抵押，作為本集團獲得若干銀行貸款之擔保(附註33(a))。

本集團在建物業之進一步詳情包括於第317頁內。

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26. COMPLETED PROPERTIES HELD FOR SALE

The Group's completed properties held for sale are situated in Mainland China and are stated at cost.

Further particulars of the Group's major completed properties held for sale are included on page 317.

27. ACCOUNTS AND BILLS RECEIVABLES

26. 持作銷售用途的竣工物業

本集團之持作銷售用途的竣工物業均位於中國大陸，並以成本值列賬。

本集團持作銷售用途的竣工物業之進一步詳情包括於第317頁內。

27. 應收賬款及應收票據

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current	流動		
Accounts and bills receivables	應收賬款及應收票據	5,664,847	4,164,343
Impairment	減值	(450,610)	(292,256)
		5,214,237	3,872,087
Non-current	非流動		
Accounts receivable	應收賬款	23,665	132,857
Impairment	減值	(237)	(1,329)
		23,428	131,528
Total	合計	5,237,665	4,003,615

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27. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally 15 to 720 days in which the credit period of factoring and micro-credit loans in the New Business Segment is generally 90 to 720 days. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's accounts and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Accounts receivable are non-interest-bearing.

An aged analysis of the accounts and bills receivables as at the end of the reporting period, based on the invoice date and net of impairment, is as follows:

27. 應收賬款及應收票據(續)

本集團主要以信貸方式與其客戶訂定條款，惟一般會要求新客戶預付款項。信貸期一般為15至720天，其中新業務分部之商業保理及小額貸款業務的信貸期一般為90至720天。本集團對其未收回應收款項實施嚴謹之監控，並設有信貸監控部門，務求將信貸風險減至最低。管理層會定期檢閱過期餘額。鑑於上文所述者，且事實上本集團之應收賬款及應收票據與大量分散之客戶有關，故信貸風險並不集中。本集團並未就該等應收賬款結餘持有任何抵押品或其他信貸措施。應收賬款並無附息。

於報告期末，按發票日期計算及扣除減值後之應收賬款及應收票據之賬齡分析如下：

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within 30 days	30天內	2,733,417
31 to 60 days	31至60天	391,351
61 to 90 days	61至90天	108,864
91 to 180 days	91至180天	486,228
Over 180 days	超過180天	1,517,805
		5,237,665
		2,048,714
		342,964
		115,122
		440,582
		1,056,233
		4,003,615

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27. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

The movements in provision for impairment of accounts and bills receivables are as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At the beginning of year	於本年度初	293,585	246,475
Amount written off as uncollectible	未收回之撇銷金額	(5,568)	(2,847)
Impairment losses recognised	確認之減值虧損	135,580	70,720
Exchange realignment	匯兌調整	27,250	(20,763)
At the end of year	於本年度末	450,847	293,585

The aged analysis of the accounts and bills receivables that are not collectively considered to be impaired is as follows:

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Neither past due nor impaired	未到期且未減值	3,924,758	2,894,874
Less than 30 days past due	逾期少於30天	208,577	191,931
		4,133,335	3,086,805

Accounts and bills receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of the balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

27. 應收賬款及應收票據(續)

應收賬款及應收票據之減值撥備之變動如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
At the beginning of year	於本年度初	293,585	246,475
Amount written off as uncollectible	未收回之撇銷金額	(5,568)	(2,847)
Impairment losses recognised	確認之減值虧損	135,580	70,720
Exchange realignment	匯兌調整	27,250	(20,763)
At the end of year	於本年度末	450,847	293,585

不存在減值之應收賬款及應收票據之賬齡分析詳情如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Neither past due nor impaired	未到期且未減值	3,924,758	2,894,874
Less than 30 days past due	逾期少於30天	208,577	191,931
		4,133,335	3,086,805

未到期且未減值之應收賬款及應收票據乃與多數若干客戶有關，彼等在近期並無拖欠款項之記錄。

到期未付但並無減值之應收賬款乃與若干獨立客戶有關，該等客戶在本集團內有良好的往績記錄。根據過往經驗，本公司董事認為有關該等結餘並無需要作出減值撥備，皆因該等客戶之信貸質量並無重大的轉變而餘額被認為依然可以全數收回。

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27. ACCOUNTS AND BILLS RECEIVABLES (CONTINUED)

Included in the Group's accounts and bills receivables are amounts due from joint ventures, associates and related companies of the Group of HK\$111,798,000 (2016: HK\$134,941,000), HK\$12,505,000 (2016: HK\$103,000) and HK\$52,121,000 (2016: HK\$26,445,000), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

Financial assets that are derecognised in their entirety

At 31 December 2017, the Group endorsed certain bills receivable accepted by reputable banks in the PRC (the "Derecognised Bills") to certain of its suppliers in order to settle the accounts payable due to such suppliers with a carrying amount in aggregate of HK\$3,640,000 (2016: HK\$6,345,000). The Derecognised Bills have a maturity from one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated accounts payable. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2017, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively (2016: Nil).

27. 應收賬款及應收票據(續)

本集團應收賬款及應收票據金額包括應收本集團之多間合營企業、多間聯營公司及多間關連公司之款項分別為港幣111,798,000元(二零一六年:港幣134,941,000元)、港幣12,505,000元(二零一六年:港幣103,000元)及港幣52,121,000元(二零一六年:港幣26,445,000元)，此等結餘乃根據提供予本集團主要客戶之類似信貸款項償還。

已全部終止確認之金融資產

於二零一七年十二月三十一日，本集團向其若干供應商簽署中國有名聲的銀行接納的若干應收票據(「終止確認票據」)，以清償欠付該等供應商的應付賬款，賬面值總額為港幣3,640,000元(二零一六年:港幣6,345,000元)。於報告期末，終止確認票據的屆滿期介乎一至六個月。根據中國票據法，倘該等中國銀行拖欠，終止確認票據持有人對本集團擁有追索權(「持續涉及」)。董事認為，本集團已轉移有關終止確認票據的大部分風險及回報。因此，其已終止確認該終止確認票據及相關應付賬款的全數賬面值。本集團因持續涉及終止確認票據以及回購終止確認票據的未折現現金流而面對的最高虧損風險相等於其賬面值。董事認為，本集團持續涉及終止確認票據的公平價值並不重大。

於截至二零一七年十二月三十一日止年度內，本集團並無於轉讓終止確認票據之日確認任何損益。本集團並無就持續涉及確認本年度內或累計損益(二零一六年:無)。

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28. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

28. 預付款項、按金及其他應收款項

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Current	流動			
Prepayments	預付款項		140,751	157,190
Due from contract customers	應收合約客戶之款項	29	1,017,881	774,938
Loans to joint ventures	向合營企業提供之貸款	19	208,836	459,185
Deposits and other receivables	按金及其他應收款項		577,408	561,619
			1,944,876	1,952,932
Non-current	非流動			
Deposits and other receivables	按金及其他應收款項		123,391	–

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

At 31 December 2017, included in the Group's prepayments, deposits and other receivables are the loans of HK\$208,836,000 (2016: HK\$383,900,000) to joint ventures of the Group, which are unsecured, bears interest at rates ranging from 4.35% to 12% (2016: 4.35% to 12%) per annum and are repayable within one year from the end of the reporting period.

At 31 December 2016, included in the Group's prepayments, deposits and other receivables was a loan of HK\$75,285,000 to a wholly-owned subsidiary of the Group's joint venture, Digital China Technology Industry Investment Co., Ltd., born interest at a rate of 16.15% per annum and was repayable within one year from the end of the reporting period.

以上資產並無逾期或減值。列入上述結餘的金融資產與近期並無拖欠違約記錄的應收款有關。

於二零一七年十二月三十一日，包括本集團之預付款項、按金及其他應收款項有港幣208,836,000元(二零一六年：港幣383,900,000元)為向本集團多間合營企業提供貸款。於報告期末，該等貸款並無擔保，每年按界乎由4.35%至12%(二零一六年：4.35%至12%)之利率計息，並將於一年內償還。

於二零一六年十二月三十一日，包括本集團之預付款項、按金及其他應收款項有港幣75,285,000元為向本集團合營企業神州數碼科技產業投資有限責任公司之全資擁有附屬公司提供貸款，每年按16.15%之利率計息，並將於一年內償還。

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29. DUE FROM/(TO) CONTRACT CUSTOMERS

29. 應收／(應付)合約客戶之
款項

	Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Gross amount due from contract customers included in other receivables	已計入其他應收款項之應收合約客戶款項之總額 28	1,017,881	774,938
Gross amount due to contract customers included in other payables	已計入其他應付款項之應付合約客戶款項之總額 32	(266,269)	(211,813)
		751,612	563,125
Contract costs incurred plus recognised profits less recognised losses to date Less: Progress billings	現時已產生之合約成本加 已確認溢利減已確認虧損 減：進度款額	3,758,818 (3,007,206)	4,031,898 (3,468,773)
		751,612	563,125

30. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

30. 現金及現金等價物及受限制銀行結餘

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Cash and bank balances	現金及銀行結餘	3,843,773	2,713,890
Time deposits	定期存款	48,512	43,178
Less: Restricted bank balances	減：受限制銀行結餘	3,892,285 107,989	2,757,068 58,910
Cash and cash equivalents	現金及現金等價物	3,784,296	2,698,158

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30. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES (CONTINUED)

At the end of the reporting period, the cash and bank equivalents of the Group denominated in Renminbi ("RMB") amounted to HK\$3,252,215,000 (2016: HK\$2,490,267,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

31. ACCOUNTS AND BILLS PAYABLES

An aged analysis of the accounts and bills payables as at the end of the reporting period, based on the invoice date, is as follows:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within 30 days	30天內	1,765,901
31 to 60 days	31至60天	390,947
61 to 90 days	61至90天	163,513
Over 90 days	超過90天	897,186
		3,217,547
		2,124,347

30. 現金及現金等價物及受限制銀行結餘(續)

於報告期末，本集團以人民幣(「人民幣」)定值之現金及現金等價物合共為港幣3,252,215,000元(二零一六年：港幣2,490,267,000元)。人民幣不得自由兌換為其他貨幣，然而，根據中國大陸之外匯管理條例及結匯、付匯及售匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行將人民幣兌換為其他貨幣。

銀行存款乃按每日銀行存款利率以浮動利率計息。短期定期存款的存款期在一天至三個月期間不等，依本集團的實時現金需求而定，並按照相應的短期定期存款利率賺取利息。銀行結餘存於近期並無違約記錄而信譽昭著之銀行。

31. 應付賬款及應付票據

於報告期末，按發票日期計算應付賬款及應付票據之賬齡分析如下：

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31. ACCOUNTS AND BILLS PAYABLES (CONTINUED)

As at 31 December 2017, included in the Group's accounts and bills payables are amounts due to related companies of the Group of HK\$69,296,000 (2016: HK\$20,117,000), which are repayable on credit terms similar to those obtained from the major suppliers of the Group.

As at 31 December 2016, included in the Group's accounts and bills payables were amounts due to associates of the Group of HK\$148,000, which were repayable on credit terms similar to those obtained from the major suppliers of the Group.

The accounts payable are non-interest-bearing and are normally settled within a period of 30 to 180 days.

32. OTHER PAYABLES AND ACCRUALS

31. 應付賬款及應付票據(續)

於二零一七年十二月三十一日，本集團應付賬款及應付票據金額包括應付本集團之多間關連公司之款項為港幣69,296,000元(二零一六年：港幣20,117,000元)，此結餘乃根據本集團主要供應商所給予之類似信貸條款償還。

於二零一六年十二月三十一日，本集團應付賬款及應付票據金額包括應付本集團之多間聯營公司之款項為港幣148,000元，此結餘乃根據本集團主要供應商所給予之類似信貸條款償還。

應付賬款為不附息，並一般於30至180天期間內清償。

32. 其他應付款項及預提費用

Note 附註		2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Receipts in advance		1,493,221	1,101,318
Other payables		871,645	957,906
Accruals		623,973	471,447
Payroll payables		286,930	294,931
Due to contract customers	29	266,269	211,813
Contingent liabilities		—	20,061
Deferred income		18,881	14,649
		3,560,919	3,072,125

At 31 December 2017 and 2016, other payables are non-interest-bearing and have an average term of three months.

於二零一七年及二零一六年十二月三十一日，其他應付款項不附息，平均期限為三個月。

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33. INTEREST-BEARING BANK AND OTHER BORROWINGS

33. 附息銀行及其他貸款

		2017 二零一七年			2016 二零一六年		
		Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
		實際利率 (百分比)	到期日	港幣千元	實際利率 (百分比)	到期日	港幣千元
Current	流動						
Bank loans, unsecured	銀行貸款，無抵押	2.15-5.66	2018	2,689,781	2.50-4.79	2017	2,122,832
Bank loans, secured	銀行貸款，有抵押	4.35-5.88	2018	1,871,245	4.79-5.70	2017	2,750,407
Current portion of long term bank loans,	長期銀行貸款之流動部份，						
- unsecured	- 無抵押	4.75-5.60	2018	59,160	5.64	2017	11,071
- secured	- 有抵押	4.99-5.64	2018	440,153	5.50-5.64	2017	93,276
Corporate bonds (notes c and d)	公司債券(附註c及d)	5.70	2018	236,642	3.48	2017	221,428
				5,296,981			5,199,014
Non-current	非流動						
Bank loans, unsecured	銀行貸款，無抵押	4.75	2020	76,909	2.75-5.88	2018-2023	381,964
Bank loans, secured	銀行貸款，有抵押	5.23-5.88	2019-2027	1,911,650	4.99-5.64	2018-2026	1,530,341
Corporate bonds (notes e and f)	公司債券(附註e及f)	4.90	2019-2020	595,390	4.90	2019	553,569
				2,583,949			2,465,874
				7,880,930			7,664,888

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33. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

33. 附息銀行及其他貸款(續)

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Analysed into:	分析如下:	
Bank loans repayable:	應償還銀行貸款:	
Within one year	一年內	5,060,339
In the second year	第二年	269,653
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	684,486
Beyond five years	第五年以外	1,034,420
		7,048,898
		6,889,891
Analysed into:	分析如下:	
Corporate bonds repayable:	應償還公司債券:	
Within one year	一年內	236,642
In the second year	第二年	591,604
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)	3,786
		832,032
		774,997

Notes:

附註:

- (a) Certain of the Group's bank and other borrowings are secured by:
- (i) mortgages over the buildings, which had an aggregate carrying value at the end of the reporting period of HK\$175,186,000 (2016: HK\$173,097,000) (note 14);
- (ii) mortgages over investments properties, which had an aggregate carrying value at the end of the reporting period of HK\$3,799,829,000 (2016: HK\$1,875,703,000) (note 15);
- (iii) mortgage over the land use right, which had an aggregate carrying value at the end of the reporting period of HK\$33,164,000 (2016: HK\$23,073,000) (note 16);
- (iv) mortgage over the properties under development, which had an aggregate carrying value at the end of the reporting period of HK\$172,578,000 (2016: Nil) (note 25);
- (a) 本集團若干銀行貸款有以下作抵押:
- (i) 於報告期末有賬面值總額港幣175,186,000元(二零一六年:港幣173,097,000元)之樓宇作抵押(附註14);
- (ii) 於報告期末有賬面值總額港幣3,799,829,000元(二零一六年:港幣1,875,703,000元)之投資物業作抵押(附註15);
- (iii) 於報告期末有賬面值港幣33,164,000元(二零一六年:港幣23,073,000元)之土地使用權作抵押(附註16);
- (iv) 於報告期末有賬面值港幣172,578,000元(二零一六年:無)之在建物業作抵押(附註25);

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33. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

- (v) The Group's borrowings of HK\$2,070,497,000 (2016: HK\$2,933,915,000) provided by certain financial institutions were secured by 229,820,000 (2016: 225,340,800) ordinary shares issued by DCITS, a non-wholly-owned subsidiary of the Company, directly held by a wholly-owned subsidiary of the Company, with an aggregate fair value of HK\$3,195,117,000 (2016: HK\$5,296,530,000) as at 31 December 2017;
- (vi) HK\$5,916,000 extended by financial institutions to a non-wholly-owned subsidiary of the Group were secured by mortgages over a building of a non-controlling shareholder at the end of the reporting period.
- (b) At 31 December 2017, except for the bank borrowings of HK\$247,525,000 (2016: HK\$270,000,000) and HK\$439,508,000 (2016: HK\$943,300,000) are denominated in Hong Kong dollars and United States dollars, respectively, the remaining bank and other borrowings are denominated in RMB.
- (c) On 19 July 2017, Digital China Software Limited⁺ issued short-term note (the "STN") with a principal amount of RMB200,000,000 (equivalent to HK\$236,642,000) in the national inter-bank market of the PRC. The STN carry interest at the rate of 5.7% per annum, which will mature on 17 April 2018.
- (d) On 2 September 2016, DCITS issued short-term notes (the "ITSSTN") with a total principal amount of RMB200,000,000 (equivalent to HK\$221,428,000) in the national inter-bank market of the PRC. The ITSSTN carried interest at the rate of 3.48% per annum and matured on 30 May 2017.
- (e) On 2 September 2016, Digital China Software Limited⁺ issued medium-term note (the "MTN") with a principal amount of RMB500,000,000 (equivalent to HK\$591,604,000) in the national inter-bank market of the PRC. The MTN carry interest at the rate of 4.9% per annum and will mature on 6 September 2021 (with the investor's option to sell back the notes after the end of the third year from the issuance date).

33. 附息銀行及其他貸款(續)

附註: (續)

- (v) 本集團之貸款港幣2,070,497,000元(二零一六年:港幣2,933,915,000元)是由若干金融機構提供予本集團附屬公司,以於二零一七年十二月三十一日本公司非全資擁有附屬公司神州信息(直接由本公司全資擁有附屬公司持有)發行之229,820,000(二零一六年:225,340,800)股普通股其公平價值合計港幣3,195,117,000元(二零一六年:港幣5,296,530,000元)作為抵押;
- (vi) 港幣5,916,000元是由金融機構授予本集團之非全資擁有附屬公司,以於報告期末非控股股東之樓宇作為抵押。
- (b) 於二零一七年十二月三十一日,分別有港幣247,525,000元(二零一六年:港幣270,000,000元)及港幣439,508,000元(二零一六年:港幣943,300,000元)之銀行貸款以港幣元及美元列值,餘下銀行及其他貸款以人民幣列值。
- (c) 於二零一七年七月十九日,神州數碼軟件有限公司發行超短期融資券(「超短期融資券」),本金總額為人民幣200,000,000元(相等於為港幣236,642,000元)。超短期融資券年利率為5.7%,於二零一八年四月十七日到期。
- (d) 於二零一六年九月二日,神州信息發行超短期融資券(「神州信息超短期融資券」),本金總額為人民幣200,000,000元(相等於為港幣221,428,000元)。神州信息超短期融資券年利率為3.48%,於二零一七年五月三十日支付及到期。
- (e) 於二零一六年九月二日,神州數碼軟件有限公司發行中期票據(「中期票據」),本金總額為人民幣500,000,000元(相等於為港幣591,604,000元)。中期票據年利率為4.9%,並將於二零二一年九月六日到期(附有投資者於發行日期的第三年末擁有選擇權回售其票據)。

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33. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

Notes: (Continued)

(f) Pursuant to the "Capital Contribution and Shareholders' Agreement of Shenzhou Lingyun (Beijing) Technology Co., Ltd.", upon fulfillment of the condition pertaining to an undertaking regarding business results, investors subscribing for shares with new capital contributions shall provide, according to their capital contribution ratios, loans with a total amount of RMB33 million in the form of convertible bonds to Shenzhou Lingyun (Beijing) Technology Co., Ltd.* (神州靈雲(北京)科技有限公司) (a subsidiary of DCITS, which is in turn a non-wholly-owned subsidiary of the Company) ("Shenzhou Lingyun"). In the year 2017, the investors provided the first tranche of convertible bond loans in the amount of RMB16 million, comprising RMB12.80 million provided by DCITS and RMB3.20 million (equivalent to approximately HK\$3,786,000) provided by the remaining investors. Subject to the fulfillment of the undertaking regarding Shenzhou Lingyun's the business results for the years 2016 to 2020 in full, the investors have agreed to convert the full amount of the convertible bond loans into investments in Shenzhou Lingyun, which shall be credited, upon conversion, to Shenzhou Lingyun's capital reserve. In the event that the business result undertaking is not fulfilled, Shenzhou Lingyun shall repay the aforesaid convertible bond loans within 30 days upon receipt of notices from the investors.

* The English names of these companies are direct transliterations of their registered Chinese names.

34. SHARE CAPITAL

33. 附息銀行及其他貸款(續)

附註: (續)

(f) 根據《神州靈雲(北京)科技有限公司出資及股東協議》，在滿足相關業績承諾條件後，新增資入股的投資人按照其出資比例向神州靈雲(北京)科技有限公司(為本公司非全資擁有附屬公司神州信息之附屬公司之一)(「神州靈雲」)提供共計人民幣3,300萬元可轉債借款。二零一七年投資人提供第一筆可轉債借款人民幣1,600萬元，其中神州信息提供人民幣1,280萬元，其餘投資人提供320萬元人民幣(相等於約港幣3,786,000)。在神州靈雲的二零一六年至二零二零年業績承諾全部得到滿足的前提下，投資人同意將可轉債借款全部轉換為對神州靈雲的投資，轉換後的投資均計入神州靈雲的資本公積。如業績承諾未得到滿足，由神州靈雲在收到投資人的通知後30天內予以償還上述可轉債借款。

該等公司之英文名稱乃直譯自註冊登記之中文名稱。

Authorised:

2,500,000,000 (2016: 2,000,000,000)
ordinary shares of HK\$0.1
(2016: HK\$0.1) each (note)

法定 :

2,500,000,000股(二零一六年：
2,000,000,000股)每股面值
港幣0.1元(二零一六年：
港幣0.1元)之普通股(附註)

2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
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250,000 200,000

Issued and fully paid:

1,677,261,976 (2016: 1,234,655,581)
ordinary shares of HK\$0.1
(2016: HK\$0.1) each

已發行及繳足股款 :

1,677,261,976股(二零一六年：
1,234,655,581股)每股面值
港幣0.1元(二零一六年：
港幣0.1元)之普通股

167,726 123,466

Note: The authorised share capital has been increased from HK\$200,000,000 divided into 2,000,000,000 shares of HK\$0.1 each to HK\$250,000,000 divided into 2,500,000,000 shares by the creation of an additional 500,000,000 new shares of HK\$0.1 each on 27 December 2017.

附註：於二零一七年十二月二十七日，法定股本因額外增設500,000,000股每股面值港幣0.1元之新股份，已由港幣200,000,000元(分為2,000,000,000股每股面值港幣0.1元之股份)增加至港幣250,000,000元(分為2,500,000,000股股份)。

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34. SHARE CAPITAL (CONTINUED)

A summary of the movements in the Company's issued share capital and share premium account during the years ended 31 December 2017 and 2016 is as follows:

34. 股本(續)

於截至二零一七年及二零一六年十二月三十一日止年度內，本公司的已發行股本及股份溢價賬變動概述如下：

		Number of ordinary shares in issue 已發行 普通股數目	Issued capital 已發行 股本 HK\$'000 港幣千元	Share premium account 股份溢 價賬 HK\$'000 港幣千元	Total HK\$'000 港幣千元
At 1 January 2016	於二零一六年一月一日	1,096,365,581	109,637	2,080,480	2,190,117
Exercise of share options (note a)	行使購股權(附註a)	2,171,000	217	16,568	16,785
Issue of new shares (notes b and c)	發行新股份(附註b及c)	136,119,000	13,612	697,786	711,398
Share-based payment expenses for shares issued at discount (note c)	發行折讓股份之以股份支付 費用(附註c)	–	–	43,658	43,658
Share issue expenses	發行股份費用	–	–	(1,819)	(1,819)
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	1,234,655,581	123,466	2,836,673	2,960,139
Issue of new shares (notes b and c)	發行新股份(附註b及c)	107,154,000	10,715	526,882	537,597
Rights issue (note d)	供股(附註d)	335,452,395	33,545	1,308,264	1,341,809
Share issue expenses	發行股份費用	–	–	(6,724)	(6,724)
At 31 December 2017	於二零一七年十二月三十一日	1,677,261,976	167,726	4,665,095	4,832,821

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34. SHARE CAPITAL (CONTINUED)

Notes:

- (a) During the year ended 31 December 2016, the subscription rights attaching to 2,171,000 share options were exercised at a subscription price of HK\$5.89 per share, resulting in the issue of a total of 2,171,000 ordinary shares of HK\$0.1 each for a total cash consideration, before expenses, of HK\$12,787,000. An amount of HK\$3,998,000 was transferred from the employee share-based compensation reserve to the share premium account upon the exercise of the share options.
- (b) On 1 June 2016, the Group entered into the conditional sale and purchase agreement with Dragon City International Investment Limited ("Dragon City"), pursuant to which the Group conditionally agreed to acquire and Dragon City conditionally agreed to sell the entire interest in a property located in Mainland China to the Group at a maximum total consideration of RMB630 million (equivalent to HK\$749.7 million), which shall be satisfied by the allotment and issuance of shares of the Company. On 17 June 2016 and 26 April 2017, 78,000,000 and 71,940,000 ordinary shares were issued by the Company to Dragon City of HK\$5 per share, respectively.
- (c) On 5 September 2016, the Company entered into the subscription agreement ("Subscription Agreement") with the directors, employees and a trust company (collectively named as "Subscribers"), pursuant to which the Subscribers conditionally agreed to subscribe, and the Company conditionally agreed to allot and issue, an aggregate of 99,391,000 ordinary shares ("Subscription Shares") at the subscription price of HK\$5.53 per share for an aggregate cash consideration of HK\$549,632,230 ("Subscription"). The fair value of the Subscription Shares at the grant date was HK\$659,956,240 with the share price of HK\$6.64 per share. The directors of the Company considered that the Subscription will further strengthen the capital base and financial position of the Company for the Group's future business developments and investments. The Company intends to apply the net proceeds of the Subscription as working capital for further business development of the Group. For all Subscription Shares, not more than 50% of shares will be released from the lock-up period of six months after the issuance date, and more than 50% of the shares will be released from the lockup period of twelve months after the issuance date.

34. 股本(續)

附註:

- (a) 於截至二零一六年十二月三十一日止年度內，2,171,000份附有認購權之購股權以每股港幣5.89元之認購價獲行使，因此，合計2,171,000股每股面值港幣0.1元之普通股以總現金代價(扣除費用前)為港幣12,787,000元予以發行。於購股權獲行使時，為數港幣3,998,000元的金額已由以股份支付僱員之酬金儲備轉撥至股份溢價賬。
- (b) 於二零一六年六月一日，本集團與Dragon City International Investment Limited (「Dragon City」)訂立有條件買賣協議，據此，本集團有條件同意購買及Dragon City亦有條件同意出售於位於中國大陸物業的全部權益予本集團，總代價最多為人民幣630百萬元(相等於港幣749.7百萬元)，以配發及發行本公司股份方式支付。於二零一六年六月十七日及二零一七年四月二十六日，本公司已按每股港幣5元的發行價格分別發行78,000,000股及71,940,000股普通股予Dragon City。
- (c) 於二零一六年九月五日，本公司與若干董事、其他僱員及信託公司(統稱為(「認購人」)訂立認購協議(「認購協議」)，據此，認購人有條件同意認購，而本公司有條件同意按每股股份港幣5.53元之認購價合共配發及發行99,391,000股普通股(「認購股份」)，現金代價總額為港幣549,632,230元(「認購」)。於授予日期認購股份之公平價值為港幣659,956,240元，以每股股份港幣6.64元之股價計算。本公司董事認為該認購將加強本公司之資本基礎及財務狀況，供本集團未來業務拓展及投資之用。本公司擬將該認購之所得款項淨額用於營運資金，作為本集團進一步業務發展。就所有認購股份而言，不多於50%之股份將於發行日期後六個月解除禁售，而多於50%之股份將於發行日期後十二個月解除禁售。

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34. SHARE CAPITAL (CONTINUED)

Notes: (Continued)

(c) (Continued)

On 21 December 2016 and 18 January 2017, the Company issued 58,119,000 and 35,214,000 Subscription Shares at the subscription price of HK\$5.53 per share, for a total consideration of approximately, before expenses, HK\$321,398,000 and HK\$194,733,000, respectively.

Given the Subscription Shares were issued to the Subscribers at a discount to the then market price of the Company's shares for the purpose to provide incentives and rewards to the Company's directors and other employees of the Group, the difference between the total fair value of these shares and the total consideration received by the Group of HK\$49,735,000 is accounted for as share-based payment expenses by the Group during the year ended 31 December 2016 (note 6).

The fair values of these shares issued at discount were valued by an external valuer, taking into account the liquidity of these shares as a result of the aforesaid lock-up periods, and liquidity discounts were applied to measure their fair values.

(d)

During the year ended 31 December 2017, a rights issue of one rights share for every four existing shares held by shareholders on the register of members on 18 August 2017 was made, at a subscription price of HK\$4 per rights share, resulting in the issue of 335,452,395 shares for a total cash consideration, before expense, of approximately HK\$1,341,809,000.

34. 股本(續)

附註: (續)

(c) (續)

於二零一六年十二月二十一日及二零一七年一月十八日，本公司已按每股股份港幣5.53元的認購價分別發行58,119,000股及35,214,000股認購股份，總代價(扣除費用前)為港幣321,398,000元及港幣194,733,000元。

鑑於認購股份按本公司股份當時市價之折讓價發行，以向本公司董事及本集團其他僱員提供激勵及獎勵，而該等股份之總公平價值與總代價的差額為港幣49,735,000元，已計入於截至二零一六年十二月三十一日止年度內以股份支付之費用(附註6)。

該等折讓股份的公平價值由外聘估值師進行估值，並考慮到該等股份已適用上述禁售期間及流動性折現以計算其公平價值。

(d)

於截至二零一七年十二月三十一日止年度內，按於二零一七年八月十八日股東名冊之股東每持有四股現有股份獲發一股供股股份進行以每股供股股份港幣4元認購價之供股，致使發行335,452,395股股份，總現金代價(扣除費用前)約為港幣1,341,809,000元。

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35. SHARE-BASED INCENTIVE SCHEMES

(a) Share Option Schemes

The Company operates two share option schemes. One of the share option schemes was adopted on 18 July 2002 (the "2002 Share Option Scheme") and the other share option scheme was adopted on 15 August 2011 (the "2011 Share Option Scheme") (the 2002 Share Option Scheme together with the 2011 Share Option Scheme, hereinafter collectively referred to as the "Share Option Schemes").

The principal terms of the Share Option Schemes are as follows:

(I) Purpose

The Share Option Schemes seek to recognise and acknowledge the contributions or potential contributions made or to be made by the qualified persons (as defined below) to the Group, to motivate the qualified persons to optimise their performance and efficiency for the benefit of the Group, and to maintain or attract business relationships with the qualified persons whose contributions are or may be beneficial to the growth of the Group.

(II) Qualified persons

Any part-time or full-time employee or officer or director (including executive, non-executive or independent non-executive directors) of any member of the Group or of any associated company, or any supplier, agent, customer, joint venture partner, strategic alliance partner, distributor, professional adviser of, or consultant or contractor to, any member of the Group, or the trustee of any trust pre-approved by the board of directors of the Company, the beneficiary (or in case of discretionary trust, the discretionary objects) of which includes any of the above-mentioned persons.

35. 股權激勵計劃

(a) 購股權計劃

本公司有兩個購股權計劃。其中一個購股權計劃於二零零二年七月十八日(「二零零二年購股權計劃」)採納，而另一個購股權計劃於二零一一年八月十五日(「二零一一年購股權計劃」)採納(二零零二年購股權計劃及二零一一年購股權計劃在下文統稱為「購股權計劃」)。

購股權計劃的主要條款如下：

(I) 目的

購股權計劃旨在確認及答謝合資格人士(定義見下文)對本集團所作出或將作出之貢獻或可能之貢獻，藉以激勵合資格人士為本集團之利益精益求精及提高彼等之效率，並維持或招徠與合資格人士的業務關係，合資格人士的貢獻著實或會有助於本集團的發展。

(II) 合資格人士

本集團任何成員公司或任何聯營公司之任何全職或兼職僱員或高級人員或董事(包括執行、非執行或獨立非執行董事)，或本集團任何成員公司之任何供應商、代理、客戶、合營夥伴、策略性聯盟夥伴、分銷商、專業諮詢人或顧問或承包商，或本公司董事會預先批准而受益人包括上述任何人士之任何信託(或倘為全權信託，則為全權託管的對象)之受託人。

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(a) Share Option Schemes (Continued)

(III) Maximum number of shares

The maximum number of shares available for issue under the 2011 Share Option Scheme was 167,726,197, which represent 10% of share capital of the Company in issue as at the date of approval of the financial statements.

(IV) Maximum entitlement of each qualified person

The maximum number of shares issued and to be issued upon exercise of the options granted under the Share Option Schemes and any other share option schemes of the Company to each qualified person (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the shares of the Company then in issue. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting of the Company.

Any grant of options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive directors of the Company (except when the independent non-executive director is the grantee of such options).

35. 股權激勵計劃(續)

(a) 購股權計劃(續)

(III) 最高股份數目

在二零一一年購股權計劃下可供發行之股份最高數目為167,726,197股，佔於本財務報表批准日期之本公司已發行股本10%。

(IV) 每名合資格人士可獲授之最高數目

每名合資格人士在任何十二個月期間根據購股權計劃及本公司任何其他購股權計劃可獲授之購股權(包括已行使及尚未行使)，在行使後予以發行及將予發行之最高股份數目不得超過本公司當時已發行股份之1%。任何進一步授出超過此上限之購股權，均須待股東於本公司股東大會上批准後，方可作實。

任何向本公司董事、行政總裁或主要股東或彼等各自之聯繫人授出購股權，必須獲本公司之獨立非執行董事(不包括身為該等購股權承授人之獨立非執行董事)批准。

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(a) Share Option Schemes (Continued)

(IV) Maximum entitlement of each qualified person (Continued)

Any grant of options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates must, in addition to obtaining the approval of the independent non-executive directors of the Company, be approved by the shareholders of the Company in a general meeting if such proposed grant of share options, when aggregated with all options (whether exercised, cancelled or outstanding) already granted to such substantial shareholder or independent non-executive director during the 12-month period up to and including the date of such grant of options, would (i) entitle that relevant person to receive more than 0.1% of the total issued share capital of the Company for the time being; and (ii) represent an aggregate value in excess of HK\$5,000,000 based on the closing price of the shares of the Company on the Stock Exchange at the date of such grant.

(V) Timing for exercise of options

The period during which an option may be exercised in accordance with the terms of the Share Option Schemes shall be the period set out in the relevant offer letter, provided that such period must expire on the date falling on the tenth anniversary of the offer date.

35. 股權激勵計劃(續)

(a) 購股權計劃(續)

(IV) 每名合資格人士可獲授之最高數目(續)

任何向本公司之主要股東或獨立非執行董事或彼等各自之聯繫人授出購股權時，倘建議授出之購股權加上在直至該次授出購股權當日止(包括該日在內)十二個月期間內已授予該主要股東或獨立非執行董事之所有購股權(不論是否已行使、註銷或尚未行使)將會：(i)使該有關人士有權收取的股數超過本公司當時已發行股本總數的0.1%；及(ii)按本公司股份於該授出日期在聯交所之收市價計算，其總值超過港幣5,000,000元，則除了須取得本公司獨立非執行董事之批准外，亦必須在股東大會上經由本公司股東批准。

(V) 行使購股權之期限
根據購股權計劃之條款，購股權可供行使之期限為有關購股權要約函件所載之期限，惟該期限須於要約日期之第十週年當日屆滿。

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(a) Share Option Schemes (Continued)

(VI) Acceptance of offers

An offer of the grant of an option shall be accepted by the grantee on or before the last date for acceptance of such offer as set out in the relevant offer letter, which must not be more than 28 business days from the relevant offer date. A consideration of HK\$1.00 shall be received by the Company on acceptance of each offer.

(VII) Basis for determination of the subscription price

The subscription price shall be the highest of (a) the closing price of the shares on the offer date; (b) the average of the closing prices of the shares for the five business days immediately preceding the offer date; or (c) the nominal value of a share.

(VIII) Life of Share Option Schemes

The 2002 Share Option Scheme and 2011 Share Option Scheme shall remain valid and effective for a period of ten years commencing from 18 July 2002 and 15 August 2011, respectively, being the dates on which such schemes were deemed to take effect in accordance with their terms.

35. 股權激勵計劃(續)

(a) 購股權計劃(續)

(VI) 接納要約

購股權之要約須於有關要約函件所載就接納該要約之最後限期或之前獲承授人接納，而該限期不得超過有關要約日期起計之28個營業日。每項要約獲接納時本公司須收取代價港幣1.00元。

(VII) 認購價之釐定基準

認購價將為下列中之最高者：(a)股份於要約日期之收市價；(b)股份於緊接要約日期前的五個營業日之平均收市價；或(c)股份之面值。

(VIII) 購股權計劃之有效期

二零零二年購股權計劃及二零一一年購股權計劃分別於二零零二年七月十八日及二零一一年八月十五日(即該計劃根據其條款被視為已生效之日)起計之十年期間內維持有效及有作用。

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**35. SHARE-BASED INCENTIVE SCHEMES
(CONTINUED)**

(a) Share Option Schemes (Continued)

The following table shows the movements in the share options under the Share Option Schemes during the year and the options outstanding at the beginning and end of the year:

Grantee	Number of share options 購股權數目										Exercisable period
	Outstanding as at 1/1/2017	Granted during the year	Exercise during the year	Lapsed during the year before adjustment	Adjustment as a result of the rights issue	Lapsed during the year after adjustment	Outstanding as at 31/12/2017	Exercise price per share	Date of grant		
於 二零一七年 一月一日 尚未行使	本年度內 授出	本年度內 行使	在調整前 失效	在調整後 失效	本年度內 供股調整 失效	在調整後 尚未行使 失效	二零一七年 十二月 三十一日	每股行使價 (HK\$) (港幣元)	授出日期	行使期	
								(note i) (附註i)		(note ii) (附註ii)	
2002 Share Option Scheme 二零零二年購股權計劃											
Director 董事											
WANG Xinhui* 王新輝*	12,000	–	–	–	592	–	12,592	14.333	11/01/2011	11/01/2012– 10/01/2019	
Other employees 其他僱員	3,784,000	–	–	(1,023,000)	136,421	(246)	2,897,175	14.333	11/01/2011	11/01/2012– 10/01/2019	
In aggregate 合計	3,796,000	–	–	(1,023,000)	137,013	(246)	2,909,767				

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(a) Share Option Schemes (Continued)

35. 股權激勵計劃(續)

(a) 購股權計劃(續)

Grantee 承授人	Number of share options 購股權數目							Exercise price 每股行使價 (HK\$) (港幣元)	Date of grant 授出日期	Exercisable period 行使期
	Outstanding as at 1/1/2017 於 二零一七年 一月一日 尚未行使	Granted during the year 本年度內 授出	Exercise during the year 本年度內 行使	Lapsed during the year 本年度內 失效	Adjustment as a result of the rights issue 供股調整	Outstanding as at 31/12/2017 於 二零一七年 十二月 三十一日 尚未行使				
2011 Share Option Scheme 二零一一年購股權計劃										
Directors 董事										
GUO Wei 郭為	–	12,500,000	–	–	616,974	13,116,974	6.394	25/01/2017	25/01/2017- 24/01/2025	
LIN Yang 林楊	–	12,500,000	–	–	616,974	13,116,974	6.394	25/01/2017	25/01/2017- 24/01/2025	
WANG Xinhui* 王新輝*	–	12,500,000	–	–	616,974	13,116,974	6.394	25/01/2017	25/01/2017- 24/01/2025	
Other employees 其他僱員	–	71,700,000	–	–	3,538,962	75,238,962	6.394	25/01/2017	25/01/2017- 24/01/2025	
In aggregate 合計	–	109,200,000	–	–	5,389,884	114,589,884				

* Appointed on 12 January 2017 and resigned on 21 July 2017

* 於二零一七年一月十二日獲委任及於二零一七年七月二十一日辭任

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(a) Share Option Schemes (Continued)

Notes:

- (i) As a result of the rights issue which was completed on 18 September 2017, the relevant exercise prices were adjusted from HK\$15.04 to HK\$14.333 under the 2002 Share Option Scheme and HK\$6.71 to HK\$6.394 under the 2011 Share Option Scheme, respectively, and the numbers of outstanding share options were adjusted accordingly.
- (ii) All options granted under the 2002 Share Option Scheme are subject to a vesting period of four years with 25% becoming exercisable on the first anniversary, 25% on the second anniversary, 25% on the third anniversary and 25% on the fourth anniversary of the respective dates of grant. All options granted under the 2011 Share Option Scheme are exercisable in whole or in part at anytime during the exercisable period.

Share options do not confer rights on the holders to dividends or to vote at general meetings.

No options were granted and cancelled under the 2002 Share Option Scheme since its expiry.

The fair values of the share options granted during the prior years amounted to HK\$53,000,000, of which the Group recognised share option expenses of HK\$172,833,000 during the year ended 31 December 2017.

35. 股權激勵計劃(續)

(a) 購股權計劃(續)

附註:

- (i) 由於於二零一七年九月十八日完成的供股，相關行使價分別於二零零二年購股權計劃的自港幣15.04元調整為港幣14.333元及於二零一一年購股權計劃的自港幣6.71元調整為港幣6.394元，而尚未行使的購股數目作出相應地調整。
- (ii) 在二零零二年購股權計劃下所有授出之購股權均受制於為期四年的歸屬期，其中25%可於各授出日期起計滿一週年之日開始行使，25%可於滿兩週年之日開始行使，25%可於滿三週年之日開始行使，及25%可於滿四週年之日開始行使。在二零一一年購股權計劃下所有授出之購股權可於行使期之任何時間全數或部分行使。

購股權並無賦予持有人享有股息或於股東大會上投票的權利。

概無購股權根據二零零二年購股權計劃自失效起獲授予及取消。

於過去年度內所授出購股權的公平價值合共為港幣53,000,000元。於截至二零一七年十二月三十一日止年度內，本集團確認購股權開支為港幣172,833,000元。

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(a) Share Option Schemes (Continued)

The fair values of the share options granted under the 2002 Share Option Scheme were estimated as at the dates of grant, using a binomial model, taking into account of the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

Granted on:

授出於：

Dividend yield (%)	3 per annum	3.5 per annum
股息率(百分比)	每年3	每年3.5
Expected volatility (%)	41 per annum	48 per annum
預期波幅(百分比)	每年41	每年48
Risk-free interest rate (%)	1.7 per annum	2.1 per annum
無風險利率(百分比)	每年1.7	每年2.1
Weighted average share price (HK\$ per share)	6.71	14.98
加權平均股價(每股港幣元)	6.71	14.98

The expected life of the options is based on the historical data over the past three years 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.

35. 股權激勵計劃(續)

(a) 購股權計劃(續)

在二零零二年購股權計劃下所授出購股權之公平價值乃於個別授出當日採用二項式模式估算，當中已計及購股權之授出條款及條件。下表載列採用模型之數據資料：

25 January 2017 二零一七年 一月二十五日	11 January 2011 二零一一年 一月十一日
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3 per annum	3.5 per annum
每年3	每年3.5
41 per annum	48 per annum
每年41	每年48
1.7 per annum	2.1 per annum
每年1.7	每年2.1
6.71	14.98
6.71	14.98

購股權之預計年期乃根據過去三年之過往資料計算，未必反映可能出現之行使情況。預期波幅反映該模型乃假設過往波幅可指示未來走勢，此假設亦未必與實際結果相符。

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(a) Share Option Schemes (Continued)

No other feature of the options granted was incorporated into the measurement of fair value.

As at 31 December 2017, the Company had 2,909,767 (2016: 3,796,000) share options outstanding under the 2002 Share Option Scheme and 114,589,884 (2016: Nil) share options outstanding under the 2011 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 117,499,651 (2016: 3,796,000) additional ordinary shares of the Company and additional share capital of HK\$11,749,965 (2016: HK\$379,600) and share premium of HK\$762,643,000 (2016: HK\$56,712,000) (before issue expenses).

At the date of approval of these financial statements, the Company had 2,909,767 share options outstanding under the 2002 Share Option Scheme and 114,589,884 share options outstanding under the 2011 Share Option Scheme, which represented approximately 0.17% and 6.83%, respectively, of the Company's shares in issue as at that date.

35. 股權激勵計劃(續)

(a) 購股權計劃(續)

於計量公平價值時並無計入所授出購股權的其他特質。

於二零一七年十二月三十一日，本公司根據二零零二年購股權計劃下有2,909,767份(二零一六年：3,796,000份)及二零一一年購股權計劃下114,589,884份(二零一六年：無)購股權尚未行使。根據本公司現時的資本架構，全數行使購股權將導致額外發行117,499,651股(二零一六年：3,796,000股)本公司普通股及使股本增加約港幣11,749,965元(二零一六年：港幣380,000元)，以及出現約港幣762,643,000元(二零一六年：港幣56,712,000元)的股份溢價(未扣除發行開支)。

在此等財務報表之批准日，本公司擁有於二零零二年購股權計劃項下2,909,767份及二零一一年購股權計劃下114,589,884份尚未行使之購股權，分別佔當日本公司已發行股份約0.17%及6.83%。

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(b) Restricted Share Award Scheme

The Company's RSA Scheme was adopted on 28 March 2011 for the purpose of rewarding and motivating, among others, directors (including executive and non-executive) and employees of the Company and its subsidiaries (the "Participants") with the shares of the Company. The RSA Scheme is intended to attract and retain the best available personnel, and encourage and motivate the Participants to work towards enhancing the value of the Group and the Company's shares by aligning their interests with those of the shareholders of the Company.

Pursuant to the RSA Scheme, existing shares of the Company will be purchased by the trustee of the RSA Scheme from the market out of cash contributed by the Group and be held in trust for the relevant Participants until such shares are vested with the relevant Participants in accordance with the provisions of the RSA Scheme. The shares of the Company granted under the RSA Scheme and held by the trustee until vesting are referred to as the RSUs and each RSU shall represent one ordinary share of the Company.

During the year ended 31 December 2017, a total of 21,471,185 RSUs were granted to certain directors of the Company and other employees of the Group in order to award their services to the Group and a total of 20,049,055 RSUs were vested to these directors and employees. The share price of the Company's shares at the date of grant was HK\$6.77 per share. (2016: Nil).

35. 股權激勵計劃(續)

(b) 受限制股份獎勵計劃

於二零一一年三月二十八日本公司採納了一項受限制股份獎勵計劃，其目的在於給予本公司之股份以獎勵及激勵(其中包括)本公司及其附屬公司的董事(包括執行及非執行)及員工(「參與者」)。受限制股份獎勵計劃旨在吸引及挽留最佳人士，通過結合參與者利益與本公司股東權益，鼓勵及激勵彼等致力增強本集團價值及本公司股份的價值。

根據受限制股份獎勵計劃，受限制股份獎勵計劃信託人將以本集團提供之現金於市場上購買本公司現時之股份並以信託方式為有關參與者持有，直至有關股份根據受限制股份獎勵計劃之條款歸屬予有關參與者。在受限制股份獎勵計劃下授予並由信託人持有直至歸屬之股份稱為受限制股份，而每股受限制股份代表一股本公司的普通股股份。

於截至二零一七年十二月三十一日止年度內，本公司授出共21,471,185份受限制股份予本公司之若干董事及本集團其他僱員以激勵彼等為本集團服務而共20,049,055份受限制股份獲歸屬予該等董事及僱員。本公司股份於授出日期的股價為每股港幣6.77元(二零一六年：無)。

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35. SHARE-BASED INCENTIVE SCHEMES (CONTINUED)

(b) Restricted Share Award Scheme (Continued)

The fair value of the RSUs granted were calculated based on the market price of the Company's shares at the respective grant dates. The Group recognised RSU expenses of HK\$145,234,000 (2016: Nil) into the consolidated statement of profit or loss during the year ended 31 December 2017.

(c) Share issued at discount

On 21 December 2016, 58,119,000 ordinary shares of the Company had been issued to certain directors of the Company and other employees of the Group at a discount to the then market price of the Company's shares for the purpose to provide them with incentives and rewards for their services rendered to the Group, and the related share-based payment expenses of HK\$49,735,000 were recognised by the Group during the year ended 31 December 2016 (note 6). Further details are disclosed in note 34(c) to the financial statements.

35. 股權激勵計劃(續)

(b) 受限制股份獎勵計劃(續)

已授予受限制股份的公平價值乃根據本公司股份各授出日期的市值計算。於截至二零一七年十二月三十一日止年度內，本集團已於綜合損益表內確認受限制股份開支為港幣145,234,000元(二零一六年：無)。

(c) 股份折讓發行

於二零一六年十二月二十一日，本公司按本公司股份當時市價折讓價向本公司若干董事及本集團其他僱員發行58,119,000股本公司普通股，作為向彼等為服務本集團而提供激勵及獎勵。截至二零一六年十二月三十一日止年度內，本集團確認相關以股份支付費用為港幣49,735,000元(附註6)。進一步詳情披露於此財務報表附註34(c)。

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36. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 125 to page 126 of the financial statements.

Reserve funds

Reserve funds are reserves set aside in accordance with the relevant PRC regulations applicable to the Group's subsidiaries in Mainland China. These reserve funds can be used to offset accumulated losses but are not be distributable in the form of cash dividends.

37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

On 22 July 2014 and 20 August 2014, DCITS, an indirect non-wholly-owned subsidiary of the Company, entered into a share purchase agreement and related supplemental acquisition agreements (collectively the "Acquisition Agreements") with the shareholders of Beijing Zhongnong Xinda Information Technology Limited ("Zhongnong Xinda"), pursuant to which the shareholders of Zhongnong Xinda ("the Original Shareholders of Zhongnong Xinda") agreed to sell and DCITS agreed to acquire 100% equity interests in Zhongnong Xinda (the "Acquisition"). Zhongnong Xinda is a private company with limited liability established under the laws of the PRC and is principally engaged in the surveying service software sales. The total purchase consideration was settled by:

- (a) issuance of 20,520,227 new shares of DCITS to the Original Shareholders of Zhongnong Xinda (the "Zhongnong Xinda Consideration Shares"). After completion of the issuance of the Zhongnong Xinda Consideration Shares, the equity interests in DCITS held indirectly by the Company was reduced from 45.17% to 43.12%; and

36. 儲備

本集團於本年度及上年度之儲備及有關變動金額呈列於此財務報表的第125頁至第126頁之綜合權益變動表內。

儲備基金

儲備基金為本集團於中國大陸之附屬公司按中國有關法規撥出之儲備。該等儲備基金可用以抵銷累計虧損，但不能以現金股息之方式分派。

37. 持有重大非控股權益之部分擁有附屬公司

於二零一四年七月二十二日及二零一四年八月二十日，本公司間接非全資擁有附屬公司神州信息與北京中農信達信息技術有限公司（「中農信達」）訂立股份購買協議及相關補充收購協議（統稱為「收購協議」），據此中農信達之股東（「中農信達原有股東」）同意出售及神州信息同意收購中農信達100%之股權（「收購事項」）。中農信達為一間根據中國法律成立之私營有限公司及主要從事測繪服務軟件銷售。購買代價總額支付如下：

- (a) 向中農信達原有股東發行20,520,227股之神州信息新股份（「中農信達代價股份」）。於完成發行中農信達代價股份後，本公司間接持有神州信息之股權由45.17%減少至43.12%；及

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

- (b) cash of RMB213,000,000, which was raised from issuance of 7,171,717 new shares (the "Placing Shares") at RMB33 per share (the "Placement"). After completion of the issuances of the Placing Shares, the equity interests in DCITS held indirectly by the Company was further reduced from 43.12% to 42.44%.

As part of the Acquisition, DCITS also entered into a profit compensation agreement and related supplemental profit compensation agreements (collectively the "Zhongnong Xinda Profit Compensation Agreements") with the Original Shareholders of Zhongnong Xinda, pursuant to which the Original Shareholders of Zhongnong Xinda agreed to pay a cash-based compensation or a share-based compensation or a combination of cash-based compensation and share-based compensation to DCITS if there is any shortfall between the cumulative actual net profit and the cumulative committed net profit of Zhongnong Xinda for the financial year ended 31 December 2014 and each of the financial years ending 31 December 2015 and 2016. The payment methods would be fully decided by the Original Shareholders of Zhongnong Xinda.

The compensation for each of the relevant financial years shall be calculated based on any shortfall between the projected net profits of Zhongnong Xinda for each of the financial years ended 31 December 2014, 2015 and 2016 and the actual net profits of Zhongnong Xinda for each of these financial years.

As at 31 December 2014, 2015 and 2016, no compensation from the Original Shareholders of Zhongnong Xinda is considered necessary to be recognised in relation to the Zhongnong Xinda Profit Compensation Agreements.

37. 持有重大非控股權益之部分擁有附屬公司(續)

- (b) 人民幣213,000,000元之現金，募集於發行每股為人民幣33元之7,171,717股新股份(「配售股份」)(「配售事項」)。於完成發行配售股份後，本公司間接持有神州信息之股權由43.12%進一步減少至42.44%。

作為收購事項的一部分，神州信息與中農信達原有股東亦訂立盈利補償協議及相關補充盈利補償協議(統稱為「中農信達盈利補償協議」)，據此倘若截至二零一四年十二月三十一日止財政年度及將截至二零一五年及二零一六年十二月三十一日止各財政年度中農信達的累計實際淨利潤低於累計承諾淨利潤的任何差額，中農信達原有股東同意向神州信息支付現金補償或股份補償或以現金補償及股份補償結合的方式補償。補償的支付方式將由中農信達原有股東決定。

各相關財政年度之補償乃根據截至二零一四年、二零一五年及二零一六年十二月三十一日止各財政年度中農信達的預算淨利潤低於各該等財政年度的實際淨利潤的任何差額來計算。

於二零一四年、二零一五年及二零一六年十二月三十一日，無須基於中農信達盈利補償協議補償確認任何來自中農信達原有股東的補償。

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

As part of the Acquisition Agreements, DCITS committed to give rewards to the certain management who were also the existing shareholders of Zhongnong Xinda (the "Management Shareholders") if certain predetermined performance conditions are fulfilled which included but not limited to (1) the cumulative actual net profit exceeds the cumulative committed net profit of Zhongnong Xinda for the financial year ended 31 December 2014 and each of the financial years ending 31 December 2015 and 2016; and (2) the Management Shareholders do not resign from Zhongnong Xinda as at 31 December 2017. The rewards, which are considered as remuneration to the Management Shareholders, are calculated based on 50% of the surplus between the cumulative actual net profits and the cumulative committed net profit (the "Surplus"), should be accrued based on the best estimation of the Surplus at every financial year end of 2014, 2015 and 2016 in the consolidated financial statements of the Group.

As at 31 December 2016, HK\$1,240,000 is accrued in relation to the expected rewards to be given to the Management Shareholders.

On 24 May 2016, DCITS entered into a share purchase agreement (the "2016 Acquisition Agreement") with the shareholders of Howso Technology, pursuant to which the shareholders of Howso Technology agreed to sell and DCITS agreed to acquire 96.03% equity interests in Howso Technology (the "2016 Acquisition") for a total consideration of RMB1,152,338,870.43 (equivalent to approximately HK\$1,275,798,000). Howso Technology is a private company with limited liability established under the laws of the PRC and is principally engaged in the network optimisation services. The total purchase consideration was settled by:

- (a) 50% of the purchase consideration of RMB576,169,435.22 was settled by issuance of 23,092,959 new shares of DCITS to the shareholders of Howso Technology (the "Howso Technology Consideration Shares"). After completion of the issuance of the Howso Technology Consideration Shares, the equity interests in DCITS held indirectly by the Company was reduced from 42.44% to 41.40%; and

37. 持有重大非控股權益之部分擁有附屬公司(續)

作為收購協議的一部分，神州信息向若干管理層兼為中農信達的股東（「管理層股東」）承諾提供報酬，倘若符合若干預設表現條件，包括但不限於(1)截至二零一四年十二月三十一日止財政年度及截至二零一五年及二零一六年十二月三十一日止各財政年度中農信達的累計實際淨利潤超過累計承諾淨利潤；及(2)於二零一七年十二月三十一日管理層股東並無辭任其中農信達之職位。該等報酬，當中考慮作為管理層股東之酬金，乃根據累計實際淨利潤與累計承諾淨利潤之間的50%盈餘（「盈餘」）來計算，該盈餘乃根據二零一四年、二零一五年及二零一六年的各財政年度末的最好預估盈餘於本集團之綜合財務報表中作預提。

於二零一六年十二月三十一日，已預提港幣1,240,000元乃相關於將給予管理層股東的預計報酬。

於二零一六年五月二十四日，神州信息與華蘇科技之股東訂立股份購買協議（「2016年收購協議」），據此華蘇科技之股東同意出售及神州信息同意以代價人民幣1,152,338,870.43元（相等於約港幣1,275,798,000元）收購華蘇科技96.03%之股權（「2016年收購事項」）。華蘇科技為一間根據中國法律成立之私營有限公司及主要從事網絡優化服務。購買代價總額支付如下：

- (a) 人民幣576,169,435.22元之購買代價，即代價總額之50%，以向華蘇科技股東發行23,092,959股之神州信息新股份（「華蘇科技代價股份」）之方式支付。於完成發行華蘇科技代價股份後，本公司間接持有神州信息之股權由42.44%減少至41.40%；及

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

- (b) 50% of the purchase consideration of RMB576,169,435.21 was settled by cash, which was raised from issuance of 22,526,398 new shares of DCITS (the "2016 Placing Shares") at RMB25.57 per share. After completion of the issuances of the 2016 Placing Shares, the equity interests in DCITS held indirectly by the Company was further reduced from 41.40% to 40.43%.

On 25 May 2016, 8 July 2016, 9 August 2016, 18 January 2017 and 18 December 2017, DCITS entered into acquisition agreements to acquire a total of approximately 3.87% equity interests in Howso Technology ("Further Acquisitions") for a total cash consideration of RMB46,448,700.24 (equivalent to approximately HK\$52,381,000) from shareholders of Howso Technology. After the completion of 2016 Acquisition and Further Acquisitions, DCITS acquired 99.90% equity interests in Howso Technology.

As part of the 2016 Acquisition, DCITS also entered into a profit compensation agreement (the "Howso Technology Profit Compensation Agreement") with the shareholders of Howso Technology, pursuant to which the shareholders of Howso Technology agreed to pay a cash-based compensation or a share-based compensation or a combination of cash-based compensation and share-based compensation to DCITS if there is any shortfall between the cumulative actual net profit and the cumulative committed net profit of Howso Technology for the financial year ended 31 December 2016 and each of the financial years ending 31 December 2017 and 2018. The payment methods would be fully decided by the shareholders of Howso Technology.

37. 持有重大非控股權益之部分擁有附屬公司(續)

- (b) 尚餘人民幣576,169,435.21元之購買代價，即代價總額尚餘之50%，以現金支付，募集於發行為每股股份人民幣25.57元之22,526,398股之神州信息新股份(「2016年配售股份」)。於完成發行2016年配售股份後，本公司間接持持有神州信息之股權由41.40%進一步減少至40.43%。

於二零一六年五月二十五日，二零一六年七月八日，二零一六年八月九日，二零一七年一月十八日及二零一七年十二月十八日，神州信息與華蘇科技多位股東訂立收購協議，以收購華蘇科技合共約3.87%之股權(「進一步收購」)，購買代價總額為現金人民幣46,448,700.24元(相等於約港幣52,381,000元)。於完成2016年收購事項及進一步收購後，神州信息獲得華蘇科技99.90%之股權。

作為2016年收購事項的一部分，神州信息與華蘇科技股東亦訂立盈利補償協議(「華蘇科技盈利補償協議」)，據此倘若截至二零一六年十二月三十一日止財政年度及將截至二零一七年及二零一八年十二月三十一日止各財政年度華蘇科技的累計實際淨利潤低於累計承諾淨利潤的任何差額，華蘇科技股東同意向神州信息支付現金補償或股份補償或以現金補償及股份補償結合的方式補償。補償的支付方式將由華蘇科技股東決定。

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The compensation for each of the relevant financial years shall be calculated based on any shortfall between the projected net profits of Howso Technology for each of the financial year ended 31 December 2016, and the financial years ending 31 December 2017 and 2018 and the actual net profits of Howso Technology for each of these financial years.

As at 31 December 2016 and 2017, no compensation from the shareholders of Howso Technology is considered necessary to be recognised in relation to the Howso Technology Profit Compensation Agreement.

As part of the 2016 Acquisition Agreement, DCITS committed to give rewards to the certain management who were also the existing shareholders of Howso Technology (the "Howso Technology Management Shareholders") if certain predetermined performance conditions are fulfilled which included but not limited to (1) the cumulative actual net profit exceeds the cumulative committed net profit of Howso Technology for the financial year ended 31 December 2016 and each of the financial years ending 31 December 2017 and 2018; and (2) the Howso Technology Management Shareholders do not resign from Howso Technology as at 31 December 2019. The rewards, which are considered as remuneration to the Howso Technology Management Shareholders, are calculated based on 50% of the surplus between the cumulative actual net profits and the cumulative committed net profit (the "Surplus"), should be accrued based on the best estimation of the Surplus at every financial year end of 2016, 2017 and 2018 in the consolidated financial statements of the Group.

37. 持有重大非控股權益之部分擁有附屬公司(續)

各相關財政年度之補償乃根據截至二零一六年十二月三十一日止財政年度及將截至二零一七年及二零一八年十二月三十一日止財政年度華蘇科技的實際淨利潤低於各該等財政年度的預算淨利潤的任何差額來計算。

於二零一六年及二零一七年十二月三十一日，無須基於華蘇科技盈利補償協議確認任何來自華蘇科技股份的補償。

作為2016年收購協議的一部分，神州信息向若干管理層兼為華蘇科技的股東(「華蘇科技管理層股東」)承諾提供報酬，倘若符合若干預設表現條件，包括但不限於(1)截至二零一六年十二月三十一日止財政年度及將截至二零一七年及二零一八年十二月三十一日止各財政年度華蘇科技的累計實際淨利潤超過累計承諾淨利潤；及(2)於二零一九年十二月三十一日華蘇科技管理層股東並無辭任其華蘇科技之職位。該等報酬，當中考慮作為華蘇科技管理層股東之酬金，乃根據累計實際淨利潤與累計承諾淨利潤之間的50%盈餘(「盈餘」)來計算，該盈餘乃根據二零一六年、二零一七年及二零一八年的各財政年度末的最好預估盈餘於本集團之綜合財務報表中作預提。

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

As at 31 December 2017, HK\$2,201,000 (2016: HK\$731,000) is accrued in relation to the expected rewards to be given to the Howso Technology Management Shareholders.

As at 31 December 2017, the Group's equity interests in DCITS held indirectly by the Company was 40.43% (2016: 40.43%), the Group still retained its rights to nominate three out of the five (2016: three out of the five) non-independent directors of the board of directors of DCITS. Taking into account the Group's power to participate in the operational and financial activities of DCITS, distribution of key shareholders and their beneficial shareholders as well as historical voting patterns, and the existence of any contractual arrangement among the shareholders and/or their beneficial shareholders, if any, the directors of the Company are of the view that the equity holdings in DCITS are dispersed in a way that other shareholders have not organised and the practical risk to organise their holdings to outvote the Group in the shareholders' meeting of DCITS is remote so that the Group can still exercise more voting power than the minority shareholders. Therefore, the directors of the Company are of the view that the Company still retains de facto control over DCITS. Further details are included in note 3 to these financial statements.

37. 持有重大非控股權益之部分擁有附屬公司(續)

於二零一七年十二月三十一日，已預提港幣2,201,000元(二零一六年：港幣731,000元)乃相關於將給予華蘇科技管理層股東的預計報酬。

於二零一七年十二月三十一日，本公司間接持有神州信息之本集團股權40.43%(二零一六年：40.43%)，本集團仍有權維持在神州信息之董事會提名五個非獨立董事中的三個(二零一六年：五個中的三個)。考慮到本集團參與於神州信息之營運及財務活動之權力、關鍵股東及彼等之受益股東的分布及過去的投票模式，以及關鍵股東及／或彼等之受益股東之間存在任何合約安排(如有)，本公司董事認為，神州信息的持股狀況是分散的及彼等控制權組織通過本集團於神州信息股東會議之決議的實際風險較少，因而本集團仍可以行使比少數股東更多的投票。因此，本公司董事認為本公司對神州信息擁有實質性的控制權。詳細情況包括在此等財務報表附註3。

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

		2017 二零一七年	2016 二零一六年
Percentage of equity interest held by non-controlling interests: DCITS	非控股權益擁有的 股權百分比： 神州信息	59.57%	59.57%
		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Profit for the year allocated to non-controlling interests: DCITS and its subsidiaries	分攤於非控股權益之本年度 溢利： 神州信息及其附屬公司	213,812	159,401
Accumulated balances of non-controlling interests at the reporting date: DCITS and its subsidiaries	於報告期日之非控股權益的 累計餘額： 神州信息及其附屬公司	3,534,896	3,142,875

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37. PARTLY-OWNED SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS (CONTINUED)

The following tables illustrate the summarised financial information of the above subsidiaries. The amounts disclosed are before any inter-company eliminations:

37. 持有重大非控股權益之部分擁有附屬公司(續)

下表列示本集團上述附屬公司之財務資料概要。除任何集團系內各公司之抵銷前的金額披露：

DCITS and its subsidiaries 神州信息及其附屬公司			
	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元	
Revenue and other income	收入及其他收入	9,535,438	9,316,916
Total cost and expenses	成本及費用總額	(9,158,375)	(9,028,831)
Profit for the year	本年度溢利	377,063	288,085
– attributable to equity holders of DCITS and subsidiaries	– 归屬於神州信息及其附屬公司之股東權益	358,925	273,504
 Total comprehensive income for the year	 本年度全面收益總額	 716,366	 45,523
– attributable to equity holders of DCITS and subsidiaries	– 归屬於神州信息及其附屬公司之股東權益	698,228	30,942
 Current assets	 流動資產	 8,977,089	 7,098,883
Non-current assets	非流動資產	3,706,656	3,456,652
Current liabilities	流動負債	6,686,183	5,288,658
Non-current liabilities	非流動負債	133,936	48,915
 Net cash flows from operating activities	 經營業務所得現金流量淨額	 406,602	 659,643
Net cash flows used in investing activities	投資活動所用現金流量淨額	(439,196)	(1,194,900)
Net cash flows from financing activities	融資活動所得現金流量淨額	74,662	360,054
 Net increase/(decrease) in cash and cash equivalents	 現金及現金等價物增加／(減少)淨額	 42,068	 (175,203)

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38. BUSINESS COMBINATION

During the years ended 31 December 2016, the Group entered into the acquisition agreements for the acquisition of the equity interests in subsidiaries.

The fair value of the identifiable assets and liabilities of the subsidiaries as at the date of acquisition were as follows:

38. 業務合併

於截至二零一六年十二月三十一日止年度內，本集團訂立收購協議收購附屬公司股權。

於收購日期附屬公司的可識別資產及負債之公平價值如下：

		Fair value recognised on acquisition 於收購時確認 之公平價值	HK\$'000 港幣千元
	Notes 附註		
Property, plant and equipment	14	39,036	
Other intangible assets	18	55,461	
Available-for-sale investments		11,872	
Deferred tax assets	23	1,525	
Inventories		302,209	
Accounts and bills receivables		178,698	
Prepayments, deposits and other receivables			
		46,380	
Cash and cash equivalents		129,381	
Accounts and bills payables		(67,701)	
Other payables and accruals		(193,933)	
Tax payable		(4,057)	
Interest-bearing bank and other borrowings		(38,750)	
Deferred tax liabilities	23	(9,877)	
Total identifiable net assets at fair value		450,244	
Non-controlling interests on acquisitions		(51,522)	
Goodwill on acquisitions	17	1,073,696	
Satisfied by:			
– Cash		626,074	
– Issuance of shares		637,899	
– Other receivables		23,750	
– Other payables		184,695	
		1,472,418	

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38. BUSINESS COMBINATION (CONTINUED)

An analysis of the cash flows in respect of the acquisition of subsidiaries was as follows:

	2016 二零一六年 HK\$'000 港幣千元
Cash consideration	現金代價 (626,074)
Cash and cash equivalents acquired	所收購現金及現金等價物 129,381
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動的現金流量的現金及現金等價物流出淨額 (496,693)

Since the acquisitions, the subsidiaries contributed HK\$320,457,000 to the Group's revenue and HK\$28,596,000 to the consolidated profit for the year ended 31 December 2016.

Had the combination taken place at the beginning of the year 2016, the revenue from operations of the Group and the profit of the Group for the year ended 31 December 2016 would have been HK\$600,573,000 and HK\$41,635,000, respectively.

39. DISPOSAL OF SUBSIDIARIES

The details of disposal of subsidiaries engaged the discontinued operation during the year ended 31 December 2016 are included in note 11 to the financial statements.

40. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

	融資活動所產生的負債變動	Bank loans 銀行貸款 HK\$'000 港幣千元	Corporate Bonds 公司債券 HK\$'000 港幣千元
At 1 January 2017	於二零一七年一月一日	6,889,891	774,997
Changes from financing cash flows	融資現金流量之變動	(219,789)	15,214
Exchange realignment	匯兌調整	378,796	41,821
At 31 December 2017	於二零一七年十二月三十一日	7,048,898	832,032

38. 業務合併(續)

有關收購附屬公司之現金流量分析如下：

	2016 二零一六年 HK\$'000 港幣千元
Cash consideration	現金代價 (626,074)
Cash and cash equivalents acquired	所收購現金及現金等價物 129,381
Net outflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動的現金流量的現金及現金等價物流出淨額 (496,693)

自收購後，附屬公司於截至二零一六年十二月三十一日止年度向本集團貢獻營業額港幣320,457,000元及綜合溢利港幣28,596,000元。

倘合併已於二零一六年年初發生，於截至二零一六年十二月三十一日止年度之本集團經營收入及本集團綜合溢利分別將為港幣600,573,000元及港幣41,635,000元。

39. 出售附屬公司

於截至二零一六年十二月三十一日止年度內出售從事非持續經營業務之附屬公司之詳情已包括在此財務報表附註11。

40. 綜合現金流量表附註

融資活動所產生的負債變動

Bank loans 銀行貸款 HK\$'000 港幣千元	Corporate Bonds 公司債券 HK\$'000 港幣千元
6,889,891	774,997
(219,789)	15,214
378,796	41,821

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41. CONTINGENT LIABILITIES

- (a) The Group provided guarantee in favour of one financial institution for certain asset-backed securities issued by a joint venture, Chongqing Digital China HC Microfinance Co. Ltd.+ (重慶神州數碼慧聰小額貸款有限公司), with an aggregate amount of approximately HK\$205,878,000 as at 31 December 2017 (2016: HK\$283,497,000).
- (b) On 14 November 2017, 太極計算機股份有限公司 filed a lawsuit with Haidian District People's Court in Beijing to demand for the payment of an aggregate amount of RMB5,548,000, comprising RMB4,627,000 in settlement for overdue fees, RMB761,000 in default penalty relating to equipment payments and RMB160,000 in default penalty relating to construction work payments, together with litigation costs by Digital China Rongxin Software Limited+ (神州數碼融信軟件有限公司) (one of the subsidiaries of DCITS, a non-wholly-owned subsidiary of the Company) ("DC Rongxin"), on the grounds that the contracting amounts payable by DC Rongxin had been partially overdue and outstanding.

41. 或然負債

- (a) 於二零一七年十二月三十一日，本集團為一間合營企業重慶神州數碼慧聰小額貸款有限公司向一間金融機構提供發行若干資產支持證券之保證，總金額約港幣205,878,000元(二零一六年：港幣283,497,000元)。
- (b) 於二零一七年十一月十四日，太極計算機股份有限公司向北京市海澱區人民法院提起訴訟，以神州數碼融信軟件有限公司(為本公司非全資擁有附屬公司神州信息之附屬公司之一)(「神碼融信」)部分承擔合同款項尚未支付為由，要求神碼融信支付欠款人民幣4,627,000元，承擔設備款違約金人民幣761,000元，承擔施工款違約金人民幣160,000元，共計人民幣5,548,000元，並承擔訴訟費。

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41. CONTINGENT LIABILITIES (CONTINUED)

(c) On 14 July 2017,大唐軟件技術股份有限公司 filed a lawsuit with the Shangdi Court of Haidian District People's Court in Beijing to demand for the payment of an aggregate amount of RMB3,105,000, comprising RMB2,349,000 in procurement costs relating to purchase orders, RMB204,000 in compensation for loss of profit otherwise available and RMB552,000 in compensation for loss arising from fund appropriation, together with litigation costs by Digital China Systems Integration Services Limited* (神州數碼系統集成服務有限公司) (one of the subsidiaries of DCITS, a non-wholly-owned subsidiary of the Company) ("DCSIS"), on the grounds that DCSIS had failed to honour payment of contract amounts as stipulated.

While the outcomes of such litigations or other legal procedures have yet to be determined, the management believes that, any responsibility arising on the part of the Group as a defendant in the aforesaid cases (b) and (c) will not have any material adverse impact on the financial conditions or operating results of the Group.

* The English names of these companies are direct transliterations of their Chinese registered names.

41. 或然負債(續)

(c) 於二零一七年七月十四日，大唐軟件技術股份有限公司向北京市海澱區人民法院上地法庭發起訴訟，就神州數碼系統集成服務有限公司(為本公司非全資擁有附屬公司神州信息之附屬公司之一)('神碼系統')未按約定支付合同款為由，要求神碼系統賠償其訂單採購成本人民幣2,349,000元，賠償可得利益損失人民幣204,000元，賠償資金佔用損失人民幣552,000元，共計人民幣3,105,000元，並承擔訴訟費。

本集團作為上述(b)及(c)點訴訟事項的被告人，儘管目前未決定該等訴訟或其他法律程序的結果，本集團管理層相信，所產生的任何責任將不會對本集團的財務狀況或經營業績構成重大不利影響。

* 該等公司之英文名稱乃直譯自註冊登記之中文名稱。

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42. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 15 to the financial statements) under operating lease arrangements, with leases negotiated for terms of ranging from one to ten years. The terms of the leases generally also require the tenant to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

42. 經營租賃安排

(a) 作為出租人

本集團根據經營租賃安排出租其投資物業(此財務報表附註15)，所議定租約期間界乎一至十年。租約條款通常會要求租戶支付保證金，並列明會根據屆時市況定期調整租金。

於二零一七年十二月三十一日，根據本集團與其租戶簽訂之不可撤銷之經營租賃，到期應收取之未來最低租賃付款如下：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	227,542	118,031
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	368,063	304,047
After five years	第五年後	130,226	41,544
		725,831	463,622

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**42. OPERATING LEASE ARRANGEMENTS
(CONTINUED)**

(b) As lessee

The Group leases certain of its office properties and warehouses under operating lease arrangements. Leases for properties and warehouses are negotiated for terms ranging from six months to ten years.

At 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Within one year	一年內	141,860
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	53,762
	259,077	195,622

43. COMMITMENTS

In addition to the operating lease commitments detailed in note 42(b) above, the Group had the following capital commitments at the end of the reporting period:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Contracted, but not provided for:		
Land and buildings	192,807	281,626
Capital contributions payable to joint ventures	41,412	60,273
Capital contributions payable to associates	6,232	16,607
Capital contributions payable to available-for-sale investments	181,031	163,856
	421,482	522,362

42. 經營租賃安排(續)

(b) 作為承租人

本集團根據經營租賃安排租賃其若干辦公室物業及貨倉。所議定物業及貨倉租約期間界乎六個月至十年。

於二零一七年十二月三十一日，根據簽訂不可撤銷之經營租賃，本集團到期須支付之未來最低租賃付款如下：

43. 承擔

除上文附註42(b)詳述的經營租賃安排外，於報告期末，本集團作出以下資本承擔：

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財務報表附註

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44. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties:

In addition to the transactions and balances detailed elsewhere in these financial statements, the Group had the following material transactions with related parties:

44. 關連人士交易

(a) 與關連人士之交易：

除此財務報表其他部份所呈列之該等交易及結餘外，本集團有以下重大與關連人士之交易：

		Notes 附註	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Transactions with joint ventures	與合營企業之交易			
Sales of IT products to joint ventures	向合營企業銷售之IT 貨物	(i)	—	1,169
Provision of IT services to joint ventures	向合營企業提供之IT 服務	(ii)	5,117	9,896
Purchases of IT products from joint ventures	由合營企業購買之IT 貨物	(iii)	117	—
Provision of IT services by joint ventures	由合營企業提供之IT 服務	(ii)	953	3,050
Rental income from joint ventures	由合營企業收取之 租賃收入	(iv)	4,043	785
Interest income on loans from joint ventures	由合營企業收取之 貸款利息收入	(v)	20,895	53,412
Transactions with associates	與聯營公司之交易			
Sales of IT products to associates	向聯營公司銷售之IT 貨物	(i)	—	33,624
Provision of IT services to associates	向聯營公司提供之IT 服務	(ii)	34,135	—
Provision of IT services by associates	由聯營公司提供之IT 服務	(ii)	322	—
Rental income from associates	由聯營公司收取之 租賃收入	(iv)	6,382	1,698
Transactions with related companies (note (vi))	與關連公司之交易 (附註(vi))			
Sales of IT products to related companies	向關連公司銷售之IT 貨物	(i)	18,732	27,415
Provision of IT services to related companies	向關連公司提供之IT 服務	(ii)	326,499	232,504
Purchases of IT products from related companies	由關連公司購買之IT 貨物	(iii)	162,302	79,718
Provision of IT services by related companies	由關連公司提供之IT 服務	(ii)	43,017	135,428
Rental income from related companies	由關連公司收取之 租賃收入	(iv)	57,885	38,198

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44. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties: (Continued)

Notes:

- (i) The sales were made with reference to the listed price and conditions offered to the major customers of the Group.
- (ii) The prices for the provision of IT services were determined at rates mutually agreed between the Group and the corresponding related parties.
- (iii) The purchases were made at prices mutually agreed between the Group and the corresponding related parties with reference to the listed price and conditions offered by the related parties to their major customers.
- (iv) The rental income was determined at rates mutually agreed between the Group and the corresponding related parties with reference to the market rental.
- (v) The interest income is calculated with reference to market interest rates.
- (vi) Digital China Group Co., Ltd. and its subsidiaries are the related companies of the Group, as the Chairman of Digital China Group Co., Ltd., Mr. GUO Wei, is also the Chairman and key management personnel of the Company.

(b) Outstanding transaction with related parties:

During the year, the Group had provided guarantees in favour of a financial institution for certain asset-backed securities issued by Chongqing Digital China HC Microfinance Co. Ltd.*, up to an aggregate amount of RMB174,000,000 (2016: RMB354,000,000). As at 31 December 2017, the value of the asset-backed securities issued attributable to the aforesaid guarantees amounted to approximately HK\$205,878,000 (2016: HK\$283,497,000).

* The English name of the company is a direct transliteration of its Chinese registered name.

44. 關連人士交易(續)

(a) 與關連人士之交易:(續)

附註:

- (i) 該等銷售乃根據本集團向其主要客戶提供之訂價及條件而進行。
- (ii) 提供IT服務之價格乃根據本集團與相關關連人士雙方協定而釐定。
- (iii) 該等購買乃參照由關連人士提供予主要客戶之訂立價格及條款根據本集團與相關關連人士雙方協定之價格進行。
- (iv) 租賃收入乃參照市場租金根據本集團與相關關連人士雙方協定而釐定。
- (v) 收取的利息收入以參考市場利率計算。
- (vi) 神州數碼集團股份有限公司及其附屬公司為本集團的關連公司，因郭為先生為神州數碼集團股份有限公司之董事長，亦為本公司之主席及關鍵管理人員。

(b) 與關聯人士之未完成交易

於本年度內，本集團為重慶神州數碼慧聰小額貸款有限公司向一間金融機構提供發行若干資產支持證券之保證，總金額約為人民幣174,000,000元(二零一六年:人民幣354,000,000元)。於二零一七年十二月三十一日，上述保證涉及之資產支持證券約港幣205,878,000元(二零一六年:港幣283,497,000元)。

* 該公司之英文名稱乃直譯自註冊登記之中文名稱。

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44. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Outstanding balances with related parties:

- (i) Details of the Group's trade balances with the joint ventures and associates as at the end of the reporting period are included in notes 27 and 31 to the financial statements, respectively.
- (ii) Details of the loans to the joint ventures included in the Group's prepayments, deposits and other receivables as at the end of the reporting period are included in note 28 to the financial statements.

(d) Compensation of key management personnel of the Group

44. 關連人士交易(續)

(c) 與關連人士之往來金額:

- (i) 於報告期末，本集團與合營企業及聯營公司之貿易結餘之詳情分別載於此財務報表附註27及31。
- (ii) 於報告期末，向合營企業提供之貸款包括在本集團之預付款項、按金及其他應付款項之詳細載於此財務報表附註28。

(d) 本集團關鍵管理人員之報酬:

	2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
Short term employee benefits	短期僱員福利	19,105
Post-employment benefits	僱傭後福利	125
Share-based compensation	以股份支付之酬金	29,231
Total compensation paid to key management personnel	支付給關鍵管理人員之報酬總計	48,461
	182,207	

Further details of directors' and the chief executives' emoluments are included in note 8 to the financial statements.

有關董事及行政總裁酬金之進一步詳情載於此財務報表附註8。

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45. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2017

Financial assets

		Loans and receivables 貸款及應收款項 HK\$'000 港幣千元	Available-for-sale financial assets 可供出售之金融資產 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Finance lease receivables	應收融資租賃款項	455,228	—	455,228
Available-for-sale investments	可供出售之投資	—	3,900,528	3,900,528
Accounts and bills receivables	應收賬款及應收票據	5,237,665	—	5,237,665
Financial assets included in prepayments, deposits and other receivables	包含於預付款項、按金及其他應收款項中之金融資產	1,824,328	—	1,824,328
Restricted bank balances	受限制銀行結餘	107,989	—	107,989
Cash and cash equivalents	現金及現金等價物	3,784,296	—	3,784,296
		11,409,506	3,900,528	15,310,034

Financial liabilities

45. 按類別劃分之金融工具

於報告期末，各金融工具類別之賬面值如下：

二零一七年

金融資產

		Financial liabilities at amortised cost 按攤銷成本計算之金融負債 HK\$'000 港幣千元
Accounts and bills payables	應付賬款及應付票據	3,217,547
Financial liabilities included in other payables and accruals	包含於其他應付款項及預提費用中之金融負債	1,310,962
Interest-bearing bank and other borrowings	附息銀行及其他貸款	7,880,930
		12,409,439

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45. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

2016

Financial assets

45. 按類別劃分之金融工具 (續)

二零一六年

金融資產

	Loans and receivables 貸款及應收款項 HK\$'000 港幣千元	Available-for-sale financial assets 可供出售之金融資產 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
Finance lease receivables	714,129	—	714,129
Available-for-sale investments	—	3,808,654	3,808,654
Accounts and bills receivables	4,003,615	—	4,003,615
Financial assets included in prepayments, deposits and other receivables	1,694,649	—	1,694,649
Restricted bank balances	58,910	—	58,910
Cash and cash equivalents	2,698,158	—	2,698,158
	9,169,461	3,808,654	12,978,115

Financial liabilities

金融負債

	Financial liabilities at amortised cost 按攤銷成本計算之金融負債 HK\$'000 港幣千元
Accounts and bills payables	2,124,347
Financial liabilities included in other payables and accruals	1,309,630
Interest-bearing bank and other borrowings	7,664,888
	11,098,865

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46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments not measured at fair value, other than certain unlisted available-for-sale investments measured at cost included in non-current assets, of which the range of reasonable fair value estimates is so significant that the directors are of the opinion that fair value cannot be measured reliably, and those with carrying amounts that reasonably approximating to their fair values largely due to the short term maturities of these instruments and that these instruments are with floating interest-rates, are as follows:

		Carrying amounts 賬面值		Fair values 公平價值	
		2017 二零一七年	2016 二零一六年	2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Financial assets	金融資產				
Accounts receivable	應收賬款	23,428	131,528	26,229	132,939
Finance lease receivables	應收融資租賃款項	113,493	327,865	117,894	336,013
		136,921	459,393	144,123	468,952
Financial liabilities	金融負債				
Interest bearing bank and other borrowings	附息銀行及其他貸款	668,512	586,783	668,153	578,048

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair value:

46. 公平價值及金融工具之公平價值等級

除包含於非流動資產之按成本計量的若干非上市可供出售之投資因合理的公平價值估計範圍甚大，董事認為其公平價值不能可靠計量，以及由於短期到期導致一些金融工具之賬面值與其公平價值相若及該等工具為浮動利率以外，本集團之非以公平價值計量之金融工具之賬面值與其公平價值列示如下：

金融資產及負債之公平價值以該工具於自願交易方(而非強迫或清倉銷售)當前交易下之可交易金額入賬。以下方法及假設已用於估計公平價值：

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46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of the non-current portion of accounts receivable, finance lease receivables and fixed rate interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank and other borrowings as at 31 December 2017 was assessed to be insignificant.

Below is a summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2017 and 2016:

46. 公平價值及金融工具之公平價值等級(續)

應收賬款的非流動金額、應收融資租賃款項及固定息率之附息銀行及其他貸款之公平價值，均使用未來現金流量法計算，所用的折現率參照相若條款、信貸風險及尚餘到期日的市場現存金融工具。於二零一七年十二月三十一日，本集團評估對附息銀行及其他貸款的違約風險為輕微。

以下為於二零一七年及二零一六年十二月三十一日對金融工具估值的重大不可觀察到的因素及量化敏感度分析的概要：

Valuation technique 評估方法	Significant unobservable input 重大不可觀察到的因素	Range 範圍	Sensitivity of fair value to the input 因素對公平價值的敏感度
Finance lease receivables	Discounted cash flow method	Discount rate 貼現率 2017: 7% to 17.97% (2016: 7% to 14.21%)	50% (2016: 50%) increase (decrease) in discount rate would result in decrease (increase) in fair value by HK\$3,875,000 (HK\$4,303,000) (2016: HK\$21,825,000 (HK\$24,506,000))
應收融資租賃款項	貼現現金流量法	貼現率 二零一七年：7%至17.97% (二零一六年： 7%至14.21%)	貼現率增加(減少)50% (二零一六年：50%)， 公平價值將減少(增加) 港幣3,875,000元 (港幣4,303,000元) (二零一六年： 港幣21,825,000元 (港幣24,506,000元))

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46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 31 December 2017:

Listed equity investments
included in available-for-sale
investments

包括可供出售之
投資的上市權益
投資

46. 公平價值及金融工具之公平價值等級(續)

公平價值等級

下表列示本集團金融工具之公平價值計量等級：

以公平價值計量的資產：
於二零一七年十二月三十一日：

Fair value measurement using 公平價值計量使用				
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
在活動市場 的報價 (等級一) HK\$'000 港幣千元	重大可觀察 到的因素 (等級二) HK\$'000 港幣千元	不可觀察到 的因素 (等級三) HK\$'000 港幣千元	總計 HK\$'000 港幣千元	
Listed equity investments included in available-for-sale investments	98,440	—	—	98,440

As at 31 December 2016:

於二零一六年十二月三十一日：

Fair value measurement using 公平價值計量使用				
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
在活動市場 的報價 (等級一) HK\$'000 港幣千元	重大可觀察 到的因素 (等級二) HK\$'000 港幣千元	不可觀察到 的因素 (等級三) HK\$'000 港幣千元	總計 HK\$'000 港幣千元	
Listed equity investments included in available-for-sale investments	172,455	—	—	172,455

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31 December 2017 二零一七年十二月三十一日

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Assets measured at fair value: (Continued)

The Group did not have any financial liabilities measured at fair value as at 31 December 2017 and 2016.

During the year, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (2016: Nil).

Assets for which fair values are disclosed:

As at 31 December 2017:

46. 公平價值及金融工具之公平價值等級(續)

公平價值等級(續)

以公平價值計量的資產：(續)
於二零一七年及二零一六年十二月三十一日，本集團並無任何以公平價值計量的負債。

於本年度內，金融資產的於等級一及等級二之間概無轉換公平價值計量，而於等級三亦無轉入或轉出(二零一六年：無)。

以公平價值披露的資產：

於二零一七年十二月三十一日：

Fair value measurement using 公平價值計量使用					
Quoted prices in active markets (Level 1) 在活動市場 的報價 (等級一)	Significant observable inputs (Level 2) 重大可觀察 到的因素 (等級二)	Significant unobservable inputs (Level 3) 重大不可觀 察到的因素 (等級三)		Total	
HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
Accounts receivable 應收賬款	—	26,229	—	26,229	
Finance lease receivables 應收融資租賃款項	—	—	117,894	117,894	
	—	26,229	117,894	144,123	

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46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Assets for which fair values are disclosed: (Continued)

As at 31 December 2016:

Fair value measurement using 公平價值計量使用			
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
在活動市場 的報價 (等級一) HK\$'000 港幣千元	重大可觀察 到的因素 (等級二) HK\$'000 港幣千元	重大不可觀 察到的因素 (等級三) HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Accounts receivable 應收賬款	—	132,939	—
Finance lease receivables 應收融資租賃款項	—	—	336,013
	—	132,939	336,013
			468,952

Liabilities for which fair values are disclosed:

As at 31 December 2017:

**46. 公平價值及金融工具之公
平價值等級(續)**

公平價值等級(續)

以公平價值披露的資產：(續)

於二零一六年十二月三十一日：

Fair value measurement using
公平價值計量使用

Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
在活動市場 的報價 (等級一) HK\$'000 港幣千元	重大可觀察 到的因素 (等級二) HK\$'000 港幣千元	重大不可觀 察到的因素 (等級三) HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Accounts receivable 應收賬款	—	132,939	—
Finance lease receivables 應收融資租賃款項	—	—	336,013
	—	132,939	336,013
			468,952

以公平價值披露的負債：

於二零一七年十二月三十一日：

Fair value measurement using
公平價值計量使用

Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
在活動市場 的報價 (等級一) HK\$'000 港幣千元	重大可觀察 到的因素 (等級二) HK\$'000 港幣千元	重大不可觀 察到的因素 (等級三) HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Interest-bearing bank and other borrowings 附息銀行及 其他貸款	—	668,153	—
			668,153

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46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy (Continued)

Liabilities for which fair values are disclosed: (Continued)

As at 31 December 2016:

46. 公平價值及金融工具之公平價值等級(續)

公平價值等級(續)

以公平價值披露的負債：(續)

於二零一六年十二月三十一日：

Fair value measurement using 公平價值計量使用				
Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total	
在活動市場 的報價 (等級一)	重大可觀察 到的因素 (等級二)	重大不可觀 察到的因素 (等級三)		總計
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元

Interest-bearing bank and other borrowings	附息銀行及其他 貸款	—	578,048	—	578,048
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47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's capital expenditure and operations. The Group has various other financial assets and liabilities such as accounts and bills receivables and accounts and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, market risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

47. 財務風險管理目標及政策

本集團之主要金融工具包括附息銀行貸款及現金及現金等價物。該等金融工具的主要用途是為本集團之資本開支及營運籌集資金。本集團還有各種其他金融資產及負債，例如營運過程中直接產生之應收賬款及應收票據以及應付賬款及應付票據。

本集團金融工具所產生之主要風險為利率風險、市場風險、外幣風險、信貸風險及流動性風險。董事會檢討及商議管理各類風險之政策，有關政策概述如下。

31 December 2017 二零一七年十二月三十一日

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's borrowings with floating interest rates.

At 31 December 2017, the Group's interest-bearing borrowings of HK\$4,912,858,000 (2016: HK\$5,959,103,000) bore interest at floating rates. The Group believes that the exposure to the risk of changes in market interest rates is minimal.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings).

47. 財務風險管理目標及政策 (續)

利率風險

本集團所面臨之市場利率變動風險主要與本集團按浮動利率計息之貸款有關。

於二零一七年十二月三十一日，本集團之附息貸款為港幣4,912,858,000元(二零一六年：港幣5,959,103,000元)乃按浮動利率計息。本集團相信面臨之市場利率變動風險屬輕微。

於報告期末，下表顯示合理可能之利率變動(而其他變數保持不變)對本集團除稅前溢利(透過浮動利率貸款之影響)的敏感度。

	Increase/(decrease)
Increase/(decrease) in profit before tax in basis points	for the year
基點上升／ (降低)	本年度除稅前 溢利增加／ (減少)
	HK\$'000 港幣千元

31 December 2017	二零一七年十二月三十一日		
HK\$ borrowings	港幣貸款	100	(49,129)
HK\$ borrowings	港幣貸款	(100)	49,129
31 December 2016	二零一六年十二月三十一日		
HK\$ borrowings	港幣貸款	100	(59,591)
HK\$ borrowings	港幣貸款	(100)	59,591

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31 December 2017 二零一七年十二月三十一日

47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Market risk

The Group trades in financial instruments including derivatives.

Market risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate due to changes in market variables, such as interest rates and foreign exchange rates.

Foreign currency risk

The Group's foreign currency exposures mainly arise from the balances of current accounts and interest-bearing bank and other borrowings in currencies other than the units' functional currencies as at 31 December 2017 and 31 December 2016. In order to minimise the impact of foreign exchange exposure, the Group has entered into forward currency contracts with creditworthy banks to manage its exchange rate exposure.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

47. 財務風險管理目標及政策 (續)

市場風險

本集團買賣金融工具包括衍生工具。

市場風險指由於市場變數如利率及外匯變動而導致金融工具之公平價值或未來現金流波動所產生之風險。

外幣風險

本集團所承擔之外幣風險主要源於營運單位以單位功能貨幣以外貨幣計量之往來賬戶及附息銀行及其他貸款於二零一七年十二月三十一日及二零一六年十二月三十一日之餘額。為盡量降低外匯風險之影響，本集團已與可信賴之銀行訂立一些遠期貨幣合約以管理其匯率風險。

下表顯示於報告期末在其他變量不變的情況下，本集團的除稅前溢利(由於貨幣資產與負債的公平價值變動)對於人民幣匯率的合理潛在變動的敏感度。

	Increase/(decrease)	
	in profit before tax	
	in RMB rate	for the year
人民幣匯率上升	本年度除稅前溢利增加／(減少)	
升／(降低)	%	HK\$'000
	百分比	港幣千元

31 December 2017	二零一七年十二月三十一日		
If RMB weakens against US\$	若人民幣相對美元疲軟	(1)	(8,992)
If RMB strengthens against US\$	若人民幣相對美元堅挺	1	8,992
31 December 2016	二零一六年十二月三十一日		
If RMB weakens against US\$	若人民幣相對美元疲軟	(1)	(13,386)
If RMB strengthens against US\$	若人民幣相對美元堅挺	1	13,386

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47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, restricted bank balances, available-for-sale financial investments and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Over 90% of the Group's customers and operations are located in Mainland China. Concentrations of credit risk are managed by industry sector and customer.

Further quantitative data in respect of the Group's exposure to credit risk arising from accounts and bills receivables are disclosed in note 27 to the financial statements.

47. 財務風險管理目標及政策 (續)

信貸風險

本集團僅與獲認可及信譽超著之協力廠商進行交易。本集團之政策是須對所有有意賒賬交易之客戶進行信用核實程式。此外，應收款項結餘乃按持續經營基準進行監控，而本集團面對之壞賬風險不大。

本集團其他金融資產(包括現金及現金等價物、受限制銀行結餘、可供出售之金融投資及其他應收款項)之信貸風險乃由於交易對手違約所致，而所承擔之最高風險金額相等於該等工具之賬面值。

由於本集團僅與獲認可及信譽超著之協力廠商進行交易，故無需提供抵押。本集團超過90%之客戶及業務均位於中國大陸。信貸集中風險由行業部份及客戶管理。

其他有關本集團面對由應收賬款及應收票據產生的信貸風險之量化披露載於此財務報表附註27。

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47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., accounts and bills receivables) and projected cash flows from operations.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings and other available sources of finances. In addition, banking facilities have been put in place for contingency purposes.

The maturity profile of the Group's financial liabilities of the continuing operations as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2017 二零一七年					
	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	5 years	Total
	即期	三個月以下	十二個月內	一至五年	超過五年	總計
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Interest-bearing bank and other borrowings	附息銀行及其他貸款					
		—	1,584,157	3,956,240	1,895,202	8,611,910
Accounts and bills payables	應付賬款及應付票據	1,150,555	1,761,811	305,181	—	3,217,547
Financial liabilities included in other payables and accruals	包含於其他應付款項及預提費用中之金融負債	397,862	532,347	380,753	—	1,310,962
		1,548,417	3,878,315	4,642,174	1,895,202	13,140,419

47. 財務風險管理目標及政策 (續)

流動性風險

本集團採用重現經常性流動資金計劃工具監控資金短缺的風險。該工具考慮其涉及金融工具與金融資產(如應收賬款及應收票據)之到期日以及來自營運業務之預期營運現金流量。

本集團之目標為透過使用附息銀行貸款以及其他可取得之資金來源，維持資金延續性與靈活性之平衡。此外，本集團還取得銀行額度以供應急之用。

以下載列於報告期末本集團持續經營業務之金融負債到期日(根據已訂約惟未貼現款項計算)：

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47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)
Liquidity risk (Continued)

**47. 財務風險管理目標及政策
(續)**
流動性風險(續)

2016 二零一六年						
	On demand	Less than 3 months	3 to less than 12 months	1 to 5 years	5 years	Total
	即期 HK\$'000 港幣千元	三個月以下 HK\$'000 港幣千元	十二個月內 HK\$'000 港幣千元	一至五年 HK\$'000 港幣千元	超過五年 HK\$'000 港幣千元	總計 HK\$'000 港幣千元
Interest-bearing bank and other borrowings	附息銀行及其他貸款 —	1,320,804	4,158,476	1,988,228	914,234	8,381,742
Accounts and bills payables	應付賬款及應付票據 1,983,970	134,753	5,624	—	—	2,124,347
Financial liabilities included in other payables and accruals	包含於其他應付款項及 預提費用中之金融負債 687,877	171,623	450,130	—	—	1,309,630
	2,671,847	1,627,180	4,614,230	1,988,228	914,234	11,815,719

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2017 and 2016.

資本管理

本集團資本管理之主要目的是為了確保公司具有良好之信用評級和健康之資本比率以支持其業務及盡量提高股東價值。

本集團管理資本結構以及根據經濟狀況之轉變及潛資產的風險特徵作出調整。本集團可以通過調整對股東派發之股息、向股東發還資本或發行新股以保持或調整資本結構。本集團並無必須遵守的外加資本要求。於截至二零一七年及二零一六年十二月三十一日止年度內，本公司之資本管理目標、政策及程序並無轉變。

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47. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Capital management (Continued)

The Group monitors capital using a gearing ratio, which is net debt divided by the total capital plus net debt. The Group's policy is to maintain the gearing ratio as low as possible. Net debt includes interest-bearing bank and other borrowings, accounts and bills payables, other payables and accruals, less cash and cash equivalents and restricted bank balances. Capital represents equity attributable to equity holders of the parent. The gearing ratios as at the end of the reporting periods were as follows:

47. 財務風險管理目標及政策 (續)

資本管理 (續)

本集團運用資產負債率監控資本，該比率乃由負債淨額除以總資本加負債淨額之和計算。本集團的政策旨在盡量可能將資產負債比率維持在低水準。負債淨額包括附息銀行及其他貸款、應付賬款及應付票據、其他應付款項及預提費用減現金及現金等價物及受限制銀行結餘。資本為於母公司股東應佔權益。於報告期末之資產負債率如下：

		Group 本集團	
		2017 二零一七年	2016 二零一六年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Interest-bearing bank and other borrowings	附息銀行及其他貸款	7,880,930	7,664,888
Accounts and bills payables	應付賬款及應付票據	3,217,547	2,124,347
Other payables and accruals	其他應付款項及預提費用	3,560,919	3,072,125
Less: Cash and cash equivalents	減：現金及現金等價物	(3,784,296)	(2,698,158)
Restricted bank balances	受限制銀行結餘	(107,989)	(58,910)
Net debt	負債淨額	10,767,111	10,104,292
Equity attributable to equity holders of the parent	母公司股東應佔權益	9,109,785	7,168,587
Total capital	總資本	9,109,785	7,168,587
Total capital and net debt	總資本加負債淨額	19,876,896	17,272,879
Gearing ratio	資產負債率	54%	58%

48. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation.

48. 比較金額

若干比較數字已予以重分類，以符合本年度之呈報。

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49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as the end of the reporting period is as follows:

49. 本公司財務狀況表

於報告期末關於本公司財務狀況表之資料：

		2017 二零一七年 HK\$'000 港幣千元	2016 二零一六年 HK\$'000 港幣千元
NON-CURRENT ASSETS	非流動資產		
Property, plant and equipment	物業、廠房及設備	285	110
Investments in subsidiaries	於附屬公司之投資	1,939,081	1,281,593
Total non-current assets	總非流動資產	1,939,366	1,281,703
CURRENT ASSETS	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	29,155	29,427
Due from subsidiaries	應收附屬公司款項	4,209,951	3,649,920
Cash and cash equivalents	現金及現金等價物	54,984	203,183
Total current assets	總流動資產	4,294,090	3,882,530
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及預提費用	16,608	26,196
Due to subsidiaries	應付附屬公司款項	518,550	1,256,124
Interest-bearing bank borrowings	附息銀行貸款	97,525	217,000
Total current liabilities	總流動負債	632,683	1,499,320
NET CURRENT ASSETS	流動資產淨值	3,661,407	2,383,210
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債	5,600,773	3,664,913
NON-CURRENT LIABILITIES	非流動負債		
Interest-bearing bank borrowings	附息銀行貸款	—	193,750
Total non-current liabilities	總非流動負債	—	193,750
Net assets	資產淨值	5,600,773	3,471,163
EQUITY	權益		
Issued capital	已發行股本	167,726	123,466
Reserves (<i>note</i>)	儲備(附註)	5,433,047	3,347,697
Total equity	權益總額	5,600,773	3,471,163

Notes to Financial Statements

財務報表附註

31 December 2017 二零一七年十二月三十一日

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserve is as follows:

49. 本公司財務狀況表(續)

附註:

本公司之儲備概括如下:

			Employee					
			Share	Contributed	Employee	share-based	Retained	Total
			premium account	surplus	share trust	compensation reserve		
			股份	僱員股票	僱員之	僱員之	保留溢利	總計
			溢價賬	繳入盈餘	基金	酬金儲備	HK\$'000	HK\$'000
			HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	港幣千元
			港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 January 2016	於二零一六年一月一日	2,080,480	623,689	(302,457)	30,305	2,455,038	4,887,055	
Special dividend	特別股息	—	—	—	—	(3,515,317)	(3,515,317)	
Profit for the year and total comprehensive income for the year	本年度溢利及本年度全面收益總額	—	—	—	—	1,223,764	1,223,764	
Issue of new shares	發行新普通股	697,786	—	—	—	—	697,786	
Exercise of share options	行使購股權	16,568	—	—	(3,998)	—	12,570	
Share-based payment expenses for shares issued at discount	發行折讓股份之以股份支付費用	43,658	—	—	—	—	43,658	
Share issue expenses	發行股份費用	(1,819)	—	—	—	—	(1,819)	
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	2,836,673	623,689	(302,457)	26,307	163,485	3,347,697	
Loss for the year and total comprehensive loss for the year	本年度虧損及本年度全面虧損總額	—	—	—	—	(59,715)	(59,715)	
Issue of new shares	發行新普通股	526,882	—	—	—	—	526,882	
Rights issue	供股	1,308,264	—	—	—	—	1,308,264	
Share issue expenses	發行股份費用	(6,724)	—	—	—	—	(6,724)	
Share-based compensation	以股份支付之酬金	—	—	—	318,067	—	318,067	
Vesting of shares under the restricted share awards scheme	依受限制股份獎勵計劃的歸屬股份	—	—	282,310	(282,310)	—	—	
Contribution to employee share trusts	僱員股票基金供款	—	—	(1,424)	—	—	(1,424)	
At 31 December 2017	於二零一七年十二月三十一日	4,665,095	623,689	(21,571)	62,064	103,770	5,433,047	

31 December 2017 二零一七年十二月三十一日

49. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to a corporate reorganisation in preparation for the listing of the Company's shares on the Main Board of the Stock Exchange, over the nominal value of the Company's shares issued in exchange therefor. Under the Companies Act of Bermuda (as amended) and the Bye-Laws of the Company, the contributed surplus can be distributed to the shareholders, provided that the Company will be able to pay its liabilities as they fall due, and subsequent to the distribution, the aggregate amount of its total liabilities as well as the issued share capital and premium is less than the realisable value of its assets.

The employee share-based compensation reserve comprises the fair value of options or RSUs granted under the share-based incentive schemes which are yet to be exercised, as further explained in the accounting policy for employee benefits in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options/RSUs are exercised/ transferred, or be transferred to retained profits should the related options/RSUs expire or be forfeited.

50. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2018.

49. 本公司財務狀況表(續)

本公司之繳入盈餘指根據為籌備本公司股份在聯交所主板上市而進行之一項公司重組而收購附屬公司之股份其公平價值高於本公司作為交換而發行之股份面值之金額。根據百慕達公司法(經修訂)及本公司之公司細則，繳入盈餘可分派予股東，惟本公司必須有能力償還到期之債務，而在該項分派後，本公司之總債項以及已發行股本及溢價乃低於其資產的可變現值。

以股份支付僱員之酬金儲備由股權激勵計劃下之已授予、尚未行權的購股權或受限制股份之公平價值構成，詳情載於此財務報表附註2.4對以股份支付交易會計政策的解釋。相關購股權／受限制股份行權／轉讓後，該儲備中相應金額轉入股份溢價賬，或者相關購股權／受限制股份到期或被棄權後，轉入保留溢利。

50. 財務報表之核准

此財務報表已於二零一八年三月二十八日經董事會批准及授權刊發。

Particulars of Properties

物業詳情

Investment properties as at 31 December 2017:

於二零一七年十二月三十一日之投資物業：

Location 地點	Usage 用途	Tenure 年期	Attributable interest of the Group 本集團應佔權益
Digital China Xi'an Science and Technology Park, No. 20 Zhangba 4th Street, Xi'an Gaoxin Technology Development District, Xi'an, Shaanxi Province, The PRC 中國陝西省 西安市高技術產業開發區 丈八四路20號 神州數碼西安科技園	Office building 辦公大樓	Medium term lease 中期租約	100%
Digital China Wuhan Science and Technology Park, North of Da Shu Road East, East of Guang Gu Road, Wuhan Donghu Technology Development District, Wuhan, Hubei Province, The PRC 中國湖北省 武漢市東湖新技術開發區 光谷大道以東 大舒東路以北 神州數碼武漢科技園	Office building 辦公大樓	Medium term lease 中期租約	100%
Digital China Nanjing Science and Technology Innovation Park, Qilin Street, Jiangning District, Nanjing, Jiangsu Province, The PRC 中國江蘇省 南京市江寧區 麒麟街道 神州數碼南京科技園	Office building 辦公大樓	Medium term lease 中期租約	100%

Particulars of Properties
物業詳情

Location 地點	Usage 用途	Tenure 年期	Attributable interest of the Group 本集團應佔權益
Digital China Chongqing Science and Technology Park, No. 24 and 26, Science and Technology Innovation Park, Hong Hu Road West, Yubei District, Chongqing Province, The PRC 中國重慶市渝北區 洪湖西路24至26號科技創新園 神州數碼重慶科技園	Office building 辦公大樓	Medium term lease 中期租約	100%
Digital China Kunshan Logistics Park, No. 1 Shuang He Road, Dian Shan Hu Town, Kunshan City, Jiangsu Province, The PRC 中國江蘇省 昆山市澱山湖鎮 雙和路1號 神州數碼昆山物流園	Logistics and storage 物流及倉儲	Medium term lease 中期租約	100%
Digital China Shenyang Logistics Park, No. 2 Cangchudongyi Street, Hunnan District, Shenyang, Liaoning Province, The PRC 中國遼寧省 瀋陽市渾南區倉儲東一街2號 神州數碼(瀋陽)電子商務產業基地	Logistics and storage 物流及倉儲	Medium term lease 中期租約	100%
Digital China Wuhan Logistic Park, No. 61 Gaoxin 4th Street Road, Donghu Technology Development District, Wuhan, Hubei Province, The PRC 中國湖北省 武漢市東湖新技術開發區 高新四路61號 神州數碼武漢電子商務產業基地	Logistics and storage 物流及倉儲	Medium term lease 中期租約	100%

Particulars of Properties

物業詳情

Location 地點	Usage 用途	Tenure 年期	Attributable interest of the Group 本集團應佔權益
Digital China Jinan Logistics Park, No. 1459-2 Keyuan Road, Sun Town, High-tech Industrial Development Zone, Jinan, Shandong Province, The PRC 中國山東省 濟南市高新技術開發區 孫村通信產業園 科遠路1459-2號 神州數碼濟南電子商務產業園	Logistics and storage 物流及倉儲	Medium term lease 中期租約	100%
Digital China Technology Plaza, No. 9 Shangdi Jiu Street, Haidian District, Beijing, The PRC 中國北京市 海澱區上地九街 數碼科技廣場	Office building 辦公室	Medium term lease 中期租約	100%
Beijing Digital China Building, 4-9/F. and 18/F., No. 16 Suzhou Street, Haidian District, Beijing, The PRC 中國北京市 海澱區蘇州街16號 北京神州數碼大廈 4-9層及18層	Office building 辦公室	Medium term lease 中期租約	100%

Particulars of Properties
物業詳情

Properties under development as at 31 December 2017:

於二零一七年十二月三十一日之在建物業：

Property	The Group's interest	Location	Total GFA attributable to the Group's interest ('000 s.q.m.)	Usage	Expected date of completion
物業	本集團應佔權益	地點	歸屬於本集團的建築面積 (千平方米)	用途	預期完工時間
Digital China Nanjing Science and Technology Innovation Park	100%	Digital China Qilin Street, Science and Technology Park, Jiangning District, Nanjing, Jiangsu Province, The PRC	137	Office building	2021
神州數碼南京科技園	100%	中國江蘇省南京市江寧區麒麟街道神州數碼科技創新園	137	辦公大樓	2021

Completed properties held for sale as at 31 December 2017:

於二零一七年十二月三十一日之待作銷售用途的竣工物業：

Property	The Group's interest	Location	Total GFA attributable to the Group's interest ('000 s.q.m.)	Usage
物業	本集團應佔權益	地點	歸屬於本集團的建築面積 (千平方米)	用途
Digital China Nanjing Science and Technology Innovation Park	100%	Digital China Qilin Street Science and Technology Park, Jiangning District, Nanjing, Jiangsu Province, The PRC	30	Office building
神州數碼南京科技園	100%	中國江蘇省南京市江寧區麒麟街道神州數碼科技創新園	30	辦公大樓

Five Year Financial Summary

五年財務摘要

A summary of the results and of the assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the published audited financial statements and restated/reclassified as appropriate, is set out below.

本集團過往五個財政年度摘錄自己公佈
經審核財務資料及經重列／重分類(如適用)
之業績、資產、負債及非控股權益概要
如下。

RESULTS

業績

	Year ended 31 December 2017 截至 二零一七年 十二月三十一日 止年度 HK\$'000 港幣千元	Year ended 31 December 2016 截至 二零一六年 十二月三十一日 止年度 HK\$'000 港幣千元	Year ended 31 December 2015 截至 二零一五年 十二月三十一日 止年度 HK\$'000 港幣千元	Year ended 31 December 2014 截至 二零一四年 十二月三十一日 止年度 HK\$'000 港幣千元	Nine months ended 31 December 2013 截至 二零一三年 十二月三十一日 止九個月 HK\$'000 港幣千元
REVENUE FROM CONTINUING OPERATIONS 持續經營業務收入	13,246,571	12,251,359	10,630,672	12,156,231	8,355,200
PROFIT/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	持續經營業務之除稅前溢利／ (虧損)	(47,817)	137,713	670,879	599,985
Income tax expense	所得稅費用	(143,584)	(148,743)	(207,371)	(89,904)
PROFIT/(LOSS) FOR THE YEAR/PERIOD FROM CONTINUING OPERATIONS	持續經營業務之本年度／期間溢利／ (虧損)	(191,401)	(11,030)	463,508	510,081
Profit for the year/period from the discontinued operation	非持續經營業務之本年度／期間溢利	—	559,623	462,207	392,169
PROFIT/(LOSS) FOR THE YEAR/PERIOD	本年度／期間溢利／(虧損)	(191,401)	548,593	925,715	902,250
Attributable to:	歸屬於：				
Equity holders of the parent	母公司股東權益	(413,006)	389,314	661,676	700,953
Non-controlling interests	非控股權益	221,605	159,279	264,039	201,297
		(191,401)	548,593	925,715	902,250
					(462,644)

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債與非控股權益

	31 December 2017 截至 二零一七年 十二月三十一日 HK\$'000 港幣千元	31 December 2016 截至 二零一六年 十二月三十一日 HK\$'000 港幣千元	31 December 2015 截至 二零一五年 十二月三十一日 HK\$'000 港幣千元	31 December 2014 截至 二零一四年 十二月三十一日 HK\$'000 港幣千元	31 December 2013 截至 二零一三年 十二月三十一日 HK\$'000 港幣千元
TOTAL ASSETS 總資產	27,915,561	23,716,121	37,486,363	33,707,772	30,099,793
TOTAL LIABILITIES 總負債	(15,120,687)	(13,244,208)	(26,192,046)	(22,843,597)	(21,053,585)
NON-CONTROLLING INTERESTS 非控股權益	(3,685,089)	(3,303,326)	(2,421,750)	(2,263,819)	(1,320,511)
	9,109,785	7,168,587	8,872,567	8,600,356	7,725,877

BOARD OF DIRECTORS

Executive Directors

Mr. GUO Wei (*Chairman*)

Mr. LIN Yang (*Chief Executive Officer*)

Non-executive Directors

Mr. YU Ziping

Mr. PENG Jing

Independent Non-executive Directors

Mr. WONG Man Chung, Francis

Ms. NI Hong (Hope)

Dr. LIU Yun, John

Ms. YAN Xiaoyan

Mr. LAI Daniel, *BBS, JP*

COMPANY SECRETARY

Mr. WONG Chi Keung

REGISTERED OFFICE

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2008, 20/F., Devon House, Taikoo Place
979 King's Road, Quarry Bay, Hong Kong

PRINCIPAL BANKERS

CITIC Bank International Limited

The Bank of East Asia, Limited

Industrial Bank Co., Ltd., Hong Kong Branch

Shanghai Pudong Development Bank Co. Ltd.,
Hong Kong Branch

Bank of China (Hong Kong) Limited

The Hongkong and Shanghai Banking Corporation Limited

Nanyang Commercial Bank, Limited

董事會

執行董事

郭為先生(主席)

林楊先生(首席執行官)

非執行董事

余梓平先生

彭晶先生

獨立非執行董事

黃文宗先生

倪虹小姐

劉允博士

嚴曉燕女士

賴錫璋先生, *BBS, JP*

公司秘書

王自強先生

註冊辦事處

Canon's Court

22 Victoria Street

Hamilton HM 12

Bermuda

香港總辦事處及 主要營業地點

香港鰂魚涌英皇道979號
太古坊德宏大廈20樓2008室

主要往來銀行

中信銀行國際有限公司

東亞銀行有限公司

興業銀行有限公司香港分行

上海浦東發展銀行股份有限公司
香港分行

中國銀行(香港)有限公司

香港上海滙豐銀行有限公司

南洋商業銀行

Company Information 公司資料

LEGAL ADVISORS

As to Hong Kong law:

Cleary Gottlieb Steen & Hamilton (Hong Kong)
Norton Rose Fulbright Hong Kong

As to Bermuda law:

Appleby

AUDITOR

Ernst & Young

SHARE REGISTRARS

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Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

Hong Kong

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

PLACE OF LISTING OF SHARES AND STOCK CODE

The Stock Exchange of Hong Kong Limited
Stock Code: 00861

Taiwan Stock Exchange Corporation
Taiwan Depository Receipts
Stock Code: 910861

WEBSITE

www.dcholdings.com.hk

法律顧問

香港法律：

佳利(香港)律師事務所
諾頓羅氏富布萊特香港

百慕達法律：

Appleby

核數師

安永會計師事務所

股份過戶登記處

百慕達

Estera Management (Bermuda) Limited
Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

香港

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香港皇后大道東183號
合和中心22樓

股票上市地點及股份代號

香港聯合交易所有限公司
股份代號：00861

台灣證券交易所股份有限公司
台灣存託憑證
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