

2016 ANNUAL REPORT 年報



PAX Global Technology Limited 百富環球科技有限公司*

(Incorporated in Bermuda with limited liability)
(於百慕達註冊成立的有限公司)
Stock Code 股份代號 : 00327



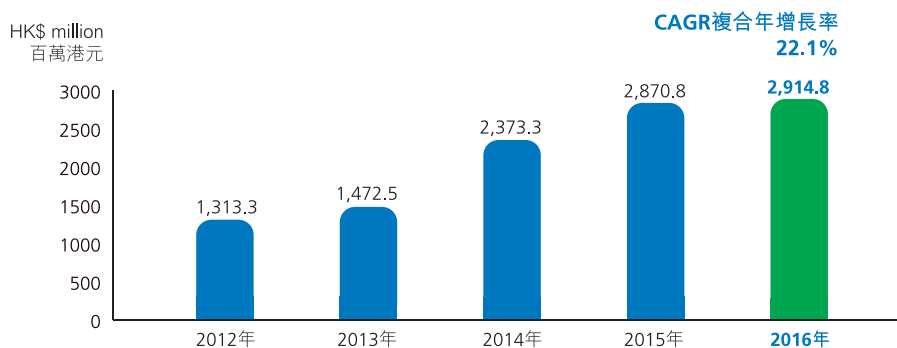
* For Identification Purpose Only
僅供識別

Financial Highlights

財務概要

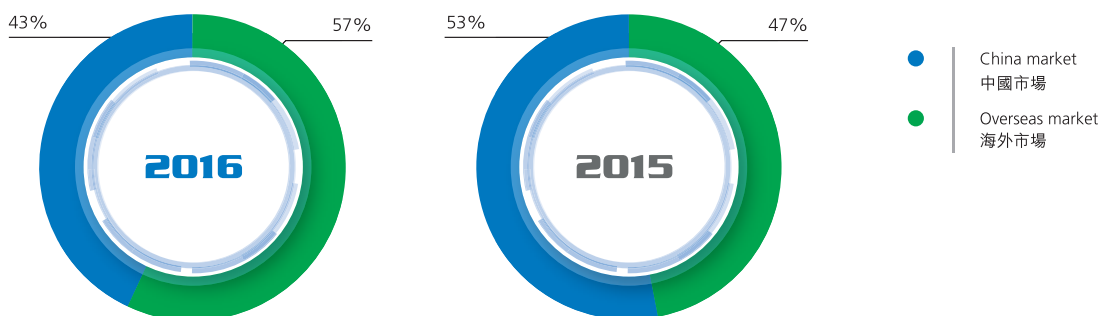
REVENUE

營業額



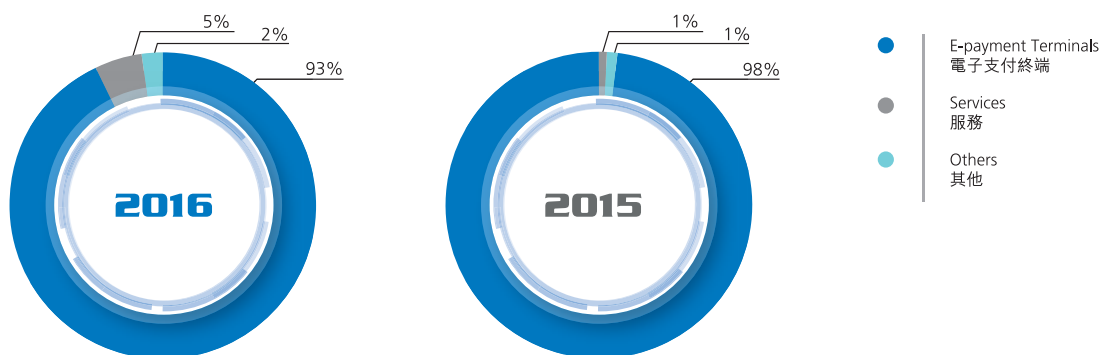
SALES BY GEOGRAPHICAL REGION

按地區營業額



SALES BY PRODUCT CATEGORY

各類產品營業額



Financial Highlights

財務概要

GROSS PROFIT MARGIN

毛利率

Year	年度	2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年
Gross Profit Margin (%)	毛利率(%)	35.3	36.7	36.4	38.1	43.3

OPERATING PROFIT MARGIN

經營溢利率

Year	年度	2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年
Operating Profit Margin (%)	經營溢利率(%)	17.0	18.1	19.5	22.9	23.6

TURNOVER DAYS ^{NOTES}

週轉日數 ^{附註}

Year	年度	2012 二零一二年	2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年
Inventory	存貨	105	139	114	112	142
Trade and bills receivables	應收賬款及應收票據	152	147	118	121	164
Trade payables	應付賬款	97	131	105	119	152
Cash conversion	現金轉換	160	155	127	115	154

Notes

Inventory turnover days = Average Gross inventory balance/(Cost of sales for the year/365 days)

Trade and bills receivables turnover days = Average Gross trade and bills receivables balance/(Turnover for the year/365 days)

Trade payables turnover days = Average Gross trade payables balance/(Cost of sales for the year/365 days)

Cash conversion days = Inventory turnover days + Trade and bills receivables turnover days - Trade payables turnover days

附註

存貨週轉日數 = 平均存貨結餘總額 / (年內銷售成本 / 365 日)

應收賬款及應收票據週轉日數 = 平均應收賬款及應收票據結餘總額 / (年內營業額 / 365 日)

應付賬款週轉日數 = 平均應付賬款總額 / (年內銷售成本 / 365 日)

現金轉換日數 = 存貨週轉日數 + 應收賬款及應收票據週轉日數 - 應付賬款週轉日數

Financial Highlights

財務概要

		2016 二零一六年	2015 二零一五年	+ / (-)
For the year ended 31 December (in HK\$'000)	截至十二月三十一日止年度 (千港元)			
Revenue	收入	2,914,842	2,870,794	+1.5%
Gross profit	毛利	1,261,994	1,092,490	+15.5%
EBITDA	EBITDA	699,477	662,977	+5.5%
Profit before income tax	除所得稅前溢利	678,299	657,973	+3.1%
Profit attributable to the owners of the Company	本公司持有人應佔溢利	600,908	620,736	-3.2%
Research and development costs (included in administrative expenses)	研發開支 (包括在行政費用內)	(183,614)	(157,734)	+16.4%
At 31 December (in HK\$'000)	於十二月三十一日 (千港元)			
Total current assets	流動資產總值	4,220,419	4,020,585	+5.0%
Total assets	資產總值	4,433,063	4,080,199	+8.6%
Net current assets	流動資產淨值	3,295,002	3,033,042	+8.6%
Total equity	權益總額	3,501,283	3,090,599	+13.3%
Per share (in HK\$)	每股 (港元)			
Earnings per share	每股盈利			
— Basic	— 基本	0.539	0.560	-3.8%
— Diluted	— 攤薄	0.535	0.551	-2.9%
Proposed final dividend per ordinary share	建議每股普通股末期股息	0.04	0.02	+100%
Financial ratios	財務比率			
Gross profit margin	毛利率	43.3%	38.1%	
Operating profit margin	經營溢利率	23.6%	22.9%	
Net profit margin	淨利潤率	20.7%	21.6%	
Current ratio	流動比率	4.6	4.1	
Return on equity ¹	權益回報 ¹	17.2%	20.1%	
Return on assets ²	資產回報 ²	13.6%	15.2%	

Notes

- 1 Return on equity = Profit attributable to the owners of the Company/Equity as at year end
- 2 Return on assets = Profit attributable to the owners of the Company/Total assets as at year end

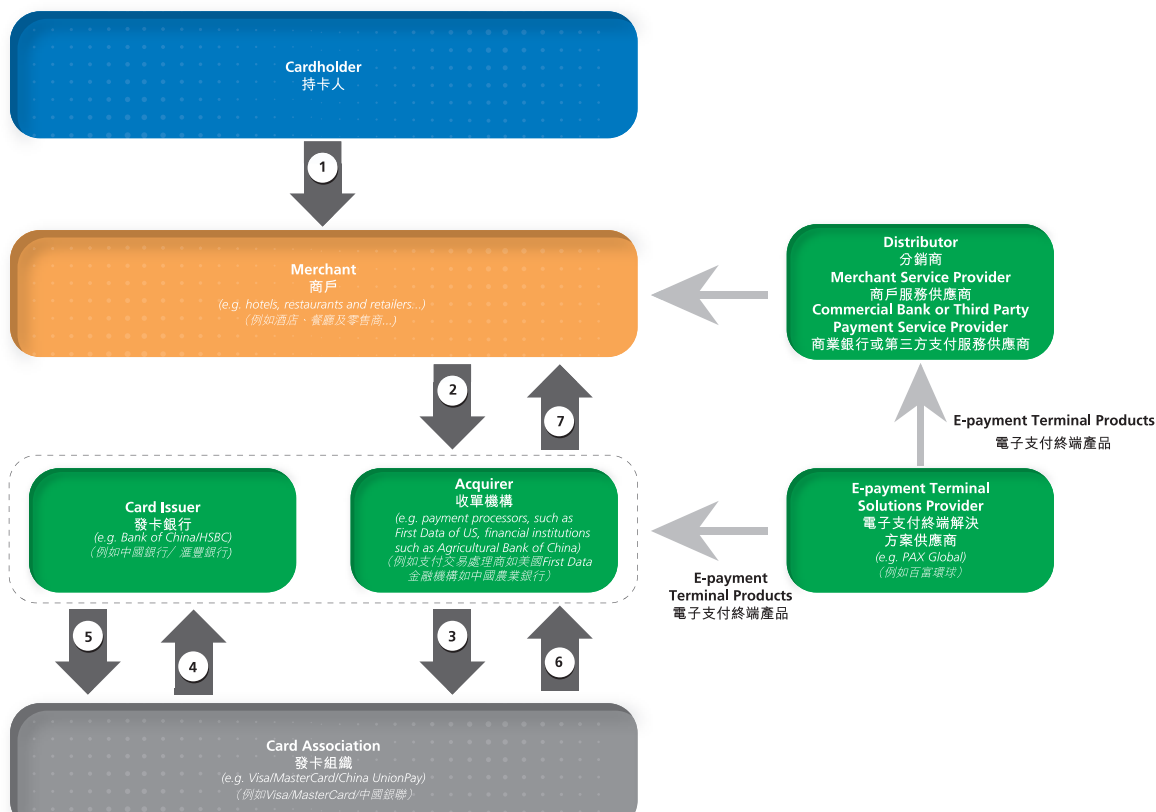
附註

- ¹ 權益回報 = 本公司持有人應佔溢利 / 年末權益
- ² 資產回報 = 本公司持有人應佔溢利 / 年末資產總值

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

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

以下簡圖所示為一般銀行卡電子支付交易的交易流程



Source: Analysys International, CSI

數據來源：易觀國際、中信證券

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

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

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

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

“→”

“→”

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

1: 持卡人於商戶透過電子支付終端以卡支付。

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

2: 電子支付終端傳送交易數據予收單機構。

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

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

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

5及6: 發卡機構核實持卡人的信用額充足並給予授權。

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

7: 收單機構接收回應及轉達予商戶。

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

SMART E-PAYMENT SOLUTION 智能電子支付解決方案

General features: Large and high-resolution capacitive touch screen, dual cameras, fast thermal printer. Support all kinds of payments, including gift cards and loyalty programs.

一般特性：特大高清電容觸摸屏、雙攝像頭、快速熱能打印機。支持各類型支付模式，包括禮品卡及常客計劃。



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

TRADITIONAL E-PAYMENT SOLUTION 傳統電子支付解決方案

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

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

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



Other models: S920, S910, S900, S800, S500, S90, S80, S78, S60, S58

其他型號：S920、S910、S900、S800、S500、S90、S80、S78、S60、S58



S900



S90



S920

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

TRADITIONAL E-PAYMENT SOLUTION 傳統電子支付解決方案

ii) Pin Pad Devices 密碼鍵盤設備

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

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

New model launched in 2016: SP20 V4
二零一六年推出的新型號：SP20 V4



iii) Multilane Series 多媒體系列

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

一般特性：具有快速精準的觸摸響應能力，並能與多種POS系統整合。

Models: PX5, PX7, D800

型號：PX5、PX7、D800



PX5



PX7

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

MOBILE E-PAYMENT SOLUTION 移動電子支付解決方案

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

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

New model launched in 2016: D220
二零一六年推出的新型號：D220



Other models: D210, D200, D180

其他型號：D210、D200、D180



D180



D200



D210

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Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-Executive Directors

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

JOINT COMPANY SECRETARY

LAU Ling Yun Agnes
CHAN Yiu Kwong

AUTHORISED REPRESENTATIVES

LI Wenjin
CHAN Yiu Kwong

BERMUDA RESIDENT REPRESENTATIVE

Codan Services Limited

AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS

As to Hong Kong Law

Reed Smith Richards Butler
Woo Kwan Lee & Lo

As to Bermuda Law

Conyers Dill & Pearman

董事會

執行董事

聶國明(主席)
蘆杰(行政總裁)
李文晉

獨立非執行董事

葉偉明
吳敏
文國權

聯席公司秘書

劉令茵
陳耀光

授權代表

李文晉
陳耀光

百慕達註冊處代表

Codan Services Limited

核數師

羅兵咸永道會計師事務所

法律顧問

香港法律

禮德齊伯禮律師行
胡關李羅律師行

百慕達法律

Conyers Dill & Pearman

Corporate Information

公司資料

PRINCIPAL BANKERS

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

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

SHARE REGISTRAR IN BERMUDA

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

COMPANY'S WEBSITE

www.paxglobal.com.hk

STOCK CODE

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主要往來銀行

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

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

香港主要營業地點

香港
灣仔
港灣道30號
新鴻基中心
24樓2416室

百慕達股份過戶登記處

Codan Services Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

股份過戶登記處香港分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

公司網站

www.paxglobal.com.hk

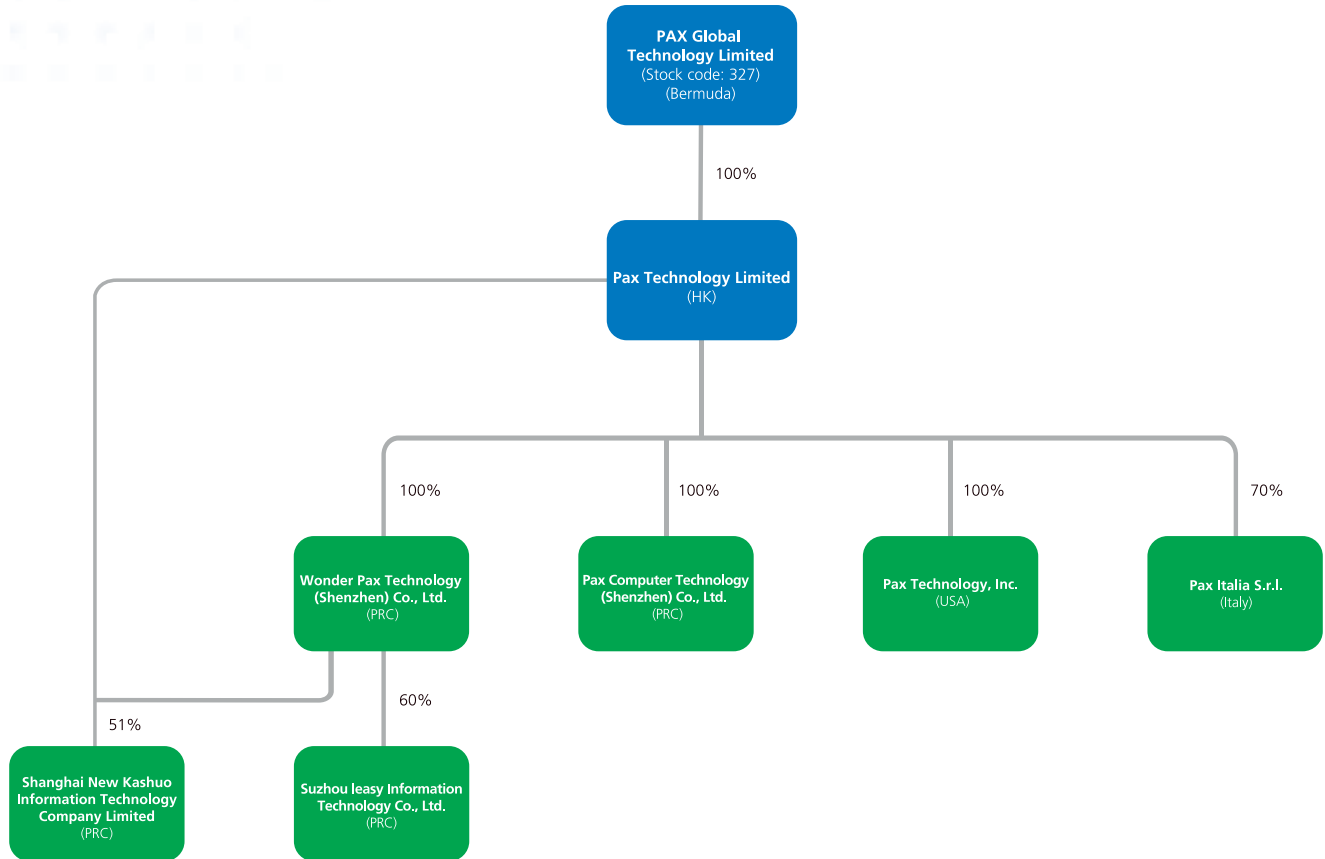
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Simplified Corporate Chart

公司架構簡表

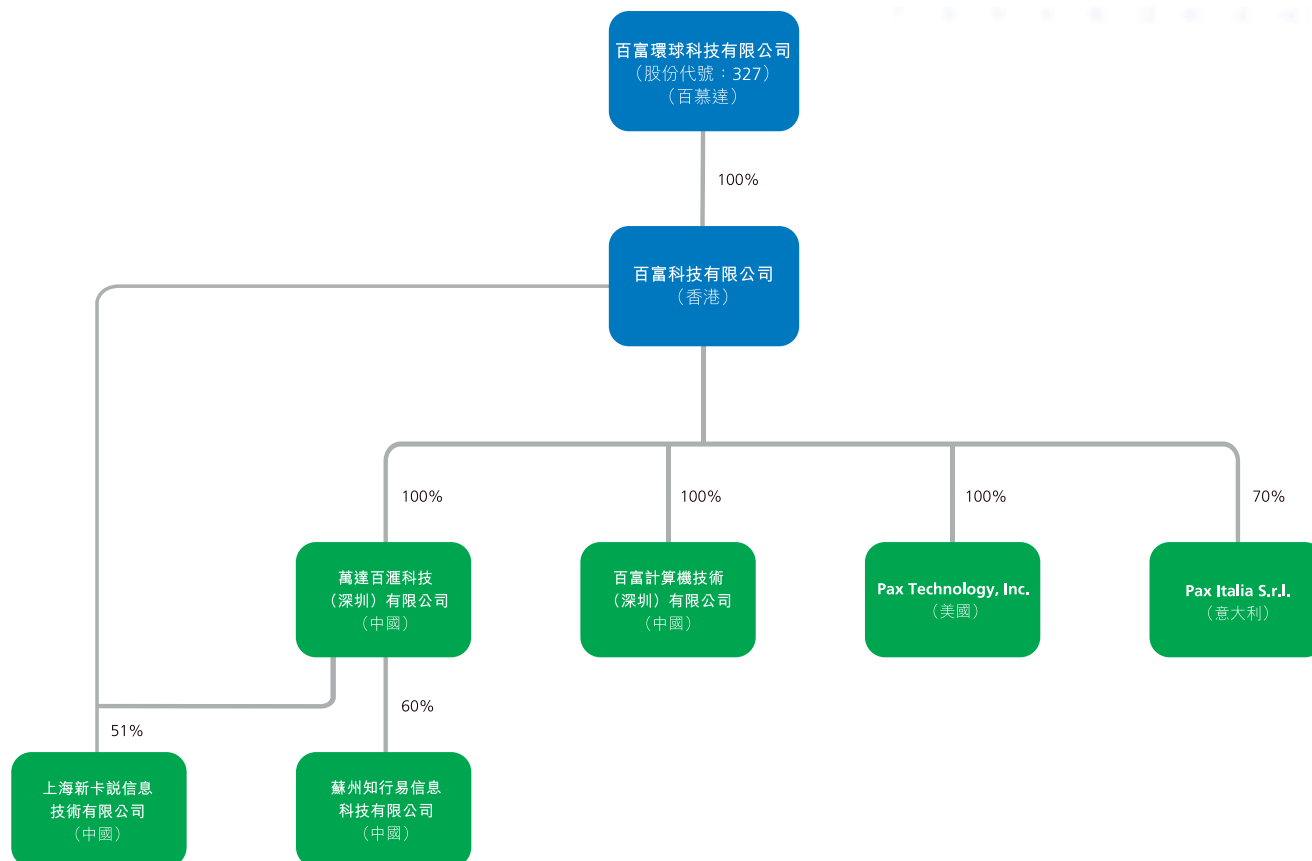
The following is a simplified corporate chart of the Group's principal operating subsidiaries up to the date of this report.



Simplified Corporate Chart

公司架構簡表

下表為截至本報告日期本集團主要營運附屬公司的公司架構簡表。



Directors and Senior Management

董事及高級管理層

As at 8 March 2017, the date of the Report of the Directors, the biographical details of the directors (the “Directors”) and senior management of the Company are as follows:

BOARD OF DIRECTORS

Executive Directors

NIE Guoming *Chairman*

Mr. Nie, aged 54, is the Chairman and an Executive Director of the Company and the Chairman of Pax Computer Technology (Shenzhen) Co. Ltd. (“Pax Technology (Shenzhen)”). He is responsible for the overall management and strategic development of the Group. Mr. Nie has over 21 years of experience in the card payment industry. He joined Pax Technology Limited (“Pax Technology”) since its founding on 20 March 2000. He was the vice president of Pax Technology from 20 March 2000 to 1 January 2001 and the president of Pax Technology from 2 January 2001 to 14 June 2010. He was appointed as the chairman of Pax Technology on 14 June 2010. Mr. Nie previously worked as an engineer in the Information Technology Department of the Headquarters of China Merchants Bank in the People’s Republic of China (the “PRC”) from 1996 to 1999. Mr. Nie graduated from Tsinghua University in 1984 with a bachelor’s degree in Radio Electronics and obtained a master’s degree in Radio Electronics Engineering from Southeast University in 1991. He was appointed as the Chairman and an Executive Director of the Company on 1 December 2010.

LU Jie *Chief Executive Officer*

Mr. Lu, aged 52, is the Chief Executive Officer and an Executive Director of the Company and a director in a number of subsidiaries of the Company. He joined the Group in August 2001 and is responsible for managing all the business development, sales and marketing functions of the Group. Mr. Lu has over 16 years of experience in sales and marketing in the electronic payment industry and served a number of management positions and executive role at Beijing Order Computer Company (“Beijing Order”), a system integration company, from 1998 to 2001, including general manager of insurance department, general manager of marketing department and vice president of the company. He had also worked as an engineer of the Ministry of Geology and Mineral Resources of the PRC and the Chinese Academy of Geological Sciences from 1986 to 1994 and from 1994 to 1995 respectively. Mr. Lu holds a bachelor’s degree from Chengdu Geology Institute. He obtained an Executive Master of Business Administration degree from the Cheung Kong Graduate School of Business in 2010. He was appointed as the Chief Executive Officer and an Executive Director of the Company on 23 May 2013.

於二零一七年三月八日(即董事會報告日期)，本公司董事(「董事」)及高層管理人員的履歷詳情如下：

董事會

執行董事

聶國明主席

聶先生，54歲，為本公司主席兼執行董事，並為百富計算機技術(深圳)有限公司(「百富科技(深圳)」)的主席。彼負責本集團的整體管理及策略發展。聶先生於卡支付行業擁有逾21年經驗。彼自百富科技有限公司(「百富科技」)於二零零零年三月二十日成立起加入該公司。彼於二零零零年三月二十日至二零零一年一月一日出任百富科技的副總裁，於二零零一年一月二日至二零一零年六月十四日間出任百富科技的總裁。彼於二零一零年六月十四日獲委任為百富科技的主席。聶先生於一九九六年至一九九九年曾於中華人民共和國(「中國」)的中國招商銀行總部的信息科技部門任職工程師。聶先生於一九八四年畢業於清華大學，持有無線電電子學學士學位，其後於一九九一年獲東南大學頒授無線電工程碩士學位。彼於二零一零年十二月一日獲委任為本公司主席及執行董事。

蘆杰行政總裁

蘆先生，52歲，為本公司行政總裁兼執行董事，及本公司多間附屬公司董事。彼於二零零一年八月加入本集團，負責管理本集團的所有業務發展、銷售及營銷工作。蘆先生於電子支付行業的銷售及營銷方面擁有逾16年經驗，曾於一九九八年至二零零一年在北京方正奧德計算機系統有限公司(「北京方正奧德」)，一間系統集成公司，擔任多個管理職位及行政角色，包括保險部總經理、營銷部總經理及公司副總裁。彼亦於一九八六年至一九九四年及一九九四年至一九九五年分別在中國地質礦產部及中國地質科學院擔任工程師。蘆先生持有成都地質學院的學士學位。彼於二零一零年獲長江商學院頒授高級管理人員工商管理碩士學位。彼於二零一三年五月二十三日獲委任為本公司行政總裁兼執行董事。

Directors and Senior Management

董事及高級管理層

LI Wenjin

Mr. Li, aged 53, is an Executive Director of the Company. He is responsible for risk management and treasury management. He is also responsible for overseeing operations of Pax Technology of which he has been a director since 5 April 2000. Mr. Li has over 25 years of experience in investment and administrative affairs. Mr. Li was the director of Hi Sun Information Technology Services Limited (“HSITSL”) from 1 August 1997 to 3 May 2005. HSITSL was a Hong Kong company, which was a representative and purchasing office engaging in general trading and provision of consultancy services. HSITSL provided consultancy services to Pax Technology from 2002 to 2003. Mr. Li is also the managing director of Hi Sun Limited since 16 August 1999 and an executive director of Hi Sun Technology (China) Limited (“Hi Sun”), a substantial shareholder of the Company, since 7 June 2001. He has also been appointed as an executive director of both Hi Sun Limited and Hi Sun and certain of their subsidiaries. Prior to joining Hi Sun Limited in 1999, he worked for several companies in the PRC and Hong Kong, including Beijing Order from 1994 to 1995 where he was responsible for investment and administrative affairs. Mr. Li obtained a master’s degree in law from the Peking University in 1989. He was appointed as an Executive Director of the Company on 24 February 2010.

Independent Non-Executive Directors

YIP Wai Ming

Mr. Yip, aged 51, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Mr. Yip is currently an independent non-executive director of Ju Teng International Holdings Limited (巨騰國際控股有限公司), Far East Horizon Limited (遠東宏信有限公司), Poly Culture Group Corporation Limited (保利文化集團股份有限公司) and Yida China Holdings Limited (億達中國控股有限公司), all of which are companies listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Mr. Yip graduated from The University of Hong Kong with a bachelor’s degree in social sciences in 1987. He also holds a bachelor’s degree in laws from the University of London. Mr. Yip is a fellow of the Association of Chartered Certified Accountants, and a member of the Hong Kong Institute of Certified Public Accountants and the Chinese Institute of Certified Public Accountants.

WU Min

Dr. Wu, aged 45, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Previously, Dr. Wu was an assistant professor at The Hong Kong University of Science & Technology Business School and The University of Hong Kong School of Business. Dr. Wu has been teaching International Accounting Standards, US Generally Accepted Accounting Principles and Chinese Accounting Standards. Her academic research achievements in identifying US accounting restatements and frauds were reported by various media, including the Wall Street Journal, New York Times, Business Week, Fortune, CNN, etc. Dr. Wu used to cooperate with major accounting firms and the Public Company Accounting Oversight Board (US) in research in the areas of accounting manipulation and frauds by US listed companies. She also provides professional interpretation and analysis services for investment funds on accounting standards and on listed companies’ financial statements. Dr. Wu graduated from Peking University with a bachelor’s degree in Economics in 1994. Dr. Wu obtained a master’s degree in Economics from Tufts University in 1996 and a Ph.D. in Accounting from Stern School of Business, New York University in 2003.

李文晉

李先生，53歲，為本公司執行董事。彼負責風險管理及財務管理。彼自二零零零年四月五日起亦出任百富科技的董事，負責監察百富科技的營運。李先生於投資及行政事務擁有逾25年經驗。李先生於一九九七年八月一日至二零零五年五月三日擔任高陽信息產品服務有限公司(「高陽信息」)的董事。高陽信息為一家香港公司，乃進行一般買賣的代表暨採購辦事處，亦有提供諮詢服務。高陽信息於二零零二年至二零零三年向百富科技提供諮詢服務。李先生亦自一九九九年八月十六日起擔任高陽有限公司的董事總經理，並自二零零一年六月七日起出任高陽科技(中國)有限公司(「高陽」)的執行董事，而高陽則為本公司的主要股東。彼亦獲委任為高陽有限公司及高陽以及兩者的若干附屬公司的執行董事。彼於一九九九年加入高陽有限公司前，曾在中國及香港多家公司工作，包括於一九九四年至一九九五年在北京方正奧德負責投資及行政事務。李先生於一九八九年獲北京大學頒授法律碩士學位。彼於二零一零年二月二十四日獲委任為本公司執行董事。

獨立非執行董事

葉偉明

葉先生，51歲，於二零一零年十二月一日獲委任為本公司獨立非執行董事。葉先生目前為巨騰國際控股有限公司、遠東宏信有限公司、保利文化集團股份有限公司及億達中國控股有限公司的獨立非執行董事，所有上述公司均於香港聯合交易所有限公司(「聯交所」)上市。葉先生在一九八七年畢業於香港大學，持有社會科學學士學位。彼亦持有倫敦大學法律學士學位。葉先生為特許公認會計師公會資深會員及香港會計師公會及中國註冊會計師協會會員。

吳敏

吳博士，45歲，於二零一零年十二月一日獲委任為本公司的獨立非執行董事。吳博士之前為香港科技大學商學院和香港大學商學院助理教授。吳博士一直教授國際會計準則、美國公認會計準則及中國會計準則。其於識別美國會計重列及欺詐的學術研究成果廣獲華爾街日報、紐約時報、商業周刊、財富、CNN等多家媒體報道。吳博士過去曾與主要會計公司及美國上市公司會計監察委員會合作研究美國上市公司的會計操縱及欺詐領域。彼亦為投資資金提供有關會計準則及上市公司財務報表的專業詮釋及分析服務。吳博士於一九九四年畢業於北京大學，獲經濟學士學位。吳博士於一九九六年獲塔夫斯大學頒授經濟碩士學位，及於二零零三年獲紐約大學Stern School of Business頒授會計博士學位。

Directors and Senior Management

董事及高級管理層

MAN Kwok Kuen, Charles

Mr. Man, aged 58, was appointed as an Independent Non-Executive Director of the Company on 1 December 2010. Mr. Man graduated from The University of Hong Kong with a bachelor's degree in laws in 1981. Mr. Man was admitted as a solicitor in Hong Kong in 1984 and has practised as a solicitor at Joseph S. C. Chan & Co. (formerly known as Chan and Lo) in Hong Kong since then. He is currently a partner of Joseph S.C. Chan & Co.

SENIOR MANAGEMENT

LUO Shaowen

Mr. Luo, aged 48, is the executive vice president of Pax Technology (Shenzhen). He is responsible for the procurement and supplies activities, and oversees the finance of the operations in Shenzhen. Mr. Luo graduated from Wuhan University with a bachelor's degree in economic management. Mr. Luo has over 20 years of experience in the card payment industry and over 15 years of experience in financial administration and supply chain management. He joined Pax Technology (Shenzhen) in December 2004 as the chief financial officer. Prior to joining the Group, Mr. Luo served various management positions including general manager of the Zhuhai Branch of Beijing Order.

CHEUNG Shi Yeung

Mr. Cheung, aged 33, is the Chief Financial Officer of the Company. He joined the Group in October 2016 and is responsible for overseeing the business development, finance, compliance, merger and acquisition, and investor relations of the Group. Mr. Cheung graduated from The Chinese University of Hong Kong with a bachelor's degree in Business Administration and has over 10 years of financial and accounting related experience. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group, Mr. Cheung worked for an international public accountancy firm and was involved in a number of audit and assurance, capital market transaction and advisory projects advising corporate clients including listed companies and conglomerates worldwide.

文國權

文先生，58歲，於二零一零年十二月一日獲委任為本公司獨立非執行董事。文先生於一九八一年畢業於香港大學，獲法學學士學位。文先生於一九八四年成為香港律師，自此一直在香港的陳順祖、文國權、潘慧妍律師行(前稱Chan and Lo)執業。彼目前為陳順祖、文國權、潘慧妍律師行的合夥人。

高級管理層

羅韶文

羅先生，48歲，為百富科技(深圳)的常務副總裁。彼負責採購及供應業務，並監察在深圳營運的財務。羅先生畢業於武漢大學，獲經濟管理學士學位。羅先生於卡支付行業擁有逾20年經驗，及於財務管理及供應鏈管理方面擁有逾15年經驗。彼於二零零四年十二月加入百富科技(深圳)擔任財務總監。羅先生於加入本集團前，曾擔任北京方正奧德珠海分公司的總經理等多個管理職位。

張仕揚

張先生，33歲，為本公司的首席財務官。彼於二零一六年十月加入本集團，並負責監督本集團業務發展、財務、合規、併購以及投資者關係事宜。張先生畢業於香港中文大學，持有工商管理學士學位及擁有逾10年財務及會計相關經驗。彼為香港會計師公會之會員。於加入本集團前，張先生任職於一間國際會計師事務所，並參與多項審計及鑒證、資本市場交易及諮詢項目，為全球各地上市公司及企業集團等公司客戶提供意見。

Chairman's Statement

主席報告

Dear Shareholders,

On behalf of the board of Directors (the "Board") of PAX Global Technology Limited ("PAX", and together with its subsidiaries, the "Group"), I am pleased to present the annual report of the Group for the year ended 31 December 2016.

FINANCIAL RESULTS

For the year under review, the Group's turnover amounted to HK\$2,914.8 million, representing an increase of 1.5% compared to HK\$2,870.8 million in 2015. The annual sales volume of electronic payment point-of-sale terminals ("E-payment Terminals") was 4.5 million units, which was one of the meaningful milestones for PAX.

In 2016, profit before income tax was HK\$678.3 million, representing an increase of 3.1% compared to HK\$658.0 million in 2015. Gross profit margin for 2016 was 43.3% with an increase of 520 basis points compared to 38.1% in 2015.

In 2016, profit for the year attributable to the owners of the Company was HK\$600.9 million, representing a decrease of 3.2% as compared to HK\$620.7 million in 2015. Basic earnings per share for the year was 53.9 HK cents (2015: 56.0 HK cents).

Turnover from overseas markets of the Group was HK\$1,656.7 million, representing an increase of 23.5% as compared to HK\$1,340.9 million in 2015. All overseas business units recorded growth, especially the United States of America and Canada Region ("USCA"). Moreover, the proportion of the total revenue of the overseas markets over the Group's total was 56.8%, as compared to 46.7% in the corresponding period last year.

In 2016, the PRC market (excluding Hong Kong, Macau and Taiwan) (the "China Market") was highly challenging and recorded a turnover of HK\$1,258.2 million, representing a decrease of 17.8% as compared to HK\$1,529.9 million in 2015. The decrease in the turnover of the China Market was mainly due to the indirect influence of the new interchange rate payment policy, the temporary trend of adopting low-cost mobile phone card readers by micro merchants, keen price competition and the depreciation of Renminbi ("RMB").

During the year, the Company repurchased a total of 10,000,000 of its own shares. The Board believes that the share repurchases are in the best interests of the Company and its shareholders and would lead to an enhancement of the net assets value per share and/or earnings per share of the Company.

The Board has recommended to declare a final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2016 (2015: HK\$0.02 per ordinary share, amounting to approximately HK\$44,315,000 (2015: HK\$22,240,000)).

各位股東：

本人謹代表百富環球科技有限公司(「百富」，連同其附屬公司，「本集團」)董事會(「董事會」)，欣然提呈本集團截至二零一六年十二月三十一日止年度的年報。

財務業績

於回顧年度，本集團營業額達2,914.8百萬港元，較二零一五年的2,870.8百萬港元增加1.5%。電子支付銷售點終端(「電子支付終端」)的年銷售量4.5百萬台，這是百富意義重大的里程碑之一。

於二零一六年，除所得稅前溢利為678.3百萬港元，較二零一五年的658.0百萬港元增加3.1%。而在二零一六年的毛利率為43.3%，較二零一五年的38.1%增加520基點。

於二零一六年，本公司的持有人應佔年度溢利為600.9百萬港元，較二零一五年的620.7百萬港元下降3.2%。本年度每股基本盈利為53.9港仙(二零一五年：56.0港仙)。

本集團的海外市場營業額為1,656.7百萬港元，較二零一五年的1,340.9百萬港元增加23.5%。海外各分部業務均錄得增長，特別美國與加拿大區(「USCA」)。此外，海外市場佔整體營業額比例56.8%，去年同期為46.7%。

於二零一六年，中國市場(不包括香港、澳門及台灣)(「中國市場」)極具挑戰性，錄得營業額1,258.2百萬港元，較二零一五年的1,529.9百萬港元下降17.8%；中國市場營業額減少主要是由於借貸分離新支付交易費率政策的間接影響，小微商戶使用低成本手機刷卡器的短暫趨勢，加上持續激烈的價格競爭及人民幣貶值。

本公司於本年度回購合共10,000,000股股份。董事會認為，股份回購乃符合本公司及其股東之最佳利益，並可提高本公司之每股資產淨值及／或每股盈利。

董事會已建議宣派截至二零一六年十二月三十一日止年度之末期股息每股普通股0.04港元(二零一五年：每股普通股0.02港元)金額約為44,315,000港元(二零一五年：22,240,000港元)。

Chairman's Statement

主席報告

OUTLOOK

According to the global ranking of shipments in 2015 as stated in The Nilson Report published in September 2016, an authoritative magazine in the payment industry, the growth in shipment volume of PAX reached 38%. By each of the regional rankings, PAX also took the leading position in most of the regions, proving that PAX has been one of the global mainstream brands through years of effort.

In 2016, overseas markets was a growth factor for our sales and recorded substantial increase in revenue share. PAX realised encouraging achievements in mature markets such as the United States of America ("US") and Italy, and further secured its leading position in certain emerging markets, such as the Middle East, Latin America and the Commonwealth of Independent States ("LACIS") and the Asia Pacific Region (except for Mainland China) ("APAC"). Apart from further strengthening technical support to existing global partners and distributors, PAX also seeks for local partners with good reputation and distinctive operational capabilities in major markets.

In the China Market, PAX maintains its leading position through various market transformations. As one of the leaders providing middle-to-high-end products, PAX is well-recognised by financial institutions and third party payment service operators (the "Operators") for its products. We will continue to maintain our strong foothold in China to consolidate our domestic market shares. In view of the increasing demand for multi-functional E-payment Terminals from domestic Operators and industrial applications, we focus on smart terminals, value-added solutions services and research and development ("R&D") of new technologies and products and will continue to launch new products that meet market expectations so as to enhance the sales of the Group's E-payment Terminals.

The core value of PAX is the emphasis on R&D and quality. This year, PAX launched four new products that were well received in the market. The Group will continue to put more resources in R&D and expand the R&D team for new products development and existing products optimisation to meet the needs of customers worldwide. As of the end of 2016, the number of employees in the R&D team was 945, accounting for 55% of the total employees of the Group. Furthermore, PAX will actively explore cooperation opportunities with technology enterprises that are advanced in technical knowledge and upstream supply chain management to further enhance our R&D capability.

前景

根據支付行業權威雜誌The Nilson Report二零一六年九月份發行的二零一五年全球出貨排名，百富的出貨量增長達到38%。細分各區域排名，百富也在很多區域取得領先地位。足以證明經過多年耕耘，百富已經被認為全球主流品牌之一。

在二零一六年，海外市場成為銷售增長點，收入佔比大幅提高。百富在成熟市場如美利堅合眾國(「美國」)及意大利等取得令人鼓舞的成績；部份新興市場如中東、拉丁美洲和獨聯體國家(「LACIS」)以及亞太區(除中國大陸外)(「APAC」)，百富再進一步鞏固領先地位。除對現有全球合作夥伴和分銷商提供更強的技術支援外，百富在多個主要市場尋找當地有崇高地位和卓越營運能力的合作夥伴。

在中國市場，百富經歷各種市場變革，仍然維持市場領先地位。作為中高端產品領導者之一，百富的產品深受金融機構及第三方支付服務營運商(「營運商」)的肯定。我們將繼續緊守中國強大的根基，鞏固國內的市場份額。為針對國內營運商和行業應用對多功能電子支付終端的需求提高，我們把焦點放在智能終端、提供電子支付全功能解決方案的增值服務以及研發新技術與新產品上，並不斷推出符合市場預期的新產品，以增強集團支付終端銷售。

百富的核心價值是著重於研發及質量。本年度，百富推出了4款新產品，深受市場歡迎。本集團會繼續投放更多資源於研發方面並擴大研發隊伍開發新產品和優化現有產品，以滿足廣大全球客戶需求。截至二零一六年底，研發團隊人數為945人，佔集團整體僱員總數55%。除此之外，百富還會積極物色於技術知識或上游供應鏈管理層面上優越的科技型企業的合作機會去壯大我們的研發能力。

Chairman's Statement

主席報告

In 2016, following the successful acquisition of Nanchang Kashuo Information Technology Company Limited (“Kashuo”), the Group began offering value-added solutions services in China. This diversification of the Group’s payment services helped boost the services revenue to 5.4%. In December 2016, the Group entered into an agreement with the quotaholders of CSC Italia S.c.a.r.l. to acquire and subscribe for 60% of the equity of CSC Italia S.r.l., with the aim of strengthening the Group’s after-sales services and customer relationships in Italy. The expected completion of the acquisition of CSC Italia, together with the acquisition of PAX Italia S.r.l. in 2015, will further consolidate the Group’s market position in Italy.

In the coming year, PAX will continue to strengthen its role in the global payment industry value chain and will strive to enrich and diversify its revenue model. With our comprehensive portfolio of E-payment Terminals, our superb technical support services, and leveraging on Kashuo and the new smart E-payment Terminal line, PAX will continue to gain a better insights into consumer spending patterns, which in turn will allow us to explore the possibilities of implementing big data solutions so that we can provide even more added value to merchants worldwide. In overseas and domestic markets, PAX management will put more resources into ensuring the development of value-added solutions and services. We also continue to proactively explore merger and acquisition opportunities and other strategic partnerships to provide enhanced value to both customers and shareholders.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my utmost gratitude to our customers, bankers, suppliers, business associates and most valued Shareholders for their continuous trust and support to the Group, and to our dedicated Directors, management and staffs for their valuable contributions in 2016. I look forward to achieving continued outstanding performance with all of you in the future.

Nie Guoming

Chairman

Hong Kong, 8 March 2017

在二零一六年，隨著南昌卡說信息技術有限公司(「卡說」)成功的收購，集團已開始為國內市場提供電子支付的全功能解決方案的增值服務，這成功令集團的服務收入於集團整體收入的佔比大幅提升到5.4%，也令集團的支付服務進一步走向多元化。二零一六年十二月，集團與CSC Italia S.c.a.r.l.的股東訂立協議，將會收購及認購CSC Italia S.r.l.合共60%之公司股權，從而加強在意大利的售後服務及客戶關係，配合集團在二零一五年在意大利收購的子公司PAX Italia S.r.l.使本集團在意大利及歐洲的地位更壯大。

來年，百富會持續支付價值鏈擴充，豐富收入模式。在電子支付終端完整的產品線、良好的服務基礎上，通過卡說以及智能電子支付終端，我們會更掌握消費者的消費模式及支付信息，探求在未來達成大數據分析，為商戶及市場提供更多價值。在海外以及國內市場，管理層會繼續投入更多資源發展一站式的電子支付全功能解決方案的增值服務。同時，我們就擴張支付價值鏈探索不同的併購以及戰略合作機會為客戶及股東帶來更大價值。

鳴謝

本人藉此機會代表董事會向各客戶、銀行、供應商、業務夥伴及最尊貴的股東對本集團的持續信賴及支持，向我們的董事、管理層及員工在二零一六年所作出的寶貴貢獻致以由衷感謝，本人期待各位再接再厲，爭取更傑出的表現。

主席

聶國明

香港，二零一七年三月八日

Management Discussion and Analysis

管理層之討論與分析

FINANCIAL REVIEW

The key financial figures for the year ended 31 December 2016 are extracted as follows:

財務回顧

截至二零一六年十二月三十一日止年度的主要財務數據摘錄如下：

		For the year ended 31 December 截至十二月三十一日止年度		
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	+ / (-)
Revenue	收入	2,914,842	2,870,794	+1.5%
Gross profit	毛利	1,261,994	1,092,490	+15.5%
Other income	其他收入	71,593	109,235	-34.5%
Selling expenses	銷售開支	(297,396)	(235,715)	+26.2%
Administrative expenses	行政費用	(347,098)	(308,037)	+12.7%
Profit before income tax	除所得稅前溢利	678,299	657,973	+3.1%
Income tax expense	所得稅開支	(74,865)	(37,687)	+98.6%
Profit attributable to the owners of the Company	本公司持有人應佔溢利	600,908	620,736	-3.2%
EBITDA	EBITDA	699,477	662,977	+5.5%
Research and development costs (included in administrative expenses)	研發開支 (包括在行政費用內)	(183,614)	(157,734)	+16.4%

		As at 31 December 於十二月三十一日		
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	+ / (-)
Total current assets	流動資產總值	4,220,419	4,020,585	+5.0%
Total non-current assets	非流動資產總值	212,644	59,614	+256.7%
Total assets	資產總值	4,433,063	4,080,199	+8.6%
Total current liabilities	流動負債總額	925,417	987,543	-6.3%
Total non-current liabilities	非流動負債總額	6,363	2,057	+209.3%
Total liabilities	負債總額	931,780	989,600	-5.8%
Net current assets	流動資產淨值	3,295,002	3,033,042	+8.6%
Total equity	權益總額	3,501,283	3,090,599	+13.3%

Management Discussion and Analysis

管理層之討論與分析

For the year ended 31 December

截至十二月三十一日止年度

	2016	2015	+ / (-)
	二零一六年	二零一五年	

PER SHARE DATA

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

— Basic (HK\$)

— Diluted (HK\$)

每股數據

本公司持有人應佔溢利的每股盈利

— 基本(港元)

— 攤薄(港元)

0.539	0.560	-3.8%
0.535	0.551	-2.9%

For the year ended
31 December

截至十二月三十一日止年度

	2016	2015
	二零一六年	二零一五年

FINANCIAL RATIOS

Gross profit margin

EBITDA margin

Net profit margin

財務比率

毛利率

EBITDA 率

淨利潤率

43.3%	38.1%
24.0%	23.1%
20.7%	21.6%

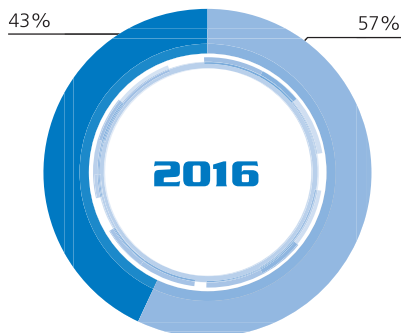
Revenue

Turnover increased by 1.5% or HK\$44.0 million to HK\$2,914.8 million for the year ended 31 December 2016 from HK\$2,870.8 million for the year ended 31 December 2015. Turnover from overseas markets grew by HK\$315.8 million to HK\$1,656.7 million, representing a growth of 23.5%. Turnover from the China Market decreased by 17.8% year-on-year or HK\$271.7 million to HK\$1,258.2 million.

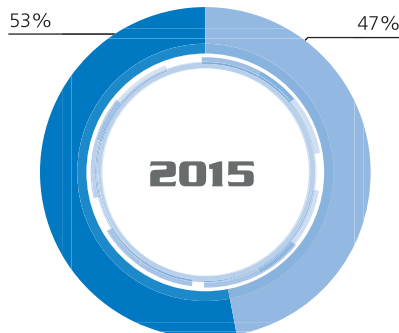
收入

營業額由截至二零一五年十二月三十一日止年度的2,870.8百萬港元增加1.5%或44.0百萬港元至截至二零一六年十二月三十一日止年度的2,914.8百萬港元。來自海外市場營業額增加315.8百萬港元至1,656.7百萬港元，增長23.5%。來自中國市場的營業額按年下降17.8%或271.7百萬港元至1,258.2百萬港元。

i) Sales by Geographical Region



i) 按地區分類的營業額

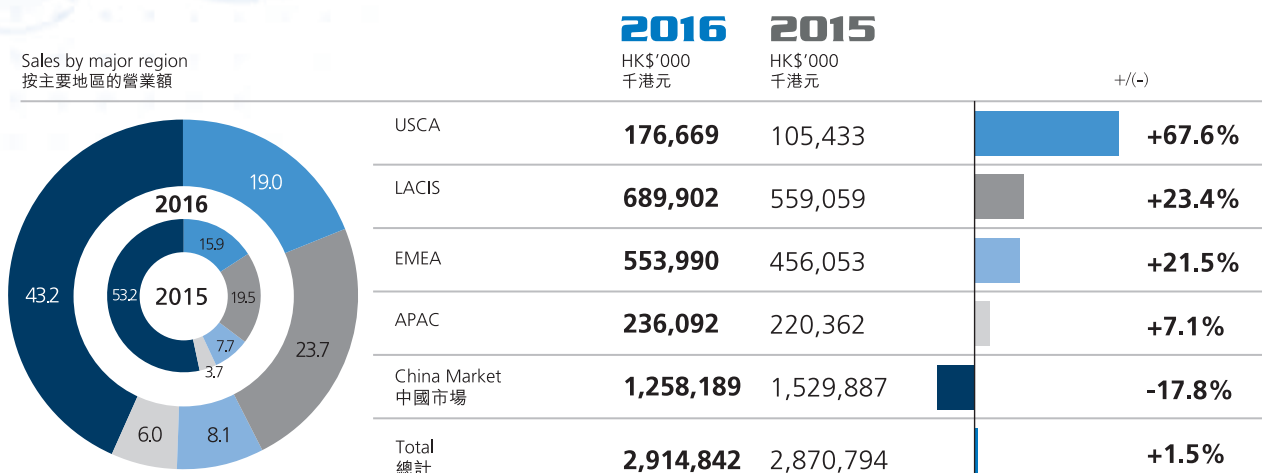


● Overseas markets
海外市場

● China Market
中國市場

Management Discussion and Analysis

管理層之討論與分析



For the year ended 31 December 截至十二月三十一日止年度

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	+ / (-)
Overseas markets 海外市場			
– United States of America and Canada Region (“USCA”) – 美國與加拿大區 （「USCA」）	176,669	105,433	+67.6%
– Latin America and the Commonwealth of Independent States (“LACIS”) – 拉丁美洲和獨聯體國家 （「LACIS」）	689,902	559,059	+23.4%
– Europe, Middle East and Africa (“EMEA”) – 歐洲、中東及非洲（「EMEA」）	553,990	456,053	+21.5%
– Asia Pacific Region (Except for Mainland China) (“APAC”) – 亞太區（除中國大陸外） （「APAC」）	236,092	220,362	+7.1%
	1,656,653	1,340,907	+23.5%
China Market 中國市場	1,258,189	1,529,887	-17.8%
	2,914,842	2,870,794	+1.5%

Turnover generated from overseas markets increased by 23.5% to HK\$1,656.7 million for the year ended 31 December 2016 from HK\$1,340.9 million for the year ended 31 December 2015. Turnover generated from overseas markets accounted for 57% of total revenue for the year ended 31 December 2016, growing from 47% for the year ended 31 December 2015. All overseas business units recorded growth, especially USCA, LACIS and EMEA region business units. The US, Italy, Brazil and India have become PAX's key overseas markets. As of the end of 2016, we had over 90 overseas distributors and partners worldwide.

來自海外市場的營業額由截至二零一五年十二月三十一日止年度的1,340.9百萬港元增加23.5%至截至二零一六年十二月三十一日止年度的1,656.7百萬港元。截至二零一六年十二月三十一日止，海外市場營業額佔總營業額比截至二零一五年十二月三十一日止年度47%增長至57%。海外各分部業務均錄得增長，特別是USCA、LACIS及EMEA地區。美國、意大利、巴西及印度，已成為百富海外業務重點市場。截至二零一六年底，我們共擁有超過90名遍佈世界各地的海外分銷商與合作夥伴。

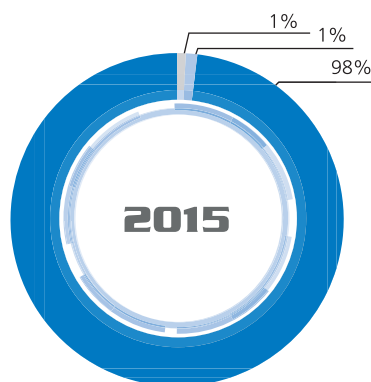
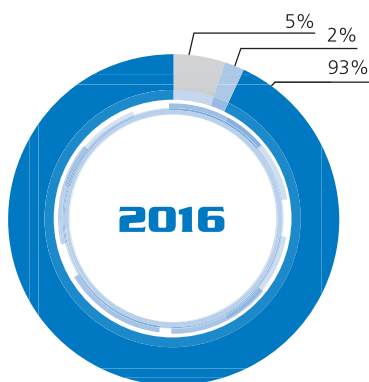
Management Discussion and Analysis

管理層之討論與分析

Turnover generated from the China Market decreased by 17.8% to HK\$1,258.2 million for the year ended 31 December 2016, from HK\$1,529.9 million for the year ended 31 December 2015. Turnover generated from the China Market accounted for 43% of total revenue for the year ended 31 December 2016 compared with 53% for the year ended 31 December 2015. The decrease was mainly due to the indirect influence of the new interchange rate payment policy and the depreciation of RMB.

來自中國市場的營業額由截至二零一五年十二月三十一日止年度的1,529.9百萬港元下降17.8%至截至二零一六年十二月三十一日止年度的1,258.2百萬港元。截至二零一六年十二月三十一日止年度，中國市場營業額佔總營業額43%，而截至二零一五年十二月三十一日止年度則為53%。其下降主要來自借貸分離新支付交易費率政策的間接影響及人民幣貶值。

ii) Sales by Revenue Category



ii) 按收入種類的營業額

- E-payment Terminals
電子支付終端
- Services
服務
- Others
其他

For the year ended 31 December 截至十二月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	+ / (-)
E-payment Terminals	電子支付終端	2,688,301	2,821,008	-4.7%
Services:	服務：			
Payment solutions services	支付解決方案服務	125,101	-	-
Maintenance services	維護服務	32,109	29,401	+9.2%
Others*	其他*	69,331	20,385	+240.1%
		2,914,842	2,870,794	+1.5%

* Amount mainly represented accessory items sold to customers. Examples of such accessory items were download cable, telephone line, thermal paper, sticker and barcode scanning gun etc.

* 有關金額主要指向客戶出售的配件。有關配件項目包括下載電線、電話線、感熱紙、貼紙及條碼掃描槍等。

Management Discussion and Analysis

管理層之討論與分析

E-payment Terminals products

E-payment Terminals include smart E-payment Terminals, traditional E-payment Terminals (countertop and wireless E-payment Terminals, pin pad devices and multilane E-payment Terminals) and mobile E-payment Terminals.

Turnover from the sales of E-payment Terminals products decreased by 2.9% to HK\$2,757.6 million for the year ended 31 December 2016 from HK\$2,841.4 million for the year ended 31 December 2015. Turnover reduction is mainly due to the decrease in sales in the China Market during the year.

Services

i) Payment Solutions Services

Turnover from the provision of payment solutions services was HK\$125.1 million for the year ended 31 December 2016. Since 2016, payment solutions services income were mainly generated from the provision of value-added solutions services in the China Market.

ii) Maintenance Services

Turnover from the provision of maintenance services increased by 9.2% to HK\$32.1 million for the year ended 31 December 2016 as compared to HK\$29.4 million for the year ended 31 December 2015. Maintenance services income were mainly generated in Hong Kong.

Gross Profit Margin

Gross profit margin for the year ended 31 December 2016 was 43.3%, increase in 520 basis points as compared with 38.1% for the year ended 31 December 2015. The increase was mainly due to an increase of contribution from overseas sales and provision of payment solutions services.

Other Income

Other income comprised primarily of value added tax refund, interest income from time deposit and subsidy income. It decreased by 34.5% to HK\$71.6 million for the year ended 31 December 2016 from HK\$109.2 million for the year ended 31 December 2015. The decrease was mainly due to the decrease of value added tax refund.

Selling Expenses

Selling expenses increased by 26.2% to HK\$297.4 million for the year ended 31 December 2016, from HK\$235.7 million for the year ended 31 December 2015. The increase was mainly due to the increase of sales and after-sales service staff headcounts from newly completed acquisitions.

電子支付終端產品

電子支付終端包括智能電子支付終端、傳統電子支付終端(臺式及手持無線式電子支付終端、密碼鍵盤設備及多媒體電子支付終端)及移動電子支付終端。

銷售電子支付終端產品的營業額由截至二零一五年十二月三十一日止年度的2,841.4百萬港元下降2.9%至截至二零一六年十二月三十一日止年度的2,757.6百萬港元。營業額下降主要由於年內中國市場銷售額下降。

服務

i) 支付解決方案服務

截至二零一六年十二月三十一日止年度，提供支付解決方案服務的營業額為125.1百萬港元。從二零一六年起，支付解決方案服務收入主要來自為中國市場提供電子支付全功能解決方案的增值服務。

ii) 維護服務

提供維護服務的營業額由截至二零一五年十二月三十一日止年度的29.4百萬港元增加9.2%至截至二零一六年十二月三十一日止年度的32.1百萬港元。維護服務收入主要來自香港。

毛利率

截至二零一六年十二月三十一日止年度的毛利率為43.3%，較截至二零一五年十二月三十一日止年度38.1%增加520基點，其增加的主要原因為海外市場的銷售佔比及支付解決方案服務收入增加。

其他收入

其他收入主要包括增值稅退稅、定期存款利息收入及補貼收入。其他收入由截至二零一五年十二月三十一日止年度的109.2百萬港元下跌34.5%至截至二零一六年十二月三十一日止年度的71.6百萬港元，其下跌的主要原因為增值稅退稅的減少。

銷售開支

銷售開支由截至二零一五年十二月三十一日止年度的235.7百萬港元增加26.2%至截至二零一六年十二月三十一日止年度的297.4百萬港元。其增加的主要原因來自於公司剛收購後的銷售及售後服務員工人數的大幅增加。

Management Discussion and Analysis

管理層之討論與分析

Administrative Expenses

Administrative expenses increased by 12.7% to HK\$347.1 million for the year ended 31 December 2016 from HK\$308.0 million for the year ended 31 December 2015. The increase was mainly due to the expansion of R&D centres and teams and additional headcounts from newly completed acquisitions.

Income Tax Expense

Income tax expense increased by 98.6% to HK\$74.9 million for the year ended 31 December 2016 from HK\$37.7 million for the year ended 31 December 2015. The increase was mainly due to an one-off tax credit that recognised in previous year.

Profit Attributable to the Owners of the Company and Net Profit Margin

As a result of the foregoing, the profit attributable to the owners of the Company decreased by 3.2% to HK\$600.9 million for the year ended 31 December 2016 from HK\$620.7 million for the year ended 31 December 2015, with the net profit margin decreased to 20.7% for the year ended 31 December 2016 from 21.6% for the year ended 31 December 2015.

OVERVIEW

The Group is an innovative global E-payment Terminals solutions provider, engaging in the development and sales of E-payment Terminals products and the provision of relevant services (collectively, the “E-payment Terminals solutions business”). Owing to its outstanding services and leading position, PAX is one of the fastest growing suppliers in the payment industry which possesses the most advanced production facilities, excellent R&D capabilities as well as sales networks and cooperation channels around the globe. Today, the Group has a huge customer base and works with over 90 distributors or partners from all over the world. The Company sells products to over 100 countries and regions and has established a strong global presence.

行政費用

行政費用由截至二零一五年十二月三十一日止年度的308.0百萬港元增加12.7%至截至二零一六年十二月三十一日止年度的347.1百萬港元，其增加的主要原因為研發基地和團隊的擴充及剛收購後員工人數增加。

所得稅開支

所得稅開支由截至二零一五年十二月三十一日止年度的37.7百萬港元增加98.6%至截至二零一六年十二月三十一日止年度的74.9百萬港元。其增加的主要原因來自於上年度已確認的一次性稅務抵免。

本公司持有人應佔溢利及淨利潤率

本公司持有人應佔溢利由截至二零一五年十二月三十一日止年度的620.7百萬港元下降3.2%至截至二零一六年十二月三十一日止年度的600.9百萬港元。淨利潤率由截至二零一五年十二月三十一日止年度的21.6%下降至截至二零一六年十二月三十一日止年度的20.7%。

概述

本集團是一家創新的全球電子支付終端解決方案供應商，從事開發及銷售電子支付終端產品及提供相關服務（統稱「電子支付終端解決方案業務」）。基於優越的服務和領導地位，百富是增長最快的支付行業供應商之一，擁有最先進的生產設備、優秀研發能力及全球銷售網絡和合作渠道。迄今，集團客戶基礎龐大，與全球超過90個分銷商或夥伴合作。本公司銷售產品至超過100個國家及地區，並已建立強大的「全球佈局」。

Management Discussion and Analysis

管理層之討論與分析

Since 2010, the global shipment volume of E-payment Terminals has grown by at least 10% each year. As a result of years of effort, PAX recorded remarkable growth in both domestic and overseas market shares with exceptionally rapid sales growth in overseas markets in the preceding years. PAX has successfully gained global recognition and established distinctive reputation. In 2016, overseas revenue contributed 57% of the Group's total turnover, as compared to 22% in 2010. With increasing contribution of overseas revenue, together with PAX's solid position in the China Market, which set for us to approach the target of becoming one of the global leading providers of E-payment Terminals solutions. PAX is the only mainstream E-payment Terminals solutions provider in Asia capable of competing with major international peers. PAX is well positioned to become a global leading E-payment Terminals solutions provider through capturing expansion opportunities arising from industry consolidation, further growing market shares in E-payment Terminals sales markets, and increasing revenue generated from transaction services and solutions.

MARKET ANALYSIS AND INDUSTRY TRENDS

Overseas Markets

The E-payment business has been undergoing rapid development globally. According to industry report forecast, the number of E-payment Terminals with NFC function installed globally will grow at a compound annual growth rate of 17.9% from 45 million units in 2016 to 86.9 million units in 2020, which depicts a market expectation that the market demand for E-payment Terminals with NFC function will continue to remain strong. According to The Nilson Report issued in September 2016, the shipments of E-payment Terminals in USCA grew roughly by 70% in 2015, primarily due to the E-payment Terminals replacements brought by the Europay, MasterCard, and Visa ("EMV") migration. The shipments of E-payment Terminals in the Middle East and Africa region and the Latin America region also increased by 46% and 11% respectively in 2015. Meanwhile, the penetration rates of E-payment Terminals in some emerging markets (e.g., In Brazil, 20-22 units of E-payment Terminals were installed among every 1,000 people in 2015) remain relatively low as compared to the mature markets (e.g., In the US, about 40-43 units of E-payment Terminals were installed among every 1,000 people in 2015). The popularity of electronic payment and technological enhancement will accelerate the pace of domestic financial electrification. In APAC, the penetration rates of E-payment Terminals in some countries are still low (e.g., In India, Indonesia and Malaysia, approximately 5 units of E-payment Terminals were installed among every 1,000 people in 2016). Driven by the trend of cashless transactions as well as supportive government and market policies, the demand for E-payment Terminals in overseas markets is expected to record a robust growth in the coming years.

從二零一零年起全球電子支付終端出貨每年至少增長10%。經過多年努力，百富在過去數年國內以及海外的市場份額都取得驕人的增長，特別是海外銷售的迅速增長。百富的品牌亦成功走向國際，建立起良好的聲譽。海外市場收入佔總營業額百分比從二零一零年的22%增加至二零一六年的57%。隨著海外市場對總營業額持續增加的貢獻，加上百富在中國市場已建立的穩固地位，該等趨勢奠定了我們邁向全球領先電子支付終端解決方案業務供應商之一的目標。迄今，百富是亞洲唯一一家可與主要國際同行競爭的主流電子支付終端解決方案供應商。百富的全球排名領先，有完整產品線，同時我們的產品可銷售到全球各主要市場並為當地合作夥伴提供服務支援。我們有信心和能力繼續運用良好的國際聲譽，去捕捉行業整合所帶來的擴張機會，擴大電子終端銷售市場份額以及增加交易服務及解決方案的收入。

市場分析和行業趨勢

海外市場

電子支付在全球發展迅速，根據行業報告預測，全球已安裝NFC功能的電子支付終端將以17.9%的年復合增長率從二零一六年的45百萬台增長到二零二零年的86.9百萬台，可見未來市場對具NFC功能電子支付終端的需求持續龐大。根據於二零一六年九月發出的The Nilson Report，在USCA，二零一五年的電子支付終端出貨量增加約70%，主要是Europay、MasterCard和Visa（「EMV」）遷移所帶來的電子支付終端換機潮；在中東、非洲區域和拉丁美洲區域，二零一五年的電子支付終端出貨量分別增加46%及11%。同時，因一些新興市場的電子支付終端滲透率（如巴西：在二零一五年，平均每1,000人已安裝電子支付終端約20-22台）低於成熟市場（如美國：在二零一五年，平均每1,000人已安裝電子支付終端約40-43台），隨著技術的發展及電子支付的普及化，將加速當地金融電子化的步伐。在APAC，部分國家的電子支付終端滲透率仍非常低（如印度，印尼及馬來西亞：在二零一六年，平均每1,000人已安裝電子支付終端約5台）。在無現金交易趨勢，以及政府及市場政策的支持下，預期海外市場在未來數年對電子支付終端的需求將會有強勁的增長。

Management Discussion and Analysis

管理層之討論與分析

USCA

In 2016, PAX achieved fruitful results from the implementation of a sales strategy focused primarily on small to medium-sized merchants in the US and recorded an increase of 67.6% in revenue. Despite the delay of EMV certification, which brought uncertainties to the market growth in the US in the interim, it is expected that the demand for E-payment Terminals in the US will continue to increase substantially in the coming years. According to the estimates of industry experts, at the end of 2016, there were approximately 5 million units of E-payment Terminals in the market which required EMV upgrade/replacement, accounting for approximately 35-40% of the installed E-payment Terminals in the US.

Since the establishment of Pax Technology Inc, a subsidiary of PAX, in the US in 2008, PAX has been striving to develop integrated payment solutions, streamline merchants' payment processing procedures, and reduce operating costs. PAX's comprehensive product line with high quality and electronic payment solutions are well received and widely-used by merchants in the US market, it is expected that PAX will grow substantially in the US market in the coming years.

EMEA

Europe is one of the most well-developed regions of card payments, with strong security awareness of payment terminals and readiness to accept emerging technologies, such as NFC, which makes it one of the key markets for E-payment Terminals. Despite PAX's relatively low market share in the European market, PAX has successfully expanded its market share in Italy since the acquisition of Pax Italia S.c.a.r.l. in 2015. PAX achieved encouraging sales growth in the Italian market in 2016 with a shipment volume of nearly 100 thousand units which was raised by 200% as compared to 2015. At the end of 2016, PAX further entered into an acquisition and subscription agreement with CSC Italia S.c.a.r.l., one of the largest local service providers for installation and maintenance of E-payment Terminals and other electronic equipment in Italy. The expected completion of the acquisition will further strengthen the Group's capacity to provide installation and maintenance services to key customers and will consolidate PAX's market position in Italy, making Italy an indispensable growth engine in Europe and overseas markets. PAX strives to enhance the Group's brand recognition in the rest of Europe through local partnership, and establish PAX as a mainstream payment terminals and solutions brand in the future. PAX's leading position in the Middle East region, along with its organic growth and accelerated launch of new products in 2016, further solidified the Middle East region as a sustaining driving force of the EMEA region. In Africa, PAX maintained a steady growth in 2016, the Group expects a gradual market share growth in the future.

USCA

二零一六年度百富在美國主要在針對中小型商戶的銷售策略上取得成果，並錄得67.6%的收入增長。在EMV遷移的趨勢下，雖然EMV認證受數據處理商所影響而延遲，短期內對美國支付市場增長帶來不穩定性，但美國的電子支付終端需求量預期在未來數年仍會有大幅度的提升。根據行業專家的估計，截至二零一六年年底，市場仍有約5百萬台電子支付終端需要進行EMV升級／更換，佔美國市場已安裝電子支付終端約35-40%。

百富自二零零八年在美國設立子公司Pax Technology Inc.，一直致力發展支付應用集成解決方案，簡化商戶的支付處理流程，降低營運成本。百富提供的高質量多元化支付終端以及不同的電子支付解決方案，在美國受到商戶廣泛使用及歡迎，預期在未來數年百富在美國市場將有大幅度的增長。

EMEA

歐洲是卡支付發展最成熟的區域之一，對支付終端安全的意識強烈，樂於接受新興技術，如NFC，使歐洲成為電子支付終端行業重點市場之一。雖然百富在整體歐洲市場佔有率現仍處於較低水平，但在二零一六年百富在意大利市場取得了令人鼓舞的銷售增長。自二零一五年收購Pax Italia S.c.a.r.l.後，百富在意大利陸續擴大市場份額，並錄得今年出貨量接近10萬台，較二零一五年出貨量增長近200%。同時，百富於二零一六年底進一步與當地從事電子支付終端及其他電子設備安裝及維護之最大服務供應商之一CSC Italia S.c.a.r.l.達成收購及認購協議。預期此收購完成後將加強集團安裝及維護服務之實力，增強於意大利的營運網絡及市場地位，使意大利成為推動歐洲區及海外市場成長不可或缺的動力之一。在歐洲其他地區，百富希望透過當地合作夥伴進一步加強本集團品牌認可度，從而在未來將百富打造成為主流的支付終端及解決方案品牌。在中東地區，百富擁有領先的優勢，二零一六年隨著本身的內生增長加上新產品的加速推出，使中東地區繼續成為EMEA區的動力之一。在非洲，百富保持穩定增長，我們預期百富能在未來逐漸增加市場份額。

Management Discussion and Analysis

管理層之討論與分析

LACIS

In 2014, PAX became the first provider of E-payment Terminals to obtain all the necessary certifications for mobile payment terminals (“mPOS”) in Brazil. In 2016, PAX continued to be the dominant market leader for mPOS, and successfully diversified from its leading mPOS offering into the supply of traditional payment terminals. Notwithstanding the unfavourable economic factors in Brazil, such as exchange rate fluctuations and the decline in gross domestic product, the demand for E-payment Terminals in the Brazilian market persists to grow. According to the data from the Central Bank of Brazil, the volume and amount of credit card transactions in Brazilian market for the first nine months in 2016 increased by approximately 9% and 7% year-on-year respectively, demonstrating that the unfavourable economic factors had not significantly hindered the growth of payment industry. Owing to the increasing brand recognition, Brazil is expected to continue to be the growth engine in LACIS region.

In other parts of the Latin American region, such as Argentina and Chile, stable revenue growth was recorded. In the Russian market, according to a market research, the number of NFC-enabled E-payment Terminals has increased from about 90,000 units at the end of 2015 to more than double at the end of 2016. Accordingly, PAX’s NFC-enabled D200 were deployed on all metro ticket machines in Moscow in 2016, PAX’s market recognition has further enhanced.

APAC

According to data from the Reserve Bank of India in December 2016, approximately 1.7 million units of E-payment Terminals were installed among the population of more than 1 billion people in India, indicating a relatively low penetration rate compared to other countries. With the implementation of demonetization policies, such as banknote replacement last November and the reduction of electronic transaction charges in December, PAX expects an impending increase in demand for mobile payment terminals in India. PAX will continue to invest additional resources in India to capture these opportunities. Last August, PAX was a key player in the launch of innovative payment services throughout the country, in partnership with Airpay, a leading Indian payment gateway solutions provider, and the Bank of Maharashtra. Several thousand of PAX’s innovative D200 mPOS, equipped with general packet radio service (“GPRS”) communication were deployed. In the last quarter of 2016, PAX established a strategic partnership with Ezetap, India’s leading smart payment solutions company, who began to mass-deploy PAX’s mPOS products so as to provide Indian consumers with payment products and services that meet international standards. In 2016, PAX recorded revenue growth of more than double in India. In light of PAX’s increasing resources, supportive government policies and our partners’ market influence, we expect that India will become one of the major sources of growth in the APAC region in coming years.

LACIS

在二零一四年，百富成為第一個在巴西獲得移動支付終端（「mPOS」）所有必要認證的電子支付終端供應商。百富在二零一六年繼續成為巴西 mPOS 市場的絕對領先者，更成功在市場上推出傳統支付終端。儘管巴西市場存在一些不利的經濟因素，如：匯率波動及國內生產總值下降等，但巴西市場對電子支付終端的需求仍有增加。根據巴西中央銀行數據所得，截至二零一六年九月，巴西市場信用卡交易數量及金額分別按年增加約 9% 及 7%，可見經濟發展的負面因素並沒有為支付行業的增長帶來重大阻礙。隨着百富品牌認可度的增加，這將促使巴西繼續成為推動拉丁美洲區的增長引擎。

在拉丁美洲區其餘國家如阿根廷，智利等，銷售仍持續地錄得增加。在俄羅斯市場，隨著 NFC 在俄羅斯的迅速普及，根據市場評估，已安裝 NFC 功能的電子支付終端從二零一五年年底約 9 萬台增加到二零一六年底有超過 1 倍的增長。而百富具備 NFC 功能的 D200 在二零一六年已配置在莫斯科所有地鐵站的售票機上，這令百富在俄羅斯的認可度進一步增加。

APAC

根據印度儲備銀行在二零一六年度十二月份的數據，擁有十多億人口的印度市場只有約 1.7 百萬台已安裝的電子支付終端，可見滲透率對比成熟市場相對十分低。隨着在十一月實施的鈔票替換以及在十二月實施的降低電子交易成本等非貨幣化政策，我們預期未來移動支付終端在印度的需求將會大幅度提升，而百富亦將會在印度市場持續投放更多資源，以捕捉印度市場的機遇。在二零一六年八月，百富通過與印度支付網關解決方案供應商 Airpay 與 Bank of Maharashtra（「BOM」）的合作，在印度市場上推出創新支付服務。數千台帶通用封包無線服務（「GPRS」）通訊功能的百富 D200 已於市場內佈放。在二零一六年第四季度，百富已與印度領先的智能支付解決方案公司 Ezetap 確立戰略性合作，計劃在印度市場推廣大量的百富 mPOS 設備，為印度消費者帶來國際高標準的產品與服務。在印度市場，百富二零一六年銷售額錄得超過一倍的增長。隨着我們資源投放的增加，政策的支持和合作夥伴的市場影響力，我們預期印度在未來將會成為亞太區的主要增長來源之一。

Management Discussion and Analysis

管理層之討論與分析

PAX has maintained a solid position in different parts of APAC and is one of the leading suppliers of E-payment Terminals in Hong Kong, Macau, Taiwan, Vietnam and New Zealand, characterized by its comprehensive product line and adaptiveness to local infrastructure environment. At the end of 2016, PAX joined hands with Thai Smart Card to deploy secured contactless payment solutions in 7-Eleven convenience stores across Thailand. 7-Eleven convenience stores in Thailand will gradually roll out PAX's E-payment Terminals and security software that support NFC contactless payment, credit, debit and related card transactions.

China Market

Mainland China is the world's second largest economy with huge business opportunities yet to be explored. The E-payment Terminals market in China will continue to have stable demand and growth. According to the publication of The People's Bank of China ("PBoC") in relation to the China Payment Industry for the third quarter of 2016, the bank card acceptance has continued to improve and consumers have continued to develop recurring habits to make payment with bank cards. As at the third quarter of 2016, a total of 6.015 billion bank cards have been issued, representing an increase of 10.5% or 573 million cards compared to the same period in 2015, with a per capita bank card possession of 4.39 (third quarter of 2015: 3.85). In December 2016, China UnionPay has partnered with 27 commercial banks and launched "Cloud QuickPass". Not only the Cloud QuickPass supports the Host Card Emulator ("HCE") payment method, but it also supports the NFC payment platforms of major mobile phone manufactures such as Apple, Samsung, Huawei, and Xiaomi. The number of E-payment Terminals that support Cloud QuickPass has reached 10.5 million units. The increase in the number of issued bank cards, the trend towards cashless payments and the replacement cycles of terminals will continue to drive the demand for E-payment Terminals in the China Market.

Notwithstanding the aforesaid, the indirect influence of the new interchange rate payment policy, the temporary trend to adopt low-cost mobile phone card readers by micro merchants, keen price competition and the depreciation of the RMB have created intensive challenges to the China's E-Payment Terminals market.

- On 6 September 2016, the PBoC began to implement the new payment policy of interchange rates. The implementation of new payment policy substantially decreased the merchant's transaction cost for card payment. Although the new policy will bring uncertainties to the payment market in the interim, it will have positive impact to the industry in the long run in the way of promoting standardisation and arousing the focus on compliance and quality.

在APAC的部分區域，百富已具備穩固的市場地位。百富以完整的產品線及符合當地基礎建設環境的產品特徵，成為香港、澳門、台灣、越南及新西蘭的領先電子支付終端供應商之一。在二零一六年年末，百富已與Thai Smart Card公司聯手為遍佈泰國的7-Eleven便利店佈放安全非接觸式支付解決方案。泰國7-Eleven便利店將陸續佈放支持NFC、信用卡、借記卡以及禮品卡支付交易的百富支付終端及相關安全軟件。

中國市場

由於中國大陸為全球第二大經濟體，蘊含的巨大商機仍有待發掘，電子支付終端市場在中國將會繼續有穩定的需求及增長。根據中國人民銀行(「PBoC」)發佈的二零一六年第三季度中國支付行業數據，銀行卡受理情況不斷改善，消費者使用銀行卡的習慣漸趨成熟；截至二零一六年第三季度，中國大陸合計已發行60.15億張銀行卡，較二零一五年年底增長10.5%或5.73億張，人均持有銀行卡4.39張(二零一五年第三季度：3.85張)。二零一六年十二月份，中國銀聯已與27家商業銀行合作並推出「雲閃付」，除了各大商業銀行的主機卡模擬(「HCE」)支付方式外，還支持蘋果、三星、華為、小米等手機廠商的NFC支付，而支持雲閃付的支付終端已達到10.5百萬台。已發銀行卡數量的增加，非現金支付的趨勢以及終端的更換週期，將持續推動中國市場對電子支付終端的需求。

但面對借貸分離新支付交易費率政策的間接影響，小微商戶使用低成本手機刷卡器的短暫趨勢，加上持續激烈的價格競爭及人民幣貶值，這給中國電子支付終端市場帶來很大的挑戰。

- 於二零一六年九月六日，PBoC開始實施借貸分離新支付交易費率政策。新政策執行後，商戶的刷卡交易費將大幅下降。雖然短期內新政策會為支付市場帶來不明朗因素，但在長遠方面會使支付行業趨向規範化，對支付行業有正面幫助，促使市場更注重於合規性及品質。

Management Discussion and Analysis

管理層之討論與分析

- Some payment providers have introduced low-cost mobile phone card readers in China, imposing certain pressures on the demand and pricing of the traditional payment terminals. In December 2016, PBoC issued a notice in respect of the guidance on payment terminals, including: (1) no entities and individuals are allowed to engage in online trading of payment terminals (including mPOS) and card readers; and (2) banks and payment institutions shall suspend all business functions with the merchants that involve irregular use of card accepting terminals or use of the same at premises which cannot be located. The notice has driven a greater demand for payment terminals with quality and security, which would have positive stimulation to PAX's mPOS with high quality yet relatively low-cost.
- During the year, the revenue derived from the China Market was encumbered by the devaluation of RMB. However, most of the Group's sales costs, sales expenses and administrative expenses (including R&D expenses) are denominated in RMB, the RMB depreciation has also brought benefits to the Group's operations as a whole.
- 部份支付供應商在中國市場推出低成本手機刷卡器，這令傳統類型的支付終端需求及價格上有一定壓力。在二零一六年十二月份，PBoC推出關於支付終端規範的通知，包括(一)任何單位和個人不得在網上買賣支付終端機(包括mPOS)及刷卡器；及(二)銀行和支付機構對於特約商戶違規移機使用、無法確認實際使用地點的受理終端一律停止業務功能。這通知令商戶，銀行及支付機構對中國支付市場支付終端品質及安全性需求更高。這情況將會為百富品質及安全性處於高水平而成本較低的mPOS帶來正面的刺激。
- 儘管本年度中國市場之收入受人民幣貶值所影響，惟本集團大部分的銷售成本、銷售開支及行政費用(包括研發費用)，均以人民幣計值，故人民幣貶值亦會為本集團的整體營運帶來效益。

In recent years, the payment modes have been changing fast. The demand of domestic merchants for multi-functional E-payment Terminals has been increasing, in particular, the need for E-payment Terminals equipped with QR code payment function and the expectation of E-payment Terminals providing value-added solutions services. In regard of these, PAX has responded quickly and efficiently. All new products of PAX support QR code payments, and some E-payment Terminals without such functions have also undergone upgrades like the addition of a QR code scanner. On the other hand, the Group, after completing the acquisition of Kashuo, in March 2016, a software platform provider began to offer value-added solutions services in China. In 2016, Kashuo established subsidiaries in 18 different cities in the PRC. It mainly introduces the bank cards promotion to merchants and provides merchants with solutions services by offering membership management platform and sales activities platform. Together with the use of PAX's smart E-payment Terminal, A920, merchants can offer all kinds of payment methods (including QR code payment) with the aforesaid value-added solutions services to their customers. In 2016, total revenue generated by Kashuo from its value-added solutions services was approximately HK\$125 million. This diversification of the Group's payment services helped boost service revenue to 5.4% of the Group's overall revenue, with a growth of approximately 400% year-on-year.

近年，支付模式的變化日新月異，國內商戶對全功能電子支付終端上的需求提高，特別是需要有二維碼支付功能的電子支付終端以及期望電子支付終端具有全功能解決方案的增值服務。百富已在這兩方面作出快速而有效率之應對。百富新的產品均支持二維碼支付，而部分沒有該功能的電子支付終端亦進行了適當的升級，如追加二維碼掃碼器。另一方面，集團在二零一六年三月完成軟件平台供應商卡說的收購後，已開始為國內市場提供電子支付全功能解決方案的增值服務。於二零一六年，卡說已在中國18個不同的城市設立其子公司，主要為商戶帶來銀行卡推廣，會員卡管理平台及營銷管理平台的解決方案服務。連同使用百富的智能電子支付終端A920，為商戶提供全方位支付方式(包括二維碼支付)，同時為商戶帶來一站式的解決方案的增值服務。在二零一六年，卡說的解決方案增值服務總收入為約125百萬港元，令集團的服務收入佔集團的整體收入佔比大幅提升至5.4%，並錄得約400%的按年增長。

Management Discussion and Analysis

管理層之討論與分析

Offline Payment Remains Dominant

According to the market research report, global retail sales in 2016 amounted to approximately US\$22 trillion. However, retail e-commerce sales amounted to approximately US\$2 trillion, representing less than 10% of global retail sales. This demonstrated that offline business still made up the vast majority. In addition, nearly 50% of retail e-commerce sales came from Mainland China. It can be seen that emerging online payment methods such as electronic wallets like Alipay, Wechat Pay and Jingdong Pay in Mainland China are developing rapidly but have not hindered the room for growth of offline payment. Instead, they have enabled the “New Retail” model combining online and offline sales to become the trend of the future retail industry. In overseas market, North America represents approximately 20% of total retail e-commerce sales and is the world’s second largest retail e-commerce market. Although online payment dominates the field of small amount shopping, offline payment still takes priority in terms of general consumption, especially for large amount consumption or large scale merchants after taking security concern, tax control and commission charge into consideration. PAX as an E-payment Terminals solutions provider has its irreplaceable advantage.

MANAGEMENT STRATEGIES

The corporate culture of PAX is adherence to compliance and prudence while incorporating perseverance and creativity. The foundation of the payment industry is security of transaction for consumers and merchants while PAX places a strong emphasis on the provision of secured and user-friendly payment solutions for them.

Exploring More International Sales Channels

In recent years, PAX’s recognition has been rising in the international market. Management will continue to put more resources on developing sales channels and distributors, and further increase the market shares for different product lines in various overseas regions.

In key markets (e.g. The US, Brazil, India, Italy, Russia, and the Middle East, etc.), we will be more active in strengthening communication and relationship with our partners and provide greater support in more aspects. We will also explore the possibilities of developing more sales channels through M&A and different forms of strategic cooperation with our partners. Meanwhile, management will continue to explore opportunities for increasing revenue from transaction services and value-added services.

Maintaining Leading Position in the China Market

In recent years, domestic merchants had higher demand for the E-payment Terminals functions and value-added solutions services. With this trend continuing in China in the future, we will focus on smart terminals and R&D of new technologies. Meanwhile, we will continuously introduce new products and services that meet market expectations, maintain and strengthen our solid market position.

線下支付仍佔主導地位

根據市場調查報告，二零一六年的全球零售銷售額達約22兆美元，然而零售電子商務銷售額約2兆美元，僅佔全球零售銷售不到10%，證明線下商務仍佔絕大比例。其中有接近50%的零售電子商務銷售額來自中國大陸，可見電子錢包等新興線上支付方式如中國大陸的支付寶、微信支付、京東支付發展迅速，但沒有擠壓線下支付的成長空間，反而促進了線上線下結合的「新零售」模式成為未來零售行業的主要趨勢。在海外方面，北美地區佔整個零售電子商務銷售額約20%，是全球第二大零售電子商務市場。儘管線上支付在小額消費購物領域受到歡迎，而一般消費，特別是高額或大規模商戶，基於安全性、稅控、交易手續費上的考慮，線下支付還是首選。百富身為全方位電子支付終端解決方案供應商，有著無可代替的優勢。

管理層策略

百富的企業文化是崇尚合規、嚴謹，融合毅力和創造力。支付行業的基石是消費者和商戶的交易安全，持續研發，為他們提供安全、易用的支付解決方案，是百富的價值主張。

開拓更多國際銷售渠道

百富近年來在國際市場上的認可度不斷增加，管理層會持續投放更多資源在此方向發展，增加銷售渠道及分銷商，並進一步提升海外各區域不同產品線的市場份額。

在重點市場(如：美國，巴西，印度，意大利，俄羅斯，中東地區等)，我們會更積極加強合作伙伴的溝通及關係，提供更多方面的支持。我們亦會探討通過併購以及與我們的合作伙伴不同形式的戰略合作，開拓更多銷售渠道的可能性。同時，管理層亦會繼續探索擴大交易服務和增值服務收入的機遇。

保持在國內領導地位

近年，國內商戶對電子支付終端功能及電子支付全功能解決方案的增值服務的需求提高。在未來中國市場，這全功能解決方案趨勢將持續，我們將迎合這趨勢並把焦點放在智能終端以及研發新技術上。同時，我們將不斷推出符合市場預期的新產品與服務，保持及改善我們多年來穩固的市場地位。

Management Discussion and Analysis

管理層之討論與分析

There has been strong promotion of the smart terminals by banks and third-party operators in 2016, revealing an increasing market demand for smart terminals. The increase in the sales and market share of smart terminals will generate synergies with our value-added services that create more values for merchants and increase the Group's revenue.

The core value of PAX is the emphasis on R&D and product quality. While we continue to develop new products and improve product quality, one of our priorities is to develop technologies that can adjust product cost more effectively so as to increase our price competitiveness. In view of the demand for payment terminals with quality and security imposed by the authorities concerned, we will put more efforts and resources to promote PAX's mPOS, which is in high quality yet relatively low-cost, as to satisfy the needs of smaller merchants in the market.

As the payment market in China becomes more regulated, merchants will be more demanding on more safety and better quality of E-payment Terminals in the long run. With our continuous strong emphasis on product quality and R&D, PAX will have an irreplaceable advantage. We are confident to maintain a leading position in the payment terminal industry in the China Market.

Extending the Payment Value Chain

The provision of value-added solutions services and payment-related services for both domestic and overseas customers will be one of the Group's future directions. PAX has currently earned a spot in the global payment software and hardware sectors. By virtue of our extensive overseas and domestic networks in the E-payment Terminals markets, we will further advance towards diversified payment services.

In 2016, following the acquisition of Kashuo, the Group began offering value-added solutions services in China. This diversification of the Group's payment services helped boosted the Group's service revenue from 1.0% to 5.4% of the Group's overall revenue. Backed by PAX's extensive sales network in China accumulated over the years, the number of Kashuo's merchants had increased rapidly from approximately 2,000 at the end of 2015 to approximately 13,000 at the end of 2016, and it is expected that the number will continue to grow rapidly in the coming years. Through Kashuo and smart terminals, we will continue to gain better insights into consumer spending patterns, which in turn will allow us to explore the possibilities of implementing big data solutions so that we can provide even more added value to merchants worldwide.

In both overseas and domestic markets, the management will continue to put more resources into developing value-added solutions services. At the same time, we will explore different M&A and strategic cooperation opportunities for the expansion of the payment value chain.

在二零一六年，銀行及第三方營運商增加智能終端的推廣，可見市場對智能終端的需求日漸增加。隨著智能終端的銷售及市場份額的增加，將會與我們的增值服務產生協同效應，為商戶創造更多的價值，增加集團解決方案增值服務收入。

百富的核心價值是著重於研發及產品質量。在持續開發新產品及提高產品品質的同時，我們亦會研發更有效調整產品成本的技術從而增強我們價格上的競爭力。在相關機構就安全性的需求及規範的情況下，我們將加大力度及資源去推廣百富較低成本及品質優良的mPOS以滿足市場上較小型的商戶及對低成本終端的需求。

隨著中國支付市場愈加規範化，長遠來看商戶對電子支付終端安全性及品質會有更多的需求，此會為一向重視產品品質及研發的百富帶來一個不可替代的優勢。我們有信心繼續保持在中國市場支付終端行業的領導地位。

擴張支付價值鏈

為國內及海外客戶提供電子支付全功能解決方案的增值服務以及支付相關服務將會是未來集團發展的方向之一。百富目前在全球的支付軟件及硬件領域已經佔了一席之地，我們將憑藉著在海外以及國內電子支付終端市場已經建立的龐大網絡，進一步走向多元化的支付服務。

在二零一六年，隨著卡說成功的收購，本集團已開始為中國市場提供電子支付全功能解決方案的增值服務，這成功令集團的服務收入佔集團的整體收入佔比大幅由1.0%提升至5.4%。百富多年在國內累積龐大的銷售網絡支援下，卡說的商戶量由二零一五年年底約二千家迅速提升至二零一六年底約一萬三千家，並預期商戶量在未來數年會持續迅速提升。同時，通過卡說以及智能終端，我們會更掌握消費者的消費模式及支付信息，探求在未來達成大數據分析，為商戶及支付市場提供更多價值。

在海外以及國內市場，管理層會繼續投入更多資源發展一站式及一體化解決方案的增值服務，同時就擴張支付價值鏈探索不同的併購以及戰略合作機會。

Management Discussion and Analysis

管理層之討論與分析

Liquidity and Capital Resources

During the years of 2015 and 2016, the main source of funding to the Group was the proceeds generated from operating activities in the usual course of business of the Company. Certain financial data is summarised as follows:

流動性及資金來源

於二零一五及二零一六年度，本集團的主要資金來源為本公司一般商業活動中營運所產生的收入。若干財務數據概述如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Cash at bank and on hand	銀行及手上現金	2,207,205	2,144,312
Net current assets	流動資產淨值	3,295,002	3,033,042
Net cash generated from operating activities	經營活動產生的現金淨額	249,507	317,135
Net cash used in financing activities	融資活動所用的現金淨額	(91,376)	(4,097)

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
Current ratio (times)	流動比率(倍)	4.6	4.1
Quick ratio (times)	速動比率(倍)	3.9	3.5

As at 31 December 2016, the Group had cash at bank and on hand and short-term bank deposits of HK\$2,207.2 million (2015: HK\$2,144.3 million) and no short-term borrowings (2015: Nil). As at 31 December 2016, the Group reported net current assets of HK\$3,295.0 million, as compared with HK\$3,033.0 million as at 31 December 2015. For the year ended 31 December 2016, net cash generated from operating activities was HK\$249.5 million, as compared with HK\$317.1 million for the year ended 31 December 2015. For the year ended 31 December 2016, net cash used in financing activities of HK\$91.4 million as compared with HK\$4.1 million for the year ended 31 December 2015.

於二零一六年十二月三十一日，本集團擁有銀行及手上現金及短期銀行存款2,207.2百萬港元(二零一五年：2,144.3百萬港元)，並無短期借貸(二零一五年：無)。於二零一六年十二月三十一日，本集團錄得流動資產淨值3,295.0百萬港元，而二零一五年十二月三十一日則為3,033.0百萬港元。截至二零一六年十二月三十一日止年度，經營活動產生的現金淨額為249.5百萬港元，而截至二零一五年十二月三十一日止年度為317.1百萬港元。截至二零一六年十二月三十一日止年度，融資活動所用的現金淨額為91.4百萬港元，而截至二零一五年十二月三十一日止年度為4.1百萬港元。

Capital Structure and Details of Charges

As at 31 December 2016, the Group did not have any borrowings or charge on Group assets, and the gearing ratio is not applicable (2015: Nil). As at 31 December 2016, approximately HK\$1,356.5 million, HK\$721.5 million, HK\$103.3 million, HK\$25.3 million and HK\$0.6 million (2015: HK\$1,029.0 million, HK\$849.0 million, HK\$246.4 million, HK\$19.9 million and nil) of the Group's cash balances were denominated in RMB, Hong Kong dollar ("HK\$"), United States dollar ("US\$"), European dollar ("EUR") and other currency respectively.

資本架構及抵押詳情

於二零一六年十二月三十一日，本集團並無任何借貸或以本集團的資產作抵押，故此資產負債比率並不適用(二零一五年：無)。於二零一六年十二月三十一日，本集團約1,356.5百萬港元、721.5百萬港元、103.3百萬港元、25.3百萬港元及0.6百萬港元(二零一五年：1,029.0百萬港元、849.0百萬港元、246.4百萬港元、19.9百萬港元及無)的現金結餘分別以人民幣、港元、美元、歐元及其他貨幣計值。

Management Discussion and Analysis

管理層之討論與分析

Significant Investment

Save as disclosed in this annual report, the Group held no significant investment as at 31 December 2016 (2015: Nil).

Material Acquisition and Disposal of Subsidiaries

Save as disclosed in this annual report, the Group did not have any material acquisition or disposal of subsidiaries during the year ended 31 December 2016 (2015: Nil).

Use of Proceeds

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

As at 31 December 2016, the planned and utilised amounts of usage of total net proceeds are as follows:

		Planned amount 計劃金額 HK\$ million 百萬港元	Utilised amount 已動用金額 HK\$ million 百萬港元
Enhancing research and development effort	加大研發投入	322.4	322.4
Expanding distribution network	擴大分銷網絡	120.8	120.8
Potential merger and acquisition	潛在併購	282.1	96.6
General working capital	一般營運資金	80.6	80.6
		805.9	620.4

Future Plans for Material Investments or Capital Assets

Save as disclosed in this annual report, there was no specific plan for material investments or capital assets as at 31 December 2016 (2015: Nil).

Exchange Rates Exposure

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

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

重大投資

除本年報披露外，本集團於二零一六年十二月三十一日並無持有任何重大投資(二零一五年：無)。

附屬公司的重大收購及出售

除本年報披露外，本集團於截至二零一六年十二月三十一日止年度並無任何重大的附屬公司收購或出售(二零一五年：無)。

所得款項用途

本公司自全球發售籌得的所得款項淨額約為805.9百萬港元。

於二零一六年十二月三十一日，總所得款項淨額的計劃用途及已動用金額如下：

	Planned amount 計劃金額 HK\$ million 百萬港元	Utilised amount 已動用金額 HK\$ million 百萬港元
Enhancing research and development effort	322.4	322.4
Expanding distribution network	120.8	120.8
Potential merger and acquisition	282.1	96.6
General working capital	80.6	80.6
	805.9	620.4

重大投資或資本資產的未來計劃

除本年報所披露外，於二零一六年十二月三十一日，概無重大投資或資本資產的具體計劃(二零一五年：無)。

匯率風險

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

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

Management Discussion and Analysis

管理層之討論與分析

Contingent Liabilities

The Group had no significant contingent liabilities as at 31 December 2016 (2015: Nil).

Human Resources and Remuneration Policies

The total number of employees of the Group as at 31 December 2016 was 1,729. The following table shows a breakdown of employees of the Group by functions as at 31 December 2016:

Management	管理層	14
Sales and after-sales services and marketing	銷售及售後服務以及市場推廣	599
Research and development	研發	945
Quality assurance	質檢	25
Administration and human resources	行政及人力資源	54
Accounting	會計	54
Production, procurement and inventory control	生產、採購及存貨控制	38
		1,729

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

Disclaimer:

Non-GAAP measures

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

或然負債

本集團於二零一六年十二月三十一日並無任何重大或然負債(二零一五年：無)。

人力資源及薪酬政策

於二零一六年十二月三十一日，本集團僱員總數為1,729人。下表載列於二零一六年十二月三十一日根據職能劃分的各類僱員數目：

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

免責聲明：

非公認會計原則指標

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

Corporate Governance Report

企業管治報告

The Board is pleased to present this Corporate Governance Report for the year ended 31 December 2016.

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

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

CORPORATE GOVERNANCE PRACTICES

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

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

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

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted the Code for Securities Transaction by Directors regulating Directors' transaction concerning securities of the Company, on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

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

The Company has also established the Code for Securities Transaction by Employees with terms no less exacting than the required standard set out in Model Code for securities transaction by senior management and employees who are likely to be in possession of any inside information of the Company.

董事會欣然提呈截至二零一六年十二月三十一日止年度的企業管治報告。

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

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

企業管治常規

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

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

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

董事的證券交易

本集團已採納董事進行證券交易守則以規管董事對本公司之證券交易，其條款不會較上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)訂明的標準寬鬆。

經向全體董事作出具體查詢後，全體董事已確認彼等於年內一直遵守標準守則。

本公司亦已就可能取得本公司內幕資料的高級管理層及僱員進行證券交易制定僱員進行證券交易守則，該等守則不會較標準守則訂明的標準寬鬆。

Corporate Governance Report

企業管治報告

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

THE BOARD

Responsibilities

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

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

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

Each Director may seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

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

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

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

Composition

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

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

本公司主要企業管治原則及常規概述如下：

董事會

職責

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

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

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

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

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

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

董事會履行職責時可獲得高級管理層全面支援。

組成

董事會根據本公司業務而具備適當所需技巧、經驗及多樣的觀點與角度。

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

Corporate Governance Report

企業管治報告

The Board currently comprises the following Directors:

Executive Directors:

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

Independent Non-Executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

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

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

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

Appointment, Re-election and Removal of Directors

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

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

Each of the executive Directors has entered into a service contract with the Company for a term of three years, commencing from 23 May 2016 for Mr. Lu Jie and 20 December 2016 for Mr. Nie Guoming and Mr. Li Wenjin, unless otherwise terminated in accordance with the terms of the respective service contract.

Training for Directors

Each newly appointed Director receives induction on the occasion of his/her appointment, so as to ensure that he/she has a proper understanding of the business and operations of the Company and is fully aware of his/her responsibilities under applicable laws, rules and regulations and the Group's various governance and internal control policies. Besides, the Company will, at its expense, arrange and provide suitable training, placing an appropriate emphasis on the roles, functions and duties of its Directors.

董事會現由以下董事組成：

執行董事：

聶國明(主席)
蘆杰(行政總裁)
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

董事名單(按類別計)亦於本公司根據上市規則不時發出的所有企業通訊披露。

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

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

委任、重選及罷免董事

本公司已制定正式且具透明度的董事委任及繼任規劃程序。

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

執行董事已各自與本公司訂立服務合約，蘆杰先生的任期自二零一六年五月二十三日起；聶國明先生和李文晉先生的任期自二零一六年十二月二十日起，為期三年，除非其中一方根據其服務合約的條款予以終止。

董事培訓

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

Corporate Governance Report

企業管治報告

All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company has arranged and funded in-house trainings for Directors in the form of physical seminar and provision of training materials. A summary of training received by the Directors during the year ended 31 December 2016 according to the records as provided by the Directors is as follows:

本公司鼓勵全體董事參與持續專業發展，以發展及更新彼等的知識及技能。本公司已透過舉行實質研討會及向董事提供培訓資料，為董事安排及資助內部培訓。根據董事提供的記錄，董事於截至二零一六年十二月三十一日止年度接受的培訓概要如下：

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

Directors' and Officers' Liabilities

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

董事及高級職員的責任

本公司已就董事及高級職員履行職責時遭受或招致的損失或責任而面對的法律行動安排適當保險。投保範圍乃每年或董事會認為適當的任何時候進行檢討。

Board Meetings and Directors' Attendance

Four regular Board meetings were held during the year for reviewing and approving the financial and operating performance, and respectively the final results for the year ended 31 December 2015, quarterly results for the three months ended 31 March 2016, interim results for the six months ended 30 June 2016 and quarterly results for the nine months ended 30 September 2016, and considering and approving the overall strategies and policies of the Company.

董事會會議及董事出席情況

年內曾舉行四次常規董事會會議，以審閱及批准財務及營運表現，分別審閱及批准截至二零一五年十二月三十一日止年度的全年業績、截至二零一六年三月三十一日止三個月季度業績、截至二零一六年六月三十日止六個月的中期業績及截至二零一六年九月三十日止九個月的季度業績，以及考慮及批准本公司整體策略及政策。

Corporate Governance Report

企業管治報告

The individual attendance record of each Director at the four regular quarterly meetings of the Board (not including other ad hoc meetings of the Board held from time to time and any other meeting(s) of members of the Board in compliance with the CG Code), Audit Committee meetings, Nomination Committee meetings, Remuneration Committee meetings and general meetings during the year ended 31 December 2016 is set out below :

Name of Directors	董事姓名	Attendance/Number of Meetings 會議出席/舉行次數				
		Audit Committee Meetings 審核委員會會議	Nomination Committee Meetings 提名委員會會議	Remuneration Committee Meetings 薪酬委員會會議	Regular Board Meetings* 常規董事會會議*	General Meetings 股東大會
Nie Guoming	聶國明	N/A不適用	N/A不適用	N/A不適用	4/4	2/2
Lu Jie	蘆杰	N/A不適用	N/A不適用	N/A不適用	4/4	2/2
Li Wenjin	李文晉	N/A不適用	1/1	2/2	4/4	2/2
Yip Wai Ming	葉偉明	3/3	1/1	2/2	4/4	2/2
Wu Min	吳敏	3/3	1/1	2/2	4/4	2/2
Man Kwok Kuen, Charles	文國權	3/3	N/A不適用	N/A不適用	4/4	2/2

* Not all Directors were required to attend the rest of the meetings which mainly dealt with approval and implementation of executive policies and administrative routine.

* 並非全體董事均須出席主要處理執行政策的批准及推行及日常行政的其餘會議。

Practices and Conduct of Board Meetings

Annual meeting schedules and draft agenda of each meeting have been made available to the Directors in advance.

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

The Company Secretary, as delegated by the Chairman, has been responsible for preparing the agenda of board meetings, taking into account any matters the Directors proposed to include, ensuring that all Directors are given opportunity to include matters in the agenda and approving the agenda. In order to enable the Directors to make informed decision, meeting agenda and accompanying board papers, together with all appropriate, complete and reliable information are sent to all Directors or all committees members at least three days before each Board meeting or committee meeting (as the case may be) to keep the Directors apprised of the latest developments and/or financial position of the Company and to such Board papers and related materials must be in a form and quality sufficient to serve their purpose. The Board and the individual Directors would also have independent access to the senior management to make further enquires or when they require further information, in addition to those volunteered by the senior management above, to properly fulfill his duties whenever necessary.

董事會會議常規及程序

週年會議時間表及每次會議議程草擬本已預先發給董事。

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

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

Corporate Governance Report

企業管治報告

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

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

According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder of the Company or a Director, will be considered and dealt with by the Board at a duly convened physical Board meeting, at which independent non-executive Director having no material interest to the transaction should be present, along with other Directors whether interested in such transaction. The Company's Bye-laws also contain provisions requiring the Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their close associates have material interest.

Chairman and Chief Executive

In accordance with Code Provision A.2.1 of the CG Code, the roles and responsibilities, performed by Mr. Nie Guoming and Mr. Lu Jie respectively, as Chairman of the Board and Chief Executive Officer of the Company (the "CEO") have been clearly divided and defined. The clear division of the management of the Board and the day-to-day management of business ensured a balanced power and authority such that no concentration of power should vest in either individual.

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

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

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

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

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

根據現行董事會常規，任何涉及本公司主要股東或董事利益衝突的重大交易，須經由董事會於正式召開的實質董事會會議（於交易無重大利益關係的獨立非執行董事應出席會議，而其他董事，不論是否於該等交易擁有權益，亦可參與）考慮及處理。本公司的公司細則亦載有要求董事就批准該董事或彼任何緊密聯繫人士擁有重大權益的交易的會議放棄表決及不計入法定人數內。

主席及行政總裁

根據企業管治守則第A.2.1條守則條文規定，聶國明先生及盧杰先生分別履行的本公司董事會主席及行政總裁（「行政總裁」）的職責已明確劃分。董事會管理與業務日常管理明確劃分，確保決策權力及授權分佈均衡，權力不集中於任何個人。

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

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

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

Corporate Governance Report

企業管治報告

Independent Non-Executive Directors

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

During the year, the independent non-executive Directors also attended the annual general meeting(s) of the Company, details of which are set out in page 32, enabling them to obtain more balanced understanding of the views of the shareholders.

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

During the year ended 31 December 2016, the Board at all times met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors, with at least one of the independent non-executive Directors possessing appropriate professional qualifications, or accounting or related financial management expertise. To comply with Rule 3.10A of the Listing Rules, independent non-executive Directors represented half of the Board throughout the year ended 31 December 2016 which is higher than the minimum one-third requirement under the Listing Rules.

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

獨立非執行董事

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

年內，獨立非執行董事亦已出席本公司的股東週年大會（詳情載於第32頁），有助於彼等對股東的意見有更公正的了解。

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

截至二零一六年十二月三十一日止年度，董事會一直遵守上市規則第3.10(1)及3.10(2)條有關委任最少三名獨立非執行董事而其中最少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識的規定。為符合上市規則第3.10A條，於截至二零一六年十二月三十一日止整個年度，獨立非執行董事須佔董事會成員人數一半，高於上市規則之最低三分之一的規定。

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

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

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

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

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

△ Independent non-executive Director
* Executive Director

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

董事會委員會

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

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

審核委員會

△葉偉明(*主席*)
△吳敏
△文國權

提名委員會

△吳敏(*主席*)
△葉偉明
*李文晉

薪酬委員會

△葉偉明(*主席*)
△吳敏
*李文晉

△ 獨立非執行董事
* 執行董事

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

Corporate Governance Report

企業管治報告

Audit Committee

The Audit Committee was established by the Board on 1 December 2010 with written terms of reference which was amended in compliance with the requirements under Code Provision C.2.3 of the CG Code and adopted by the Board on 28 December 2015. The Audit Committee comprises three independent non-executive Directors (including at least one member possessing appropriate professional qualifications or accounting or related financial management expertise). None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee under the revised terms of reference include, among others, the following:

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

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

The Audit Committee held three meetings during the year ended 31 December 2016 to review quarterly, half-yearly and annual financial results and reports, financial reporting and compliance procedures, internal control and risk management systems, effectiveness of internal audit function, the auditor's independence and objectivity. The Audit Committee has also recommended the re-appointment of PricewaterhouseCoopers as the Company's external auditor and the Board confirms that it has taken no different view from the Audit Committee in relation to the recommended re-appointment.

At the end of 2016 and the date of this report, there are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

審核委員會

審核委員會由董事會於二零一零年十二月一日成立，並列明書面職權範圍（其於二零一五年十二月二十八日獲董事會根據企業管治守則第C.2.3條規定修訂及採納）。審核委員會由三名獨立非執行董事組成，當中包括至少一名具備合適專業資歷或會計或相關財務管理專業知識的成員。審核委員會全體成員均非本公司現任外聘核數師的前合夥人。

根據經修訂的職權範圍，審核委員會的主要職責其中包括：

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

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

審核委員會於截至二零一六年十二月三十一日止年度曾舉行三次會議，審閱季度、中期及年度財務業績及報告，財務申報及合規程序、內部監控及風險管理制度、內部審核職能的有效性、核數師的獨立性及客觀性。審核委員會亦建議續聘羅兵咸永道會計師事務所為本公司外部核數師，而董事會確認就建議續聘事宜與審核委員會並無意見分歧。

截止二零一六年年底及於本報告日期，並無有關或會對本公司按持續基準經營的能力產生重大疑問的事件或情況。

Corporate Governance Report

企業管治報告

The Company's annual results for the year ended 31 December 2016 have been reviewed by the Audit Committee.

Nomination Committee

The Nomination Committee was established by the Board on 1 December 2010. The principal duties of the Nomination Committee, as provided under the written terms of reference approved, in compliance with the requirements under Code Provision A.5.2 of the CG Code, include the review of the structure, size and composition of the Board, developing and formulating relevant procedures for nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of the independent non-executive Directors.

The Nomination Committee carries out the process of selecting and recommending candidates for directorships by making reference to the balance of expertise, skills, experience, professional knowledge, personal integrity and time commitments of such individuals, the requirements of the business of the Group and other relevant statutory requirements and regulations. An external recruitment agency may be engaged to carry out the recruitment and selection process when necessary. It has been an underpinning philosophy of the Company to maintain diversified selection criteria in its hiring process, taking into account a wide range of attributes including age, educational background, professional experience, industry skills and expertise and such policy was recorded in writing by the Nomination Committee for the selection process of Directors on 28 February 2014. Since its establishment, the Nomination Committee has taken up the mantle of reviewing such diverse selection philosophy at the Directors' nomination level, and helped maintaining a solid slate of Directors with diverse perspectives and varied educational background and expertise made-up, from in-depth knowhow in the payment industry, sales and marketing talents to professional qualifications in the legal and accounting fields. Each Director has accumulated experience in his respective field of expertise for at least 10 to 30 years. Regardless of the background or experience of each Director, they are all anchored by the common trait of having a natural aptitude and singular drive for the industry and this is also the ultimate attribute in the Company's selection process that the Nomination Committee will uphold and protect.

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

The Nomination Committee held one meeting during the year ended 31 December 2016 to review and recommend the re-appointment and re-election of Directors, and adoption of the procedures for proposing a person for election as a Director.

本公司截至二零一六年十二月三十一日止年度的全年業績已經由審核委員會審閱。

提名委員會

提名委員會由董事會於二零一零年十二月一日成立。提名委員會的主要職責(參閱已批准的書面職權範圍,符合企業管治守則第A.5.2條)包括檢討董事會的架構、規模及組成、建立及制定有關董事提名及委任程序以及就董事委任及繼任規劃向董事會作出建議,並評估獨立非執行董事的獨立性。

提名委員會負責就專業知識、技能、經驗、專業知識、個人誠信及投入時間以及就本集團業務需要及其他相關法定規則及規例,甄選及推薦候任董事人選。有需要時或會委任外界招聘代理進行招聘及甄選程序。於委聘程序中維持採用多元化甄選準則,同時考慮年齡、教育背景、專業經驗、行業技能及專業知識等多項特質,乃本公司一直以來秉持的基本原則,而有關政策於二零一四年二月二十八日由提名委員會書面記錄作為董事甄選程序之用。自成立以來,提名委員會已肩負檢討在董事提名方面應用多元化甄選原則之責任,確保董事具備多元化視野及不同教育背景及專業知識,從對支付行業的深入了解、銷售及市場推廣才能以至於法律及會計範疇的專業資格。董事均於各自專業知識範疇積逾至少10至30年經驗。無論董事有任何背景或經驗,彼等均擁有天賦才能及驅策行業發展的共同特質,而此亦為本公司甄選過程中提名委員會貫徹及守護的終極價值。

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

提名委員會於截至二零一六年十二月三十一日止年度曾舉行一次會議,以審閱及推薦續聘及重選董事以及採納推選一名人士出任董事的程序。

Corporate Governance Report

企業管治報告

Pursuant to the Company's Bye-laws 84 and 85, Mr. Nie Guoming, the Chairman and an executive Director and Mr. Li Wenjin, the executive Director, shall retire by rotation and, being eligible, offer themselves for re-election at the 2017 annual general meeting of the Company (the "AGM").

Following the recommendation of Nomination Committee, the Board has further recommended Mr. Nie Guoming and Mr. Li Wenjin standing for re-election at the AGM.

The Company's circular dated 16 March 2017 contains detailed information of the Directors standing for re-election.

Remuneration Committee

The Remuneration Committee was established by the Board on 1 December 2010. The primary objectives and duties of the Remuneration Committee were set out in its terms of reference in compliance with the requirements under Code Provision B.1.2 of CG Code, which include making recommendations to the Board on the remuneration policy and structure and remuneration packages of the Directors and the senior management. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which is determined with reference to the performance of the individual and the Company as well as market practice and conditions.

The Remuneration Committee normally meets to review the remuneration policy and structure and determine the annual remuneration packages of the Directors and the senior management and other related matters. The human resources department is responsible for collection and administration of the human resources data and making recommendations on remuneration policy and structure and remuneration packages to the Remuneration Committee for consideration. The Remuneration Committee shall consult the Chairman and/or the Board about these recommendations. The Remuneration Committee held two meetings during the year ended 31 December 2016 to review and recommend the remuneration packages of the Directors and the senior management of the Company, to establish a formal and transparent procedure for developing policy for the remuneration of the Directors, assessing performance of the executive directors and approving the terms of their respective service contracts.

根據本公司的公司細則第84及85條，主席兼執行董事聶國明先生及執行董事李文晉先生將輪值告退，彼等符合資格並願意於本公司二零一七年股東週年大會（「股東週年大會」）膺選連任。

按照提名委員會的推薦後，董事會進一步推薦聶國明先生及李文晉先生於股東週年大會膺選連任的董事。

本公司日期為二零一七年三月十六日的通函載有膺選連任的董事的詳細資料。

薪酬委員會

薪酬委員會於二零一零年十二月一日成立。薪酬委員會的主要職責載列於職權範圍（符合企業管治守則第B.1.2條守則規定），包括就董事及高級管理人員的薪酬政策及結構與薪酬待遇向董事會提供推薦意見。薪酬委員會亦負責就制定該等薪酬政策及結構訂立具透明度程序，確保並無董事或彼任何聯繫人士參與釐定本身薪酬，有關薪酬乃經參考個人及本公司表現以及市場常規及情況後釐定。

薪酬委員會一般就審閱薪酬政策及結構以及釐定董事及高級管理人員年度薪酬待遇與其他相關事務舉行會議。人力資源部門負責收集及管理人力資源數據，並就薪酬政策及結構與薪酬待遇向薪酬委員會作出意見，以供其考慮。薪酬委員會須就該等意見諮詢主席及／或董事會。薪酬委員會於截至二零一六年十二月三十一日止年度曾舉行兩次會議，以審閱董事及本公司高級管理層的薪酬待遇並提供建議，就制定董事薪酬政策訂立正規而具透明度的程序及評估執行董事表現及批准其各自服務合約條款。

Corporate Governance Report

企業管治報告

Pursuant to Code Provision B.1.5 of the CG Code, the remuneration payable to the members of the senior management by band for the year ended 31 December 2016 is set out below:

根據企業管治守則守則條文第B.1.5條，於截至二零一六年十二月三十一日止年度按組別劃分之應付高級管理人員薪酬載列如下：

Remuneration band	薪酬組別	Number of individuals 人數
HK\$0 to HK\$1,000,000	0港元至1,000,000港元	1
HK\$2,000,000 to HK\$3,000,000	2,000,000港元至3,000,000港元	1

Further particulars relating to Directors' emoluments and the five highest paid individuals as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 10 and 33 to the consolidated financial statements.

根據上市規則附錄十六須予披露有關董事酬金及五名最高薪人士的進一步詳情，載於綜合財務報表附註10及33。

Corporate Governance Function

The Board is responsible for performing the corporate governance duties and determining the relevant policies of the Company. Terms of reference in compliance with the requirement under Code Provisions D.3.1 of the CG Code, adopted by the Board include the duties of the Board on corporate governance functions to develop and review the Group's policies and practices on corporate governance, to review and monitor the training and continuous professional development of the Directors and the senior management, to review and monitor the Group's policies and practices on compliance with legal and regulatory requirements, to develop, review and monitor the code of conduct, guidelines and compliance manual applicable to employees and Directors and to review the Group's compliance with the CG Code and disclosures in this Corporate Governance Report.

企業管治職能

董事會負責履行本公司的企業管治職責及決定相關政策。董事會採納的職權範圍(符合企業管治守則第D.3.1條守則規定)包括董事會按照企業管治職能負責制定及檢討本集團於企業管治方面的政策及常規、檢討及監察董事及高級管理層的培訓及持續專業發展，檢討及監察本集團的政策及常規是否符合法律及監管要求，制定、檢討及監察員工及董事的操守準則、指引和合規手冊，以及檢討本集團遵守企業管治守則的情況及在本企業管治報告內所作的披露。

RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board and the Directors

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

The Directors also acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2016.

Auditor's Statement

The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 68 to 74.

有關財務報表的責任

董事會及董事

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

董事亦明瞭彼等編製本公司截至二零一六年十二月三十一日止年度財務報表的責任。

核數師聲明

本公司外聘核數師有關彼等申報財務報表責任的聲明載於第68至74頁「獨立核數師報告」。

Corporate Governance Report

企業管治報告

Senior Management

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

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

RISK MANAGEMENT AND INTERNAL CONTROL

The Company's Internal Audit Department (the "IA Department") performs internal audit function and the Board is responsible for overseeing and reviewing the effectiveness of the risk management and internal control systems of the Group on an ongoing basis.

Risk Management and Internal Control Systems

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

Process used to identify, evaluate and manage significant risks

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

Main features of Risk Management and Internal Control Systems

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

高級管理層

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

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

風險管理及內部監控

本公司內部審核部門（「內部審核部門」）履行內部審核職能，而董事會負責持續監察本集團風險管理及內部監控系統的有效性。

風險管理及內部監控系統

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

用以識別、評估及管理重大風險的程序

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

風險管理及內部監控系統的主要特點

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

Corporate Governance Report

企業管治報告

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

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

The IA Department has performed two reviews of the effectiveness of the Group's risk management and internal control systems respectively covering the period from 1 April 2015 to 31 March 2016 and 1 April 2016 to 31 December 2016 in compliance with the requirements under Code Provision C.2 of the CG Code, according to the scope of review agreed and approved by the Audit Committee covering the Group's material controls in financial, operational and compliance aspects. IA Department reported directly to the Audit Committee and the Audit Committee is satisfied that there has been no major deficiency noted in the areas of the Company's risk management and internal controls systems being reviewed after implementation of recommendations of the internal control defects reported by IA Department. Accordingly, the Board considered the risk management and internal control systems to be effective and have been implemented with adequate resources.

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

The Board has established the Inside Information Policy for the handling and dissemination of inside information. The Inside Information Policy stipulated the obligations of the Group, restriction on sharing non-public information, handling of rumours, unintentional selective disclosure, exemptions and waiver to the disclosure of inside information, external communication guidelines and compliance and reporting procedures. Management of the Company must take all reasonable measures from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Company. They must promptly bring any possible leakage or divulgence of inside information to the attention of the Chief Financial Officer who will notify the Board as soon as reasonably practicable accordingly for taking the appropriate prompt action. In the event that there is evidence of any material violation of the Inside Information Policy, the Board will decide, or designate appropriate persons to decide the course of actions for rectifying the problem and avoiding the likelihood of its recurrence.

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

用以檢討風險管理及內部監控系統有效性的程序及解決嚴重內部監控缺失的程序

根據企業管治守則第C.2條的規定，基於審核委員會同意及批准的檢討範圍(包含本集團對財務、經營及合規方面的重大監控)，內部審核部門已對本集團風險管理及內部監控系統的有效性進行兩次檢討(分別涵蓋二零一五年四月一日至二零一六年三月三十一日及二零一六年四月一日至二零一六年十二月三十一日期間)。內部審核部門直接向審核委員會報告，而審核委員會信納，在執行內部審核部門所提出的內部監控缺失改善措施後，在檢討範圍內的風險管理及內部監控系統領域並無發現重大缺陷。因此，董事會認為風險管理及內部監控系統行之有效並有適當資源配合實行。

處理及發佈內幕消息的程序和內部監控措施

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

Corporate Governance Report

企業管治報告

AUDITOR'S REMUNERATION

The remuneration paid to the external auditor of the Company in respect of audit services for the year ended 31 December 2016 amounted to approximately HK\$2,100,000. There was no non-audit service provided by the external auditor of the Company during the year.

SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

(a) Procedures for Requisitioning a Special General Meeting

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

(b) Procedures for Putting forward Proposals at General Meetings

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

(c) Communication with Shareholders and Investors General Meetings

General meetings of the Company provide a direct forum of communication between Shareholders and the Board. At the annual general meeting and special general meeting held during the year, the Directors were made available to answer questions in accordance with the requirements under the CG Code. The Company's external auditor also attended the 2016 annual general meeting to answer any questions about the conduct of the audit, the preparation and content of the auditors' report, the accounting policies and its independence.

核數師酬金

本公司就截至二零一六年十二月三十一日止年度的核數服務而向外聘核數師支付的酬金約為2,100,000港元。本公司外聘核數師於年內並無提供非核數服務。

股東權利及投資者關係

(a) 要求召開股東特別大會之程序

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

(b) 於股東大會上提呈建議之程序

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

(c) 與股東及投資者的溝通 股東大會

本公司的股東大會為股東及董事會提供直接溝通的平台。於年內，董事已根據企業管治守則出席了股東週年大會及股東特別大會，以回應問題。本公司外部核數師亦出席了二零一六年股東週年大會，以回答任何有關審核、核數師報告的編製及內容、會計政策及其獨立性的問題。

Corporate Governance Report

企業管治報告

Other Communications

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

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

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

Constitutional Documents

There has been no change in the Company's constitutional documents during the year.

On behalf of the Board

NIE Guoming

Chairman

Hong Kong, 8 March 2017

其他溝通

股東亦可將彼等的書面查詢寄發予公司秘書。

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

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

組織章程文件

年內本公司章程文件並無任何更改。

代表董事會

主席

聶國明

香港，二零一七年三月八日

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

This report, as the first Environment, Social and Governance (“ESG”) report of the Group, aims to disclose the overall policies, commitments and strategies on the sustainable development of the Group during the reporting period which covers the period from 1 January 2016 to 31 December 2016. Unless otherwise stated, this report mainly covers the Group’s Hong Kong headquarter and our wholly-owned operating subsidiaries with operational control in the PRC. The above mentioned Group’s companies in Hong Kong and PRC represent the core of our business, contributing almost 90% of the Group’s turnover in 2016.

We have prepared this report to disclose our performance in ESG in accordance with the disclosure requirements of the “ESG Reporting Guide” set out in Appendix 27 to the Listing Rules published by the Stock Exchange.

We welcome any opinions and suggestions with regards to this report and our sustainability performance. Please contact us by email to IR@pax.com.hk.

OUR APPROACH TO SUSTAINABLE DEVELOPMENT

Since PAX was established, we have been upholding the mission of “Becoming a Leading Global Player”. Through unremitting efforts, the Group has laid a solid foundation for its business development and set for us to approach the target of becoming one of the global leading providers of E-payment Terminals solutions. As a responsible corporate citizen, we emphasize integrity and incorporate ESG principles into our daily operation and management, striving to create long-term value for stakeholders.

We believe that sustainable development is one of the core values of the Group. Not only is it closely related to the Group’s performance on environmental protection and community contribution, it is also the foundation of the Group including business practices and our relationship with employees, customers, shareholders, suppliers and business partners. During the reporting period, the Group has formulated the “ESG Policy” to promote and manage matters related to social responsibilities such as environmental protection, health and safety, conduct and ethics as well as compliance with laws and regulations. Details of our management approach to sustainable development of different areas have elaborated in this report.

STAKEHOLDER ENGAGEMENT

Stakeholders’ support and trust are of the utmost importance to the Group’s continuous steady business growth over the years. Our major stakeholders are those groups which are significantly influenced by, or have the ability to influence, the Group’s business, including customers, business partners and suppliers, employees, shareholders and potential investors, and local governments and communities. We firmly believe that communication with stakeholders not only helps us better formulate our business strategy in response to their needs, but also enables us to forecast risks and consolidate the stable development of our business and the community. By virtue of the active communication with stakeholders, through formal and informal channels and on a regular basis, in the course of our day-to-day operation, we have been able to identify certain significant ESG related issues which will be discussed in this report.

關於本報告

本報告是本集團的第一份環境、社會及管治(「環境、社會及管治」)報告，旨在披露本集團於報告期間的整體可持續發展方針、承諾及策略，報告期涵蓋二零一六年一月一日至二零一六年十二月三十一日。除非另有說明，本報告主要涵蓋本集團的香港總辦事處及於中國擁有營運控制權並營運中的全資附屬公司，上述在香港及中國的集團公司乃百富業務的核心所在，相當於本集團於二零一六年度接近90%的營業額。

編製本報告時，我們遵循聯交所發佈的證券上市規則附錄二十七《環境、社會及管治報告指引》的披露要求，披露在環境、社會及管治方面表現。

我們歡迎就本報告及我們的可持續發展表現提供任何意見及建議，請透過電郵IR@pax.com.hk與我們聯絡。

可持續發展方針

自百富成立以來，我們秉承「成為全球領跑者」的使命，經過不懈的努力，本集團在業務發展上鞏固了根基，讓我們邁向成為全球領先電子支付終端解決方案業務供應商之一的目標。作為負責任的企業公民，我們重視誠信，在業務日常營運及管理模式納入環境、社會及管治的原則，致力為持份者締造持久的價值。

我們認為可持續發展是本集團的核心價值之一，除了與本集團的環保表現和社區貢獻息息相關外，亦是本集團的基石，包括業務常規及我們與僱員、客戶、股東、供應商及業務夥伴之間的關係。於報告期內，本集團制定了《環境、社會及管治政策》以推動和管理有關環境保護和健康與安全、行為道德、遵守法律及法規等社會責任的事宜，並在本報告闡述每個領域的可持續發展管理方法。

持份者參與

持份者的支持和信任是本集團多年來業務一直保持上揚的主要原因之一。我們的主要持份者是一些極受本集團業務影響或足以影響本集團業務的群組，包括客戶、業務夥伴與供應商、員工、股東與潛在投資者、當地政府和社區。我們深信與持份者溝通有助我們更妥善地制定業務策略以響應其需要，同時亦讓我們預測風險和鞏固業務和社區的穩健發展。我們在日常營運中通過正式和非正式的渠道，積極與持份者定期溝通和了解，並得出一連串與環境、社會及管治相關的重要議題，在這次報告裡進行討論。

Environmental, Social and Governance Report

環境、社會及管治報告

PEOPLE-ORIENTATION

The Group fully acknowledges that employees are the main driving force for accomplishing corporate missions and business strategies. Therefore, the Group has strived to become a good employer by focusing on people-oriented management and attaching great importance to human resources management. We attract excellent talents through fair recruitment policy, provide employees with training opportunities, career development prospects and growth opportunities for employees. We are committed to providing employees with an ideal work environment. As an equal opportunity employer, we respect principles such as diversity, equality and anti-discrimination. Employees are prohibited from discriminating or insulting the clan, gender, religion, or physical disability of other employees. We have also strictly complied with the provisions of the PRC Labor Law and Hong Kong Employment Ordinance to protect employees' rights and interests, and provide competitive remuneration and benefits to employees, also fostering work-life balance among employees through diverse activities.

Talents Acquisition

With a good quality, stable and capable team, the Group continues to make remarkable achievement in the industry and owns predominant leading products. To provide strong human resources support for the sustainable development of the Company, we have formulated the "Human Resources Management Procedures" to properly regulate the affairs of the Company regarding recruitment, remuneration, dismissal and promotion. In the recruitment process, only the candidates' ability and qualification are our most important assessment factors while other factors such as gender and age will not be considered in the assessment criteria. All applicants need to undergo a series of rigorous selection process, including written examination of professional skills, comprehensive ability tests and supervisor interview and so on before they are officially hired. The Group will strictly keep confidential all applicants' information. We strictly comply with the requirements of labour laws and regulations and have a zero-tolerance policy towards the use of child labour in our operation. In the recruitment process, applicants' identity and particulars, including age, are strictly verified to ensure that all work performed on our behalf is in compliance with all relevant labor laws and regulations. During the reporting period, no incidence of and risks associated with child, forced or illegal labour to which the Group is aware of have emerged.

以人為本

本集團深明員工是企業實踐使命及業務策略的主要動力，因此，本集團一直貫徹以人為本，致力成為優秀僱主，高度重視人力資源管理。我們透過公平的招聘政策吸納優秀人才，並提供培訓機會，給予員工良好的事業發展前景和成長機會。我們積極為員工提供理想的工作環境，作為平等機會僱主，我們推崇多元化、平等、反歧視等原則，嚴禁員工歧視或侮辱其他員工的宗族、性別、宗教、或有身體殘疾的員工。我們嚴格遵守中國勞動法及香港僱傭條例的規定，保障員工的權益，並為員工提供具競爭力的薪酬及福利，同時透過不同的活動讓員工在工作與餘閒中取得平衡。

吸納人才

本集團持續在行業內得到卓越的成就及擁有主導地位的領先產品，實有賴一支素質優良和穩定精幹的團隊。為了公司的可持續發展提供有力的人力資源保障，我們制定了《人力資源管理程序》，妥善規範公司的招聘、薪酬、解僱及晉升工作。在招聘的過程中，唯有應徵者的能力和資質是我們最重視的考核因素，而其他因素如性別、年齡等並不會被列入考核準則。所有申請者需要經過一系列嚴格的選拔過程，包括專業技術筆試、綜合能力測試和主管面談等，才會正式錄用。對所有申請者的資料，本集團會嚴格保密。我們謹遵勞動法規的要求，絕對不允許於營運中涉及童工。我們在招聘的過程中會嚴格地檢查應證者的年齡和身份，確保應證者擁有合法工作的資格。於報告期內，我們並未發現任何存在使用童工之風險。

Environmental, Social and Governance Report

環境、社會及管治報告

Developing People

It is one of PAX's important tasks to provide employees with professional and personal development opportunities, and to motivate employees and upgrade their skills to meet the Group's evolving business needs. Therefore, the human resources department will review the annual training requirements with different departments every year. We have a "Training Management Procedures" in place to enhance the effectiveness of staff training. The trainings of the Company can be broadly divided into three categories: new staff training, internal training and external training. For new staff training, the human resources department will explain the Company's business background, corporate culture and management system etc., coupled with technical trainings for specific positions provided by employees' own departments. The main purpose of internal training and external training is to enrich the professional knowledge of the staff and enhance their comprehensive competence. Upon completion of the trainings, participants are required to submit a training satisfaction questionnaire or training report so that the relevant departments can continuously improve the training contents. In 2016, the average training hours by gender were 18.5 hours for male and 17.1 hours for female, and that by employment type were 4.6 hours for management, and 18.6 hours for technical staff.

Health and Safety

We make our best endeavor to create a safe and healthy workplace for our employees by regularly cleaning the office including the floors, doors, windows, washrooms, conference rooms, balconies and air conditioners. In addition, we provide annual physical checkup and maintain additional group medical insurance for employees. The coverage of this insurance includes, subject to an inspection fee of not more than RMB500, provision of medical insurance for 90% of the out-patient fees to staff to reduce their medical expenses. During the reporting period, we did not have any cases of work-related injury or death.

Remunerations and Benefits

We ensure that our remuneration package is comprehensive and attractive, with employees' remuneration being monthly fixed income plus annual performance bonus. Some employees are granted share options to reward their contribution in accordance with the Company's Share Option Scheme. We strictly comply with relevant national or local labor laws and regulations in the PRC to provide staff with welfare protection. In addition, the "Staff Code" contains detailed information on benefits to which employees are entitled, mainly including social insurance (pension, unemployment, medical treatment, work-related injuries), housing provident fund, medical allowance, accident relief fund, paid leave, paid sick leave, work-related injury leave, long-term sick leave, bereavement leave, marriage leave and compensation leave stipulated by the state. In principle, we pursue a work system of 8 hours per day and 40 hours per week with 1.5 hours break at noon. Work hours and rest breaks are subject to change based on different regions and business requirements. We respect employees' work-rest pattern and employees are encouraged to efficiently complete their work within their daily 8-hour working time, and overtime work is generally not encouraged. A stringent overtime system is also implemented to preclude any forced labour. Under the system, employees must obtain approval from their respective department heads and also the human resources department to ensure that employees shall only engage overtime work as necessitated by work and have sufficient time to rest.

培育人才

百富其中一個重要任務是為員工提供專業及個人發展機會，以及激勵員工並提升他們的技能，以配合本集團不斷發展的業務需要，故此人力資源部每年都會與各部門探討年度培訓需求。我們設有《培訓管理程序》，增強員工培訓工作的效果。公司的培訓大致分為三類：新員工培訓、內部培訓和外部培訓。新員工培訓會由人力資源部講解公司業務背景、企業文化以及管理制度等，加上員工所屬部門提供特定崗位的技術培訓。內部培訓和外部培訓，則旨在為員工增加專業知識和提升綜合能力。完成培訓後，參加者需提交培訓滿意度調查表或培訓報告，以便有關部門持續改善培訓內容。在二零一六年，平均受訓時數按性別劃分，男性為18.5小時，女性為17.1小時。按僱員類別劃分，管理層為4.6小時及技術人員為18.6小時。

健康與安全

我們致力為員工塑造一個安全而衛生的工作間，定期清洗辦公室包括地面、門窗、洗手間、會議室、陽台及空調。除此之外，我們為員工提供年度體檢服務和購買額外的團體醫療保險。此保險其中一個保障範圍包括在不超過人民幣500元的檢查費下為員工提供90%的門診醫療保險金，減低員工的醫療費用支出。在報告期中，我們並沒有發生有任何因工受傷或死亡的個案。

薪酬福利

我們確保其薪酬待遇全面及具吸引力，僱員的酬金為每月固定收入加年度表現花紅。本集團部分員工根據公司購股權計劃獲授予購股權，以獎勵其貢獻。我們嚴格遵守中國國家或地方有關勞動法規，為員工提供福利保障。此外，《員工守則》內亦詳細列明員工可享有的福利，主要包括：國家規定的社會保險（養老、失業、醫療、工傷）、住房公積金、醫療補助金、喜傷慰問金、帶薪休假、帶薪病假、工傷假、長期病假、喪假、婚假及補假等。我們原則上奉行每天8小時，每週40小時上班制，中午有1.5小時休息。基於不同地區和業務需求，作息時間會有變動。總體來說，本集團不鼓勵員工加班，並尊重員工的作息時間和鼓勵員工在8小時內有效率地完成工作。我們實施嚴謹的加班制度，同時並不允許強制勞動的情況出現，員工加班需要得到部門領導的批准和人力資源部的確認，以確保加班的原因來自工作需求和保障員工有充分時間休息。

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Pursuant to “Special Rules on the Labour Protection of Female Employees”, we care much about the interests and needs of female employees, and implement a work system of short working hours for lactation period. Female employees who feed babies younger than 1 year old are provided with the flexibility to choose between going to work an hour later, getting off work an hour earlier, or 30 minutes later to work and 30 minutes earlier to get off work. We also value the career development of female employees. Female employees account for approximately 23% of the staff and have equal promotion opportunities as male employees.

Moreover, we emphasize the physical and mental development of employees. During the reporting period, we held a total of more than 200 activities of different themes such as monthly birthday parties, sports activities (including basketball, badminton, football and running) as well as annual party to enable employees to relieve stress, maintain work-life balance, enhance productivity and at the same time cultivate team spirit and promote employees’ sense of belonging to the Company.

Culture of Integrity

We emphasize on business ethics. All business activities within the Group are carried out in good faith and in an ethical and lawful manner. Any forms of corruption, extortion, fraud, bribery, false declaration, money laundering or counterfeiting are prohibited. Our “Staff Code” clearly sets out all the rules that employees are required to comply with. Employees shall promptly report to their department heads if they are likely to accept gifts from customers.

SUPPLY CHAIN AND BUSINESS PARTNERS

While the Group adopts the best environmental and social practices during its operation, it also hopes that its business partners can uphold honesty and treat their employees fairly, protect the environment and abide by the disciplinary code. During the reporting period, the supply chain network comprised of 176 suppliers. The products and services provided by our supply chain cover raw materials, parts and components and outsourcing processing plants and so on. We firmly believe that the quality of our products and services as well as our reputation will be influenced by the ways we work with each other. Therefore, we strive to establish close and long-term cooperation relationships with business partners. In the “Suppliers’ Quality Agreement” between us and our suppliers, we specify our basic requirements for our suppliers in various aspects including occupational health and safety, employee rights protection and corporate social responsibility, which have a positive impact on the supply chain and promote the harmonious development of the society.

我們按照《女職工勞動保護特別規定》，照顧女性員工的權益和需要，實施哺育期短時間工作制。哺育出生後不到1歲嬰兒的女性員工，可彈性選擇延遲上班1小時、提早下班1小時或上班及下班延遲及提前各30分鐘。另外，我們重視女性員工的職業發展，女性員工佔比約23%，並擁有與男性平等的晉升機會。

此外，我們重視員工的身心發展，在報告期內一共舉辦了超過200次不同主題的活動，例如：每月的生日會、體育運動包括籃球、羽毛球、足球、跑步等、周年晚會等，幫助員工舒緩壓力，保持生活與工作的平衡，提升生產力，同時培養團隊精神，促進員工對公司的歸屬感。

廉潔的文化

我們高度重視商業道德，本集團內所有業務活動均以誠信、合乎道德及合法的方式進行，禁止任何形式的貪污、勒索、欺詐、賄賂、虛假聲明、洗黑錢或偽造等行為。我們的《員工守則》清楚列明員工須遵守的所有規定，在員工有可能接受客戶饋贈的情況下，必需立刻報告給部門領導。

供應鏈及業務夥伴

本集團在營運過程中採納最佳環保及社會慣例，也期望業務夥伴秉持誠信、公平地對待員工，保護環境和遵守紀律守則。在報告期內，供應鏈網路有176家供應商。我們的供應鏈提供的產品和服務涵蓋原材料、零部件和外協加工廠等，我們深信我們的產品和服務質素以至聲譽，也會受著彼此的合作方式影響，故此我們致力與業務夥伴建立密切和長久的合作關係。我們在與供應商簽訂的《供應商品質協議》中列明我們對於供應商在職業健康與安全、員工權益維護及企業社會責任等方面的基本要求，務求對供應鏈產生正面的影響，並促進社會的和諧發展。

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In terms of the environment, we have formulated the “Control Measures for Environmental Management Substances” to ensure that all materials, parts (such as those used for production of batteries and IC cards), products, production and services are in compliance with European Union standards such as the “Restriction Directive for Hazardous Substances” and the “Waste Electrical and Electronic Equipment Directive” as well as the “Measures for Administration of the Pollution Control of Electronic Information Products” promulgated in China. In the meantime, suppliers are required to sign the “Undertakings, Guarantees and Statements on Non-use of Harmful Substances”, which prohibits suppliers from using substances harmful to the environment and human body during the production of electronic information products. For the product packaging materials, all product packaging materials we purchased have passed the “Technical Standards for Pollution-free Substances in Environmental Management”, which proves that the packaging materials do not contain substances that are harmful to the environment. In addition, the two outsourcing processing plants we are using have obtained the “National Industrial Products Production Permit” from the General Administration of Quality Supervision, Inspection and Quarantine of PRC to ensure the quality safety of products. One of the outsourcing processing plants which has long-term relationship with us has even obtained the ISO 14001: 2004 environmental management system certification in recognition of its world-class environmental protection.

We have established the comprehensive “Management Measures for Suppliers” and properly manage the selection procedures for new suppliers, conduct daily management and evaluation and periodic on-site inspection of suppliers, so as to ensure that suppliers are capable of timely providing products and services with appropriate quality, quantity, prices and guarantee product quality from the source. Our supplier evaluation system makes comprehensive assessments of suppliers according to their costs, delivery time, cooperativeness, quality control, R&D capabilities, services and so on. Qualified suppliers will be listed in the “List of Qualified Suppliers”. We will only employ registered suppliers in the “List of Qualified Suppliers”, and carry out regular on-site evaluation and monitoring of suppliers according to the “Annual Plan for Regular On-site Evaluation of Suppliers”.

PRODUCT RESPONSIBILITY AND INNOVATION

With the mission of “Becoming a Leading Global Player”, we endeavor to adhere to quality excellence and safety standards and incorporate the concept of sustainable development into product design. We also strive to achieve innovation and continuously optimize E-payment Terminals products in the rapidly changing payment industry in order to bring convenience to the society.

Research Results

We concentrate our resources on R&D. Our internal R&D team has outstanding R&D capabilities and is relentlessly upgrading technology and product quality. All of our products are self-developed, with abundant variety to meet the changing needs in the market. As at 31 December 2016, we own more than 70 patents for product technologies and more than 800 domestic and international certifications, such as Paywave and MasterCard Contactless and so on.

The Company’s main products are set out in the section of “Some of Our Products” in the annual report.

環境方面，我們成立《環境管理物質管制辦法》，確保所有物料、零件(如生產電池和集成電路卡)、產品、生產及服務均符合《危害性物質限制指令》及《廢電子電機設備指令》等歐盟標準和中國《電子資訊產品污染控制管理辦法》的規定，同時要求供應商簽署《不使用有害物質承諾保證、聲明書》，禁止供應商在製造電子資訊產品中使用對環境和人體有害的物質。有關產品包裝物料，我們選購的產品包裝物料都通過《無公害環境管理物質技術標準》，證明不含有對環境有害的物質。另外，我們現正使用的兩家外協加工廠已獲得國家品質監督檢驗檢疫總局的《全國工業產品生產許可證》以確保產品的品質安全，而其中一家有長期合作關係的外協加工廠更獲得ISO14001：2004環境管理體系認證，在環境保護方面有國際水準的認可。

我們已建立全面的《供應商管理辦法》，妥善管理新供應商甄選程序、供應商日常管理評估及定期現場審查，以確保供應商的產品和服務具備適時、適質、適量、適價的能力，令產品品質從源頭得到保證。我們的供應商評估系統根據供應商的成本、交貨期、配合度、品質管制、研發能力、服務等對各業務夥伴作出全面評估，合格的供應商將列入《合格供應商名錄》。我們只會聘用《合格供應商名錄》的註冊供應商，並按《年度供應商定期現場評鑒計畫》定期現場評估和監察供應商。

產品責任及創新

本著「成為全球領跑者」的使命，我們致力恪守卓越品質與安全標準，並將可持續發展理念融入產品設計中，在變化迅速的支付產業中力求創新，不斷優化電子支付終端產品，為社會帶來方便。

研究成果

我們集中投放資源於研究與開發，內部研發團隊均具備優秀超卓的研發能力，並不懈地提升技術及產品品質。我們的產品全部為自主開發，種類豐富，迎合變化萬千的市場需要。截至二零一六年十二月三十一日，我們擁有超過70個產品技術專利及超過800個國內及國際認證，如Paywave及MasterCard Contactless等。

公司主要產品載列於年報的《部份公司產品》頁面。

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Protection of Intellectual Property Rights

We absolutely refrain from infringing other copyrights. Over the years, all of our products have been developed by our internal R&D team to cope with market demand. For software R&D in particular, we will apply to the National Copyright Administration of China for patent approval according to the “Regulation for the Protection of Computer Software” and the “Measures for Computer Software Copyright Registration”, and will obtain the “Registration Certificate for Computer Software Copyright” to protect the intellectual properties of the Company from being embezzled.

Examples of patents and copyrights obtained by us during the reporting period are as follows:

Names of Patents

Smart payment terminal (A920)
Mobile payment terminal (D220)
Cable POS terminal (Q80)

Names of Software Copyrights

PAX embedded power management system software V1.0.0
PAX SOC peripheral online debugging tool software V1.1
PAX POS terminal firmware upgrading system software V1.0.0
PAX WinCom multi-functional communication testing system software V1.40
PAX EASYGO application development platform software V1.00.00
PAX POS terminal printing library system software V1.00.00
PAX EUI interface display library system software V1.00.00
PAX monitor virtual machine system software V1.0.0
PAX state secret algorithm library system software V1.0.0
PAX cross-platform virtual machine system software V1.0.0
PAX terminal integrated retail application software V1.0.0
PAX POS terminal RKI remote gold key download system software V1.0.0
PAX POS terminal RKI remote gold Key repairing tool software V1.0.0
PAX POS terminal serial port simulation system communication tool software

Safety and Quality Control

As a responsible corporate citizen, we have always strictly complied with applicable laws and regulations in producing our products. Pax Technology (Shenzhen) has even obtained the ISO 9001: 2008 international quality management system certification. We have also established a comprehensive set of quality management rules (including the “Quality Manual” and the “Standard for Machine Inspection of Finished Products”) according to the ISO 9001 international standards.

保障知識產權

我們杜絕侵犯其他版權。多年來，我們的全部產品都是由內部的研發團隊配合市場的需要所開發。特別是在軟體方面的研發，我們會根據《計算機軟件保護條例》及《計算機軟件著作權登記辦法》向國家版權局申請專利，並得到《計算機軟件著作權登記證書》以保障本公司的知識財產免被盜用。

以下是我們於報告期內獲得的專利及著作權的例子：

專利名稱

智慧支付終端 (A920)
移動支付終端 (D220)
有線 POS 終端 (Q80)

軟件著作權名稱

百富嵌入式電源管理系統軟件 V1.0.0
百富 SOC 外設在線調試工具軟件 V1.1
百富 POS 終端固件升級系統軟件 V1.0.0
百富 WinCom 多功能通訊測試系統軟件 V1.40
百富 EASYGO 應用開發平台軟件 V1.00.00
百富 POS 終端列印庫系統軟件 V1.00.00
百富 EUI 介面顯示庫系統軟件 V1.00.00
百富 monitor 虛擬機器系統軟件 V1.0.0
百富國密演算法庫系統軟件 V1.0.0
百富跨平台虛擬機器系統軟件 V1.0.0
百富終端集成零售應用軟件 V1.0.0
百富 POS 終端 RKI 遠端金鑰下載系統軟件 V1.0.0
百富 POS 終端 RKI 遠端金鑰維修工具軟件 V1.0.0
百富 POS 終端串口模擬系統通信工具軟件

安全與品質控制

作為負責任的企業公民，我們的產品一直嚴格遵循適用法律及法規，百富科技(深圳)更獲得 ISO 9001:2008 國際品質管理體系認證。我們也按照 ISO 9001 國際標準建立了一套完善的品質管理制度包括《品質手冊》及《成品機檢驗規範》。

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Pursuant to relevant PRC regulations (such as the “Implementation Rules for Mandatory Product Certification of Telecommunication Terminal Equipment” (CNCA-C16-01: 2014)), some of our wireless E-payment Terminals products fall within the category of national mandatory certification products which must meet different product standards and technical requirements in China, such as “Information Technology Requirement – Safety – Part 1: General Requirements” (GB4943.1-2011), “Limits and Measurement Methods of Electromagnetic Compatibility for 900/1800MHz TDMA Digital Cellular Telecommunications System - Part 1: Mobile Station and Ancillary Equipment” (GB/T22450.1-2008), “Requirements and Measurement Methods of Electromagnetic Compatibility for 2GHz WCDMA Digital Cellular Mobile Telecommunications System - Part 1: User Equipment and Ancillary Equipment” (YD/T1595.1-2012), so as to obtain the “Certificate for China Compulsory Product Certification” (“3C Certification”) from China Quality Certification Centre as a product safety assurance.

In order to further ensure that the system safety protection mechanism for our payment terminal products can withstand various attacks and to protect sensitive client information, a series of our payment terminal products have strictly complied with the standards of “PIN Transaction Security” and successfully passed the tests conducted by the Payment Card Industry Security Standard Council and was recognized by it. In the meantime, our products for domestic sale in China have also passed the “Safety Certificate for UnionPay Card Acceptance Terminal Product” issued by China UnionPay and the “Certificate of the Commercial Password Products” issued by the Office of the State Commercial Cryptography Administration, which demonstrates our dedication to product safety and quality through our continuous effort to obtain certifications and pass stringent tests for our products before market launch.

We pay attention to the safety issue relating to the customers’ usage of our electronic products. As such, we provide product manual which guides users about the machine set-up, product usage and some points to note about using lithium battery.

With regard to placing advertisements of our products and services, our policy is to promote our business in strict compliance with relevant applicable laws and regulations including Advertisements Law of the PRC to root out inappropriate claims in our advertisement in protection of the legitimate rights and interests of consumers.

Our quality policy is “full-force participation, scientific management, people orientation and customer satisfaction”. We follow the principle of “quality first, customer first”, and reinforce the people-oriented management to fully release the potential of staff. Supported by a sound system, we continue to steadily provide customers with satisfactory products and services. We will set a practicable quality goal every year. In 2016, our overall goal is to maintain 95% or more customer satisfaction, through the systematic and active participation of all departments.

依據中國相關規定如《強制性產品認證實施規則電信終端設備》(CNCA-C16-01: 2014)，我們部份無線電子支付終端產品屬於國家強制性認證產品類別，必須達到中國不同的產品標準和技術要求，如《資訊技術設備安全第1部分：通用要求》(GB4943.1-2011)、《900/1800MHz TDMA數位蜂窩移動通信系統電磁相容性限值和測量方法第1部分：移動台及其輔助設備》(GB/T22450.1-2008)、《2GHz WCDMA數位蜂窩移動通信系統電磁相容性要求和測量方法第1部分：使用者設備及其輔助設備》(YD/T1595.1-2012)等，以取得中國質量認證中心的《中國國家強制性產品認證證書》(簡稱3C認證)，確保產品的安全性。

為進一步保證我們的支付終端產品的系統安全防護機制能夠抵擋各種攻擊，以保護敏感的客戶資料，我們一系列的支付終端產品嚴謹達到《PIN交易安全》標準，並成功通過PCI安全標準協會的測試及獲得認可。同時，我們面向中國國內銷售的產品，亦通過了銀聯頒發的《銀聯卡受理終端產品安全認證》及國家密碼管理局頒發的《商用密碼產品型號證書》，證明電子支付終端產品在推向市場前，已經過各類嚴格測試及認證。

我們非常關注使用者使用電子產品的安全問題，因此我們的產品附有產品說明書，提示使用者關於安裝、使用產品及使用鋰電池要注意的事項。

就產品及服務廣告而言，我們的政策是在推廣業務時嚴格遵循相關適用法律法規包括中華人民共和國廣告法，杜絕不正當的聲明，以保護消費者的合法權益。

我們的品質方針為「全員參與、科學管理、以人為本、客戶滿意」，遵循「質量第一，顧客至上」的原則，堅持以人為本，充分激發員工的潛力，以完善健全的體系作保障，持續穩定地向顧客提供滿意的產品和服務。每年我們均會訂立一個可實行的品質目標，二零一六年度我們的總目標是，通過各個部門有系統及積極的參與，保持客戶滿意度達95%以上。

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Every year, we conduct regular on-site inspection activities for large customers, communicate with their leaders and terminal managers and understand their use of our machines. We pay special attention to and cherish the opinions and suggestions provided by our customers. Take one of our large banking customers as an example, we visited and conducted on-site inspections for 90 branches of such customer during this year. Services we provided during such inspections include on-site machine repairs, provision of technical trainings for terminal managers and customer visits. We also highly value the collection of problems on-site and the handling of such problems, which help us improve our products and services.

In order to understand customer satisfaction with our products and services, we have formulated a "Customer Satisfaction Survey", and we make sample surveys on key customers every year. We also cherish our customers' valuable recommendations, which will keep on driving us towards further product quality and after-sales services enhancement.

After-sales Service Management

Through the establishment of a series of quality control systems for after-sales services, including the "Management Manual for the After-sales Service Department", the "Management Procedures for Customer Satisfaction" and the "Management Procedures for Customer Complaints", we provide customers with professional, timely and standardized after-sales service to win the trust of customers, and to ensure that our products can meet customers' expectations.

We have printed contact information including hotline, QQ Mail, WeChat and e-mail on all products for customer inquiries. We have an experienced after-sales service team who will handle customer complaints according to the "Management Procedures for Customer Complaints". For customer complaints, our policy is that customer problems must be resolved within 24 hours, and complaint cases accepted will be recorded in the quality control systems and followed up and handled by the after-sales service team. Meanwhile, the team will identify the reasons with the relevant responsible departments and develop preventive measures. If there is no complaint of the same type and the improvement measures have been completed one month later, the team will close the complaint case.

GREEN OPERATION

Although our business does not involve production, the development, sales and related services of operational E-payment Terminals products will still have certain impacts on the environment. In this regard, the Group actively assumes its responsibility to protect the environment. We endeavor to reduce possible impacts of our operation on the environment and comply with the requirements of national or local environmental regulations in the PRC. Through formulating the "ESG Policy", the Group implements the policy of "active integration of ESG aspects into the operation of our business". We continue to improve our measures on environmental management, reduce the consumption of resources, reduce the production of wastes, and ensure that the wastes are disposed in a safe and responsible manner. Meanwhile, we enhance our performance in environmental protection through education and training of our employees, and will continue to monitor and analyze the progress and achievements of environmental protection.

我們每年向大型客戶提供定期的巡檢活動，與客戶的領導及終端管理人員溝通及了解他們使用我們機器的情況，我們特別關注及珍惜客戶對我們提供的意見及建議。以我們其中一個銀行業的大型客戶為例，於本年度，我們到訪90家分行進行巡檢，服務包括現場機器維修、為終端管理人員提供技術培訓及客戶拜訪等。我們亦非常重視現場的問題收集以及其問題的處理情況，以助提高我們的產品及服務水準。

為了解客戶對我們的產品及服務的滿意度，我們制定了《客戶滿意度調查表》，每年都會向重點客戶抽樣進行調查。同時，我們非常珍惜客戶寶貴的建議，它們都會成為我們繼續提高產品品質及售後服務的方向。

售後服務管理

我們透過設立一系列售後服務品質管制制度，包括《售後服務部管理手冊》、《客戶滿意度管理程序》及《客戶投訴管理程序》等，為客戶提供專業、及時和規範的售後服務，贏得客戶信任，並確保產品達到客戶期望。

我們在所有產品印上聯絡方法包括熱線電話、騰訊郵箱、微信及電郵等供客戶查詢。我們擁有一支經驗豐富的售後服務團隊，他們會根據《客戶投訴管理程序》處理客戶的投訴。對於客戶投訴，我們的原則是必須在24小時內解決為客戶問題，經受理後的投訴個案會記錄在品質管制系統中，並由售後服務團隊進行跟蹤處理。同時，團隊會向相關負責部門查明原因和制定預防措施。如果一個月後，沒有相同類型的投訴而改善措施已完成，團隊會把投訴結案。

綠色營運

儘管我們業務並不涉及生產，但在營運電子支付終端產品的開發、銷售及相關服務上仍會對環境構成一定影響。對此，本集團勇於承擔保護環境的責任，我們致力減低其營運對環境可能造成的影響，符合中國國家或地方要求的環保條例。本集團通過制定《環境、社會及管治政策》落實「積極把環境、社會及管治的元素融入其業務的營運」的方針。我們不斷改良對環保管理的措施，減低對資源的耗用，減少對廢物的製造，並確保廢物的棄置得到安全與負責任的處理。與此同時，我們透過對員工的教育與培訓來提升本集團在環保方面的表現，並會持續監測與分析環保的進展與成果。

Environmental, Social and Governance Report

環境、社會及管治報告

Wastes Disposal

As the Group's businesses do not involve production lines, major wastes are terminal machines and tools which have been used by the customers and need to be disposed of. Customers are generally advised to scrap the whole machines which have been used for more than three years. During the reporting period, a total of 45,028 terminals have been scrapped on behalf of the customers. Most of them come from the Mainland China. To effectively regulate the process of scrapping, recycling and destroying machines, we have developed the "System for Scrapping and Destroying Machinery". Scrapped machines which have been recycled will be delivered to government-recognized recycling companies to carry out electronic waste recycling and decomposition, in order to reduce the impact of e-waste on the environment.

Use of Resources and Greenhouse Gas Emissions

Based on the business characteristics of the Group, we summed up the main aspect involving the use of resources which include paper, electricity and water consumed by office buildings.

In recent years, we have strengthened the concept of environmentally-friendly office, including promotion of paperless office, placing "save paper" notice, using light emitting diode (LED) lighting, wastes classification, encouraging staff to reduce business travels by video conferencing, keeping the air conditioner at 25 degrees celsius, selecting energy-saving appliances and gradually replacing ordinary taps with sensor taps and so on in a bid to reduce the use of resources as well as greenhouse gas emissions. The Group has noted that the financial reports printed every year consume a certain amount of ink and paper. Therefore, we implement the use of biodegradable soy ink to replace traditional oil ink since this year. Meanwhile, in order to support the conservation of forest resources and protect the ecosystems, we use paper certified by the Forest Stewardship Council ("FSC"), which proves that the paper comes from FSC-managed forests and FSC-regulated production and sales chains.

AWARDS AND RECOGNITION

This year, our business development received recognition from various parties, including the government and the industry sector. We have been awarded the certificate of "Top 100 Software Income Enterprises in Shenzhen for 2015" and included in the "List of Through Train Service Enterprises" published by the General Office of the People's Government of Shenzhen. This service was launched by the People's Government of Shenzhen to promote the development of enterprises rooted in Shenzhen. Next year, the Group will benefit from this service in strengthening our cooperation and effective communication with the government.

In addition, PAX was named as one of the most competitive companies in the List of Asia's 200 Best Under A Billion in "Forbes". Also, PAX was voted as one of the "Asia's Most Honored Companies" by global investors in "2016 All-Asia (ex-Japan) Executive Team" ranking initiated by "Institutional Investor", an international financial magazine, which is one of the highest honors recognized in the industry.

廢物處理

我們的業務不涉獵生產線，最主要有關的廢棄物是客户曾使用過而需要報廢的終端機。一般我們建議客戶整機使用超過三年後便進行報廢。在報告期內，我們一共代客戶報廢了45,028台終端機，而大部分客戶來自中國大陸。我們為有效規範報廢、回收及銷毀機具的流程，制定了一份《機具報廢及銷毀制度》。回收的報廢機具會交由政府認可的回收公司進行電子垃圾回收和分解，減低電子廢物對環境的影響。

資源使用及溫室氣體排放

基於本集團的業務特性，我們歸納出主要涉及資源使用的方面，包括辦公樓耗用的紙張、電量和水資源。

我們近年加強環保辦公的理念包括提倡無紙化、貼出節約用紙標識、使用LED光管、廢物分類、鼓勵員工使用通過視頻形式召開會議而減少出差、保持空調在25度運行、選用節能電器和逐步更換感應式水龍頭等等，藉以減少資源使用同時減低溫室氣體排放。本集團注意到每年印刷的財務報告耗用一定程度的墨水和紙張，因此從本年度落實選用生物可分解的大豆油墨來取代傳統的石油油墨，同時選用森林管理委員會（「森林管理委員會」）認可的紙張，證明紙張是來由森林管理委員會管理的森林及其監管的生產銷售鏈，支持保護森林資源及維護生態系統。

獎項與殊榮

本年度我們在業務發展上得到各方位包括政府與業界的認可。我們被頒發《2015年度深圳市軟件業務收入前百家企業》榮譽證書和被深圳市人民政府辦公廳列入《直通車服務企業名單》，此服務是由深圳市人民政府推出，目的促進企業紮根深圳的發展。來年，本集團將受惠於此服務，加強與政府的合作及有效溝通。

除此之外，百富在《福布斯》的前200名全亞洲營業額十億以下最有競爭力的公司名單上榜上有名。同時，百富在財經國際雜誌《機構投資者》舉辦的「2016年亞洲（日本除外）最佳企業管理團隊」排名評選中，獲來自全球各地的投資者投票評選為「亞洲最受尊崇企業」之一，是業內認可的其中一個最高殊榮。

Environmental, Social and Governance Report

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PAX was also granted various awards with excellent performance and professionalism, including:

2016 All-Asia (ex-Japan) Executive Team

One of Asia's Most Honored Companies

Asia's Best Website (Technology and Hardware), Second Place (Overall)

Moreover, PAX honoured as the "Asia's Outstanding Company on Corporate Governance" in the 11th "Asia Excellence Recognition Awards" organized by "Corporate Governance Asia".

COMMUNITY INVESTMENT

As a responsible corporate citizen, the Group undertakes social responsibilities actively, grows together with the community, and spares no efforts to contribute to society with particular attention to environmental protection.

During this year, we participated in the Green Power Hike organized by Green Power to contribute some efforts to environmental protection. Looking forward, we will actively seek opportunities to contribute to society in different ways and help the communities in need.

The Group's ESG Policy encourages and supports employees to volunteer their time to help less advantaged people in the community and employees are encouraged to join volunteer work from time to time.

OUTLOOK

Over the years, by adhering to the mission of "Becoming a Leading Global Player" and in line with the principles of "full-force participation, scientific management, people orientation and customer satisfaction", PAX has continued to pursue business innovations to satisfy the demand of customers in various industries. According to the Nilson Report released in September 2016, approximately 10% of the global shipping volume of E-payment Terminals in 2015 came from PAX. Nevertheless, "Becoming a Leading Global Player" represents not only the Group's vision on the principal business, but also symbolizes our attitude towards environmental and social affairs.

Looking ahead, the Group will continue to strive to incorporate the ESG considerations into its business operations and the decision-making process, and also strive to make contributions to environment and society in pursuance of sustainable development at all levels.

We hope to take this opportunity to express our sincere gratitude to our shareholders and other stakeholders for their long-term support for and confidence in the Group. Valuable input of all sorts will form the basis of our development strategies for sustainability, enable us to take responsive actions to the expectations and needs of stakeholders, create long-term value for them and fulfill corporate social responsibilities with dedicated efforts.

百富憑藉卓越表現及專業水準，囊括多個獎項，其中包括：

2016年亞洲(日本除外)最佳企業管理團隊

亞洲最受尊崇企業之一

亞洲最佳網頁(科技及硬體)第二名(綜合)

另一方面，百富榮獲由《亞洲企業管治》雜誌舉辦的第十一屆「亞洲企業管治大獎」頒發「亞洲優秀企業管治公司」的殊榮。

社區投資

作為負責任的企業公民，本集團積極承擔社會責任，與社區共同成長，對回饋社會不遺餘力，對環保方面我們尤為關注。

本年度我們參加了綠色力量舉辦的環島行慈善行山比賽，為環保出一分力。展望將來，我們會積極尋求機會以不同的形式貢獻社會，幫助有需要的社群。

本公司之環境、社會及管治政策鼓勵及支持員工以志願形式援助其社區中的弱勢群體員工不時參加義工活動。

展望

百富多年來秉承「成為全球領跑者」的使命，本著「全員參與、科學管理、以人為、客戶滿意」的原則，在業務上我們不斷追求創新，以迎合不同客戶在不同行業的需求。根據二零一六年九月發佈的尼爾森報告，百富佔二零一五年全球電子支付終端出貨量約10%。然而，「成為全球領跑者」不僅代表本集團對主要業務之願景，同時亦象徵我們對環境及社會事宜上抱持的態度。

本集團展望未來，將會繼續致力把有關環境、社會及管治的考慮融入業務運作及決策過程，為環境及社會作出貢獻，追求各層面的可持續發展。

我們希望藉此機會向股東及其他持份者對本集團長期的支持及信任致以衷心的感謝。來自各方面的寶貴意見乃是我們制定可持續發展策略的基礎，使我們能以行動回應持份者的期望及需要，為他們創造長遠價值，並致力實踐企業社會責任。

Report of the Directors

董事會報告

The Directors present their report together with the audited financial statements of the Group for the year ended 31 December 2016.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

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

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

BUSINESS REVIEW

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

Further details of the business review of the Group for the year ended 31 December 2016, details of proposed dividends and discussion on the Group's future business development are provided in the Chairman's Statement section on pages 9 to 11, and Management Discussion and Analysis section on pages 12 to 27. Description of possible risks and uncertainties that the Group may be facing can be found in the Management Discussion and Analysis section on pages 12 to 27 and the notes to the consolidated financial statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group values the importance of protecting the environment in the process of operation. As the Group's businesses do not involve production lines, major wastes are terminal machines and tools which have been used by the customers which need to be disposed of. The waste machines and tools will be transferred to government-recognized recycling companies for undergoing electronic waste recycling and decomposition, so as to mitigate the adverse impact of electronic wastes on the environment. In recent years, we also strengthened green office concept by promoting paperless office, using LED light pipes, classifying wastes, encouraging employees to hold video conferences to reduce business trips and selecting energy-saving electric appliances and gradually adopting inductive faucets, so as to reduce energy consumption.

董事謹此提呈彼等的報告及本集團截至二零一六年十二月三十一日止年度的經審核財務報表。

主要業務及地區業務分析

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

本集團於本年度的表現按地區劃分的分析載於綜合財務報表附註6。

業務回顧

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

本集團截至二零一六年十二月三十一日止年度業務回顧的進一步詳情、擬派股息詳情及本集團未來業務發展的討論呈列於第9至11頁主席報告及第12至27頁管理層討論與分析一節。本集團可能面臨的潛在風險及不確定因素的詳述，見第12至27頁管理層之討論與分析一節及綜合財務報表附註。

環境政策及表現

本集團在營運過程中重視環境保護的重要性。由於本集團的業務不涉獵生產線，最主要有關的廢棄物是客戶曾使用過而需要報廢的終端機具。回收的報廢機具會交由政府認可的回收公司進行電子垃圾回收和分解，減低電子廢物對環境的影響。我們近年亦加強環保辦公的理念包括提倡無紙化、使用LED光管、廢物分類、鼓勵員工使用通過視頻形式召開會議而減少出差及選用節能電器和逐步更換感應式水龍頭等等以減少對能源的使用。

Report of the Directors

董事會報告

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

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

RELATIONSHIP WITH KEY STAKEHOLDERS

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

Employees

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

Customers

The Group is committed to offering our customers products and services to the best of our ability and we cherish comments and suggestions of our customers. During the year, the Group maintained effective communications with the customers through on-site customer visits and customer satisfaction survey with key customers, and we believe that our customers' feedback would help us to identify areas of improvement and advance us to achieve excellence.

Suppliers

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

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2016 are set out in the consolidated income statement on page 75.

遵守相關法律及規例

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

與主要利益相關者的關係

本集團重視與利益相關者保持良好關係，並認為其是業務可持續增長的關鍵因素。

僱員

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

客戶

本集團致力於以最大的能力提供我們的客戶產品及服務，我們珍視客戶的意見及建議。於年內，本集團通過現場客戶訪問及與主要客戶進行客戶滿意度調查的方式保持與客戶的有效溝通，我們相信客戶的反饋將有助我們確定須改進的地方，並推動我們實現卓越。

供應商

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

業績及分配

本集團截至二零一六年十二月三十一日止年度的業績載於第75頁的綜合收益表。

Report of the Directors

董事會報告

DIVIDEND

An interim dividend of HK\$0.04 per ordinary share amounting to approximately HK\$44.72 million was paid to the shareholders of the Company during the year.

The Board has recommended a payment final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2016 (year ended 31 December 2015: HK\$0.02 per ordinary share) to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Monday, 15 May 2017, subject to the approval of shareholders of the Company at the forthcoming annual general meeting of the Company which will be held on Tuesday, 25 April 2017, and if passed, the final dividend will be paid to the shareholders of the Company on Monday, 29 May 2017. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, 11 May 2017 to Monday, 15 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 10 May 2017. Together with the interim dividend of HK\$0.04 ordinary share (six months ended 30 June 2015: HK\$0.02 per ordinary share), the total dividend per ordinary share for the year was HK\$0.08 (2015: HK\$0.04 per ordinary share).

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

Record date (being the last date for registration of any share transfer given there will be no book closure) for determining the entitlement of the shareholders of the Company to attend and vote at the AGM will be Tuesday, 18 April, 2017. All transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on Tuesday, 18 April 2017.

RESERVES

Details of the movements in the reserves of the Group and of the Company during the year are set out in the consolidated statement of changes in equity and in note 24 to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in the Company's share capital are set out in notes 22 and 23 to the consolidated financial statements.

股息

年內，已向本公司股東支付中期股息每股普通股0.04港元，為數約44.72百萬港元。

董事會建議向於二零一七年五月十五日(星期一)營業時間結束時名列於本公司股東名冊的股東派付截至二零一六年十二月三十一日止年度的末期股息每股普通股0.04港元(截至二零一五年十二月三十一日止年度：每股普通股0.02港元)，惟須由本公司股東即將於二零一七年四月二十五日(星期二)舉行的本公司股東週年大會上批准方可作實，倘通過，將於二零一七年五月二十九日(星期一)向本公司股東支付末期股息。為釐定獲得建議末期股息的資格，本公司將於二零一七年五月十一日(星期四)至二零一七年五月十五日(星期一)止(包括首尾兩日)暫停辦理股份登記手續，期間將不會辦理股份過戶手續。為符合取得末期股息的資格，所有股份過戶文件連同有關股票須於二零一七年五月十日(星期三)下午四時三十分前送交本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)，辦理股份登記手續。連同中期股息每股普通股0.04港元(截至二零一五年六月三十日止六個月：每股普通股0.02港元)，本年度每股普通股股息總額為0.08港元(二零一五年：每股普通股0.04港元)。

確定有權出席股東週年大會並於會上投票的記錄日期

為確定本公司股東出席股東週年大會並於會上投票的權利的記錄日期(鑒於將不會暫停辦理股份過戶登記，即指進行任何股份過戶登記的截止日期)為二零一七年四月十八日(星期二)。本公司股東必須於二零一七年四月十八日(星期二)下午四時三十分前，將所有股份過戶文件連同有關股票送交本公司香港股份過戶登記處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)進行登記。

儲備

年內本集團及本公司的儲備變動詳情載於綜合權益變動表及綜合財務報表附註24。

物業、廠房及設備

本集團物業、廠房及設備的變動詳情載於綜合財務報表附註14。

股本及購股權

本公司股本的變動詳情載於綜合財務報表附註22及23。

Report of the Directors

董事會報告

Share Option Scheme

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

As at the end of 2016, the entire number of share options have been granted to the eligible participants of the Scheme and no further shares is available for issue in respect of which options may be granted under the Scheme.

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

The purpose of the Scheme is to reward the relevant participants who have contributed to the Group and to give incentives thereto working towards enhancing the value of the Group for the benefit of the Group and the Shareholders as a whole.

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

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

The exercise price for the Options shall be determined by the Board and must be not lower than the higher of:

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

During the year ended 31 December 2016, no share option was granted and a total of 5,860,000 share options, which were part of the share options granted to the employees on 28 May 2014, were exercised, and the weighted average closing price of the shares immediately before the dates on which the options were exercised was HK\$7.16 per share. The particulars of the share options under the Scheme are as follows:

購股權計劃

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

截至二零一六年，全數購股權已授予該計劃的合資格參與者，並無進一步股份可根據該計劃可予以發行。

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

計劃旨在獎勵對本集團作出貢獻的相關參與者，並鼓勵本集團致力提升價值，以惠及本集團及股東的整體利益。

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

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

購股權的行使價將由董事會釐定，不得低於以下較高者：

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

截至二零一六年十二月三十一日止年度，並無授出任何購股權，且合共5,860,000份購股權(此為於二零一四年五月二十八日授予僱員的購股權的一部份)已行使，股份於緊接購股權獲行使當日前的加權平均收市價為每股7.16港元。計劃項下購股權的詳情如下：

Report of the Directors

董事會報告

MOVEMENTS IN THE SHARE OPTIONS OF THE COMPANY 本公司的購股權變動

Name 姓名	Date of grant 授出日期	Exercised price 行使價 (HK\$) (港元)	Number of Outstanding Share Options held as at 1 January 2016 於二零一六年一月一日所持之尚未行使購股權數目	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Cancelled during the year 年內註銷	Number of Outstanding Share Options held as at 31 December 2016 於二零一六年十二月三十一日所持之尚未行使購股權數目
Directors 董事								
Nie Guoming 聶國明	22 June 2012* 二零一二年六月二十二日*	1.230	-	-	-	-	-	-
Lu Jie 蘆杰	22 June 2012* 二零一二年六月二十二日*	1.230	-	-	-	-	-	-
Li Wenjin 李文晉	22 June 2012* 二零一二年六月二十二日*	1.230	-	-	-	-	-	-
Total for Directors 董事總計			-	-	-	-	-	-
Employees 僱員								
(In aggregate) (總計)	22 June 2012* 二零一二年六月二十二日*	1.230	6,000,000	-	-	-	-	6,000,000
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	18,134,000	-	(5,860,000)	-	-	12,274,000
Total for Employees 僱員總計			24,134,000	-	(5,860,000)	-	-	18,274,000
Consultants 顧問								
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,580,000	-	-	-	-	1,580,000
Total for Consultants 顧問總計			1,580,000	-	-	-	-	1,580,000
Total 總數			25,714,000	-	(5,860,000)	-	-	19,854,000

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

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

Report of the Directors

董事會報告

DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company had reserves available for distribution as calculated under the Companies Act 1981 of Bermuda (as amended) amounting to HK\$43,073,000 (2015: HK\$25,512,000). However, the Company's share premium account, in the amount of HK\$1,299,524,000 (2015: HK\$1,323,439,000) may be distributed in the form of fully paid bonus shares.

PRE-EMPTIVE RIGHTS

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

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and financial position of the Group for the last five financial years is set out on page 160.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year, the Company repurchased an aggregate of 10,000,000 ordinary shares for a total consideration of approximately HK\$52,547,000 on the Stock Exchange as follows:

Date of Repurchase	購回日期	No. of shares repurchased 已購回 股份數目	Consideration per share 每股代價		Total Consideration paid 已付 總代價
			Highest HK\$ 最高 港元	Lowest HK\$ 最低 港元	
14 September 2016	二零一六年九月十四日	5,000,000	5.91	5.78	29,276,000
24 November 2016	二零一六年十一月二十四日	5,000,000	4.77	4.46	23,271,000
Total	總計	10,000,000			52,547,000

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

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

可供分派儲備

根據百慕達一九八一年公司法(經修訂)計算，本公司於二零一六年十二月三十一日有為數43,073,000港元儲備可供分派(二零一五年：HK\$25,512,000)。然而，本公司可以繳足紅股方式分派股份溢價賬中為數1,299,524,000港元(二零一五年：1,323,439,000港元)的款項。

優先認股權

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

五年財務概要

本集團於過去五個財政年度的業績及財務狀況概要載於第160頁。

購買、出售或贖回證券

於年內，本公司於聯交所購回合共10,000,000股普通股，總代價約為52,547,000港元，詳情如下：

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

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

Report of the Directors

董事會報告

DIRECTORS

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

Executive Directors:

NIE Guoming
LU Jie
LI Wenjin

Independent Non-Executive Directors:

YIP Wai Ming
WU Min
MAN Kwok Kuen, Charles

Pursuant to the Company's Bye-laws 84 and 85, one-third of the Directors are subject to retirement by rotation and re-election at least once every three years at the annual general meeting of the Company.

Mr. Nie Guoming and Mr. Li Wenjin will retire and, being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

DIRECTORS' SERVICE CONTRACTS

As at the date of this report, each of the executive Directors has entered into a service contract with the Company for a term of three years commencing, from 23 May 2016 for Mr. Lu Jie and 20 December 2016 for Mr. Nie Guoming and Mr. Li Wenjin, unless otherwise terminated in accordance with the terms of the service contract.

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

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

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

PERMITTED INDEMNITY PROVISION

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

Throughout the year, the Company has maintained appropriate directors and officers liability insurance cover for the Directors and officers of the Group to indemnify the Directors and officers of the Group against all losses or liabilities sustained or incurred arising from or incidental to execution of duties of his/her offices.

董事

年內及直至本報告日期的董事為：

執行董事：

聶國明
蘆杰
李文晉

獨立非執行董事：

葉偉明
吳敏
文國權

根據本公司的公司細則第84及第85條，三分一董事須至少每三年於本公司股東週年大會上輪值告退及膺選連任。

聶國明先生及李文晉先生將退任，而彼等符合資格並願意於應屆股東週年大會膺選連任。

董事的服務合約

於本報告日期，執行董事已各自與本公司訂立服務合約，蘆杰先生的任期自二零一六年五月二十三日起，而聶國明先生和李文晉先生的任期自二零一六年十二月二十日起，為期三年，除非其中一方根據服務合約的條款予以終止。

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

董事及高級管理層履歷詳情

董事及高級管理層的履歷詳情載於第6至8頁。

獲准許的彌償條文

本集團董事及高級管理人員之獲准許的彌償條文現時及於整個年度一直生效。

於本年度，本公司已為本集團董事及高級管理人員投購適當的董事及高級管理人員責任保險，以彌償本集團董事及高級管理人員因履行其職責而須承擔或產生或附帶產生的所有損失或責任。

Report of the Directors

董事會報告

DIRECTORS' INTERESTS IN CONTRACTS

Details of the continuing connected transactions and related party transactions are respectively set out on pages 63 to 65 and 152 to 154.

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

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, none of the Directors or the substantial shareholders of the Company or any of their respective associates engaged in any business that competes or may compete with the business of the Group, or has any other conflict of interests with the Group.

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

As at 31 December 2016, the interests and short positions of each Director and the chief executive of the Company (the "Chief Executive") in the Company's shares (the "Shares"), underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), as recorded in the register maintained by the Company under section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of the Listed Issuers (the "Model Code") are as follows:

Ordinary shares of HK\$0.10 each in the Company

Name of Director	Capacity	Interest in Shares	Total interests ⁽ⁱ⁾	Approximate percentage of shareholding* 股權之概約百分比*
董事姓名	持股身份	股份權益	權益總額 ⁽ⁱ⁾	百分比*
Nie Guoming (<i>Chairman</i>) 聶國明(主席)	Beneficial owner 實益擁有人	4,200,000	4,200,000(L)	0.38%
Lu Jie (<i>Chief Executive Officer</i>) 蘆杰(行政總裁)	Beneficial owner 實益擁有人	8,870,000	8,870,000(L)	0.80%
Li Wenjin 李文晉	Beneficial owner 實益擁有人	2,890,000	2,890,000 (L)	0.26%

Notes:

(i) The letter "L" denotes a long position in Shares.

* The percentage is calculated based on the total number of issued shares of the Company as at 31 December 2016 which was 1,107,874,000 ordinary shares.

董事於合約的權益

持續關連交易及關聯方交易詳情分別載於第63至65頁及第152至154頁。

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

董事於競爭業務的權益

於年內，概無董事或本公司主要股東或彼等各自任何聯繫人士參與任何與本集團業務競爭或可能競爭的業務，或與本集團有任何其他利益衝突。

董事及行政總裁於股份、相關股份及債券的權益及淡倉

於二零一六年十二月三十一日，各董事及本公司行政總裁(「行政總裁」)於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的本公司股份(「股份」)、本公司相關股份及債券中，擁有已記入本公司根據證券及期貨條例第352條存置的登記冊或根據上市發行人董事進行證券交易的標準守則(「標準守則」)已知會本公司及香港聯合交易所有限公司(「聯交所」)的權益及淡倉如下：

本公司每股面值0.10港元的普通股

附註：

(i) 「L」表示股份的好倉。

* 百分比乃根據本公司於二零一六年十二月三十一日已發行股份總數(即1,107,874,000股普通股)計算。

Report of the Directors

董事會報告

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

As at 31 December 2016, the interests and short positions of substantial shareholders (not being a Director or the Chief Executive) in the shares, underlying shares and debentures of the Company and its associated corporations as recorded in the register maintained by the Company under Section 336 of the SFO are as follow:

主要股東於股份及相關股份的權益及淡倉

按本公司根據證券及期貨條例第336條存置的登記冊所顯示，於二零一六年十二月三十一日，主要股東（而非董事或行政總裁）於本公司及其相聯法團的股份、相關股份及債券中所擁有的權益及淡倉如下：

Name of shareholder 股東名稱	Capacity 身份	Class of securities 證券類別	Total number of Shares (Note 1) 股份總數 (附註1)	Approximate percentage of shareholding (Note 2) 概約控股百分比 (附註2)
Hi Sun Technology (China) Limited ("Hi Sun") 高陽科技(中國)有限公司(「高陽」)	Beneficial owner 實益擁有人	Ordinary 普通股	364,000,000 (L)	32.86%
Baillie Gifford & Co	Investment manager 投資經理	Ordinary 普通股	89,588,000 (L)	8.09%
FMR LLC	Investment manager 投資經理	Ordinary 普通股	79,419,461(L)	7.17%

Notes:

- The letter "L" denotes a long position in Shares.
- The percentage is calculated based on the total number of issued shares of the Company as at 31 December 2016 which was 1,107,874,000 ordinary shares.

附註：

- 字母「L」表示於股份的好倉。
- 百分比乃根據本公司於二零一六年十二月三十一日已發行股份總數（即1,107,874,000股普通股）計算。

Report of the Directors

董事會報告

CONNECTED TRANSACTIONS

During the year ended 31 December 2016, the Group entered into the certain continuing connected transactions and details of these continuing connected transactions are set out below in accordance with the Listing Rules:

Framework agreements with Hi Sun

Hi Sun is a substantial shareholder interested in 32.86% of the Company's issued share capital and therefore a connected person of the Company under the Listing Rules. Accordingly, transactions between the Company and Hi Sun constitute connected transactions of the Company under the Listing Rules.

i. Supply of E-payment Terminals Products

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

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

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

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

關連交易

於截至二零一六年十二月三十一日止年度，本集團訂立若干持續關連交易，根據上市規則，該等持續關連交易詳情載列如下：

與高陽訂立框架協議

高陽為持有本公司已發行股本32.86%權益的主要股東，故根據上市規則，其為本公司的關連人士。因此，本公司與高陽的交易根據上市規則項下構成本公司的關連交易。

i. 供應電子支付終端產品

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

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

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

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

Report of the Directors

董事會報告

ii. Purchase of Chips

On 31 December 2013, the Company and Hi Sun entered into a framework agreement (the "2013 Chips Framework Agreement") in relation to the sale by Hi Sun Group and purchase by the Group of the mag-stripe card security decoder chips (the "Security Decoder Chips"), the term of which commenced on 1 January 2014 and expired on 31 December 2016. The annual caps of the total contract value for the sale and purchase of the Security Decoder Chips under the 2013 Chips Framework Agreement for each of the financial years ended 31 December 2014, 2015 and 2016 were set at HK\$50,000,000, HK\$60,000,000 and HK\$65,000,000 respectively and the aggregate contract value for each of the financial years ended 31 December 2014, 2015 and 2016 were approximately HK\$45,390,000, HK\$45,702,000 and HK\$37,120,000 respectively.

In view of the Group's continuous demand for (i) the Security Decoder Chips supplied by Hi Sun Group under the 2013 Chips Framework Agreement; (ii) the security micro controller unit chips; and (iii) the contactless reader chips (collectively the "Chips") after the expiry of the term of the 2013 Chips Framework Agreement for Purchase of Chips, the Company and Hi Sun entered into another framework agreement on 30 December 2016 (the "2017 Chips Framework Agreement"), pursuant to which the Group agreed to purchase and Hi Sun Group agreed to sell the Chips for a term of three years commencing on 1 January 2017 and expiring on 31 December 2019.

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

The term of the 2017 Framework Agreement commenced on 1 January 2017 and will expire on 31 December 2019. The annual caps of the total contract value for the transactions contemplated under the 2017 Chips Framework Agreement for the three years ending 31 December 2017, 2018 and 2019 were set at HK\$65,000,000, HK\$70,000,000 and HK\$75,000,000 respectively.

During the year, the prices payable for the purchase of the Security Decoder Chips under the 2013 Chips Framework Agreement were determined by making reference to the prices of other products sold by Hi Sun Group and the prices of similar products sold by third party suppliers in the industry. The Company has also complied with the reporting, announcement and annual review requirements and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

ii. 購買芯片

於二零一三年十二月三十一日，本公司與高陽訂立一份有關高陽集團出售及本集團購買磁條卡加密解碼芯片(「加密解碼芯片」)的框架協議(「二零一三年芯片框架協議」)，期限於二零一四年一月一日開始及二零一六年十二月三十一日屆滿。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財政年度各年，根據二零一三年芯片框架協議，買賣加密解碼芯片的合約總額年度上限分別為50,000,000港元、60,000,000港元及65,000,000港元，而截至二零一四年、二零一五年及二零一六年十二月三十一日止財政年度各年的合約價值總額分別約為45,390,000港元、45,702,000港元及37,120,000港元。

鑒於購買芯片的二零一三年芯片框架協議限期屆滿後本集團對(i)高陽集團根據二零一三年芯片框架協議提供的加密解碼芯片；(ii)加密安全處理器芯片；及(iii)非接觸卡讀卡芯片(統稱「芯片」)的持續需求，本公司與高陽於二零一六年十二月三十日訂立另一項框架協議(「二零一七年芯片框架協議」)，據此，本集團同意購買而高陽集團同意出售芯片，期限於二零一七年一月一日開始及二零一九年十二月三十一日屆滿，為期三年。

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

二零一七年芯片框架協議的期限於二零一七年一月一日開始及將於二零一九年十二月三十一日屆滿。截至二零一七年、二零一八年及二零一九年十二月三十一日止三個年度在二零一七年芯片框架協議下擬進行的交易合約總額年度上限分別為65,000,000港元、70,000,000港元及75,000,000港元。

年內，根據二零一三年芯片框架協議購買加密解碼芯片的應付價格乃參考高陽集團出售其他產品的價格及第三方供應商於業內出售同類產品的價格而釐定。本公司亦已遵守上市規則第14A章的申報、公告及年度審閱的規定，及獲豁免遵守獨立股東批准的規定。

Report of the Directors

董事會報告

Please also refer to note 31(a) to the consolidated financial statements.

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

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

The Company's auditor was engaged to report on the Group's continuing connected transactions for the year ended 31 December 2016 in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing its findings and conclusions in respect of the continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules and a copy of this letter has been provided to the Stock Exchange.

A summary of significant related party transactions made during the year was disclosed in note 31 to the financial statements.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2016.

DEED OF NON-COMPETITION AND CONFLICTS OF INTERESTS

A deed of non-competition was entered into between the Company and Hi Sun on 1 December 2010 ("Deed of Non-Competition").

Hi Sun has signed an annual declaration of compliance with the Deed of Non-competition confirming its compliance with the non-competition undertakings in the Deed of Non-Competition. The independent non-executive Directors of the Company have reviewed the abovementioned undertakings and consider that Hi Sun has complied with the Deed of Non-Competition during the financial year ended 31 December 2016. Mr. Li Wenjin, an executive Director of the Company, is also an executive director of Hi Sun and certain of its subsidiaries.

亦請參閱綜合財務報表附註31(a)。

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

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

本公司核數師已獲委聘就本集團截至二零一六年十二月三十一日止年度的持續關連交易作出報告，有關報告乃按照《香港核證委聘準則》第3000號(經修訂)「審核或審閱過往財務資料以外之核證委聘」及根據香港會計師公會發出的《實務說明》第740號「關於香港《上市規則》所述持續關連交易的核數師函件」進行。核數師已根據上市規則第14A.56條的規定，就持續關連交易發出函件，當中載列其發現及結論，而本公司已向聯交所提供有關函件。

年內進行的重大關聯方交易概要於財務報表附註31披露。

管理合約

於截至二零一六年十二月三十一日止年度，概無訂立或存在任何與本公司全部或任何重大業務部分相關的管理及行政合約。

不競爭契據及利益衝突

本公司與高陽於二零一零年十二月一日訂立一份不競爭契據(「不競爭契據」)。

高陽已簽署不競爭契據的年度遵守聲明，確認其已遵守不競爭契據內的不競爭承諾。本公司獨立非執行董事已審閱上述承諾，並認為高陽於截至二零一六年十二月三十一日止財政年度一直遵守不競爭契據。本公司執行董事李文晉先生亦為高陽及其若干附屬公司之執行董事。

Report of the Directors

董事會報告

Should any conflicts of interest or potential conflict of interest arise between the Group and Hi Sun Group in any particular transaction, any common directors of the two groups and any Director who is interested in the relevant transaction(s) will be required to abstain from voting on the relevant Board resolutions. Based on the above, none of the Directors have any interest in any competing business with the Hi Sun Group that is discloseable under Rule 8.10(2) of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the year ended 31 December 2016 attributable to the Group's major suppliers and customers are respectively as follows:

Purchases

— the largest supplier	22.4
— five largest suppliers combined	48.2

Sales

— the largest customer	18.2
— five largest customers combined	45.4

The total sales, including the sales of electronic payment products, attributable to a subsidiary of Hi Sun, one of the Group's five largest customers for the year, amounted to approximately HK\$133.8 million (representing approximately 4.6% of the total sales amount). Hi Sun is the controlling shareholder of the Company holding approximately 32.86% of its issued share capital and Mr. Li Wenjin, concurrently an executive Director of the Company and Hi Sun, was interested in approximately 0.23% of the issued share capital of Hi Sun as at 31 December 2016.

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

倘於任何特定交易中本集團與高陽集團之間出現任何利益衝突或潛在利益衝突，兩個集團之任何共同董事及於相關交易中擁有權益之任何董事將須就相關董事會決議案放棄投票表決。基於上文所述者，概無董事於根據上市規則第8.10(2)條須予披露之與高陽集團的任何競爭業務中擁有權益。

主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團主要供應商和客戶的應佔採購和銷售百分比分別如下：

採購

— 最大供應商	22.4
— 五大供應商合計	48.2

銷售

— 最大客戶	18.2
— 五大客戶合計	45.4

總銷售(包括本年度本集團五大客戶之一的高陽附屬公司應佔的電子支付產品銷售)約為133.8百萬港元(佔總銷售額約4.6%)。高陽為持有本公司已發行股本約32.86%之控股股東，而同為本公司及高陽執行董事的李文晉先生於二零一六年十二月三十一日高陽已發行股本約0.23%中擁有權益。

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

Report of the Directors

董事會報告

PENSION SCHEME

The subsidiaries operating in Hong Kong are required to participate in a defined contribution retirement scheme set up by the Group or the Company in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance. Under the scheme, the employees are required to contribute 5% of their monthly salaries up to a maximum of HK\$1,500 and they can choose to make additional contributions. The employer's monthly contributions are also calculated at 5% of the employee's monthly salaries up to a maximum of HK\$1,500 (the "Mandatory Contributions"). The employees are entitled to 100% of the employer's Mandatory Contributions upon their retirement at the age of 65 years old, death or total incapacity.

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

SUFFICIENCY OF PUBLIC FLOAT

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

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting of the Company.

On behalf of the Board

Nie Guoming
Chairman

Hong Kong, 8 March 2017

退休金計劃

於香港營運的附屬公司須參加本集團或本公司根據香港強制性公積金條例設立的定額供款退休計劃。根據計劃，僱員須按月薪5%作出供款，上限為1,500港元，而彼等可選擇作出額外供款。僱主每月供款按僱員月薪5%計算，上限為1,500港元（「強制性供款」）。僱員年屆65歲退休、身故或喪失工作能力時，享有全部僱主強制供款。

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

足夠公眾持股量

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

核數師

羅兵咸永道會計師事務所已審核財務報表，彼等將於本公司應屆股東週年大會退任，惟符合資格獲重新委任。

代表董事會

主席
聶國明

香港，二零一七年三月八日

Independent Auditor's Report

獨立核數師報告



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

OPINION

What we have audited

The consolidated financial statements of PAX Global Technology Limited (the "Company") and its subsidiaries (the "Group") set out on pages 75 to 159, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated balance sheet of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

羅兵咸永道

獨立核數師報告
致百富環球科技有限公司股東
(於百慕達註冊成立的有限公司)

意見

我們已審計的內容

百富環球科技有限公司（以下簡稱「貴公司」）及其附屬公司（以下統稱「貴集團」）列載於第75至159頁的綜合財務報表，包括：

- 於二零一六年十二月三十一日的綜合資產負債表；
- 截至該日止年度的綜合收益表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的綜合資產負債表及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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

Independent Auditor's Report

獨立核數師報告

BASIS FOR OPINION

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

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

Independence

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional 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.

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

- Impairment of receivables
- Provision for inventories

Key Audit Matter

Impairment of receivables

Refer to Note 4(c) (critical accounting estimates and judgements) and Note 19 (trade and bills receivables, deposits and other receivables) to the consolidated financial statements for the related disclosures

As at 31 December 2016, gross trade receivables of the Group amounted to HK\$1,311.1 million, which accounted for approximately 30% of the Group’s total assets. The provision for impairment of trade receivables amounted to HK\$4.1 million, all of which was attributable to customers located in China.

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

意見基礎

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

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

關鍵審計事項

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

我們在審計中識別的關鍵審計事項概述如下：

- 應收款項減值
- 存貨撥備

關鍵審計事項

應收款項的減值

有關相關事項的披露，請參閱綜合財務報表附註4(c)（關鍵會計估計及判斷）及附註19（應收賬款及應收票據、按金及其他應收款項）。

於二零一六年十二月三十一日，貴集團的應收賬款總額約為1,311,143,000港元，佔貴集團總資產約30%。應收賬款的減值撥備約為4,067,000港元，當中全部源自中國的客戶。

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

Independent Auditor's Report

獨立核數師報告

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

How our audit addressed the Key Audit Matter

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

- Understood and validated the credit control procedures performed by management, including its procedures on periodic review on aged receivables and assessment on recoverability of these receivables;
- Tested on a sample basis, the accuracy of ageing profile on trade receivables by checking to the underlying sales invoices; and
- Tested subsequent settlement of trade receivables balances. Where settlement had not been received subsequent to the year end for those unprovided aged receivables beyond the credit period as at year end, we obtained management's assessment on the recoverability of these debts and corroborated explanations with historical settlement pattern and underlying correspondence with the relevant customers.

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

Provision for inventories

Refer to Note 4(b) (critical accounting estimates and judgements) and Note 18 (inventories) to the consolidated financial statements for the related disclosures

The Group held inventories of HK\$596.5 million as at 31 December 2016. Inventories are carried at the lower of cost and net realisable value ("NRV"). The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become obsolete, or if their selling prices have declined. For the year ended 31 December 2016, the Group has written back provision for inventories of HK\$18.0 million.

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

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

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

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

我們的審計如何處理關鍵審計事項

我們對有關管理層評估應收賬款可收回性之審計程序包括：

- 理解和驗證管理層執行的信用監控程序，包括其對定期審閱逾期應收款項及評估該等應收款項可收回性的程序；
- 透過檢查相關銷售發票，以抽樣方式測試應收賬款賬齡之準確性；及
- 測試應收賬款結餘於結算日後的償付情況。對於在年結日已超出其信貸期的未撥備逾期應收款項在年末後仍未有付款，我們取得了管理層對該等應收賬款可回收性所作的評估，並透過相關客戶過往的償付模式和有關的往來信函佐證其解釋。

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

存貨撥備

有關相關事項的披露，請參閱綜合財務報表附註4(b)（關鍵會計估計及判斷）及附註18（存貨）。

貴集團於二零一六年十二月三十一日持有存貨約596,539,000港元。存貨乃按成本與可變現淨值（「可變現淨值」）之較低者列賬。倘存貨已經陳舊、損壞、過時或售價下跌，則可能無法收回存貨成本。截至二零一六年十二月三十一日止年度，貴集團撥回存貨撥備約17,983,000港元。

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

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

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

Independent Auditor's Report

獨立核數師報告

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

How our audit addressed the Key Audit Matter

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

- Understood and validated the control procedures performed by management, including its procedures in estimating the NRV of the inventories and conducting periodic review on inventory obsolescence;
- Observed client's inventory counts to identify whether there is any damaged or obsolete inventory;
- Tested on a sample basis, the accuracy of the ageing profile of individual inventory items by checking to the underlying procurement correspondence and invoices;
- Tested on a sample basis, the subsequent usage of significant inventory items, obtained through the usage report subsequent to the year end as a basis to identify inventory obsolescence. Where there are no subsequent usage of the respective items after the year end, we discussed with management its assessment on estimated future utilisation, corroborating explanations with the inventory ageing, sales orders and marketability of the relevant finished goods by using our industry knowledge and external market analysis, as appropriate; and
- Tested on a sample basis, the NRV of selected inventory items, by comparing the selling price subsequent to the year end, against the carrying values of these individual finished goods. Where there are no subsequent sales of the respective finished goods after the year end, we discussed with management as to the realisable value of the products, corroborating explanations with the inventory ageing, sales orders, historical margins, and current market conditions by using our industry knowledge and external market analysis, as appropriate.

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

OTHER INFORMATION

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

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

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

我們的審計如何處理關鍵審計事項

我們對有關管理層評估存貨之可變現淨值及其是否過時執行的審計程序包括：

- 理解和驗證管理層執行的監控程序，包括其估計存貨可變現淨值及定期覆核存貨過時的程序；
- 對存貨進行監盤，以識別出有否有任何損壞或過時存貨；
- 透過檢查相關採購資料及發票，以抽樣方式測試個別存貨項目庫齡之準確性；
- 以抽樣方式測試重要存貨於年末後之使用情況，透過取得年末後的使用報告，識別出過時存貨。倘相關存貨於年末後並無用量，我們會與管理層討論其對估計存貨未來使用率作出之評估，透過我們對行業的認識和外部市場分析（如適用），佐證有關存貨庫齡、銷售訂單及相關製成品營銷能力的解釋；及
- 以抽樣方式測試選定存貨項目之可變現淨值，在測試中將個別製成品於年末後的售價與其賬面值作一比較。對於年末後並無出售的相關製成品，我們已與管理層討論該產品的可變現淨值，並透過我們對行業的認識和外部市場分析（如適用），佐證有關存貨年期、銷售訂單、過往毛利率及現行市況的解釋。

根據所述程序，我們發現管理層有關存貨撥備之估計有可得的證據支持。

其他信息

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

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

Independent Auditor's Report

獨立核數師報告

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

董事及審核委員會就綜合財務報表須承擔的責任

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

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

審核委員會須負責監督貴集團的財務報告過程。

核數師就審計綜合財務報表承擔的責任

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

Independent Auditor's Report

獨立核數師報告

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
 - Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：
- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
 - 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
 - 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
 - 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
 - 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

Independent Auditor's Report

獨立核數師報告

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Tak Wai, Daniel.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 8 March 2017

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

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

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

出具本獨立核數師報告的審計項目合夥人是陳德威。

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月八日

Consolidated Income Statement

綜合收益表

		Year ended 31 December 截至十二月三十一日止年度		
		2016 二零一六年	2015 二零一五年	
		HK\$'000 千港元	HK\$'000 千港元	
		Notes 附註		
Revenue	收入	5	2,914,842	2,870,794
Cost of sales	銷售成本	7	(1,652,848)	(1,778,304)
Gross profit	毛利		1,261,994	1,092,490
Other income	其他收入	5	71,593	109,235
Selling expenses	銷售開支	7	(297,396)	(235,715)
Administrative expenses	行政費用	7, 8	(347,098)	(308,037)
Operating profit	經營溢利		689,093	657,973
Finance costs	財務費用	9	(10,794)	–
Profit before income tax	除所得稅前溢利		678,299	657,973
Income tax expense	所得稅開支	11	(74,865)	(37,687)
Profit for the year	年度溢利		603,434	620,286
Profit attributable to:	應佔溢利：			
Owners of the Company	本公司持有人		600,908	620,736
Non-controlling interests	非控股權益		2,526	(450)
			603,434	620,286
			HK\$ per share 每股港元	HK\$ per share 每股港元
Earnings per share for the profit attributable to the owners of the Company:	本公司持有人 應佔溢利之每股盈利：			
– Basic	– 基本	12(a)	0.539	0.560
– Diluted	– 攤薄	12(b)	0.535	0.551

The notes on pages 82 to 159 are an integral part of these consolidated financial statements.

第82至159頁的附註乃綜合財務報表的其中部分。

Consolidated Statement of Comprehensive Income

綜合全面收益表

Year ended 31 December

截至十二月三十一日止年度

2016 2015

二零一六年 二零一五年

HK\$'000 HK\$'000

千港元 千港元

Profit for the year	年內溢利	603,434	620,286
Other comprehensive loss, net of tax	其他全面虧損，扣除稅項		
<i>Items that may be subsequently reclassified to profit or loss</i>	其後可能重新分類至損益之項目		
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司 財務報表產生的匯兌差額	(126,208)	(101,930)
Total comprehensive income for the year, net of tax	年內全面收益總額，扣除稅項	477,226	518,356
Attributable to:	應佔：		
Owners of the Company	本公司持有人	475,534	518,801
Non-controlling interests	非控股權益	1,692	(445)
		477,226	518,356

The notes on pages 82 to 159 are an integral part of these consolidated financial statements.

第82至159頁的附註乃綜合財務報表的其中部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December

於十二月三十一日

2016 2015

二零一六年 二零一五年

HK\$'000 HK\$'000

千港元 千港元

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ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	67,919	11,480
Leasehold land	租賃土地	16	186	203
Intangible assets	無形資產	15	89,392	15,625
Other non-current assets	其他非流動資產	19	38,353	31,400
Deferred income tax assets	遞延所得稅資產	26	16,794	906
Total non-current assets	非流動資產總值		212,644	59,614
Current assets	流動資產			
Inventories	存貨	18	596,539	562,445
Trade and bills receivables	應收賬款及應收票據	19	1,347,446	1,261,174
Deposits and other receivables	按金及其他應收款項	19	68,919	43,719
Restricted cash	受限制現金	20	310	8,935
Cash at bank and on hand	銀行及手上現金	21	2,207,205	2,144,312
Total current assets	流動資產總值		4,220,419	4,020,585
Total assets	資產總值		4,433,063	4,080,199
EQUITY	權益			
Equity attributable to the owners of the Company	本公司持有人應佔權益			
Share capital	股本	22	110,787	111,201
Reserves	儲備	24	3,354,748	2,966,373
			3,465,535	3,077,574
Non-controlling interests	非控股權益		35,748	13,025
Total equity	權益總額		3,501,283	3,090,599

The notes on pages 82 to 159 are an integral part of these consolidated financial statements.

第82至159頁的附註乃綜合財務報表的其中部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December

於十二月三十一日

2016 2015
二零一六年 二零一五年
HK\$'000 HK\$'000
千港元 千港元

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LIABILITIES	負債			
Non-current liabilities	非流動負債			
Deferred income tax liabilities	遞延所得稅負債	26	6,363	2,057
Current liabilities	流動負債			
Trade payables	應付賬款	25	662,485	710,529
Other payables and accruals	其他應付賬款及應計款項	25	226,791	231,356
Taxation payable	應付稅項		36,141	45,658
Total current liabilities	流動負債總額		925,417	987,543
Total liabilities	負債總額		931,780	989,600
Total equity and liabilities	權益及負債總額		4,433,063	4,080,199

The financial statements were approved by the Board of Directors on 8 March 2017 and were signed on its behalf.

本財務報表於二零一七年三月八日獲董事會批准，並由下列董事代表簽署。

NIE GUOMING
聶國明
Director
董事

LI WENJIN
李文晉
Director
董事

The notes on pages 82 to 159 are an integral part of these consolidated financial statements.

第82至159頁的附註乃綜合財務報表的其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

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

The notes on pages 82 to 159 are an integral part of these consolidated financial statements.

第 82 至 159 頁的附註乃綜合財務報表的其中部分。

Consolidated Statement of Changes in Equity

綜合權益變動表

		Attributable to the owners of the Company 本公司持有人應佔								
		Reserves 儲備								
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Share option reserve 購股權儲備	Exchange reserve 外匯儲備	Retained earnings 保留盈利	Total 總計	Non- controlling interests 非控股權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
For the year ended 31 December 2015	截至二零一五年十二月三十一日止年度									
Balance at 1 January 2015	於二零一五年一月一日的結餘	110,081	1,306,427	(414,978)	62,680	64,839	1,419,131	2,438,099	-	2,548,180
Comprehensive income	全面收益									
Profit for the year	年內溢利	-	-	-	-	-	620,736	620,736	(450)	620,286
Other comprehensive loss	其他全面虧損									
Exchange differences arising on translation of the financial statements of foreign subsidiaries	換算海外附屬公司財務報表產生的匯兌差額	-	-	-	-	(101,935)	-	(101,935)	5	(101,930)
Total comprehensive income	全面收益總額	-	-	-	-	(101,935)	620,736	518,801	(445)	518,356
Transaction with owners	與擁有人的交易									
Share option scheme	購股權計劃									
- value of services provided	- 已提供服務的價值	-	-	-	14,690	-	-	14,690	-	14,690
- share options exercised	- 已行使購股權	1,120	17,012	-	-	-	-	17,012	-	18,132
Dividends paid	已付股息	-	-	-	-	-	(22,229)	(22,229)	-	(22,229)
Non-controlling interests arising on business combination	業務合併產生的非控股權益	-	-	-	-	-	-	-	13,470	13,470
Total transaction with owners	與擁有人的交易總額	1,120	17,012	-	14,690	-	(22,229)	9,473	13,470	24,063
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	111,201	1,323,439	(414,978)	77,370	(37,096)	2,017,638	2,966,373	13,025	3,090,599

The notes on pages 82 to 159 are an integral part of these consolidated financial statements.

第82至159頁的附註乃綜合財務報表的其中部分。

Consolidated Cash Flow Statement

綜合現金流量表

Year ended 31 December
截至十二月三十一日止年度

2016
二零一六年
HK\$'000
千港元

2015
二零一五年
HK\$'000
千港元

Notes
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			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cash flows from operating activities	經營業務的現金流量			
Cash generated from operations	經營所得現金	27(a)	356,712	386,095
Hong Kong profits tax paid	已付香港利得稅		(62,883)	(42,913)
PRC corporate income tax paid	已付中國企業所得稅		(33,528)	(26,047)
Interest paid	已付利息		(10,794)	–
Net cash generated from operating activities	經營業務所得現金淨額		249,507	317,135
Cash flows from investing activities	投資活動的現金流量			
Acquisitions of subsidiaries, net of cash acquired	收購附屬公司，扣除購入的現金	30	(10,446)	(1,363)
Purchase of property, plant and equipment	購置物業、廠房及設備		(14,614)	(5,248)
Interest received	已收利息		15,848	20,675
Prepayments for acquisitions of subsidiaries	收購附屬公司預付款項		–	(21,975)
Net cash used in investing activities	投資活動所用現金淨額		(9,212)	(7,911)
Cash flows from financing activities	融資活動的現金流量			
Proceeds from issuance of shares in connection with exercise of share options	就行使購股權發行股份所得款額		28,480	18,132
Payment for repurchase of the Company's shares	回購本公司的股份的付款		(52,809)	–
Dividends paid	股息支付		(67,047)	(22,229)
Net cash used in financing activities	融資活動所用現金淨額		(91,376)	(4,097)
Net increase in cash and cash equivalents	現金及現金等價物的增加淨額		148,919	305,127
Exchange losses on cash and cash equivalents	現金及現金等價物的匯兌損失		(86,026)	(79,544)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		2,144,312	1,918,729
Cash and cash equivalents at end of the year	年終現金及現金等價物	21	2,207,205	2,144,312

The notes on pages 82 to 159 are an integral part of these consolidated financial statements.

第82至159頁的附註乃綜合財務報表的其中部分。

Notes to the Consolidated Financial Statements

綜合財務報表附註

1 GENERAL INFORMATION

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

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

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

These financial statements are presented in thousands of units of Hong Kong dollars (HK\$’000), unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on 8 March 2017.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by The Hong Kong Institute of Certified Public Accountants (“HKICPA”). The consolidated financial statements have been prepared under the historical cost convention.

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

1 一般資料

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

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

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

除另有所指外，此等財務報表以千港元(「千港元」)為單位呈列。此等財務報表於二零一七年三月八日獲董事會批准刊發。

2 主要會計政策概要

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

2.1 編製基準

本公司的綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則(「香港財務報告準則」)編製。綜合財務報表已按歷史成本法編製。

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

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

- HKFRS 14, "Regulatory Deferral Accounts"
- Amendments to HKFRS 10, HKFRS 12 and HKAS 28 "Investment entities: applying the consolidation exception"
- Amendment to HKFRS 11 "Accounting for acquisitions of interests in joint operations"
- Amendments to HKAS 1 "Disclosure initiative"
- Amendments to HKAS 16 and HKAS 38 "Clarification of acceptable methods of depreciation and amortisation"
- Amendments to HKAS 16 and HKAS 41 "Agriculture: bearer plants"
- Amendment to HKAS 27 "Equity method in separate financial statements"
- Annual improvements 2012-2014

2 主要會計政策概要 (續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動

(a) 本集團所採納新訂及經修訂準則

- 香港財務報告準則第14號「監管遞延賬目」
- 香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號的修訂「投資實體：應用綜合入賬的例外情況」
- 香港財務報告準則第11號的修訂「收購合營業務權益的會計處理方法」
- 香港會計準則第1號的修訂「披露計劃」
- 香港會計準則第16號及香港會計準則第38號的修訂「對可接受的折舊及攤銷方法的釐清」
- 香港會計準則第16號及香港會計準則第41號的修訂「農業：生產性植物」
- 香港會計準則第27號的修訂「獨立財務報表的權益法」
- 二零一二年至二零一四年的年度改進

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

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

Amendments to HKAS 1 “Disclosure initiative”: The amendments clarify guidance in HKAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies. The key areas addressed by the changes are materiality, disaggregation and subtotals, accounting policies and other comprehensive income from equity accounted investments. Although the amendments do not require specific changes, they clarify a number of presentation issues and highlight that preparers are permitted to tailor the format and presentation of the financial statements to their circumstances and the needs of users. The adoption of the amendments to HKAS 1 did not have any impact on the Group’s consolidated financial statements.

Amendment to HKAS 27 “Equity method in separate financial statements”: The amendment allows entities to use equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amendments to HKAS 27 does not have any financial impact to the Company as it elects to continue accounting for its investments in subsidiaries at cost in its separate financial statements.

2 主要會計政策概要 (續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動 (續)

(a) *本集團所採納新訂及經修訂準則(續)*

香港會計準則第1號「披露計劃」(修訂本): 該修訂釐清了香港會計準則第1號關於重要性和匯總、小計的列報、財務報表的結構及會計政策披露的指引。變動的主要範疇為重大性、不合計與小計、會計政策以及因以權益法核算的投資而產生的其他全面收入。儘管修訂不涉及具體變動,但是釐清了許多關於列報的問題,並強調允許編製者對財務報表的格式及列報進行適當修改以符合自身情況及使用者的需求。採納香港會計準則第1號(修訂本)並無對本集團綜合財務報表構成影響。

香港會計準則第27號「獨立財務報表的權益法」(修訂本): 該修訂允許實體使用權益法作為會計方法,在附屬公司、合營企業及聯營公司的獨立財務報表中計算於附屬公司、合營企業及聯營公司的投資。採納香港會計準則第27號的修訂對本公司並無任何財務影響,因為其選擇繼續將於附屬公司的投資按成本列賬於獨立財務報表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

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

Annual improvements 2012-2014: The amendments include changes from the 2012-2014 cycle of the annual improvements project that affect the below standards: HKFRS 5, 'Non-current assets held for sale and discontinued operations'; HKFRS 7, 'Financial instruments: Disclosures'; HKAS 19, 'Employee benefits'; HKAS 34, 'Interim financial reporting'. The adoption of the amendments made in the 2012-2014 Cycle did not have any financial impact to the Group as it already complies with the requirements of the amendments.

Apart from those disclosed above, other new/revised HKFRSs that are effective for accounting periods beginning on 1 January 2016 do not have any impact on the Group.

(b) *New standards and interpretations not yet adopted*
A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these consolidated financial statements.

- Amendments to HKAS 7, "Statement of cash flows"
- Amendments to HKAS 12, "Income taxes"
- Amendments to HKFRS 10 and HKAS 28 "Sale or contribution of assets between an investor and its associate or joint venture"

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(a) *本集團所採納新訂及經修訂準則(續)*

二零一二年至二零一四年的年度改進。該修訂包括二零一二年至二零一四年報告週期年度改進項目的變動，其影響以下準則：香港財務報告準則第5號「持作出售非流動資產及已終止經營業務」；香港財務報告準則第7號「金融工具：披露」；香港會計準則第19號「僱員福利」；香港會計準則第34號「中期財務申報」。採納二零一二年至二零一四年週期作出的修訂對本集團並無任何財務影響，因為其一直遵守修訂規定。

除上文披露者外，於二零一六年一月一日開始的會計期間生效的其他新訂／經修訂香港財務報告準則對本集團並無任何影響。

(b) *尚未採納的新訂準則及詮釋*
編製此等綜合財務報表時，並未應用多項於二零一六年一月一日的後開始年度期間生效的新訂準則以及準則修訂。

- 香港會計準則第7號的修訂「現金流量表」
- 香港會計準則第12號的修訂「所得稅」
- 香港財務報告準則第10號及香港會計準則第28號的修訂「投資者與其聯營公司或合營企業之間的資產出售或注入」

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

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

- HKFRS 9, "Financial instruments"
- HKFRS 15, "Revenue from contracts with customers"
- HKFRS 16, "Leases"
- Amendments to HKFRS 2, "Classification and Measurement of Share-based Payment Transactions"

None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

HKFRS 9, 'Financial instruments'

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

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 'Financial instruments: recognition and measurement' and have not been changed.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) 尚未採納的新訂準則及詮釋(續)

- 香港財務報告準則第9號「金融工具」
- 香港財務報告準則第15號「客戶合約收益」
- 香港財務報告準則第16號「租賃」
- 香港財務報告準則第2號(修訂本)「以股份為基礎的付款交易的分類及計量」

除下文所載者外，上述準則預期不會對本集團的綜合財務報表產生重大影響：

香港財務報告準則第9號「金融工具」

此項新準則闡述金融資產及金融負債的分類、計量及終止確認，並引入對沖會計新規則及金融資產的新減值模型。

本集團預計新指引不會對其金融資產的分類及計量產生重大影響。

由於新規定僅影響指定按公平值計量且其變動計入當期損益的金融負債，而本集團並不持有該等負債，因此，本集團金融負債的會計處理將不會受影響。終止確認的規則已由香港會計準則第39號「金融工具：確認及計量」轉移且並無變動。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

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

HKFRS 9, 'Financial instruments' (continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("ECL") rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 'Revenue from contracts with customers', lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

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

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group does not intend to adopt HKFRS 9 before its mandatory date.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

- (b) *尚未採納的新訂準則及詮釋(續)*

香港財務報告準則第9號「金融工具」(續)

新減值模型要求以預期信用虧損(「預期信用虧損」)，而非香港會計準則第39號下僅以已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的金融資產、按公平值計入其他全面收益的債務工具、香港財務報告準則第15號「客戶合約收益」下的合約資產、應收租賃款、貸款承擔及若干財務擔保合約。儘管本集團尚未就新模型可能對其減值撥備造成的影響進行詳細評估，惟其可能導致提前確認信用虧損。

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

香港財務報告準則第9號須於二零一八年一月一日或之後開始的財政年度採用。根據已落實香港財務報告準則第9號的過渡性條文，僅可就二零一五年二月一日之前開始的年度報告期間分階段提早採納。於該日後，新規定必須予以完整採納。本集團並不擬於其強制日期前採納香港財務報告準則第9號。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

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

HKFRS 15, 'Revenue from contracts with customers'

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Management is currently assessing the effects of applying the new standard on the Group's financial statements and has identified the following areas that are likely to be affected:

- Revenue from service - the application of HKFRS 15 may result in the identification of separate performance obligations which could affect the timing of the recognition of revenue.
- Accounting for certain costs incurred in fulfilling a contract - certain costs which are currently expensed may need to be recognised as an asset under HKFRS 15.
- Rights of return HKFRS 15 requires separate presentation on the balance sheet of the right to recover the goods from the customer and the refund obligation.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) 尚未採納的新訂準則及詮釋(續)

香港財務報告準則第15號「客戶合約收益」

香港會計師公會已為確認收益頒佈一項新準則。該準則將取代香港會計準則第18號所涵蓋有關貨品及服務合約及香港會計準則第11號所涵蓋有關建造合約的規定。新準則乃基於貨品或服務的控制權轉移予客戶時確認收益的原則。該準則允許採納完整追溯調整法或經修訂追溯調整法。

管理層目前正評估採納新準則對本集團財務報表的影響並已識別下列可能受影響的範疇：

- 服務收益－應用香港財務報告準則第15號或會導致須識別獨立履約責任，其可能影響確認收益的時間。
- 履行合約產生的若干成本的會計處理－若干目前支銷的成本可能需根據香港財務報告準則第15號確認為資產。
- 退回權利－香港財務報告準則第15號規定於資產負債表上獨立呈列自客戶收回貨品的權利及退款責任。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

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

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

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessments of the impact over the next twelve months.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date.

HKFRS 16, 'Leases'

HKFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK\$47,685,000, see Note 29. However, the Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) *尚未採納的新訂準則及詮釋*
(續)

香港財務報告準則第15號
「客戶合約收益」(續)

於此階段，本集團無法估計新規定對本集團財務報表的影響。本集團將對未來十二個月所帶來的影響進行更詳細評估。

香港財務報告準則第15號須於二零一八年一月一日或之後開始的財政年度強制採用。於此階段，本集團並不擬於其生效日前採納該準則。

香港財務報告準則第16號
「租賃」

在經營租賃及融資租賃之間的差異遭取消的情況下，香港財務報告準則第16號將導致近乎所有租賃均在資產負債表中確認。根據新準則，以資產(租賃項目的使用權)及金融負債繳納租金均獲確認，惟期限較短及價值較低租賃不在此列。

出租人的會計處理將不會有重大變化。

該準則將主要影響本集團經營租賃的會計處理。於報告日期，本集團的不可撤銷經營租賃承擔為47,685,000港元(見附註29)。然而，本集團尚無法確定此等承擔中將導致確認資產及未來付款負債的金額，以及其將如何影響本集團的溢利及現金流量分類。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(continued)

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

HKFRS 16, 'Leases' (continued)

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other new/revised HKFRSs or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2.1 Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) *Business combination*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2 主要會計政策概要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露事項變動(續)

(b) *尚未採納的新訂準則及詮釋(續)*

香港財務報告準則第16號「租賃」(續)

部分承擔可能因期限較短及價值較低租賃而無需確認相關資產或負債，而部分承擔可能與不符合香港財務報告準則第16號下租賃要求的安排有關。

新準則須於二零一九年一月一日或之後開始的財政年度強制採用。於此階段，本集團並不擬於其生效日前採納該準則。

並無尚未生效的其他新訂／經修訂香港財務報告準則或香港(國際財務報告準則詮釋委員會)詮釋預期會對本集團產生重大影響。

2.2.1 附屬公司

附屬公司指本集團對其有控制權之實體(包括結構性實體)。本集團對實體有控制權，是指本集團因參與該實體之營運而獲得或有權享有其可變回報，並能夠運用其對實體之權力影響上述回報。附屬公司在控制權轉移至本集團之日綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

(a) *業務合併*

本集團採用收購會計法計算業務合併。收購附屬公司的已轉讓代價為所轉讓資產、所收購對象先前擁有人產生的負債及本集團發行的股權的公平值。所轉讓代價包括或然代價安排產生的任何資產或負債的公平值。於業務合併收購的可識別資產以及承擔的負債及或然負債，初步按收購日期的公平值計量。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation and combination (continued)

2.2.1 Subsidiaries (continued)

(a) Business combination (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in consolidated income statement.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in consolidated income statement. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

2 主要會計政策概要(續)

2.2 綜合及合併(續)

2.2.1 附屬公司

(a) 業務合併(續)

本集團以個別收購基準確認所收購對象之任何非控股權益。屬現時擁有權益且於清算時賦予購買方權利按比例分佔實體淨資產之非控股權益，按公平值或現時擁有權益應佔被收購公司可識別資產淨值的已確認金額比例計量。除非香港財務報表準則要求另一計量基準，否則所有其他非控股權益部份按其收購日期公平值計量。

收購相關成本為於產生時支銷。

倘業務合併分階段完成，收購方過往於收購對象所持股權於收購日期的賬面值，重新計量至收購日期公平值；該項重新計量所產生任何收益或虧損，於綜合收益表確認。

本集團將轉讓的任何或然代價，按收購日期公平值確認。視為資產或負債的或然代價公平值其後變動，根據香港會計準則第39號於綜合收益表確認。分類為權益的或然代價不加以重新計量，其後結算於權益入賬。

所轉讓代價、被收購方的任何非控股權益金額及任何先前於被收購方的權益於收購日期的公平值與可識別已購資產淨值的公平值的差額按商譽列賬。倘所轉讓代價、已確認非控股權益及先前所持權益總額低於以廉價購入附屬公司資產淨值的公平值，有關差額直接於綜合收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation and combination (continued)

2.2.1 Subsidiaries (continued)

- (a) *Business combination (continued)*
Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.
- (b) *Changes in ownership interests in subsidiaries without change of control*
Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.
- (c) *Disposal of subsidiaries*
When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in the consolidated income statement. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the consolidated income statement.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

2 主要會計政策概要(續)

2.2 綜合及合併(續)

2.2.1 附屬公司(續)

- (a) *業務合併(續)*
集團內公司間之交易、結餘及集團內公司間交易的未變現收益均予以抵銷。除非交易有證據證明轉讓資產出現減值，否則未變現虧損亦會抵銷。如有需要，附屬公司所報金額會作出調整，以確保與本集團之會計政策相符。
- (b) *不導致失去控制權的附屬公司擁有權權益的變動*
不導致失去控制權的非控股權益交易入賬列作權益交易 — 即以彼等為附屬公司擁有人身分與擁有人進行交易。任何已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值的差額列作權益。向非控股權益出售的盈虧亦列作權益。
- (c) *出售附屬公司*
本集團失去控制權時，於實體的任何保留權益按失去控制權當日的公平值重新計量，有關賬面值變動在綜合收益表確認。就其後入賬列作聯營公司、合營企業或金融資產的保留權益，其公平值為初始賬面值。此外，先前於其他全面收益確認與該實體有關的任何金額，按猶如本集團已直接出售有關資產或負債的方式入賬。此可能意味先前在其他全面收益確認的金額重新分類至綜合收益表。

2.2.2 獨立財務報表

於附屬公司的投資按成本值扣除減值列賬。成本包括直接應佔投資成本。附屬公司的業績乃由本公司按已收股息及應收款項基準入賬。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation and combination (continued)

2.2.2 *Separate financial statements* (continued)

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors that make strategic decisions.

2.4 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates or the currency in which funds from financing activities are generated ('the functional currency'). The consolidated financial statements are presented in HK\$, which is the Company's functional and the Group's presentation currency.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

2 主要會計政策概要(續)

2.2 綜合及合併(續)

2.2.2 獨立財務報表(續)

倘股息超出附屬公司宣派股息期間全面收益總額，或倘獨立財務報表中投資賬面值超出綜合財務報表所示投資對象資產淨值(包括商譽)的賬面值，則須於自該等投資收取股息時，對該等附屬公司的投資進行減值測試。

2.3 分部報告

經營分部乃以與向主要經營決策者提交內部報告一致的方式呈報。主要經營決策者負責分配資源及評估經營分部的表現，已被確認為作出策略決策的執行董事。

2.4 外幣換算

(a) *功能及呈報貨幣*

本集團各實體於綜合財務報表內入賬的項目採用有關實體經營所在主要經濟環境的貨幣或融資活動產生資金的貨幣(「功能貨幣」)計量。綜合財務報表以港元呈報，而港元為本公司的功能及本集團的呈報貨幣。

(b) *交易及結餘*

外幣交易按交易當日適用之匯率或重新計量項目之估值換算為功能貨幣。因結算交易及按年末匯率換算以外幣列值的貨幣資產及負債產生的外匯收益及虧損均於綜合收益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Foreign currency translation (continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2.5 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

2 主要會計政策概要(續)

2.4 外幣換算(續)

(c) 集團公司

功能貨幣與呈報貨幣不相同的所有集團實體(全部均非高通脹經濟的貨幣)的業績及財務狀況，按以下方式換算為呈報貨幣：

- (i) 各資產負債表所呈列資產及負債，按結算日的收市匯率換算；
- (ii) 各收益表的收入及支出均按平均匯率換算，(惟此平均值並非該等交易日期通行匯率具累積效果的合理約數除外。在此情況下，收入及支出將按交易日期匯率換算)；及
- (iii) 所有由此產生的匯兌差額在其他全面收益中確認。

收購海外實體產生的商譽及公平值調整視為該海外實體的資產和負債，並按收市匯率換算。產生的匯兌差額在其他全面收益中確認。

2.5 物業、廠房及設備

所有物業、廠房及設備按歷史成本減折舊及減值虧損入賬。歷史成本包括收購此等項目直接應佔開支。

當與項目有關的未來經濟利益可能流入本集團，以及項目成本能可靠計算時，其後成本才會計入資產的賬面值或確認為獨立資產(如適用)。已替換部份的賬面值被終止確認。所有其他維修及保養費於產生的財政期間在綜合收益表中扣除。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

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

Buildings	5%–10%
Leasehold improvements	20% or over lease terms, whichever is shorter
Office furniture and equipment	18%–25%
Plant and equipment	9%–33%
Motor vehicles	18%–25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the consolidated income statement.

2.6 Intangible assets

2.6.1 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

2 主要會計政策概要 (續)

2.5 物業、廠房及設備(續)

物業、廠房及設備的折舊以直線法於其估計可用年期內分配其成本至剩餘價值。所採用年率如下：

樓宇	5%–10%
租賃物業裝修	20% 或按租賃年期 (以較短者為準)
辦公室傢俱及設備	18%–25%
廠房及設備	9%–33%
汽車	18%–25%

資產的剩餘價值及可用年期會於各報告期末審閱及調整(如適用)。倘資產的賬面值超過其估計可收回金額，則其賬面值將即時撇減至其可收回金額。

出售資產的收益及虧損指出售所得款項與有關資產賬面值之間差額，並於綜合收益表的行政開支內確認。

2.6 無形資產

2.6.1 商譽

商譽於收購附屬公司時產生，即所轉讓代價、被收購方的任何非控股權益金額及任何先於被收購方的權益於收購日期的公平值高於已收購可識別資產淨值的公平值時的差額。

就減值測試而言，業務合併所獲得的商譽會分配至預期將受益於合併協同效應的各現金產生單位(「現金產生單位」)或現金產生單位組別。商譽所分配的各單位或單位組別為實體內就內部管理目的而監察商譽的最低層次。商譽乃於經營分部層次進行監察。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Intangible assets

2.6.1 Goodwill (continued)

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2.6.2 Contractual customer relationships

Contractual customer relationships acquired in a business combination are recognised at fair value at the acquisition date. The contractual customer relations have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from three to ten years over the expected life of the customer relationships.

2.7 Leasehold land

Leasehold land is stated at cost less accumulated amortisation and impairment losses. Cost represents upfront prepayments made for the rights to use the land for periods varying from 10 to 50 years. Amortisation of leasehold land is charged to the consolidated income statement on a straight-line basis over the period of the lease or when there is impairment, the impairment is charged to the consolidated income statement.

2.8 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 主要會計政策概要 (續)

2.6 無形資產(續)

2.6.1 商譽(續)

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。包含商譽的現金產生單位的賬面值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本的較高者。任何減值即時確認為開支，且其後不會撥回。

2.6.2 合約客戶關係

於業務合併時收購的合約客戶關係按照於收購日期的公平值確認。合約客戶關係具有有限可使用年期及按照成本減累計攤銷列賬。攤銷乃使用直線法計算，分配至客戶關係三至十年的預計年期。

2.7 租賃土地

租賃土地按成本減累計攤銷及減值虧損列賬。成本指就使用土地權利而支付之預付款項，為期10至50年。租賃土地攤銷於租期內按直線法在綜合收益表中扣除，或當出現減值，有關減值在綜合收益表中扣除。

2.8 非金融資產的減值

對因可使用年期不確定或尚待使用而不攤銷的無形資產，則每年進行減值測試。須攤銷的資產須於未必可收回賬面值的事項或變動發生時檢討是否出現減值。減值虧損為資產賬面值超越其可收回價值的數額。可收回金額為資產公平值減出售成本後的價值，與其使用價值之間的較高者。就評估資產減值而言，本集團按可個別可識別現金流量(現金產生單位)的最低水平劃分資產類別。除商譽外，已蒙受減值的非金融資產在各報告期間均就減值是否可以撥回進行檢討。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following categories: at fair value through income statement, loans and receivables, and available for sales. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. As at 31 December 2016, the Group's financial assets mainly include loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables include "trade and bills receivables", "deposits and other receivables", "restricted cash" and "cash at bank and on hand" in the consolidated balance sheet (Notes 2.13 and 2.14).

2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through income statement. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the investments or loans and receivables have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On derecognition of financial assets, the difference between the carrying amount and the consideration received is recognised in the consolidated income statement.

2 主要會計政策概要 (續)

2.9 金融資產

2.9.1 分類

本集團將其金融資產劃分為以下類別：按公平值計量且其變動計入收益表、貸款及應收款項以及可供出售。分類取決於收購金融資產的目的。管理層於初步確認時釐定其金融資產的分類。於二零一六年十二月三十一日，本集團的金融資產主要包括貸款及應收款項。

貸款及應收款項

貸款及應收款項為活躍市場並無報價的固定或可予釐定付款的非衍生金融資產。彼等計入流動資產，惟報告期結束後超過12個月償付或預期將予償付的款項除外。此等貸款及應收款項被列為非流動資產。本集團的貸款及應收款項包括綜合資產負債表(附註2.13及2.14)內的「應收賬款及應收票據」、「按金及其他應收款項」、「受限制現金」及「銀行及手上現金」。

2.9.2 確認及計量

以日常方式買賣的金融資產於交易日確認，交易日為本集團承諾購買或出售資產之日。就所有並非按公平值計入收益表的金融資產而言，投資初步按公平值加交易成本確認。貸款及應收款項其後採用實際利率法按攤銷成本列賬。倘收取投資現金流量的權利屆滿或轉移且本集團已將所有權絕大部分風險及所有回報轉移，則終止確認金融資產。在終止確認金融資產時，賬面價值與收到的對價之間的差額在合併收益表中確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.11 Impairment of financial assets

Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors 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 where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2 主要會計政策概要 (續)

2.10 金融工具抵銷

倘若存在合法可強制執行的權利以抵銷所確認金額及擬按淨額基準結算或變現資產及同時結算負債，則金融資產與負債相互抵銷，而淨額於綜合資產負債表內呈報。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘本公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.11 金融資產減值

按攤銷成本列賬之資產

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某組金融資產出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關金融資產或金融資產組才算出現減值及產生減值虧損。

減值證據可包括債務人或一組債務人正面臨重大財務困難、違約或未能償還利息或本金、彼等有可能破產或進行其他財務重組，以及有可觀察得到的數據顯示估計未來現金流量出現可計量的減少，例如欠款數目變動或出現與違約相關的經濟狀況。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of financial assets (continued)

Assets carried at amortised cost (continued)

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement. Impairment testing of trade and other receivables is described in note 2.13.

2.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials and related production overheads (based on normal operating capacity). Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade, bills and other receivables

Trade, bills and other receivables including retention money receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade, bills and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indication that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative expenses in the consolidated income statement.

2 主要會計政策概要(續)

2.11 金融資產減值(續)

按攤銷成本列賬之資產(續)

就貸款及應收賬款類別而言，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在綜合收益表確認。如貸款有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公平值計量減值。

如在隨後期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在綜合收益表轉回。應收賬款及其他應收款項的減值測試於附註2.13闡述。

2.12 存貨

存貨乃以成本值及可變現淨值兩者中較低者列賬。成本以加權平均法釐定。製成品及在製品的成本包括原材料及有關生產經常開支(按正常營運能力計算)。可變現淨值為正常業務過程中的估計售價扣除適用的可變銷售開支。

2.13 應收賬款、應收票據及其他應收款項

應收賬款、應收票據及其他應收款項(包括應收預扣金額)初步按公平值確認，其後利用實際利率法按攤銷成本減減值撥備計量。當有客觀證據顯示本集團未能根據應收款項的原訂條款收回所有到期款項，即就應收賬款、應收票據及其他應收款項作出減值撥備。債務人的重大財務困難、債務人可能破產或進行債務重組，以及拖欠或逾期付款，均被視為應收款項已減值的跡象。撥備金額為資產的賬面值與按原實際利率折現的估計未來現金流量的現值的差額。資產的賬面值通過撥備賬調減，虧損金額在綜合收益表內行政開支項下確認。當應收賬款不可收回時，該金額在應收賬款撥備賬中撇銷。其後收回早前撇銷的金額則撥回扣除綜合收益表中的行政開支。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents include cash on hand and deposits held at call with banks.

2.15 Share capital

Ordinary shares are classified as equity.

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

2.16 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2 主要會計政策概要(續)

2.14 現金及現金等價物

於綜合現金流量表，現金及現金等價物包括手上現金及銀行活期存款。

2.15 股本

普通股分類為權益。

直接歸屬於發行新股份或購股權的新增成本於權益中呈列為所得款項的減少(扣除稅項)。

2.16 應付賬款

應付賬款是企業日常業務從供應商提供商品或勞務中須支付的義務。如果付款期限少於一年(或若更長在企業正常營業週期)，應付賬款則被歸類為流動負債。否則，將被歸為非流動負債。

應付賬款初步按公平值確認，其後使用實際利率法按攤銷成本計算。

2.17 當期及遞延所得稅

本期間稅項開支包括當期及遞延稅項。稅項於綜合收益表確認，稅項是有關於其他全面收益項下確認或直接計入權益的項目除外。在此情況下，稅項亦分別於其他全面收益或直接於權益內確認。

(a) 當期所得稅

當期所得稅支出根據本公司附屬公司營運及產生應課稅收入的國家於結算日已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Current and deferred income tax (continued)

(b) *Deferred income tax*

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred income tax liability in relation to taxable temporary differences arising from the associate's undistributed profit is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

2 主要會計政策概要(續)

2.17 當期及遞延所得稅(續)

(b) *遞延所得稅*

內在差異

遞延所得稅乃就資產與負債的稅基及有關資產與負債於綜合財務報表中的賬面值兩者的暫時差額，以負債法確認。然而，倘遞延所得稅乃產生自於交易(業務合併除外)，而當時的交易並無影響會計或應課稅溢利或虧損，則不會列賬。遞延所得稅乃以於結算日制定或實質制定的稅率(及法例)釐定，並預期於變現相關遞延所得稅資產或償還遞延所得稅負債時適用。

遞延所得稅資產於有未來應課稅溢利可用作抵銷暫時差額方予以確認。

外在差異

本集團就附屬公司投資產生的應課稅暫時差額作出遞延所得稅負債撥備，除非就遞延所得稅負債而言本集團可控制撥回該暫時差額的時間，且該暫時差額於可預見未來可能不會撥回則屬例外。一般而言，本集團無法控制撥回聯營公司暫時差額的時間，僅於有協議賦予本集團能力於可預見未來控制撥回暫時差額時，聯營公司未分派溢利所產生的應課稅暫時差額有關的遞延所得稅款負債並未獲確認。

因投資附屬公司安排而產生的可扣減暫時差額確認為遞延所得稅資產，惟倘暫時差額在將來可撥回，且有充足應課稅溢利抵銷可動用暫時差額則除外。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Current and deferred income tax (continued)

(c) *Offsetting*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee benefits

(a) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision, where appropriate, is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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

(b) *Pension obligations*

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Pension Scheme") set up pursuant to the Mandatory Provident Fund Schemes Ordinance, for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the Pension Scheme. The assets of the Pension Scheme are held separately from those of the Group in an independently administrated fund. The Group's employer contributions vest fully with the employees when contributed to the Pension Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to vesting fully in the contributions, in accordance with the rules of the Pension Scheme.

2 主要會計政策概要(續)

2.17 當期及遞延所得稅(續)

(c) *抵銷*

當有合法可強制執行權利將當期稅項資產與當期稅項負債抵銷，且遞延所得稅涉及稅務機關向同一應課稅實體或不同應課稅實體徵收但擬按淨額基準結算結餘，則可將遞延所得稅資產與負債互相抵銷。

2.18 僱員福利

(a) *僱員應有假期*

僱員獲享的年假在僱員可享有時確認。本集團會對僱員服務至結算日所累積的年假估算負債作出撥備(倘適用)。

僱員獲享的病假及產假直至僱員休假之時方會確認。

(b) *退休金責任*

本集團為其所有香港僱員運作一個根據強制性公積金計劃條例設立的定額供款強制性公積金退休計劃(「退休計劃」)。退休計劃的供款按僱員基本薪金的某個百分比計算，並於根據退休計劃規定應支付供款時在綜合收益表扣除。退休計劃的資產與本集團的資產分開持有，並由獨立管理基金保管。本集團的僱主供款在向退休計劃作出供款時悉數歸屬僱員，惟本集團作出的僱主自願供款，會按照退休計劃的規則在僱員於有關供款全數歸屬前離職時退回予本集團。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee benefits (continued)

(b) Pension obligations (continued)

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due and are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In addition, pursuant to the government regulations in the People's Republic of China (the "PRC"), the Group is required to contribute an amount to certain retirement benefit schemes based on approximately 7% to 20% of the wages for the year/period of those employees in the PRC. The local municipal government undertakes to assume the retirement benefits obligations of those employees of the Group. Contributions to these retirement benefits schemes are charged to the consolidated income statement as incurred.

(c) Profit sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

2.19 Share-based payments

(a) Equity-settled share based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions;

2 主要會計政策概要(續)

2.18 僱員福利(續)

(b) 退休金責任(續)

本集團於支付供款後即無其他付款責任。供款於到期應付時確認為僱員福利開支，並於僱員於供款全數歸屬前離職所放棄供款時扣減。預付供款於退回現金或可對銷未來供款時確認為資產。

此外，根據中華人民共和國(「中國」)政府的規例，本集團須按中國員工該年度/期間的工資約7%至20%就若干退休福利計劃作出供款，由地方市政府承擔該等本集團僱員的退休福利責任。就該等退休福利計劃作出的供款於產生時在綜合收益表中扣除。

(c) 溢利分享及花紅計劃

本集團按照特定計算方法就花紅及溢利分享確認負債及開支，該計算方法已計入本公司股東應佔溢利並作出若干調整。當出現合約責任或過往慣例引致推定責任時，本集團即確認撥備。

2.19 以股份為基礎支付

(a) 按股本結算以股份為基礎支付交易

本集團推行一項按股本結算、以股份為基礎支付酬金的計劃，據此，實體從其僱員獲得服務作為換取本集團權益工具(購股權)的代價。為換取授出購股權而獲得僱員服務的公平值乃確認為開支。列作開支的總金額，乃參照已授出的購股權的公平值釐定：

- 包括任何市場表現情況；

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Share-based payments (continued)

(a) Equity-settled share based payment transactions

(continued)

- excluding the impact of any service and non-market performance vesting conditions (for example, remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiaries undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2 主要會計政策概要(續)

2.19 以股份為基礎支付(續)

(a) 按股本結算以股份為基礎支付

交易(續)

- 不包括任何服務及非市場表現歸屬條件(例如有關人士於一段特定期間內是否仍為該實體的僱員); 及
- 包括任何非歸屬條件的影響。

於各報告期間結算日, 本集團會修訂其對根據非市場表現及服務條件預期將歸屬的購股權數目的估計。其於綜合收益表確認對原來估計作出修訂的影響(如有), 並在權益作出相應調整。

此外, 若干情況下僱員可在授出日期前提供服務, 因此, 授出日期的公平值乃為確認服務開始期間與授出日期期間的開支而估計。

於購股權獲行使時, 本公司發行新股份。已收所得款項於減去所有直接應佔交易成本後撥入股本(面值)及股份溢價。

(b) 集團實體間以股份為基礎支付交易

本公司向為本集團工作的附屬公司僱員所授出其股本工具的購股權被視為資本出資。所獲得僱員服務的公平值乃參考授出日期的公平值計量, 於歸屬期內確認為增加對附屬公司的投資, 並相應計入母公司實體賬目的權益。

2.20 撥備

當本集團因過往事件承擔現有法律或推定責任, 而解除責任很有可能導致資源流出, 且金額能夠可靠計算的情況下, 便會確認撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables, including retention money receivables, is reasonably assured.

(b) Provision of services

Revenue from payment solutions services are recognised when the corresponding services are rendered.

Revenue from fixed-price maintenance services contracts is generally recognised in the period in which the services are provided, using the straight-line basis over the terms of contracts.

(c) Interest income

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

2 主要會計政策概要(續)

2.20 撥備(續)

倘承擔若干類似責任，於釐定解除責任是否導致資源流出時，將以整類責任類別為考慮。即使同類責任當中任何一項導致資源流出可能性甚低，亦會確認撥備。

撥備採用稅前利率按照預期需結算有關責任的支出現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息開支。

2.21 收入確認

收入乃按已收或應收代價之公平值計量，即所供應貨物之應收款項，扣除折扣，退貨及增值稅。當收入金額能夠可靠計量，且未來經濟利益有可能流入有關實體，並已符合本集團各業務所訂的個別條件(如下文所述)時，本集團將確認收入。本集團將根據其以往業績並考慮客戶類別、交易種類及各項安排的特點作出估計。

(a) 銷售貨品

當集團旗下實體交付產品予客戶及客戶接納產品時，且合理確定可以收回相關應收款項(包括應收預扣金額)，即確認銷售貨品收入。

(b) 提供服務

來自提供支付解決方案服務的收入是於相關服務提供後確認。

來自固定價格合約的維護服務收入一般於提供服務期間於合約期內按直線法基準確認。

(c) 利息收入

利息收入以實際利率法按時間比例確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.23 Value added tax refund

Value added tax refund are recognised in “other income” in the consolidated income statement when there is a reasonable assurance that the refund will be received which generally occurs upon the receipt of the approval of tax refund from the local tax bureau.

2.24 Government grants

Grants from the government are recognised in “other income” in the consolidated income statement at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

2.25 Research and development

Research expenditure is expensed as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will be a success considering its commercial and technological feasibility, and costs can be measured reliably. Other development expenditures are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

2.26 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

2 主要會計政策概要(續)

2.22 租約(經營租約的承租人)

凡擁有權所涉及大部分風險及回報由出租人保留的租約，均列作經營租約。根據經營租約所付租金在扣除來自出租人的任何優惠後，在租約年內以直線法在綜合收益表支銷。

2.23 增值稅退稅

倘有合理保證可收到退稅，即通常於收到當地稅務局的退稅批准後，本集團乃於綜合收益表的「其他收入」內確認增值稅退稅。

2.24 政府資助

倘有合理保證可收到政府資助而本集團亦將會遵行所有附帶條件時，該政府資助將會按公平值於綜合收益表「其他收入」確認。

2.25 研發

研究開支於產生時支銷。考慮其商業及技術可行性而認為該項目將成功且成本能可靠地計量時，於發展項目產生的成本(有關設計及測試新產品或改良產品)確認為無形資產。其他發展開支於產生時支銷。過往確認為開支的發展成本不會於往後期間確認為資產。

2.26 股息分派

向本公司股東分派的股息於本公司股東或董事(視乎適用情況)批准股息期內，在本集團的財務報表內確認為負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

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

(a) Foreign exchange risk

The Group's foreign currency transactions are mainly denominated in Renminbi ("RMB"), HK\$, United States dollar ("US\$") and European dollar ("EUR"). The majority of assets and liabilities are denominated in RMB, HK\$ and US\$, and there are no significant assets and liabilities denominated in other currencies. The Group is subject to foreign exchange rate risk arising from future commercial transactions and recognised assets and liabilities denominating in a currency other than HK\$, RMB or US\$, which are the functional currencies of the major operating companies within the Group. The Group currently does not hedge its foreign currency exposure.

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

For group companies with HK\$ as their functional currency

As at 31 December 2016, if RMB had weakened/strengthened by 5% against HK\$ with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$6,365,000 (2015: HK\$6,621,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of RMB denominated cash at bank and on hand and the current account with related parties.

As at 31 December 2016, if EUR had weakened/strengthened by 5% against HK\$ with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$508,000 (2015: HK\$6,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of EUR denominated cash at bank and on hand and trade receivables.

3 財務風險管理

3.1 財務風險因素

本集團的活動面對多種財務風險：外匯風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理計劃針對金融市場的不可預測性，力求將對本集團財務表現所造成的潛在不利影響降至最低。

(a) 外匯風險

本集團的外幣交易主要以人民幣（「人民幣」）、港元、美元（「美元」）及歐元（「歐元」）計值。大部分資產及負債亦以人民幣、港元及美元計值，並無重大資產及負債以其他貨幣計值。本集團面對並非以港元、人民幣或美元（本集團旗下主要營運公司的功能貨幣）計值的未來商業交易及已確認資產及負債所產生的外匯風險。現時，本集團並無對沖其外幣風險。

管理層認為，與美元有關的外匯風險並不重大，乃因港元與美元掛鉤，加上美元計值的交易主要由採用同種功能貨幣的實體進行。人民幣兌港元的匯率須遵守中國政府頒佈的外匯管制規則及規例。本集團透過密切監控外幣匯率的變動來管控其外幣風險。

以港元為其功能貨幣的集團公司

於二零一六年十二月三十一日，倘人民幣兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將減少／增加約6,365,000港元（二零一五年：6,621,000港元），主要由於換算以人民幣為單位的銀行及手上現金及關聯方往來賬目產生外匯差異所致。

於二零一六年十二月三十一日，倘歐元兌港元貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將減少／增加約508,000港元（二零一五年：6,000港元），主要由於換算以歐元為單位的銀行及手上現金及應收賬款產生外匯差異所致。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Foreign exchange risk (continued)

For group companies with RMB as their functional currency

As at 31 December 2016, if HK\$ had weakened/strengthened by 5% against RMB with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$2,141,000 (2015: HK\$5,044,000) lower/higher, respectively, mainly as a result of the foreign exchange difference on translation of HK\$ denominated cash at bank and on hand and the current account with related parties.

For the group company with EUR as its functional currency

As at 31 December 2016, if US\$ had weakened/strengthened by 5% against EUR with all other variables held constant, profit for the year and equity of the Group would have been approximately HK\$613,000 higher/lower (2015: the loss for the year would have been HK\$238,000 lower/higher), respectively, mainly as a result of the foreign exchange difference on translation of US\$ denominated cash at bank and on hand and trade payables.

(b) Credit risk

The Group is exposed to credit risk in relation to its trade, bills and other receivables, restricted cash and deposits with banks.

The carrying amounts of trade, bills and other receivables, restricted cash and deposits with banks represent the Group's maximum exposure to credit risk in relation to financial assets.

To manage this risk, deposits of the Group are mainly placed with state-owned financial institutions and reputable banks. The Group has policies in place to ensure that sales are made to reputable and creditworthy customers with an appropriate financial strength, credit history and an appropriate percentage of down payments. It also has other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

In addition, the Group reviews regularly the authorisation of credit limits to individual customers and recoverable amount of each individual trade receivables to ensure that adequate impairment losses are made for irrecoverable amounts.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 外匯風險(續)

以人民幣為其功能貨幣的集團公司

於二零一六年十二月三十一日，倘港元兌人民幣貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將減少／增加約2,141,000港元(二零一五年：5,044,000港元)，主要由於換算以港元為單位的銀行及手上現金及關聯方往來賬目產生外匯差異所致。

以歐元為其功能貨幣的集團公司

於二零一六年十二月三十一日，倘美元兌歐元貶值／升值5%，而所有其他可變因素維持不變，本集團年內溢利及權益將增加／減少約613,000港元(二零一五年：年內虧損減少／增加238,000港元)，主要由於換算以美元為單位的銀行及手上現金及應付賬款產生外匯差異所致。

(b) 信貸風險

本集團承受與其應收賬款、應收票據及其他應收款項、受限制現金及銀行存款有關的信貸風險。

應收賬款、應收票據及其他應收款項、受限制現金及銀行存款的賬面值乃本集團所面對有關金融資產的最大信貸風險。

為管控該風險，本集團的存款主要存入國有金融機構及有良好信譽的銀行。本集團已制定政策以確保銷售予擁有相當財政實力、信用歷史及支付適當百分比首期付款的信譽良好客戶，亦制定其他監控程序以確保採取跟進措施收回逾期債務。

此外，本集團定期審核個人客戶的信用限額授權及每項個別應收賬款的可收回金額，以確保已就不可收回款項計提充分的減值虧損。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group has concentration of credit risk. Sales of goods and services to the top five customers constituted 45.4% (2015: 44.4%) of the Group's revenue for the year ended 31 December 2016. They accounted for approximately 47.5% (2015: 37.5%) of the gross trade receivable balances as at 31 December 2016. Collections of outstanding receivable balances are closely monitored on an ongoing basis to minimise such credit risk.

(c) Liquidity risk

With prudent liquidity risk management, the Group aims to maintain sufficient cash at bank and on hand and ensure the availability of funding through an adequate amount of available financing, including short-term bank borrowings. Due to the dynamic nature of the underlying businesses, the Group's finance department maintains flexibility in funding by maintaining adequate amount of cash at bank and on hand and flexibility in funding through having available sources of financing.

Surplus cash held by the operating entities over and above the balance required for working capital management are transferred to interest-bearing bank deposits with appropriate maturities to manage its overall liquidity position. As at 31 December 2016, the Group maintained cash at bank and on hand of approximately HK\$2,207,205,000 (2015: HK\$2,144,312,000), that are expected to be readily available and sufficient to meet the cash outflows of its financial liabilities, hence, management considers that Group's exposure to liquidity risk is not significant.

The table below analyses the Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying values as the impact of discounting is not significant.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團有信貸集中風險。截至二零一六年十二月三十一日止年度，向五大客戶銷售的貨物及服務佔本集團營業額45.4%（二零一五年：44.4%）。彼等於二零一六年十二月三十一日佔總應收賬款結餘約47.5%（二零一五年：37.5%）。本集團持續密切監控尚未償還應收結餘的收回情況，務求將信貸風險降至最低。

(c) 流動資金風險

透過審慎的流動資金風險管理，本集團致力維持充足的銀行及手上現金，或透過充足融資金額（包括短期銀行借款）取得資金。由於相關業務的多變性質，本集團的融資部門透過維持充足的銀行及手上現金；及透過可動用融資來源維持資金的靈活性。

經營實體所持有的現金超過營運資金管理所需的餘額時，會被撥入具有適當期限的計息銀行存款以控制整體流動資金狀況。於二零一六年十二月三十一日，本集團持有銀行及手上現金約2,207,205,000港元（二零一五年：2,144,312,000港元），預期隨時可動用並足夠滿足金融負債的現金流出。因此，管理層認為，本集團所承受的流動資金風險並不重大。

下表根據結算日餘下期間至合約到期日的分析，將本集團的非衍生金融負債分為有關到期日組別。下表所披露的金額為合約未貼現現金流量。由於折現的影響不大，故於十二個月內到期的結餘相等於其賬面值。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

		Less than 1 year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2016	於二零一六年十二月三十一日		
Trade payables	應付賬款	662,485	662,485
Other payables and accruals	其他應付賬款及應計款項	37,976	37,976
Total	總計	700,461	700,461
At 31 December 2015	於二零一五年十二月三十一日		
Trade payables	應付賬款	710,529	710,529
Other payables and accruals	其他應付賬款及應計款項	59,207	59,207
Total	總計	769,736	769,736

(d) Interest rate risk

The income and operating cash flows of the Group and the Company are both substantially independent of changes in market interest rates. Both the Group and the Company has no significant interest-bearing assets, except for deposits placed with banks.

As at 31 December 2016, if interest rates on all interest-bearing bank and cash deposits had been 50 basis points higher/lower with all other variables held constant, profit for the year and equity of the Group would have been HK\$8,406,000 (2015: HK\$8,227,000) higher/lower respectively, due to higher/lower interest income earned on the deposits.

3.2 Capital management

The Group regards its shareholders' equity as capital. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

		Less than 1 year 少於一年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2016	於二零一六年十二月三十一日		
Trade payables	應付賬款	662,485	662,485
Other payables and accruals	其他應付賬款及應計款項	37,976	37,976
Total	總計	700,461	700,461
At 31 December 2015	於二零一五年十二月三十一日		
Trade payables	應付賬款	710,529	710,529
Other payables and accruals	其他應付賬款及應計款項	59,207	59,207
Total	總計	769,736	769,736

(d) 利率風險

本集團及本公司的收入及經營現金流量大部分不受市場利率變動影響，本集團及本公司亦無重大計息資產(存於銀行的存款除外)。

於二零一六年十二月三十一日，倘所有計息的銀行及現金存款的利率高出/低於50個基點而所有其他變數維持不變，該年度的溢利及本集團的權益應會因存款所賺取的利息收入增加/減少而分別增加/減少8,406,000港元(二零一五年：8,227,000港元)。

3.2 資本管理

本集團將其股東權益視為資本。本集團管理資本的目的為保障本集團繼續以持續經營方式為股東提供回報以及為其他利益相關者帶來利益，並且維持最佳資本結構以減少資金成本。

為維持或調整資本結構，本集團可調整向股東支付股息的金額、將資本退還予股東、發行新股份或出售資產以減少債項。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital management (continued)

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. As at 31 December 2015 and 2016, the Group had no borrowings, the gearing ratio is not applicable.

3.3 Fair value estimation

The inputs to valuation techniques used to measure fair value are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

3 財務風險管理(續)

3.2 資本管理(續)

本集團根據資本負債比率監控資本。資本負債比率乃按借款總額除以資本總額計算。本集團於二零一五年及二零一六年十二月三十一日並無借貸，資本負債比率為不適用。

3.3 公平值估計

計量公平值的估值技術所用輸入數據乃按下文所述而分類歸入公平值架構內的三個層級：

- 相同資產或負債的活躍市場報價(未經調整)(第一級)。
- 除包含於第一級的報價外，資產或負債的可觀察直接(即價格)或間接(即源自價格者)輸入資料(第二級)。
- 並非根據可觀察市場資料而釐定的資產或負債的輸入資料(即不可觀察的輸入資料)(第三級)。

在活躍市場買賣的金融工具的公平值，根據結算日的市場報價計算。倘市場報價可向交易所、交易商、經紀、行業組織、定價服務或監管機構隨時及定期查詢，且為實際及定期進行公平市場交易的報價，則有關市場視為活躍市場。金融資產所用市場報價為當時買入價。有關工具計入第一級。

並非在活躍市場買賣的金融工具(如場外衍生工具)以估值技術釐定公平值。該等估值技術盡量採用可觀察市場數據(如有)，並盡量減少依賴實體的特定估計。若工具的公平值所需所有重大數據均為可觀察數據，則有關工具計入第二級。

若一項或多項重大輸入數據並非以可觀察的市場數據為準，則有關工具計入第三級。

Notes to the Consolidated Financial Statements

綜合財務報表附註

3 FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

Specific valuation techniques used to value level 3 financial instruments include techniques such as discounted cash flow analysis.

In applying the discounted cash flow technique, management has taken into account the estimated amount that the Group would receive to sell the instrument at the balance sheet date, taking into account current interest rates and the current credit worthiness of the counterparties. Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date.

There were no significant transfers of financial assets between the fair value hierarchy classifications during the year.

As at 31 December 2015 and 2016, the Group had no material financial instruments stated at fair values.

3.4 Offsetting financial assets and financial liabilities

No financial assets and financial liabilities were subject to offsetting, enforceable master netting arrangements and similar arrangements as at 31 December 2015 and 2016.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the consolidated income statement are evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

(a) Income taxes and deferred taxation

Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such difference will impact the current tax and deferred tax assets and liabilities in the period in which such determination is made.

3 財務風險管理(續)

3.3 公平值估計(續)

用以就第三級金融工具估值的特定估值技術包括貼現現金流量分析等技術。

應用貼現現金流量技術時，管理層已計及本集團會收取以於結算日出售工具的估計金額、現時利率以及對手方現時信用狀況。倘運用貼現現金流量技術，估計未來現金流量按管理層於結算日的最佳估計及與類似工具的相關市場貼現率作出。

年內，概無公平值等級分類間的金融資產重大轉讓。

於二零一五年及二零一六年十二月三十一日，本集團並無重大按公平值計量的金融工具。

3.4 抵銷金融資產和金融負債

於二零一五年及二零一六年十二月三十一日，概無金融資產及金融負債須作抵銷、可執行總互抵安排和類似安排。

4 重要會計估計及判斷

用於編製綜合收益表的估計及判斷，乃基於過往經驗及其他因素，包括預期日後在有關情況下相信會合理出現的事件而作出。本集團作出有關未來的估計及假設。按此規範，所作的會計估計甚少與有關的實際結果相同。下文載列有極大風險會導致須對下一個財政期間資產與負債的賬面值作出重大調整的估計及假設。

(a) 所得稅及遞延稅款

對所得稅釐定撥備時，需要作出重要的判斷。許多交易及計算的最終釐定無法確定。當最終的稅款結果與最初記賬金額不同時，有關差額將影響釐定期間的當期稅項和遞延稅款資產及負債。

Notes to the Consolidated Financial Statements

綜合財務報表附註

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Income taxes and deferred taxation (continued)

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

(b) Provision for inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories is written down to net realisable value when there is an objective evidence that the cost of inventories may not be recoverable. The cost of inventories may not be recoverable if those inventories are aged and damaged, if they have become wholly or partially obsolete, or if their selling prices have declined. The cost of inventories may also not be recoverable if the estimated costs to be incurred to make the sales have increased. The amount written off in the consolidated income statement is the difference between the carrying value and net realisable value of the inventories. In determining whether the inventories can be recoverable, significant judgement is required. In making this judgement, the Group evaluates, among other factors, the duration and extent by all means to which the amount will be recovered. During the year, certain inventories written down in prior years have been subsequently sold at prices higher than their then net realisable value. Provision regarding these inventories have been reversed. Based on management's best estimates, an impairment provision of HK\$50,566,000 was made as at 31 December 2016 (31 December 2015: HK\$68,549,000) (note 18).

(c) Impairment of receivables

The Group makes provision for impairment of receivables based on an assessment of the recoverability of the receivables. Provisions are applied to the receivables where events or changes in circumstances indicate that the balances may not be collectible. The identification of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the receivables and provision for impaired receivables in the period in which such estimate has been changed.

4 重要會計估計及判斷(續)

(a) 所得稅及遞延稅款(續)

當管理層認為將來很有可能應課稅溢利以抵銷暫時性差額或可使用稅務虧損時，有關若干暫時性差額及稅務虧損的遞延稅項資產予以確認。實際使用的結果可能不同。

(b) 存貨撥備

存貨乃按成本及可變現淨值兩者之間較低者入賬。倘有客觀證據顯示存貨成本或不能收回，則將存貨成本撇減至可變現淨值。倘存貨損壞、全部或部份陳舊或售價下跌，則可能不能收回存貨成本。倘進行銷售將予產生的估計成本增加，亦可能導致不能收回存貨成本。於綜合收益表撇銷的金額為存貨的賬面值與可變現淨值之間的差額。於釐定可收回的存貨成本時須作出重大判斷。於作出有關判斷時，本集團會評估(其中包括)以任何方式收回金額的時間及情況。年內，過往年度撇減的若干存貨以高於它們的可變現淨值出售，該存貨撥備因此被撥回。根據管理層的最佳估計，於二零一六年十二月三十一日作出減值撥備50,566,000港元(二零一五年十二月三十一日：68,549,000港元)(附註18)。

(c) 應收款項減值

本集團根據評估應收款項的可收回性作出應收款項減值撥備。撥備於若干事件或變動顯示未能收回結餘時應用於應收款項。識別減值需要判斷及估計。倘預期有別於原先估計，有關差異將於該估計改變期間影響應收款項的賬面值及就已減值應收款項作出的撥備。

Notes to the Consolidated Financial Statements

綜合財務報表附註

5 REVENUE AND OTHER INCOME

The Group is principally engaged in the sales of E-payment Terminals products, the provision of payment solutions services and maintenance services. Revenue and other income recognised during the year were as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收入		
Sales of E-payment Terminals products	銷售電子支付終端產品	2,757,632	2,841,393
Services:	服務：		
Payment solutions services	支付解決方案服務	125,101	–
Maintenance services	維護服務	32,109	29,401
		2,914,842	2,870,794
Other income	其他收入		
Interest income	利息收入	15,005	19,833
Value added tax refund (note (i))	退還增值稅(附註(i))	44,840	79,600
Subsidy income	補貼收入	10,138	8,402
Others	其他	1,610	1,400
		71,593	109,235

note (i) The amount represents the Group's entitlement to value added tax refund in relation to the sales of self developed software products in the PRC.

5 收入及其他收入

本集團主要從事銷售電子支付終端產品、提供支付解決方案服務及維護服務。於有關年度已確認的收入及其他收入如下：

附註(i) 該金額指本集團於中國銷售自主開發軟件產品而享有的增值稅退稅。

6 SEGMENT INFORMATION

The management reviews the Group's internal reporting in order to assess performance and allocate resources. The management has determined the operating segments based on the internal reports reviewed by the Executive Directors to make strategic decisions. The Group is principally engaged in the E-payment Terminals solutions business, and the management considers that the Group operates in one single business segment.

The Group primarily operates in Hong Kong, the PRC (China excluding Hong Kong, Macau and Taiwan), the United States of America (the "US") and Italy. The management assesses the performance of the Group from a geographic perspective based on the locations of the subsidiaries in which revenues are generated.

6 分類資料

管理層審閱本集團內部報告以評估表現並分配資源。管理層根據由執行董事所審閱以作出策略決定的內部報告而釐定業務分類。本集團主要從事電子支付終端解決方案業務，及管理層認為本集團經營單一業務分類。

本集團主要於香港、中國(中國不包括香港、澳門及台灣)、美國及意大利經營。管理層從地域角度按產生收入之附屬公司的位置評估本集團的表現。

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The management assesses the performance of the operating segments based on a measurement of segmental operating profit/(loss).

An analysis of the Group's turnover and results during the year by segment is as follows:

6 分類資料(續)

管理層根據分類經營溢利/(虧損)的計量評估經營分類的表現。

於有關年度及按分類劃分的本集團營業額及業績分析如下：

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

		PRC, other than Hong Kong, Macau and Taiwan	Hong Kong	US	Italy	Elimination	Total
		中國(香港、 澳門及 台灣除外)	香港	美國	意大利	抵銷	總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover from external customers	來自外部客戶的營業額	1,622,321	1,042,909	176,669	72,943	-	2,914,842
Inter-segment turnover	分類間營業額	914,695	163,560	-	-	(1,078,255)	-
Total turnover	總營業額	2,537,016	1,206,469	176,669	72,943	(1,078,255)	2,914,842
Segmental earnings before interest expense, taxes, depreciation and amortisation ("EBITDA")	分類除利息支出、稅項、折舊及攤銷前盈利 ("EBITDA")	438,711	249,023	5,055	3,065	3,623	699,477
Depreciation	折舊	(6,180)	(253)	(345)	(377)	-	(7,155)
Amortisation	攤銷	(2,352)	-	-	(877)	-	(3,229)
Segmental operating profit	分類經營溢利	430,179	248,770	4,710	1,811	3,623	689,093
Finance costs	財務費用						(10,794)
Profit before income tax	所得稅前溢利						678,299
Income tax expense	所得稅開支						(74,865)
Profit for the year	年內溢利						603,434

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

6 分類資料(續)

Year ended 31 December 2015
截至二零一五年十二月三十一日止年度

		PRC, other than Hong Kong, Macau and Taiwan 中國(香港、 澳門及 台灣除外)	Hong Kong 香港	US 美國	Italy 意大利	Elimination 抵銷	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Turnover from external customers	來自外部客戶的營業額	1,748,803	999,635	105,433	16,923	–	2,870,794
Inter-segment turnover	分類間營業額	894,733	112,275	–	–	(1,007,008)	–
Total turnover	總營業額	2,643,536	1,111,910	105,433	16,923	(1,007,008)	2,870,794
Segmental EBITDA	分類EBITDA	367,169	323,777	(24,159)	(906)	(2,904)	662,977
Depreciation	折舊	(3,802)	(260)	(340)	(158)	–	(4,560)
Amortisation	攤銷	(6)	–	–	(438)	–	(444)
Segmental operating profit/(loss) and profit/(loss) before income tax	分類經營溢利/(虧損)及 除所得稅前溢利/(虧損)	363,361	323,517	(24,499)	(1,502)	(2,904)	657,973
Income tax expense	所得稅開支						(37,687)
Profit for the year	年內溢利						620,286

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The segment assets and liabilities at 31 December 2016 and additions to non-current assets for the year ended 31 December 2016 are as follows:

6 分類資料(續)

於二零一六年十二月三十一日的分類資產及負債以及截至二零一六年十二月三十一日止年度非流動資產的添置如下：

As at 31 December 2016
於二零一六年十二月三十一日

		PRC, other than Hong Kong, Macau and Taiwan	Hong Kong	US	Italy	Elimination	Total
		中國(香港、 澳門及 台灣除外)	香港	美國	意大利	抵銷	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分類資產	3,360,671	1,483,999	127,537	70,631	(609,775)	4,433,063
Segment liabilities	分類負債	1,224,057	113,234	167,499	20,695	(593,705)	931,780

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

		PRC, other than Hong Kong, Macau and Taiwan	Hong Kong	US	Italy	Elimination	Total
		中國(香港、 澳門及 台灣除外)	香港	美國	意大利	抵銷	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Additions to non-current assets	非流動資產的添置	179,980	122	170	887	-	181,159

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

The segment assets and liabilities at 31 December 2015 and additions to non-current assets for the year ended 31 December 2015 are as follows:

6 分類資料(續)

於二零一五年十二月三十一日的分類資產及負債以及截至二零一五年十二月三十一日止年度非流動資產的添置如下：

As at 31 December 2015
於二零一五年十二月三十一日

		PRC, other than Hong Kong, Macau and Taiwan	Hong Kong	US	Italy	Elimination	Total
		中國(香港、 澳門及 台灣除外)	香港	美國	意大利	抵銷	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Segment assets	分類資產	3,064,034	1,539,148	86,403	43,019	(652,405)	4,080,199
Segment liabilities	分類負債	1,302,751	201,504	131,075	5,467	(651,197)	989,600

Year ended 31 December 2015
截至二零一五年十二月三十一日止年度

		PRC, other than Hong Kong, Macau and Taiwan	Hong Kong	US	Italy	Elimination	Total
		中國(香港、 澳門及 台灣除外)	香港	美國	意大利	抵銷	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Additions to non-current assets	非流動資產的添置	22,431	15,124	-	15,826	-	53,381

Notes to the Consolidated Financial Statements

綜合財務報表附註

6 SEGMENT INFORMATION (continued)

Segmental EBITDA represents segmental operating profit/(loss) before finance costs, income tax expense, depreciation of property, plant and equipment, amortisation of leasehold land and intangible assets. Segment assets consist primarily of property, plant and equipment, leasehold land, intangible assets, inventories, deposits and other receivables, trade and bills receivables, restricted cash and cash at bank and on hand. Segment liabilities consist primarily of trade payables, other payables and accruals and taxation payable.

Additions to non-current assets mainly comprise additions to property, plant and equipment, intangible assets including additions resulting from acquisitions through business combinations and prepayments for acquisitions of subsidiaries.

In 2016, revenue of approximately HK\$529,405,000 is derived from the largest customer, representing 18.2% of the total revenue, which is attributable to the HK operating segment; HK\$263,550,000 is derived from the second largest customer, representing 9.0% of the total revenue, which is attributable to the PRC operating segment. In 2015, revenue of approximately HK\$474,805,000 is derived from the largest customer, representing 16.5% of the total revenue, which is attributable to the HK operating segment; HK\$256,467,000 is derived from the second largest customer, representing 8.9% of the total revenue, which is attributable to the PRC operating segment.

Information provided to the Executive Directors is measured in a manner consistent with that in the consolidated financial statements.

The Group is mainly domiciled in Hong Kong, the PRC, the US and Italy.

The Group's non-current assets by geographical location, which is determined by the geographical location in which the asset is located, is as follows:

6 分類資料(續)

分類EBITDA指扣除融資成本、所得稅開支、物業、廠房及設備折舊、租賃土地攤銷以及無形資產前的分類經營溢利/(虧損)。分類資產主要包括物業、廠房及設備、租賃土地、無形資產、存貨、按金及其他應收款項、應收賬款及應收票據、受限制現金以及銀行及手上現金。分類負債主要包括應付賬款、其他應付賬款及應計款項以及應付稅項。

非流動資產添置主要包括對物業、廠房及設備、無形資產(包括透過業務合併收購所得的添置)及收購附屬公司預付款項。

於二零一六年，為數約529,405,000港元的收入乃來自最大客戶，該等收入佔總收入的18.2%並歸屬於香港業務分部。為數約263,550,000港元的收入乃來自第二大客戶，該等收入佔總收入的9.0%並歸屬於中國業務分部。於二零一五年，為數約474,805,000港元的收入乃來自最大客戶，該等收入佔總收入的16.5%並歸屬於香港業務分部。為數約256,467,000港元的收入乃來自第二大客戶，該等收入佔總收入的8.9%並歸屬於中國業務分部。

向執行董事報告的計量方法與綜合財務報表內方法一致。

本集團主要以香港、中國、美國及意大利為註冊地。

按該資產所在地劃分的本集團非流動資產載列如下：

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Non-current assets	非流動資產		
PRC, other than Hong Kong, Macau and Taiwan	中國(香港、澳門及台灣除外)	196,845	27,517
Hong Kong	香港	626	15,769
US	美國	125	306
Italy	意大利	15,048	16,022
		212,644	59,614

Notes to the Consolidated Financial Statements

綜合財務報表附註

7 EXPENSES BY NATURE

Expenses included in cost of sales, selling expenses and administrative expenses are analysed as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Remuneration to the Company's auditor	本公司核數師酬金	2,100	1,800
Remuneration to other auditors	其他核數師酬金	208	352
Depreciation of property, plant and equipment (note 14)	物業、廠房及設備折舊(附註14)	7,155	4,560
Amortisation of leasehold land (note 16)	租賃土地攤銷(附註16)	5	6
Amortisation of intangible assets (note 15)	無形資產攤銷(附註15)	3,224	438
Employee benefit expenses (including Directors' emoluments) (note 10)	僱員福利開支(包括董事酬金)(附註10)	308,140	280,633
Costs of inventories sold (note 18)	售出存貨成本(附註18)	1,620,895	1,702,730
Operating lease rentals in respect of buildings	樓宇的經營租賃租金	25,066	18,392
Research and development costs	研發成本	183,614	157,734
Sales commission	銷售佣金	13,661	13,293
Provision for impairment of receivables, net (note 19(c))	應收款項減值撥備-淨額(附註19(c))	586	3,666
Loss on disposals of property, plant and equipment (Reversal of provision)/provision for obsolete inventories (note 18)	出售物業、廠房及設備的虧損 陳舊存貨(撥備撥回)/撥備 (附註18)	117	-
Donation	捐款	(17,983)	39,492
		-	1,106

8 NET FOREIGN EXCHANGE LOSS

The net foreign exchange loss recognised in administrative expenses for the year ended 31 December 2016 amounted to HK\$7,270,000 (2015: HK\$7,618,000).

9 FINANCE COSTS

7 按性質劃分的開支

計入銷售成本、銷售開支及行政開支的開支分析如下：

8 外匯淨虧損

截至二零一六年十二月三十一日止年度於行政開支中確認的外匯淨虧損，為7,270,000港元(二零一五年：7,618,000港元)。

9 財務費用

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Factoring costs	保理業務費用	10,794	-

Notes to the Consolidated Financial Statements

綜合財務報表附註

10 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS) 10 僱員福利開支(包括董事酬金)

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Wages and salaries	工資及薪金	267,322	241,487
Share options granted to employees	授予僱員的購股權	3,513	13,568
Social security and pension costs	社會保障及退休金成本	37,305	25,578
		308,140	280,633

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2016 included three Directors (2015: two). The emoluments payable to the remaining two (2015: three) individuals during the year are as follows:

五名最高薪人士

本集團截至二零一六年十二月三十一日止年度五名最高薪人士包括三名董事(二零一五年:兩名)。本年度應付餘下兩名(二零一五年:三名)人士的酬金載列如下:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Salaries, allowances, share options and benefits in kind	薪金、津貼、購股權及實物福利	4,925	12,864
Pension cost	退休金成本	26	53
		4,951	12,917

The emoluments fell within the following bands:

酬金介乎下列組別:

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Emolument band	酬金組別		
HK\$2,000,001 – HK\$2,500,000	2,000,001 港元-2,500,000 港元	2	–
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元-4,000,000 港元	–	1
HK\$4,000,001 – HK\$4,500,000	4,000,001 港元-4,500,000 港元	–	1
HK\$5,000,001 – HK\$5,500,000	5,000,001 港元-5,500,000 港元	–	1
		2	3

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INCOME TAX EXPENSE

11 所得稅開支

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current income tax	即期所得稅		
– PRC corporate income tax	– 中國企業所得稅	41,454	11,588
– Hong Kong profits tax	– 香港利得稅	46,826	59,481
– Overseas profits tax	– 海外利得稅	644	–
Over provision in prior year, net (Note a)	過往年度超額撥備，淨額(附註 a)	(871)	(32,476)
Total current income tax	即期所得稅開支總額	88,053	38,593
Deferred income tax	遞延所得稅	(13,188)	(906)
Income tax expense	所得稅開支	74,865	37,687

Hong Kong profits tax has been provided for at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the year ended 31 December 2016.

Taxes on overseas profits have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Note a: Wonder Pax Technology (Shenzhen) Co. Ltd. ("Wonder Pax"), a wholly owned subsidiary of the Group, obtained the approval from the relevant applicable tax authorities in April 2015 for a preferential tax treatment and is fully exempted from PRC corporate tax for two years, beginning in 2014, followed by a 50% tax exemption for the ensuing three years. As such, the applicable corporate income tax rate of Wonder Pax is 12.5% for the year ended 31 December 2016. The over provision of income tax accrued by Wonder Pax in financial year 2014, being calculated at the tax rate of 25%, of approximately HK\$32,976,000 was credited to the profit and loss for the year ended 31 December 2015.

截至二零一六年十二月三十一日止年度，香港利得稅根據估計應課稅溢利按稅率 16.5% (二零一五年：16.5%) 作出撥備。

海外溢利的稅項已根據本集團經營業務所在的司法權區的現行法例、詮釋及慣例，按現行稅率計算。

附註 a：本集團全資附屬公司萬達百滙科技(深圳)有限公司(「萬達百滙」)於二零一五年四月獲相關適用稅務機關批准享有優惠稅待遇，並於二零一四年開始獲全面免繳中國企業稅兩年，其後三年獲稅項豁免 50%。因此，萬達百滙於截至二零一六年十二月三十一日止年度的適用企業所得稅稅率為 12.5%。萬達百滙於二零一四年財政年度的累計所得稅超額撥備約 32,976,000 港元，按其稅率 25% 已計入截至二零一五年十二月三十一日止年度的損益內。

Notes to the Consolidated Financial Statements

綜合財務報表附註

11 INCOME TAX EXPENSE (continued)

Pursuant to the Corporate Income Tax Law of the PRC effective from 1 January 2008 (the "CIT Law"), companies in the PRC are subject to income tax of 25% unless preferential rate is applicable. Pax Computer Technology (Shenzhen) Co., Ltd. ("Pax Computer Shenzhen"), a wholly owned subsidiary of the Company, is located in the Shenzhen Special Economic Zone. Pursuant to Caishui [2016] Circular 49 jointly released by the Ministry of Finance, the State Administration of Taxation, the National Development and Reform Commission and the Ministry of Industry and Information Technology of the PRC, management performed self-assessment on the eligibility for the tax incentives. Management estimated that Pax Computer Shenzhen was qualified as a National Key Software Enterprise and entitled to the preferential corporate income tax rate of 10% for the year ended 31 December 2016. Pax Computer Shenzhen was qualified as a High and New Technology Enterprise under the CIT Law and its applicable corporate income tax rate was 15% for the year ended 31 December 2015. The application of the preferential tax rate is a critical accounting estimate as set out in Note 4(a) to these financial statements.

The taxation on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities in the respective jurisdictions as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax	除所得稅前溢利	678,299	657,973
Tax calculated at domestic tax rates applicable to profits in the respective countries	按於各個國家產生溢利的適用當地稅率計算的稅項	89,279	64,086
Income not subject to taxation	毋須納稅的收入	(6,492)	(1,462)
Tax incentives for research and development expenses available for a subsidiary incorporated in the PRC (note (i))	於中國註冊成立的附屬公司就研發費用的稅項優惠(附註(i))	(5,587)	(5,352)
Expenses not deductible for taxation purposes	就稅務而言不可扣減的開支	1,148	8,219
Unrecognised tax losses	未確認的稅項虧損	8	4,672
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(2,620)	–
Over provision in prior year, net (note a)	上一年度超額撥備，淨額(附註a)	(871)	(32,476)
		74,865	37,687

note (i): The Group obtained an incentive from the PRC tax authority relating to the research and development expenses of a subsidiary in the PRC. Under such tax incentive rule, the Group may claim an additional tax deduction up to 50% of the relevant research and development expenses incurred in a year approved by the PRC tax authority.

The weighted average applicable tax rate was 13.2% (2015: 9.7%) for the year ended 31 December 2016.

11 所得稅開支(續)

根據於二零零八年一月一日生效的中國企業所得稅法(「企業所得稅法」)，中國公司須繳納25%的所得稅，除非優惠利率適用。本公司附屬公司百富計算機技術(深圳)有限公司(「百富計算機深圳」)位於深圳經濟特區。根據財政部、國家稅務總局、國家發展和改革委員會以及中國工業和信息化部聯合發佈的財稅[2016]49號通知，管理層對稅務優惠的資格進行自我評估。管理層估計百富計算機深圳屬國家重要軟件企業，截至二零一六年十二月三十一日止年度有權享有10%優惠企業所得稅率。根據企業所得稅法，百富計算機深圳屬於高新技術企業，截至二零一五年十二月三十一日止年度其適用企業所得稅率為15%。如附註4(a)所載，應用優惠稅率為重要會計估計。

本集團除所得稅前溢利的稅項與採用適用於各個司法權區的合併實體溢利的加權平均稅率計算的理論金額的差額如下：

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Profit before income tax	除所得稅前溢利	678,299	657,973
Tax calculated at domestic tax rates applicable to profits in the respective countries	按於各個國家產生溢利的適用當地稅率計算的稅項	89,279	64,086
Income not subject to taxation	毋須納稅的收入	(6,492)	(1,462)
Tax incentives for research and development expenses available for a subsidiary incorporated in the PRC (note (i))	於中國註冊成立的附屬公司就研發費用的稅項優惠(附註(i))	(5,587)	(5,352)
Expenses not deductible for taxation purposes	就稅務而言不可扣減的開支	1,148	8,219
Unrecognised tax losses	未確認的稅項虧損	8	4,672
Utilisation of previously unrecognised tax losses	動用過往未確認之稅項虧損	(2,620)	–
Over provision in prior year, net (note a)	上一年度超額撥備，淨額(附註a)	(871)	(32,476)
		74,865	37,687

附註(i)：本集團一間位於中國的附屬公司就其研發費用獲得中國稅務機關頒佈的一項稅項優惠。根據有關稅務優惠規則，本集團可申請額外降低稅項金額達年內相關研發費用的50%，由中國稅務機關批准。

截至二零一六年十二月三十一日止年度，加權平均適用稅率為13.2% (二零一五年：9.7%)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

12 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit for the year attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the year.

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利(千港元)	600,908	620,736
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數(千股)	1,114,457	1,108,940
Basic earnings per share (HK\$ per share)	每股基本盈利(每股港元)	0.539	0.560

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potentially dilutive ordinary shares. The Company has one category of potentially dilutive ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares for the period) based on the monetary value of the subscription rights attached to outstanding share option. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利(千港元)	600,908	620,736
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數(千股)	1,114,457	1,108,940
Adjustments for share options (thousand shares)	就購股權作出的調整(千股)	8,557	16,681
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	每股攤薄盈利的普通股加權平均數(千股)	1,123,014	1,125,621
Diluted earnings per share (HK\$ per share)	每股攤薄盈利(每股港元)	0.535	0.551

12 每股盈利

(a) 基本

每股基本盈利乃按本公司持有人應佔本年度溢利除年內已發行普通股加權平均數計算。

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利(千港元)	600,908	620,736
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數(千股)	1,114,457	1,108,940
Basic earnings per share (HK\$ per share)	每股基本盈利(每股港元)	0.539	0.560

(b) 攤薄

每股攤薄盈利的計算方式為假設轉換所有具潛在攤薄效應的普通股以調整已發行普通股的加權平均數。本公司現有一類具潛在攤薄效應的普通股購股權。就購股權而言，按尚未行使購股權所附認購權的貨幣價值計算，以釐定可按公平值(定為本公司股份期內的平均市價)購買的股份數目。按上述方式計算的股份數目與假設購股權獲行使時應已發行的股份數目作比較。

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
Profit attributable to the owners of the Company (HK\$'000)	本公司持有人應佔溢利(千港元)	600,908	620,736
Weighted average number of ordinary shares in issue (thousand shares)	已發行普通股加權平均數(千股)	1,114,457	1,108,940
Adjustments for share options (thousand shares)	就購股權作出的調整(千股)	8,557	16,681
Weighted average number of ordinary shares for diluted earnings per share (thousand shares)	每股攤薄盈利的普通股加權平均數(千股)	1,123,014	1,125,621
Diluted earnings per share (HK\$ per share)	每股攤薄盈利(每股港元)	0.535	0.551

Notes to the Consolidated Financial Statements

綜合財務報表附註

13 DIVIDENDS

In 2016, interim dividends of HK\$0.04 per ordinary share (2015: HK\$0.02 per ordinary share) were paid, amounting to approximately HK\$44,715,000 (2015: HK\$22,229,000). A final dividend of HK\$0.04 per ordinary share for the year ended 31 December 2016 (2015: HK\$0.02 per ordinary share), amounting to HK\$44,315,000 (2015: HK\$22,240,000), is to be proposed at the annual general meeting on 25 April 2017. These financial statements do not reflect this dividend payable.

13 股息

於二零一六年，本公司已支付中期股息每股普通股0.04港元(二零一五年：每股普通股0.02港元)，為數約44,715,000港元(二零一五年：22,229,000港元)。將於二零一七年四月二十五日之股東週年大會建議有關截至二零一六年十二月三十一日止年度之末期股息每股普通股0.04港元(二零一五年：每股普通股0.02港元)，為數44,315,000港元(二零一五年：22,240,000港元)。本財務報表並不反映該應付股息。

		Year ended 31 December 截至十二月三十一日止年度	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Interim dividend paid of HK\$0.04 (2015: HK\$ 0.02) per ordinary share	已支付每股普通股0.04港元中期股息(二零一五年：0.02港元)	44,715	22,229
Proposed final dividend of HK\$0.04 (2015: HK\$ 0.02) per ordinary share	每股普通股0.04港元的建議末期股息(二零一五年：0.02港元)	44,315	22,240
		89,030	44,469

14 PROPERTY, PLANT AND EQUIPMENT

14 物業、廠房及設備

		Buildings	Leasehold improvements	Office furniture and equipment	Plant and equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	辦公室傢俱及設備	廠房及設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度						
Opening net book amount	期初賬面淨值	-	1,386	4,909	2,970	2,215	11,480
Acquisitions of subsidiaries (note 30)	收購附屬公司(附註30)	-	-	1,115	-	-	1,115
Additions	添置	-	805	6,160	57,997	743	65,705
Disposals	出售	-	-	(117)	-	-	(117)
Depreciation (note 7)	折舊(附註7)	-	(669)	(3,219)	(2,487)	(780)	(7,155)
Exchange differences	匯兌差額	-	(80)	(253)	(2,684)	(92)	(3,109)
Closing net book amount	期末賬面淨值	-	1,442	8,595	55,796	2,086	67,919
At 31 December 2016	於二零一六年十二月三十一日						
Cost	成本	6,708	3,300	22,539	61,378	7,107	101,032
Accumulated depreciation	累計折舊	(6,708)	(1,858)	(13,944)	(5,582)	(5,021)	(33,113)
Net book amount	賬面淨值	-	1,442	8,595	55,796	2,086	67,919

Notes to the Consolidated Financial Statements

綜合財務報表附註

14 PROPERTY, PLANT AND EQUIPMENT (continued)

14 物業、廠房及設備(續)

		Buildings	Leasehold improvements 租賃 物業裝修	Office furniture and equipment 辦公室 傢俱及設備	Plant and equipment 廠房及設備	Motor vehicles 汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Year ended 31 December 2015	截至二零一五年十二月三十一日 止年度						
Opening net book amount	期初賬面淨值	591	-	3,738	4,315	2,784	11,428
Acquisition of a subsidiary	收購一間附屬公司	-	-	202	-	-	202
Additions	添置	-	1,664	3,290	-	294	5,248
Depreciation (note 7)	折舊(附註7)	(581)	(288)	(2,107)	(818)	(766)	(4,560)
Exchange differences	匯兌差額	(10)	10	(214)	(527)	(97)	(838)
Closing net book amount	期末賬面淨值	-	1,386	4,909	2,970	2,215	11,480
At 31 December 2015	於二零一五年十二月三十一日						
Cost	成本	7,122	2,649	16,323	6,418	6,970	39,482
Accumulated depreciation	累計折舊	(7,122)	(1,263)	(11,414)	(3,448)	(4,755)	(28,002)
Net book amount	賬面淨值	-	1,386	4,909	2,970	2,215	11,480

Depreciation expense of HK\$1,633,000 (2015: Nil) has been charged to cost of goods sold and HK\$5,522,000 (2015: HK\$4,560,000) has been charged to administrative expenses.

折舊開支1,633,000港元(二零一五年：無)已計入銷售成本及5,522,000港元(二零一五年：4,560,000港元)已計入行政開支。

For the year ended 31 December 2016, additions of plant and equipment of HK\$51,091,000 were transferred from inventories (2015: Nil).

截至二零一六年十二月三十一日止年度，廠房及設備添置51,091,000港元乃轉移自存貨(二零一五年：無)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 INTANGIBLE ASSETS

15 無形資產

		Goodwill	Contractual customer relationships and others	Total
		商譽	合約客戶 關係及其他	合計
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度			
Opening net book amount	期初賬面淨值	8,144	7,481	15,625
Acquisitions of subsidiaries (note 30)	收購附屬公司(附註30)	60,833	22,202	83,035
Amortisation (note 7)	攤銷(附註7)	–	(3,224)	(3,224)
Exchange differences	匯兌差額	(4,394)	(1,650)	(6,044)
Closing net book amount	期末賬面淨值	64,583	24,809	89,392
At 31 December 2016	於二零一六年十二月三十一日			
Cost	成本	64,583	28,293	92,876
Accumulated amortisation	累計攤銷	–	(3,484)	(3,484)
Net book amount	賬面淨值	64,583	24,809	89,392

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綜合財務報表附註

15 INTANGIBLE ASSETS (continued)

15 無形資產(續)

		Goodwill 商譽 HK\$'000 千港元	Contractual customer relationships and others 合約客戶 關係及其他 HK\$'000 千港元	Total 合計 HK\$'000 千港元
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度			
Opening net book amount	期初賬面淨值	–	–	–
Acquisition of a subsidiary	收購一間附屬公司	8,181	7,955	16,136
Amortisation (note 7)	攤銷(附註7)	–	(438)	(438)
Exchange differences	匯兌差額	(37)	(36)	(73)
Closing net book amount	期末賬面淨值	8,144	7,481	15,625
At 31 December 2015	於二零一五年十二月三十一日			
Cost	成本	8,144	7,919	16,063
Accumulated amortisation	累計攤銷	–	(438)	(438)
Net book amount	賬面淨值	8,144	7,481	15,625

Amortisation of HK\$3,224,000 (2015: HK\$438,000) has been charged to administrative expenses.

3,224,000港元(二零一五年: 438,000港元)攤銷已計入行政開支。

Goodwill is allocated to the Group's CGUs related to acquisitions of subsidiaries and monitored by the management at the operating segment level. Most of the goodwill is related to the operating segment of PRC, other than Hong Kong, Macau and Taiwan. The following is a summary of goodwill allocation for each operating segment:

商譽是分配給本集團與收購附屬公司公司有關的現金產生單位及受管理層的層級監察。大部分商譽與與中國(香港、澳門及台灣除外)的經營分部有關。以下為各經營分部的商譽分配概要:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
PRC, other than Hong Kong, Macau and Taiwan	中國(香港、澳門及台灣除外)		
Nanchang Kashuo Information Technology Company Limited and its subsidiaries ("Kashuo CGU")	南昌卡說信息技術有限公司及其附屬公司 (「卡說現金產生單位」)	41,049	–
Suzhou leasy Information Technology Co., Ltd ("Suzhou leasy")	蘇州知行易信息科技有限公司 (「蘇州知行易」)	15,696	–
Italy	意大利		
Pax Italia S.r.l.	Pax Italia S.r.l.	7,838	8,144
		64,583	8,144

Notes to the Consolidated Financial Statements

綜合財務報表附註

15 INTANGIBLE ASSETS (continued)

Impairment test for goodwill related to the acquisition of Nanchang Kashuo Information Technology Company Limited and its subsidiaries

The recoverable amounts of CGUs are determined based on a value-in-use calculation. The calculation uses pre-tax cash flow projection based on financial budgets approved by management covering a five-year period and a pre-tax discount rate of 19.2%. Thereafter, the cash flows are extrapolated using the terminal growth rates not exceeding the long-term average growth rate for the countries in which the CGU operates.

For Kashuo CGU, management prepared its budget within the five-year period using the compound annual growth rate of 23.8%. Growth rate of 3% is used to extrapolate cash flows beyond the five-year period.

The recoverable amount calculated based on value in use exceeded carrying value as at 31 December 2016. There was no impairment provision for intangible assets for the year ended 31 December 2016 (2015: Nil). An increase in pre-tax discount rate to 21.2% would remove the remaining headroom.

16 LEASEHOLD LAND

The Group's interests in leasehold land represent upfront payments for land and their net carrying values are analysed as follows:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Opening net carrying value	期初賬面淨值	203	221
Amortisation (note 7)	攤銷(附註7)	(5)	(6)
Exchange difference	匯兌差額	(12)	(12)
Closing net carrying value	期末賬面淨值	186	203

The Group's leasehold land is located in the PRC and is held on leases of between 10 to 50 years. Amortisation of the Group's leasehold land has been charged to the administrative expenses.

15 無形資產(續)

與南昌卡說信息技術有限公司及其附屬公司相關之商譽減值測試

現金產生單位的可收回款額基於使用價值計算釐定。該計算根據管理層所批准的五年期財政預算案及稅前貼現率 19.2% 採用稅前現金流量預測進行計算。此後，推斷現金流量所採用的終端增長率不會超過現金產生單位經營所在國家的長期平均增長率。

就卡說現金產生單位而言，管理層編製的五年期內預算則採用複合年增長率至 23.8% 進行。五年期後現金流量所用的增長率推斷為 3%。

基於使用價值計算得出之可收回金額超出於二零一六年十二月三十一日之賬面值。截至二零一六年十二月三十一日止年度，概無無形資產減值撥備(二零一五年：無)。稅前貼現率增至 21.2% 將會抵銷剩餘差額。

16 租賃土地

本集團於租賃土地的權益指土地前其付款，其賬面淨值分析如下：

本集團的租賃土地位於中國，租期為 10 至 50 年。本集團租賃土地的所有攤銷已計入行政開支。

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綜合財務報表附註

17 SUBSIDIARIES

The following is a list of principal subsidiaries as at 31 December 2016:

17 附屬公司

於二零一六年十二月三十一日，主要附屬公司名單如下：

Name 名稱	Place of incorporation and type of legal entity 註冊成立地點及法定實體類別	Principal activities and place of operation 主要業務及營業地點	Particulars of issued and paid up/registered capital 已發行及繳足股本／註冊資本詳情所持權益	Interest held 所持權益
Pax Technology Limited 百富科技有限公司	Hong Kong, limited liability company 香港，有限公司	Sales of E-payment Terminals products and provision of related services in Hong Kong 在香港銷售電子支付終端產品及提供相關服務	HK\$113,125,000 113,125,000 港元	100%
Pax Computer Technology (Shenzhen) Co., Ltd. (*) 百富計算機技術(深圳)有限公司	The PRC, limited liability company 中國，有限公司	Development and sales of E-payment Terminals products and provision of related services in the PRC 在中國研發及銷售電子支付終端產品及提供相關服務	HK\$200,000,000 200,000,000 港元	100%
Wonder Pax Technology (Shenzhen) Co., Ltd. (*) 萬達百滙科技(深圳)有限公司	The PRC, limited liability company 中國，有限公司	Development of software and hardware of E-payment Terminals products and provision of related services in PRC 在中國研發電子支付終端產品的軟件及硬件及提供相關服務	HK\$20,000,000 20,000,000 港元	100%
Pax Technology, Inc.	The US, limited liability company 美國，有限公司	Sales of E-payment Terminals products in the US 在美國銷售電子支付終端產品	US\$1,000 1,000 美元	100%
Pax Italia S. r. l.	Italy, limited liability company 意大利，有限公司	Development and customising software systems and sales of E-payment Terminals products in Italy 在意大利開發及個人化軟件系統及銷售電子支付終端產品	EUR100,000 100,000 歐元	70%
Shanghai New Kashuo Information Technology Company Limited ("Shanghai Kashuo") (*) 上海新卡說訊息有限公司 (「上海卡說」)	The PRC, limited liability company 中國，有限公司	Provision of payment solution services in the PRC 在中國提供支付解決方案服務	RMB30,000,000 30,000,000 人民幣	51%
Suzhou leasy Information Technology Co., Ltd (*) 蘇州知行易信息 科技有限公司	The PRC, limited liability company 中國，有限公司	Development and sales of enterprise resource planning management software in the PRC 在中國研發及銷售企業資源管理的軟件	RMB7,500,000 7,500,000 人民幣	60%

Notes to the Consolidated Financial Statements

綜合財務報表附註

17 SUBSIDIARIES (continued)

- * The English names of Pax Computer Shenzhen, Wonder Pax, Shanghai Kashuo and Suzhou leasy represent the best effort by the management of the Group in translating their Chinese names as they do not have official English names.

The non-controlling interests in respect of Pax Italia S.r.l., Shanghai Kashuo and Suzhou leasy are not material.

18 INVENTORIES

Raw materials	原材料
Work in progress	在製品
Finished goods	製成品

The cost of inventories included in cost of sales during the year amounted to approximately HK\$1,620,895,000 (2015: HK\$1,702,730,000), which included reversal of provision for obsolete inventories of HK\$17,983,000 (2015: provision for obsolete inventories of HK\$39,492,000).

17 附屬公司(續)

- * 由於百富計算機深圳·萬達百滙·上海卡說及蘇州知行易並無正式的英文名稱，故其英文名稱是由本集團管理層致力從中文名稱翻譯過來。

有關 Pax Italia S.r.l.，上海卡說及蘇州知行易的非控股權益並不重大。

18 存貨

As at 31 December

於十二月三十一日

	2016	2015
	二零一六年	二零一五年
	HK\$'000	HK\$'000
	千港元	千港元
Raw materials	152,614	169,146
Work in progress	116,550	109,116
Finished goods	327,375	284,183
	596,539	562,445

年內，於銷售成本入賬的存貨成本約1,620,895,000港元(二零一五年：1,702,730,000港元)，其中包括陳舊存貨撥備撥回17,983,000港元(二零一五年：陳舊存貨撥備為39,492,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

19 應收賬款及應收票據、按金及其他應收款項

		As at 31 December 於十二月三十一日	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current portion	即期部分		
Trade receivables (note (a))	應收賬款(附註(a))	1,245,947	995,353
Amounts due from related parties (note 31(b))	應收關聯方款項(附註31(b))	65,196	70,912
Less: provision for impairment of receivables (note (c))	減：應收賬款減值撥備(附註(c))	(4,067)	(3,694)
Trade receivables, net	應收賬款－淨額	1,307,076	1,062,571
Bills receivables (note (b))	應收票據(附註(b))	40,370	198,603
Trade and bills receivables	應收賬款及應收票據	1,347,446	1,261,174
Deposits and other receivables	按金及其他應收款項	68,919	43,719
Trade and bills receivables, deposits and other receivables	應收賬款及應收票據、按金及其他應收款項	1,416,365	1,304,893
Non-current portion	非即期部分		
Prepayments for acquisitions of subsidiaries (note 30 (a) and (b))	收購附屬公司預付款項(附註30(a)及(b))	–	21,975
Other prepayment	其他預付款項	24,672	–
Others	其他	13,681	9,425
		38,353	31,400

The carrying amounts of the Group's trade and bills receivables, deposits and other receivables are denominated in the following currencies:

本集團的應收賬款及應收票據、按金及其他應收款項的賬面值以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
HK\$	港元	19,319	8,658
RMB	人民幣	872,070	947,578
US\$	美元	502,263	337,261
EUR	歐元	22,713	11,396
		1,416,365	1,304,893

The fair values of trade and bills receivables, deposits and other receivables approximated their carrying values as at 31 December 2015 and 2016.

於二零一五年及二零一六年十二月三十一日，應收賬款及應收票據、按金及其他應收款項的公平值與其賬面值相若。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

(a) Trade receivables

The Group's credit terms to trade debtors range generally from 0 to 180 days. However, credit terms of more than 180 days may be granted to customers on a case-by-case basis upon negotiation. As at 31 December 2015 and 2016, the ageing analysis of the trade receivables and amounts due from related parties is as follows:

Up to 90 days	90日以內
91 to 180 days	91至180日
181 to 365 days	181至365日
Over 365 days	365日以上

As at 31 December 2016, trade receivables included retention money receivables of HK\$77,874,000 (2015: HK\$69,300,000), which represents approximately 2% to 5% (2015: approximately 2% to 5%) of the relevant contract sum granted to certain number of the customers in the PRC that has a retention period of three to five years. As at 31 December 2016, retention money receivables aged over 365 days amounted to HK\$57,932,000 (2015: HK\$48,960,000).

The Group's sales are made to several major customers and there is concentration of credit risks. Sales of goods and services to the top five customers constituted approximately 45.4% (2015: 44.4%) of the Group's turnover for the year ended 31 December 2016. They accounted for approximately 47.5% (2015: 37.5%) of the gross trade receivable balances as at 31 December 2016.

Receivables that were neither past due nor impaired amounted to approximately HK\$1,243,259,000 (2015: HK\$1,050,799,000) as at 31 December 2016.

19 應收賬款及應收票據、按金及其他應收款項(續)

(a) 應收賬款

本集團給予貿易債務人的信貸期由0至180日不等。然而，經磋商後可按個別情況向客戶授出超過180日的信貸期。於二零一五年及二零一六年十二月三十一日，應收賬款及應收關聯方款項的賬齡分析如下：

As at 31 December
於十二月三十一日

2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
----------------------------------	----------------------------------

846,807	750,231
277,772	193,517
58,915	37,174
127,649	85,343
1,311,143	1,066,265

於二零一六年十二月三十一日，應收賬款包括應收預扣金額77,874,000港元(二零一五年：69,300,000港元)，佔授予中國若干客戶的相關合同總額約2%至5%(二零一五年：約2%至5%)，而預扣期則為三至五年。於二零一六年十二月三十一日，應收預扣金額賬齡超過365日的總額為57,932,000港元(二零一五年：48,960,000港元)。

本集團的銷售乃向數名主要客戶作出且有信貸集中風險。截至二零一六年十二月三十一日止年度，對五大客戶銷售的貨品及提供的服務佔本集團營業額約45.4%(二零一五年：44.4%)，而佔於二零一六年十二月三十一日的應收賬款結餘總額約47.5%(二零一五年：37.5%)。

於二零一六年十二月三十一日，既無逾期亦無減值的應收款項約1,243,259,000港元(二零一五年：1,050,799,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

(a) Trade receivables (continued)

As of 31 December 2016, trade receivables of HK\$63,817,000 (2015: HK\$11,772,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Up to 90 days	90日以內	7,042	7,256
91 to 180 days	91至180日	13,079	1,892
181 to 365 days	181至365日	34,372	2,624
Over 365 days	365日以上	9,324	–
		63,817	11,772

(b) Bills receivables

The balance represents bank acceptance notes with maturity periods of within six months.

The maturity profile of the bills receivables of the Group is as follows:

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Up to 90 days	90日以內	40,370	84,493
91 to 180 days	91至180日	–	114,110
		40,370	198,603

19 應收賬款及應收票據、按金及其他應收款項(續)

(a) 應收賬款(續)

於二零一六年十二月三十一日，應收賬款63,817,000港元(二零一五年：11,772,000港元)已逾期但未減值，且與眾多並無重大財務困難的獨立客戶有關，基於過往經驗，逾期款項可予收回。此等應收賬款的賬齡分析如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Up to 90 days	90日以內	7,042	7,256
91 to 180 days	91至180日	13,079	1,892
181 to 365 days	181至365日	34,372	2,624
Over 365 days	365日以上	9,324	–
		63,817	11,772

(b) 應收票據

該結餘指到期期間為六個月以內的銀行承兌票據。

本集團應收票據的到期情況如下：

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Up to 90 days	90日以內	40,370	84,493
91 to 180 days	91至180日	–	114,110
		40,370	198,603

Notes to the Consolidated Financial Statements

綜合財務報表附註

19 TRADE AND BILLS RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES (continued)

(c) Provision for impairment of trade receivables

The movement on the provision for impairment of trade receivables is as follows:

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	於年初	3,694	660
Provision for the year (note 7)	年內撥備(附註7)	886	3,666
Bad debt written off	撇銷壞賬	-	(597)
Reversal of provision (note 7)	撥備撥回(附註7)	(300)	-
Exchange difference	匯兌差額	(213)	(35)
At end of the year	於年末	4,067	3,694

The maximum exposure to credit risk at the reporting date is the carrying values of each class of receivables mentioned above. The Group did not hold any collateral as security for these receivables as at 31 December 2016 (2015: Nil).

The other classes within trade and bills receivables, deposits and other receivables do not contain impaired assets.

20 RESTRICTED CASH

Restricted cash represents bank deposits of the Group which were placed as guarantee deposits for tenders and as securities for sales of goods to customers and were denominated in RMB.

As at 31 December 2016, the effective interest rate on restricted bank deposits was 0.35% (2015: 0.35%) per annum. All restricted cash were kept in the bank accounts opened with banks in the PRC as at 31 December 2015 and 2016, where the remittance of funds is subject to foreign exchange control.

19 應收賬款及應收票據、按金及其他應收款項(續)

(c) 應收賬款減值撥備

應收賬款減值撥備變動如下：

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
At beginning of the year	於年初	3,694	660
Provision for the year (note 7)	年內撥備(附註7)	886	3,666
Bad debt written off	撇銷壞賬	-	(597)
Reversal of provision (note 7)	撥備撥回(附註7)	(300)	-
Exchange difference	匯兌差額	(213)	(35)
At end of the year	於年末	4,067	3,694

於報告日期面臨的最大信貸風險為上述各類應收款項的賬面值。於二零一六年十二月三十一日，本集團並無就該等應收款項持有任何抵押品(二零一五年：無)。

應收賬款及應收票據、按金及其他應收款項的其他類別內並無已減值資產。

20 受限制現金

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元

Restricted bank deposits	受限制銀行存款	310	8,935
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受限制現金指本集團作為投標的擔保按金以及銷貨予客戶的擔保而存放的銀行存款，乃以人民幣計值。

於二零一六年十二月三十一日，受限制銀行存款的實際利率為每年0.35%(二零一五年：0.35%)。於二零一五年及二零一六年十二月三十一日，所有受限制現金存放在中國境內銀行開立的銀行賬戶，而有關資金的付匯受到外匯管制。

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綜合財務報表附註

21 CASH AT BANK AND ON HAND

21 銀行及手上現金

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Cash at bank and on hand	銀行及手上現金	1,997,495	1,873,312
Short-term bank deposits	短期銀行存款	209,710	271,000
		2,207,205	2,144,312

As at 31 December 2016, funds of the Group amounting to HK\$1,365,412,000 (2015: HK\$1,038,387,000) were deposited in bank accounts opened with banks in the PRC where the remittance of funds is subject to foreign exchange control.

The effective interest rate per annum on short-term bank deposits of the Group was 1.0% (2015: 0.6%) per annum. These deposits have an average maturity of 90 days (2015: 91 days).

The carrying amounts of cash at bank and on hand were denominated in the following currencies:

於二零一六年十二月三十一日，本集團為數1,365,412,000港元(二零一五年：1,038,387,000港元)存放在中國境內銀行開立的銀行賬戶，而有關資金的付匯受到外匯管制。

本集團短期銀行存款的實際年利率為1.0厘(二零一五年：0.6厘)。該等存款的平均到期日為90日(二零一五年：91日)。

銀行及手上現金的賬面值分別以下列貨幣計值：

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
HK\$	港元	721,455	849,040
RMB	人民幣	1,356,454	1,028,964
US\$	美元	103,353	246,373
EUR	歐元	25,333	19,935
Others	其他	610	–
		2,207,205	2,144,312

The maximum exposure to credit risk of the Group as at 31 December 2016 were HK\$2,207,143,000 (2015: HK\$2,144,207,000).

於二零一六年十二月三十一日，本集團最大信貸風險為2,207,143,000港元(二零一五年：2,144,207,000港元)。

Notes to the Consolidated Financial Statements

綜合財務報表附註

22 SHARE CAPITAL

22 股本

Ordinary shares, issued and fully paid	已發行及繳足普通股	Number of ordinary shares 每股面值 0.1 港元的 普通股 Thousand shares 千股	Ordinary shares of HK\$0.1 each 普通股數目 HK\$'000 千港元
1 January 2016	二零一六年一月一日	1,112,014	111,201
Shares repurchased during the year	年內股份回購	(10,000)	(1,000)
Employee share option scheme: – Proceeds from shares issued (note 23)	僱員購股權計劃: – 發行股份所得款項(附註23)	5,860	586
At 31 December 2016	於二零一六年十二月三十一日	1,107,874	110,787
1 January 2015	二零一五年一月一日	1,100,814	110,081
Employee share option scheme: – Proceeds from shares issued (note 23)	僱員購股權計劃: – 發行股份所得款項(附註23)	11,200	1,120
At 31 December 2015	於二零一五年十二月三十一日	1,112,014	111,201

During the year, the Company repurchased a total of 10,000,000 ordinary shares on the Stock Exchange at an aggregate purchase consideration (including expenses) of HK\$52,809,000. Such repurchased shares were subsequently cancelled during the year. Details of the ordinary shares repurchased on the Stock Exchange during the year are as follows:-

年內，本公司以總代價(包括開支)52,809,000港元在聯交所購回合共10,000,000股普通股。該等購回股份隨後於年內註銷。年內在聯交所購回的普通股詳情如下：

Month of repurchase	購回月份	Number of ordinary shares repurchased (Thousand Shares) 購回普通股數目(千股)	Highest purchase price per ordinary shares (HK\$) 每股普通股的最高購買價(港元)	Lowest purchase price per ordinary shares (HK\$) 每股普通股的最低購買價(港元)
September 2016	二零一六年九月	5,000	5.91	5.78
November 2016	二零一六年十一月	5,000	4.77	4.46

As a result of the above share repurchases, the issued share capital of the Company was reduced by the par value of the aforesaid repurchased ordinary shares. As at the date of these financial statements, the number of issued shares of the Company is 1,107,874,000 ordinary shares.

由於上述股份購回，本公司已發行股本按上述購回的普通股的面值相應減少。於該等財務報表日期，本公司已發行股份數目為1,107,874,000股普通股。

The directors believe that the above share repurchases are in the best interests of the Company and its shareholders and that such share repurchases would lead to an enhancement of the net assets value per share and/or earnings per share of the Company.

董事認為，上述股份購回符合本公司及其股東的最佳利益，而該股份購回將導致本公司的每股資產淨值及/或每股盈利增加。

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綜合財務報表附註

23 SHARE OPTION SCHEME

(a) Share option scheme

On 1 December 2010, the Board of Directors of the Company approved a share option scheme (the "Scheme") for the issuance of in aggregate no more than 10% in nominal amount of the aggregate of shares in issue on the listing date of the Company, representing 100,000,000 shares (subject to the terms of the scheme and the relevant provisions under the Listing Rules).

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

The Scheme became effective on 1 December 2010 and unless otherwise cancelled or amended, will remain valid and effective for the period of 10 years from that date.

(b) Share option movements

Name 姓名	Date of grant 授出日期	Exercised price 行使價 (HK\$) (港元)	Number of Share Options held as at 1 January 2016	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Number of Share Options held as at 31 December 2016
			於二零一六年 一月一日 所持的 購股權數目				於二零一六年 十二月三十一日 所持的 購股權數目
Employees 僱員							
(In aggregate) (總計)	22 June 2012* 二零一二年六月二十二日*	1.230	6,000,000	-	-	-	6,000,000
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	18,134,000	-	(5,860,000)	-	12,274,000
Total for Employees 僱員總計			24,134,000	-	(5,860,000)	-	18,274,000
Consultants 顧問							
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,580,000	-	-	-	1,580,000
Total for Consultants 顧問總計			1,580,000	-	-	-	1,580,000
Total 總數			25,714,000	-	(5,860,000)	-	19,854,000

23 購股權計劃

(a) 購股權計劃

於二零一零年十二月一日，本公司董事會批准一項購股權計劃（「該計劃」）以發行合共不超過本公司於上市日期已發行股份總面值的10%，即100,000,000股股份（但須按照該計劃的條款及遵守上市規則的有關規定）。

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

該計劃於二零一零年十二月一日生效，除非另行撤銷或修訂，否則該計劃將自該日起10年期間一直有效。

(b) 購股權的變動

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 SHARE OPTION SCHEME (continued)

23 購股權計劃(續)

(b) Share option movements (continued)

(b) 購股權的變動(續)

Name 姓名	Date of grant 授出日期	Exercised price 行使價 (HK\$) (港元)	Number of Share Options held as at 1 January 2015 於二零一五年一月一日 持有的 購股權數目	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Number of Share Options held as at 31 December 2015 於二零一五年十二月三十一日 持有的 購股權數目
Directors 董事							
Nie Guoming 聶國明	22 June 2012* 二零一二年六月二十二日*	1.230	-	-	-	-	-
Lu Jie 蘆杰	22 June 2012* 二零一二年六月二十二日*	1.230	-	-	-	-	-
Li Wenjin 李文晉	22 June 2012* 二零一二年六月二十二日*	1.230	10,000,000	-	(10,000,000)	-	-
Total for Directors 董事總計			10,000,000	-	(10,000,000)	-	-
Employees 僱員							
(In aggregate) (總計)	22 June 2012* 二零一二年六月二十二日*	1.230	6,000,000	-	-	-	6,000,000
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	19,274,000	-	(1,140,000)	-	18,134,000
Total for Employees 僱員總計			25,274,000	-	(1,140,000)	-	24,134,000
Consultants 顧問							
(In aggregate) (總計)	28 May 2014* 二零一四年五月二十八日*	4.860	1,640,000	-	(60,000)	-	1,580,000
Total for Consultants 顧問總計			1,640,000	-	(60,000)	-	1,580,000
Total 總數			36,914,000	-	(11,200,000)	-	25,714,000

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

* 購股權歸屬承授人，當中30%購股權於授出日期歸屬，另外30%購股權將於授出日期一週年歸屬，其餘40%購股權將於授出日期兩週年歸屬。該等購股權的有效期為自授出日期起計五年。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 SHARE OPTION SCHEME (continued)

(b) Share option movements (continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		Year ended 31 December 截至十二月三十一日止年度			
		2016 二零一六年		2015 二零一五年	
		Average exercise price in HK\$ per share option 每購股權的 港元平均 行使價	Options (thousands) 購股權 (千份)	Average exercise price in HK\$ per share option 每購股權的 港元平均 行使價	Options (thousands) 購股權 (千份)
At 1 January	於一月一日	4.013	25,714	3.287	36,914
Exercised	已行使	1.230	-	1.230	(10,000)
Exercised	已行使	4.860	(5,860)	4.860	(1,200)
At 31 December	於十二月三十一日	3.763	19,854	4.013	25,714

On 22 June 2012, 80,400,000 share options were granted to certain directors and employees at an exercise price of HK\$1.23 per share. These options will expire on 21 June 2017.

On 28 May 2014, 22,254,000 share options were granted to certain employees and consultants at an exercise price of HK\$4.86 per share. These options will expire on 27 May 2019.

During the year ended 31 December 2016, share based payment expense of HK\$3,803,000 (2015: HK\$14,690,000) was recognised in the consolidated income statement and the same amount was credited in equity. The weighted average share price immediately before the share options exercised dates was HK\$7.16 (2015: HK\$8.95) per share. As at 31 December 2016, out of the 19,854,000 (2015: 25,714,000) outstanding options, 19,854,000 (2015: 16,812,400) options were exercisable.

23 購股權計劃(續)

(b) 購股權的變動(續)

尚未行使的購股權數目及其相關加權平均行權價格變動如下：

於二零一二年六月二十二日，80,400,000份購股權按行使價每股1.23港元授予若干董事及僱員。該等購股權將於二零一七年六月二十一日屆滿。

於二零一四年五月二十八日，22,254,000份購股權以行使價每股4.86港元授予若干僱員及顧問。該等購股權將於二零一九年五月二十七日期到期。

於截至二零一六年十二月三十一日止年度，於綜合收益表確認股份支付費用為3,803,000港元(二零一五年：14,690,000港元)及同樣數額已計入股權。緊接購股權行使日期前的加權平均股價為每股7.16港元(二零一五年：8.95港元)。於二零一六年十二月三十一日，19,854,000份(二零一五年：25,714,000份)尚未行使購股權中，19,854,000份(二零一五年：16,812,400份)購股權為可行使。

Notes to the Consolidated Financial Statements

綜合財務報表附註

23 SHARE OPTION SCHEME (continued)

(c) Fair value of share options

The directors of the Company have used the Binomial Model to determine the fair value of the options granted on 28 May 2014, which is to be expensed over the vesting period. Significant judgement on parameters, such as risk free rate, dividend yield and expected volatility at the grant date, is required to be made by the directors in applying the Binomial Model, which are summarised as below.

Fair value of share option at date of grant	於授予日期購股權的公平值	HK\$1.995港元
Weighted average share price at the grant date	於授予日期的加權平均股價	HK\$4.860港元
Risk free rate	無風險利率	1.152%
Dividend yield	股息收益率	—
Expected volatility (note (i))	預期波動(附註(i))	53.38%

note (i): The expected volatility, measured as the standard deviation of daily trading price volatility of the shares of comparable companies over 5 years.

See note 10 for the total expenses recognised in the consolidated income statement for share options granted to employees.

23 購股權計劃(續)

(c) 購股權的公平值

本公司董事已使用二項式模型以釐定於二零一四年五月二十八日已授予的購股權公平值，將於歸屬期間支付。參數(如於授出日期無風險利率、股息收益率及預期波動)需要董事應用二項式模型作出重要判斷，概述如下。

附註(i)：預期波動按五年間可比公司股份每天交易價格波動的標準差計量。

詳見附註10授予僱員的購股權總開支確認於綜合收益表。

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 RESERVES

24 儲備

		Share premium	Capital reserve (note (i))	Share option reserve	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備 (附註(i))	購股權儲備	外匯儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
For the year ended	截至二零一六年						
31 December 2016	十二月三十一日						
	止年度						
Balance at	於二零一六年						
1 January 2016	一月一日的結餘	1,323,439	(414,978)	77,370	(37,096)	2,017,638	2,966,373
Comprehensive income	全面收益						
Profit for the year	年內溢利	-	-	-	-	600,908	600,908
Other comprehensive loss	其他全面損失						
Exchange differences arising	換算海外附屬公司						
on translation of the	財務報表產生的						
financial statements of	匯兌差額						
foreign subsidiaries		-	-	-	(125,374)	-	(125,374)
Total comprehensive income	全面收益總額	-	-	-	(125,374)	600,908	475,534
Transaction with owners	與擁有人的交易						
Repurchase of the Company's	回購本公司的股份						
shares		(51,809)	-	-	-	-	(51,809)
Share option scheme	購股權計劃						
- value of services provided	- 已提供服務的價值	-	-	3,803	-	-	3,803
- share options exercised	- 已行使購股權	27,894	-	-	-	-	27,894
Dividends paid	已付股息	-	-	-	-	(67,047)	(67,047)
Total transaction with owners	與擁有人的交易總額	(23,915)	-	3,803	-	(67,047)	(87,159)
Balance at	於二零一六年						
31 December 2016	十二月三十一日						
	的結餘	1,299,524	(414,978)	81,173	(162,470)	2,551,499	3,354,748

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 RESERVES (continued)

24 儲備(續)

		Share premium	Capital reserve (note (i))	Share option reserve	Exchange reserve	Retained earnings	Total
		股份溢價	資本儲備 (附註(i))	購股權儲備	外匯儲備	保留盈利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
For the year ended	截至二零一五年						
31 December 2015	十二月三十一日						
	止年度						
Balance at	於二零一五年						
1 January 2015	一月一日的結餘	1,306,427	(414,978)	62,680	64,839	1,419,131	2,438,099
Comprehensive income	全面收益						
Profit for the year	年內溢利	-	-	-	-	620,736	620,736
Other comprehensive loss	其他全面損失						
Exchange differences arising	換算海外附屬公司						
on translation of the	財務報表產生的						
financial statements of	匯兌差額						
foreign subsidiaries		-	-	-	(101,935)	-	(101,935)
Total comprehensive income	全面收益總額	-	-	-	(101,935)	620,736	518,801
Transaction with owners	與擁有人的交易						
Share option scheme	購股權計劃						
- value of services provided	- 已提供服務的價值	-	-	14,690	-	-	14,690
- share options exercised	- 已行使購股權	17,012	-	-	-	-	17,012
Dividends paid	已付股息	-	-	-	-	(22,229)	(22,229)
Total transaction with owners	與擁有人的交易總額	17,012	-	14,690	-	(22,229)	9,473
Balance at	於二零一五年						
31 December 2015	十二月三十一日						
	的結餘	1,323,439	(414,978)	77,370	(37,096)	2,017,638	2,966,373

Notes to the Consolidated Financial Statements

綜合財務報表附註

24 RESERVES (continued)

Note:

(i) Capital reserve

Capital reserve represents the difference between (i) the aggregate of the consideration for the acquisitions upon the reorganisation completed on 15 February 2010; and (ii) the aggregate of the share capital and share premium of the direct owned subsidiaries of the Company.

(ii) Statutory reserves

The subsidiary of the Company in the PRC is required to allocate 10% of the company's net profit to the statutory reserves fund until such fund reaches 50% of its registered capital. The statutory reserves fund can be utilised, upon approval by the relevant authorities, to offset accumulated losses or to increase its registered capital, provided that such fund is maintained at a minimum of 25% of its registered capital. As at 31 December 2016, retained earnings comprised statutory reserves fund amounting to HK\$125,275,000 (2015: HK\$124,972,000).

24 儲備(續)

附註：

(i) 資本儲備

資本儲備指下列兩者的差額：(i)於二零一零年二月十五日完成重組時的收購代價總額；及(ii)本公司直接擁有的附屬公司的股本及股份溢價總額。

(ii) 法定儲備

本公司於中國的附屬公司須將公司純利的10%分配至法定儲備金，直至該儲備金達至其註冊資本的50%。經有關當局批准後，法定儲備金可用於抵銷累計虧損或增加其註冊資本，惟該儲備金最低須維持於其註冊資本25%的水平。於二零一六年十二月三十一日，保留盈利包括法定儲備金125,275,000港元（二零一五年：124,972,000港元）。

25 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

25 應付賬款、其他應付賬款及應計款項

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Trade payables	應付賬款	649,271	702,765
Amount due to a related party (note 31(b))	應付一名關聯方款項(附註 31(b))	13,214	7,764
		662,485	710,529
Other payables and accruals	其他應付賬款及應計款項		
Receipt in advance from customers	預先收取客戶款項	89,327	51,897
Other tax payables	其他應付稅款	99,488	62,560
Other accrued expenses and payables	其他應計開支及賬款	37,976	116,899
		226,791	231,356
		889,276	941,885

Notes to the Consolidated Financial Statements

綜合財務報表附註

25 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (continued)

(a) The ageing analysis of trade payables is as follows:

Up to 90 days	90日以內
91 to 180 days	91日至180日
181 to 365 days	181日至365日
Over 365 days	365日以上

The average credit period granted by the Group's suppliers ranges from 0 to 180 days.

26 DEFERRED INCOME TAX

- (a) Deferred income tax assets are recognised for tax losses carry forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. At 31 December 2016, the Group has unrecognised tax losses to be carried forward against future taxable income amounted to HK\$88,563,000 (2015: HK\$96,434,000). Tax losses amounting to HK\$88,386,000 (2015: HK\$94,406,000) will expire from 2028 to 2035. The remaining tax losses have no expiry date. The potential deferred income tax assets in respect of these tax losses which have not been recognised will be calculated based on the effective income tax rates according to prevailing tax laws and regulations in which the Group operates.
- (b) Cai Shui 2008 Circular 1, which was jointly issued by the Ministry of Finance and the State Administration of Taxation, took effect on 22 February 2008. Under the circular, dividends declared by foreign investment enterprises ("FIEs") to foreign investors out of their cumulative retained earnings as at 31 December 2007 shall be exempt from withholding income tax. For dividends declared out of profit earned after 1 January 2008, withholding income tax will be levied on the foreign investor at a tax rate of 10% unless the foreign investor's jurisdiction of incorporation has a tax treaty with the PRC that provides for a different withholding tax arrangement.

25 應付賬款、其他應付賬款及應計款項 (續)

(a) 應付賬款的賬齡分析如下：

As at 31 December	
於十二月三十一日	
2016	2015
二零一六年	二零一五年
HK\$'000	HK\$'000
千港元	千港元
567,613	636,974
92,649	71,509
-	33
2,223	2,013
662,485	710,529

本集團獲供應商授予的平均信貸期介乎0至180日。

26 遞延所得稅

- (a) 遞延所得稅資產乃因應相關稅項利益有可能透過日後應課稅溢利變現而就所結轉的稅項虧損作確認。於二零一六年十二月三十一日，本集團的未確認稅項虧損為88,563,000港元(二零一五年：96,434,000港元)，可結轉以抵銷日後應課稅收入。此稅項虧損為數88,386,000港元(二零一五年：94,406,000港元)將於二零二八年至二零三五年屆滿。剩餘的稅項虧損沒有到期日。尚未確認的該等稅項虧損的潛在遞延所得稅資產將根據本集團經營國家的實際所得稅率及當時適用的稅法及規例計算。
- (b) 財政部及國家稅務總局聯合發出的財稅2008第1號通知於二零零八年二月二十二日生效。根據該通知，外商投資企業(「外資企業」)自其二零零七年十二月三十一日的累計保留盈利向海外投資者宣派的股息將豁免繳納預扣所得稅。自二零零八年一月一日後所賺取的溢利中宣派的股息，將按10%的稅率對海外投資者徵收預扣所得稅，除非海外投資者註冊成立的司法權區與中國訂有稅務條約，規定不同的預扣稅安排。

Notes to the Consolidated Financial Statements

綜合財務報表附註

26 DEFERRED INCOME TAX (continued)

As at 31 December 2016, deferred income tax liabilities have not been provided for in the consolidated financial statements in respect of the withholding tax that would be payable on unremitted earnings of the PRC subsidiary of the Group amounting to approximately HK\$94,226,000 (2015: HK\$61,308,000), as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

27 CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before income tax to cash generated from operations

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before income tax	除所得稅前溢利	678,299	657,973
Adjustment for:	調整：		
Interest income (note 5)	利息收入(附註5)	(15,005)	(19,833)
Finance costs (note 9)	財務費用(附註9)	10,794	–
Depreciation of property, plant and equipment (note 7)	物業、廠房及 設備折舊(附註7)	7,155	4,560
Amortisation of leasehold land (note 7)	租賃土地攤銷(附註7)	5	6
Amortisation of intangible assets (note 7)	無形資產攤銷(附註7)	3,224	438
Loss on disposals of property, plant and equipment	出售物業、廠房及 設備的虧損	117	–
Share-based payments	以股份為基礎支付	3,803	14,690
Provision for impairment of receivables, net (note 19(c))	應收款項減值撥備淨額(附註19(c))	586	3,666
(Reversal of provision)/provision for obsolete inventories (note 18)	陳舊存貨(撥備撥回)/撥備 (附註18)	(17,983)	39,492
		670,995	700,992
Changes in working capital:	營運資金變動：		
Increase in trade and bills receivables, deposits and other receivables	應收賬款及應收票據、按金 及其他應收款項增加	(183,707)	(466,035)
Increase in inventories	存貨增加	(97,653)	(154,855)
Decrease in restricted cash	受限制現金減少	8,489	6,547
(Decrease)/increase in trade payables, other payables and accruals	應付賬款、其他應付賬款 及應計款項(減少)/增加	(41,412)	299,446
Cash generated from operations	經營所得現金	356,712	386,095

26 遞延所得稅 (續)

於二零一六年十二月三十一日，由於本集團可控制撥回暫時差額的時間且暫時差額可能不會於可見未來撥回，故尚未就本集團位於中國的附屬公司未匯盈利的應付預扣稅於綜合財務報表作出遞延所得稅負債撥備約94,226,000港元(二零一五年：61,308,000港元)。

27 經營所得的現金

(a) 除所得稅前溢利與經營所得現金的對賬

Notes to the Consolidated Financial Statements

綜合財務報表附註

27 CASH GENERATED FROM OPERATIONS (continued)

(b) In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net book amount	賬面淨值	117	–
Loss on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	(117)	–
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備的所得款項	–	–

28 CONTINGENT LIABILITIES

As at 31 December 2015 and 2016, the Group had no contingent liabilities.

29 COMMITMENTS

(a) Capital commitments

On 28 December 2016, Pax Technology Limited, a wholly owned subsidiary of the Company, entered into an acquisition and subscription agreement with CSC Italia S.r.l. ("CSC") and its existing quotaholders to acquire a total of 60% of the corporate capital in CSC (the "Acquisition"). The consideration payable arising from the Acquisition approximates EUR 3,000,000 (equivalent to approximately HK\$25,705,000). As at the date on which these consolidated financial statements were issued, certain conditions precedent have not been fulfilled, the Acquisition has not been completed.

27 經營所得的現金 (續)

(b) 於綜合現金流量表中，出售物業、廠房及設備的所得款項包括：

28 或然負債

於二零一五年及二零一六年十二月三十一日，本集團並無或然負債。

29 承擔

(a) 資本承擔

於二零一四年十二月九日，本公司全資附屬公司百富科技有限公司與CSC Italia S.r.l. (「CSC」)及其股東訂立協議，以現金代價3,000,000歐元(相當於25,705,000港元)收購CSC 60%股本權益(「收購事項」)。截止發行本綜合財務報表日，收購事項中的若干先決條件尚未達成，因此收購事項尚未完成。

Notes to the Consolidated Financial Statements

綜合財務報表附註

29 COMMITMENTS (continued)

(b) Operating lease commitments

As at 31 December 2016, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of certain office premises as follows:

		As at 31 December 於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Not later than one year	不超過一年	23,460	11,561
Later than one year and not later than five years	超過一年但不超過五年	24,225	11,292
		47,685	22,853

30 BUSINESS COMBINATIONS

- (a) Pursuant to an agreement signed between Pax Technology Limited, a wholly owned subsidiary of the Company ("Pax Technology") and the then shareholders of Nanchang Kashuo Information Technology Company Limited ("Nanchang Kashuo"), Pax Technology acquired a 51% equity interest in Nanchang Kashuo through a wholly owned subsidiary, Shanghai Kashuo at a consideration in the forms of (i) cash amounted to RMB14,310,000 (equivalent to approximately HK\$17,096,000) paid to the original shareholders of Nanchang Kashuo, (ii) a capital injection of RMB30,000,000 (equivalent to approximately HK\$35,843,000) to Shanghai Kashuo, and (iii) a consideration payable of RMB1,354,000 (equivalent to approximately HK\$1,618,000) to the original shareholders of Nanchang Kashuo. Upon the completion of the acquisition on 22 March 2016, Nanchang Kashuo became a wholly owned subsidiary of Shanghai Kashuo, and the Group's equity interest in the subsidiary, Shanghai Kashuo, was reduced from 100% to 51%. Acquisition-related costs of HK\$182,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2016.

29 承擔 (續)

(b) 營運租賃承諾

於二零一六年十二月三十一日，本集團根據若干辦公室物業的不可撤銷經營租賃須支付的未來最低租金付款總額如下：

30 業務合併

- (a) 根據本公司全資附屬公司百富科技有限公司(「百富科技」)與南昌卡說信息技術有限公司(「南昌卡說」)股東所簽訂之協議，百富科技透過全資附屬公司上海卡說收購南昌卡說51%股本權益，以代價按下列方式支付：(i)向南昌卡說原股東支付現金人民幣14,310,000元(相當於約17,096,000港元)、(ii)向上海卡說注資人民幣30,000,000元(相當於35,843,000港元)及(iii)向南昌卡說原股東應付代價人民幣1,354,000元(相當於約1,618,000港元)。於二零一六年三月二十二日完成收購後，南昌卡說成為上海卡說之全資附屬公司，且本集團於附屬公司上海卡說之股本權益由100%減少至51%。收購事項之相關成本182,000港元已計入截至二零一六年十二月三十一日止年度綜合收益表內的行政費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 BUSINESS COMBINATIONS (continued)

(a) (continued)

The provisional fair values of assets acquired and liabilities assumed, the consideration paid and the carrying value of non-controlling interest at the acquisition date are summarised in the table below:

		HK\$'000 千港元
Consideration	代價	
Cash paid	已付現金	52,939
Consideration payable	應付代價	1,618
		54,557
Recognised amounts of identifiable assets acquired and liabilities assumed	購入可識別資產及承擔負債的已確認金額	
Property, plant and equipment (Note 14)	物業、廠房及設備(附註14)	992
Intangible assets - contractual customer relationships and others (Note 15)	無形資產－合約客戶關係及其他(附註15)	20,012
Deferred income tax assets	遞延所得稅資產	2,076
Inventories	存貨	1,349
Trade receivables	應收賬款	4,603
Cash and cash equivalents	現金及現金等價物	36,806
Trade payables	應付賬款	(3,515)
Other payables and accruals	其他應付賬款及應計款項	(36,855)
Deferred income tax liabilities	遞延所得稅負債	(5,003)
Total identifiable net assets	可識別資產淨值總額	20,465
Non-controlling interests	非控股權益	(10,027)
Goodwill (Note 15)	商譽(附註15)	44,119
		54,557
Cash consideration paid	已付現金代價	52,939
Less: prepayment for the acquisition paid in 2015 cash and cash equivalents acquired	減：於二零一五年已付收購預付款 購入現金及現金等價物	(15,012) (36,806)
Net cash outflow on acquisition for the year	年內收購現金流出淨額	1,121
Acquisition-related costs included in administrative expenses in the consolidated income statement for the year	計入年內中期綜合收益表內行政費用的收購相關成本	182

The goodwill is attributable to a number of factors, amongst others, to the synergies expected to arise after the Group's acquisition of this subsidiary. None of the goodwill recognised is expected to be deductible for income tax purposes.

下表概述於收購日期購入資產及承擔負債的暫定公平值、已支付代價及非控股權益的賬面值：

商譽乃歸因於多項因素，(其中包括)於本集團收購此附屬公司後預期將產生的協同效應。就所得稅而言，預期所確認的商譽概不會遭扣減。

30 業務合併(續)

(a) (續)

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 BUSINESS COMBINATIONS (continued)

(a) (continued)

The fair value of trade receivables is HK\$4,603,000. The gross contractual amount for trade receivables due is HK\$4,603,000, all of which is expected to be collectible.

The fair value of the acquired identifiable assets was provisional pending receipt of the final valuations of those assets. Deferred income tax liabilities of HK\$5,003,000 have been provided in relation to the fair value adjustments.

The revenue included in the consolidated income statement since 22 March 2016 contributed by Nanchang Kashuo and its subsidiaries was HK\$123,576,000. They had net profit of HK\$12,259,000 over the same period.

Had Nanchang Kashuo and its subsidiaries been consolidated from 1 January 2016, the consolidated income statement would show pro-forma revenue of HK\$2,919,725,000 and profit of HK\$597,514,000.

(b) Pursuant to an agreement signed between Wonder Pax, a wholly owned subsidiary of the Group and the shareholders of Suzhou leasy, Wonder Pax acquired a 60% equity interest in Suzhou leasy at a consideration of RMB30,000,000 (equivalent to approximately HK\$33,220,000). The acquisition was completed on 5 February 2016. Acquisition-related costs of HK\$121,000 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2016.

30 業務合併(續)

(a) (續)

應收賬款的公平值為4,603,000港元。到期應收賬款的總合約金額為4,603,000港元，預期全部均可被收回。

已收購的可識別資產的公平值為暫定性，待收到該等資產的最後估值後，方可落實。遞延所得稅負債5,003,000港元已就公平價調整計提撥備。

自二零一六年三月二十二日起，南昌卡說及其附屬公司貢獻並計入綜合收益表的收入為123,576,000港元。彼等於同期純利為12,259,000港元。

倘南昌卡說及其附屬公司自二零一六年一月一日起已合併入賬，則綜合收益表應呈列備考收入2,919,725,000港元及溢利597,514,000港元。

(b) 根據本集團全資附屬公司萬達百滙與蘇州知行易股東簽訂的協議，萬達百滙以代價人民幣30,000,000元(相當於約33,220,000港元)收購蘇州知行易的60%股權。收購事項於二零一六年二月五日完成。收購相關成本121,000港元已計入截至二零一六年十二月三十一日止年度的綜合收益表內的行政費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 BUSINESS COMBINATIONS (continued)

(b) (continued)

The provisional fair values of assets acquired and liabilities assumed, the consideration paid and the carrying value of non-controlling interest at the acquisition date are summarised in the table below:

		HK\$'000 千港元
Consideration	代價	
Cash paid	已付現金	17,756
Consideration payable	應付代價	15,464
		33,220
Recognised amounts of identifiable assets acquired and liabilities assumed	購入可識別資產及承擔負債的已確認金額	
Property, plant and equipment (Note 14)	物業、廠房及設備(附註14)	123
Intangible assets - contractual customer relationships and others (Note 15)	無形資產—合約客戶關係及其他(附註15)	2,190
Deferred income tax assets	遞延所得稅資產	1,307
Inventories	存貨	39
Trade receivables	應收賬款	1,648
Deposits and other receivables	按金及其他應收款	26,778
Cash and cash equivalents	現金及現金等價物	1,468
Trade payables	應付賬款	(60)
Other payables and accruals	其他應付賬款及應計款項	(5,436)
Deferred income tax liabilities	遞延所得稅負債	(547)
Total identifiable net assets	可識別資產淨值總額	27,510
Non-controlling interests	非控股權益	(11,004)
Goodwill (Note 15)	商譽(附註15)	16,714
		33,220
Cash consideration paid	已付現金代價	17,756
Less: prepayment for the acquisition paid in 2015 cash and cash equivalents acquired	減：於二零一五年已付收購預付款 購入現金及現金等價物	(6,963) (1,468)
Net cash outflow on acquisition for the year	年內收購現金流出淨額	9,325
Acquisition-related costs included in administrative expenses in the consolidated income statement for the year	計入年內中期綜合收益表內行政費用的收購相關成本	121

The goodwill is attributable to a number of factors, amongst others, the synergies expected to arise after the Group's acquisition of this subsidiary. None of the goodwill recognised is expected to be deductible for income tax purposes.

下表概述於收購日期購入資產及承擔負債的暫定公平值、已支付代價及非控股權益的賬面值：

商譽乃歸因於多項因素，(其中包括)於本集團收購此附屬公司後預期將產生的協同效應。就所得稅而言，預期所確認的商譽概不會遭扣減。

Notes to the Consolidated Financial Statements

綜合財務報表附註

30 BUSINESS COMBINATIONS (continued)

(b) (continued)

The fair value of trade receivables is HK\$1,648,000. The gross contractual amount for trade receivables due is HK\$1,648,000, all of which is expected to be collectible.

The fair value of the acquired identifiable assets was provisional pending receipt of the final valuations of those assets. Deferred income tax liabilities of HK\$547,000 have been provided in relation to the fair value adjustments.

The revenue included in the consolidated income statement since 5 February 2016 contributed by Suzhou leasy was HK\$1,525,000. Suzhou leasy suffered a loss of HK\$9,451,000 over the same period.

Had Suzhou leasy been consolidated from 1 January 2016, the consolidated income statement would show pro-forma revenue of HK\$2,914,854,000 and profit of HK\$599,377,000.

31 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has, directly or indirectly, the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(a) Transactions with related parties

Except for those disclosed below, the Group has no significant transactions with related parties during the year. All the related party transactions disclosed below were also either connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules and the Company had made disclosure in relation to these transactions when required under the Listing Rules.

30 業務合併(續)

(b) (續)

應收賬款的公平值為1,648,000港元。到期應收賬款的總合約金額為1,648,000港元，預期全部均可被收回。

已收購的可識別資產的公平值為暫定性，待收到該等資產的最後估值後，方可落實。遞延所得稅負債547,000港元已就公平價調整計提撥備。

自二零一六年二月五日起，蘇州知行易貢獻並計入綜合收益表的收入為1,525,000港元。蘇州知行易於同期虧損9,451,000港元。

倘蘇州知行易自二零一六年一月一日起已合併入賬，則綜合收益表應呈列備考收入2,914,854,000港元及溢利599,377,000港元。

31 關聯方交易

倘一名人士有能力直接或間接控制其他人士或在其他人士作出財務及經營決策時對其施加重大影響，則該人士被認為是該名其他人士的關聯方。

(a) 與關聯方的交易

除下文所披露者外，本集團於年內與關聯方並無任何重大交易。所有下文披露的關聯方交易亦為上市規則第14A章所界定關連交易或持續關連交易及本公司已按照上市規則規定就該等交易作出披露。

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
Sales of electronic payment products to subsidiaries of Hi Sun Technology (China) Limited ("Hi Sun")* (note (i))	向高陽科技(中國)有限公司(「高陽」)*的附屬公司銷售電子支付產品(附註(i))	134,889	148,505
Rental fees paid to a subsidiary of Hi Sun (note (ii))	向高陽的一間附屬公司支付租金(附註(ii))	1,505	1,604
Purchase of raw materials from a subsidiary of Hi Sun (notes (iii))	自高陽的一間附屬公司購買原材料(附註(iii))	31,726	39,061

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

* The Company is an associate of Hi Sun whose shares are listed on the Main Board of the Stock Exchange.

note (i): The sales of electronic payment products to subsidiaries of Hi Sun were transacted pursuant to the terms and conditions set out in the framework agreement entered into by the Company and the relevant party on 19 December 2012. The terms and conditions of the framework agreement have been renewed on 31 December 2015.

note (ii): Rental fees paid to a subsidiary of Hi Sun was charged at a fixed monthly fee mutually agreed between the two parties. These transactions were de minimis continuing connected transactions exempt from the reporting, annual review, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

note (iii): Purchase of raw materials from a subsidiary of Hi Sun was conducted pursuant to terms and conditions set out in the framework agreement entered into by the Company and the relevant party on 31 December 2013. The terms and conditions of the framework agreement have been renewed on 30 December 2016.

(b) Balances with related parties

The balances with the subsidiaries of Hi Sun are unsecured, interest free and with a credit period of 60 days.

31 關聯方交易

(a) 與關聯方的交易(續)

* 本公司為高陽的聯營公司，其股份於聯交所主板上市。

附註(i)：向高陽的附屬公司銷售電子支付產品按本公司與相關方於二零一二年十二月十九日訂立的框架協議所載條款及條件進行交易。該框架協議所載條款及條件已於二零一五年十二月三十一日續期。

附註(ii)：向高陽的一間附屬公司支付的租金每月按固定費用收取，由訂約雙方共同協定。該等交易為上市規則第14A章項下最低限額持續關連交易，豁免遵守申報、年度審閱、公告及獨立股東批准的規定。

附註(iii)：向高陽的一間附屬公司購買原材料按本公司與相關方於二零一三年十二月三十一日訂立的框架協議所載條款及條件進行。該框架協議所載條款及條件已於二零一六年十二月三十日續期。

(b) 與關聯方的結餘

該等與高陽附屬公司的結餘為無抵押、免息且附帶60日信貸期。

		As at 31 December	
		於十二月三十一日	
		2016	2015
		二零一六年	二零一五年
		HK\$'000	HK\$'000
		千港元	千港元
Amounts due from subsidiaries of Hi Sun	應收高陽附屬公司的款項	65,196	70,912
Amount due to a subsidiary of Hi Sun	應付高陽一間附屬公司的款項	13,214	7,764

Notes to the Consolidated Financial Statements

綜合財務報表附註

31 RELATED PARTY TRANSACTIONS (continued)

(c) Key management compensation

Details of key management compensation during the year have been disclosed in note 33.

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		Notes 附註	Notes 附註
		HK\$'000 千港元	HK\$'000 千港元
ASSETS	資產		
Non-current assets	非流動資產		
Investment in a subsidiary	於一間附屬公司的投資	592,344	588,959
Total non-current assets	非流動資產總值	592,344	588,959
Current assets	流動資產		
Deposits and other receivables	按金及其他應收款項	473	591
Amount due from a subsidiary	應收一間附屬公司款項	253,694	119,578
Cash at bank and on hand	銀行及手上現金	696,976	837,879
Total current assets	流動資產總值	951,143	958,048
Total assets	資產總值	1,543,487	1,547,007
EQUITY	權益		
Equity attributable to the owners of the Company	本公司持有人應佔權益		
Share capital	股本	110,787	111,201
Reserves	儲備	1,423,770	1,426,321
Total equity	權益總額	1,534,557	1,537,522

31 關聯方交易

(c) 主要管理層酬金

主要管理層於本年度的酬金詳情於附註33披露。

32 本公司資產負債表及儲備變動

本公司資產負債表

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

32 本公司資產負債表及儲備變動(續)

Balance sheet of the Company (continued)

本公司資產負債表(續)

		As at 31 December 於十二月三十一日	
		2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
LIABILITIES	負債		
Current liabilities	流動負債		
Other payables and accruals	其他應付賬款及應計款項	8,930	9,485
Total current liabilities and total liabilities	流動負債總額及負債總額	8,930	9,485
Total equity and liabilities	權益及負債總額	1,543,487	1,547,007

The balance sheet of the Company was approved by the Board of Directors on 8 March 2017 and was signed on its behalf

本公司資產負債表於二零一七年三月八日獲董事會批准，並由下列董事代表簽署

NIE GUOMING

聶國明
Director
董事

LI WENJIN

李文晉
Director
董事

Notes to the Consolidated Financial Statements

綜合財務報表附註

32 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

32 本公司資產負債表及儲備變動(續)

(a) Reserve movement of the Company

(a) 本公司儲備變動

		Share premium	Share option reserve	Retained earnings/ (Accumulated loss)	Total
		股份溢價	購股權儲備	保留盈利/ (累計虧損)	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Balance at 1 January 2016	於二零一六年一月一日的結餘	1,323,439	77,370	25,512	1,426,321
Profit for the year	年度溢利	-	-	84,608	84,608
Repurchase of the Company's shares	回購本公司的股份	(51,809)	-	-	(51,809)
Share option scheme	購股權計劃				
- value of services provided	- 已提供服務的價值	-	3,803	-	3,803
- share options exercised	- 已行使購股權	27,894	-	-	27,894
Dividends paid	已付股息	-	-	(67,047)	(67,047)
Total transaction with owners	與擁有人的交易總額	(23,915)	3,803	17,561	(2,551)
Balance at 31 December 2016	於二零一六年十二月三十一日的結餘	1,299,524	81,173	43,073	1,423,770
Balance at 1 January 2015	於二零一五年一月一日的結餘	1,306,427	62,680	(35,711)	1,333,396
Profit for the year	年度溢利	-	-	83,452	83,452
Share option scheme	購股權計劃				
- value of services provided	- 已提供服務的價值	-	14,690	-	14,690
- share options exercised	- 已行使購股權	17,012	-	-	17,012
Dividends paid	已付股息	-	-	(22,229)	(22,229)
Total transaction with owners	與擁有人的交易總額	17,012	14,690	61,223	92,925
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	1,323,439	77,370	25,512	1,426,321

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

(a) Directors' and chief executive's emoluments

The remuneration of every Director and the chief executive of the Company during the year is set out below:

33 董事利益及權益(香港公司條例(第622章)第383節、公司(披露董事利益資料)規定(第622G章)及香港上市規則規定的披露)

(a) 董事及行政總裁酬金

年內，本公司各董事及行政總裁的薪酬載列如下：

		For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度									
		Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking 就個人擔任董事(不論為本公司或其附屬公司業務)職務已付或應收的酬金							Emoluments paid or receivable in respect of director's other services in connection with the management of the Company or its subsidiary undertaking 就董事管理 本公司或其 附屬公司業務 事宜的其他 服務已付或 應收酬金		Total
Name	姓名	Fees	Salary	Discretionary bonuses	Housing allowance	Estimated money value of other benefits (Note (a))	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director			
		袍金 HK\$'000 千港元	薪金 HK\$'000 千港元	酌情花紅 HK\$'000 千港元	房屋津貼 HK\$'000 千港元	其他利益的 估計貨幣價值 (附註(a)) HK\$'000 千港元	僱主的退休 福利計劃供款 HK\$'000 千港元	就接受董事 職務已付或 應收薪酬 HK\$'000 千港元		總計 HK\$'000 千港元	
Executive Directors		執行董事									
Nie Guoming (Chairman)	聶國明(主席)	1,000	826	2,300	-	-	35	-	-	4,161	
Lu Jie (Chief Executive Officer)	盧杰(行政總裁)	900	1,296	3,231	-	-	40	-	-	5,467	
Li Wenjin	李文晉	800	-	2,300	-	-	18	-	-	3,118	
		2,700	2,122	7,831	-	-	93	-	-	12,746	
Independent Non-Executive Directors		獨立非執行董事									
Yip Wai Ming	葉偉明	162	-	120	-	-	-	-	-	282	
Wu Min	吳敏	162	-	120	-	-	-	-	-	282	
Man Kwok Kuen, Charles	文國權	162	-	120	-	-	-	-	-	282	
Total	總計	486	-	360	-	-	-	-	-	846	
		3,186	2,122	8,191	-	-	93	-	-	13,592	

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

33 董事利益及權益(香港公司條例(第622章)第383節、公司(披露董事利益資料)規定(第622G章)及香港上市規則規定的披露)(續)

(a) Directors' and chief executive's emoluments (continued)

(a) 董事及行政總裁酬金(續)

For the year ended 31 December 2015
截至二零一五年十二月三十一日止年度

Emoluments paid or receivable in respect of a person's services as a director,
whether of the Company or its subsidiary undertaking
就個人擔任董事(不論為本公司或其附屬公司業務)職務已付或應收的酬金

Name	姓名	Fees 袍金 HK\$'000 千港元	Salary 薪金 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Housing allowance 房屋津貼 HK\$'000 千港元	Estimated money value of other benefits (Note (a)) 其他利益的估計貨幣價值(附註(a)) HK\$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主的退休福利計劃供款 HK\$'000 千港元	Remunerations paid or receivable in respect of accepting office as director 就接受董事職務已付或應收酬金 HK\$'000 千港元	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking 就董事管理本公司或其附屬公司業務事宜的其他服務已付或應收酬金 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Executive Directors		執行董事								
Nie Guoming (Chairman)	聶國明(主席)	1,000	799	2,200	-	-	37	-	-	4,036
Lu Jie (Chief Executive Officer)	盧杰(行政總裁)	900	1,148	3,737	-	-	80	-	-	5,865
Li Wenjin	李文晉	800	-	2,200	-	-	18	-	-	3,018
		2,700	1,947	8,137	-	-	135	-	-	12,919
Independent Non-Executive Directors		獨立非執行董事								
Yip Wai Ming	葉偉明	120	-	100	-	-	-	-	-	220
Wu Min	吳敏	120	-	100	-	-	-	-	-	220
Man Kwok Kuen, Charles	文國權	120	-	100	-	-	-	-	-	220
Total		總計								
		3,600	1,947	8,437	-	-	135	-	-	13,579

Note (a): Other benefits include leave pay, share options and insurance premium.

附註(a): 其他利益包括支薪假、購股權及保險費用。

Notes to the Consolidated Financial Statements

綜合財務報表附註

33 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (continued)

(b) Directors' retirement benefits

None of the directors received or will receive any retirement benefits during the year (2015: Nil).

(c) Directors' termination benefits

None of the directors received or will receive any termination benefits during the year (2015: Nil).

(d) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2016, the Company did not pay consideration to any third parties for making available directors' services (2015: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

During the year ended 31 December 2016, there are no loans, quasi-loans and other dealing arrangements in favour of the directors, or controlled bodies corporate by and connected entities with such directors (2015: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: Nil).

33 董事利益及權益(香港公司條例(第622章)第383節、公司(披露董事利益資料)規定(第622G章)及香港上市規則規定的披露)(續)

(b) 董事退休福利

年內，概無董事已收取或將收取任何退休福利(二零一五年：無)。

(c) 董事終止僱傭福利

年內，概無董事已收取或將收取任何終止僱傭福利(二零一五年：無)。

(d) 就作出董事服務向第三方提供的代價

截至二零一六年十二月三十一日止年度，本公司概無就作出董事服務向任何第三方支付代價(二零一五年：無)。

(e) 有關以董事、受控制法人團體及該等董事的關聯實體為受益人的貸款、準貸款及其他交易的資料

截至二零一六年十二月三十一日止年度，概無有關以董事、受控制法人團體及該等董事的關聯實體為受益人的貸款、準貸款及其他交易安排(二零一五年：無)。

(f) 董事於交易、安排或合約中的重大權益

本公司概無就其業務訂立本公司為其中訂約方及本公司董事直接或間接擁有重大權益而於年終或年內任何時間仍然存續的重大交易、安排或合約(二零一五年：無)。

Five Years Financial Summary

五年財務概要

A summary of the published consolidated results and of the consolidated assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements and reclassified as appropriate, is set as below:

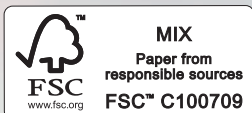
摘錄自經審核財務報表及按適用情況重新分類的本集團過去五個財政年度已公佈綜合業績及綜合資產與負債概要如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Results	業績					
Revenue	收入	2,914,842	2,870,794	2,373,272	1,472,488	1,313,330
Gross profit	毛利	1,261,994	1,092,490	864,866	541,129	464,187
Operating profit	經營溢利	689,093	657,973	463,194	266,190	223,256
Profit for the year attributable to the owners of the Company	本公司持有人應佔年內溢利	600,908	620,736	391,806	226,540	182,959
Financial position	財務狀況					
Assets and liabilities	資產及負債					
Total assets	總資產	4,433,063	4,080,199	3,334,313	2,832,808	2,193,760
Total liabilities	總負債	931,780	989,600	786,133	745,686	382,926
Capital and reserves	股本及儲備					
Total equity	權益總額	3,501,283	3,090,599	2,548,180	2,087,122	1,810,834



PAX Global Technology Limited
百富環球科技有限公司*

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